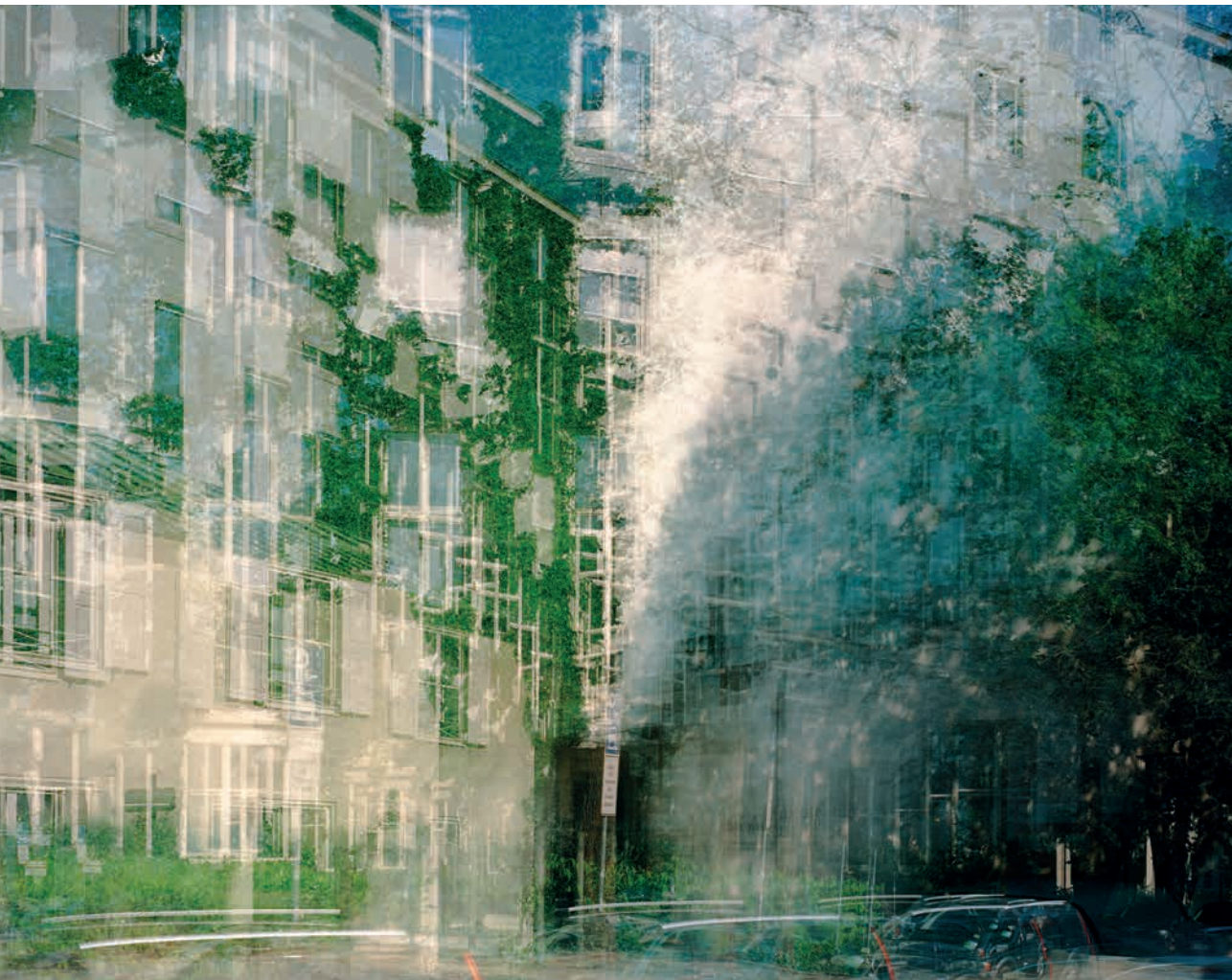


Rudolf Tschirbs · Werner Milert

# For a Europe of employees

The European history of co-determination  
at Allianz (1978–2018)





Rudolf Tschirbs – Werner Milert

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European co-determination at Allianz (1978–2018)

Published by Barbara Eggenkämper, Gerd Modert, Stefan Pretzlik

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## **PREFACE**

**by Oliver Bäte (CEO of Allianz SE)**

The idea for this book came from a valued colleague who himself personifies the history of European co-determination in the Allianz SE group. Rolf Zimmermann was an employee representative in various functions in the company for 47 years and became Chairman of the newly established European Works Council of Allianz in 2006. I was very happy to support his wish to work through and document the path from local to European co-determination. It is also his personal path and at the same time the path of our company. The establishment of a public limited company under European law, a *Societas Europea* (SE), in 2006 was an important milestone in our corporate history and a further step towards becoming a truly international group.

Since joining the Allianz Executive Board in January 2008, I have found the cooperation with the employee representatives within Allianz SE as well as within Allianz as a whole to be very constructive. Although the employers' and employees' parties sometimes naturally do not have the same opinion, the exchange is always characterised by the pursuit of the best solution for Allianz, for its customers and, of course, for its employees. Struggling together like this doesn't always make life easier, but it certainly makes the result better – and I value that very much.

Insurance and asset management work for and with people. We don't have big factory workshops or machines. Our most important "tools" are our employees. That is why it is good and right that our European Works Council has a special focus on issues that are particularly



important for our employees, such as health and safety at work, education and training as well as equal opportunities. Together we have achieved a lot here and we certainly want to continue on this path.

Our workforce is the central force driving Allianz's success with our customers – this is particularly evident in difficult times such as the current Corona crisis. It is not without reason that the people who fill Allianz with life are at the heart of our purpose statement "We secure your future":

"Since 1890, all around the globe, we at Allianz have been working hard to secure people's lives and to give courage to our customers for what's ahead.

**We are actuaries, advisors and service agents;  
engineers, lawyers, and technical experts; we are daughters and sons,  
mothers and fathers, accountants, investors and entrepreneurs  
– and together we are shaping our industry.**

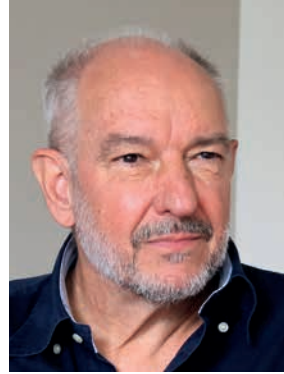
Because we know how important it is to have a fair partner at your side who provides solid and sustainable solutions, we strive to do it right - with passion, every day."



**Gabriele Burkhardt-Berg**  
Chairperson of the KBR



**Jürgen Lawrenz**  
Chairman of the  
SE Works Council



**Rolf Zimmermann**  
former Chairman of the  
SE Works Council

After the history of Allianz co-determination in Germany, we have now ventured into the topic of Europe, again breaking new ground. Allianz was a pioneer in the establishment of European companies (SE). It has now done the same in examining the challenges of European Works Council work.

The agreement reached with the employer—clearly stating that the economic success of the company is closely linked to the commitment and satisfaction of the employees—has certainly contributed to the fact that this study could be conducted under extremely favourable conditions. It is worth highlighting that Oliver Bäte has once again advocated for allowing the employee representative body to publish its story. For this, we would like to express our thanks and respect.

The historians were able to prepare the study on the development from 1976 to 2018 with the help of many contemporary witnesses. Historians and contemporary witnesses at one table—a fortunate and rare constellation.

The starting signal for the discussion on the need for European representation of interests came in 1976 from Euro-FIET—a federation of white-collar unions. It continued to provide development assistance in the coming decades, with the aim of building European Works Council structures to effectively influence management decisions at all levels, so that people are not defenceless and at the mercy of corporate interests.

**In the beginning there were many questions:** Do we want to develop European culture together or should we stick to national cultures? Will we succeed in shaping a new European house together and at the same time deal with the cultural and legal differences in the individual countries in an appreciative way? Can we develop the European Union in such a way that it becomes not only a Europe of companies, but also a Europe of employees?

This process was arduous, but the result is remarkable. Many barriers and an initial general refusal on the part of the employer had to be overcome. However, at the latest with the conclusion of the basic agreement on employee co-determination in Allianz SE, the construction of a common European social house has taken a huge step forward. This agreement constitutes independent legislation based on the outcome of negotiations between employer and employee representatives. A milestone in the design of the working world!

The exchange between the employee representatives during and between the meetings has been helpful and very confidence-building. The initial fear that the SE Works Council would interfere in the affairs of the local representation of interests has now given way to trust and cooperation. This became the solid foundation for a good cooperation, which is based on the conviction that it is worthwhile to resolutely strive for something new and universal.

The interaction with the management has also improved. Together we have reduced rigidity and mistrust.

### **In this sense, Euro-Works Councils are people who build that bridge!**

The SE Works Councils are not only fighting for a social European profile, which is a clear signal that the company's goal is more than just making a profit. They are also part of the peace construction "Europe", which is based on the hope that mutual understanding will be created through dialogue and economic exchange in order to contribute to avoiding armed conflicts in the future. European Works Councils must help to make positive aspects of Europe tangible. In doing so, they assume social and civic responsibility and contribute to ensuring that the EU does not fail. The interim balance is quite pleasing; but there is still a lot to do to continuously develop the "Allianz" – the alliance – into a "social enterprise".

For the future, we would like the employer to involve employees and their representatives in all change processes and planning because of the paramount importance of the employment relationship for prosperity and health. To this end, the "European Social Dialogue" will be rounded off and intensified by national and local social dialogues in all countries and societies. Thus, it supports the ongoing path of perceiving employees as social beings and not as a cost factor.

Defining binding excellent minimum standards for the quality of hardware and software and also reaching an agreement that digitalisation profits will also be used to secure jobs ultimately means alleviating fears of digitalisation. This way, it can be possible to relieve people of the fear of losing their jobs and thus make the change socially acceptable.

We would like to thank all those who have contributed to the preparation of this documentation. This is combined with the hope that the process documented here continues to develop so positively that there will be enough to report in a follow-up study.



## IN THE QUEST FOR EUROPEAN SOLIDARITY

In many respects, the 1980s and 1990s in Europe should be interpreted as a turning point. The historian Andreas Wirsching has rightly pointed out that “the path from the familiar interest structures and narrative categories of the terminated post-war European project has now led to a more confusing, pluralised, larger and, above all, globalised Europe”.<sup>2</sup> The collapse of the state socialist regimes in Central and Eastern Europe and the transformation that began there also caused considerable irritation to the long-established Western European identities.<sup>2</sup> For the parties involved, there was no question “that the fragile situation after 1989/90 required active participation and assistance from the West”. For pragmatic reasons, it seemed easier to focus on economic problems. Building a market economy in the post-communist states was seen as a common Western project. Eastern European countries affirmed their future affiliation by applying for membership in the European Union.<sup>3</sup>

The changes in the European political landscape, which were perceived as abrupt, were also met with longer-term crisis symptoms, especially in the Federal Republic of Germany. The social and fiscal repercussions of structural change since 1973 and globalisation had to be dealt with.<sup>4</sup> Industrial workers lost their position in the labour market, the skill requirements

of the new services industries increased. Unemployment and chronic national debt, declining birth rates and individualisation of lifestyles led to major challenges for the established welfare state. The enlarged Federal Republic also had to cope with the integration of the new federal states.

What were the socio-political realities at the end of the 20th century in Western Europe? There was a threat that the enlightened impetus of a “society of equals”, which had widely raised hopes for the future after 1945, could get lost in the unreasonable demands of turbo-capitalism, and the reference to the social common good was falling by the wayside.<sup>5</sup> For a brief historical period, with the retreat of the industrial economy since 1973 it seemed that the achievements of the European trade union movement were at stake all across Europe.<sup>6</sup> The lower degree of organisation in white-collar unions in the services sector did not initially give rise to any glittering hopes with regard to the traditional rules of co-determination from the heyday of the industrial economy. But it is one of the contradictions of the epoch that in the theoretical buildings of economic management, the conviction broke through at the same time that in the transition from an industrial society to a service- and knowledge-based society in the 21st century, competitiveness and sustainable corporate development depended less on the assertiveness of management in a global undercutting competition that wrested ever new concessions from the workforce in terms of working and employment conditions. Rather, it was about the ability to “bring together and mobilise globally as resources the knowledge assets that exist in diverse places around the globe in terms of markets, products, production systems and people”.<sup>7</sup> Short-term logics of action oriented to quarterly stock market reports did not lead to sustainable success in global knowledge management. Authoritarian, bureaucratic or technical claims of control and supervision against employees were put to the test. It was no longer possible to trust that market opening and competition alone would fix it. The disparity in the convergence of the markets resulted in distortions that noticeably impeded the integration process of the European Union.<sup>8</sup>

The diversity of trade unions in the process of European unification—ideological, party-political, sector-specific, status-oriented—nevertheless unmistakably indicated that the card of a strengthened trade union movement could not play the function of an ace of trumps in a “Europe of employees” to regulate the unleashed capital flows in the border-free economic area. However, it must be remembered that the German Trade Union Confederation (DGB) from the very beginning, i.e. from the early years of the Federal Republic, promoted Franco-German understanding and the foundation of the idea of Europe in a broad section of the population, and even conveyed a positive attitude towards economic integration.

In the more than three decades since its foundation in 1973, the European Trade Union Confederation (EGB) had developed from a barely noticed trade union bureau into an important actor within the European trade union landscape.<sup>9</sup> Initially socialist or social democratic in orientation, it eventually also showed itself open to Christian and in principle also to (ex-)communist trade unions. Moreover, since the early 1990s, the integration of white-collar and academic unions has also been successful. However, considerable diversity remained because of the sheer differences in size of the unions, because of the spread in the degree of organisation from 80 to 8 per cent, because of divergent national systems of industrial relations, because of language differences



Logo of the European Trade Union Confederation.

and, finally, because of the eastward enlargement of the European Union (EU) to include the east-central European states since 1990. The core business of the trade unions therefore remained the nationally bound collective bargaining policy with the struggle for higher wages, shorter working hours and for the humanisation of the world of work. These were scenarios that stopped at national borders. A European collective bargaining policy was undesirable for business associations, especially as it would have rendered the advantage of segmenting

Europe into high-wage and low-wage countries obsolete. But this, from the trade unions' point of view, was the meaning of globalisation for the business associations, which was not only affecting Europe, but all parts of the world.

In the wake of eastward enlargement, a pull towards low labour standards and little regulation developed in the 1990s, and the EGB was left with the dilemma of being chronically underfunded by the members; this perpetuated the structurally-based European policy paralysis of the EGB, which was intensified by the sceptical attitude of the British Trade Union Congress (TUC) and the Scandinavian trade unions towards the EU.<sup>10</sup> Thus, trade unions have been attributed a rather reserved or reactive behaviour with regard to European integration. They were seen as latecomers who had only hesitantly crossed the national space.

In fact, the realisation of the European Single Market had progressed between 1987 and 1992 through the *Single European Act* of 1987. The four guaranteed fundamental freedoms – the freedom of movement of goods, the freedom to provide services, the freedom of movement of capital, the freedom of movement of persons – were, however, matched by mere declarations of intent on the social policy terrain; thus § 130a stated that the Community would continue to pursue “a policy of strengthening its economic and social cohesion” and that the Commission would endeavour to develop “dialogue between the social partners” (§ 118b).<sup>11</sup> A “Community Charter of the Fundamental Social Rights” adopted in Strasbourg in 1989 merely took the form of a “solemn declaration”.

A “social Europe”, as envisioned by Jacques Delors, President of the European Commission from 1985 to 1995, was a long way off in the early 1990s; the sceptical attitude of the German philosopher Jürgen Habermas, “that the markets are running away from the possibilities of political design”, seemed to prove true.<sup>12</sup> One can formulate the initial problem as expressed by the social scientist Hermann Kotthoff: if, in the course of the economic integration of Europe, more and more companies have branches in more than one country, then a possibility had to be created for the employees of these foreign branches to come into contact with the management in the company headquarters, whose decisions massively affect them, and to have a voice in these decisions.<sup>13</sup> But here, as in the broad spectrum of national trade union federations, the problem was how to build a bridge between countries with a long tradition of cooperative employee representation and those that felt attached to the rituals of confrontational representation of interests. The fact that this succeeded – Kotthoff speaks of a 20-year legislative process in which there was a surprising turnaround “on the last metres”, so to speak, in 1994 – sufficiently indicates how labour-intensive the existing initiatives for a “Statute for a Social Europe” had been.



Celebration of the Czech Republic's accession to the EU in Prague on 1 May 2004.

In 1980, a draft by the Dutch Social Democrat, Henk Vredeling, Commissioner for Employment, Social Affairs and Inclusion, failed, although it had been signed by all 14 EU Commissioners. This involved the obligation of a central group management to inform the local management at the European locations every six months about the company policy and its effects on the employees, "so that it can serve as an informed corporate policy contact for the existing national employee representation at the respective location".<sup>34</sup> Employers' associations, the British government under Margaret Thatcher as well as the US government massively intervened in a defensive front, and even most national trade unions did not yet like to break away from the dogmas of their organisational traditions.

Although 10 years later the so-called *Social Policy Protocol* of the Maastricht Treaty initially failed—it provided for the principle of social dialogue instead of harmonisation of participation rights through minimum provisions—the Commission presented the 1991 draft again in April 1994 in a slightly modified form.<sup>35</sup> It passed after brief consultation and was adopted on 22 September 1994 as "Council Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees".

However, the European committees were not only driven by the imbalance between economic and socio-political European unification, but also by the emergence of voluntary European Works Councils (EWC) in some 40 large companies. The first three were the French companies

Thomson Grand Public (1985), Bull (1988) and Rhône-Poulenc (1990), where “comités de groupe” (group committees) were set up.<sup>16</sup> These information committees were established in public or state-owned companies. But it was also new management concepts as a result of economic-technological developments that aimed to promote a European corporate identity among employees and their trade union representatives. Moreover, at the insistence of the European trade unions, the European Commission launched a budget directive that approved EU funds to pay for international meetings of employee representatives from Member States. On this financial basis, hundreds of meetings of Works Councils and trade unionists took place all over Europe. Thus, the reservations of the nationally-oriented trade unions gradually diminished, especially as it became obvious that the right to strike threatened to become a blunt weapon in the transnational European labour market. Such insights were combined with a generational change not only in the trade union headquarters but also in the European committees.



Philip Jennings, FIET General Secretary since 1989, UNI General Secretary since 2000 (Global Union).

### **Trade union obsterics for a FIET Allianz Group Committee**

From the beginning, the history of co-determination at Allianz has been a mirror image of the history of co-determination in Germany. This applies first of all to the difficult start in the era from 1890 to 1920. In the Weimar Republic, stable labour relations were formed.<sup>17</sup> After the destruction of the co-determination culture after 1933, it was possible after 1945 to re-establish a fairly solid cooperation between the Management Boards of the sub-units and the elected representatives in the paths of the Works Constitution Act of 1952 and the Co-determination Act of 1976. Of course, serious phases of crisis were not absent, for example when Wolfgang

Schieren, Allianz CEO since June 1971, threatened in September 1974 to end the cooperation with the work group of the central Works Councils.<sup>18</sup> This was also related to the emergence of a new, young and highly qualified generation of employees who showed an increased commitment to trade union politics.

The years since 1974, under Wolfgang Schieren’s leadership, have been marked by extensive internationalisation, not only in the European markets, but also by expansion into the USA, South Africa, the Middle East and South America.<sup>19</sup> In 1985, it was decided to transform Allianz Versicherungs-AG into a financial holding company whose three divisions, Allianz Europe, Allianz North America and Allianz Overseas, gave expression to the course of internationality. The acquisition of shares in the Cornhill insurance company in the United Kingdom (UK) and the Italian Riunione Adriatica di Sicurtá (RAS) led to further changes in the holding structure, so that the Europe division was split into the Southern Europe and Northern Europe divisions due to the considerable amount of support required.



The expansion of the European internal market after the collapse of the socialist planned economy and the new view of the future market potential in Eastern Europe – this was the panorama of the future that Wolfgang Schieren left to his successor, Henning Schulte-Noelle, in 1991. The international financial services provider Allianz, whose global balance sheet already in 1989 showed a total of 158 companies, 129 of which were foreign, and whose foreign share of the group's total turnover was 40 percent, seemed economically well equipped for global challenges. However, senior managers had paid virtually no attention to the growing problem of how to deal with the labour relations that had so far proved so successful in Germany in this brilliantly positioned empire. The disproportionality of economic and socio-political growth was not only insufficiently perceived in the boardroom, but it was also suppressed over a period of twelve years.

But meanwhile, behind the scenes of the European Union (EU), the European trade union movement played an intense role. This was exemplified by the policy of EURO-FIET, the European regional organisation of the International Confederation of Private Employees, founded in 1972. The position of its General Secretary was held by an Austrian, Heribert Maier from 1973 until his retirement in June 1989. He was succeeded in 1989 by a Briton, Philip Jennings. The Geneva-based FIET (French: *Fédération internationale des employés, techniciens et cadres*) was a services sector trade union organisation representing nine million members in 315 unions from 100 countries at the time. At the end of 1999, through mergers, UNI Europa emerged. The membership of 11 million in 1994 already indicates that it was a multi-sectoral federation made up of a variety of different service sectors (financial services, commerce, postal services, telecommunications, cleaning and security services), which also maintained a Secretariat in Brussels.<sup>20</sup> The Europeanisation of group-related Works Council policy pursued by FIET also aimed to use the EWC as an instrument for representing trade union interests.

As early as 1978, FIET established a FIET Allianz Group Committee.<sup>21</sup> According to a memorandum, several unions from the countries where Allianz operated were represented within this Committee: "The committee's main task is to monitor the international development of the group with regard to the effects on employees and trade unions." Initially, the German Salaried Employees Union (DAG) was in charge through its national trade group leader Heinz Offermann, while the trade union HBV (Trade, Banks and Insurances) did not participate at first. From the German side, the chairpersons of the central Works Councils (GBR) of Allianz Versicherungs-AG and Allianz-Lebensversicherungs-AG always took part, i.e. Gerhard Claasen and Ulrich Hahne. Labour Director Franz Link joined the organisation as a guest and discussion partner. From 1984 onwards, they met not only every two years, but often annually. When the RAS was held in Milan in March 1987, the HBV also participated for the first time, with Ulrike Mascher (Works Council Chairperson of the Allianz Munich Head Office) joining the team with Günther Scheu (GBR Chairperson of Allianz Versicherungs-AG) and Ulrich Hahne from the DAG. During these years, the Allianz Executive Board was represented by Peter von Blomberg as Labour Director



Heribert Maier was General Secretary of FIET (International Federation of Private Employees) from 1973 to 1989.



Günther Scheu, (1955–1999);  
Works Council since 1965, 1977–1998  
GBR, 1981–1999 Supervisory Board  
Allianz Vers.-AG; FIET-Allianz Group  
Committee (1984–1997).

or Detlev Bremkamp, Member of the Executive Board for the Northern Europe Division, in addition to specialist advisors from the General Management. Finally, in November 1991, again in Milan, Rolf Zimmermann appeared for the DAG alongside Scheu and Hahne and, on the HBV side, Works Councillors from the Deutsche Versicherungs-AG such as Renate Trampenau (DAG) alongside Norbert Blix, Michael Krynitz and Karl Miller. From the non-German Allianz national companies, representatives from France, Spain, Great Britain, Portugal and even delegations from the USA were present.<sup>22</sup> Rolf Zimmermann and Karl Miller, both of whom were full-time Works Councillors from Allianz in Frankfurt, were among the personalities who were to play a decisive role in shaping European Works Council work at Allianz in the years to come. What was remarkable about the FIET-Allianz Group Committee was without question that the German national GBR chairpersons included the European dimension of their activities in their perspective from the very beginning, thus taking the sting out of any conceivable competition between national and future European employee representation. There were no costs or expenses for Allianz, apart from the time off for the two-day meeting.<sup>23</sup> Travel expenses were

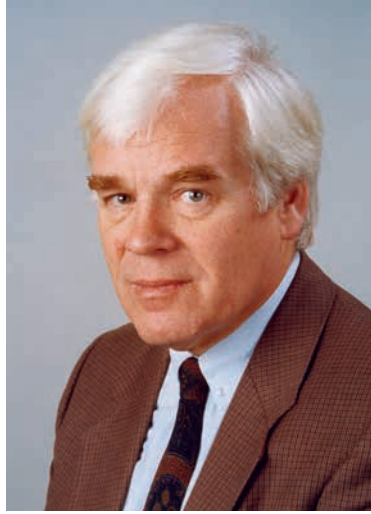
covered by FIET and the trade unions. In 1988, Heinz Offermann was succeeded as chair of the group committee by Gerhard Renner, who had been a member of the DAG National Executive Board since 1987, responsible for insurance, among other things, and was subsequently a member of the Supervisory Boards of Allianz AG and Allianz Versicherungs-AG.

In June 1989, the last summer before the collapse of the Iron Curtain in Europe, the annual meeting of the *FIET Group Allianz Committee* was held in Bishop's Stortford near London.<sup>24</sup> German delegates included DAG trade unionist Gerhard Renner, as well as Scheu, Hahne, Rettberg (all three from DAG) and Ulrike Mascher, Norbert Blix and Karl Miller from HBV. They were joined by two Austrian colleagues, two Britons, including Jim Osborne, ten Italians, including Riccardo Billi as Vice-Chairman of the Committee and Sergio Tasselli, as well as Armando Santos from Portugal. The trade unionists present, the majority of whom were themselves employed in the group companies, were particularly interested this time in "the extent to which Allianz influences the decisions of the local management in the individual countries and what the consequences are for the social situation of all group employees". Allianz member of the Executive Board for Northern Europe, Detlev Bremkamp said in his presentation that Allianz was currently "one of the most influential insurance companies in the world", but at the same time he stressed that the local management of the controlled companies would be given wide latitude: "from an economic point of view, it is desirable that local businesses retain their autonomy". Bremkamp therefore rejected formalised relations, "but continued to declare the Allianz's willingness to engage in social dialogue on an informal level". The FIET Group Committee nevertheless did not refrain from "seeking information from Allianz at European level and making arrangements for consultations".

In the course of the conference, the criticism of the Allianz employee representatives was increasingly directed against the European policy of liberalisation on the European market



Franz Link, as personnel executive of Allianz Vers.-AG and in the employers' association negotiating partner of the employees from 1972 to 1985.



Peter von Blomberg, member of the Executive Board of Allianz Vers.-AG and head of human resources from 1987 to 1991; Negotiator on the employers' side.



Detlev Bremkamp, Member of Allianz Executive Board AG, Europe and International Business, since 1991, and negotiator on the employers' side.

and the intensified competition for customers and market shares for the insurance companies: "The diligence of the European commissions with regard to the internal market relates almost exclusively to the creation of the desired economic area, while the social concerns of employees have so far been given far too little attention." Therefore, regulations were demanded at the EC level that obliged insurance companies not to dismantle protection standards, to recognise collective bargaining agreements, to respect existing works constitution systems and to hold regular discussions with employee representatives on employment development and further training opportunities: "in a new Europe, there must also be room for more democratic co-determination." Finally, a resolution of the "Euro-FIET Group Committee for the Allianz" in spring 1994 stated: "we are all challenged to think and act big. These are the signs of the times. Prevention of the European dialogue with the employees by the Allianz companies would be a terrible document of an outdated time spirit. If you want to win the future, you have to venture into new areas and to do so you have to ensure the agreement and willingness to cooperate of all those involved."<sup>25</sup>



Ulrich Hahne, Chairman of the GBR and Supervisory Board Allianz Leben (DAG) from 1978 to 1988, supports the EURO-FIET Allianz Group Committee.



Riccardo Billi, a representative of RAS and the CISL union, was deputy union leader from 1988 to 1996. Vice-Chairman of the EURO-FIET Allianz Group Committee.

## Executive Board in Wagenburg

For the time being, however, the efforts of the FIET-Allianz Group Committee played out outside the perception of the Allianz CEO. In a letter from Wolfgang Schieren to the Labour Director Franz Link dated 20 December 1983, it says the following: "By chance, I learned that FIET is an arguably trade union-driven international body that aims to facilitate contacts between Works Councils across national borders. A sub-group—steered by DAG Hamburg—gathers Works Council members from Allianz, Allianz Leben, Wiener Allianz, Anglo Elementar at least once a year." Schieren's scepticism was also echoed by Peter von Blomberg, the personnel executive appointed in 1987. In 1987, in Milan, he stressed to the Committee: "we do not want to consider this circle as a formal discussion or negotiating partner for personnel or social policy matters of our affiliates". The company's personnel and social policy was—within the given autonomy of the company—a matter for the respective subsidiary. Therefore, there is no reason for international talks or negotiations on working conditions or social benefits in the European Allianz companies.<sup>26</sup> The Blombergs' note of 18 April 1989 was significant as it stated: "we do not wish to engage in the FIET's intention to come to a formal agreement on regular talks, but—as long as it seems convenient to us—we want to maintain informal and voluntary contacts".

Accordingly, von Blomberg reacted negatively to a proposal elaborated by the chair of the committee, Gerhard Renner of the DAG, to set up a FIET-Allianz Liaison Committee, consolidated in the articles of association.<sup>27</sup> In Renner's draft, however, the emphasis was clearly on trade union policy, so that representatives of the management of Allianz and its subsidiaries were to stand opposite the representatives of the FIET and its affiliated organisations in the committee, namely "representatives of the FIET and its affiliated organisations which cover Allianz and its subsidiaries in trade union terms". It should not be a collective bargaining body: "The liaison committee is to be informed about the commercial, financial and structural developments of Allianz." At the Holding Executive Board meeting on 2 June 1989, von Blomberg's position was reiterated. The management's contribution to the committee meetings should still be to "give the Works Councils time off to attend the annual meeting".<sup>28</sup>

Starting in 1991, under the CEO Henning Schulte-Noelle and Labour Director Ihno Schneevoigt, there was no fundamental change in the management's defensive strategy when—taking note of the Social Policy Protocol of the Maastricht Treaty—internal correspondence was directed against the "installation of a European Works Council in any form". Schulte-Noelle even complained "that the meeting of the Works Councils in Milan apparently could not be prevented".<sup>29</sup> However, he was realistic in this regard, which is evidenced by his assessment that "one can probably not trust in the long run that the adoption of a European social order, already planned for Maastricht, will be blocked by Britain's veto".

Actually, the Allianz Executive Board should have allowed itself to be shaken in Wagenburg not only by the general European political situation, but also by the changes taking place in the Federal Republic, both at the governmental level and in other large corporations. The UK's



Gerhard Renner chairs a meeting of the EURO-FIET Allianz Group Committee in Lisbon.

blockade against the adoption of an EC directive was out of the question. The foreseeable abandonment of the unanimity principle in the European Commission (EC) crushed the hopes of the employers' side. Meanwhile, CDU Labour Minister Norbert Blüm publicly applauded Bayer CEO Hermann-Josef Strenger for making the Leverkusen-based company one of the "pioneers" of cross-border employee representation with the "Bayer European Forum", which met for the first time in March 1992. "The fact," says Blüm, "that the Works Constitution Act ends at the German border can lead to considerable problems in protecting employees' interests."<sup>30</sup> In contrast, at a Bundestag hearing the Federal Organization of German Employers' Associations (BDA) had warned of a "blockade of company decisions", while Daimler-Benz labour lawyer Hans-Ulrich Bächle expected considerable cost explosions simply because of the need to employ 72 interpreters to cover the nine languages required to carry out the works of the European Works Council. In the same hearing Siemens AG warned against foreign trade unions, "which are generally less committed to the idea of partnership".<sup>31</sup>



Jim Osborne, British Cornhill and MSF union representative on the EURO-FIET Allianz Group Committee and on the AEC until 2006.



Heinz Offermann (centre left) chairs a meeting of the collective bargaining commission in the 1980s (front right: Günther Scheu).

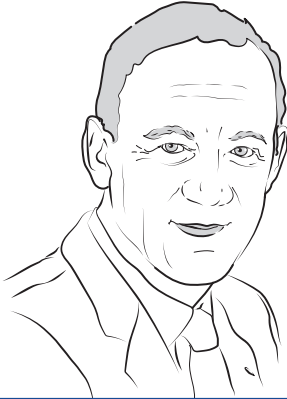
In the meantime, the magazine *Capital* had become a discussion forum on the pros and cons of the "European Works Council". In the third issue of 1992, an in-depth interview with VW's personnel executive, Martin Posth, under the title "No future for no-goers only", paid tribute to the trend towards the European Works Council.<sup>32</sup> In response to the comment that such representation appeared to be a spectre, especially to the employers' associations, Posth replied that the problems in international competition, especially the Japanese offensive in Europe, which had already begun, would not be solved by polarisation, but rather by constructive cooperation. A reasonable information and consultation process with employee representatives in Europe, at VW for example in Spain and Belgium, would lead to the disclosure of decision alternatives and to serious consequences for the personnel policy. The earlier the European employee representatives are involved, "the more understanding can be developed for such decisions".

These submissions were within the traditional framework of the transaction theory argument that the Works Council as a representative body has the advantage of constituting a clearly defined, single point of contact. This means that information does not have to be communicated in laborious individual discussions, and coordination processes do not have to be negotiated between management and individual employees. Coordination efforts and, consequently,

transaction costs can be reduced in this way, while, in the alternative case, monitoring and control costs would increase.<sup>33</sup> Posth's statement was also to be understood in this way: "If the European Works Councils did not yet exist, we would have had to invent them." Even if such considerations did not exude an excessive sense of urgency in the Allianz management, especially as they rightly believed themselves to be in the fast lane in the internationalisation competition, Martin Posth's strategy of "constructive cooperation" could also have been an example for Allianz. In response to the question of whether such committees would "under certain circumstances delay decisions through their right of consultation", for example when thinking of the Skoda acquirement by VW, Posth was able to point to an issue that would become of considerable importance in the Allianz's upcoming major acquisitions in Europe: "At Skoda, it was precisely because of our pronounced social partnership that we came into the picture, and that tipped the scales in our favour."<sup>34</sup>

At the board meeting of Allianz on 21 February 1992, Labour Director Schneevoigt reported on the plans of the EC Commission for the binding establishment of a European Works Council, which the federal government, in contrast to the employers' associations, had endorsed. Schneevoigt's reservations expressed there found their way into a letter from the Employers' Association for Insurance Companies and the Employers' Association for the Private Banking Industry to Federal Labour Minister Norbert Blüm on 12 May 1992.<sup>35</sup> The aim of the submission was the request "not to approve the previous Commission proposal". An "irresponsible paralysis of corporate decision-making processes associated with the EWC Directive as well as the organisational and cost expenditure, which is no longer in proportion to the desired information purpose, should make you more than thoughtful". Just how delusional Schneevoigt's assumption was that the decision had not yet been taken was demonstrated by an article in *the German business weekly (Wirtschaftswoche)* of March 1991, which can be found in Schneevoigt's files; it referred to the fact that the European Commission had made available about 10 million Marks for that year, and as much as 35 million Marks for the following year, for the establishment of an EWC. Ihno Schneevoigt merely promised Gerhard Renner on 11 September 1992 to attend a committee meeting on 15 December in Lisbon, at the same time denying the legal obligation to be present at the meeting. The Chairman of the Supervisory Board, Wolfgang Schieren, pointed out to the CEO, Henning Schulte-Noelle, in view of the next FIET meeting in Frankfurt in November 1993, that "this internationally-oriented trade union activity" was only about "demanding the benefits for employees achieved in one country to also be valid in another country as well".<sup>36</sup>

On 29 October 1992, Ihno Schneevoigt reported in a note intended for the Executive Board regarding the preparations for the annual meeting of the FIET Allianz Group Committee on 14–15 December 1992 in Lisbon.<sup>37</sup> Here he admitted the futility of efforts to enlist the federal government against the European plans. Also because of the active cooperation of German companies with their international Works Councils, it seemed to him, as with comparable contacts in Italy, Austria and France, that the development was unstoppable, so that they wanted to keep in touch with FIET and Gerhard Renner: "I am convinced that it is a matter of prudence to know what the 'opponent' is doing and thinking, so as not to leave developments that are taking place anyway entirely unattended." Therefore, the defensive stance remained in Lisbon,—even the establishment of an "informal committee" was rejected.<sup>38</sup>



**Heinz Offermann (1925–2011)**

**Supervisory Board of Allianz Vers.-AG and Allianz AG from 1978 to 1988.**

Head of the Federal Professional Group Insurances of the German Salaried Employees Union (DAG).

1963–1987: Chairman of the DAG Collective Bargaining Commission for the Private Insurance Industry.

Until 1987: Member EURO- FIET Insurance Section.

1978–1988: Spokesman of the EURO-FIET Allianz Group Committee.

One year later, on 15/16 November 1993, the committee met in Frankfurt under the leadership of Gerhard Renner for the eleventh time. About 35 trade unionists and Allianz Works Council members from about eight European countries took part, with the German participants making up the majority with eight Works Council members. In his report to the Chairman of the Supervisory Board, Wolfgang Schieren, Allianz CEO Schulte-Noelle sought to turn back the wheel of history a little.<sup>39</sup> Through the business federation, an attempt had been made to influence the Federal Ministry of Labour: “However, we had to note that the German government positively supports the European Commission project to introduce a European Works Council. The only hope here is that English people will not let up in their opposition to this project and thus continue to block it as they have done so far.” The stubbornness of the Allianz management eventually led to the European Commission setting the pace for the establishment of a European Works Council. By the time the EWC Directive was adopted in September 1994, as mentioned above, French state or public corporations had preceded it between 1983 and 1990, and for Germany a change of strategy by IG-Metall in 1992 had made the VW combine Works Council possible.<sup>40</sup> The German collective bargaining partners in the chemical industry had agreed on a framework agreement in August 1990, so that European dialogue committees were established in a short time in all large German chemical companies. By 1994, the number of voluntarily formed EWCs had grown to 49 across Europe.

When the Joint Council approved the proposal for a European directive “on the establishment of a European Works Council” in June 1994, Schneevoigt hastened to suggest internal consequences for the group in a letter to Henning Schulte-Noelle and Roberto Gavazzi, the head of the Europe division:<sup>41</sup> “In my opinion, this should encourage us to at least

keep the arms length distance to the FIET Commission. If a European regulation came, this body would certainly be a nucleus with which we would also have to discuss an Allianz-specific committee.”

Gerhard Renner, on the other hand, saw the end of the stalling tactics of the Allianz Executive Board. In a letter to Schneevoigt as of 23 August 1994, i.e. one month before the adoption of the Directive on 22 September, he invited, with recognisable self-confidence, not only Ihno Schneevoigt and Roberto Gavazzi but also Henning Schulte-Noelle to that year’s meeting of the Committee in Barcelona.<sup>42</sup> Renner’s differentiated proposal for the board representatives’ remarks to the committee deeply interfered with the previously cultivated style of non-binding nature with which the participating representatives from the Labour and Social Affairs board had demonstrated their distanced benevolence towards the representatives of the workforce from all Allianz countries. For example, the state of development of Allianz worldwide was addressed, along with considerations regarding future Allianz strategy, taking into account new locations, strategic alliances as well as new products and distribution channels, planning



of Allianz development in the central area and the resulting influence on decentrally operating units, e.g. coordination of accounting, IT, product conception and information on organisational and technical changes and their effects on people within the company (e.g. teleworking). At the same time, Renner asked for the reimbursement of travel expenses also for colleagues from Eastern Europe, e.g. Poland, Hungary and the Czech Republic.

Schneevoigt and Gavazzi suggested that the Head of Allianz, Schulte-Noelle, should not attend Barcelona.<sup>43</sup> "Expert representatives from the second row", on the other hand, could be brought in in later years, if necessary, "if we think that is right". In view of the historical constellation in Europe, it was a sign of considerable short-sightedness to deprive a workforce that was to be faced with increased efforts in the integration of colleagues in Central East Europe in the following years of a European decision-making committee. This is because, as a result of the political opening of Eastern Europe since 1989, Allianz acquired Hungária in Budapest even before it either took over state-owned companies or founded new companies in the Czech Republic, Poland, Romania, Slovakia and Russia.<sup>44</sup> Allianz had already taken over the GDR's state insurance company in 1990. Thus, the unexpected opportunity of a large-scale European economy had arisen, by peaceful means and with the great approval of the target countries. But was the German insurance export, which promised security and predictability for hundreds of thousands of people, to become a purely economic deal without delivering on the promises of democratic participation from the West? At stake was the possibility not only of building European identity among Allianz employees, but also of contributing to the establishment of a democratic foundation for Europe as a whole. Here, Allianz could have stood out as a beacon, not as a driven force, also due to its positive experience with the group's internal Works Council committees. Instead, one week before the Commission directive came into force, the only thing that happened was that the Chairman of the Supervisory Board, Wolfgang Schieren, wrote a note to the CEO about the European Works Councils: "I myself have always opposed this institution, as it ultimately only costs a lot of money."<sup>45</sup>



## THE PHASE OF ENFORCED VOLUNTARINESS

After decades of failures of a European policy for European workplace participation rights, the 1994 breakthrough was quite surprising. When the European Directive 94/45/EC was adopted on 22 September 1994, it was able to have a great political impact.<sup>1</sup> As in the history of German works constitutions and co-determination, with its striking dates in 1920, 1922, 1951, 1952, 1972 and 1976, here too there was a need for a superordinate intervention in a socio-political scenario.<sup>2</sup> Of course, what was needed here was not a state legislator who introduced a compulsory agreement through social laws, but a supranational authority that intervened in a diverse European participation landscape.

The Directive refrained from aiming at a uniform model of information and consultation: "The paradigm shift from material specification (as in the Vredeling proposal) to simple processualisation gives the actors every opportunity to give free rein to their imagination and to agree on the concept that best suits the respective group and company structure."<sup>3</sup> For example, it was avoided to impose the model of one country on the other member states. The parties were given three years to reach an agreement. Fallback regulations were the necessary threat potential in the hands of the employees' side. In Article 1, the information and consultation of employees



In 1986, Allianz bought the British Cornhill Insurance Company Ltd. (office building in London).

in companies operating across the Community was made mandatory; a committee for the exchange of opinions and the establishment of a dialogue with central management was made mandatory.<sup>4</sup> A special negotiating body (SNB) had to be elected by the employees. For this and for the EWC to be formed, the members received their legitimation through election by the workforce, delegation by the national Works Council or delegation by company trade unions. The parliaments of the EU Member States had to enshrine the directive in national law.<sup>5</sup> Article 6 provided for the topics of locations, composition, powers, frequency of meetings, financing and duration of the EWC, which was to comprise a minimum of three and a maximum of 30 members. If no agreement was reached, Article 7 entered into force with "subsidiary requirements". The EWC was not a Works Council in the German sense, which had far-reaching participation or co-determination rights.<sup>6</sup> But the provision in Article 9 indicated: "The central management and the European Works Council shall work together with the will to reach an understanding, respecting their respective rights and mutual obligations" that the Directive was a plea for the cooperative-participatory form of employee representation that was common in the Federal Republic of Germany, Holland, Austria and Scandinavia.



Roberto Gavazzi was Vice-President of RAS and on the Board of Allianz AG from 1994 to 1997.



Ihno Schneevoigt was Allianz's Personnel Executive and Labour Director from 1992 to 2003.



Henning Schulte-Noelle was CEO AG from 1991 to 2003 and subsequently its Chairman of the Supervisory Board until 2012.

The procedural solution with its dynamic character was given the sign of "enforced voluntariness". The EU had thus acted like a "modern educator" with sociological imagination.<sup>7</sup> It is astonishing that subsequently Great Britain, which had no Works Council committees, became the country with the highest EWC density. EWCs in countries like France were organised as "joint bodies", i.e. with the company patron as chairperson. In Germany, these committees consisted only of employee representatives elected by the GBR or KBR.<sup>8</sup> A primary election, for example in a staff meeting, was not foreseen here. The German type was common in only one third of EWC. The trade unions, which had acted as drivers, retained the important function of advisors and participants. From a German perspective, the EWC provided for in the Directive, with its rights to "information and consultation", was rather a "lightweight", and for the conflictual traditions of the Southern Europeans rather a "fall from grace".<sup>9</sup> Just three weeks after the Commission directive was issued, the Allianz Executive Board was "against starting negotiations at this stage" and followed Schneevoigt's proposal for a "dilatatory negotiation procedure". Roberto Gavazzi still feared that with regard to the Southern European countries – where trade unions are strongly politically coloured and, on the other hand, participation rights are less pronounced – "such negotiations would dangerously strengthen the positions of employee representatives".<sup>10</sup>

Meanwhile, the DAG and HBV unions pressed for a specific timetable. On 27 April 1995, Gerhard Renner, as Chairman of the Euro-FIET Allianz Group Committee, requested a meeting with Ihno Schneevoigt, in memory of the annual meetings, in order to be able to "enter into a concrete agreement phase in good time".<sup>11</sup> The committee had already formed a small working group of four or five people for this purpose. Schneevoigt replied with the reservation that the Commission Directive had not yet been transposed into national law.<sup>12</sup> However, the "loose

relationship” with the committee could be used “to explore the conditions under which it would be beneficial for the company and its employees to install a European committee in advance of a legal regulation”. Ewald Schulte of the principal Executive Board union’s main executive board also rushed to position himself for a discussion at the end of May: “in view of the well-known European challenges ahead of us, the formative potential of the European Works Council in Allianz is necessary. The European Works Council is an indispensable building block on the road to a social Europe.”<sup>13</sup> In his reply to Schulte, Schneevoigt spoke of “a certain reluctance” towards the establishment of a European committee, but did not want to close his mind to “informal contact”. Talks should be held “on a small scale”.<sup>14</sup>

The FIET Committee meeting in Berlin on 25/26 September 1995 focused on the discussion of the implementation of the Directive. About 50 participants from eleven countries were present. The FIET Committee envisaged a negotiating commission made up of several Allianz countries.<sup>15</sup> The management committees of Allianz still did not fully understand the advantages that had accrued to the group through the voluntary establishment of an EWC—while avoiding a statutory fall-back regulation. The FIET headquarters in Geneva under its long-standing head Philip Jennings, the leading German trade union officials from the DAG (Gerhard Renner) and HBV (Ewald Schulte), the organisational and substantive support from the work group of the Allianz general Works Councils at the annual meetings and finally the practised cooperation of Works Councils and trade union delegates in the FIET Allianz group committee guaranteed a potential of experience that enabled a speedy negotiation procedure. Employee representatives had long been aware of the differences in their national co-determination cultures and collective bargaining systems, and so ideological reservations from the national organisational arsenals did not have a disruptive effect either in Berlin or in the coming negotiations.

This was true for the 14 Italian representatives, most of whom were members of the commercial federations of the Catholic CISL (*Confederazione Italiana Sindacati Lavoratori*) and those of the formerly communist CGIL (*Confederazione Generale Italiana del Lavoro*) for the British representatives of the MSF (Manufacturing Science and Finance), white-collar federation, who were in the process of recovering from attacks by Margret Thatcher’s Conservative British government, for the two French delegates who had experience in the comités d’entreprises chaired by the head of the company but had considerable workplace strike rights, for the four grassroots Spanish representatives led by Núria Jubany of the Comisiones Obreras (CCOO) or for the two Hungarian delegates who had been largely unaware of workplace voice under state socialism.<sup>16</sup> Some of them had already participated in the FIET Group Allianz Committee meetings under the leadership of Heinz Offermann (until 1988), who, with the help of FIET at the time, had called in up to nine interpreters and had the minutes and working papers



**Gerhard Renner**  
**Supervisory Board**  
**Allianz Versicherungs-AG**  
**from 1988 to 1993 and**  
**Allianz AG from 1988 to 2001.**

Banker and business economist (IHK).  
1969–2001: full-time trade unionist.  
since 1987: Member of the DAG Federal Executive Board.  
1988–1996: Spokesman of the EURO-FIET Allianz Group Committee.  
from 2001: Managing Director of verdi asset management and Spokesman of the Board of Deutsche Angestellten-Wohnungsbau-gesellschaft-AG.

translated into five national languages. For Gerhard Renner, the aim was to “familiarise people with the directive”. Renner was therefore able to speak of “pleasant memories” of the Berlin conference in his summing-up letter to Craig Hill at FIET in Geneva. His proposed amendments to an existing “model agreement” related to the rotation (*at least once a year*), a four-year mandate period, the rejection of an annual executive board change, the right to invite experts, protection against dismissal for EWC members and the exclusion of employer representatives on the EWC.

For his part, Labour Director Schneevoigt reported to the Allianz Executive Board that the FIET Commission had decided to “assemble a negotiating commission from several Allianz countries with the mandate to conclude a voluntary agreement with us”.<sup>17</sup> He himself had declared, and here he was obviously simulating a non-existent decision corridor, “that the company was prepared to sound out with this negotiating commission whether a voluntary agreement was possible, which could contain advantages or simplifications compared to the legal procedures both for the company and for employee representation”. The FAZ summarised the quintessence of the board’s tactics in the headline of a report on a conversation with Schneevoigt: “Why Allianz is reluctantly setting up a European Works Council.”<sup>18</sup> Afterwards Schneevoigt feared that “the European Works Council could become a general complaints committee”. The basic



The Treptowers in Berlin, completed in 1998, with the artwork “Molecule Man” by Jonathan Borofsky in the foreground.

tenor of the board's stance emerged from the title sentence: "compelled by the European directive."

The working group of the Central Works Councils (GBR) of Allianz companies had already been involved in the implementation of the Commission Directive since the summer of 1995. Correspondence between Günther Scheu with Ewald Schulte and Gerhard Renner<sup>19</sup> prepared a "round of talks" chaired by Scheu on 5 September 1995 in Munich, at which, in addition to Renner and Schulte, Works Councillors from the DAG and HBV were present. It was primarily a matter of constituting a negotiating committee.<sup>20</sup> On 14/15 December 1995, the GBR work group met again in Munich, with Renner and Schulte participating.<sup>21</sup> It was agreed on Renner's proposal to adopt the results of the Berlin FIET Group meeting of September of that year. On 5 February 1996 Schneevoigt submitted a "first draft" for the formation of an Allianz Europe Committee as a "structured basis for discussion". Translations in English, French, Italian and Spanish had been arranged and sent to the foreign participants.<sup>22</sup>

Finally, on 6 March 1996, the draft was discussed before the GBR work group and the FIET foreign guests in Munich.<sup>23</sup> The extended negotiating committee agreed on a text that was initialled by all participants and submitted to the central Works Councils and the "local foreign units" for final approval.<sup>24</sup> In December 1996, the GBR work group nominated Karl Miller as "Country Representative Germany" and Norbert Blix as deputy. At the same time, he appointed Karl Miller and Rolf Zimmermann (both BG Frankfurt) and Michael Krynitz (DG Munich) for the provisional Executive Committee of the (Allianz Europe Committee AEC), which had to prepare the first meeting of the AEC.<sup>25</sup>

On 8 March 1996, Ihno Schneevoigt was able to announce to the boards of the Allianz companies that the deal had been completed: "Surprisingly, today we have agreed with the FIET negotiating commission on a draft voluntary agreement to inform and listen to the employees of Allianz."<sup>26</sup> Both parties would still have to officially agree. From September 1996 to spring 1997, the countries would appoint their members of the Allianz Europe Committee. The first meeting of the AEC would take place after the Holding's Supervisory Board financial statements meeting-related at the end of May/beginning of June of 1997. This way, the negotiating delegations had bypassed a formal procedure for the formation of a SNB.

The fact that the main points of the common understanding were "in line with our objective" signalled the change in the question of European participation as well as an—embellished—upgrading of the Allianz's negotiating strategy, which had meanwhile been in place for more than ten years: "I think we have reached a simplified and workable arrangement for our house that will protect us from the complications of the law for a longer period of time."



For decades, the Italian Dante Barban shaped European co-determination at Allianz.



As the first Chairperson of the AEC Núria Jubany set the course for the development of European co-determination.



The Allianz SE headquarters at the English Garden in Munich photographed from the garden.

On 29 August 1996 Schneevoigt informed the CEO, Schulte-Noelle, that<sup>27</sup> one was ready to sign the "Agreement on Transnational Information (Allianz Europe-Committee)" in time for 22 September 1996, i.e. the looming subsidiary legislation of the EU. Schneevoigt described as "highlights of the agreement", among other things, that information and consultation subjects would be considered "only for cross-border issues (no appeal body for issues within the federal states)". What may sound like a considerable limitation of participatory tendencies, at the same time defined the demarcation interests of the national Works Council Committees, which were by no means willing to have their competences undermined by a "Super Works Council". The canon of 12 Allianz countries should also include Great Britain, the Czech Republic and Hungary. The committee had to form an Executive Committee made of three members, and an appointed representative was to be provided as a permanent contact person for Allianz AG. Members could only be Allianz employees, two trade union representatives could participate as "advisory members". The costs were to be borne by Allianz.



Schneevoigt presented the principles of the agreement for the first time to the assembled European Allianz managers at the Allianz International Human Resources Managers' Conference on 28 November 1996 in Munich.<sup>28</sup> He particularly emphasised the fact that the negotiations had been spared an "elaborate procedure" to form a "special negotiating body". All employees in the European Allianz companies should be made aware of the content of the agreement: "Independently of a general information for all employees, the responsible employee representatives of the individual companies must be informed and specifically addressed. This should be done by handing over the text of the agreement". If there are no company employee representatives, a discussion should take place between the local management and its employees, according to "the procedures known to you in the country", which should also include "discussion of company employee representations". Euro-FIET, as the international trade union federation, had also asked all FIET member organisations to "contact the Allianz affiliates or branches in the country to support the designation in each country".

What sounded in the lecture like sober information about the implementation of an agreement with employee representatives had quite a revolutionary character. By persistently pushing through thick walls of defence, a process had been set in motion that must truly be considered a great success for the European Works Councils and trade unionists acting in the FIET Allianz Group Committee. It was not only about the future right to "information and consultation procedures" in the AEC, but also about the fact that the Allianz Executive Board as well as all organisational units in Europe had to assist in an electoral system for which—in extreme cases—support had to be provided in setting up representation structures. In addition, FIET trade union organisations were to be allowed access to the affected Allianz companies throughout Europe. This was a really decisive step towards a social Europe in the sense of the Allianz employees.



# ALLIANZ EUROPE COMMITTEE

## The unwanted enrichment

Labour Director Ihno Schneevoigt diligently undertook the preparation of the AEC meeting on 27 June 1997. The presence of the CEO, Henning Schulte-Noelle, was promised for the meeting at the Allianz House in Königinstraße in Munich, and the Head of the Labour Law and Social Affairs Department, Markus Miederhoff, was appointed as the AEC's contact person. The process of identifying representatives from the national Allianz companies for the committee was set in motion at an early stage.<sup>1</sup>

On 13 May 1997, the list of delegates to the AEC meeting was complete, containing the names of the country and company representatives.<sup>2</sup> According to the Minutes, 26 June was reserved for the constituent meeting of employee representatives.<sup>3</sup> The Provisional Executive Committee (Miller, Krynitz, Zimmermann) opened the deliberations by introducing the participants and their expectations of the AEC.

Increased and improved communication within the workforce in the group should "lead to a better understanding of the 'functioning' of Allianz as well as among the employees themselves". The cultural and corporate differences in the countries represented, the North-South divide in employees rights and salaries should be addressed, as well as the current problems of unemployment and social cuts across Europe, especially in the case of mergers. The central hope was "that a common employees' position would be found vis-à-vis the management on crucial issues". Despite the admission that "the law gave the AEC little scope for action, especially no rights of co-determination", it was hoped that "in the long term it would be able to exert a certain influence on the decision-making processes of the group" and that it would be able to influence the various national trade unions and employee representatives.

Despite all the scepticism in view of the corporate cultures of the sending countries, where in some places there were neither trade unions nor Works Councils or an actual employee representation, one was also inspired by the idea: "away from shareholder value towards greater employee participation in the company's profits". Agreement was quickly reached on how to tackle the main problems of communication. Allianz demanded language courses for AEC representatives, at least in English, and access to an Allianz-wide electronic communication system, the equipment for which was to be provided by Rolf Zimmermann, who was experienced in EDP matters.

In his welcoming address, Ewald Schulte of HBV stressed the importance of the Committee "so that in the future not only a 'Europe of capital owners' emerges" and that "in the long run we arrive at uniform collective bargaining systems and social standards in Europe". Gerhard Renner, representing the DAG, underlined the difficulty of the committee at a time "when there is a lack of solidarity". And Riccardo Billi, now working for FIET, hoped that the Committee's contribution would be the recognition and guarantee of "minimum rights for employees in all European countries".



**Núria Jubany**  
**Chairman of the Allianz Europe**  
**Committee from 1997 to 2005.**

Employee of Allianz since 1974.

Technical specialist for products.

Education and career at Cresa Aseguradora Ibérica, S.A. (A company of RAS), vocational training at Escuela de Seguros and at INESE in Barcelona).

Employee representative in Spain.

Member of the Union CCOO.

2006–2011: Member of the Allianz SE Works Council.

Already in the morning session, the expectation had spread “that the management of the AEC should reflect the European character of the committee and not only the power of the headquarters in Germany”. 55 valid votes were cast in the election for the AEC Executive Board. Among them, the Spanish delegate Núria Jubany Salvador received 15 votes, Karl Miller 14 and Rolf Zimmermann 12 votes. In a separate, internal election act of the three-member executive board, Núria Jubany was elected Chairperson of the AEC.

Finally, on 27 June, the Executive Committee, represented by Schulte-Noelle, Schneevoigt, Thierfelder and Miederhoff, presented its report and discussed it. The Allianz CEO welcomed the fact that the cooperation now had structure: “The Allianz Group continues to grow together, and the acquisitions of the past have been a strong driver of internationalisation. This process must now be further promoted and the AEC can and will contribute to this.” Since Allianz must be more than “the sum of the results of the individual companies”, a new committee was recently created, the International Executive Committee, in which the management of the Group companies exchanged views with the holding management.

With regard to the keyword “shareholder value”, Schulte-Noelle said that it was important for Allianz to be “attractive for capital markets and shareholders”: “In addition, the term ‘stakeholder value’ is also very important for Allianz, i.e. customers, the social and political environment and, last but not least, motivated and well-trained employees.” For his part, Labour Director Schneevoigt defined the company’s understanding of information and consultation and stressed “that the agreement was voluntary” and that the aspect of “trustful cooperation” should be promoted. In addition,

he reminded the audience that only cross-border issues could be the subject of a consultation, especially since personnel policy was the responsibility of the national companies.

Núria Jubany concluded by noting a “climate of trust” with Allianz management, an impression confirmed by Works Council member Michael Krynitz, who noted a change in management’s attitude and saw a positive development in the offing. This was also the tenor of the “Information for all Allianz employees in Europe” launched by the Tripartite Directorate. The expectation expressed there that the AEC, despite the lack of co-determination rights, “can exert a certain influence on decision-making processes of the group in the long run” was certainly remarkable.<sup>4</sup>

The AEC seat allocation as at 1 January 1997 provided for 19 country representatives to represent the interests of all Allianz employees employed in the respective country. The minimum number of employees was 100; if an Allianz company employed more than 3,000 employees in a country, it was additionally represented by another delegate. This brought Germany five more mandates, Great Britain and Italy just one.

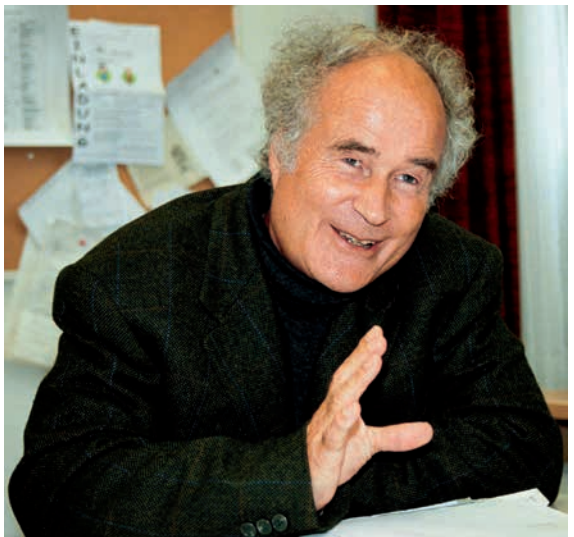
Thus, the employee representatives from twelve European countries met at the AEC. In his memory, the later French delegate Jean-Jaques Cette spoke of the “Tower of Babel”, turning

the myth into a positive one. This was not a monument of vertical presumption, but a rediscovered bond of solidarity that transformed mere multinationality into an assembly of women and men who not only symbolised Europe, but brought it to view: Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Italy, Netherlands, Portugal, Spain and United Kingdom. Each of these members had a mandate and could rightly feel like a true representative.

The AEC Governing Board had not chosen a clear coordination centre for good reasons. You have to think of the structure between Munich, Frankfurt, where Karl Miller and Rolf Zimmermann were full-time Works Council members, and Barcelona with Núria Jubany as a triangle. At a meeting of the Business Committee (BC) of the AEC, the question was raised by employer representation as to whether it was really necessary to have an external interpreter provide the necessary translation during the meeting: Wasn't there an Allianz employee in Frankfurt who spoke Spanish? After Miller and Zimmermann's initial hesitation, it turned out that one of the staff members, Erika Uhl, had indeed grown up in Mexico and therefore spoke Spanish as a native speaker. The test with Erika Uhl went so well that she became a permanent participant in the meetings of the AEC and the GA of the AEC until the end of Núria Jubany's term of office (2005). It was a success for both parties.

As far as the Frankfurt Works Councils were concerned, they were identified as conflict partners vis-à-vis the management through many years of Works Council work and at the same time were highly legitimised by the electoral mandate on the part of the Frankfurt Allianz employees. Both Miller and Zimmermann belonged to a post-war generation for whom the horrors of the last war were still fully part of social memory. Therefore, their initiatives were above all also understood as an attempt to help secure a lasting European peace order at the employees' level. Karl Miller had made an impressive call for this in a speech at the World Conference of Banking and Insurance Employees in Geneva on 5 July 1996: "The European Works Council has not only economic goals, but in my opinion also very strong cultural ones. Especially we in Germany are in need of European support to fight our own chauvinism and racism ... Not least because of this I am committed to these European Works Councils."<sup>5</sup>

Miller then referred to the previous strategy of the Allianz management to circumvent a European Works Council. But this review alone would be too one-sided. An exchange of letters between Miller as a member of the Supervisory Board of Allianz AG and the Chairman of the Supervisory Board Wolfgang Schieren in August 1995 demonstrated the other side of a longstanding fruitful Works Council policy. In a conversation between Schieren and the Works



Karl Miller, Works Council of Frankfurter Vers AG since 1975, 2001 to 1988 on the Supervisory Board of Allianz AG, 1997 to 2001 on the Executive Board of the AEC.



Since 2000, the Allianz cultural Foundation has been promoting and initiating European cultural and educational projects in the fields of art, literature and music.

Council members Miller and Frank Ley, the Chairman of the Supervisory Board asked them to explain “why there are difficulties in the implementation of so many projects”. In an eight-page letter, Miller explained, among other things, how “the individual management areas partly uncoordinated and partly duplicate their projects”. All technical and labour law information, however, had to pass through the “eye of the needle” of the Works Council, “probably the only instance where the deficiency became particularly apparent”. Miller emphasised the manifold competences of the full-time Works Council members in the transformation of the group: in Supervisory Boards, in the committees of the Allianz pension fund, the trade union bodies, the collective bargaining committees, as assessors in the Labour and Social Court and as members in Audit Committees. This will be extended by the upcoming EWC: “Few of your executives are likely to have a similarly broad range of business insights and information,” Miller continued. “However, since we do not usually take part in internal career competition, we also maintain a relatively high degree of independence. To this end, we enjoy a high level of protection under labour law.” At the same time, Miller admitted that the role of Works Councils is not only to protect employees. The system of workplace and company co-determination must also prove to be a “competitive advantage”. This will also determine “whether we can hold our own in Europe”.

Schieren replied, especially against the background of the crisis-like adjustments in the German insurance industry, with a document of recognition for the tried and tested forms of resolving structural conflict situations.<sup>6</sup> Schieren attested to the Works Councils’ high sense



Núría Jubany and Rolf Zimmermann at a meeting of the AEC in 2005; in the background, the interpreters can be seen in the booths.

of responsibility and pleaded for “finding a compatible solution” in each case. He therefore believed that: “Management and Works Councils should therefore carry out their important tasks of working together to reach agreement on the points you have raised in their operating entities.” He shared the view “that our Works Councils have good training and insight into our companies and beyond”. In these two documents, the intersection of experiential space and future horizon becomes apparent. Only in practice, in conflict-oriented processes, could the mutual reservations, even resentments, be dispelled.

## The stagnant start-up phase

It soon became clear that goodwill was an indispensable prerequisite for cooperation, but not a sufficient one. The election of Núria Jubany as Chairman of the AEC GA<sup>7</sup> had been intended to signal that they did not want to reflect the dominance of the parent group in Munich at the employee level. Because of the distance between Frankfurt, where Miller and Zimmermann were full-time works councillors and where Beate Link ran the AEC secretariat, and Barcelona, from where Núria Jubany had steering duties, there was a considerable distance that was not always easy to bridge without well-rehearsed communication systems.

The Spanish delegate, previously represented on the FIET Allianz Group Committee, was based in the Comisiones Obreras (CCOO). Spain has a dual system of employee representation. In larger operations there is on the one hand a Company Committee (Comité de Empresa) and on the other hand Trade Union Sections (Secciones Sindicales), in which the two largest federations, the –formerly communist– CCOO and the socialist Unión General de Trabajadores (UGT), are usually united. Despite the limited level of unionisation (about 16 per cent nationwide in 2008), the Comités are firmly in union hands and the trade union organisations are dominated by the Works Councils of the large companies and administrations.<sup>8</sup> Works Councils can conclude collective bargaining agreements and, like all employee, have a fundamental right to strike.

The first serious dispute between the social partners arose on the route between Barcelona and the group headquarters in Munich, in which the language (translation) problem was mixed with legal and representation policy aspects. The AEC had to rely on translation services, which were decided on by Miederhoff in Munich. A request to have documents translated into German by Núria Jubany was turned down by Miederhoff.<sup>9</sup> Miederhoff argued in a letter of 7 July 1997 to the GA of the AEC in Frankfurt “that the documents are not texts necessary for the work of the AEC in the sense of the agreement”. The documents dealt solely with the structure of the Allianz companies in Spain and the organisation of the Spanish trade unions. However, neither of these were topics that could be the subject of information and consultation in the AEC. At the same time, Miederhoff wanted to make people believe that he would provide “all the support we can”, “which the AEC needs for its internal communication within the framework of the agreement reached”. He said that “a suitable electronic information medium” was already being examined. His recommendation to “meet any requests from AEC members for



language training in German or English that may be required” was seen by addressees Miller and Zimmermann as curtailing their AEC work.

In their reply of 15 July to “Mr Miederhoff, General Secretary of the AEC”, they did not shy from pointed polemics, which nevertheless touched on the core of a free communication between the AEC members.<sup>10</sup> An “agreement loophole” in the AEC contract had apparently challenged Miederhoff’s “supreme legal expertise”. Ultimately, however, the authors’ aim was to free communication from the too narrow definition of “cross-border relevance”, which only concerned contacts between AEC and the group management. In this case, however, it was a question of information among themselves and not of information that affected the relationship between the AEC and the Management. They continued to insist on the translation of a speech by Núria Jubany into German and English, but signalled a willingness to talk. A handwritten energetic addition by Miederhoff to the letter received—“This is trade union work!”—made clear Miederhoff’s intention to keep trade union interference out of the European Works Council committee, which could not succeed if only because a significant proportion of AEC members were delegated as trade union representatives.

In Miederhoff’s highly elaborate legal reply,<sup>11</sup> the latter insisted energetically: “For me, in any case, a clear line has to be drawn where it is functionally about trade union work”. Nevertheless, he was aware “that in the cooperation within the AEC, this clear separation of the subjects falling within the competence of the AEC cannot always be observed exactly”. In a letter to Miederhoff’s superior Schnevoigt of 3 September<sup>12</sup>, Karl Miller suggested in conciliatory tones a clarifying discussion with him and Rolf Zimmermann, not without vigorously following up: “To put it kindly and reasonably calmly, Mr Miederhoff’s letter means nothing other than that the AEC’s work is subject to Mr Miederhoff’s censorship.”

In fact, the conflict was settled in favour of the GA of the AEC.<sup>13</sup> After an agreement between Miederhoff and Zimmermann, the group conceded that the GA should “be able to arrange the necessary translations himself, as well as book the necessary expenses on the cost centre provided for this purpose”. The AEC had thus conquered the translation sovereignty, which it sensibly handled in the future with a Frankfurt translation agency. This rapid and workable agreement, however, was facilitated by a decisive turn in the Allianz’s pan-European expansion strategy, in which the AEC did not prove to be a supposedly disruptive factor in the corporate field, but emerged as a co-decisive, enriching player.

## **The acquisition of Assurances Générales de France in 1998**

Barely a month after the founding of the AEC, the members of the GA of the AEC proved that they by no means thought of developing their activities only at the annual rhythm of the AEC meetings. The financial sector was in a hectic period just before the turn of the millennium. New rumours of takeover and merger have always boosted expectations of share price performance among bank and insurance shareholders.<sup>14</sup> The French government planned to sell the majority of the shares in the insurance company Groupe des Assurances Nationales (GAN). Allianz was

considered a possible takeover candidate. There was, of course, a financially favourable offer from Swiss Life. The GAN Works Councils considered this to be unattractive, especially since the large Swiss companies were regarded as a co-determination-making desert.<sup>15</sup> The GAN Works Councils initially contacted the French AEC members of Rhin et Moselle Claudine Lutz and Ernest Stoeckel, but also insisted on the involvement of Karl Miller and Rolf Zimmermann. The GAN was, they argued, privatised and its employees lived in uncertainty as to by which company they would be taken over; Allianz was acting as a takeover candidate in France. At the meeting of the GAN Works Councils with Miller and Zimmermann and the French AEC members Lutz and Stoeckel in Frankfurt on 24 July 1997, the translation problems were solved by the fluent command of German by Lutz and Stoeckel.<sup>16</sup> The GAN Works Councils Jacques Dubaele, Dominique Rolos and Marc Beauvois also intended to talk to the employees' representatives of the other takeover candidates after the Allianz stage. The interest of the French went toward Allianz structure, toward the workplace and social culture, but above all on what influence the employee representatives have on the Supervisory Board and how the "influence of the trade unions and how co-determination is organised".

The Minutes of Karl Miller recorded that the most important result of the meeting was the permanent contact of the GAN employees' representatives with colleagues Lutz and Stoeckel. Specific measures are not necessary because of the pending situation, but if Allianz were to come into play in the privatisation of GAN, contact with the AEC should be established immediately. The conclusion of the conversation had a pioneering character: "The participants agreed that it was a first but very important step to exchange views on the part of employees across borders on activities that affect or could affect the Allianz Group." On 29 July, Miller forwarded the Minutes to Miederhoff with the request that he send the translation to Nria Jubany.<sup>17</sup>

As expected, in a letter dated 22 August, Diederhoff rejected this request. There are no specific considerations of the Allianz regarding the takeover of GAN: "The mere fact that there are rumours of a takeover by Allianz certainly does not in their view justify the responsibility of the AEC."<sup>18</sup> The meeting with the GAN Works Councils is also not related to the tasks of the AEC. The disagreement that has become clear here may have been educational for the Allianz Management. On the one hand, the activity of the GA of the AEC made clear its intention not to be simply taken by surprise by strategic decisions of the Allianz top management and to be involved as far as possible in advancing important group decisions. On the other hand, the GAN Works Councils had signalled that decisions on merger plans could not be made at the highest hierarchy levels alone, but that a consensus had to be established with the employee representatives from the outset.

Meanwhile, the European merger merry-go-round continued to turn at a high speed.<sup>19</sup> A day after Allianz announced the "friendly takeover" of the French insurance company assurances Gnrales de France (AGF) by press release on 17 November 1997,<sup>20</sup> the CEO Henning Schulte-Noelle explained this step in detail to the employees: "This offer is the result of friendly discussions and is welcomed by the AGF Management and Board of Directors."<sup>21</sup> The text on the process, which was already familiar to the Works Councils on the Supervisory Board, was sent to Nria Jubany in Spanish on the evening of November 17. This purchase received a significant international press response because it was initially necessary to block a takeover

bid by the Italian Generali, which was not supported by the AGF management.<sup>22</sup>

In fact, Allianz leadership was aware that the takeover process, which still required the approval of the French State and the EU Commission, had a double dimension. Labour Director Schneevoigt therefore agreed on 28 January 1998 in Stuttgart with the GA of the AEC, with



## Was hat der Franzose bei der AGF\* mit mir zu tun? Der Betriebsrat der Allianz SE nimmt seine Arbeit auf und stellt sich den neuen Herausforderungen für eine zukünftige Arbeitnehmerbeteiligung in Europa



The VER.DI-Betriebsgruppe (VER.DI works group) 2007 issues a provocative question in its journal about the establishment of the SE Works Council.

Jubany, Miller and Zimmermann: "It is particularly important that the involvement of employee representatives is carried out in parallel with that of the Management."<sup>23</sup> Karl Miller pointed out the problem that the AGF, for its part, has its own European Works Council. It was therefore agreed that "it will be necessary to carefully consider how, where appropriate, the involvement of the French employees' representatives can be carried out". Schneevoigt therefore considered the invitation of the Chairman of the AGF's EWC as a guest at this year's AEC meeting to be promising. In conclusion, AEC Chairman Núria Jubany made it clear that "from her point of view, only a European Works Council within Allianz can be considered". A few weeks later, in a letter to Schneevoigt, she stated that there was a consensus during the conversation in Stuttgart that "there is a harmonious dialogue between the two sides".<sup>24</sup>

In May 1998, Núria Jubany attempted to contact the AGF employees' representatives in order to lay the foundation for future cooperation. There was no reaction to this. Rolf Zimmermann had information that the trade unionists of the AGF were immediately about to re-install their own EWC of the AGF.<sup>25</sup> In this sense, Jubany informed Schneevoigt on 4 June 1998 that the AGF union representatives had already been summoned by the company's management in Paris to set up an EWC. She considered this "manoeuvre" to be very regrettable given the ongoing

takeover process.<sup>26</sup> The Allianz Executive Board therefore called a clarifying meeting between the top managers Bremkamp and Jeancourt-Galignani.<sup>27</sup>

There is no doubt that the realisation in the Allianz management that an integration process such as the one between Allianz and AGF was not just a matter of a capital merger, but that it was equally important to align the co-determination cultures, led to an intensification of cooperation between the Management and the AEC. This was already evident at the second annual meeting of the AEC in Munich in 1998 and 19 June 18.<sup>28</sup> Detlev Bremkamp, the Allianz Executive Board member with responsibility for Europe, gave the AEC an “overview of the main events of the last 12 months”. It was about the creation of sub-companies in the asset sector, about harmonisation, about the development of premiums across Europe, about the group profit, about employee development including possible lay-offs. Joachim Faber, member of the Allianz Executive Board, gave his own lectures on the foundation of the Allianz-Asset-Management GmbH (AAM) and the head of the IT-subsi-dary AGIS Hajo Fritz, as well as, almost naturally, labour director Schneevoigt. This, as can be seen in retrospect, established an information level that should not be exceeded for the forthcoming AEC meetings. The contributions of the AEC members showed a level of awareness and knowledge that enabled them to examine the impact of strategic measures on employees, while also pointing out limitations and contradictions for the entire work within the Group. Here, a comprehensive memory of individual measures was created, which was rarely available to the changing departmental managers to the same extent.

Schneevoigt made clear in his presentation that the leitmotif of the conference remained “the integration of AGF into the AEC”. He strongly advocated a uniform European employee representation. The necessary regulations should be negotiated in the next few months and apply from 1999: “He would like to have a personal contact between the AEC Board and representatives of the AGF” at the request of Rolf Zimmermann, he assured the AEC of a preparatory meeting with him and other representatives of Allianz.

Detlev Bremkamp did not miss any evidence of the outstanding significance of the AGF acquisition. The proportion of premiums earned in Europe will increase to 80 percent: “Allianz is clearly no longer a German insurance company, but a European group.” he expects the integration of AGF to significantly increase the capacity of the Allianz Group to act, significantly improve the competitive situation, increase growth, harmonise products and collective bargaining, and permanently transfer know-how. One of the main goals is to save jobs. He therefore wants to carry out the process of integrating AGF “relatively quickly” so that the benefits would not be lost.

Núria Jubany stressed “that the defence of jobs is the primary objective of the Works Councils”. The AEC wants to be kept “up to date” on developments and consulted, in particular, before decisions are taken. Bremkamp indicated that the loss of jobs could not be completely avoided, but assured strict compliance with national legislation as well as timely information. Bremkamp, however, rejected a guarantee of employment for the employees concerned, as demanded by delegate Frank Ley.<sup>29</sup> Interestingly, however, he took up the point made by Cornhill delegate Jim Osborne, who wanted to see “union activity in workplaces” guaranteed for Ireland and Northern Ireland; Bremkamp promised to take up the matter and talk to national management about it.

On 30 October 1998, the GA of the AEC held a meeting with Labour Director Schneevoigt and his assistant Annette Hallwachs in preparation for a meeting with the personnel director of the AGF François Thomazeau and the French trade union representatives in December of that year. There was consensus among the meeting participants "that the AEC agreement does not need to be changed to integrate the AGF. The agreement already covers the case of the addition of other companies and offers a viable solution".<sup>30</sup> At the meeting arranged at the AGF in Paris on 14 December 1998, Schneevoigt and the three AEC directors were able to convince Thomazeau and in particular the French employees' representatives that, in accordance with the 1997 AEC agreement, the AGF could send two additional AEC delegates in addition to Claudine Lutz as France's country representative. As all three French members of the AEC were thus provided by the strongest union in the AGF, the Confédération Française Démocratique du Travail (CFDT), "the representatives of the weaker French unions were dissatisfied with this solution, but accepted the inclusion of the AGF in the existing AEC agreement."<sup>31</sup>

On the 3. Meeting of 20 and 21 July 1999 in Munich, the integration process of the individual AGF country representatives into the AEC could be regarded as provisionally ended, although there were still some rearguard battles of the French CFDT delegates, who considered themselves to be representatives of their social reform-oriented Union rather than Works Councils.<sup>32</sup> As a result of Allianz's merger with the AGF, the number of AEC members rose from 20 to 25. In the discussion, the French AGF delegate emphasised the good understanding of the management in Paris with the company working group of the CFDT, which represents 70 per cent of the employees there. There is a strong convergence in agreements on necessary transfers. When there was a discussion about the composition of the group, which was to negotiate the AEC framework agreement and the appropriate representation of the sub-companies for next year, the French delegation of the AGF insisted that this negotiation should be carried out by the trade unions. However, since the AEC was responsible for the representation of the unions by the FIET, the decision was made in favour of a group formed by the three members of the GA: Jubany, Miller and Zimmermann, by Patrick Salmon of the AGF, Sergio Tasselli of Italy and Christine Asmussen of the FIET in Geneva.

In a letter dated 18 October 1999 to Christine Asmussen in Geneva, Karl Miller formulated the conclusions of a GA meeting in Barcelona in September of the year.<sup>33</sup> Miller criticised the party of Asmussen for the French trade Union position in the AEC and described it as not particularly beneficial: "We have always agreed that no union, no nation or any grouping can have a claim to dominance in the AEC. Now we have the chance to formulate and implement uniform standards in Allianz: In a Committee where everything that Europe has to offer from anarchist trade unions to Christian trade unions is represented, one can imagine how complicated this process is." This can only be achieved with patience and great sensitivity: "Our French colleagues, who we are very much looking forward to and who will also be a great asset, will also have to put aside parts of their national trade union identity, just like the rest of us." Christine Asmussen responded evasively by saying that Allianz EWC had "good potential", but insisted on the legitimacy of ensuring "that the trade union position is maintained" in such a committee. For the workshop scheduled to take place on 8 November 1999, she appointed her in place of Riccardo Billi.<sup>34</sup>



Sergio Tasselli, Gianni Cavalcanti, Giovanni Casiroli and Riccardo Billi (from left to right) at a demonstration in Milan in the 1990s.

Karl Miller and Rolf Zimmermann were able to vividly sum up the integration process of the AGF employees' delegates into the AEC for Allianz employees in October 1999.<sup>35</sup> In "Betriebsrat aktuell" they recalled the problems that the integration of the Vereinte Versicherungsgruppe in Germany<sup>36</sup> had caused at the national level alone: "How much bigger are the problems when a French company, which was also a global player, is swallowed up by Allianz." The political and cultural differences would have been particularly reflected in the AEC. At first, the colleagues from the AGF were hesitant to participate in this committee. "It was only after the Directorate had gone to Paris with members of the Management that we were able to convince them to participate in this Committee." But when they demanded "that the French trade union influence

in this Committee be strengthened”, they had to be convinced with careful but energetic diplomacy “that the interests of the employees rather than those of the trade unions play the leading role in this Committee”. Miller and Zimmermann saw this as a highly exciting process as the employees’ representatives of the two countries approached and sought agreement. It was undoubtedly a question of finding that in an EWC it was not possible to simply update the national rules of co-determination. The strong presence of the CFDT, which pursued a reformist path and was increasingly oriented towards social partnership, and the Confédération Générale du Travail (CGT), which began to shed its communist origins after 1990, in the national co-determination bodies had so far led to effective cooperation in the “Comités d’ Entreprise”, which was well recognised by French management.<sup>37</sup> In these bodies, unlike in Germany, the head of the company, the patron, held the chair. Union density in France around 2005 was the lowest of all EU countries, at nine per cent of all employees. This was also related to the fact that the state generally made the company collective bargaining agreements binding, thereby reducing the incentive of Union membership. Of course, the French co-determination culture remained untouched at the national level, but the French too were not spared the recognition that there were fewer possibilities for shaping at supra-national level.

Miller and Zimmermann still considered the activity in the AEC as “a pure pioneering work”, but the pace of the Allianz in Europe and around the world to join forces, to merge companies, to develop common products and common leadership cultures had shown how necessary it was to have a common European labour culture: “It also looks as if the Management no longer rejects such a European employee representation, but rather looks favourably.” Zimmermann should later describe this phase as “undesirable enrichment.”

In April 2000, Rolf Zimmermann had his say in the company’s official “Allianz Journal”.<sup>38</sup> Zimmermann was able to counter the fact that the committee was “little more than a well-disguised paper tiger”, which was expressed in the German business press from time to time, using the example of the AGF: employee representatives were fully informed about the steps of integration, a fact that also paid off for the company. “After all, reasonable cooperation,” says the Frankfurt Works Council member, “is also a productivity factor.” Although the French trade unionists in the AGF committees were initially disappointed that progressive standards of national co-determination cultures could not be easily reproduced at the level of European Works Councils, Zimmermann was able to point to the gains made by most of the other foreign colleagues: “They are informed in advance of planned structural changes in the group, of mergers, demergers or closures of operations, they are informed of the economic situation of the group, of the employment situation and of the probable business development.” The relevance of this ruling can be more easily assessed if one looks at the markets in which Allianz was now dominant after the incorporation of AGF.<sup>39</sup> In Spain and Portugal, there were joint holdings and joint ventures. Allianz also acquired AGF’s insurance business in Greece, the UK, Ireland, Japan, Canada, Poland and Singapore. Finally, Allianz looked at the markets in South America and Asia, where AGF played an important role in the insurance and asset business. These processes were supported in the background by the dissolution of the so-called Deutschland AG, the close capital integration of industry, banks and insurance companies in Germany, which had proved to be a barrier to the process of globalisation.<sup>40</sup>

## For partnership and human dimensions in the European Allianz culture

A significant enrichment of the thematic focus of the AEC came from the delegates of the British Allianz subsidiary Cornhill. At the 3rd annual meeting of the AEC in Munich in July 1999, it was the country representatives Derek Higgins and Jim Osborne who presented a memorandum on the issue of "Employment Standards in Allianz" for discussion.<sup>41</sup> It was about defining "minimum principles for trade union organisation throughout Europe". Unanimously, the formation of a special group for negotiations on standards was taken up with the aim of starting talks with the management. They included Michael Krynitz, Claudine Lutz, Berend van Limburg (the Netherlands) and Jim Osborne.

In the following period, Jim Osborne caused some unrest in the AEC. In a statement signed by him and Derek Higgins and sent to Rolf Zimmermann on 11 August 1999,<sup>42</sup> the British delegates, who had been elected by the entire Cornhill workforce as trade union representatives at Cornhill under British law, criticised what they saw as the lack of rigour in the conference process at the 3rd Conference AEC meeting in July of the year and the brevity of the session. First, they complained that most country representatives had not submitted their country reports at all or too late. On the other hand, and this was already more serious, according to the ruling, there was a substantial deficit: "The AEC does not have a clear sense of purpose at present. The discussions therefore tended to revolve around questions of AEC regulations and their constitution: "We should be spending more time discussing matters which affect employees' interests. Some suggestions related to streamlining the proceedings of the meeting, but at the heart of them was the future role and purpose of the AEC. The fact that they intended to exceed the limits of the AEC's legal possibilities earned them sympathy in the committee, but bore clear traits of ambitious overstretching: "We believe that the main purpose of the AEC should be to play the leading role in defining the Allianz Group principles (its belief, moral code)." Currently, Allianz believes only in size and growth.

Nevertheless, some formulations indicated a direction that would prove to be a compass for a long-term strategy in the coming years of the AEC and, since 2007, also of the SE Works Council: "The AEC's job is to put democratic principles at the heart of Allianz so that the interests of customers, employees, shareholders, the countries, where we do business, the environment, etc. are all recognised and balanced. Allianz's goals should be more than just enacting the shareholders." The rhetorical gesture of the British colleagues was probably due to the fact that they also spoke in corporate collective bargaining, but also to the fact that they were little familiar with procedures of business negotiations due to the lack of regulations under constitution industrial law in the UK. The integration of these impulses into an AEC working group and the subsequent negotiations with the management should become a reality test.

In July 2000, the above-mentioned working group was able to present a draft entitled "Partnership with Allianz": "Allianz is a community of employees, managers, shareholders and customers who want to achieve the highest possible benefit. This goal is most likely to be achieved if interest groups (stakeholders) work in partnership with each other. It is therefore necessary to establish principles governing how to deal with each<sup>43</sup> other." 43 fundamental





Personnel and Social Report of Allianz of 1989.



Henning Schulte-Noelle and Dresdner Bank CEO Bernd Fahrholz present Allianz's merger with Dresdner Bank in 2001.

rights were based on general human rights, which in the longer term should indeed be incorporated into the Allianz company identity: recognition of individuality, of different needs, against discrimination of all kinds (ethnicity, gender, age, disability, religion, sexual orientation) and harassment of individuals or groups; in short: intellectual property rights, which should actually take shape in Allianz under the heading "Diversity". Likewise, the employees were asked for "honesty and integrity." The demand was significant in terms of representation policy, since not yet guaranteed in all Allianz national organisations: "employees are free to join forces, organise themselves unionised and choose representatives who act on their behalf. The necessary facilities will be provided."

In addition to the complete information openness in employee matters, the draft added an expanded component to the concept of "consultation": "Consultation is a two-way dialogue process, where information, ideas and proposals are exchanged and where there is a genuine effort to reach an agreement." Finally, all companies in the Allianz Group should be obliged to adopt these principles. In the event of violations, management was expected to open an investigation on the initiative of the AEC.

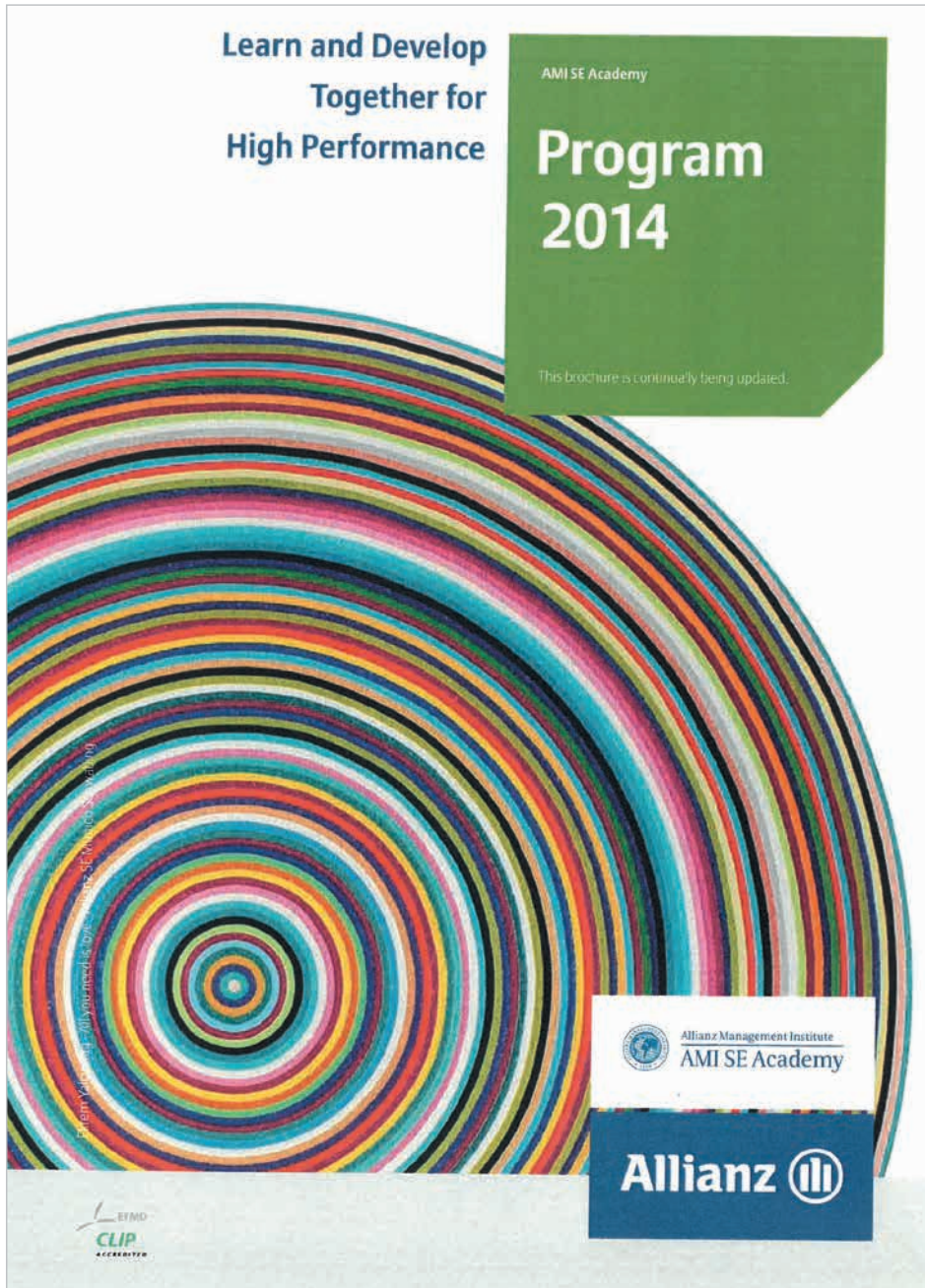
In a note to the members of the Allianz Executive Board, Labour Director Schneevoigt reported on the negotiations on 16 March 2001 and on the AEC draft on "Allianz standards in Human Resources and Social Services".<sup>44</sup> He characterised this as a strategy to establish employee representatives in all countries for all employees of the Allianz Group, various human rights and a monitoring of the compliance of the national companies with these principles by the holding. He had objected at the consultation on the basic consideration "that the company is based on the respective national legal systems and that it does not interfere with the primary responsibility of the national companies for personnel and social matters". The AEC representatives would have accepted this for the time being, but would return to their demands in the future "if our efforts to complete a global human resources strategy become clearer."

In a report on the 5th annual meeting of the AEC in Munich on 11 July 2001, the British authors of the paper, Jim Osborne and David Vincent, were able to respond in detail to the issues expertly discussed, beginning by acknowledging the fulfilment of their 1999 suggestions.<sup>45</sup> The AEC "is now settling down to its real business now that early organisational issues have been largely resolved". The Allianz Management remains opposed to a formal agreement based on the proposals on partnership, but has committed itself to continuing a dialogue at European level. Jim Osborne agreed to further develop the partnership document so that it could serve as a "charter", a constitutional document for further negotiations.

The three-day conference discussed in particular the purchase of Dresdner Bank by Allianz and its embedding in a future distribution network, and what the consequences were for the inclusion of bank delegates in Allianz co-determination bodies.<sup>46</sup> The level of information provided by the Allianz Executive Board to the European Works Council was demonstrated by the presentation of EVA, the "Economic Value Added", by Rainer Schwarz, head of the Allianz AG unit Group Planning and Controlling. This was about the program of a manager training course, which should be both a supervisory body and a tool for strategic business decisions. Above all, it should help to avoid the tendency to pursue either growth or profitability; rather, it is important to balance the two objectives. Detailed reports on Allianz's business development, financial figures and the business performance of individual country companies followed. The establishment of an Allianz Intranet naturally also had an impact on the optimisation of AEC communication. A report on the establishment of the Allianz Management Institute (AMI) in 2000 attracted particular interest from the Works Councils, especially as they hoped for information on a new management style. "The management competencies include leadership, and a consistent management style is being promoted... other important areas include employees working environments, employee development and social issues", as Jim Osborne's minute notes put it. In preparation for the next AEC meeting in July 2002, project groups were formed with three members each to address the topics Allianz-Dresdner Bank, partnership in Allianz, working conditions in the Allianz country companies and Allianz Intranet.

In March 2002, British AEC representatives Jim Osborne, David Vincent, Stephen Madeley and Ross Miller presented a strategy paper entitled "promoting the Human Dimension in Allianz."<sup>47</sup> They defined standards for "human dimension": sick leave data, early retirement due to illness, accident figures, health data (as already determined at Cornhill), staff changes, job satisfaction (e.g. through employee surveys) and standard of living comparisons. In the longer term, the authors hoped that these standards would be incorporated into the company's goals, which should therefore be put to the side of the financial development report in the published reports. They also expected that public reporting on these standards would have a positive impact on investors: "they take into account the social responsibility of a company" when making investment decisions.

The Dutch AEC delegate Berend van Limburg, member of the working group on social standards, presented his own contribution to the ongoing debate.<sup>48</sup> Based on the experience gained in the national co-determination of his home country, which he noted positively, one conclusion can only be reached: "At this moment the European Works Council cannot operate on the necessary, desirable level! Problem is the 'small quality' of the Directive 94/94/EC, which only implies the right of being informed and listened to." Therefore, he preferred a reverse path; instead of implementing social representation bodies through the head of the group, he suggested that data from the countries should be collected first. Only such an inventory can help, so to speak from below, to contribute to the harmonisation of social standards. However, it is necessary to ask what Allianz Holding has done so far in this direction. Moreover, the AEC must be able to actively determine social standards in the national companies by the Allianz leadership.



Since 2013, the AMI SE Academy has offered all SE employees a wide range of further training opportunities in the 2014 program catalog.

In fact, the Allianz Executive Board was moving toward the initiatives of the AEC. On the one hand, in 2002, a global employee survey was commissioned on the subject of “values of the Allianz Group”, with around 5,000 employees surveyed.<sup>49</sup> Núria Jubany was also informed about this by Schneevoigt, who also promised the AEC the transmission of internationally collected data.<sup>50</sup> On the AEC paper “promoting the Human Dimension in Allianz”, he reacted this time rather evasive. Although he emphasised the well-known argument of the sole responsibility of the national subsidiaries for personnel policy, he had to admit that in the meantime, within the scope of the “Group HR” (Human Resources), country representations would be influenced by guidelines: “there are currently no plans to have any further influence on the OE’s personnel policy. Therefore, the AEC’s ideas on common Allianz Group social standards and the standardisation of international human resources policy currently go further than those of the management.”

At the meeting of the AEC work group Human Dimensions with representatives of the Allianz Human Resources departments on 27 October 2003, Jim Osborne said: “He accepts that Allianz is decentralised and makes it clear that the AEC does not seek to harmonise social standards.” This also clarified that it did not want to enter into a dispute of competence with the regulatory competence of the national trade unions and interest groups. Jim Osborne has now explained the role of the AEC in that it “wants to play a positive role in sustainability and bring values into play.” The main values in the sense of the AEC are: occupational safety in the broadest sense, diversity, employee development, health and civil rights. His definition of “civil rights” clearly indicated a change in strategy. Instead of insisting on a harmonisation of social standards from the top, to be initiated by the corporate management, a procedural path “from the bottom” has now been assumed: “right to collective bargaining, employee representation as well as freedom of association.” In an exchange of blows with Labour Director Schneevoigt, Osborne stressed that the AEC was particularly concerned about employees’ freedom of association. While Schneevoigt insisted that “Allianz follows national legal rules,” Osborne stressed that, for example, in the UK, there was no obligation on companies to negotiate with the unions. Schneevoigt’s reply showed that the management of the Group continued to take responsibility for the participation rights of employees in the traditional and newly acquired OES in Europe. It is up to the local management to decide whether or not to start negotiations with the trade unions. This cannot and should not be determined centrally.

At the meeting, however, there appeared to be an agreement on the subject of sustainability. Astrid Zwick, head of the Allianz Group Sustainability Office, presented the process and preliminary results of a questionnaire campaign which, in fact, showed that Allianz achieves a very good performance in terms of “social dimension” compared to other companies. Many of the categories in the social and societal section of the survey were very much in line with the perspectives that Jim Osborne wanted to see included in the AEC sustainability strategy. An official note from the Human Resources Department in the field of personnel and collective bargaining policy Otfried Böhmer of 14 June 2004 can bring clarity to the differing views.<sup>51</sup> Under the title “History of Human dimensions in the AEC”, Böhmer recapitulated the approach of the AEC work group. Two years ago, she transferred her own topic “Human dimensions” to the comprehensive holding project “Sustainability”, as the questionnaire for the ranking “also asks about

the social dimension in the participating companies in addition to the economic and ecological aspects". "Promoting the Human Dimension" is the central topic of the future for the AEC: "The AEC is trying to extend this requirement to the entire Allianz Group worldwide and is not limited to the AEC countries as it would be responsible for.

Böhmer's sniffy was also directed at the fragility of the main argument put forward by Labor Director Schneevoigt for years—that Allianz was decentralised and that the OEs had the responsibility for social affairs: "However, this argument is increasingly difficult to maintain, as the Group also has a focus on social issues (Code of Conduct, Group Identity, Sustainability Rating, Leadership values, 3+1 Strategy, HR Group)." On the subject of sustainability, the Allianz Group also signed the Global Compact, an initiative by Kofi Annan, by which the signatory companies committed themselves to the observance of certain values. A report submitted by staff member Jamann on 23 June 2004<sup>52</sup> on the genesis and objectives of the pact between the United Nations and representatives of the global private sector, initiated by UN Secretary General Kofi Annan in 1999 and concluded in New York in July 2000, had to make Schulte-Noelle's successor as Chairman of the Board Michael Diekmann (since 2003) aware that in future the pressure on the shaping of labour relations in the Allianz world did not come from employee representatives alone, but also from voluntary self-commitments by the international business community, which stood in solidarity with representatives of employees', human rights, environmental and development organisations. In addition to the 1948 Universal Declaration of Human Rights and the 1992 Rio Declaration on Environment and Development, the 1998 International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work provided the substantive basis for "giving the global market a human face". In particular, points three and six of the nine principles put pressure on Allianz leadership to act: "the economy should maintain freedom of association and collective bargaining" and "promote the elimination of discrimination in employment and occupation".

The initiative of British colleagues in the AEC since 1999 has therefore, to sum up, only in the initial phase proved to be a project of its own, with the expectation that it would remedy the deficit of the works constitution in the United Kingdom. The British, who were no more lacking in self-confidence in their practice as trade union negotiators of collective bargaining agreements than their German colleagues, were at the same time concerned with contributing to the establishment of national employee representation in countries which did not know such participatory bodies or which, on the ruins of the communist planned economy in Central Eastern Europe, were beginning to rebuild representation structures.

## **Potential and limits of the AEC after the turn of the millennium**

The "Balance Report of the AEC" on the first four years, presented by Núria Jubany at the 5th Annual Meeting of the AEC in Munich on 11 July 2001, was cautiously optimistic.<sup>53</sup> One focus was on the internal communication of the AEC members, the standardisation of communication media, the transparency of the work groups, the training of the AEC members and the infor-

mation of the Allianz employees in the national companies. In the "defence of employment and equalisation of working conditions" conflicts were resolved through dialogue. Regarding an understanding on minimum principles and legal principles for Europe, the chairman reported that no agreement has yet been reached. In the discussion of the participants, concerns were raised about the integration of Dresdner Bank and about the new "company philosophy", "which is based on constant restructuring and organisational changes in the workplace".

The reports from the countries documented improvements in operational relations, such as in Greece and the Czech Republic.<sup>54</sup> The AEC was certified to help solve organisational problems. There was a consensus in the realisation: "However, we still have a long way to go and we have to learn to go faster." For the future, this meant not only receiving information, but being asked and listened to when making company decisions and seeking solutions "through a social dialogue". For the discussion with representatives of the Allianz management it was stated, among other things, that they wanted to work on the project of the Allianz Management Institute (AMI) in order to gain insight into the "management philosophy of Allianz".

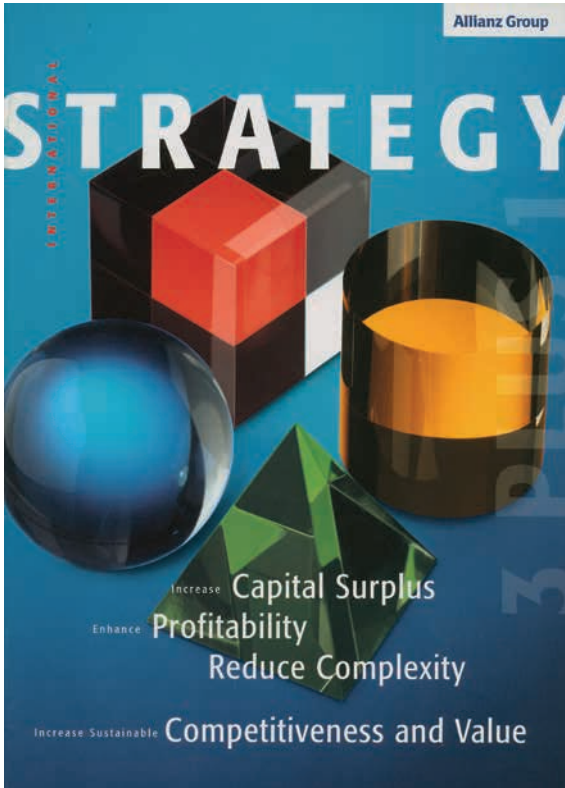
The meeting with Detlev Breckamp's management on the second day left nothing lacking in insights into the economic situation and future prospects. The progress made in the areas of credit insurance (Euler and Hermes), industrial insurance (Allianz Global Risk) and asset management (AAM) was explained as well as deviations from the targets set by individual country companies. Cooperation of the AEC work group "Website" in the preparation of the planned Allianz Corporate Intranet was approved by the employer. The regulations and prospects of the merger with Dresdner Bank, which was presented by the Executive Board member Reiner Hagemann, were of great scope.

The new election of the AEC Board took place on the first day of the meeting; it had become necessary due to the age-related departure of Karl Miller. In the secret ballot of the 23 members present, who each had three votes, Rolf Zimmermann received 23 votes, Michael Krynitz 18 and N ria Jubany 13 votes from a choice of five candidates. The Executive Committee then re-elected N ria Jubany as its Chairperson.

In his personal notes, Rolf Zimmermann described the first AEC years as a "great adventure", which for all meant "completely new land". The fact that a woman, not from Germany, had



With the Corporate responsibility Magazine, Allianz will be demonstrating from 2002 how it will implement its social responsibility.



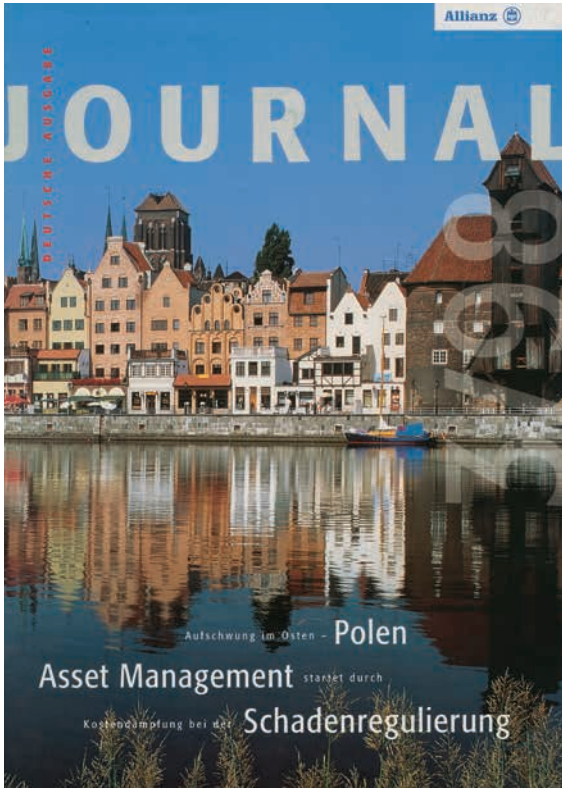
In a special edition of the Allianz Journal in November 2003, the management of Allianz explained the new strategy 3 + 1.

been elected—Núria Jubany—has proved to be a good thing after some initial problems. Earlier, Rolf Zimmermann had noted that when the first Board of Directors was elected, the prevailing view was that there should be three “seasoned trade unionists”, a recognition, moreover, of the fact that it was the employee unions united in FIET that had done the groundwork for the EWC. Norbert Blix moved into the AEC in place of Karl Miller, and Jean-Jacques Cette, who was to play a formative role for France for the first time. At the internal meeting of the AEC on 9 July 2002, it was the country representatives of Italy and France, Sergio Tasselli and Cette, who feared that trade union influence would be booted out of consultations on “working atmosphere” in the national companies and demanded at least the involvement of UNI, the European Confederation of Private Employees’ Trade Unions, in the drafting of European guidelines.<sup>55</sup> This was a reaction to the veto strategy of the Allianz leadership in the drafting of internal company social standards. In Sergio Tasselli’s words, the objective was “to establish minimum Union rights”; despite the negative attitude of the Directorate, “to fight for the best minimum rights for wage earners in Europe”. The next day, on 10 July, the

statement by the Executive Board member Reiner Hagemann made it unmistakably clear that, partly because of the crisis in the insurance industry triggered by the terrorist attack of 11 September 2001, a corporate policy of social concessions had reached its limit: “Until now, we have been a company with excess capital, we have been able to buy, we have merged, but this phase ... is over.” In the future, we will be more consistent and tougher if the margins are not reached in the long term, and we cannot accept that “the capital invested will not pay off”. In the final meeting of the AEC, therefore, a tone of disillusionment was unmistakable, namely that the strategic decisions of the holding were filtering through to every OE country without having succeeded so far in creating “foundations and framework agreements”.

It was perceived rather as a negative signal that the new Allianz CEO Michael Diekmann cancelled the 7th meeting of the AEC on 1–3 July 2003 “for scheduling reasons”.<sup>56</sup> In addition, the work group “Social Standards at Allianz” had not succeeded in realising a meeting with Labour Director Schneevoigt planned for December 2002. In his presentation on the second day of the meeting, Detlev Bremkamp referred to the slump in the financial market after 11 September 2001, and the situation at AGF, Allianz Global Risk, Dresdner Bank and





The Allianz Journal takes up the internationalisation of Allianz; the title page of the 3/1998 edition shows the Polish city of Gdansk.



In the first issue of 1997, the Allianz Journal focuses on the UK.

the Fireman’s Fund were also described by him as being in crisis. He was not wrong to refer for the first time to the power of rating agencies, which did not reflect a favourable picture for all segments of Allianz’s business. The external pressure on profitability, which has been felt throughout the financial world since the turn of the millennium, prompted Rolf Zimmermann to ask the fundamental question: “The goals are ambitious and there is a lot of pressure to achieve them. How will it continue, in favor of the employees or against them?”

Understandable displeasure arose in the AEC when Ihno Schneevoigt, in response to the demand from Jörg Reinbrecht of UNI, regarding why Allianz signed the Global Compact in 2002 without informing and consulting the AEC, ended the debate by saying that “it would not be appropriate for us to consult [the AEC], before you make decisions.” The following introductory lecture by Astrid Zwick on issues of “sustainable development” (sustainability) met with interest, but it was hardly possible to raise the mood in the Committee that Schneevoigt only indicated that the AEC would be included in a work group dealing with it upon the request of Rolf Zimmermann. At the end of the internal consultation of the AEC, there was great concern that “the only aim of the Management Board is to reduce costs, but at the expense of jobs”.<sup>57</sup>



Lutz Cleemann has established the sustainability strategy at Allianz as Managing Director of the Allianz Center for Technology.

At the European level of the Allianz Group, the progress in formalising social relations had almost come to a standstill, although new members of the AEC, such as those from Poland and Slovakia, had been added as part of the eastward enlargement. At the AEC meeting in Munich from 6 to 8 July 2004, Núria Jubany presented a balance sheet of the work carried out since 1997.<sup>58</sup> It was one of the clear positives to unify the means of communication on the basis of the Group Intranet (GIN), a platform for all companies of the Allianz Group; the so-called team room of the AEC within the GIN promised to facilitate the exchange among members. She praised the transparency of the work groups and the fruitful consultation of UNI. The work group "Social Standards" has resumed its work. With the admission of Dresdner Bank, the first EWC was created, comprising the banking and insurance sectors. The 34 members of the AEC represented 16 countries and 18 companies, and the number of employees represented in Europe had risen from about 62,000 in 1997 to over 140,000.

The signals in Allianz were in Núria Jubany's judgment on "the reduction of social benefits and jobs," on "social dumping from country to country," on "deregulation of labour relations." So the main issue was simply "defending the interests of the employees". The main objective of the AEC work

should therefore remain "to be asked and heard before making company decisions, so that solutions are sought through dialogue".

The internal AEC meeting on 6 July addressed the concerns that led to the relocation of jobs to Eastern Europe.<sup>59</sup> Jim Osborne's work group on "Human dimensions" presented its guidelines, which should appear as values in the company index in the future. The ambivalence was lamented by the behaviour of the company's head Michael Diekmann, who on the one hand maintains contacts with UN Secretary-General Kofi Annan and on the other hand shows his own employees the cold shoulder. Osborne wanted to find out why Allianz had done very well in assessing social criteria among rating agencies, but why "so far, any disclosure of the documents sent to rating agencies has been denied." A major problem for the British delegates was also the planned relocation of the Cornhill insurance company's IT-strong workforce to India.

The discussions with the CEO the next day took on the rather untypical features of the Allianz culture of a classic contrast of capital and labour. The answer to Norbert Blix's question of how Diekmann stood on the Global Compact and how he represented society at the meeting with Kofi Annan was disappointing: the CEO referred to employee Lutz Cleemann, "who had attended these meetings on his behalf." However, the strategic program presented by Diekmann, the "3+1 project" was a shock to the delegates. "3" was understood to mean: "Protect the capital base, increase profitability, reduce complexity," "1" said: "Increase competitiveness and value". Although Allianz has caught up in the ranking of rating agencies, it must become more profitable because of its presence on the stock market. Savings should be used "to enable a strategic investment (e.g. new markets in Russia and Korea)".

In view of a purely capital-market-oriented program in which the employees were not mentioned, Rolf Zimmermann urged a dialogue between the employee representatives of the

countries and the Board of Directors. The pressure of the work situation was put on the workforce and led to high dissatisfaction. One should bear in mind "targets can only be achieved with people, but they need the necessary motivation and a constant fear of job loss is not conducive to this". When asked by Osborne how Allianz would show social responsibility and how it would lead to off-shoring, Diekmann replied that of course there were many jobs to be kept: "However, Allianz has been falling back for years because too few interventions have been made within society." Núria Jubany's objection that better dialogue must be established and, in particular, that the AEC must be involved "in order to find not only local but general guidelines" was turned into the opposite by Diekmann, "that it is precisely the local peculiarities that need to be used". His conclusion made the AEC members shiver: "He has a mandate from the stakeholders and has different goals from the employee representatives, who have a mandate from the employees. He would be willing to work together on the points where interests were common, otherwise he would not make any sense in this." In this, the employee representatives could see nothing but the clear emphasis on a shareholder value approach, in its Anglo-Saxon style, in the first years of the new millennium, he sought to replace the German model of socially relieved "Rhine Capitalism".<sup>60</sup>

The following presentations by senior management staff on security aspects in e-mail, on employee options in the acquisition of shares and "leadership values" could not contribute to any warming of the negotiating atmosphere. On the contrary: the "Leadership values" were directly related to the 3+1 project. "The establishment of a best practice culture for managers and their leadership competencies" had the goal of checking "which competences their employees lack and systematically build up". Gúpner, the employee who was commissioned with the project, was significantly not familiar with the fact that it was in contrast to the "Lifelong Learning Concept" pursued by the AEC, to which the board refused. Gúpner finally rushed to add that "a feedback culture must be created in which the opinion of the employees is important".

It marked the consistency of the climate of consultations between AEC and management that had been developed over several years, when the Executive Board member Reiner Hagemann subsequently addressed details in the international business area in a customary factual style. He spoke about the losses in the retail and premium sectors, about tax plans in the life insurance sector and in particular about the plans of the off-shoring project of the Allianz Cornhill Information Service (ACIS) to India. On the merger of the credit insurance companies Euler and Hermes in 2002, he had already discharged his reporting duties in detail in a letter to Núria Jubany on 21 July 2003,<sup>61</sup> which he now brought up to date. IT mergers in Belgium and Italy had been managed "with the help of a social plan." It was not least the confident performance of Detlev Bremkamp, who resumed the old thread of cooperation with the employees. The global industrial business is diverse, but "highly motivated and qualified employees are needed." The poor results at Allianz Global Risk by 2001 have now been corrected. This also applies to the AGF, where concrete measures have taken the direction of a positive development. Moreover, the off-shoring process was not acute at the moment, but Bremkamp left no doubt that there is strong pressure from rating agencies: "You have to convince with good results".

Lutz Cleemann, Managing Director of the Allianz Center for Technology and responsible for the Allianz sustainability strategy, then explained the meaning of the sustainability idea, in which

“the guarantee for jobs, social responsibility, the environment and also social consequences (e.g. due to illness) played a major role”. In cooperation with Kofi Annan and the goals of the Global Compact, sustainability targets have been agreed for the next ten years. He finally agreed to disclose the criteria for the evaluation of the rating agencies and to provide all the documentation at the AEC meeting next year.

The mixture of experience and serenity that the AEC Committee had developed in its international composition led to the conclusion that the meeting was more successful this year than in previous years in the internal final consultation on 8 July: “Although Diekmann showed little courtesy, it was generally felt that the other members of the management team had a certain willingness to cooperate and exchange ideas.” The membership of the Global Compact and Allianz’s agreement with the criteria confirmed there led the members to persistently pursue the dialogue with the Management in the “Human dimensions” Work Group. A resolution also called on employers in the insurance industry to resume the interrupted “European social dialogue” with UNI.<sup>62</sup>

In the “information to all employees” on the AEC meeting, the AEC’s GA emphasised the difficult overall situation as well as the indispensable long-term goals: “The new economic area created by enlargement to the east offers great opportunities on the one hand and represents a model of peacekeeping in response to the world wars. However, it also raised fears about job relocations.”<sup>63</sup> The attempt to reach an agreement on minimum standards for all employees of the Allianz Group failed “because after the EU Eastern extensions the national circumstances diverge too far”. This makes it all the more urgent that the employer be taught “to give employees more recognition and appreciation” in the future.

The information to staff about the AEC meeting held in Munich from 29 June to 1 July 2005 can be seen in several respects as the conclusion of a rather successful AEC history.<sup>64</sup> The newly elected Executive Committee consisted of Rolf Zimmermann and his deputies Sergio Tasselli from RAS and Paul Verhoeven from Allianz Nederland. The former chairman Núria Jubany and her deputy Michael Krynitz resigned at their own request, and the AEC thanked him for “an excellent job”.

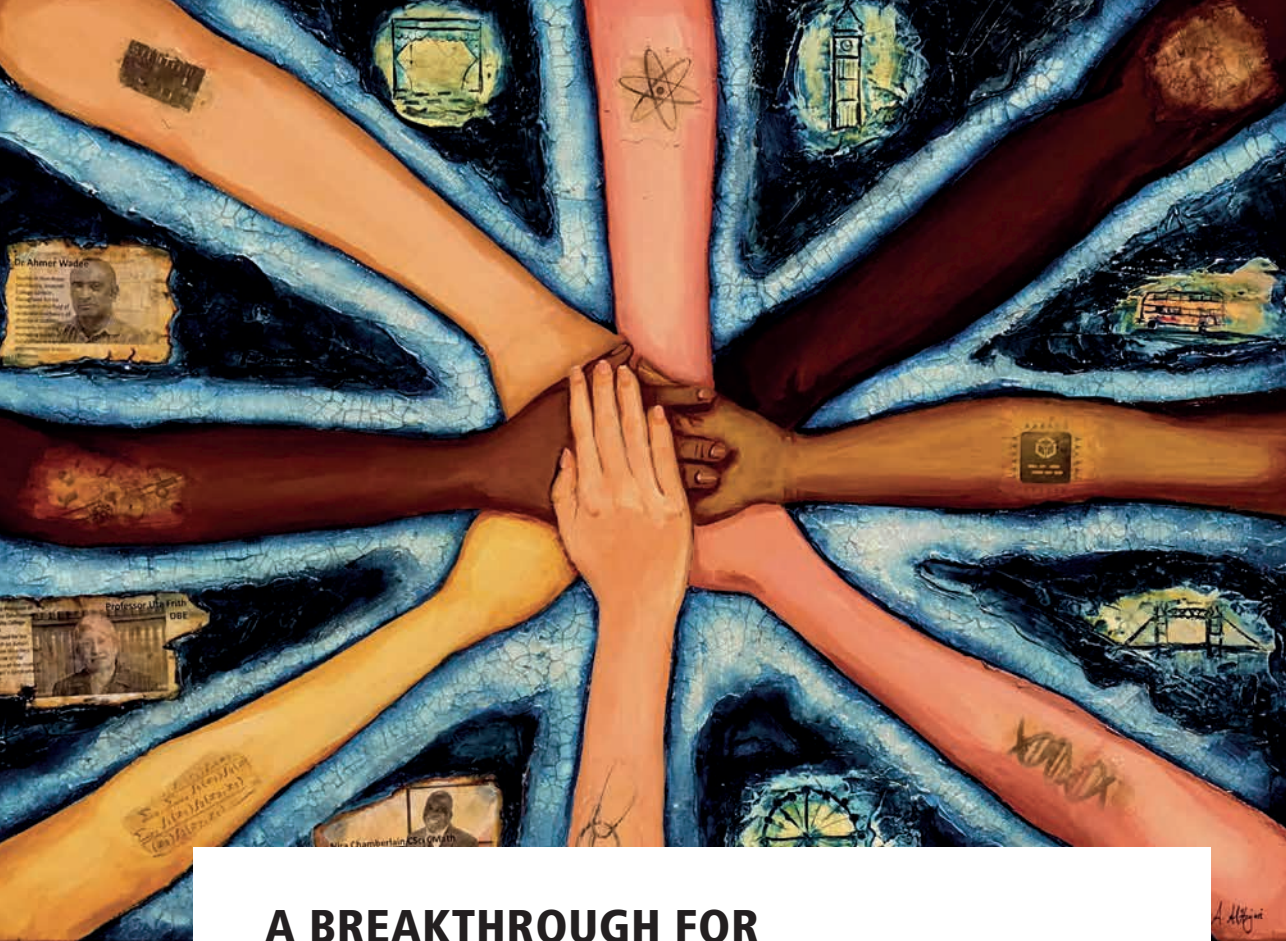
For the coming electoral term, it was called for the employer to define his relationship with the employees, to take them seriously as “citizens in the company” and to guarantee compliance with values and the Code of Conduct across countries. The Allianz Group must guarantee its employees a minimum level of financial security and share responsibility for health, safety and job satisfaction. In particular, the Executive Board of Allianz was asked to make a commitment to equal opportunities, diversity, Lifelong Learning, citizenship and the promotion of the social commitment of its employees (Corporate Social Responsibility). Furthermore, reliable procedures of information and consultation, as well as the right to association in trade unions and the election of employee representatives, were demanded, and this was still the central point. The commitments already made by international ethical standards such as Global Compact, Code of Conduct and Leadership values seemed to provide the AEC with a favourable basis for this.

Before the crisis year of 2006 to Allianz, the AEC must be certified as having been successful in many respects, which once again represented not only the interests of the employees in

the European Allianz companies, but also contributed to the functioning of a European-wide group. The AEC had been able to integrate the impulses from the various national employee movements in the sense of common goals. The initially perfectly existing employer reservations against radical aspirations of European Union traditions had been eliminated by the EWC constitution and the continuous cooperation. All of these were also favourable conditions for the European expansion plans of Allianz, in which it once again depended on cooperation with the European employee representation. However, work at the AEC had shown the European Works Councils the limits of their interventions, which could not enter the decision-making corridors of the group during the "information and consultation" processes.



Sergio Tasselli, Rolf Zimmermann (Chairman) and Paul Verhoeven (from left to right) formed the new board of directors of the AEC as of July 2005.



## **A BREAKTHROUGH FOR EUROPEAN CO-DETERMINATION**

### **The Agreement on Employee Participation in the SE**

Allianz was the focus of the headlines on the economic pages of many German newspapers on 12 September 2005; the FAZ read: "Allianz is reconstructing the group".<sup>1</sup> It referred to the public announcement of Allianz of the previous day to merge with RAS. This process should be carried out in connection with the conversion of Allianz AG into a European company (Societas Europaea - SE).<sup>2</sup>

Allianz entered a new territory. Only nine months earlier, Regulation No 2157/2001 of the Council of 8 October 2001 on the Statute for a European Company, through the Act establishing the European Company on 29 December 2004, had become German law, which allowed the creation of a cross-border public limited company. Allianz was thus the first DAX company to pursue the legal form of the SE.

At the time, the Allianz Group employed around 130,000 employees in more than 160 companies in 29 European countries, some of which were interrelated.<sup>3</sup> Against this background, one of the Management's goals was to streamline European structures and centralise management

functions by establishing the SE. In particular, the double structures resulting from the fact that RAS and AGF formed almost their own groups within the Allianz Group were to be cleaned up. However, there were also cost aspects in favour of the reorganisation: uniform reporting and accounting would reduce running costs, and the purchase of RAS shares in foreign ownership was more cost-effective through the creation of the SE. But above all, the vision was to create a new corporate identity: with the establishment of the SE, it should be made clear that the former German company has changed into a European “global player” in the insurance industry.<sup>4</sup> In the run-up to the meeting, the Allianz Group management had already taken a number of decisions, which the German Works Councils had noted with relief: the seat of the future SE should remain in Germany and the previous dual governance structure with the Executive Board and Supervisory Board should be retained. In addition, the Supervisory Board should continue to have equal representation. However, the decision to reduce it to twelve seats came up against opposition from the German representation of interests.<sup>5</sup>

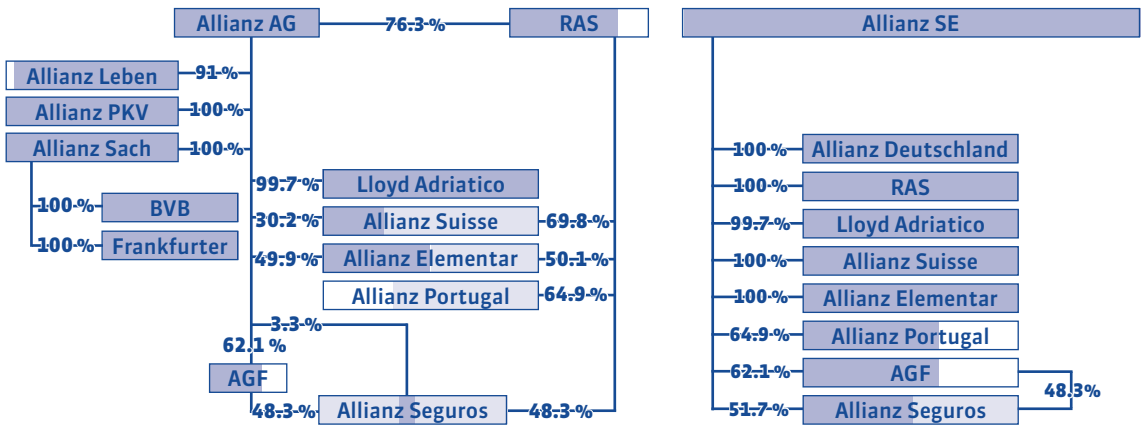
For the establishment of an SE based in Germany, the Act on the participation of employees in a European Company (SEBG) required the participation of employees of the Group. Within ten weeks of the initiation of the start-up procedure, they are to form a “special negotiating body” (SNB), which is to start negotiations with the governing bodies of the companies involved in the start-up process with a view to concluding an agreement on the participation of employees in the SE within six months. The negotiations should include the co-determination of employees in the Supervisory Board of the future SE and the definition of the procedure for informing and consulting employees through the formation of an SE Works Council. If the negotiating partners did not agree on an agreement in the six months, the law provided for a fall-back solution, which provided a framework for both sides to reach a minimum result.<sup>6</sup>

The German members of the SNB met on 28 February 2006 with the Allianz negotiating leadership under the chairmanship of CFO Paul Achleitner for an exploratory discussion. For this purpose, the HR department had formulated internally the most important points regarding the SE Works Council, in its view, as a quasi-“holding line” for the future negotiations, which strongly reminded the position of the Schneevoigt Executive Board member over the past ten years: The scope of the agreement should be strictly limited to EU countries. The SE Works Council should be solely responsible for cross-border matters, in no case should it become a “fall-back Works Council” for countries where there is no representation of interests. His powers should be strictly limited to rights of consultation and information; co-determination rights, as in the German Works Constitution Act, should not apply. In addition, the Human Resources Department—more for tactical reasons—called for the representation of senior staff on the SE Works Council, because it added: “If necessary, only to create a negotiating mass”. For the meeting, it was basically intended to hold a regular meeting per year, as also provided for in the legal resolution; in exceptional cases, the “primacy written information/consultation” should apply.<sup>7</sup>

The process of forming the SNB was difficult, as the election of delegates to that board was conducted in each country under its own electoral rules. Finally, on 28 March 2006, 30 employee representatives from 23 countries met for the constituent meeting: according to the number of Allianz employees in the individual EU countries, the German employees had elected six delegates, the Italian and French two, and only one employee representative came from another

### Situation prior to restructuring

### Situation after restructuring



The chart by Michael Diekmann illustrates the reorganization of the Group following the establishment of Societas Europaea in 2006.

20 countries. The members of the SNB thus already had different experiences, expectations and opinions due to their national character. The formation of opinions in the committee was also made more difficult by the lack of basic knowledge of German corporate co-determination, which was the foil for the negotiations, among the majority of members. This was especially true for those who came from countries where there was no representation of interests and had no experience of it. However, communication between the SNB members was facilitated by the fact that many were already members of the AEC and thus partly knew each other for a long time and thus had a personal basis.<sup>8</sup> At its constituent meeting in Unterföhring, the SNB elected Chairman of the AEC Rolf Zimmermann as Chairman and Sergio Tasselli as Deputy Chairman. "In order to create the most efficient negotiating situation," a seven-member committee was formed to conduct negotiations with the boards. This "Small Negotiating Body" (German: KVG) comprised five employee representatives: the two German Works council members Rolf Zimmermann of Allianz Versicherungs-AG and Peter Haimerl of Dresdner Bank, the British Geoff Hayward of Allianz Cornhill, the French Jean-Jacques cette of AGF and the Italian Sergio Tasselli of RAS. Trade union official Jörg Reinbrecht in his double function as representative of UNI and VER.DI as well as Roland Köstler, who advised the SNB as a lawyer of the Hans Böckler Foundation, rounded off the team.<sup>9</sup>

At the same time, the SNB adopted "16 core objectives for the participation of employee representatives in Societas Europaea" as the basis for the negotiations. The claims had been drafted in advance of the constitution by the German members of the SNB, who had thereby taken the issue of action into their hands. They used their experience and resources of Works Council work – supported by VER.DI, UNI-Europa Finance and the HBS – to put together key points for demands and negotiations. But the English representative Geoff Hayward also brought his own





The Special Negotiating Body met for the first time in March 2006 in Unterföhring; following this, the Small Negotiating Body was formed (see below).



Jörg Reinbrecht



Geoff Hayward



Roland Köstler



Rolf Zimmermann



Jean-Jacques Cette



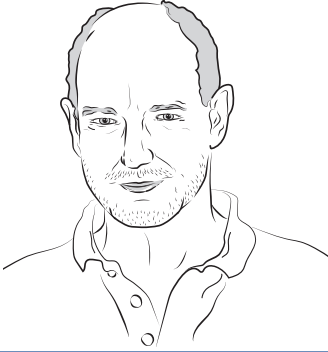
Peter Haimerl



Sergio Tasselli

paper into the discussion. The proposals were discussed and the core objectives were finally agreed unanimously as a negotiating line for the employee representatives.<sup>10</sup>

The core objectives for the structure and work of the future SE Works Council were based on the previous AEC, i.e. from 100 Allianz employees in a country, a country representative should be elected and from 2,000 employees, the workforce of a company should each be able to send one member to the SE Works Council, and for every additional 15,000 employees, a further member. UNI representatives should be given the right to attend the meetings of the SE Works Council without voting rights. An Executive Committee, consisting of a chairman, two deputies and two other members, should coordinate and prepare the work. A significant deviation from the practice of the AEC was the requirement that the SE Works Council should have the right to take days as needed, more than once a year. In the short term, the "official language" of the SE Works Council should be the languages of all country representatives, but in the medium term only German and English should be practised and translated. The rights demanded for the new European representation of interests went far beyond the previous regulations: The committee should be responsible for matters affecting employees in several countries, but



**Rolf Zimmermann**  
**Chair of the SE Works Council**  
**from 2006 to 2018.**

Allianz employee from 1969 to 2018.

1969 Apprenticeship  
 Insurance Salesman at Frankfurter  
 Versicherungs-AG.

Claims management Insurance service  
 at Volkswagen.

Youth representative Works Council.

Vice-Chair General Works Council.

Chair of the Allianz Europe  
 Committee (AEC).

Vice-Chair of the SE Supervisory Board.

national interest groups should also be given the right to instruct the SE Works Council to act for them. The core objectives also provided for specific information and consultation rights as well as co-determination rights. In the case of company projects that significantly affect the interests of the employees, the management should inform the SE Works Council in good time and discuss the projects with it. In addition, the SNB proclaimed the right of initiative for cross-border measures in the fields of occupational health and safety, data protection, education and training and equal opportunities, as well as for a reconciliation of interests and social plan if there is no competent representation of interests in a country.

With regard to the Supervisory Board of the SE, the requirements of the SNB provided that the number of seats should be 18, but at least 14. The aim was to ensure that, on the basis of the given Allianz employment figures in the European countries, Italy could have sent at least one employee representative to the Supervisory Board, in addition to Germany, great Britain and France. As regards the internal order of the Supervisory Board, the SNB demanded that the employee representatives appoint the deputy chairman of the Supervisory Board and that the committees should be taken into account on a parity-based manner. In addition, the catalog of business transactions requiring approval for the Supervisory Board should be extended compared to the Articles of Association of Allianz AG.<sup>11</sup>

One day after the constitution of the SNB, negotiations between the KVG and the negotiating Commission were started by Allianz and the RAS. Both parties agreed on a tight timetable, according to which a result should be determined in five further rounds of negotiations by 4 September 2006, which should be submitted to the SNB for a vote 14 days later. As far as the content was concerned, it was agreed that in the first phase of the negotiations the regulations for the SE works Council should be discussed

first; only after a meeting with the SNB plenary session at the beginning of June should the negotiations deal with the Supervisory Board. The first points were already clarified in the first negotiation; the management of the company admitted to the KVG that the SE works Council could have days twice a year.<sup>12</sup>

The negotiations were under a severe stress test from the very beginning. The Executive Board's decision to set up SE was linked to the aim of also reorganising the existing German structure of Allianz according to the business model practised in Austria. With "probably the most far-reaching reorganisation in the history of Allianz in Germany"<sup>13</sup>, the three previously independent Allianz insurance companies were to be dissolved and their structures merged into Allianz Deutschland AG (ADAG). This process should also streamline the existing regional structures.

Already during the discussion in the Executive Board there were considerable differences; Detlev Bremkamp and Reiner Hagemann, who did not want to support the decision regarding structural changes in Germany, therefore decided in September 2005 to leave the Executive

Board of Allianz.<sup>14</sup>, however, the conflict was not over. In the spring of 2006, when more and more information about the planned changes became known as part of the start of the social plan negotiations, he intensified again. On the evening of 21 June 2006, the Executive Board informed the Combine Works Council (German: KBR) about the location and employment concept of ADAG: of 22 sites, 12 should be closed; 5,000 jobs should be eliminated. The Result: A wave of corporate and public protest hit German companies; the trust that had been so far between the workforce and the management was deeply shattered. The loss of confidence shook the ability, which has grown in the past through mutual respect, to implement restructuring relatively silently and to some extent socially acceptable. As a consequence of the shift away from the culture of community, the employer was confronted with the fierce resistance of employees, Works Councils and unions.<sup>15</sup> This major conflict, which was closely followed by the German public, was a heavy mortgage for the negotiations, which were supposed to bring about a consensus on the issues of co-determination in the future SE.

For the Allianz Executive Board, the negotiating position was also sensitive for other reasons: The creation of the SE would lead to a new legal landscape, and the agreements that would be made with the company's representations of interests would set a sustainable benchmark for subsequent SE start-ups. That is why the Executive Board was under special pressure from the employers' Association, which wanted to avert prejudicial factors that go too far.<sup>16</sup> In addition, the management wanted to avoid the failure of the negotiations as far as possible, as this would lead to a further loss of public image after the confrontation with the workforce about the German organizational structure.

In the negotiations, two issues soon emerged as the main points of dispute: the size of the Supervisory Board and the rights of the SE Works Council. The extraordinary annual general meetings of Allianz and RAS on 8 February 2006 had, in their merger decisions, adopted a statute for the future SE, which provided for a Supervisory Board composed of twelve persons. Through these resolutions, the company had prejudiced the co-determination negotiations on a central point, since a deviation from this size of the Supervisory Board would have required a change in the articles of incorporation by the re-convening of annual general meetings, which in the view of the Allianz management would have resulted in a considerable legal uncertainty due to the eleven pending appeals. In terms of content, the management justified the reduction of the Supervisory Board from 20 seats at Allianz AG to 12 seats at the future SE by the fact that "a comparatively smaller Supervisory Board works more efficiently". The employees' side continued to support a Supervisory Board size of 18 people.<sup>17</sup>

The second main controversy between the SNB and the company management arose from the competences of the SE Works Council. The core objectives of the SNB called for the SE Works Council to have a right to be consulted and notified in good time not only in cross-border matters, but also in national matters in the event that there is no national representation of interests. In addition, the employee representatives claimed the right of initiative and co-determination for cross-border measures in the fields of occupational health and safety, equal opportunities, education and training and data protection. In the negotiations, the management stated that the competence of the SE Works Council could in principle only cover cross-border matters, but not national matters. The required initiative and co-determination rights were also



Paul Achleitner, Allianz CFO from 2000 to 2012, is the employers' negotiator for the establishment of the SE Works Council.

strictly rejected, as both the EU directive and SEBG only provide for consultation and information rights and neither the negotiating parties nor a future SE Works Council has the legitimacy to legally bind the national management.<sup>18</sup>

At the third meeting on 8 and 9 June 2006, the SNB took stock of the state of negotiations. Ten of the twelve core targets relating to the SE Works Council were met in full or in part. On the negative side, however, there were important points: Co-determination rights had not yet been anchored and the management had not agreed to the formation of a conciliation committee. And on the issue of the size of the Supervisory Board, the positions of employees and employers remained irreconcilable.<sup>19</sup> There were discontented voices in the SNB, which turned against what they thought were all too "technocratic" results and lacked a commitment to goals and values for the future SE. In the discussion with the management on 8 June, Chairman Zimmermann therefore expressed the expectation of the SNB that "the agreement will be preceded by a preamble with concrete content". Management signaled approval of the proposal and promised to make a proposal.<sup>20</sup>

At the beginning of August, the negotiations were in short-term crisis. The reason for this was the revision of the draft agreement, which the management sent to the KVG on

8 August, in preparation for an internal meeting two days later. Rolf Zimmermann was "very angry" at the sending, as he wrote in an e-mail on the same day to the Allianz negotiator, Paul Achleitner, who was on holiday. The employees have already "repeatedly criticized the fact that it is unreasonable for you to repeatedly submit completely revised drafts to us, especially if this draft reaches us immediately before a meeting". It is no longer possible to prepare for the meeting properly, because much of the time will be spent "trying to find out what pitfalls you have put us back on." Having listed some examples of alleged "pitfalls," Zimmermann threatened "the end of the negotiations": "With an employer who is not prepared to negotiate extraordinary circumstances seriously with the Works Councils and with the will to reach agreement, we can neither regulate the involvement of the employees nor conduct a 'social dialogue' for the benefit of the employees and the company."<sup>21</sup>

A few hours later, Achleitner apologized to Zimmermann in an email. It is not "in my nature to lay pitfalls or to conduct 'psychological warfare'". The intention is "only to submit a revised draft, which in the eyes of our legal advisors will also formally reflect the future scientific interest in this first SE document". Dr. Hemeling was directly available to the KVG for the clarification of questions relating to the content. In conclusion, Allianz negotiator emphasized one point "that is close to my heart: as discussed several times, if I disagree, then I also say so and do not try to fight through the chest into the eye from behind."<sup>22</sup>

At its meeting on 10 August, the KVG discussed the presentation of the management at an internal meeting. Among other controversial points, the draft preamble was rejected.<sup>23</sup> On 6 July the SNB asked the members of the SNB to send proposals for the contents of the preamble to the chairman.<sup>24</sup> On the basis of proposals from Great Britain, France, Italy and Germany, Zimmermann and Haimerl developed their own draft for the preamble, which was adopted with few amendments at the meeting of the SNB on 10 August. The content of the four-page document was linked to the various position papers of the AEC on "social standards". They called for compliance with ILO core labour standards, principles of the UN Global Compact and OECD guidelines for multinational companies, as well as the promotion of equal opportunities, lifelong learning, active health and safety at work and internal dialogue between management and employee representatives as corporate objectives.<sup>25</sup>

On 4 September the revised draft agreement was discussed for the last time between the KVG and the negotiating body of the companies. The excitement of August had settled in the meantime, and the meeting took place in an open-minded atmosphere. This was also due to the attitude of the management, which was prepared to approach the employees' negotiation commission on some still contentious points and to make compromises. However, they remained tough on two points: The size of the Supervisory Board and the rejection of a conciliation committee. The management's argument is that the "practice of cooperation" makes it unnecessary to set up a conciliation body; third parties would not be required to interpret the agreement. Nor was Rolf Zimmermann's argument that the "supposed working capacity" of a smaller Supervisory Board "is at the expense of even greater Europeanisation" taken into account. After all, it was prepared to allow the Italian representative office on the SE Works Council an additional seat for a transitional period, since no Italian could be placed on the supervisory body due to the lower number of employees compared with France and Great Britain. Employees were also met with regard to the subject of the Supervisory Board's business transactions requiring approval: the Executive Board undertook to "inform the Supervisory Board of all business matters which are of fundamental importance due to their particular impact on the general company policy, the financial situation or the interests of the employees". "This includes reorganization and restructuring measures with a significant impact on the employment situation in the Group," he added.<sup>26</sup>

On 20 September 2006, the SNB met in Kemptenhausen, the training and conference venue of Allianz on Lake Starnberger, to decide on the outcome of the negotiations. The chairman, Zimmermann, referred once again to the legal situation, either to approve the contract for



Peter Hemeling accompanied the negotiations for the constitution of the European Works Council as head of the legal department.



The Special Negotiating Body and the employers' representatives after signing the agreement establishing the SE Works Council.

the co-determination of employee representatives in the SE or to accept a fall back on the statutory provisions, and then explained the outcome of the negotiations and the recommendation of the KVG to accept the draft co-determination agreement. The debate was very brief, and the result of the vote was clear: The SNB decided with 24 votes in favor and one against to approve the SE contract and to have it signed on the same day by the Chairmen Tasselli and Zimmermann.<sup>27</sup>

Prior to the signing, which took place at 6 p.m., Rolf Zimmermann explained to the employer negotiating group in a joint meeting that the conclusion of the co-determination agreement was a step "to make Europe tangible for people". This aspect has already been addressed several times in the work of the European advocacy group to date—with different accents. The emergence of the European Community was supported by the hope of preventing the wars that have been set up in the past within ever shorter intervals in the future. In addition to this basic idea of peace, a social component also played a prominent role: The European Community would be acceptable to employees only if it was not a Europe of the rich and the companies, but also if the interests of the employees were properly taken into account. In this sense, a European representation of interests was also part of this European process. It was important for the Allianz employee representatives that, beyond the political institutions, the European idea also gained importance in the world of work and that it became tangible for employees. However, the



Since 2001, Kempfenhausen has been the training and conference venue of Allianz at Lake Starnberg.

SE Works Council can also play an important role in the development of Allianz, Zimmermann stressed, because it can serve as a source of unfiltered information for the Executive Board. Therefore, it should be considered “by management not as a hindrance, but as a helpful body”.<sup>28</sup> The “Agreement on the participation of employees in Allianz SE” of 20 September 2006 contains, in addition to a preamble, provisions on the SE Works Council and on corporate co-determination. In the preamble, the Allianz Executive Board and the employee representatives explicitly support a social dialogue within the company. Consequently, the management also recognizes the establishment of employee representatives in its group companies and their cooperation with the trade unions. The Executive Board and employee representatives are committed to promoting equal opportunities, active support for lifelong learning for employees, active occupational health and safety at work, sustainability and environmental protection, and compliance with and implementation of ILO core labour standards, Principles of the UN Global Compact and the OECD Guidelines for multinational companies. With this binding statement, the various initiatives that the AEC has used in recent years to set social standards as corporate goals have been belatedly crowned with success. From the point of view of many employees’ representatives, the preamble was the cultural centerpiece of the agreement, because the claims enshrined here now apply to all Allianz companies in Europe, regardless of whether they had employee representation or not.

The SE Works Council, which now replaced the AEC as an operational representative committee at European level, was significantly enhanced by the agreement compared to its predecessor. This can already be seen in its composition. Each European Economic Area (EEA) country employing at least 100 Allianz employees sent a "country representative", as did Switzerland, which was not a member of the EEA. A special position was taken by the Nordic/Baltic region, which designated a joint "regional representative", and for the first term of office of Italy, which, according to the management's concession, was able to send two "country representatives" temporarily. Allianz companies, which employed more than 2,000 employees in one country, were additionally represented by a "company representative"; if an Allianz company had a further 15,000 employees, it could send an additional "company representative". Based on the number of employees, the number of employee representatives entitled to vote in the SE Works Council totalled 37. As guests, the European representation of interests was also able to invite the employee representatives on the Supervisory Board and two representatives of European trade unions to their meetings. The seat distribution key was used to implement several principles of representation in the SE Works Council: As many European countries as possible in which Allianz has been active should be represented on the board, but without adversely affecting the capacity to work by a committee that is too large. In addition, the seat allocation key reflected the agreement that the high-staffing countries should not dominate the smaller ones. The basic principle, which was already implemented in the AEC, was to strive for as broad a consensus as possible in the internal formation of opinions. The architecture of the SE Works Council was thus democratic and pro-European.

However, the Participation Agreement also significantly strengthened the resources for action compared to the AEC: The frequency of the meeting was increased from one to two regular sessions per year, with the interpretation of the meetings and the translation of documents being carried out in four working languages. The Executive Committee (ExCom) has been enlarged from three to five members from at least three countries to the AEC. The chairman of the SE Works Council was to be completely exempted from professional activity. On the other hand, the other members were only to be exempted from their professional activities in so far as this was necessary for the performance of their duties. The SE Works Council was given the right to call on experts for its work and its members the right to paid training. The focus of the SE Works Council's design right was information and consultation on the business situation and perspectives of the Allianz Group, which in principle already applied to the AEC, but which have now been clearly clarified. The legal instrument of the information and consultation was derived from French labour law; this meant that the employee representatives had to be informed in time so that their opinion could be incorporated into the process of the decision-making of the board.

However, a decisive increase in the powers that should shape further development has resulted from two points: The strengthening of information and consultation in the event of exceptional circumstances and the introduction of an initiative right. The information and consultation procedure laid down in the agreement gave the Executive Committee the right to discuss "exceptional circumstances" with management a second time with the aim of reaching an agreement if the management had not taken into account the first opinion of the SE Works



Council. Exceptional circumstances included the relocation, transfer or closure of undertakings, businesses or essential parts of operations, the merger, the transformation or division of undertakings or businesses, or the collective redundancies. The right of initiative gave the SE Works Council the opportunity to ask the employers to negotiate guidelines on equal opportunities, health and safety at work, data protection and training.

In its second part, the co-determination agreement laid down the rules for corporate co-determination. The twelve-member SE Supervisory Board was put together based on parity. The six seats of the employee representation were filled in proportion to the number of employees in the individual countries. For the first Supervisory Board, this meant that the German employee representatives could take four seats; one of the German seats was for the EWC coordinator, who was acting on behalf of UNI Europa. The remaining two seats were occupied by employee representatives from France and the UK. The group of senior executives was not represented on the Supervisory Board, so the employee representatives did not have to give up a seat to them. The co-determination rights are in principle based on the German Co-determination Act; this concerned, for example, the possible use of a casting second vote by the Chairman of the Supervisory Board, which was provided by the shareholder, in a stalemate situation.<sup>29</sup>

On October 13, 2006, Allianz SE was one of the first European public limited companies in Germany to be registered in the Munich Trade Register. It is to be agreed with the judgment of Stefan Rüb and Hans-Wolfgang Platter that the foundation of Allianz SE "led to a development leap in the formal constitution and practice of European business relations".<sup>30</sup> For the first time, a separate, social-private-law definition of co-determination rules in a European company was based on negotiations between employer and employee representatives. A new legislation has been created at two levels: on the one hand, a European component was added to the German Works Constitution Act and, on the other hand, the co-determination law of 1976 in Allianz SE was completely replaced. In 2006, the co-determination expert of the Hans Böckler Foundation Roland Köstler was convinced that the agreement "could serve as a starting point for a Europe-wide worker participation".<sup>31</sup> Jean-Jacques Cette made a special point, which probably many of his colleagues in the SNB shared, by highlighting two points in retrospect in the anchoring of employee participation in Allianz SE: The joint successful cooperation and the novelty of the achieved: "What has always borne us," he concluded, "is the common will to build something" with the participation of all, something new has emerged: "It was not a house that we entered, that already existed, but *our common house*."<sup>32</sup>



# EUROPE AT A GLANCE

## The practice of co-determination at Allianz SE

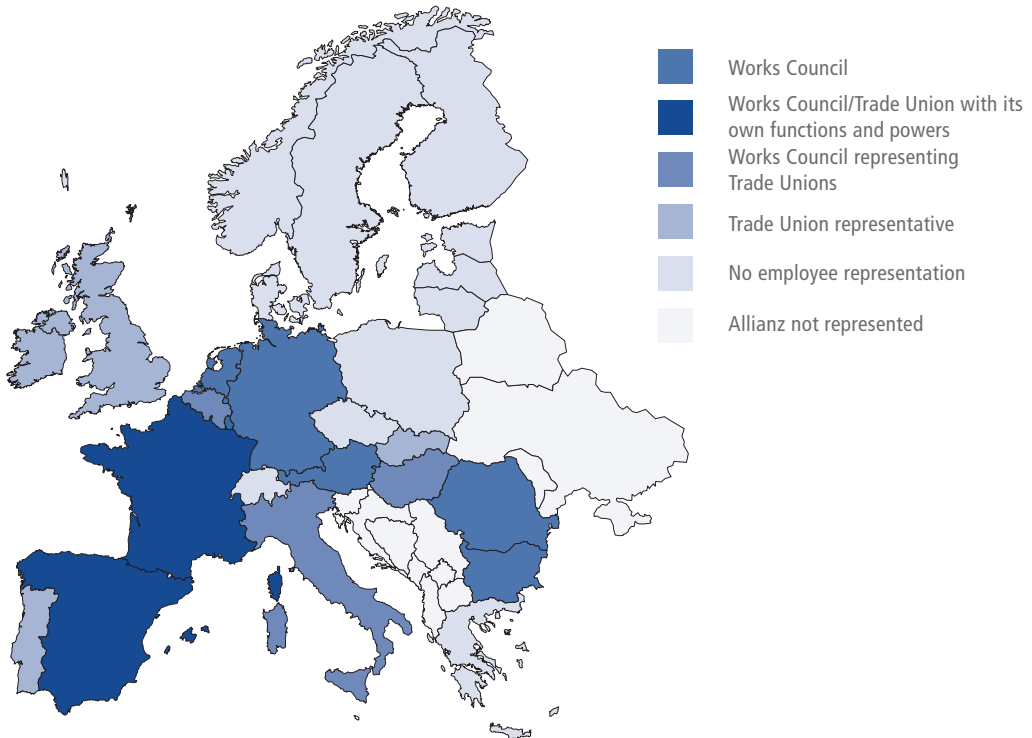
### **Kick-off for the new European employee representatives: The constitution of the SE Works Council**

On 24 January 2007, the representatives of the new SE Works Council met for the first time at the Allianz site in Unterföhring. 16 countries had sent a total of 37 employee representatives to represent the interests of employees at Allianz SE for the next four years. The strongest group was provided by Germany with ten representatives. France, Italy, and Great Britain had sent three delegates, two each hailed from Austria, Slovakia, Spain, and Hungary. Also attending the meeting as guests were UNI Europe Finance trade union representatives Jörg Reinbrecht and Birgit Ivancsics, and French Supervisory Board member Jean-Jacques Cette.<sup>1</sup>

All stakeholders had been appointed in their countries in the four months since the contract was signed. However, the electoral procedure differed from country to country, reflecting the structures of workplace representation and the trade union movement in each country. In some countries, such as Germany, Austria and the Netherlands, the members of the SE Works Council were elected by the Works Councils. In other countries, such as France, Italy, Portugal, and Spain, it was the trade unions that selected the members, although in some cases according to different procedures, and in countries such as Ireland and the UK they were elected by the workforce in a secret nationwide ballot. Common to all stakeholders was that they were legitimised through an electoral process.

After the launch of the constituent meeting by Rolf Zimmermann, the SE Works Council elected the five members of the Executive Committee as its first official act. Of the seven candidates, Rolf Zimmermann (Allianz), Geoff Hayward (Cornhill), Paul Verhoeven (Allianz Netherlands), Claudia Eggert-Lehmann (Dresdner Bank) and Sergio Tasselli (RAS) were elected. In a subsequent brief discussion, the Executive Committee decided to appoint Rolf Zimmermann as Chair and Geoff Hayward and Sergio Tasselli as his Vice-Chairs.

As a final agenda item, the SE Works Council had to address the appointment of the British member of the Supervisory Board. Due to the legal provisions, the four German and the French representatives had been nominated by the respective group representative bodies. Since there was no such representation of interests in the UK, the SE Works Council had to vote on the proposal submitted from the UK to appoint Geoff Hayward to the Supervisory Board; it followed the proposal unanimously.<sup>2</sup>



Employee representation structures in Europe (presentation by Werner Zedelius 2011).

## How the SE Works Council operates

Due to years of experience and practice in European interest representation work at Allianz in the AEC, the SE Works Council was able to draw on workable structures and relationships, and quickly implement the possibilities for action outlined in the Participation Agreement. The continuity was reflected in particular in the conduct of the SE Works Council meetings, which adopted the best practice of the AEC. The three-day meetings took place at the beginning and middle of each year at alternating Allianz locations. They opened at noon on the first day with an internal meeting, which focused first on reports on the development of the last six months at Allianz SE and in the individual countries, and then on the preparation of the meeting of the SE Works Council with the management, which took place the following day. The day-long meeting of the Works Council with the management on the second working day comprised two blocks: first, various managers gave presentations on topics previously agreed with the ExCom, which were then discussed with the employee representatives. Subsequently, a "round table" with a member of the board followed. Finally, on the morning of the third working day, the SE Works Council evaluated the meeting with management and formulated work assignments, especially for the ExCom. This practice has been questioned over time, but even after ten years of practice, the executive committee concluded that this procedure is "still the best way to run the meeting".<sup>3</sup>

From the beginning, the actual information, coordination, and action centre was the five-member executive committee of the SE Works Council. In the years that followed, however, the composition of the board changed. First, Paul Verhoeven resigned from his post for personal reasons in early 2008. In his place, the SE Works Council elected the Slovakian employee representative Bohuslav Cir to the ExCom.<sup>4</sup> In particular, he was to represent the interests of Allianz employees in the Eastern European countries. When the Dresdner Bank Works Council members had to resign from the SE bodies in January 2009 in the wake of the takeover of Dresdner Bank by Commerzbank, the SE Works Council elected Jean-Jacques Cette to succeed Claudia Eggert-Lehmann on the ExCom.<sup>5</sup> Following the retirement of Sergio Tasselli, Hubert Weber was elected to the Executive Committee in February 2010, and Jean-Jacques Cette succeeded Tasselli as Vice-Chair of the SE Works Council.<sup>6</sup>

The executive committee usually convened four to five times a year between the two SE Works Council meetings for one to two-day meetings. The meeting venue was mostly Munich or Frankfurt am Main, mainly for practical reasons, as the committee was able to draw on necessary technology here as well as on the help of Beate Link, who, according to the co-determination agreement, was made available to the chairperson of the SE Works Council “to provide administrative support in the performance of his or her duties”.<sup>7</sup>

The tasks of the Executive Committee were extensive: In general, it was responsible for the management and representation of the SE Works Council. The concrete tasks included the preparation and follow-up of the meetings of the SE Works Council, e.g. taking minutes, but also the preparation and implementation of draft resolutions as well as all tasks assigned to it by the SE Works Council. Between these meetings, it was the contact and negotiating partner for the company management.<sup>8</sup> Paul Achleitner had announced at the end of the contract negotiations in September 2006 that Gerhard Rupprecht, as a future member of the SE Executive Board, would act as the “employer’s contact person” for labour and social affairs.<sup>9</sup> Another function of the ExCom was to act as the external representative of the SE Works Council, which took up a considerable amount of time due to the many external enquiries about the first SE project in Germany. To deal with content-related issues, the ExCom initiated SE Works Council work groups; it not only proposed their topics and members, but also appointed an ExCom member to lead them. He derived a double benefit from this construction: Thus, the ExCom was always informed about the status of the group’s work, but it also saw the work groups as a suitable means of involving more members from the SE Works Council and, in addition, other knowledgeable employee representatives in the current work.<sup>10</sup> And ultimately, according to the Participation Agreement, the ExCom also assumed the task of representing employees in countries that did not have a seat on the SE Works Council.

The ExCom identified an important task in establishing the working capacity and cohesion of the SE Works Council in view of the different knowledge and experience of the country representatives. During the initial phase, with the support of the European Trade Union Institute for



The Italian Sergio Tasselli has been a leader in the various European Works Council committees since the 1980s.

Research (ETUI), he therefore organised two seminars financed by Allianz for the members of the SE Works Council, which were intended to not only impart knowledge for their concrete work, but also to initiate a process of self-discovery by the body, above all, in order to develop a common European idea.<sup>11</sup>

Internal and external communication was a recurring critical issue in the SE Works Council. In order to better anchor the committee with the employee representatives of the Allianz companies in Europe, in early 2009 the idea arose to ask UNI (Union Network International) Europe Finance to invite the unionised employee representatives to a meeting to discuss current problems in the Group.<sup>12</sup> This initiative, presumably coming from Geoff Hayward, was well received by UNI Europa. This European trade union federation had already adopted a concept in 2006 whereby cross-border “trade union alliances” were to be built up in its organisational area. UNI Europa interpreted this to mean “company-based networks of unionised EWC members, EWC coordinators and trade union officers from UNI Europa affiliates represented in the company”.<sup>13</sup> The purpose of these networks was to keep the trade union federation informed about the cross-border processes of the respective companies.



The Executive Committee was formed in 2011 by Heidi Mader from Austria, Geoff Hayward, Rolf Zimmermann, Bohuslav Cir from Slovakia and Jean-Jacques Cette (clockwise).

The first of these Allianz network meetings, with 27 participants from ten countries, took place in Berlin in early 2010. There it was decided that in the future the meetings should be held annually under the auspices of UNI Europa Finance, financially supported by the trade union federation and its affiliates. Trade unionist Jörg Reinbrecht acted as “external coordinator” from its inception. Geoff Hayward was designated as the “internal trade union coordinator” for the meetings at the first meeting, so there was a close link between the Allianz SE Works Council and the “Allianz Alliance”, as the UNI-Europa Finance Network was called from 2012, to secure joint formulation of goals and priorities.<sup>14</sup>

## **Information and consultation: Basic processes of cross-border participation**

The agreement on employee participation in Allianz SE of September 2006 provided for the principle that the management has to inform the SE Works Council “in its scheduled meetings ... about the business situation, and the prospects of the Allianz Group, submitting the necessary documents in good time, and consult it”.<sup>15</sup> The information and consultation obligations of Allianz covered corporate actions, policies and projects that affected at least two different countries. This was therefore not a case of co-determination or negotiation of working conditions under German works constitution law, as the SE Works Council was only responsible for cross-border matters, but not for issues of participation and co-determination at company level or for the implementation of national company decisions. If the European Works Council is placed in the structure of the Federal Republic of Germany’s works constitution system, it heads a “pyramid of subsidiarity”—building on the Works Council, which is responsible for matters relating to its own establishment, the central Works Council, whose competence extends to issues affecting more than one company, and the combine Works Council, which deals with matters affecting more than one company in a group; it is an institution of collective labour law at the European level.<sup>16</sup>

The Allianz Participation Agreement lists a large number of different corporate factors as “standard examples of information and consultation”. Initially, this includes information on the recent development and the probable further development of the economic situation and activity, i.e. on the structure as well as the economic and financial situation of the group, the probable development of the business, production and sales situation, the employment situation, and its development as well as investments. However, the special focus for consultation is on potentially job-creating measures such as fundamental changes in organisation, the introduction of new working and production methods, the relocation of enterprises, operations, or essential parts of operations as well as the transfer of production, mergers or demergers of companies or operations, the reduction or closure of companies, operations, or essential parts of operations as well as collective redundancies.<sup>17</sup>

Based on the broad European conception of labour law, information and consultation are inextricably linked in the legal construction of the agreement. This means that the information provided by the group management is not the conclusion of the participation process, but that the SE Works Council has the right at any time to prepare opinions and proposals on the decisions to be taken by the company. This procedure also obliges the company to provide a reasoned response to the European position of the employee representatives. However, the information and consultation rights do not include participation in the decision-making power; the decision remains with the company.

Due to the process being structured in this way, the SE Works Council attached great importance from the onset to being informed by the group management in good time about measures it intended to implement, as this was the only way in which a consultation process based on this approach made sense. Timeliness means initiating the consultation process before the board actually reaches a decision, thus allowing to influence the content. Accordingly, the chairperson of the SE Works Council defined the body's function as a "seismograph" on the employees' sentiments and needs,<sup>18</sup> or as an "early warning system", which it could only meet, however, if it was provided with information in good time.<sup>19</sup> The judgement of HR manager Richard Schönwerth follows a similar line, who sees the value of the European Works Council at Allianz in the fact that through its influence at an early stage "a selection of the



The European Works Council of Allianz after the new election in 2011 together with Werner Zedelius (3rd row with blue tie) in the entrance hall of the head office in Munich.



decision-making direction in management” takes place.<sup>20</sup> Board member Gerhard Rupprecht concurred with this positive assessment when he left Allianz: “The SE Works Council is a win-win for all of us. This body adds value to the Allianz Group,” were his parting words to the ExCom.<sup>21</sup>

In the first ten years of the SE Works Council’s activity, some focal points of information and consultation can be identified, which will be briefly discussed below. One of the first and most important focus topics was “Diversity”. This concept has its origins in the civil rights movement in the USA; diversity represented the creation of equal opportunities for people or groups who are disadvantaged because of certain characteristics. Since the end of the 1990s, diversity management has been known as a method of corporate human resources management that aims to use the diversity of employees profitably for the company.<sup>22</sup>

Employee representatives and management had already committed to the basic principle of diversity in the preamble of the agreement on employee participation, “to promote equal opportunities at all levels of society”. Differences in origin, gender, race, age, and personal experience should contribute to the further development of Allianz by including equal treatment, equal opportunities, and integration as important concerns.<sup>23</sup> Shortly after the constitution of the SE Works Council, Geoff Hayward had therefore contacted Clem Booth, who was responsible for the “Allianz Global Diversity Council” on the SE Board.<sup>24</sup> This council, established in 2007, assessed and coordinated the diversity plans that all Allianz companies were required to develop according to guidelines; the ultimate goal was to “value and promote the different individual characters, cultural backgrounds and personal equalities in the workplace”.<sup>25</sup> The objective of these activities was to improve Allianz’s attractiveness as an employer, after having been ranked only 62nd in a survey of the one hundred largest European companies in 2006.<sup>26</sup>

The Executive Committee of the SE Works Council declared its fundamental support for the Executive Board’s diversity strategy in May 2007.<sup>27</sup> In contrast, the SE Works Council still had reservations; opinions differed as to “whether this is really a concern of the management or whether it only serves as a kind of ‘figurehead’ to present the company positively to the public”. One year later, at the SE Works Council meeting in mid-July 2008, Executive Board member Oliver Bäte explained the proposed diversity measures. He highlighted two points: It would be necessary to increase the degree of internationalisation in the companies with the help of rotation programmes, but above all, the number of women in management positions would have to be increased.<sup>28</sup> That same year, the Executive Board specified the latter: One of the specific targets Allianz committed to in 2008 was to increase the number of women in succession planning to 30 per cent for



Gerhard Rupprecht was a member of the Allianz Executive Board from 1991 to 2010 and was the first Chief Executive Officer of Allianz Deutschland AG in 2006.



Michael Diekmann was Chairman of the Executive Board of Allianz from 2003 to 2015 and has been Chairman of the Supervisory Board of Allianz SE since 2017.



Oliver Bäte is the new Allianz CEO for the first time at the meeting of the European Works Council in Brussels in July 2015.



all levels globally.<sup>29</sup> This percentage was already achieved for middle management in 2012. Furthermore, Allianz SE signed a voluntary commitment by the DAX 30 companies in Germany to achieve a 30 per cent share of women in management by the end of 2015.<sup>30</sup> By the end of 2016, the percentage of women in management positions at Allianz Germany was 30.6 percent – the self-imposed target for Germany had been achieved.<sup>31</sup>

### **The European Social Dialogue at Allianz: Discussion and coordination platform between management and SE Works Council**

Just a few weeks after the SE Works Council was constituted, the ExCom met with the Executive Board member for Labour and Social Affairs Gerhard Rupprecht in April 2007 to discuss further joint action.<sup>32</sup> It was initially agreed that directly after the first meeting of the SE Works Council at the end of June 2007 in Munich, Executive Board members Diekmann, Achleitner and Rupprecht would meet with the members of the ExCom. The central topic of this Social Dialogue was to be the Europe-wide restructuring of Allianz.<sup>33</sup> The issue was particularly explosive against the background of the months-long disputes about the cutback programme in Germany, which were only brought to an end in November 2006 by a compromise with the employee representatives. After all, according to Rolf Zimmermann's presentation at the last AEC meeting in June 2006, CEO Diekmann had announced at the general meeting on 3 May 2006 in Munich "that the restructuring that is just beginning in the German insurance business should also serve as a model for other companies in Europe".<sup>34</sup>

Before the SE Works Council, Rolf Zimmermann started the meeting by talking about the upcoming discussion between the ExCom and the Executive Board. He criticised that despite "enormous profits, which actually show that the employees are working successfully, ... restructuring is constantly being conducted". "Ultimately, the only winners" would be "the shareholders, whose returns" would be "increased". The objective of the discussion was therefore "to agree on a socially acceptable best practice process for restructuring".<sup>35</sup>

However, the first meeting of the Social Dialogue yielded no concrete results. It was agreed that separate work groups, each chaired by Rolf Zimmermann and Wolfgang Brezina, newly appointed to the Board of Management as Labour Director at Allianz Germany, would first develop proposals to be discussed jointly in the further process of the Social Dialogue. In addition, the ExCom asserted the SE Works Council's right of initiative from the Participation Agreement by requesting that the handling of work-related stress and life-long learning at Allianz be addressed in the company dialogue. The employers' side expressed its general willingness to start exploratory and negotiation talks in the social dialogue group on both issues.<sup>36</sup>

However, the Social Dialogue stalled after the first tentative steps; discussions of the Executive Committee with Gerhard Rupprecht failed to produce results.<sup>37</sup> The reason given by Rolf Zimmermann in April 2009 was that the majority of Allianz managers who had been involved in

the talks and negotiations had left the company in the meantime for various reasons.<sup>38</sup> Therefore, in 2009 it was necessary to stabilise the work on a new, formalised basis. The number of participants was increased to 18, the committee was composed on a parity basis, and an annual meeting schedule was agreed upon. The employee side delegated not only the members of the Executive Committee but also the employee representatives of the SE Supervisory Board to the dialogue group; the lead was assumed by the Chairman of the SE Works Council, Zimmermann. This structure led to intensive networking between the Supervisory Board and the SE Works Council and, through the trade union member of the Supervisory Board, to the institutionalised involvement of UNI Europa in company negotiations. The employer side sent HR managers from the large European companies and, if necessary, experts in the respective subject area from the companies to the Social Dialogue; the lead in this case was assumed by Wolfgang Brezina. Two regular meetings were being held each year, which was intended to give the discussion and negotiation process a more stable basis; they were chaired alternately by Brezina and Zimmermann.<sup>39</sup>

After the first meeting of the new social dialogue, there was initially scepticism in ExCom about the new beginning. There was criticism that the employers' side had submitted the documents only shortly before the meeting, thus preventing intensive preparation, and that the discussion had also failed to produce any progress. In particular, it was striking that the new Allianz Germany board member Brezina, who had previously been chair of the regional management of the Southeast service area, had only limited experience with employee representation up to that point; he still would need to complete a veritable learning curve here. The strategic situation was perceived as a balancing act: It would have to be made clear to the other side that they were still patient, but that this would not apply indefinitely – at the same time they would also have to consider “how we can escalate it to Mr. Diekmann”.<sup>40</sup>

However, these initial difficulties were soon overcome. In early 2011, Werner Zedelius, the successor to Gerhard Rupprecht as Board Member for Human Resources and Social Affairs at Allianz SE, expressed his conviction that “the social dialogue is a suitable forum to intensify the dialogue between the management of Allianz SE and the employee representation at European level”. Zedelius even paved the way for an extension of the dialogue by signalling the board's willingness to address further points from the preamble of the co-determination agreement of September 2006 as future topics.<sup>41</sup>

## **“Joint Declarations”: Agreement policy for concrete restructuring measures**

The beginning of Michael Diekmann's era as CEO was marked by the consolidation of Allianz. For the first time in its more than 100-year history, the 2002 fiscal year had closed with a loss; this amounted to about 1.2 billion euros.<sup>42</sup> Since 2003, management measures “that improve profitability ... and our ratings” have therefore been under discussion at AEC meetings.<sup>43</sup> After the SE

was founded, the Chairman of the SE Works Council, Rolf Zimmermann, strongly criticised the Executive Board's continued restructuring policy internally. Considering different restructuring measures in individual countries, in June 2007 he set the goal for the European Works Council to "agree on a socially acceptable best practice process ..." with the management.<sup>44</sup>

The Executive Committee discussed the further procedure in detail at its meeting in April 2008. It was agreed that it was unacceptable for the company to reward only the owners; the employees also had to receive their share of the results they generated. Strategic decisions of the board could also affect the workers. Therefore, it would be a huge step forward if the management would engage in dialogue with the employee representatives before making a restructuring decision. However, it would be important to draft their own "social plan", which could be used to ward off negative effects for employees. The ExCom identified the different legal requirements in the EU as a major problem. Some countries maintained very solid social legislation and company agreements, so that a central Allianz agreement should not affect them. Therefore, it would be necessary to proceed with caution. It would be necessary to agree on key points, such as avoiding dismissals, but also to be careful not to curtail local laws and agreements. The minute-taker Geoff Hayward summarised the discussion in the objective: "We all need to be pulling in the same direction."<sup>45</sup>

The discussion focused on the target operating model (TOM). With this model, Allianz made the transition from a divisional organisation to a functional business model with a focus on customer orientation. This was linked to a standardisation and centralisation of the IT. Allianz said goodbye to separate IT systems in the life and non-life insurance business, and transitioned to managing non-life, life, and health insurance contracts on a unified operating platform. Simultaneously, the work processes were reorganised. TOM had initially been tested in Austria and was subsequently introduced in Germany starting in 2008, and later in other countries as well.<sup>46</sup> The Executive Board expected that cost savings of around 15 per cent could be achieved with the implementation of the operating model in all European countries.<sup>47</sup>

However, despite intensive discussions between the board and the European employee representation, an agreement on the implementation of TOM in the European Allianz companies was not reached. The attempt by the SE Works Council to develop best practices for the change processes in cooperation with the management, and to stipulate them in a contract was rejected by the executive board. In the meeting with the SE Works Council in February 2009, Gerhard Rupprecht insisted "that the modalities of the implementation of ... TOM would be decided by the local management under its own responsibility and negotiated with the local employee bodies. The competence of the SE Works Council extended to cross-border matters".<sup>48</sup>

Though the attempt to reach an agreement with the Allianz board as part of the structural changes in the introduction of TOM failed in 2009, a different situation arose a year later when the credit insurer Euler Hermes was to be reorganised. Euler Hermes SA, headquartered in Paris, was founded in 2002 when Euler, a credit insurer majority-owned by AGF, acquired the German credit insurer Hermes, majority-owned by Allianz, making it the world's largest credit insurer with more than 6,000 employees in over 40 countries.<sup>49</sup>

However, the business of Euler Hermes SA did not develop satisfactorily over the next few years, so that the Chairman of the Hermes General Works Council, Horst Meyer, had to report



The members of the Executive Committee, Jean-Claude Le Goaër and Rolf Zimmermann in Frankfurt-on-Main 2016, with the chairman of the local Works Council, Thomas Kroschwitz; in the background, the simultaneous translators are seen.

to the SE Works Council in July 2009 that the management had been “replaced unexpectedly”. He was concerned about a centralisation and relocation of functions from Hamburg to Paris. Board member Jean-Philippe Thierry was unable to give a satisfactory answer to the question about the plans of the new management of Euler Hermes in the meeting with the European Works Council the following day, as the strategic discussion with the Allianz SE Board had not yet been concluded, but promised the SE Works Council a “cross-border social dialogue”.<sup>50</sup> But who was supposed to be the contact person for the new Euler Hermes management? The fact that the credit insurance company did not have an international employee representation raised jurisdictional issues. The SE Works Council could have asked the management to negotiate with it—basically going above the heads of the Euler Hermes employee representatives—but that—as Geoff Hayward analysed the situation—“would not make them very happy”, as only Horst Meyer was represented on the European body. The legally sound solution would have been to amend the existing Participation Agreement in such a way that employee representatives of Euler Hermes would be given the right to exercise cross-border information and consultation rights themselves. But this would have meant taking the costly and lengthy route of renegotiating the contract, including a new SNB to be elected.<sup>51</sup> It was therefore agreed that the information and consultation process would take place between the Euler Hermes management and the ExCom of the SE Works Council with the involvement of some Euler Hermes employee representatives.

At the extraordinary meeting of the ExCom on 19 November 2010, the Euler Hermes management explained in detail its restructuring plans, which it called the “Excellence” project, but at the same time signalled its willingness to make the restructuring process “socially compatible”.<sup>52</sup> Three days later, Rolf Zimmermann sent the Euler Hermes management a statement that had been prepared jointly by the ExCom with employee representatives of Euler Hermes from various countries—including the chairman of the largest Italian trade union responsible for Allianz, FNA Dante Barban, the top representative of the French Euler Hermes-Comité

d'entreprise Michelle Cabut,<sup>53</sup> and the chairman of the Hermes general Works Council Thomas Wagner. In the statement, employee representatives called for avoiding plant closures and outsourcing of functions. Preferably, there should be no redundancies or forced transfers until 2015, and the implementation of the "Excellence" project should be accompanied by employment-promoting personnel measures such as further training offers, improvements in working conditions as well as employment offers from the Allianz Group.<sup>54</sup>

In spring 2011, the information, and consultation process was formally concluded with a "joint declaration" signed by the Chairman of the Board of Euler Hermes SA Wilfried Verstraete, and Rolf Zimmermann. As the three-year "Excellence" project would reduce the number of jobs in some countries as a result of increased productivity, the Euler Hermes Board of Directors committed itself to managing possible job losses in a socially acceptable way, and to seeking alternative employment opportunities with other Allianz companies. He also stated that he did not intend to close any branches and that his business strategy did not include outsourcing of core functions. To ensure that the current business would not suffer, capacity reductions should only take place once the measures of the "Excellence" project had been successfully implemented. The Executive Board also declared its willingness to ensure "excellent" working conditions; therefore, among other things, the development of a new IT system was to take place within the framework of a joint consultation process with the early involvement of workforce representation and users in order to strive for accessibility and excellent user suitability of work equipment. As the implementation of the "Excellence" project required considerable efforts from the staff, the Board also agreed to the ExCom's request to initiate a campaign in cooperation with the employee representatives to improve occupational health and safety. Finally, the Executive Board pledged to involve the company employee representatives in the implementation of the "Excellence" project in accordance with national laws.<sup>55</sup>

At the SE Works Council meeting in early February 2011, Rolf Zimmermann emphasised the importance of this agreement: "With the basic agreement on the participation of employee representatives, we have broken new ground at Euler Hermes. For the first time, a European reconciliation of interests has been concluded". The content of the "joint declaration" on the restructuring process at Euler Hermes was a cross-border framework agreement between the SE Works Council, and a company management, which was equivalent in character to a reconciliation of interests under the German Works Constitution Act. It set cornerstones for further negotiations at national level; the implementation of the agreement—in a sense the "social plans" with agreements on early retirement, transfers or termination agreements with severance pay—became the responsibility of the "local" social partners, who also had to observe compliance with national laws and regulations. There was no legal basis for the agreement, so the two contracting parties were in fact entering new European territory.

The first "joint declaration" of 2010 on Euler Hermes was soon followed by further agreements between the SE Works Council and the Allianz Board of Management, e.g. on "Allianz Global Investors—One Firm Initiative" of 29 June 2012,<sup>56</sup> on "Data Centre Consolidation" at Allianz Managed Operations & Services SE (AMOS SE) of January 2014,<sup>57</sup> on "Finance and Accounting Shared Services" of 10 December 2013 and 25 March 2015<sup>58</sup> or on "HR Transformation" of 16 June 2016.<sup>59</sup> Each of these were cross-border change projects, which essentially concerned



either special companies with worldwide responsibility ("Global Lines"), or Shared Services Centres, which were created in connection with the Europe-wide centralisation of certain management functions by utilising new IT systems. The development of new IT systems or the modification of existing ones became more and more important for the specific situation at the workplace. The objective of developing accessible tools with outstanding user-friendliness was not only to increase customer satisfaction, but also to avoid stress among employees. On the initiative of the employee representatives, a centre of competence (Centre of Competence Ergonomics and Usability) was set up at European level to support this development.

The SE Works Council's main objective in concluding such agreements was to limit the planned restructuring, to minimise its negative consequences for the employees and to set social standards through obligatory accompanying measures by the company, without interfering with the competence of the local employee representation. The employer's main interest was to communicate the sense of the restructuring measures to the employees and thus increase acceptance. The social scientists Rüb and Platzer emphasised that "from the employer's point of view, the Works Council's signature serves as a confidence-building measure".<sup>60</sup> According to their assessment, the European-oriented negotiation culture with these agreements was most developed at Allianz.<sup>61</sup>

## **Preventive health policy: Agreement on a Policy on Work-Related Stress**

On 8 October 2004, the European employers' organisations had signed a framework agreement on stress at work with the ETUC. This was an "autonomous agreement" of the social partners which, according to Art. 118b (2) of the Treaty establishing the European Community, could be implemented in two ways: either "in accordance with the procedures and practices of management and labour" or in accordance with those of the member states. The basic problem, however, was that the autonomous framework agreements were not legally binding on either the social partners or the EU member states and were therefore implemented only unsystematically, if at all.<sup>62</sup>

Sectoral social dialogues, as subsequently practised at the European insurance trade union level by UNI Europa Finance, also had no impact on the implementation of the Stress Framework Directive until 2008.<sup>63</sup> The ExCom dealt with this situation at its meeting on 9/10 September 2008. Jean-Jacques Cette, as a member of the Supervisory Board guest at the meeting, reported on the CFTD's initiative to make work-related stress the subject of negotiations with companies in France.<sup>64</sup> Geoff Hayward, on the other hand, presented a document on the "Stress Policy" that was developed in Great Britain between employee representatives and management.<sup>65</sup>

Based on these initiatives from France and the UK, the ExCom decided to exercise the SE Works Council's right of initiative from the Participation Agreement, and to enter into negotiations with management on a "Stress Policy". From the point of view of the European employee



Ivana Vucheva from Bulgaria and Ana Rosa Esteban and Ana Martel from Spain (from left to right) at the SE Works Council meeting in Frankfurt 2016.

representation, there were several reasons why health protection was predestined to be the initial trigger for the right of initiative under the Participation Agreement: Firstly, the issue was present in all EU countries in Works Council activities as a protective task towards their constituencies, the workforces, and was therefore ideally suited as a unifying element between the representatives in the SE Works Council. Secondly, it was in the common interest of employers and employees. And lastly, the issue of stress in the workplace had become more and more important in the public discussion.<sup>66</sup>

Rolf Zimmermann presented the proposal to negotiate a cross-border agreement on workplace stress with the SE Executive Board to the SE Works Council at the following meeting in January 2009. He justified this action by saying that in Germany the restructuring measures were so badly organised that the employees of Allianz, as well as those of Dresdner Bank, were “constantly complaining about too much work, Saturday work, etc.”. While preserving jobs is important, he said, it is equally important to preserve the health of employees. Therefore, Executive Board member Rupprecht should be convinced “that a European agreement is necessary here”. Zimmermann called on the members of the SE Works Council to contribute content if such agreements already existed in their countries.<sup>67</sup>

The SE Works Council’s request to start negotiations on a policy on stress was discussed by HR Director Rupprecht and CEO Diekmann; they came to the decision to positively modulate the request.<sup>68</sup> This was due to several reasons: On the one hand, the Participation Agreement included the obligation to enter into talks with the European employee representation on its initiative on issues of occupational health and safety. Furthermore, it was in the Executive Board’s own interest to keep the sickness rate of employees as low as possible, and to preventively counteract mental illnesses, which can be protracted and bring with them consequential problems. Thirdly, this field of social relations was comparatively “unideological” and therefore well suited as a “training ground” for cross-border negotiations, also from a management perspective. A follow-up to the October 2004 agreement between the ETUC and the European employers’ federations on this issue was also possible. After all, the employers’ association for insurance companies in Germany also supported the start of negotiations—perhaps also with the ulterior motive of warding off efforts at EU level to issue a binding directive on work-related stress.<sup>69</sup>

In its subsequent meeting in March 2009, the Executive Committee took up the issue again by discussing key points of a potential agreement. Geoff Hayward was commissioned to prepare a draft, which he already presented at the next ExCom meeting in April. Following extensive

discussion, the committee decided that Hayward should present and explain the draft text at the summer meeting of the SE Works Council; at the same time, the document was also sent to the UNI Europa and VER.DI unions with a request for assessment.<sup>70</sup>

Accordingly, the draft stress policy was the focus of discussion at the SE Works Council meeting in early July. Geoff Hayward justified the move by saying that a good stress policy is not only beneficial for employees but also for the employer. The Chair of the SE Works Council Zimmermann elaborated on the importance of the draft. It was a framework guideline

which followed the logic of the SE Agreement; it created the basis for which the individual OEs would then be responsible. He illustrated this with the example of the different approaches of Dresdner Bank and Allianz in Germany: While Dresdner Bank had outsourced medical and psychological care to companies, Allianz Deutschland had company doctors employed by the company to deal with these issues. Therefore, the stress policy would only be able to provide examples of approaches. Numerous suggestions were made in the ensuing discussion, and Geoff Hayward agreed to integrate them into the existing text.<sup>71</sup>

This was implemented in the framework of a small work group in which ExCom members Hayward and Bohuslav Cir, together with the Frankfurt Works Council member of Allianz Deutschland AG Iris Mischlau-Meyrahn, revised the text in November.<sup>72</sup> When the Executive Committee considered the revised draft on 7 December 2009, Jean-Jacques Certe informed the delegates that due to many suicides in French industry, companies there were required by law to conclude an agreement on stress with their employee representatives as of January 2010. The management of Allianz in France had already started to draft a corresponding policy and was in negotiations with him about it.<sup>73</sup> This increased the pressure to conclude a framework agreement at Allianz SE.

In the meantime, the SE management had also developed its own draft policy and introduced it to the Allianz social dialogue. However, the negotiations on the two texts were now developing "into a very lengthy process".<sup>74</sup> After reaching an agreement on the basic structure and the rough contents of the agreement in the social dialogue group, the continued development was delegated to an expert commission in which experts from both sides were represented. Subsequently, the negotiations were again transferred from the expert level back to the political level of the social dialogue.<sup>75</sup>

On 7 September 2010, the negotiations were finally concluded successfully. It was also agreed at the social dialogue meeting that CEO Diekmann would personally sign the agreement and emphasise its importance in a letter to company managements in Europe. In the ExCom meeting



Petr Guth from the Czech Republic, Michal Gruszka from Poland and Josef Hochburger from Germany (from left to right) in Frankfurt 2016.

that immediately followed, the members of the committee generally assessed the outcome of the negotiations positively, but with quite different emphases: Jean-Jacques Cette considered the agreement a solid basis; now it would have to be brought to life for it to work as intended. Bohuslav Cir took a more sceptical position, expressing fears of problems with implementation in the Eastern European countries. Rolf Zimmermann was more optimistic here, counting on the Eastern European employee representatives in the social dialogue to support the implementation of the agreement in their countries and thus contribute to its success. Geoff Hayward felt that the agreement might not be perfect, but with Diekmann's promised support it could go well; a perfect agreement without Diekmann's help, on the other hand, would be bound to fail.<sup>76</sup>

The SE Works Council also supported the outcome of the negotiations. On 4 February 2011, it unanimously authorised the Executive Committee to sign the "Agreement on a Policy on Work-Related Stress".<sup>77</sup> This took place on 3 May 2011 in Munich.<sup>78</sup>

With the five-page agreement, health protection was anchored as a corporate objective. In it, the Executive Board and the SE Works Council jointly commit to a "corporate culture that supports a positive working environment in which productivity and performance as well as the health and well-being of employees are considered equally important core values of the company". The agreement aimed to raise awareness of work-related stress among employees and management alike in order to identify and prevent related problems as early as possible. To this end, management was required to carry out regular risk assessments and take measures both at the organisational level, in the design of operational change processes and related qualification measures, and to support the employees themselves, in preventing and dealing with stress-inducing situations and in providing rehabilitation and reintegration measures.

The agreement applied to Allianz SE and its subsidiaries based in the EU and EEA as well as Switzerland; they were also independently responsible for implementation. It was explicitly pointed out that the managers had a specific responsibility in this regard. In line with the nature of a framework agreement, it left it up to the Allianz companies to decide how to implement the agreed objectives and general commitments without setting specific targets. It did, however, provide for the status of implementation to be assessed after two years on the basis of a report to be submitted by all companies, and for the implementation activities to be continuously made the subject of joint discussions in the SE Works Council or in the Social Dialogue in order to enable an exchange of best practices.<sup>79</sup>

As agreed upon with the Executive Committee, Michael Diekmann and Werner Zedelius sent the agreement to the managers of the European Allianz Group, inviting them to seek ways to implement it locally together with the employee representatives.<sup>80</sup> Nevertheless, voices were raised early on in the SE Works Council criticising the implementation process. While the initial complaint was that not all managers had been adequately informed, and in some cases had not even received the agreement in the board letter,<sup>81</sup> it soon became clear that implementation had stalled in many companies. In early February 2012, nine months after the agreement was signed, the SE Works Council assessed the situation "overall as very unsatisfactory".<sup>82</sup> For the management of some European Allianz companies, a preventive health policy was new territory, and the required cooperation with employee representatives also seemed to

overwhelm individual managers; some managers also seemed to be stalling for time. Thus, as late as mid-2012, no major successes could be recorded in Bulgaria and Slovakia because the translation of the agreement into the respective national language was still being worked on.<sup>83</sup> This only changed once the HR board put its foot down and made it clear that it did not want to wait for the report due after two years, but demanded an interim report from every European Allianz company within four weeks.<sup>84</sup> At the Social Dialogue meeting in September 2012, Rolf Zimmermann was able to state that after the initial difficulties, the Allianz companies were now implementing the stress policy well, and it was also being positively received outside the Group.<sup>85</sup> He referred in particular to a publication by the European social partners of the insurance industry in summer 2012, which had highlighted Allianz's "Guidelines on Work-Related Stress" as a "best practice example" for European companies.<sup>86</sup> And that's how the stress policy became a success story. According to Werner Zedelius, the status report on the implementation of the stress policy requested by the SE Executive Board from the European companies in 2013 showed "that 90% of the OEs have carried out local risk assessments".<sup>87</sup> And Richard Schönwerth, the contact person and coordinator at operational level for the SE Works Council in HR at Allianz SE, highlighted in a 2019 interview that the "Stress Policy" is "now a standard agenda for SE management".<sup>88</sup>

## **Guidelines on life-long learning: A tool to manage restructuring in a socially acceptable way**

After a year of negotiations, talks on a life-long learning agreement between UNI Europa Finance and European insurance employers failed on 24 May 2004. Unlike the banking employers, who had already concluded an agreement to this effect with the trade union federation in 2002, the companies in the insurance sector were not prepared to come to an agreement with the European trade unions on qualifications and retraining, despite "the technological changes and the increasing outsourcing abroad"; in particular, the required involvement of the trade unions in the training initiatives at company level was perceived as a "stumbling block".<sup>89</sup> Initiated by UNI representative Oliver Röthig, the AEC dealt with the failure of the negotiations one and a half months later. In the discussion, Rolf Zimmermann made it clear that "there have been decisive political changes in Europe, and this is partly prompting fears with regard to the relocation of jobs" to Eastern Europe. It would therefore be a great challenge for the AEC to make arrangements within Allianz; in this context, "life-long learning for all employees" would be particularly important.<sup>90</sup>

With the agreement on work-related stress completed, the SE Works Council moved on to the new issue. To that end, the ExCom commissioned Daniel Dirks, Head of Group HR, in September 2009 to draw up initial ideas from the employee side for an agreement on life-long learning.<sup>91</sup> On this basis, it was then up to Jean-Jacques Cette the following spring to draw up a first draft, which was introduced into the Social Dialogue a little later.<sup>92</sup> Cette outlined the



Rolf Zimmermann (right) and Werner Zedelius sign the agreement on employee participation in Allianz SE (Trieste Contract) at the 2014 meeting in Trieste; Geoff Hayward (right) and Peter Hemeling pictured standing.

draft at the SE Works Council meeting on 2 February 2011. Key points from the employees' perspective were to "...promote the preservation of the ability to learn and to eliminate any discrimination (gender, religion, age)".<sup>93</sup>

However, the negotiations in the social dialogue soon turned out to be tough because the employees' claim for further training was pitted against the cost aspects put forward by the employers. Two topics in particular developed into major points of contention: e-learning and continuing education outside working hours. With respect to e-learning, the employee side

alleged that management was using a relatively inexpensive method to eliminate its training obligation by providing employees with an IT programme but not allowing them the time to complete it. On the other hand, the employer side saw danger in the fact that the implementation of e-learning could lead to unmanageable costs. The resistance of the employees' side against the inclusion of training outside working hours in the agreement was ultimately broken by the fact that the personnel director was able to plausibly explain that he was less concerned with training outside working hours than with the fact that employees should be interested in Allianz-specific topics outside their working hours in the first place. The approach to each other in the negotiation process also played a role in the compromise that was finally reached: The employers' side conceded that they were willing to do more for training than before, the employees' side acknowledged that employees should also take more responsibility for their training outside working hours than before.<sup>94</sup>

In spring 2011, a first joint draft was drawn up, which was subsequently discussed in the Social Dialogue in March 2012.<sup>95</sup> Rolf Zimmermann presented the outcome to the SE Works Council at their meeting in Rotterdam at the end of June. In this context, he emphasised that the focus of the agreement was "on securing the employability of employees". Jean-Jacques Cette added that it had been very important to the employees' work group that target group-oriented teaching methods were used. He saw great success in the fact that this agreement was "pro-active", i.e. the employer was prepared to "ensure in advance that employees are offered further training and development opportunities". According to Cette, this had only ever been done "reactively", "i.e. compulsorily, when retraining was necessary as a result of restructuring or rationalisation measures".<sup>96</sup>

Following these explanations, the SE Works Council unanimously agreed to the proposed text. However, it decided in addition that "after the bad experiences made during the implementation of the Stress Policy", the Executive Board member for Human Resources and Social



Jürgen Lawrenz, Richard Schönwerth and Rolf Zimmermann (from left to right) 2016 at dinner at the Allianz Garden Casino.

Affairs Zedelius "should once again be explicitly addressed on the issue of 'information and implementation within all OEs'".<sup>97</sup> Right during the SE Works Council meeting, Zedelius and the members of the Executive Committee signed the agreement.

The importance of the "Agreement on Guidelines for Life-long Learning" lies not only in the fact that it makes the further training of employees a central corporate task. "Life-Long-Learning" is above all part of a strategy for the socially acceptable implementation of technical and organisational restructuring. It is therefore related to the demands that permanent change presents to employees. With the aid of the tools in the agreement, the change processes within Allianz SE and its European subsidiaries are to be designed in such a way that as few employees as possible are dropped from the process due to their inability to meet new requirements. The further qualification of employees is to be ensured continuously in order to maintain their employability.

Allianz SE commits to providing "adequate and appropriate learning and development resources, systems and opportunities" for this purpose and to regularly measure the effectiveness and sustainability of learning. This includes, on one hand, an adequate budget for learning purposes, but on the other hand also a wide range of individual measures: the analysis of changes and new developments in job profiles; a systematic and continuous, strategically oriented personnel development planning; a Group-wide coordination of qualification and development measures for management; the introduction of a global e-learning architecture including a globally networked, standardised e-learning platform as well as the possibility for individual further qualification during working hours. In return, employees are expected to take the initiative to train outside working hours.

This specifically meant that the employer should prepare an educational analysis based on current and recognisable future developments, which is the basis for qualification offers. Employees should be provided with an annual personal qualification and development plan. Similar to the stress agreement, the responsibility for implementation was assigned to the individual Allianz companies. Implementation activities were to be continuously coordinated between local management and local employee representatives, which resulted in social dialogue taking place at local level in all European Allianz companies. Additionally, as with the stress policy, the OEs were obliged to prepare a report on the implementation status after two years.<sup>98</sup>

Due to the negative experiences with the realisation of the stress policy, ExCom tried from the beginning to closely accompany the implementation of the Training Guideline from the employees' side. Geoff Hayward developed a questionnaire which was distributed to SE Works Council members in early 2013. The status report Hayward provided at the SE Works Council meeting in Bucharest on 2 July 2013, based on the available feedback, still showed significant deficits: In Belgium, Scandinavia, Bulgaria, Spain and Poland, the guidelines had not yet been implemented; however, this list was not complete as feedback from the ranks of employee representatives had also remained low. The conclusion drawn at the meeting was that SE Works Council members "were to remain 'on the ball' in their countries in order to ensure a satisfactory outcome of the review next year".<sup>99</sup>

However, implementation problems did not only arise due to a lack of management activity in individual countries. Jean-Jacques Cette informed social scientists Stefan Rüb and





At the SE Works Council meeting in Paris in 2018, participants enjoyed the view from the roof terrace of the administrative building there.

Hans-Wolfgang Platzer about trade union disputes in France. In his opinion, it would have been in line with the “proactive spirit” of the agreement to set up multi-year training programmes. However, this demand failed due to the resistance of the other unions. In France, he said, training was “a trade union field where every trade unionist would defend his own turf and would hardly allow any interference”.<sup>100</sup>

At the SE Works Council meeting in Trieste in early July 2014, Werner Zedelius presented a global overview of the implementation reports prepared by the individual countries. The overall impression was positive, only in the Eastern European countries the situation was unsatisfactory, because here – as also Geoff Hayward criticised – the number of training days was significantly lower than in Western Europe. Fundamental criticism was also voiced by the SE Works Council regarding the content of the implementation reports: The life-long measures should not only include further training for the respective fields of work, “as these are a given anyway”. The idea behind it, was rather “that employees maintain their ability to learn in general”. Further training is important “both for further development and for flexibility in restructuring”.<sup>101</sup>

One result of the evaluation of the reports was that different approaches had been adopted in the individual EU companies to implement the guideline. Already at the Trieste meeting of the SE Works Council in early July 2014, Franz Heiß from Allianz Germany (Regensburg) suggested identifying best practices from the reported individual activities – a suggestion that Werner Zedelius embraced positively.<sup>102</sup> In the Social Dialogue that followed, the employer side presented some country examples they found worthy of emulation by other European

Allianz companies. This inspired the idea to organise a “Learning Summit” in November 2014, attended by 27 education training experts from Allianz companies around the world to share experiences with the Life-Long Learning Policy.<sup>103</sup>

The agreement on life-long learning thus gave a global impetus to training in the Allianz Group. But it also set an example for the social partners in Europe. Still in 2014, UNI Europa Finance concluded a number of agreements at European level, including on stress at work and on life-long learning, after several meetings with the insurance industry employers’ associations.<sup>104</sup>

## **New pioneering achievement: The Trieste Contract**

The four-year term in office of the first SE Works Council also ended at the end of 2010. In accordance with the changes in the number of employees in the individual countries compared to the first election in 2006, the composition of the European employee representation had to be adjusted; above all, the sale of Dresdner Bank to Commerzbank at the end of 2008 had significantly affected the balance of votes to the detriment of the German representation. However, changes also occurred as a result of personal decisions: Núria Jubany, who had been involved in European employee representation at Allianz since 1993, and who had been the Chairperson of the AEC from 1997 to 2003, announced in 2010 her decision not to run again for the new SE Works Council due to personal reasons.<sup>105</sup>

Upon re-election, the body was composed of 30 members elected in 20 countries in early 2011. With the start of the new term in office, a new executive committee also had to be elected. The election process was a resounding vote of confidence: according to the minutes, the “five candidates (Rolf Zimmermann, Jean-Jacques Cette, Geoff Hayward, Bohuslav Cir and Heidi Mader) were unanimously elected by the 27 eligible voters present”. Heidi Mader, the Austrian Works Council member at Allianz Elementar, thus replaced Hubert Weber. Subsequently, the SE Works Council elected Zimmermann as Chairperson and Cette and Hayward as his vice-chairs.<sup>106</sup> Cette was appointed to the Allianz France Board of Directors three years later, which prevented him from holding office on the SE Works Council under French law. He was succeeded by Jean-Claude Le Goaër from AGF, who had already attended meetings of the SE Works Council as Cette’s deputy. In February 2014, he was unanimously elected Vice-Chair of the SE Works Council and member of the ExCom.<sup>107</sup>

The result of the 2010 re-election had already shown how much the employment structures within Allianz SE had changed since its founding. However, the numerous changes in the Allianz corporate structure had also contributed to this. On one hand, specialised companies operating throughout Europe, such as Allianz Global Corporate and Specialty SE (AGCS), responsible for industrial business, or Euler Hermes SA, responsible for credit insurance business, had been founded. On the other hand, the regional IT units had been consolidated in central shared services centres such as AMOS SE. These companies exceeded the threshold of more than 2,000 employees required for a seat on the SE Works Council throughout Europe, but



Evan Hall, Ciaran Black, VESA Rotinen, Beate Link, Hanneke Van der Leut-Schout and Diana Iancu at SE Works Council event at the Musée Rodin in Paris (f.l.t.r.).

since the 2006 Allianz Employee Participation Agreement was based in each case on the number of employees of a company in a country, the employees were generally not represented on the SE Works Council. The European employee representatives sought to close this gap.<sup>108</sup>

This representation problem had also been recognised by the SE Executive Board very early on, and so at the “Round Table” of the SE Works Council meeting in July 2011, HR Director Zedelius declared that he “fully supported” the planned renegotiation of the Participation Agreement and the early start of talks.<sup>109</sup> The negotiations were delayed, however, due to uncertainty about whether the legal requirements, namely the transformation of AGCS into an SE, were sufficient to amend the agreement without having to go through the lengthy process of involving a “Special Negotiating Body”. Had the previous agreement been terminated and a new but legally invalid agreement concluded, there would have been a risk that Allianz SE would have been left without a necessary basis for co-determination according to the SEBG.<sup>110</sup> The legal examination ended with a positive result, but now the foundation process of AGCS SE still had to be navigated. When the SE Works Council finally unanimously passed a formal resolution on 3 July 2013 to revise the Participation Agreement and gave the Executive Committee power of attorney for the talks, the path was cleared for negotiations.<sup>111</sup>

In the preliminary stages, the ExCom had already drawn up a detailed catalogue of points which, in their opinion, needed to be amended in the Participation Agreement. This not only included a change in the distribution of seats for the SE Works Council, but also sought numerous other changes. Rolf Zimmermann elaborated on these considerations at the July meeting of the European Works Council in 2013: The SE Works Council was to be expanded to include



Werner Zedelius was a member of the Allianz Executive Board from 2002 to 2017.



Richard Schönwerth has been coordinating cooperation with the European Works Council for Allianz SE since 2006.

representatives of Allianz companies that were active across borders at the European level. The rights to information and consultation were to be extended, as were the rights of initiative, which up to now had only existed in relation to health, further education, and data protection. The working conditions for SE Works Council members were to be improved; for example, they were to be released not only for attendance at the two annual conferences, but also for preparatory and follow-up work. ExCom's communication with "off-shore entities" outside Europe – referring in particular to the IT branch in India – was to be improved and a consistent social dialogue was to take place in Allianz companies at the local level. Geoff Hayward added to these proposals by calling for a clause regarding protection against dismissal for SE Works Council members, as this had not been regulated across Europe so far and different provisions would apply in the individual countries.<sup>112</sup>

The negotiations commenced on 10 September 2013. The Managing Committee, assisted by lawyer Roland Köstler, met the employers' negotiating group, which consisted of the three Allianz managers Richard Schönwerth, Christian Stieber and Peter Hemeling. The schedule was to reach a conclusion by March of the following year.<sup>113</sup> This schedule was also adhered to – partly due to the constructive negotiating atmosphere, as Rolf Zimmermann noted in his final report<sup>114</sup>, allowing the new Agreement on Employee Participation in Allianz SE to be signed on the fringes of the SE Works Council meeting in Trieste on 3 July 2014.

In the new 45-page agreement, the Management Board of Allianz SE and the European employee representation once again reaffirmed the corporate principles already laid out in the 2006 preamble, such as the promotion of social dialogue also at all levels and the acceptance of cooperation between employee representatives and trade unions. The commitment to jointly promote "corporate social responsibility", which "in the opinion of the management bodies of Allianz SE" is one of the "essential foundations of entrepreneurial action", was newly included.

The main concern for the revision of the Agreement, inclusion of cross-border subsidiaries in the SE Works Council, was taken into account by expanding the body. According to this, in the future, subsidiaries with the legal form of an SE with their own SE Works Council received a representative on the European Works Council of Allianz SE, irrespective of the number of employees; AGCS SE and AMOS SE were affected by this regulation. In addition, cross-border companies with more than 2,000 employees were given the right to appoint an employee representative to

the SE Works Council; this initially applied to AGCS SE, AMOS SE, Euler Hermes, and Allianz Worldwide Partners. As a result of this new regulation, the number of members in the SE Works Council increased from 31 to 36.



Estelle Bodet, Gabrielle Giboudeau, Jean Michel Lefebvre and Jean-Claude Le Goaër (f.l.t.r.) at the joint dinner at the newly opened Allianz Casino in Munich, 2018.

The previous rights of the SE Works Council were also expanded by the new Agreement. This was particularly true in the case of operations or significant parts of operations to non-EU countries. In this respect, the European Works Council was to be entitled to information and consultation rights in the future; in addition, the ExCom was given the right of access to the relocated unit in the event of justified cause. In addition, the right of initiative of the employee representatives was extended by virtually eliminating the previous limitation to the issues of equal opportunities, occupational health and safety, data protection and training. There were also some improvements for the members of the SE Works Council, such as better equipment including mobile phones with internet access, time off also for the preparation and follow-up of SE Works Council meetings, or improved protection against discrimination and redundancy.<sup>115</sup>

Thus, the Trieste Contract on Employee Participation in Allianz SE largely met the demands of the SE Works Council. Chairman Zimmermann was nevertheless satisfied with the result of this private-law amendment to the Agreement: changing the composition of the Committee in such a way that previous employee representatives are not excluded and yet maintain the ability to work – that had been a great challenge. “But it worked out well for us.”<sup>116</sup> ExCom’s legal advisor during the negotiations, Roland Köstler, also emphasised that the employee representatives should be “very satisfied” with the Agreement. His verdict was that “this one was much better than what other companies are used to”.<sup>117</sup> Once again, Allianz had accomplished a “new pioneering achievement”.<sup>118</sup>

The conviction stated in the preamble of the Participation Agreement that the economic success of the company is closely linked to the commitment and satisfaction of its employees, and the commitment thus entered into that the employees are at the centre of the social dialogue, because it is they who sustainably produce success and economic strength, has taken on a new significance in the context of the discussion on digitalisation and the use of the digitalisation return. From the employee representatives' perspective, motivation and commitment can only be maintained in the long term if there are clear signals that a significant part of a rationalisation return will be invested in preserving jobs—e.g. through reductions in working hours.

Due to the expiry of the four-year term in office, a new SE Works Council had to be elected at the end of 2014—now based on the Trieste Contract. At the constituent meeting on 28 January 2015, the 36 employee representatives confirmed the members of the Executive Committee Rolf Zimmermann, Heidi Mader, Geoff Hayward, Bohuslav Cir and Jean-Claude Le Goaër; Zimmermann was re-elected as Chairperson Hayward and Le Goaër were elected as his Vice-Chairs.<sup>119</sup>



Diana Iancu from Romania and Beate Link at the meeting of the European Works Council in Frankfurt 2016.



Meeting of the SE Works Council in Brussels in July 2015.



Bernhard Härter (left) and Christian Stieber supported the European Works Council from the employers side at many meetings in the team of Richard Schönwerth.



**Jürgen Lawrenz,**  
Chairman of the SE Works Council  
since 2018.

Employees of Allianz since 1991.  
1991 System programmer Allianz Life.  
Since 1999 at AGIS and  
Works Council/Deputy Chairman  
Chairman of the General Works Council.  
Deputy Chairman since 2011  
Chairman of the Combine Works Council.  
Chairman of AMOS SE  
Works Council since 2013.  
Since 2015 member of the SE Works  
Council and SE Supervisory Board.

## The Supervisory Board – the second pillar of co-determination

The agreement on the participation of employees in Allianz SE of 20 September 2006 had formulated the basis for corporate co-determination. Half of the twelve Supervisory Board members were employee representatives, whose constitution according to the respective countries was based on the number of employees. The Supervisory Board members were appointed “according to the individual regulations of the countries concerned”. The term in office was five years; however, for the first Supervisory Board appointed by court, a deviating regulation of a term in office applied until the first Annual General Meeting of Allianz SE. According to the Participation Agreement, the Executive Board was obliged to “inform the Supervisory Board about all business matters that are of fundamental importance due to their particular impact on the general corporate policy, the financial situation or the interests of the employees”; it was explicitly emphasised that this included “reorganisation and restructuring measures with a significant impact on the employment situation in the group”.<sup>120</sup>

Based on these regulations, the first Supervisory Board was composed of the Dresdner Bank Works Council members Claudia Eggert-Lehmann and Margit Schoffer, the Frankfurt Works Council member of Allianz Deutschland AG Rolf Zimmermann, the VER.DI representative Jörg Reinbrecht as well as the Frenchman Jean-Jacques Cette (AGF) and the Briton Geoff Hayward (Allianz Cornhill). Margit Schoffer’s term in office already ended with the Annual General Meeting on 2 May 2007; Peter Kossubek, Chairman of the KBR of the German Allianz companies, was appointed as her successor. It

was beneficial for the cooperation of the employee representatives on the Supervisory Board that they all belonged to UNI Finance affiliates. Claudia Eggert-Lehmann was elected to the office of Vice-Chairperson of the Supervisory Board.<sup>121</sup>

From the beginning, the strategic considerations of the Management Board of Allianz AG regarding the Supervisory Board were characterised by two principles: a reduction from 20 to 12 seats and the internationalisation of the member composition. Michael Diekmann, CEO, anticipated more efficient corporate management from the downsizing of the supervisory body, and he expected constructive cooperation with the employee representatives from the internationalisation of corporate co-determination, as the composition would neutralise certain country idiosyncrasies in the interest of the group as a whole.<sup>122</sup> Board member Paul Achleitner even saw the legal right of foreign Allianz employees to representation on the Supervisory Board as an “essential aspect of the modernisation of co-determination”.<sup>123</sup>

The employee representatives assessed the new Supervisory Board quite differently. Claudia Eggert-Lehmann saw a gradual regression despite the equal composition. The assessment of the foreign employee representatives, on the other hand, was quite different. They regarded the new company form as a “broadening of horizons”. As the first British trade unionist on



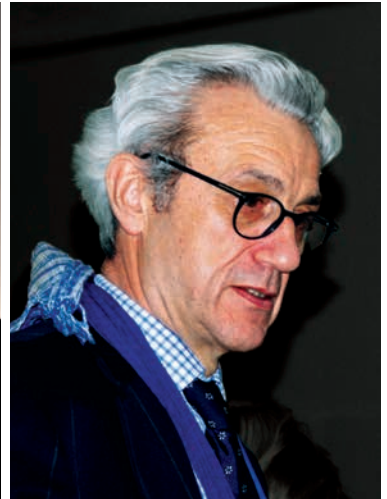
a Supervisory Board of a company based in the FRG, Geoff Hayward identified an increase in influence and information opportunities that the Supervisory Board mandate offered him. The mere possibility of being able to personally address board members with concrete concerns “in an open setting” at the Supervisory Board meeting—or on the side-lines—was something he saw as a gain. He was soon able to ascertain that the new mandate had also considerably enhanced his position at Allianz Cornhill in Great Britain, and provided him with new opportunities for co-determination, which were available to him for the first time ever. Thus, he said, he was now legitimised by his Supervisory Board function to attend the individual Allianz operations in his country, and to be proactive there.<sup>124</sup>



Gabriele Burkhardt-Berg, Chairperson of the Allianz Group Works Council in Germany, has been on the Supervisory Board of Allianz SE since 2012.



Dante Barban joined the Board in 2012 as the successor to Geoff Hayward until he was replaced in May 2017.



Jean-Jacques Cette in its function as a member of the SE Supervisory Board from 2009 to 2018.

The other foreign employee representatives on the Supervisory Board were able to report similar experiences. Jean-Jacques Cette and Dante Barban, who joined the Supervisory Board in 2012, both emphasised that their influence and reputation in their Allianz companies in France and Italy had increased with the assumption of the mandate. Barban stressed that his relationship with his superiors had changed significantly when he joined the Board; he was met with much more respect and the cooperation had improved a lot. In the past, he would have “hit the wall” on some issues in Italy, but now it had become easier to gain access to the Italian management. He attributed this to the fact that his role was now perceived differently; he was no longer “the simple trade unionist”. As a member of the Supervisory Board, he had direct access to the SE Board, and his task was now to appoint members of the SE Board, i.e. the highest superiors of his superiors.<sup>125</sup>

Already during the first term in office, the composition of the employee representation on the Supervisory Board changed. Following the sale of Dresdner Bank, Claudia Eggert-Lehmann had to resign from the Supervisory Board in 2009, and was replaced by Karl Grimm, a member of the Works Council of Allianz Deutschland AG. Rolf Zimmermann, Chairman of the SE Works Council, had now been appointed Vice-Chairperson.<sup>126</sup> Further changes then preceded at the beginning of the second term in office. Due to the changes in the number of employees in Italy and the UK, the second foreign mandate fell to an Italian employee representative; therefore Dante Barban, employee of Allianz S.p.A., joined the Supervisory Board to replace Geoff Hayward. Jörg Reinbrecht was succeeded by Ira Gloe-Semler, the national trade group leader of VER.DI, and Franz Heiß, who had previously replaced Karl Grimm, was succeeded by Gabriele Burkhardt-Berg, Chairperson of the KBR of the German Allianz companies.<sup>127</sup>

Corporate co-determination is primarily geared towards participation in the monitoring process and influencing corporate policy, in particular the strategic orientation and personnel composition of the board. However, participation may only be realised in cooperation with the shareholder representatives. While the rights, duties and responsibilities of employee representatives

are formally equal to those of shareholder representatives, there is still an important informal level to the effectiveness of co-determination: recognition as a more influential voice whose arguments are to be taken seriously.<sup>128</sup>

This seems to have been taken into account in the first terms in office of the SE Supervisory Board, as the work was mostly without conflict. On one hand, intensive meeting preparation contributed to this, as is not uncommon in other German companies. On the other hand, the cooperation was characterised by the attitude on both sides to respect the arguments of the other side, and to resolve conflicts amicably whenever possible. Towards the end of the first term in office, Zimmermann, the Vice-Chairman of the Supervisory Board, in an interview summed up this willingness to cooperate as follows: "Every Supervisory Board meeting has a huge lead-up. First, the executive committee of the SE Works Council convenes, followed by an internal

consultation of the employee representatives on the Supervisory Board. This is followed by the preliminary meeting with the Board of Directors. The Personnel Committee and the Standing Committee will meet, and at some point, the Supervisory Board meeting will be held. During this time, there are many opportunities for interaction. Even in the Supervisory Board meeting, you could still come to an agreement if things got really heated."<sup>129</sup> As a result of this consensus-building lead-up, the actual Supervisory Board meetings were "short and sweet".<sup>130</sup> Controversies hardly ever took place here because each side knew the other's arguments in detail. From the onset, there was close interaction between the work of the SE Works Council and the employee representatives on the Supervisory Board, as they were all involved in the activities of the European Works Council. Of the six members of the first Supervisory Board, four were mem-

# WORK WELL

## REDUCING STRESS

Allianz responded to increased stress-related disease rates by including the "Work Well Index" in the employee survey.

bers of the governing body anyway, the other two were regularly invited to the meetings, and – according to Rolf Zimmermann in an interview – “they also attend”.<sup>131</sup> In addition, they were all members of the Allianz “European Social Dialogue”. This interlocking was also recognised and respected in the Allianz human resources management. “This link means that the political influence of the SE Works Council is very high,” emphasised HR Manager Richard Schönwerth.<sup>132</sup> This is also in line with the assessment of the European co-determination experts Rüb and Platzer, who consider this interlocking at Allianz as playing an “important role in the increased importance and improved influence of the SE Works Council”.<sup>133</sup>

This interlocking of the work of the employee representatives on the Supervisory Board with the work of the SE Works Council is demonstrated in concrete terms in various projects. At times, the discussions in or on the fringes of the Supervisory Board became a spark for new initiatives by the Works Council. For example, in response to criticism from the employee representatives about the increased “stress-related sickness rate”, CEO Diekmann indicated in February 2014 meeting of the Supervisory Board that he was willing to work together to counteract the rising sickness rates, as there was “a shared interest here between the Executive Board and the employee representatives”.<sup>134</sup> The Supervisory Board discussion eventually led to the inclusion of a “Work Well Index” in the annual employee surveys, the results of which were also used for management remuneration, to map the health burden of employees due to the working environment.

In any case, the discussion about the amount and criteria of management remuneration had accompanied and shaped the cooperation in the Supervisory Board from the very beginning. The approach originally taken by the Executive Board to base the performance bonus exclusively on individual economic goals was met with criticism from the employees on the Supervisory Board. They only considered management to be successful if, in addition, the impact on employees and thus the essential interface with customers was taken into account from a sustainability point of view. Not only the set economic targets were to be relevant for the remuneration, but also the social framework conditions for the achievement of the targets (sick leave, motivation of the employees). Employee representatives were convinced that these factors also have a significant influence on customer satisfaction.

A significant convergence of positions took place under the new CEO, Oliver Bäte. His “Inclusive Meritocracy” project, which was discussed and approved by the Executive Board and Supervisory Board, involved a remarkable change in corporate governance. In the future, not only the achievement of performance targets should be evaluated, but also the way in which objectives are achieved, especially the impact on employees. The discussion with the employee representatives on the Supervisory Board had triggered a cultural change in the company’s policy.



This photo illustrates the intranet presence of the European Works Council of Allianz.



establishment of a European representation of employees, in order to avoid the statutory provisions laid down in the directive. After lengthy preparation and purposeful negotiation, the agreement on the Allianz Europe Committee (AEC) was concluded on 24 June 1996. It provided for only limited rights for the AEC: the right to information and consultation on cross-border topics, but no rights of participation, as offered by the German Works Constitution Act (BetrVG) to the Works Councils; in terms of competences, the AEC was more comparable to the Economic Committee of BetrVG. With the Executive Committee, a working committee was created that provided continuity between the annual AEC meetings and skilfully managed the information and consultation process with the management.

The AEC offered new contacts, new networks and a new atmosphere of conversation with the management. In addition, in comparison to the FIET Allianz Group Committee, the assessment of the committee members emphasised the company perspective over the trade union perspective.<sup>1</sup> Whereas the FIET-Allianz Group Committee was still primarily a kind of trade union information and contact exchange platform, the AEC developed the first beginnings of a business shaping function due to its consultation rights. It soon became apparent that the interaction between management and AEC was "trusting and consensus-oriented" in line with the tradition of working relations of the German parent company.<sup>2</sup> In any case, the direct contact with the Allianz Executive Board offered a gain in experience for the non-German employee representatives. As a consequence, this meant that in the discussions between the AEC and the Executive Board, the model of social partnership rather than that of conflictual employee representation prevailed, although this had become much more complex, pluralistic and decentralised due to the new European dimension. The European field has been cultivated: sustainable communication and working structures have been established along with resilient relationships of trust.<sup>3</sup>

A "leap to the next stage of development"<sup>4</sup> of the European employee representation was associated with the establishment of the SE. The conditions for a compromise seemed to be limited due to the intense labour disputes surrounding the restructuring of Allianz in Germany, which took place at the same time as the European negotiations. However, the Allianz Executive Board finally adopted a consensus strategy, which can also be interpreted as a reaction to the negative experiences with the conflict strategy practised in Germany. The agreement concluded on 20 September 2006 on the participation of employees in Allianz SE considerably strengthened the resources for action, but also significantly expanded the competence of the SE Works Council as compared to the AEC. The SE Works Council has now developed into a "participating working committee"<sup>5</sup> at the European level of Allianz. This translated into the conclusion of numerous agreements between the Executive Board and the SE Works Council. The chairman of the SE Works Council, Rolf Zimmermann, saw this success as a result of the strategy pursued over the years by the employee representation, "to make it clear that it makes sense to listen to us—they have something to say that is to be taken seriously".<sup>6</sup> With the agreements on guidelines for dealing with work-related stress and on guidelines regarding lifelong learning, as well as the agreement policy for concrete cross-border restructuring (Joint Declarations), new principles for shaping social relations were introduced at the European level for the first time. The Joint Declarations, which were similar to the character of cross-border reconciliation of interests



Helga Jung, on the Allianz SE Executive Board from 2012 to 2019, at the meeting of the European Works Council in Paris 2018 with Fabien Wathle (Member of the Allianz Executive Board France).



Geoff Hayward said goodbye to Jürgen Krumbholz (ABV) in 2018 as a long-standing member of the SE Works Council.

according to the German Works Constitution Act, set key points for further negotiations at the national level, as a result of which quasi-national or local social plans were created. This way, the design principles of the German Works Constitution Act have been enshrined in private law at the European level almost by passing; one could speak of a "restriction" of European social relations in the tradition of the German Works Constitution Act.

From the very beginning, the AEC and then much more the SE Works Council were places of intercultural communication. In this sense, the social scientist Hermann Kotthoff has called the EWC a "school of understanding despite lasting differences" and pointed out that the cooperation of the employee representatives is characterised by the basic idea that the category of nation is no longer in the foreground, "but is 'faded out' or suspended in a new supranational space"<sup>7</sup> Accordingly, the principle of making decisions by consensus was already tacitly applied in the AEC. Employee representatives with differing opinions should be convinced, not overvoted.<sup>8</sup>

The AEC and the SE Works Council were also promoters of the participation process in Europe. Striking is the establishment of new employee representation and participation structures in the Allianz Operating Entities. This is due to a double top-down effect: on the one hand, the EU Commission Directive 2002/14/EC on information and consultation of 11 March 2002 provided a stimulus by giving employee representation in EU countries the legal right to be informed or consulted by the employer on specific issues. However, the company's practice at Allianz to promote the national social dialogue by concluding the above-mentioned agreements also strengthened employee representation in the Operating Entities.

Over the past 30 years, Allianz has undergone a significant structural change. The 1990s and early 2000s were characterised by the Europeanisation and globalisation of corporate policy,

which were also referred to in social and economic literature as "farewell to Deutschland AG". At the same time, with the start of Michael Diekmann's term of office as CEO in 2003, there appeared to be a change in company strategy: the "3+1 project", which he initiated in a severe economic crisis of Allianz, was interpreted by the AEC as the entry into a capital market-oriented corporate strategy, which followed the shareholder value principle, which was based exclusively on the interests of the shareholders. The planned profound restructuring of the German Allianz in 2006 was felt by many employees and employee representatives as a continuation of this cultural break in corporate strategy, since the mid-2000s, the discussions between the employee representatives of the AEC and the Executive Board have also been characterised by the calls on the employees' representatives to maintain the dialogue that has been held up to now from the time of Deutschland AG – the act of consent and the willingness to cooperate on a lasting basis.

Only two years later, there were signs that the Executive Board was moving away from the Shareholder-Value principle when a member of the Executive Board, Gerhard Rupprecht, told the SE Works Council that "one-sided favouring of the interests of shareholders or employees ... would not lead to success". "Rather, the interests of all stakeholders had to be aligned."<sup>9</sup> Employee representatives did not always see the Executive Board's self-imposed postulate fulfilled. In view of the profit target for Allianz SE of 10 billion euros for 2011 announced by Michael Diekmann and simultaneously announced cost-cutting measures and job reductions, SE Works Council Chairman Zimmermann concluded: "The balance of how you deal with customers and employees is no longer right."<sup>10</sup>

The criticism of the SE Works Council on the dividend policy of Allianz SE under the CEO Michael Diekmann remained a constant, and thus it was also doubtful that the Executive Board would follow the principle of stakeholders in its corporate strategy. This was also evident for the last time when Diekmann left Allianz SE in 2015. Diekmann himself agreed conciliatory tones: "Allianz is the only European co-determined insurance company. It is thus a role model and offers employee representatives great opportunities to influence the company's history by taking part in the operations of the Supervisory Board." Looking back at the discussion with the employees and Works Councils in Germany in 2006, which he described as a "bad chapter", he emphasised that the "Allianz Executive Board agrees that ensuring the long-term reputation and integrity of Allianz is an absolute priority. The motivation and health of the employees are also important." However, the SE Works Council did not want the chairman of the Executive Board to leave without criticism. He said that "he does not support the dividend policy of Allianz. Investors would be promised high returns, while employees would not benefit."<sup>11</sup>

The discussion on the strategic direction of the company since 2004 was not the first point of contention that the differences between employee representatives and management in the assessment of the company's function were found. Fundamentally, the company's views differed in that the management assumed a functional, economic and technical understanding of the company, but the employee representatives focused more on the socio-political dimension, i.e. saw the company as a field of social action. For the first time British employee representatives Jim Osborne and Derek Higgins formulated this approach in the summer of 1999, defining

the role of the AEC this way: "to put democratic principles at the heart of Allianz so that the interests of customers, employees, shareholders, the countries where we do business, the environment, etc. are all recognised and balanced. Allianz's goals should be more than just enacting the shareholders."<sup>12</sup> They wanted no less than to anchor a new paradigm in corporate strategy: to overcome the shareholder principle by integrating the interests of employees, customers and the environment. The fact that the impetus for this came from British employee representatives was the consequence of the more than 20-year lead-up to financial capitalism in Britain since Margaret Thatcher's time in government. However, this was also a claim that placed the European Works Council far beyond merely representing the interests of employees, but recognised the company as a system that would meet the interests and demands of all the groups involved.

The employee representatives succeeded in including part of this claim in the preamble to the Participation Agreement of September 2006: Promotion of equal opportunities, active support for lifelong learning of employees, active occupational health and safety at the workplace, sustainability and protection of the environment, as well as the observance and implementation of the core labour standards of international organisations were anchored as corporate goals by the European employee representation and the Executive Board in a joint act, thus emphasising the social responsibility of Allianz. This was the basis for concluding agreements to promote health protection and further education throughout Europe. At the same time, however, discussions with the SE Works Council, as well as in and at the occasion of Supervisory Board meetings resulted in opportunities for discussion in order to expand the Canon of corporate objectives in the sense of an extended stakeholder concept. Since 2007, a program of diversity measures has been launched under the leadership of Oliver Bäte, a member of the Executive Board, with a special emphasis on equality between women and men. Shortly afterwards, in connection with the implementation of the law on the appropriateness of Executive Board' remuneration in 2010, the criterion of employee and customer satisfaction for the calculation of the executive remuneration was introduced and the remuneration of the Executive Board was thus oriented toward specific stakeholder interests. And when Oliver Bäte took office as CEO in 2015, Allianz's environmental profile was also enhanced by the fact that Allianz was the first financial service provider to decide not to invest in the promotion or use of coal (decarbonization).

If one wanted to place the recent history of Allianz in the general framework of trends in social and economic history, it should be noted with Andreas Reckwitz that an epoch of the "economisation of the social" in the late modern economy seems limited for the time being.<sup>13</sup> In financial capitalism, globalisation and financialisation had exposed stock market-oriented<sup>14</sup> companies in particular to increased competitive pressure, fuelled by rating agencies, where the aspect of shareholder value was paramount. The supra-national co-determination democracy, as it has been developed at Allianz after a difficult beginning, can certainly be seen since the turn of the millennium as an element to transform the unleashed capitalism into an "embedding liberalism"<sup>15</sup> that supports the structures of liberal democracy.

The present study also shows that attempts at democratisation in the economy are being initiated by real people, by personalities, in a network of increasingly complex structures. In





2019 Allianz Sustainability Report; on the cover:  
Anna Mungaia, Head of Allianz SE Operations, and Evgeni Krumov (Allianz Global Corporate Specialty).

a permanent struggle for competence, they gain the sovereignty that puts them on an equal footing with senior management and is a sign of the struggle for recognition of the workforce in the business world. However, such efforts can only be successful if they also prove to be a stimulus for modernisation. In constant discussions with the capital side, such impulses promote social dialogue, which places one-sided positions, contradictions and social consequences of enterprise policy on the social agenda. It is the hopes of the whole of Europe that strengthening economic democracy will stop the erosion of political democracy.<sup>16</sup> This would also be a recognition of the fact that the prosperity of European workers' movements has always led to traditional strands that give Europe a distinctive social profile.



Rolf Zimmermann and Oliver Bäte talking on the sidelines of the SE Works Council meeting in Munich in 2016.



# NOTES

## In the quest for European solidarity

- 1 Andreas Wirsching, *Der Preis der Freiheit. Geschichte Europas in unserer Zeit*, München 2011, p. 15.
- 2 *ibid.*, p. 59.
- 3 *ibid.*, p. 60 f.
- 4 *ibid.*, p. 25.
- 5 Axel Honneth, *Kampf um Anerkennung*, Frankfurt/M. 1994; Pierre Rosanvallon, *Die Gesellschaft der Gleichen*, Berlin 2017; Andreas Reckwitz, *Das Ende der Illusionen*, Berlin 2019.
- 6 cf. on this process in principle: Lutz Raphael, *Jenseits von Kohle und Stahl. Eine Gesellschaftsgeschichte Westeuropas nach dem Boom*, Berlin 2019.
- 7 Axel Hauser-Ditz/Markus Hertwig/Ludger Pries, *Betriebliche Interessenregulierung in Deutschland. Arbeitnehmervertretung zwischen demokratischer Teilhabe und ökonomischer Effizienz*, Frankfurt/New York 2008, p. 276.
- 8 To be included: Thomas Blanke, *Recht und Praxis der Europäischen Betriebsräte. Zur Effektivität "weicher" Regulierung für die Integration der Arbeitsbeziehungen in Europa*, in: *Kritische Justiz*, Vol. 32, Nr. 4 (1999), p. 497–525.
- 9 Bernd Bühlbecker, *Debatten um die Montanunion: Gewerkschaften und europäische Integration in den 1950er Jahren*, in: *Mitteilungsblatt des Instituts für soziale Bewegungen*, Nr. 42/2009, p. 50 und p. 67. Ludwig Rosenberg, for example, combined with the Schumann Plan great opportunities for the unions to develop, which would transfer the idea of participation to the European level: "Europe must show the way to solve the idea of freedom and technically concentrated economic forms, to eliminate modern economic slavery and to lead peoples from the semi-dark medieval concepts of state and the curse of machine slavery to free humanity." *ibid.*, p. 53 f.
- 10 Cyril Gläser, *Europäische Einheitsgewerkschaft zwischen lähmender Überdehnung und umfassender Repräsentativität: EGB-Strukturen und die Herausforderung der Erweiterung*, in: *Mitteilungsblatt Nr. 42/2009*, p. 215 ff.
- 11 Walther Müller-Jentsch, *Die Dekade der Herausforderungen: Deutsche Gewerkschaften zwischen europäischer Integration und nationalstaatlicher Reorganisation in den 1990er Jahren*, in: *Mitteilungsblatt Nr. 42/2009*, p. 235.
- 12 *ibid.*, p. 237.
- 13 *ibid.*, p. 255.
- 14 Hermann Kotthoff, *Lehrjahre des Europäischen Betriebsrats. Zehn Jahre transnationale Arbeitnehmervertretung*, Berlin 2006, p. 13.
- 15 *ibid.*, p. 13–15. See also: *Das Europa des Möglichen und des Notwendigen. Gespräch mit Jacques Delors*, in: *GMH 1/1988*, p. 29 f.
- 16 It was only the majority procedure introduced in 1992 with new legal bases in the EC Treaty that made a breakthrough possible. See Rolf Jäger, *Europäischer Betriebsrat. Was man wissen sollte. Ein Arbeitspapier erstellt im Auftrag der Hans-Böckler-Stiftung*, Düsseldorf 2011, p. 4.
- 17 Hans-Wolfgang Platzer/Klaus-Peter Weiner: *Europäische Betriebsräte – eine Konstitutionsanalyse. Zur Genese und Dynamik transnationaler Arbeitsbeziehungen*, in: *Industrielle Beziehungen*, 5. Jg., Heft 4, 1998, p. 394 f.
- 18 Werner Milert/Rudolf Tschirbs, *"Der gute Wille zur Zusammenarbeit". Geschichte der Mitbestimmung bei der Allianz*, München 2017.
- 19 *ibid.*, p. 75.
- 20 Barbara Eggenkämper/Gerd Modert/Stefan Pretzlik, *Die Allianz. Geschichte des Unternehmens 1890–2015*, München 2015, p. 298–327.

- 21 Stefan Rüb/Wolfgang Platzer, Europäisierung der Arbeitsbeziehungen im Dienstleistungssektor. Empirische Befunde, Probleme und Perspektiven, Berlin 2015, p. 41 ff.
- 22 Information Scheu, Stand 1992, FHA, AZH 4/Folder FIET.
- 23 Schneevoigt an Schulte-Noelle vom 16.1.1992. FHA, AZ 3/Folder "Personal Betriebsrat Europäischer Betriebsrat".
- 24 Info Scheu, 1992, FHA, AZH 4, folder FIET. According to Gerhard Renner, Allianz generally paid the accommodation and meals costs of the participants in the later years, as well as the conference costs (rooms and translation). In the case of external trade unionists, like Renner, travel expenses had to be paid by the sending unions. See email from G. Renner to R. Zimmermann from 12.7.2020, FHA, AZH 17/3.
- 25 Bericht über die FIET-Tagung in England. Betriebsrat-Info Nr. 99 vom September 1989, p. 17–19, FHA, AZ 3/folder "Personal Betriebsrat Europäischer Betriebsrat". More reliable probably the list of participants in the file Bishops Stortford, 14./15.6.1989, Archiv der sozialen Demokratie (AdsD) der FES, Fiet-Archiv (FietA).
- 26 Entwurf für eine Entschließung, etwa vom April 1994, *ibid.*
- 27 Aktennotiz von Blomberg vom 18.4.1989, FHA AZ 3/folder "Personal Betriebsrat Europäischer Betriebsrat".
- 28 Von Blomberg vom 21.4.1989 und anliegendes Exposé, *ibid.*
- 29 Aktennotiz von Blombergs an Schieren vom 14.6.1989, *ibid.*
- 30 Aktennotiz Schulte-Noelle an den Aufsichtsratsvorsitzenden Schieren und an Schneevoigt vom 7.2.1992, *ibid.*
- 31 Kölner Stadtanzeiger Nr. 242 vom 6.12.1991, und: "Rosinenpicken. Eurobetriebsräte", in: Capital 3/92, p. 187 ff.
- 32 *ibid.*.
- 33 Capital 3/92, p. 190 f.
- 34 Hauser-Ditz u. a., Interessenregulierung, p. 55 f.
- 35 Rosinenpicken. Capital 3/92, p. 187.
- 36 Schreiben vom 12.5.1992, *ibid.* Ähnlich auch vertrauliches Schreiben Schneevoigt an Schulte-Noelle vom 1.6.1992, FHA AZ 3/folder "Personal Betriebsrat Europäischer Betriebsrat".
- 37 Aktennotiz Schieren vom 18.11.1993, *ibid.*
- 38 Notiz Schneevoigt vom 29.10.92, *ibid.*
- 39 Schneevoigt an Gavazzi u. a. vom 21.12.92, *ibid.*
- 40 Schneevoigt an Schulte-Noelle vom 19.11.93, *ibid.*
- 41 Schulte-Noelle an Schieren vom 3.12.93, *ibid.*
- 42 Torsten Müller/Hans-Wolfgang Platzer/Stefan Rüb, Globale Arbeitsbeziehungen in globalen Konzernen? Zur Transnationalisierung betrieblicher und gewerkschaftlicher Politik. Eine vergleichende Fallstudie, Wiesbaden 2004, p. 88–90.
- 43 Schreiben vom 23.6.94, FHA, AZ 3/folder "Personal Betriebsrat Europäischer Betriebsrat".
- 44 Renner an Schneevoigt vom 23.8.94, *ibid.*
- 45 Schneevoigt an Gavazzi vom 30.8.94, *ibid.*
- 46 See Eggenkämper u. a., Allianz, p. 340.
- 47 Aktennotiz Schieren vom 15.9.94, FHA, AZ 3/folder "Personal Betriebsrat Europäischer Betriebsrat".

## The phase of enforced voluntariness

- 1 Kotthoff, Lehrjahre, p. 14 ff.
- 2 In principle: Werner Milert/Rudolf Tschirbs, Die andere Demokratie. Betriebliche Interessenvertretung in Deutschland, 1848 bis 2008, 2. Auflage Essen 2015.
- 3 Manfred Weiss, Schnittstelle Europa und Mitbestimmung, GMH 3/1999, p. 189–192.
- 4 Kotthoff, Lehrjahre, p. 15–17.

- 5 The Directive was transposed into national law in Germany by the Act on European Works Councils (EBRG) of 28 October 1996
- 6 Jäger, *Europäischer Betriebsrat*, p. 7.
- 7 Kottthoff, *Lehrjahre*, p. 20. The Directive said: A procedure “for the purpose of informing and consulting employees” should be established.
- 8 See the overview at Lionel Fulton, *Vertretung auf europäischer Ebene. Bestellung des Besonderen Verhandlungsgremiums*. From: Lionel Fulton (2015) *Worker Representation in Europe*. Labour Research Department and ETUI. Produced with assistance of the SE Europe Network. <http://www.worker-participation.eu/National-Industrial-Relations>. Abger. am 1.7.2020, 20 Uhr.
- 9 Kottthoff, *Lehrjahre*, p. 17 f.
- 10 Vorstand der Allianz AG vom 11.10.1994, FHA, AZ 3/folder “Personal Betriebsrat Europäischer Betriebsrat”.
- 11 Renner an Schneevoigt vom 27.4.1995, *ibid.*
- 12 Schneevoigt an Renner vom 5.5.1995, *ibid.*
- 13 Schulte an Schulte-Noelle vom 30.5.1995, *ibid.*
- 14 Schneevoigt an Schulte vom 13.6.1995, *ibid.*
- 15 Schneevoigt an Schulte-Noelle vom 27.9.1995, *ibid.*
- 16 Renner an Hill, Genf, vom 27.9.1995, *ibid.*, as well as a list of participants; on the diversity of national representation structures, see also Blanke, *Recht und Praxis*, p. 511–517.
- 17 Schneevoigt an Schulte-Noelle vom 27.9.1995, FHA, AZ 3/folder “Personal Betriebsrat Europäischer Betriebsrat”.
- 18 FAZ vom 11.12.1995.
- 19 Schulte an Scheu vom 9.8.1995 mit einer zehneitigen Anlage; Renner an Scheu vom 25.8.1995, beide FHA, AZ 17/40.
- 20 Notiz Renners vom 6.9.1995, *ibid.*
- 21 Protokoll der Sitzung des AK der GBR am 14./15.12.1995 in München, *ibid.*
- 22 Schneevoigt an Scheu vom 5.2.196, *ibid.*
- 23 Scheu an AK der GBR, an Renner und Schulte vom 12.2.1996, *ibid.*, und Schulte an Scheu vom 6.3.1996, *ibid.*
- 24 Fax Krynitz an Scheu vom 8.3.1996, *ibid.*
- 25 Scheu an Direktor Rainer Thierfelder vom 16.12.1996, *ibid.*
- 26 Schneevoigt an Schulte-Noelle u. a. vom 8.3.1996, FHA, AZ 3/folder “Personal Betriebsrat Europäischer Betriebsrat”. Zum Text der Vereinbarung siehe FHA, AZ 17/43.
- 27 Schneevoigt an Schulte-Noelle vom 29.8.1996, FHA AZ 3/folder “Personal Betriebsrat Europäischer Betriebsrat”.
- 28 Protokoll und Redemanuskript in FHA, AZH 4/folder “IAEC 1/97-8/97”.

### **The Allianz Europe Committee**

- 1 Schneevoigt an Miller vom 15.1.1997, FHA, AZ 17/40.
- 2 *ibid.*, for example, Sergio Tasselli was represented as the country representative of Italy, while Dante Barban from the RAS was also represented for Italy, organized in FNA (Federazione Nazionale Assicuratori).
- 3 Protokoll AEC 26./27.6.1997, *ibid.*
- 4 Protokoll, *ibid.*
- 5 Eggenkämper u. a., *Allianz*, p. 327 f.
- 6 Protokoll AEC vom 26./27.6.1997, FHA, AZ 17/40.
- 7 Rede am 5.7.1996 in Genf, FHA, AZ 17/45.
- 8 Miller an Schieren vom 11.8.1995, FHA, AZ 3/folder “Personal Betriebsrat Europäischer Betriebsrat”.
- 9 Durchschlag eines fünfseitigen Schreibens von Schieren an Miller, undatiert, *ibid.*

- 10 Sometimes the term Direktorium is also used in the sources.
- 11 Claudia Schippmann, Betriebliche Mitbestimmungskulturen in Großbritannien, Spanien, Schweden, Frankreich und Ungarn, Düsseldorf 2008, p. 51 f., und Holm-Detlev Köhler, Workers' Participation in Spain, In: Stefan Berger/Ludger Pries/Manfred Wannöffel, The Palgrave Handbook of Workers' Participation at Plant Level, New York 2019, p. 525 f.
- 12 Miederhoff an Miller/Zimmermann vom 7.7.1997, FHA, AZH 4/folder "IAEC 9/97-19/98".
- 13 ibid..
- 14 Miederhoff an Miller/Zimmermann vom 22.8.1997, FHA, AZ 17/40.
- 15 FHA, AZH 4/folder "IAEC 9/97-19/98".
- 16 Protokoll GA, AEC am 5.2.1998 in Stuttgart, FHA, AZ 3/folder "Personal Betriebsrat Europäischer Betriebsrat". See also: Protokoll GA des AEC vom 27.4.1998 in Barcelona, FHA, AZ 17/40.
- 17 FAZ vom 23.12.1997: "Fusionsphantasie treibt die Aktien der Versicherungsunternehmen."
- 18 FAZ vom 2.7.1998: "Groupama und GAN bilden einen zweiten nationalen Versicherungspol."
- 19 Protokoll vom 24.7.1997 (Karl Miller), FHA, AZH 4/folder "IAEC 9/97-19/98".
- 20 Miller an Miederhoff vom 29.7.1997, ibid. That was before the GA was to arrange the translation itself.
- 21 Miederhoff an GA des AEC vom 22.8.1997, FHA, AZ 17/40.
- 22 Eggenkämper u. a., Allianz, p. 335 ff.
- 23 Presse-Information vom 17.11.1997, FHA, AZH 4/folder "IAEC 9/97-19/98".
- 24 Memo-Ausdruck an Scheu u. a. vom 18.11.1997, ibid.
- 25 Eggenkämper u. a., Allianz, p. 336, und FAZ vom 28.12.1998: "Große Fusionen lassen neue Unternehmen in Deutschland entstehen."
- 26 Protokoll über Zusammenkunft am 28.1.1998, FHA, AZH 4/folder "IAEC 9/97-19/98".
- 27 Núria Jubany an Schneevoigt vom 6.4.1998, ibid.
- 28 Miederhoff an Alves u. a. vom 29.5.1998, ibid.
- 29 Núria Jubany an Schneevoigt vom 4.6.1998, ibid.
- 30 Aktennotiz Miederhoff vom 5.6.1998, ibid.
- 31 Protokoll FHA, AZ 17/45.
- 32 See also AEC-Info vom Juni 1998 an alle Allianz-Mitarbeiter in Europa, ibid.
- 33 Aktennotiz Hallwachs vom 17.11.1998, betr. Sitzung am 30.10.1998, FHA, AZ 17/41.
- 34 Aktennotiz Hallwachs' vom 18.1.1999, betr. Sitzung vom 14.12.1998, ibid.
- 35 Protokoll AEC vom 20./21.7.1999 in München, FHA, AZ 17/45.
- 36 Schreiben vom 18.10.1999, FHA, AZ 17/41.
- 37 Asmussen an Miller vom 2.11.1999, ibid.
- 38 "Betriebsrat aktuell" Oktober 1999: "Der europäische Betriebsrat", FHA, AZ 17/22.
- 39 See Eggenkämper u. a., Allianz, p. 335.
- 40 Schiffmann, Betriebliche Mitbestimmungskulturen, p. 102–106, und Udo Rehfeldt, Workers' Participation at Plant Level: France, in: Berger u. a., The Palgrave Handbook, p. 330 ff.
- 41 Allianz-Journal vom April 2000, FHA.
- 42 Eggenkämper u. a., Allianz, p. 337–340.
- 43 See also Jürgen Beyer, Deutschland AG a. D.: Deutsche Bank, Allianz und das Verflechtungszentrum des deutschen Kapitalismus, in: Wolfgang Streeck/Martin Höpner (Hg.), Alle Macht dem Markt? Fallstudien zur Abwicklung der Deutschland AG, Köln 2003, p. 118 ff.
- 44 Protokoll vom 20.7.1999, FHA, AZ 17/45.
- 45 Memo-Ausdruck vom 10.8.1999, FHA, AZ 17/46.
- 46 AEC-Entwurf vom Juli 2000. FHA, AZH 4/folder "XV/5 AEC folder 3".
- 47 Schneevoigt an Schulte-Noelle u. a., ibid.
- 48 Bericht in FHA, AZ 17/46.
- 49 Siehe Eggenkämper u. a., Allianz, p. 356–58.
- 50 FHA, AZ 17/46; German and English version with a brief outline of the project history.
- 51 Berend van Limburg an "Dear European Colleagues", wohl von 2001, FHA, AZ 17/46.

- 52 Info Konzern 09/2002 (25.4.02), FHA, AZ 17/46, here also the results of the survey.
- 53 Schnevoigt an Núria Jubany vom 6.8.2002, AZH 4/folder "XV/5 AEC folder 3".
- 54 Protokoll in FHA, ibid.
- 55 Aktennotiz Böhmer vom 14.6.2004, FHA, ibid.
- 56 Aktennote Jamann vom 23.6.2004, FHA, ibid.
- 57 Bilanzbericht des AEC, FHA, AZH 17/1.
- 58 Protokoll des AEC vom 11.–13.7.2001, ibid.
- 59 Protokoll AEC, 9.–11.7.2002, ibid.
- 60 Protokoll AEC, 7. Sitzung, 1.–3.7.2003, ibid.
- 61 See also information of the AEC (Núria Jubany) an alle Europa-Beschäftigten, ibid.
- 62 Bilanz von 1997–2004, Juli 2004, ibid.
- 63 Protokoll der AEC-Sitzung vom 6.–8. Juli 2004, ibid.
- 64 Werner Abelshauer, Kulturkampf. Der deutsche Weg in die Neue Wirtschaft und die amerikanische Herausforderung, Berlin 2003.
- 65 Hagemann an Núria Jubany Salvador vom 21.7.2003, FHA, AZH 4/folder "XV/5AEC folder 3".
- 66 Siehe ebenfalls im Protokoll über die Tagung vom 6.–8.7.2004, FHA AZH 1/17.
- 67 BR Aktuell 9/2004, FHA AZ 17/22.
- 68 Information des GA des AEC vom Juli 2005, FHA, AZH 17/1.

## **A breakthrough for European co-determination**

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The photo shows the two authors at the book launch at Allianz in Frankfurt.