

## **Application for the 2004 International Spirit at Work Award Australia and New Zealand Banking Group Limited**

### 1. Organisation details

Name: Australia and New Zealand Banking Group Limited (ANZ).

International Head Office: 100 Queen Street, Melbourne, Victoria 3000 Australia.

Date of founding: ANZ antecedent bank was the Bank of Australasia, founded in London in 1835.

Number of employees: ANZ employees 31,099 people worldwide.

Nature and scope of business: ANZ is a major international banking and financial services group, which is among the top 100 banks in the world. The organisation has over 5 million customers. Profit for the half year ending 31 March 2004 was \$1,396 million.

Locations: ANZ is represented in over 40 countries in more than 1000 locations.

Website: [www.anz.com](http://www.anz.com)

### 2. Contact information

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### 3. Spirit at work within ANZ

In the late 1990s following several years of poor financial performance, the Australian and New Zealand Banking Group Ltd (ANZ) had a significant turnaround. A new chief executive officer and management team succeeded in leading the organisation towards higher performance and ANZ began posting record profits, reducing risk and eliminating bad debt. The organisation set a new strategy for growth.

The bottom line had dramatically improved. However, ANZ needed to win back the trust of many of its stakeholders; widespread branch closures, increasing bank fees and other industry-based issues had fuelled growing discontent with financial institutions – particularly in Australia.

At the same time, ANZ people were highly disaffected; employee numbers had almost halved due to widespread restructuring and only 49 per cent of staff were overall satisfied with ANZ in 1999.

ANZ realised it would not be enough to focus its business agenda on performance and growth only; if it were to truly be a high performing organisation it would need to engage its people in building a different bank.

ANZ drew on McKinsey and Co research that showed high performance organisations operate using a clear set of organisational values as the basis for all activities and decision-making. Research also showed that people are happier and more engaged when they work for an organisation that holds similar values to their own.

ANZ took a hard look at the culture and values of its organisation. A survey was conducted in late 2000 in which staff were asked to identify their personal values, the current values of ANZ, as well as the values they believed were desired for organisation. The results were plotted against the Seven Levels of Organisational Consciousness model, developed by Richard Barrett of Corporate Transformation Tools. (See section Values Assessment below.)

The results showed that ANZ people did not perceive the organisation's values reflected their own personal values and that they saw a number of limiting values in the current culture.

With this strong message from its people, in early 2001 ANZ set a new strategy for high performance it called Perform, Grow and Breakout. The introduction of this three-pronged strategy was a defining moment; it stated ANZ's intention to match the organisation's focus and energy on performance and growth with an equal emphasis on people and culture. Breakout was the name chosen to signify and bring alive ANZ's cultural transformation agenda.

The Breakout component of Perform Grow and Breakout was, from the outset, focussed on cultural transformation 'from the inside out'. Breakout was predicated on the principle that organisations don't transform – people do. Transforming ANZ would only be achieved through the collective personal transformation of the individuals within the organisation and a positive shift in their mindsets and behaviours. Inside-out transformation was the aspect that made Breakout very different from most other organisational change programs undertaken at the time. Inside-out transformation would be supported by other Breakout initiatives to enhance systems and processes within the organisation.

A dedicated team – the Breakout and Cultural Transformation team – was established to inspire, facilitate and partner in this work across the organisation globally.

A holistic approach to the transformation of ANZ was taken. It was acknowledged that Breakout would be a journey for the organisation – not a short-term change program. The goal was to create a Breakout mindset and way of being that would prevail across the organisation. The intention was for ANZ to build a culture with a strong focus on people, values and opportunities – an open and supportive culture where positive, honest and open relationships thrived and where people could bring their whole self to work.

The first step was to excite and engage ANZ people in an aspiration that held real meaning for them. After dialogue with staff and some revision, ANZ proudly articulated its vision, to be "The Bank with a Human Face". This aspiration spoke directly to the creation of trusted relationships between ANZ and its people and between its people and its customers and community. It held resonance with all stakeholder groups.

To achieve this aspiration, the organisation needed to align itself with the personal values of its people. A set of five principles, based on the personal values of ANZ people as shown from the 2000 survey, was created. Known as the ANZ Values, the five statements remain the focal point of transformation and are:

- Putting customers first,
- Creating shareholder value,
- Leading and inspiring each other,
- Earning the trust of the community and
- Breakout, being bold and having the courage to be different.

The adoption of the Values was crucial to the development of Breakout. By living the ANZ Values everyday and incorporating them into everything, ANZ is building a high performance culture.

The Values were captured formally to give people clarity and purpose and a common language that could be used and understood by anyone in any part of the business, at any job level. The Values unite ANZ people across the globe.

The aspiration to be the Bank with a Human Face and the ANZ Values are sources of inspiration. The simple statements provide people with guidance as to what they can do to build the type of organisation they desire and one that is consistent with their own values.

The organisation defines spirituality at work as creating a supportive but challenging environment in which ANZ people may be themselves and, within the context of the organisation's greater purpose, find deeper meaning and build greater collective coherence.

ANZ is an extremely diverse population; for example, staff speak 42 languages other than English. ANZ sees the diversity of its people as a wonderful opportunity to draw upon new ideas and thinking from an amazing array of perspectives to create stronger connections with customers and communities. The organisation openly invites people to bring their 'whole selves' to work and therefore supports individuality.

## **Policies, programs and practices that have explicitly promoted or enabled spirituality in the workplace**

Since the end of 2000, ANZ's journey of cultural transformation has encompassed a number of various initiatives. Some of these are a direct result of Breakout while others have been Breakout-inspired and encompass the ANZ Values. These initiatives are concentrated on people's mindsets, behaviours as well as the processes and systems that inform the way people work.

### **Breakout workshops**

Perhaps the single greatest internal Breakout initiative has been the Breakout workshops for staff. Originally a three day program for the most senior executives, the feedback from workshop participants and the resulting personal transformation experienced by many people created a demand for broader and deeper workshop

application. All staff members are encouraged to attend a workshop and around 21,000 ANZers have now attended one of the many workshop variations. These include:

- Breakout (1, 2 and 3 day versions)
- High Performance Teams
- Inspiring Leaders
- Breakout Leaders
- Leader as Coach
- Business unit customised workshops (tailored to specific business needs and developed in consultation with the business)

The workshops are centered on people's personal journey, presented in the context of business relationships. The workshops take people below the surface of their work persona and call on participants to seek out their authentic selves and bring their whole person to work, abandoning any shields or defences they may hold. Workshops are designed to support participants in examining the thoughts and values that drive their behaviour and to consider the impact of their being on their interactions in the workplace, and therefore the ANZ culture. A premise throughout is that people create their own reality from which they can choose to learn and grow.

As well as the content, it is the energetic workshop design elements and the facilitation led by ANZ's own specially trained facilitators that creates the environment for personal transformation to occur. Workshops combine intelligent quotient (IQ), emotional quotient (EQ) and spiritual quotient (SQ) principles in parallel. The workshops are seamless linkages of individual modules that fit together into an overall flow of energy and this same flow is present within each module. This cycle of forming, storming, norming, performing and mourning operates at these multiple levels.

ANZ subscribes to Danah Zohar and Ian Marshall's definition of SQ: 'the intelligence with which we address and solve problems of meaning and value.' As used in the workshops, SQ gives the deeper connection through story, metaphor and exploration of the real 'stuff' of one's life. Workshops are often challenging and deeply moving, confronting people's understanding of reality. These experiences throughout the duration of the course are intended to allow people to connect to their true meaning.

Music, hand-drawn coloured charts, group and paired discussions are all used to support the content and create a heart-brain experience. Meditation is also a feature of most workshops to encourage relaxation, creativity and 'big picture' thinking.

Throughout the workshops, the ANZ Values are a key connection point; people take the opportunity to understand what is at the heart of ANZ and the aspiration to be 'The Bank with A Human Face'.

Most participants emerge from workshops awakened to a Breakout way of being and living examples of the ANZ Values in action. They gain important insights into their lives and acquire skills to enhance their personal and professional relationships.

## **Personal leadership**

Workshops alone will not transform the culture at ANZ. How people translate their workshop learning back into the workplace in the day-to-day is what sustains and embeds transformation. Many people at ANZ are also yet to attend one of the many Breakout workshops available. For this reason, a culture of personal leadership is being forged. The underlying philosophy is that 'everyone at ANZ is a leader, regardless of role or responsibility.'

Leadership is presented as an innate quality that can be developed and is not something 'bolted on' to a role. Leadership is viewed as a function of an individual's non-egoic authenticity rather than the stereotypical 'white knight' leading from the front. All workshops create the sense of self-led, purposeful action by inviting participants to 'take a stand' and committing to actions that will affect a personal transformation and thereby change in the organisation.

To enable people within the organisation to lead and who are yet to attend a Breakout workshop, a number of tools have been developed to introduce Breakout and help them 'live Breakout everyday'. These include:

- ANZ Values cards are provided to staff. The cards list the five value statements and provide a regular reminder to people of how they can actualise the Bank with a Human Face.
- Videos of interviews and presentations from the CEO and other executives available to businesses for purchase or loan

- The Creativity Tool which encourages different thinking and The Breakout Game for teams or groups which sets fun challenges for people to live the Values
- Detailed intranet site with detailed information, contact points, links to other useful ANZ intranet sites and a feedback mechanism

## **Coaching**

ANZ believes that investment in people is essential to business success. As a result a non-directive coaching style has been implemented across the business by the Breakout and Cultural Transformation team to create an empowering and more uplifting experience for our people. In teaching ANZ people to coach each other, two foundational beliefs underpin all coaching workshops. Firstly, that all people have the innate potential and internal resources to be the best they can be, and secondly that coaches aim to find the 'gold' that exists within everyone.

By holding true to these beliefs, a positive ripple effect is created. People are becoming comfortable and confident in giving and receiving informal feedback and coaching; ANZ leaders are becoming more practiced and skilled at capitalising on coachable 'moments' for people and understand the connection to improved engagement of staff and business results.

Although this coaching work is in its first year at ANZ, there are signs that a culture of 'dialogue' is emerging where feedback and coaching becomes a daily habit. Leaders are inspiring others by creating a trusting environment that encourages people to provide interested and informed feedback. Coaching is becoming a core capability to realise the talents, drivers and potential of others and one's self.

## **Breakout facilitators**

ANZ chose to train its own people to lead the cultural transformation journey. An internal recruitment campaign for Breakout workshop facilitators attracted nearly 50 candidates from which nine were chosen. The Breakout facilitator role resides within the Breakout and Cultural Transformation team and involves 'being of service' – not just conveying information to people for understanding.

The process of selection involved an exploration of IQ, EQ and SQ. Candidates were required to submit a life resume, as opposed to a curriculum vitae, outlining their personal journey and life turning points, highlighting how they moved from victim to mastery in their lives. Rounds two and three of the selection process involved applicants presenting and mock-facilitating a Breakout workshop module. Facilitators were recruited based on their ability to understand the needs of a group and engage people in self-discovery.

The nine successful applicants received intensive full-time training on transformation facilitation from external consultants over a six-month period. The training focused on each facilitator's own transformation so they could master the techniques they would teach in workshops and be fully supportive of others' journey. The entire first week of training was dedicated to spirituality and remained the core platform throughout. The group emerged with a clear sense of their purpose to raise the consciousness of all those they interact with.

Prior to commencing as Breakout facilitators, their capabilities were assessed by a panel of external consultants and ANZ executives. The group are regularly immersed in the latest EQ and SQ techniques and lead the development of new Breakout offerings, aligning the overall business and human consciousness imperatives.

Each Breakout facilitator engages with, on average, 60 different staff members each week through the various workshops. Their recruitment, training and ongoing development has an enormous impact on the ANZ workplace.

## **Breakout champions**

In addition to the Breakout and Cultural Transformation team, transformation is role-modelled and supported in the business by Breakout champions. Around 142 staff in various countries have volunteered to be formally recognised as Breakout champions. The champion role is unpaid and is carried out in addition to the person's full-time position. The primary functions of champions include:

- Support and provide advice to ANZ business units about Perform Grow and Breakout, particularly on how to live the Breakout mindset in every moment
- Initiate and conduct Breakout activities within the business, for example Values sessions
- Participate in Perform Grow and Breakout projects
- Attend Breakout workshops to provide support for Breakout facilitators and participants
- Be a living example of Breakout

Champions can be any member of staff with a passion for ‘being of service’ to others and have line manager support to take up this important responsibility. Champions must demonstrate readiness and ability to accelerate the momentum of Breakout within their team or business unit.

The champion network emerged in 2001 when the first champions volunteered their time toward Breakout. A three-day training program, recently revised to one day, was developed for would-be champions from which they create a group vision for the task of connecting and energising all individuals within ANZ. Training is based on personal mastery skills so that champions embody that which they espouse. As the Breakout journey has continued, more and more people have stepped forward to become champions – frequently after attending a Breakout workshop. The champion network is nurtured through frequent get togethers and access to personal development opportunities.

The affect of champions is self-perpetuating; as touch stones for their colleagues and people attending Breakout workshops, champions, through their authentic actions, exemplify the value of ‘bringing the whole self to work’. The intention is that all 31,099 staff will eventually view themselves as Breakout champions.

### Annual values assessment

Breakout is working to maximise the alignment between the personal values of ANZ people and the current and desired organisational values. The shifts in organisation’s values has been tracked each year since 2000 through the

The Values Assessment developed by Richard Barrett of Corporate Transformation Tools. ANZ Group Management team and a random sample of 10,000 staff are invited to complete the assessment. The assessment asks participants to elect their top ten personal values as well as the current and desired organisational values for ANZ.

The top ten values are plotted on the Seven Levels of Organisational Consciousness model. The model maps all values to one of seven levels – Survival, Relationships, Self-esteem, Transformation, Internal cohesion, Making a difference and Service. High performance organisations have a spread of values across all seven levels.

The greater the number of matching values across personal, current and desired, the greater the sense of motivation, commitment and authenticity within an organisation.

Shown below is a list of the ANZ top ten current organisational values as identified by management and staff from 2000 to 2003.

2000	2001	2002	2003
Cost reduction	Cost reduction	Cost reduction	Customer focus
Profit	Shareholder value	Customer focus	Cost reduction
Shareholder value	Accountability	Shareholder value	Accountability
Results orientation	Customer focus	Accountability	Continuous
Accountability	Profit	Continuous	improvement
Continuous	Results orientation	improvement	Achievement
improvement	Continuous	Profit	Profit
Customer focus	improvement	Results orientation	Results orientation
Bureaucracy	Achievement	Achievement	Community involvement
Achievement	Bureaucracy	Community involvement	Shareholder value
Goals orientation	Being the best	Customer satisfaction	Customer satisfaction

The results show ANZ management and staff believe the organisational values have shifted since 2000 - a major step towards realising our aspiration to be the Bank with a Human Face.

### 360/270 degree feedback

ANZ has developed its own 360/270 Degree feedback tool for its people. The tool involves collecting perceptions about a person’s current behaviours in relation to ANZ’s values and leadership capabilities from the individual, their manager, direct reports (if applicable), and peers. In recognising that everyone at ANZ is a leader, the 270-degree feedback tool measures the same leadership capabilities as the 360-degree feedback tool, but includes more tailored items. The confidentiality and anonymity of the process means people can provide concrete, honest behavioural feedback.

The process highlights strengths and opportunities for personal and professional growth. Identifying these competencies makes it easier to develop appropriate individual

training and action plans to initiate positive development in people, as well as to measure and maximise talent within ANZ.

The effect of the tool is to increase an individual's awareness of how they behave and allows for far more meaningful dialogue between a person and their colleagues. The enhanced effectiveness of the individual greatly contributes to the organisation's transformation.

### **Breakout charters**

Breakout charters are a set of ANZ-wide business projects underpinning cultural transformation. Charters influence ANZ in a spiritual way as they drive business initiatives that align with people's personal values and the organisational values they desire (as determined by the annual Values Assessment Survey). Currently there are ten charters and these include Enhancing Collaboration and Recognition.

The Breakout and Cultural Transformation team manage the Breakout charters in their incubation. Upon completion, charters are handed to the business to become 'business as usual'. In this way, charters embed cultural transformation further into ANZ so that the work becomes 'the way things are done'.

The impact of the charters is measured by the annual Values Assessment Survey and other major measurement tools used within the organisation. For example, in 2000, bureaucracy was ranked 8<sup>th</sup> by ANZ people in their assessment of the organisation's top ten values. It is now ranked 12<sup>th</sup>. This follows three years of Bureaucracy Alert – a charter providing an accessible open process for anyone to identify bureaucracy and recommend a better way of working.

### **Strengthening diversity**

ANZ has a comprehensive program to strengthen and celebrate workplace diversity to build an environment inclusive of any gender, age, ability, ethnicity and lifestyle preference among its people.

Strengthening diversity originated as a Breakout charter but has expanded to include many people-led initiatives supported by the bank. The ANZ Diversity Advisory Council (in both Australia and New Zealand) is made up of staff representatives from all of ANZ's major business units. The Council champions diversity, shares information and heightens diversity awareness across the bank. The Working Parents Group began life as a handful of working mothers and has now grown to over 40 parents including fathers who advocate positive family-friendly programs.

ANZ has recently embarked upon the provision of childcare services for its people in partnership with a childcare provider. Centres are in operation within Australia and New Zealand with further centres planned.

In 2003, Lifestyle Leave was launched. This leave entitlement enables employees to take up to four weeks' unpaid leave in addition to their annual leave for any purpose including family responsibilities, travel or study. The leave can be spread across the financial year or taken in one continuous period.

Recruitment and retention of disabled employees is an ongoing focus and ANZ has a registered plan to proactively address this. The organisation is also devising a strategy to attract and retain more mature age workers. Australia's indigenous community has welcomed the establishment of the ANZ Indigenous Cadetship and ANZ Indigenous Scholarship; both offer successful candidates potential employment with the organisation. ANZ Rural Banking is also piloting an Indigenous employment program in Australia.

A series of initiatives has also successfully supported an increase in the number of women holding senior management/executive ANZ roles. In 1996, females held 14.5 per cent of such roles and this has risen to 38.1 per cent in 2003.

The agenda to strengthen diversity at ANZ has earned the organisation the following acknowledgements.

- Named Employer of Choice for Women, by the Equal Opportunity for Women in the Workplace Agency (EOWA) in 2002 and 2003
- ANZ CEO, John McFarlane, has also been nominated as one of the Leading CEO's for the Advancement of Women in 2002 and 2003
- Recognised as the most promising organisation for the advancement of women by Equal Opportunity for Women Australia at the Business Achievement Awards in 2003
- Ranked among the top 25 organisations in the area of work life practices in the 2003 annual benchmarking study into work life initiatives
- Winner of the Australian HR Awards Best Providers of Work Life Balance 2002 award for unique and innovative work life strategies

Staff have taken up the mantle, creating special diversity days to celebrate the richness of cultural, linguistic, ethnic and religious diversity through costume, music, dance, food and local activities.

### **Quiet Rooms/ Breakout Mind**

ANZ is committed to the promotion of Breakout thinking and encourages everyone to learn relaxation and meditation techniques to use during the working day as well as during personal time.

Relaxation /meditation techniques are a feature of most Breakout workshops and are based on scientific and medical models. The techniques are viewed as a vital tool a person may chose to use for their own development. Workshop participants receive a free copy of the "Breakout Mind" CD, a special 20-minute guided meditation recorded by ANZ's own Breakout Mind facilitator. A breakout mind is an awakened, high performance mind - one that reaches towards working at optimum capacity whatever the circumstance. The ability to think clearly and more creatively can enhance working lives and overall well being. and realisation of their full potential.

To support people incorporate relaxation / meditation into their lives, around 12 Quiet Rooms have been established globally in ANZ premises (photos attached). Many of these Quiet Rooms have been established through the personal initiative of individuals and teams. Quiet Rooms are for exclusive use of staff to take time out, stop and reflect on their lives. Professionally led Breakout Mind sessions are held regularly in many of these locations.

Feedback from Quiet Room users has been that Breakout Mind and the Quiet Rooms have contributed greatly to better Life Balance.

The continuing development of the Breakout Mind program includes production of new guided relaxation CDs and the introduction of new sessions.

### **Creative Consciousness Project**

The Creative Consciousness Project is primarily focussed on measuring the effect that different emotions have on behaviours between people, for example between staff and managers and staff and customers. The project aims to foster open discussions around what is and isn't appropriate behaviour, and to explore the ripple effect that communication about behaviour can have.

The Project is currently being piloted as part of team days for people working on high impact projects within ANZ. Project teams are often made up of people from different parts of the organisation and therefore team cohesion may need to be established. Through the use of self-reflection techniques for self-awareness, individuals come together creating an environment of trust and openness that will form the foundation for their ongoing work together.

### **Societal Purpose**

The Societal Purpose project engaged over 1000 staff in defining ANZ's broader purpose in society and explored the essence of 'who we are' and 'why we exist' as an organization in order to strengthen and improve community relationships and change the way ANZ does business.

ANZ's Group Management team (about 300 people) and a global and multi-layered cross section of volunteer staff shared their thoughts and vision of ANZ's Societal Purpose in organised conversations and workshops using a consistent set of questions. The output and recommendations collected were analysed to identify and develop key themes and staff views, recommendations on next steps, a strategy to embed societal purpose in the business and a societal purpose charter.

The staff engagement process produced results that far exceeded initial expectations including generation of enthusiasm and energy among staff at all levels and across all areas of the organisation. Some words used by our people include "Inspired", "Proud", "Passionate", "Uplifted", "Excited", "Thankful", and "Committed".

## **Volunteer program**

People are asked to live the Values everyday at ANZ. One of the most tangible Breakout ways they can do this is to take their paid volunteer leave to give their time in the service of the community.

All people at ANZ receive one day's paid leave per annum to volunteer. As well as expressing the core value 'earn the trust of the community' and bringing to life the Bank with a Human Face, volunteering provides a way for our people to demonstrate personal leadership while using their skills to undertake something deeply meaningful and personally fulfilling. The Volunteer program began in April 2001 in response to the desire of staff and, so far, people have taken in excess of 28,000 hours of volunteer leave.

Where there is a significant community emergency and volunteers are required, ANZ may provide up to five days paid volunteer leave to individuals. Community service leave also exists so people may avail of up to 12 months' unpaid leave to provide longer-term assistance to the community.

Volunteering is also strengthening the ANZ internal community. A group of executive managers formed a Volunteering Steering Committee in 2003 to give management priority and support to volunteering. Staff members act as Volunteer Captains and champions across the organisation to promote volunteering within teams/business units. They investigate and organise volunteer opportunities for groups of staff.

## **Financial Literacy**

ANZ is determined to build The Bank with a Human Face and has taken a leadership role on the important social issue of financial literacy. In 2003, ANZ commissioned Australia's first national financial literacy survey and has committed to use what it has learnt from the survey to help ANZ people and its customers and the community at large.

By empowering people with financial skills, knowledge and information, they are better placed to make informed decisions and create a greater future for themselves and their family.

To follow through on its commitment to financial literacy, ANZ is:

- Training staff to help them identify and assist people with low levels of financial literacy
- Helping staff to improve their own financial literacy through internal information programs and 'financial fitness' sessions
- Helping to create widespread community awareness of financial literacy issues and the need for financial literacy education. For example, our CEO, John McFarlane was recently appointed to the Commonwealth Government of Australia's Financial Literacy taskforce
- Developing programs to improve financial literacy and financial inclusion in Australia. For example, MoneyMinded is an adult learning program for low-income earners we have developed for use by financial counsellors at no cost in community networks and agencies across Australia
- Providing products, services and customer communications that are easy to use and understand. For instance we have developed a Community Banking Package for pensioners, full-time students, people with disabilities and government benefit recipients. We have also made available in all branches a booklet called 'Kick-start your financial fitness' which covers the basics of financial literacy together with guides to help customers understand and use credit effectively.

## **Community Fund**

The ANZ Community Fund supports our people working in bank branches to support their community. Each Local CEO, District Manager and Rural Market Manager may approve the contribution of funds to local projects of their people's choice. Every dollar invested is matched by the ANZ Group.

Staff are encouraged to seek out ideas and projects within their local area which require financial support and will provide long term benefit to the community. In-kind support, such as ANZ staff volunteers or free financial advice, can be coupled with the Community Fund donation.

The Community Fund recognises the importance of ANZ people and the communities in which they operate and facilitates the development of stronger relationships between the two.

### **Save Plus program**

In October 2002 ANZ and the Brotherhood of St Laurence established a partnership to develop Australia's first matched savings pilot, designed to help low-income earners build assets and move toward self sufficiency and long-term prosperity.

Program participants identify an education-related savings target for themselves or their children and work toward this goal by regularly saving a portion of their income in an ANZ Progress Saver account. They also participate in training opportunities to enhance and develop their financial skills. At the conclusion of the pilot, participants' savings will be matched twice over by ANZ. The Saver Plus program is currently being piloted by ANZ until December 2004.

### **Workplace of Choice**

The way people choose to work will inform ANZ's workplace environment – this is the vision of the Workplace of Choice program, currently being piloted with the Breakout and Cultural Transformation team and ANZ Property team.

Through a series of surveys, focus groups and motion studies, an external consultancy has invited ANZ staff involved in the pilot to imagine their ideal workplace – one that supports improved collaboration, greater productivity and better life balance.

Workplace of Choice will provide a more comfortable office environment, as well as the increased flexibility to work from home. The solutions will be as many and varied as the people of ANZ.

An entire office floor is being designed and fitted out to create an environment that looks, feels and works the way people think and behave. If successful, the model may be adopted more broadly throughout ANZ.

### **Employee Share Acquisition program**

The purpose of the ANZ Employee Share Acquisition Plan is to create a strong link between employee reward and shareholder value by making ANZ people shareholders themselves. There are two schemes in which eligible employees may participate. The incentive scheme provides shares as part of performance bonus (where applicable) and staff can also purchase ANZ shares at a discount using pre-tax pay. In addition, the organisation from time to time offers free share options to its people.

### **Effects of policies, programs or practices on stakeholders/ business success**

ANZ is creating a greater environment for all stakeholders by delivering sustainable performance and value with 'a human face'.

The annual Values Assessment survey has shown a shift in the organisational values to be more closely aligned to the personal values of ANZ people. Research shows that this translates into a happier workforce.

In addition, the biannual Staff Survey shows ANZ staff satisfaction is now at an all time high of 86 per cent, compared to 49 per cent in 1999.

Many managing directors of ANZ business units attest to the significant impact that cultural transformation has had on the bottom line. Changes which were required to business processes and structures have been made successfully through concurrently engaging 'hearts and minds' in ANZ's high performance objectives.

Breakout has begun to differentiate ANZ in the marketplace. The organisation has received a number of industry and other awards (see Appendix 1). Analysts have noted ANZ's cultural shift. "That is what I would single him [John McFarlane] out for the most, the change in the culture of the bank. It's fantastic," said Brian Johnson of JP Morgan.

Customer research from early in 2004 shows that 'the 'human face' is gaining recognition with many customers describing ANZ people as "more welcoming and friendlier than previously\*.

ANZ's share price has doubled over the past five years and currently sits at AUD\$18.38. *The Australian Financial Review's* analysis shows approximately \$11.00 of this value is attributable to intangible net assets, such as ANZ people and the organisation's reputation.

### **How has the organisation been a model or inspiration for other companies?**

ANZ has become known for the Breakout Cultural Transformation work it is undertaking.

Chief Executive Officer John McFarlane has presented on culture to the executive group at Wesfarmers Pty Ltd Australia at their invitation and the Banking and Finance Australia symposium. In June 2004, John will be presenting to the International Monetary Conference in London.

The Head of Breakout, Sonia Stojanovic, has presented at many major and local symposiums on successful transformation. These include:

- 2004 International CTT Users Conference, Mallorca, Spain, 2004
- Australian Human Resources Institute Conference, Melbourne 2004
- 2003 International CTT Users Conference, Punta Cana, Dominican Republic, 2003

As well, Sonia, or representatives from the Breakout and Cultural Transformation team, has presented to the following organisations at their specific invitation:

- DeBono Institute Australia, 2002
- Australia Post, 2002
- 8<sup>th</sup> Annual Global Forum Amsterdam, 2003
- Shanghai Rural Cooperative, 2003
- The Bank of Ireland, Dublin, 2003
- Swedish Post in Stockholm, 2003
- Centre for Corporate Public Affairs Australia, 2004
- Coles Myer Australia, 2004
- Equal Employment Opportunity Network Victoria, 2004

### **References**

Please contact the following individuals for independent references.

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\*ANZ Communications and Brand Health Monitor, '03

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**Application for the 2004 International Spirit at Work Award  
Australia and New Zealand Banking Group Limited  
Appendix 1.**

**Recent awards to ANZ**

Highly Commended  
Large Business Category  
Australian National Family and Work Awards 2004

Best Bank in Australia 2004  
Awarded by the Australian Banking and Finance Magazine

Banking Institution of the Year, 2002  
Awarded by Personal Investor Magazine

**Awards to John McFarlane, ANZ CEO**

Best CEO in Australia, 2003  
Awarded by Reuters/Institutional Investor Asia Equities survey

Banker of the Year, 2003  
Awarded by INSTO magazine

Best CFO in Australia, 2003  
Awarded by Reuters/Institutional Investor Asia Equities survey

**Comments in regard to ANZ**

"The bottom line is that people make great companies. The innovativeness, values, energy and alignment of our people are the forces that make us great. I believe these forces are alive in ANZ, but sadly not everywhere.

"Any failure on our part to utilise the unique capabilities and strengths of diverse cultures, women, age groups, and women, is a lost opportunity of immense proportion. It is born of inertia. We should cut through the tradition and rhetoric of our current paradigm and create a very different type of organisation.

"We must take the risk, because there is none. It will be worth it." *John McFarlane, ANZ CEO*

"Although I have only been with ANZ for a short period of time, I feel very positive and excited about my future here. I feel there is endless opportunity for me to achieve my personal and career goals while at the same time making a valuable contribution towards the organisation's strategic business goals. I feel my values are in line with ANZ's values." *ANZ staff member, Mortgages*

"I have worked for ANZ for close to 9 years and since John McFarlane became CEO have seen amazing cultural transformation - I used to be reluctant to tell people I worked for a bank - I now proudly state "I work for ANZ". The values are consistent

with my own and I have seen this transformation drive people out of the organisation as the values are not consistent with their own. I would definitely recommend ANZ as a great place to work." *ANZ staff member, Mortgages*

"The culture at ANZ has altered significantly since I first commenced employment with the organisation 7 years ago and I feel that there is a much greater focus on placing the 'right person in the right job'. There are far more opportunities for talented people to progress within the organisation and it is great to see larger numbers of women being appointed to high level positions within ANZ. As a female I feel that there is more equality afforded women and the 'boys club' mentality has been totally overcome. Overall I am very satisfied working for ANZ." *ANZ staff member, Mortgages*

### **Comments in regard to Breakout Workshops**

"Just fantastic. Whilst I related a lot of issues to my home life, I believe that an improved personal life will rub off on my work life." *ANZ member Fiji staff*

"This is by far the most rewarding experience of bank courses/seminars during my 30 year with ANZ." *ANZ staff member Australia*

"Outstanding. Ranks with the most powerful experiences I have had in my corporate life." *ANZ staff member New Zealand*

"Incredible. Has impacted me hugely. EVERYONE at ANZ should go through it." *ANZ staff member, London*

"Fantastic. For the first time, ANZ is really trying to address some fundamental issues." *ANZ staff member, Australia*

"I am very thankful that I got the chance to attend Breakout. It helps in your job, with family and helps improve your personality. Breakout is bringing people together." *ANZ staff member, New York*

### **Comments in regard to Financial Literacy**

"We work to be an integral part of an efficient and safe payment system and financial marketplace. We care about customers, employees, shareholders and the community. We promote financial literacy and financial responsibility as a means of promoting the overall health of our community and our world." *Assistant Manager Waverley Business Centre, Corporate and SME Banking*

Our program to educate people in financial literacy is customer focused and targeted towards helping the community without a material reward to ANZ. He said the result for ANZ was a higher opinion in the mind of customers, a real example of our commitment to the community, as well as the positive spin-off of customers considering ANZ as a viable choice for the provision of financial

services solutions. *Sector Head Financial Institutions and Government,  
Institutional Banking*

### **Comments in regard to the Societal Purpose Project from ANZ staff**

“Thanks for organising this, I enjoyed the discussions and it was great to get others thinking about what Sustainability and Societal Purpose mean to us!”

“We had a great time and it definitely expanded out points of view!!”

“On a personal level, I really enjoyed participating in this event. As a relative newcomer to ANZ I am learning to appreciate that this is a 'real' issue here at ANZ, unlike at some other corporates where it is just 'talk'. It was an amazing opportunity to also tap into the senior management corporate mindset - there were some common themes raised by both Tim and David and also some interesting differences. I would have loved to interviewed more people, but mounting work pressures did not make this possible. I look forward to seeing the next steps in this journey.”

“I thoroughly enjoyed the interview process, and was intrigued by the insight gained into the lady I was privileged to interview.”

“Found this whole process very inspiring - so good to see that ANZ is supportive of such an aspirational initiative.”

“Conducting the interview brought me face to face with someone who had been in the Bank for 35 years. I felt the sincerity of someone who knew how things had been and, better still, how they could be. This was truly inspiring.”

### **Comments on the positive aspect of the 360/270 degree feedback process from ANZ staff**

“It was good to discuss the results of the feedback with an independent party who makes you really look at, and often question the results, which can put a different slant on what you first perceived.”

“It was a great opportunity to gain feedback that you may not necessarily ask for. To gain feedback on your behaviours to gauge how you are seen at work rather than how you see yourself.”

“Provided a valuable reality check.”

“At first I disagreed with the results. After Breakout I now value the feedback it contained. I will actively review it.”

“It gives you an honest look at yourself through someone else's eyes that you would not normally get face to face.”

"Very good, provides valuable insights for those who are open to differing opinions. Would take the opportunity to do it again in 12 months time and measure the impact of changes made to my approach."

"Discovering behaviours\perceptions about me that are very different to my own values & desired behaviour. Allowed me to identify behaviours that fall short of my own values and take positive steps to correct the perceptions about me."

### **Comments on Coaching**

"The workshop was one of the most practical, powerful sessions I have been on, and that was also the feedback from everyone." *State Manager who attended the inaugural session*

"You will be pleased to know I had a 3 hour fierce conversation today. OK - so at 3 hours you might suppose my wrap-up needs some work, but it was indeed an intense session. Throughout the entire session (which included copious tears etc), I found myself going back to the GROW model and it really helped! In particular, I think the 'what else' on Options worked wonders for me... in the end, I found my internal dialogue saying "thank god we had the training last week" as we trawled through the trials of branch life. Thank you so much for giving me the tools to do this." *Local CEO, Victoria*

"I didn't expect that this session would have the energising impact on me that it has had. I thought I would suffer through 2 days of "more coaching models", but I am leaving a better, energised coach and person. Thank-you! The best 'final' session in 20 years of training!! Really effective." *Participant - Personal Banking, March 2004*

### **Comments on Volunteering**

"I thought it was fantastic to do something hands on, and also meet some of the people who will be benefiting from our small contribution. A great team activity." *Project Manager, People Capital, Melbourne*

"I think it is a fantastic initiative of the ANZ to support communities in which they have such a strong presence. Not enough Corporations are giving back to the society which supports them." *Project Manager Strategic Cost Management, Melbourne*