2009 RPI BEST PRACTICE STANDARDS® AWARD Winner

Best Overall
Delta Air Lines, Inc.

A stellar recognition program that hits all the bases and leads corporate change.

A Recognition Professionals International White Paper

The Delta Air Lines recognition team is professional in every sense of the word. Aside from creating, implementing, and continually adjusting programs that incorporate cutting-edge recognition research, engages management, addresses employees at all levels, and demonstrates ROI accountability, the team is currently working to integrate all aspects of the Delta recognition experience for Northwest Airlines’ employees.

With the support of an external consultant, the Delta recognition team completed a comprehensive ROI analysis on all of their online recognition programs. The analysis demonstrated clear return-on-investment for the company’s recognition and reward initiatives. Senior management fully supports the results.

For these reasons and many more, Recognition Professionals International is pleased to honor Delta Air Lines, Inc. (Delta) with the 2009 RPI Best Practice Standards® Award for Best Overall program.

Following is an overview of recognition at Delta and its award-winning “My Delta Rewards” (MDR) recognition platform.

About Delta Air Lines

Delta traces its roots back to 1924, when Huff Daland Dusters was founded as the world’s first aerial crop dusting organization. In 1928, the company became Delta Air Service. On June 17, 1929, Delta inaugurated airline service with the first passenger flights over a route stretching from Dallas to Jackson, Mo., via Shreveport and Monroe, La. Delta offers service to more destinations than any other global airline with Delta and Delta Connection carrier service to 311 destinations in 52 countries.
With more than 60 new international routes added in the last year, Delta is adding international flights at a faster rate than any other major U.S. airline and is a leader across the Atlantic with flights to 32 trans-Atlantic destinations.

Delta’s founder, C.E. Woolman said, “If we take care of our employees, they will take care of our customers.” That sentiment formed the foundation of the company’s recognition strategy.

**Program Overview**

Delta’s experiences and recognition needs are not unique to corporate America. Delta operates in an extremely challenging and competitive environment. The recognition platform serves more than 50,000 employees across multiple countries who speak multiple languages. Delta continues to grow and adapt its recognition efforts, but has maintained a foundation in the RPI Best Practice Standards.

To be successful, recognition at Delta incorporates all seven of the RPI Best Practice Standards in its recognition efforts. Employing each of these standards has allowed Delta to develop and maintain a strategy that lays the foundation for a winning program.

From the beginning, recognition at Delta has been an important part of the organization and has evolved and adapted to changing organizational needs. In recent years, recognition has become more intentionally woven into the business strategy and employee-engagement initiatives have taken a larger role.

Over the past eight years, Delta has:
- Made a series of significant investments in recognition
- Implemented and continuously evolved and improved systems, programs, processes, training and events
- Enjoyed visible management support

Recognition at Delta is a suite of programs that encompasses milestone events, corporate enterprise recognition, localized recognition, and performance management. Localized performance-based rewards are continuously evaluated and improved.

Delta’s recognition strategy takes a three-dimensional approach with day-to-day, informal, and formal recognition. Recognition efforts at all levels of the organization are aligned with the larger recognition strategy.
Recognition Vision and Strategy

Delta’s vision for recognition is: *As part of our people strategy, we are committed to recognizing employees for significant milestones, day-to-day contributions and performance, which are linked to the company’s business strategy.*

Recognition at Delta is an integral part of its success and is used for the purpose of attracting, motivating, and engaging employees.

Specific, measurable goals of the Recognition Strategy and Plan include:

- Making recognition 100 percent accessible to the entire organization
- Recognizing employees more than four times a year
- Encouraging the use of MyDeltaRewards to facilitate division recognition initiatives

Since 1996, Delta’s employee recognition team has administered multiple company-wide recognition programs and supported additional programs run at a local level by managers and business leaders. However, a decentralized approach had several drawbacks, which were uncovered in a recognition and incentive audit conducted in 1999.

Responding to the findings, Delta conducted several pilot programs in different divisions, which were well received and successful.

In 2003, with the help of outside consultants, Delta HR put together a comprehensive, multi-year recognition work plan designed to support its recognition strategy. The plan offered a detailed roadmap and timeline with investments in recognition training, centralized guidelines and tools, enterprise system implementation, and integrated communications.

In 2004, www.MyDeltaRewards.com (MDR) – a fully automated point-based system that supports recognition programs - was launched. By 2006, all phases of the plan supported
by senior management had been implemented and the first round of ROI results were tabulated.

**Day-to-Day Recognition**

At Delta, the goal is to provide tools and resources for business units, which enable day-to-day recognition. With variables in time constraints, work schedules, and other demands, as well as differences in individual manager personalities and processes, Delta provides appropriate recognition tools and resources that allow managers to enact consistent daily recognition for the members of their teams. Peers can also play a part in day-to-day recognition by nominating their co-workers or sending them no-cost e-cards via MDR.

**Informal Recognition**

Informal recognition is a vital component of the Delta Recognition Plan. Delta understands that the most effective and memorable recognition typically comes from an employee’s manager. Accordingly, Delta provides tools such as On-the-Spot recognition vouchers and celebration guidelines to managers to enable them to efficiently and effectively recognize their team members.

**Formal Recognition**

All active employees in good standing are eligible for corporate-wide recognition and reward programs. The two most visible programs are Gaining Altitude and Chairman’s Club – both supported by MDR. In addition, many business units have their own point-based recognition and reward programs linked to specific goals and objectives. Finally, Delta has a traditional service and retirement recognition program encompassing service pins, service gifts at 20 and 40 years, and a commemorative retirement plaque.

**Gaining Altitude**

Gaining Altitude is an enterprise-wide, peer-to-peer nomination-based recognition platform supported by MDR. The primary objective of Gaining Altitude is to enable employees to recognize each other and to receive recognition for contributions that drive company strategy.

**Chairman’s Club**

2009 will mark the 13th year for Delta’s Chairman’s Club. This pinnacle program is also a nomination-based recognition platform, which recognizes employees whose determination and dedication have made a difference in the lives of its customers,
communities, and other employees. It is the most prestigious corporate recognition a
Delta employee can receive, reserved for only those who are the highest performers in
every area of their jobs.

Delta currently maintains over 20 programs through its centralized recognition platform
to support over 50,000 employees. As a result of the data integration related to the overall
merger with Northwest Airlines, there will be over 80,000 employees with access to
MDR.

Management Responsibility

Because there have been many leadership changes over the past several years, Delta’s
recognition efforts have enjoyed varying degrees of senior management support.

In 2008, senior management re-engaged its involvement and support of
recognition. In fact, recognition and MDR have been at the forefront of the
discussions and planning regarding the current merger of Delta and Northwest Airlines.

Examples of senior management involvement and sponsorship include:

- Contributions in the development and evolution of the recognition system
- Participation in and encouragement of the nomination process of Gaining Altitude
  and Chairman’s Club.
- Appearance at recognition celebrations
- Resource allocation to support the recognition plan

Delta’s senior management has set-aside the proper monetary and non-monetary
resources to ensure the recognition system’s success. Other resources include the
development of an online Recognition Resource Center, road shows to discuss the MDR
platform, webinars, focus groups, and a variety of other internal marketing efforts in
order to communicate the upgraded platform and demonstrate how to perform
recognition properly.

In addition to senior leadership engagement, department managers are increasingly
being held accountable for training, delivery, and initiating recognition for their teams.

Advances in management responsibility and ownership are evidenced by:

- More than 60 percent participation in training
- The requirement that all new leaders receive training on recognition
- Manager-initiated recognition was up more than 50 percent in 2008.

Richard Anderson, Delta Air Lines’ CEO consistently shows visible support for
recognition at Delta. Anderson enthusiastically attends each Chairman’s Club event, and
sends personal letters to employees with over 45 years of service. “Recognition plays an important role in our culture and has undoubtedly contributed to our success as America’s premier global airline,” he said.

Tim Mapes, SVP of Marketing, was the master of ceremonies of the 2007 and 2008 Chairman’s Club events. His team helped support the re-branding of Delta’s service and retirement awards in 2008. “I continue to be amazed at the effects recognition has on our people,” he said. “We are intent on capturing the hearts and minds of our employees. Recognition plays a critical role in our overall brand strategy and employee engagement efforts. I strongly believe in the power of recognition.”

Rob Kight, VP of Compensation and Benefits, is also instrumental in providing the resources needed to maintain excellence in recognition. “The enhanced functionality within MDR supports our goal of continuing to build a great place to work while fostering an environment of employee engagement,” he said. “I am proud of the work we have done to take it to the next level.”

**Review & Assessment**

Delta’s management takes an active interest in enterprise-wide recognition programs. Business unit leaders also take a very active role in any programs that are specific to their respective departments. Management reviews and evaluates program effectiveness using weekly and on-demand reports, monthly and scheduled reports, ad-hoc reports, and a Gaining Altitude summary dashboard.

**Recognition Program Measurement**

To ensure an accurate snapshot of platform and system performance, measurement of recognition at Delta is both quantitative and qualitative.

Quantitative statistical data, or “return on recognition” (ROR), is gathered on usage and behavior within the MDR platform, this data includes participation rates, points deposited, points redeemed, and orders shipped. In addition, ROR is expressed in terms of recognition contacts, impressions, and frequency rates. Most important - quantitative financial data and key metrics on the bottom line impact of total recognition are tracked on a program-by-program basis.

Qualitative data is also an important part of the analysis. In 2008, formal feedback was gathered through an employee survey as well as a management survey on recognition practices. In addition, informal feedback was gathered during road shows, leadership meetings and through the “contact system administrator” via MDR.
In 2008, more than 72 percent of active Delta employees were registered and participated in MDR. With industry average program participation at approximately 30 percent - Delta has more than doubled the average participation rates.

**2008 Return on Recognition Analysis**

The following measurements provide a means for determining return on recognition effectiveness – these statistics do not include pre-merger Delta employees referenced earlier as Northwest Airlines:

- Participation Rates – the number of active Delta employees registered in MDR
- Recognition Contacts – the number of recognition receipts by an employee
- Recognition Impressions – measures the impact of recognition more broadly in terms of the sender, receiver and how it is shared or socialized
- Recognition Frequency Rates – how frequently an individual receives recognition

**Qualitative Data – Satisfaction and Recognition Perception Ratings Surveys**

In December of 2008, two recognition culture surveys were posted on www.mydeltarewards.com to evaluate the MDR platform, one for managers and the other for employees. Participation in the survey was voluntary.

Recognition Culture Survey Results are as follows:

**Manager Survey Analysis**

Strengths:
- Management buy-in to the importance of recognition
- Management support of Gaining Altitude
- Manage perception of recognition at Delta Air Lines

Challenges and/or Areas for Improvement:
- Management response was low
- Need to increase opportunities for management training
- Need to increase promotion, awareness and accountability for providing recognition
- Need to consider increasing opportunities for management to receive recognition

**Employee Survey Analysis**

Strengths:
- Employee response was high
- Employees feel valued when recognized
- Employee perception of and satisfaction with new MDR platform was high
• Employees self report performance improvement with recognition
• Employees socialize experience of recognition to a high degree

Challenges and/or Areas for Improvement:
• Perception of recognition frequency rates low/moderate
• Active promotion of MDR mall and/or Wish List notifications
• Management promotion and/or accountability

Focus Groups

Prior to the re-launch of MDR in November, several diverse management focus groups were asked for feedback on programs, rules, and reward options. Additional questions were asked about general recognition concepts and the need for recognition in general. A significant amount of focus group input was incorporated into the re-launch plan and continues to be incorporated whenever new features and programs are planned.

Informal Feedback

The Delta Recognition Resource Center and MDR both have feedback mechanisms built into their structure. Managers and employees send messages at any time to the Delta recognition team. Feedback is tracked throughout the year – some is actionable and some feedback is documented for program reviews.

Communication Plan

In 2008, two primary initiatives necessitated comprehensive communications planning and development:

1. The re-launch of MDR on a new upgraded platform
2. The beginning of the Delta/Northwest Airlines merger integration – incorporating all aspects of the Delta recognition experience

The re-launch of MDR in Q4 of 2008 included a complete change and communication matrix and plan. Because the MDR upgrade included numerous enhancements and changes, a Change Plan was developed to document all the changes. Communications were then developed to key stakeholder groups to communicate these changes.
In addition, the communication plan for the MDR re-launch also included an MDR awareness campaign to promote understanding and utilization of the platform and its programs.

The primary messages of the communications included:

- Notification and information on the upcoming enhancements and changes related to the re-launch of MDR
- The continuation of brand positioning of total rewards and the overall recognition experience at Delta
- Education for leaders and managers on the value and importance of linking recognition to performance
- E-mail, Lunch & Learn Meetings, training sessions, and senior leader education sessions were utilized during the month prior to launch of the new MDR. In addition to MDR, general recognition principles were discussed and reviewed including how to make recognition more personal and meaningful in face-to-face interactions with employees

**Delta-Northwest Merger Communications**

The Delta/Northwest Airlines merger created a further need for strategic communications to seamlessly integrate former Northwest Airlines employees into the Delta culture and recognition experience.

The merger, themed “One Great Airline”, includes integration plans for employee recognition. This plan is phased over 12-15 months and encompasses service awards, retirement, SPOT recognition, MDR, and Chairman’s Club.

The primary goal of the communication plan is the successful branding of the recognition experience at Delta as well as specific recognition programs.

**Ongoing Communication Elements**

As part of their ongoing Communications Plan for recognition, Delta uses a variety of media for multiple touch points. In addition, departments from across the organization are asked to assist in the communication process. This integrated approach helped to unify the message and branding of the recognition system across the organization.

**Recognition Training**

Delta’s recognition training strategy is to provide managers and employees with a suite of user-friendly, on-demand tools to educate, inform, and support recognition in the
workplace. Proper training in recognition ensures managers’ efforts in recognition are fully leveraged, and participants focus on the most productive recognition communications to maximize peer-to-peer recognition.

These goals are accomplished through:

- The Employee Recognition Resource Center on Delta Net and MDR
- Recognition e-learning courses
- Program-specific e-learning courses and materials
- MDR-specific training tools such as tutorials, HELP, Help bubbles, and FAQs

Training is a big part of Delta’s recognition strategy. To ensure quality development and delivery of targeted training materials to support the overall recognition strategy, they have committed the necessary resources including:

- Assignment of the internal recognition team to coordinate training programs
- Outsourcing key elements of the training development to instructional designers and subject matter experts
- Budget allocations for the production of:
  - Training curriculum
  - Designing at-a-glance materials
  - Printed support materials
  - Audio-visual support
  - Internet, intranet, and other IT support

Recognition training has been effective across the enterprise in the following areas:

- Minimized confusion, customer service calls and calls to platform administrators
- Programs are more consistently aligned with Delta’s broader business strategies
- Recognition and rewards are more consistent and aligned across the organization
- Platform automation has significantly reduced manual administration and reduced costs
- On-demand training has created a low-cost self-service model
• User registration and participation rates are high, which ensures programs meet their objectives
• Budgets are controlled, the platform is regularly reviewed and reporting is streamlined

In 2008, to ensure a higher tide of knowledge about recognition, new leader training was modified to include specific training on recognition.

Employee Recognition Resource Center
The Employee Recognition Resource Center is a central repository for all training and support materials related to recognition as well as specific programs.

Recognition E-Course and E-Coaching
Delta provides a Recognition E-Course on the basic principles of recognition to all managers. More than 60 percent of Delta’s managers have taken the course, which can be accessed, from the Employee Recognition Center located on Delta’s intranet. The course was developed in 2001 and was updated in 2008. E-Coaching modules are also available on the MDR platform to provide training on recognition best practices.

Training Statistics

• More than 60 percent of Delta’s managers have completed training – up almost 50 percent from 2007.
• One of Delta’s goals for recognition is four recognition contacts per employee per year. In 2008, there was an average of more than nine recognition contacts per employee per year.
• In 2007, the Gaining Altitude program experienced approximately 24,000 nominations, in 2008 that number jumped to 37,096 - a more than 50 percent increase in program participation.
• Through effective training and program promotion, program utilization is up. In fact, more than 75 percent of Delta’s registered employees were recognized in the Gaining Altitude program.

Results of Delta’s recognition training are reflected in:

• The rise in registrations and recognition contacts
• Significant increase in program participation including nominations and recognition records over the last 4-5 years
• Positive business leader feedback
• Positive user feedback
• Increased reward redemptions
Because Delta has provided comprehensive training tools and information, it has realized more effective programs, which ultimately benefit the company and the customers.

**Recognition Events and Celebrations**

Recognition events and celebrations at the corporate as well as local levels are extremely important at Delta. They have learned that recognition by superiors in front of peers is a critical part of the recognition process, and is essential for maximizing the effectiveness of the recognition moment.

In order to make it easier for managers and employees to orchestrate and participate in this important aspect of the recognition strategy, Delta prescribes specific guidelines and processes. These are broken down into processes for:

- Formal events
- Local events
- Informal celebrations

This allows individuals at all levels of the organization to participate in planning and scheduling these events.

Delta employees excel at creating lasting, meaningful recognition moments that honor the individual. The secret to success lies in the creative planning, event execution, and post-event review process.

By prescribing specific guidelines and processes for formal events, local events and informal celebrations, it becomes easier for managers and employees to orchestrate and participate in this important aspect of the recognition strategy.

There are three primary guideline areas. These include:

- Assignment of responsibility for event planning and execution
- Management involvement
- Creativity

**Chairman’s Club**

The primary formal event for celebrating Delta’s top achievers is associated with the Chairman’s Club nomination and selection program. Chairman’s Club is the highest honor and is designed to recognize and ceremonially award the top achievers within the organization that year. And as the pinnacle of employee accomplishment, the Chairman’s
Club celebration is a reflection of the highest level of creativity and management involvement.

Each year, the event is planned in a detailed 11-month process that develops around a centralized theme and event features chosen to make the evening one of the most memorable events of each of the honorees' lives.

The Chairman’s Club award program is planned and supported by Delta’s internal recognition team. Delta also relies on the help of outside contractors for executing various elements. In addition, the recognition team is supplemented by a group of volunteers. In 2007, the recognition team had a Certified Event Planner as part of the Chairman’s Club core team.

Management is involved in every part of the Chairman’s Club process, most notably the nomination process, selection process, notification and celebration. Managers are electronically notified when one of their direct reports is nominated for a Chairman’s Club award. Managers can use their discretion to extend the recognition moment by calling out the nominee either privately or publicly. Most managers use this visible opportunity to further highlight the employee’s accomplishments with their peers.

**Local Events**

Local events range from a simple catered lunch and cake to a more elaborate event with a speaker and activities. Most local events are extremely creative and center around a theme. Managers have discretion and use the guidelines provided by the Delta recognition team.

Local events are the responsibility of leaders or managers at the local level – typically a station or department. Occasionally, the Delta recognition team informally supports local events by serving as the internal subject matter experts on appropriate recognition events.

Because the events happen and are owned at a local level, management is very involved in the planning and execution of the events. Managers can also access training on the Employee Recognition Resource Center.

Delta’s local events are as individual as the departments and managers who host them. Even though guidelines provide managers with ideas, instructions and checklists for meaningful celebrations, they also tend to demonstrate the creativity and involvement that make them fun, sincere, and effective in achieving their intended purposes.

**Gaining Altitude**

This is Delta’s primary enterprise-wide, peer-to-peer recognition program. All full-time, active employees are eligible to participate in the program. The process supports three award levels.
Service Awards
Delta recognizes employees at key milestones; one year, five years, and every five years thereafter. Each service anniversary is marked by notifying and potentially celebrating the employee’s milestone.

Informal Celebrations

Much like local events, informal celebrations are as individual as the departments and managers who put them together. Delta is aware that the most meaningful recognition often comes from an employee’s peers or direct manager and tries to facilitate that process as much as possible.

Informal celebrations are solely the responsibility of local managers. As with local events, the Delta recognition team supplies celebration guidelines to aid local management with celebrating achievements consistently, appropriately and economically.

Most informal celebrations are initiated by an employee’s peer or direct manager. Occasionally, a higher-level manager or leader might be informed or involved in the process. Because recognition has successfully been woven into Delta’s culture, managers and leaders will support local celebrations whenever possible.

Informal celebrations tend to be initiated by the employee’s peer or direct manager. A group of co-workers and the person’s manager may join together to celebrate an accomplishment. The creativity varies by group and can range from a decorated work station to a surprise team lunch.

Program Change & Flexibility

Delta incorporates program change and flexibility through their annual review process and in response to business conditions. In 2008, the recognition team accomplished the following:

- Consolidated to a single-source recognition partner and provider
- Upgraded the service award process, materials, and awards
- Upgraded the retirement process and awards – including a 200 percent budget increase for awards
- Launched a Universal Rewards Mall on MDR, which included more than five million award options for merchandise, travel, events, gift cards, and activities
- Re-launched MDR with a new, upgraded platform with numerous enhancements and an all new look and feel
- Established the MDR brand and brand guidelines
- Launched the communications plan and updated training materials
• Prepared an integration plan for the Delta/Northwest Airlines merger to align and integrate recognition programs, processes, and events.

In 2009, they plan to:

• Implement a pilot for international in-country award fulfillment
• Create new/improved training materials
• Establish a new program – Environmental Team Awards
• Establish a new program – expansion of “A Job Well Done” – customer appreciation program
• Establish a new program – International Sales Incentive
• Launch a new/updated SPOT program to integrate Delta/Northwest SPOT programs
• Launch a communication plan for former Northwest employees
• Incorporate the Northwest data file into MDR

More than eight areas of Delta’s recognition strategy were changed, modified or improved in 2008 and more than eight areas have been identified for review, based on business conditions, internal demand, and feedback.

**Review and Change Process**

The purpose of recognition at Delta is to engage employees and, through positive reinforcement and recognition, achieve better business results tied to the corporate strategy.

All programs are reviewed using an ongoing process to assess program efficacy. Through formal input (i.e. questionnaires, surveys, focus groups) and informal user feedback, the Delta recognition team continually evaluates the effectiveness of each program and makes modifications as needed.

Delta measures program performance monthly. Reports are available from the MDR platform and are configured into a dashboard which is submitted to senior management. This monthly scan enables leaders and managers to stay apprised of program performance. Changes can be generated from informal feedback or through the program review, which is completed in the fall of each year.

**Informal Feedback**

Informal feedback can be generated directly from the field, from corporate, and from leaders or managers. The Delta recognition team solicits or receives feedback and either responds directly or prepares recommendations to Delta HR leadership for proposed changes.
Fall Program Review

Like most organizations, Delta has a formal budgeting process in the fall of each year. During this time, the Delta recognition team evaluates all the programs running on the MDR platform and reviews the annual reports.

New Programs

The recognition team is responsive to the needs of the business and supports platform revisions and new program development as needs arise. The following new programs are planned for 2009, but are subject to change:

Environmental Team Awards
In 2009, the Environmental Team Awards (which recognize the efforts of an individual or team) will be incorporated into the MDR platform. This program currently exists and is manually administered. By incorporating it into the MDR platform, all processes will be automated with enhanced visibility for all eligible participants.

Expansion of “A Job Well Done” - Customer Recognition Pilot
The current program, run as a pilot in 2007, will be adjusted and continued in 2008. The program is under review to determine the best method of submitting customer-based nominations, validating the nominations, manager notifications and reporting on the MDR platform. Piloted for the first time in 2007, A Job Well Done is a customer-driven on-the-spot recognition program.

New Delta employees (Pre-Merger Northwest employees)
Aside from improved functionality, MDR (and the programs supported on MDR) have the flexibility and scalability to include all previous Northwest Airlines employees. The acquisition of Northwest Airlines by Delta Air Lines was approved in November 2008. In preparation for the merger of the two organizations, a plan was prepared to incorporate former Northwest employees into the Delta organization - specifically employee recognition.

Ultimately

The Delta Air Lines recognition program excels in all seven RPI Best Practice Standards®. In fact, this program has consistently excelled – winning a 2008 RPI Best Practice Standards® Award for Events and Celebrations.

It did what recognition programs are supposed to do in times of change – adjust and provide a rallying point for two employee teams. This recognition team has never rested on its laurels – plans for the future are both ambitious and realistic. RPI expects that Delta and its MDR recognition platform will continue to excel year-over-year.
About Recognition Professionals International (RPI)
Recognition Professionals International (RPI), formerly known as National Association for Employee Recognition (NAER), is the only non-profit professional association at the forefront of employee recognition through its sole focus on recognition innovations and education as a systematic method for improvements in the workplace. RPI is endorsed by top authorities in the industry, and is the only association offering Certified Recognition Professional (CRP) courses and designation.