Executive Summary:
Recognition at Delta Air Lines has evolved over the company’s entire history, but especially over the last seven years as it became more intentionally woven into the business strategy and employee engagement initiatives. Over the past seven years, Delta has: (1) made a series of significant investments in recognition, (2) implemented systems, programs, processes, training and events, (3) continuously evolved and improved on its systems, programs, processes, training and events, and (4) enjoyed visible management support through both good and challenging times.

To be successful, recognition at Delta has all the components required, starting with a formal strategy and plan. Beyond this, Delta has management involvement, measurement models, a communication plan, comprehensive training, formal events and celebrations. Finally, there is a built-in mechanism which supports the ability to be flexible and incorporate changes as needed.

Strategy
Delta's recognition strategy supports an overall organizational vision, its 2007 Flight Plan and company values. This strategy utilizes a three-dimensional approach to recognition: day-to-day, informal and formal and is supported with documented recognition procedures. Recognition at Delta is more than just one program; it is a suite of programs that encompass milestone events, corporate enterprise recognition, localized recognition and performance management, and localized performance-based rewards which are continuously evaluated and improved.

Management Involvement
Delta's senior management is involved at a high level in defining and documenting the recognition strategy and policies as well as participating and supporting recognition efforts. To lay the foundation for success, senior management has identified and allocated resources to operate and maintain recognition. To ensure success, management is actively involved in reviewing program results and making necessary changes.

Measurement
Delta's recognition program results are linked to its strategy and specific program objectives and then measured for effectiveness. Measurement models include employee and manager participation rates, satisfaction ratings, recognition contacts and frequency rates and key performance metrics of each program.

Communications
The primary goal of Delta's communication plan was the successful branding of the recognition experience at Delta as well as specific recognition programs. This goal has been met by establishing MyDeltaRewards as the brand of Delta recognition and promoting programs independently with a variety of tools and media.

Training
Delta's recognition training provides managers and employees with a suite of user-friendly, on-demand tools to educate, inform, and support recognition in the workplace.

Events and Celebrations
Delta prescribes specific guidelines and processes for formal events, local events and informal celebrations. All recognition events and celebrations are handled using internal resources and management is highly visible at many events.

Change and Flexibility
Programs at Delta are designed to achieve a business purpose. Delta uses a standard framework to develop, deploy and assess program performance. From time to time, based on informal feedback and a formal fall program review, Delta adjusts its recognition programs to meet the diverse needs of individuals and teams.
Delta’s experiences are not unique to corporate America. Delta operates in an extremely challenging, competitive environment and looks to serve and recognize more than 50,000 employees, across multiple countries who speak multiple languages. The ideal state of recognition at any company is importance and an organizational priority. However, in reality recognition competes against numerous operational business priorities, financial constraints, and an organization’s ability to deliver and support it. Delta has overcome significant obstacles and has retained its focus on the importance of employee recognition in good and challenging times. And, as economic and business conditions continue to change, Delta will remain committed to recognizing employees for significant milestone events, day-to-day contributions and performance which are linked to the company’s business strategy and results.
Standard I: Recognition Strategy

Description of Delta’s specific recognition strategy and how it relates to its overall organizational vision, mission and values

Delta’s Recognition Strategy

As part of its people strategy, Delta Air Lines is committed to recognizing employees for significant milestone events, day-to-day contributions and performances which are linked to the company’s business strategy.

Our recognition strategy is centrally defined and supported with corporate programs while also providing tools, training and resources to business units to use as part of a disciplined approach to promote a culture of appreciation and performance-based recognition.

Background

It was Delta’s founder C.E. Woolman who first articulated Delta Air Lines’ commitment to employee recognition: “If we take care of our employees, they will take care of our customers.” thereby laying the foundation upon which Delta’s employee recognition strategy was built.

True to Woolman’s prediction, the culture built around this employee-centered philosophy has made Delta Air Lines a testament to employee performance, diligence and loyalty. Today Delta is the world’s largest non-union airline, a company around which employees have rallied during tough times with tangible support that has included the purchase of an airplane, “The Spirit of Delta.” More recently, the “Keep My Delta Delta” campaign has been successful in fending off a hostile takeover attempt by US Air.

Withstanding pay cuts, layoffs and setbacks during its recent bankruptcy, employees from all levels within the organization have remained dedicated and loyal to Delta. The rewards of this support are both obvious and impressive. Delta has survived despite nearly intractable odds. Today a 50,000-employee company still stands together as a proud and viable competitor within the industry. When the CEO who led Delta through bankruptcy retired, employees turned out to line a five-mile stretch of road in a heartfelt show of pride and appreciation for his selfless support, leadership and his contributions to the company.

Delta’s cultural roots are deep; the tremendous long-term employee support of this independent airline is unequaled in its industry. Fundamentally linked and woven into the fabric of this company is its broad-based, multifaceted recognition strategy which utilizes the concepts of behavioral science – or linking positive, immediate, certain consequences – to drive desirable behaviors.

With a comprehensive, integrated system of recognition, Delta consistently ensures that day-by-day, across 50,000 employees in hundreds of locations, Delta employees are consistently reinforced and recognized for what they do. The result is far more than achieving specific corporate behaviors; it is also the engagement of committed individuals who have tangible proof that they are working for a company who, as Woolman stated, “takes care of its employees.” And the result, true to Woolman’s belief, is employees who indeed “take care of” Delta.
Change Drivers for a Recognition Transformation

Since 1996, Delta’s Employee Recognition team has administered multiple recognition programs and unofficially supported additional programs run at a local level led by managers and business leaders. However, a decentralized approach had several drawbacks which were uncovered in a Recognition and Incentive Audit conducted in 1999. A few notable challenges included:

- Programs were not consistently aligned to Delta’s broader business strategies, goals and objectives.
- Issues existed across the board in developing clear rules with appropriate criteria and communications.
- Feedback from the audit revealed “reward inequity”. Some divisions had a lot of programs with rich rewards and others had none or supported a couple of programs with very modest rewards.
- Most of the programs required manual administration which was cumbersome and produced errors.
- Lack of consistency and reporting created problems with accurate tax reporting.
- Budgets were not consistent and oftentimes were “stolen” from other areas.
- At peak, Delta had more than 40 reward and incentive vendors supporting dozens of programs throughout the company.

Responding to the findings from the Recognition and Incentive Audit, from 2001 through 2003 Delta conducted several pilot programs in different divisions. Two of the larger pilot programs included the TRIP Incentive program in the Reservation Center [RES] and BRAVO, a nomination recognition program in the In Flight Services [IFS] division. The TRIP program incentivized reservation agents for servicing the customers’ comprehensive travel needs to book hotels and car rentals along with their air reservations. The BRAVO program recognized flight attendants for customer-centric behaviors. The programs were well received and successful. Both pilot programs were supported with a technology infrastructure but they were separate systems which forced separate budgeting and reporting. As demand from the field for similar systems increased, Delta Human Resources [HR] developed a vision of a centralized platform that could support enterprise-wide programs but was still flexible enough to support divisional programs.

In 2003, with the help of outside consultants, Delta HR put together a comprehensive, multi-year Recognition Work Plan [Recognition 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.

Goals of the Recognition Plan

The goals of the Recognition Plan included:

1. Make recognition 100 percent accessible to the entire Delta population
2. Assist leaders in recognizing employees more than four times a year
3. Act as a customer-centric internal resource to facilitate division recognition initiatives
Management Endorsement

Two critical elements were necessary for management endorsement of the Recognition Plan:

1. ROI Framework
2. Behavioral Science Foundation

The business case and ROI Framework illustrated both the hard and soft benefits to be realized by Delta as well as potential areas of impact on the business [see Figures 1 and 2]. The team also showed how the financial measures and impact areas dovetailed with the company’s strategy and objectives [see Figure 3].
By educating senior leadership about what drives human behavior, the Delta Recognition Team was able to provide external validation and scientific support for how the ROI could be achieved and the investment in resources advantageous. The scientific foundation takes the concept of Recognition out of the “idealistic” category and showed leadership how and why it is a powerful tool to affect organizational change [see Figures 4 and 5].

In 2003 the Delta HR team received Sr. Management approval and a budget for its Recognition Plan and in Q1 of 2004, Delta launched [MDR], an enterprise-wide recognition and reward platform designed to drive Delta’s business priorities across the organization. The system was a key component of the company’s overall Recognition Strategy to deliver tools, training, and resources out to the business.

Key components of the system included:

- A common technology platform or infrastructure leveraged throughout the organization
- Centralized program communications and branding
- A “tender-neutral” reward currency or “Points” aggregated across multiple programs
- A “reward mall” which included merchandise, gift cards and American Express gift checks
- Consolidated budgeting and reporting of all programs
- System tutorials and training

In addition to the system, Delta launched a training program for all managers, an online Recognition Resource Center, a series of guidelines and tools, and a broad communications plan which included road shows, webinars, focus groups and internal marketing for the new system, programs and tools.

Recognition in Tough Times

Approximately a year into the execution of the Recognition Plan, Delta declared bankruptcy. The workforce sustained a series of pay cuts, reductions in benefits, and layoffs. This had a profound impact on the business – the customers, the employees, and the Recognition Plan. Early in the process Delta had to justify to management, to the creditor’s committee and to the employees why recognition was even more critical while demonstrating returns the business had already achieved and could anticipate by continuing to invest in the Recognition Plan.
The Delta Recognition Team partnered with a consultant to put together reporting and analysis that demonstrated the returns the business had already achieved. In addition to the ROI analysis, a series of recommendations was developed to recalibrate the alignment of the programs supported by MDR to the company strategy in bankruptcy — focusing on programs that supported cost savings, customer service and revenue growth.

Executives, management, the creditor’s committee and the employees endorsed the continuation of the Recognition Plan and MDR. In fact, MDR saw significant growth from 2005 through early 2007 as the system became the main tool for emphasizing the positive, extraordinary contributions of employees which were vital for survival.

**Current State: 2007 Flight Plan Links Recognition Strategies to Delta’s Overall Vision, Mission and Values**

In early 2007, Delta’s Management team developed the “Flight Plan” for the company. The Flight Plan was a detailed strategy for emerging from bankruptcy and returning to profitability.  [See Figure 6]

The key elements of the Flight Plan include:
- **Fund the Flight Plan**
- **Fly Right**
- **Earn Customer Preference**
- **Win Together**

**Figure 6 : Flight Plan Framework**

Recognition is at the heart of executing every element of the detailed Flight Plan. Achieving the plan requires 110% engagement from employees, managers and leaders. All employees, no matter their rank, need to be confident that their contributions will be recognized [and rewarded].

**Summary**

Delta’s Recognition Strategy is focused on recognizing employees for significant milestone events, day-to-day contributions and performance which is linked to the company’s business strategy and desired results.

Delta’s Recognition Team is within the Human Resource department. As part of HR, the objective is to develop corporate programs as well as provide support to the broader organization with tools, training and resources. This enables the business units to target programs and initiatives to promote a culture of appreciation and performance-based recognition.

To implement its strategy and create a culture of recognition, Delta utilizes a three-dimensional approach: day-to-day, informal and formal. Day-to-day recognition emphasizes positive reinforcement of employees for work they do...everyday. Informal recognition provides leaders and managers with the tools they need to informally recognize employee contributions on-the-spot. And formal recognition is delivered via programs — enterprise-wide and divisional — with established guidelines and criteria that help support Delta’s broader business goals.

Day-to-Day Recognition
At Delta, the goal is to provide tools and resources for business units which enable day-to-day recognition. Daily recognition does not just happen; it’s not always intuitive. 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 so that managers can enact consistent daily recognition for the members of their teams.

At Delta Air Lines, daily recognition of specific desired behaviors is:
• Encouraging desired behavior
• Verbal or written
• Of no/limited monetary value
• Usually done privately

Specific Tools and Examples of Day-to-Day Recognition:

Lift Kits

A “Lift Kit” provides each manager an assortment of daily recognition templates and prototypes including:
• Certificate forms
• Note cards
• Stickers
• Other tools

These tools help managers recognize the members of their team for noteworthy daily efforts.

A special Recognition Resource Center is also available on DeltaNet, the company’s intranet portal, to provide additional information, articles, references, and suggestions for making the best use of the Lift Kit. In this way Delta provides its managers with the ongoing support they need to achieve consistent and effective daily recognition. By apprising its managers how, when and why to appropriately recognize the daily efforts of their employees, Delta leadership makes sure managers consistently meet this crucial aspect of its overall recognition strategy.
Managers’ E-Course: Introduction to Employee Recognition

Because not every manager has the same skill and instinct when it comes to consistent and appropriate day-to-day reinforcement of the specific individual efforts, Delta requires that all managers take a 40-minute e-course to ensure that every manager has and uses the same tools and strategies for day-to-day recognition. The objectives of this quick e-lesson for managers are five fold:

- To define the company’s overall recognition strategy
- To identify recognition resources
- To explain how the strategy fits into Delta’s Performance Management System
- To provide self assessment of their own abilities
- To explain the science behind recognition and rewards.

By equipping managers with on-demand training, Delta provides a valuable tool for ensuring effective day-to-day recognition throughout the organization.

MDR Registration and “On Boarding” of New Employees

When a new employee joins Delta Air Lines, he or she completes the online registration for MDR, the online system that supports all programs. With more than a dozen recognition and reward programs in the system, three of which are immediately available to all active employees, it is a great introduction to the company for new employees.

Operational Updates

Leaders across the company prepare and distribute frequent Operational Updates. The Operational Updates share key performance metrics, business news, and frequently recognize top performers and their achievements.

Informal Recognition

Effective recognition is not always the result of a highly structured, formal program. Therefore, informal recognition is a vital component of the Delta Recognition Plan. Research has shown that the most effective and memorable recognition typically comes from an employee’s manager. To that effect, 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.

Specific Tools and Examples of Informal Recognition:

On the Spot

To provide managers with an immediate, informal recognition tool, Delta’s online Employee Recognition Center makes available an On the Spot voucher for purchase. At their discretion, managers can purchase On the Spot vouchers with their P-cards and give them to employees for exemplary performance. These rewards are especially useful for performance categories that do not fall neatly into other, more formal program criteria but are, nevertheless, significant contributions that deserve recognition. Handing the voucher to the employee “On the Spot” in real time provides both recognition and reinforcement of a specific exemplary behavior.
Celebration Guidelines

Celebrations are part of the fabric of Delta’s culture and happen frequently. Most celebrations are impromptu and informal. In 2004, the Delta Recognition Team put together Celebration Guidelines to help managers understand the policies and tools available to them to help plan and execute effective celebrations. These guidelines are available on DeltaNet under the Employee Recognition Center. [Click on the image link on right to access the Celebration Guidelines]

Formal Recognition

Formal recognition and rewards at Delta typically occur as formally designed programs. All active Delta employees in good standing are eligible for corporate wide recognition and reward programs such as Service and Retirement Rewards and other formal programs accessible via MDR including: Chairman’s Club and Gaining Altitude. In addition, many business units have their own recognition and reward programs targeted to specific goals and objectives.

Specific Tools and Examples of Formal Recognition:

Service Recognition

Service Recognition at Delta Air Lines provides an opportunity to celebrate significant service milestones. Service Recognition begins at one year of service and is celebrated in five year increments thereafter. Every effort is made to personalize the experience and engage management and leadership in the process of giving the award. In years one, five, ten and fifteen, customized lapel pins are given to recipients [each anniversary year pin is different] along with a personalized note signed by the CEO. The pins are sent to the designated station contact where they are given to the recipient’s manager to award. At the twenty year mark and forty year mark, recipients receive lapel pins and are eligible to select a gift from an award assortment. Additional celebration is at each manager’s discretion.

Retirement

When a Delta employee retires, his or her manager is given the responsibility for planning and executing a recognition celebration that is (1) aligned with Delta’s Employee Recognition Guiding Principles, (2) sincere, (3) timely, (4) personalized and (5) appropriate. To facilitate this, managers have access to many articles, tools and resources via the intranet as well as a “Manager’s Reference Guide for Preparing the Retirement Celebration,” [see Appendix C] which they receive along with materials for ordering the retiree’s plaque. Managers also receive checklists for the event, specific questions to research, and reminders and prompts designed to assure the event is a thoughtful reflection of Delta’s appreciation for the employee’s career of service.

MyDeltaRewards (MDR)

MDR is the enterprise points-based platform that supports all formal recognition and reward programs at Delta. By having a centralized platform, employees have one place to go to access all the programs – corporate wide and business unit specific. In four short years, “MyDeltaRewards” has become the internal, unofficial “brand” of recognition at Delta. The platform itself has become the point of destination to access programs, recognition content, points and rewards.
Gaining Altitude

Gaining Altitude is an enterprise-wide, peer-to-peer nomination-based recognition program. The primary objective of Gaining Altitude is to enable employees to recognize each other and to receive recognition for their contributions that drive the company’s strategy. Four Gaining Altitude performance recognition categories are identified as:

- Cost Savings
- Customer Service
- Operational Excellence
- Revenue Growth

And, three distinct performance levels support each of the four performance recognition categories.

Performance Levels
- Lift—Daily efforts and improvements that consistently meet or exceed normal expectations
- Fly—Contributions that are significant and well outside the normal goals and expectations for a position
- Soar—Contributions that are significant and rarely demonstrated by others.

All active Delta Air Lines employees are eligible for Gaining Altitude nominations, and any employee can nominate any other eligible employee. Nominations for the Gaining Altitude program are made at the “Lift” level and are considered appropriate any time an employee displays behavior that merits recognition. Managers are immediately copied and notified of their team member’s recognition and have the option to elevate the nomination to a Fly or a Soar level.

The driver behind the Gaining Altitude program was internal research which revealed that employees did not feel recognized for their contributions. Gaining Altitude has achieved its objective with more than 24,000 nominations in 2006 and four out of five employees who receive recognition via this program reporting that it motivates them to continue to improve their job performance.
A Job Well Done
Piloted for the first time in 2007, A Job Well Done is a customer-driven nomination recognition program. Delta’s 58,000 Platinum Flyers were asked to directly recognize a front-line employee for exemplary service or performance.

- Letters were mailed to all 58,000 Platinum Flyers explaining the program
- Each Platinum Flyer received four certificates to hand out directly to a front line employee at their discretion
- Each certificate has a hexadecimal number on the back which is linked to the Platinum Flyer
- The recipient must enter the award code into the system for validation
- Each Job Well Done certificate is worth 2500 MDR points which are deposited into the qualified, validated employee reward account

The goals for the Job Well Done program were to (1) engage and empower our most valued customers in recognizing outstanding performers and (2) recognize and reward performers who provide outstanding service to our customers.

This program was deemed successful in 2007 and will continue into 2008 with minor improvements based on internal and external customer feedback.

Chairman’s Club
Now in its 11th year, Delta’s Chairman’s Club is a nomination-based recognition program 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 the highest performers in every area of their jobs. Criteria for a Chairman’s Club nomination include:

- Continually looking for ways to reduce cost or produce revenue.
- Continually searching for ways to improve customer service.
- Recognizing and valuing the contributions of people from diverse backgrounds.
- Seeking to enhance Delta’s customers’ travel experience.
- Enhancing the lives of others in the community.
- Maintaining the highest level of safety and security.
- Making customer requirements and expectations a priority.
- Embracing change and seeing it as an opportunity for growth.
- Maintaining a high level of team enthusiasm and commitment.
- Embracing opportunities to demonstrate compassion for people.

Managers are held accountable for customizing these nomination criteria to fit the opportunities of their organization, and actively promoting Chairman’s Club by encouraging nominations. Each year, the Club inducts 102 new members (100 Delta Air Lines employees and 2 from the Delta Technology group), nominated by their peers and then reviewed and selected by Delta’s leadership. All active Delta Air Lines employees, [except officers, directors, and former Chairman’s Club honorees] are eligible for Chairman’s Club nomination. Because it is an
honor to be nominated for Chairman’s Club, each first-time nominee receives a special pin and note card of congratulations. In 2007, there were more than 6300 nominations. The selection process is rigorous and for many, being selected as a Chairman’s Club honoree is the pinnacle of their career achievement at Delta Air Lines. [Click on image link below for more information on Chairman’s Club.]

▼ How to Compose a Compelling Chairman’s Club Nomination

Each year, Chairman’s Club Awards are presented at an event hosted by Delta senior leadership that includes a black tie cocktail reception, dinner, awards ceremony and entertainment. In addition, honorees also receive:

- Overnight accommodations for the honoree and a guest in Atlanta for the event
- 100,000 MDR points
- Decal bearing their name on the exterior of an aircraft
- A unique Chairman’s Club lapel pin
- A commemorative photo with our CEO and Chairman of the Board
- Photo display for two years on the Chairman’s Club Wall of Honor in the Atlanta Headquarters Training Center building
- Two Positive Space (employee award) first class tickets system wide
- Chairman’s Club branded business cards

It is a real challenge to summarize a career-defining event that takes many months of planning to execute. The feeling that has been expressed by people supporting the event is that Delta’s Sr. Leadership takes this opportunity to impressively celebrate and honor those who excellently serve on the front lines consistently.

Other Formal Reward Programs:

TRIP
The Reservations Incentive Program is designed to recognize the efforts of reservation agents in transferring customers to vendor partners such as Hotel.com and Hertz/Avis.

EBC
Every Bag Counts is designed as a behavior-influencing program that encourages employees in baggage handling departments to collect baggage charges for overweight/oversize luggage.
This type of program aggregates many of Delta’s smaller recognition initiatives. An example of this is the program used for Customer Care employees to provide incentives to respond to customer letters and reduce backlog of responses.

**DIG**
Domestic Incentive Goal is designed to recognize employees in cargo sales. DIG rewards those who meet or exceed individual, team and departmental sales goals.

**NUGGET**
This revenue management award was developed for employees in key departments. NUGGET identifies three goals - RASM, DB/SS, and High/Low Yield Spill.

**STAR**
Sales Team Achievement Recognition is designed to recognize sales personnel or any employee in the SLD business unit who exceeds various revenue goals.

**Credit Card Fraud**
Is a behavior-influencing program in which employees who suspect credit card fraud are rewarded for submitting the suspicious record to Revenue Protection for validation.

**REAP**
Recognizing Educational Achievement Program open to all employees, REAP rewards employees who earn a professional certificate, bachelor’s degree or graduate degree.

**Community Engagement**
Is a behavior-influencing program for all Delta employees that supports Delta’s corporate initiatives by providing small incentives to encourage volunteer participation in any corporately-sponsored event such as blood drives, JDRF walks, MOD walks, Relay for Life, AIDS Walk, and Habitat for Humanity.

For a complete list click on the link below:
ProgramsSummary.pdf

### Examples of Documented Recognition Procedures

Essential components of the Delta Recognition Plan include documented recognition processes, procedures, guidelines and checklists. These components ensure recognition consistency and excellence throughout the organization. The documentation is focused on the following areas:

- Identifying and recognizing day-to-day behaviors
- Nomination, selection criteria, notification and tracking
- Award selection

### Identifying and recognizing day-to-day positive behaviors

MDR is a leading concept. As an enterprise platform, it supports more than a dozen programs at any time. These programs exist to help employees, managers and business leaders target, observe and identify the day-to-day desirable
behaviors consistent with Delta’s business priorities and strategy. If one is an employee, manager or leader at Delta, two key areas are available to access vital information in how, when, where and why to recognize day-to-day positive behaviors: (1) MDR and (2) Employee Recognition Center.

**MyDeltaRewards [MDR]**

As an enterprise platform, MDR supports more than a dozen programs. Each program has its own content page on the platform with the Performance Criteria outlined. Key behaviors and metrics related to each program are highlighted on each communications page.

**Employee Recognition Center**

The Employee Recognition Center is a component of DeltaNet, Delta’s intranet, and is accessed from the Employee Connection page. The Employee Recognition Center offers a variety of downloadable tools including:

- Articles on effective recognition
- Articles on evaluating performance
- Program guidelines for Gaining Altitude
- Program guidelines for Chairman’s Club
- “50 Reasons to Recognize” Tips
- “50 Ways to Recognize” Tips
- Administrator’s checklist for Business Units looking to develop their own recognition program
- And much more...

Both MDR and the Employee Recognition Center provide employees, managers and leaders the general and program-specific information they need to be able to effectively identify day-to-day positive behaviors and recognize them.

**Nomination, selection criteria, notification, and tracking procedures**

MyDeltaRewards.com supports virtually all of Delta’s organizational recognition programs, including Chairman’s Club, Gaining Altitude, and Community Engagement. It also supports customized divisional programs like Reservation Sales’ Travel Recognition Incentive Program (TRIP), and Every Bag Counts (EBC) in Airport Customer Service. Through these programs, and others like them, employees can earn MDR points and redeem them for gift cards or merchandise.

**Nomination**

For programs that are nomination-based, like Gaining Altitude and Chairman’s Club, specific processes and procedures exist based on the rules of the program [for more information please see attachments: Gaining Altitude – Making Nominations, Gaining Altitude – Elevating and Approving Nominations, Chairman’s Club – Making Nominations and Chairman’s Club–Approving Nominations]. The above-mentioned guides explicitly document the nomination processes for these programs. These documents provide invaluable training for leaders, managers and employees to understand, in a visual, step-by-step manner how the program works.

[Click on image link at right for detailed diagram]
Selection Criteria
For each program the rules are outlined and communicated to employees. For the two enterprise-wide nomination programs: Gaining Altitude and Chairman’s Club, selection criteria is well documented and communicated [for more information please see attachments: Gaining Altitude – Making Nominations, Gaining Altitude – Elevating and Approving Nominations, Chairman’s Club – Making Nominations and Chairman’s Club – Approving Nominations].

Notification
Each time a nomination is made or points are deposited into an employee’s account, the MDR platform generates an automatic notification to the employee/nominee. In the case of Gaining Altitude and Chairman’s Club, notification also goes to the nominee’s manager, providing the manager an opportunity to extend the recognition moment.

Tracking
The MDR platform tracks all reinforcement, recognition and reward events. Tracking is provided in several ways: Total Rewards Statements, Nominations Sent/Received, Order Status and My Tasks.

Total Rewards Statements
Employees can access all recognition and reward transactions on their Total Rewards Statements. The statement is similar to a bank statement with a summary of points earned, points redeemed and the employee’s available balance.

Nominations Sent/Received
All nomination activity is captured in MDR. An employee can access all nominations they have sent or received by clicking on the appropriate folder.

Order Status
Once employees have redeemed their points, they can access the order status on the MDR site by clicking on the Shopping icon and selecting “Order Status”. Order status is then displayed to show that the order has been received, is in process or has been shipped.

My Tasks
Managers can access the My Tasks area of MDR. My Tasks are segmented into Active, Pending, Saved and Archived. An active task is where initial notification of an employee’s recognition or reward is sent to be reviewed by the manager or anything new that a manager needs to read/review. A pending task is where the manager has chosen to elevate the award to a higher level where additional approval is required. Saved tasks are where any task that has been completed is located. Last, a manager can choose to move old tasks into an archive folder.

Award Selection
With MDR, employees can earn points across multiple programs, save those points over time and redeem them in the MDR Reward Earnings Mall. The process for redeeming points is simple:
- Participants access the MDR Reward Earnings Mall by logging into the MDR Application and clicking on the Shopping Tab
- Participants can search the catalog by points, category or brand
- Participants can select desired items and save to their personal Wish List OR
- Participants can select an item if they have enough points and check out.
- Participants can track their orders via the MDR system
- An 800 Customer Service number for Award Headquarters is available for participants who have questions.
Employees can choose from an exciting selection of more than 4000 merchandise items such as electronics, home & garden, sporting and jewelry as well as gift cards, American Express Gift Checks and VISA cards [See Figures 7 and 8].

Items in the MDR Reward Earnings Mall have point values that range from 1900 points to 2,522,013 points including:

1. More than 4000 name brand merchandise items from vendors such as Apple, Coach, Sony, Waterford, and many more
2. More than 250 Gift certificate vendors such as Home Depot, Nordstrom, Target and more
3. Amex Gift Checks
4. Pre-paid Visa Cards for international recipients

An upgrade to a new, improved Universal Rewards Mall is scheduled for 2008. The all-new redemption experience will include:

1. Expansion to millions of merchandise items with fulfillment by Amazon.com.
2. Numerous activities including adventure, travel and more
3. Event tickets
4. Gift cards
5. Amex Gift Checks
6. VISA cards for international recipients — eventually in-country merchandise fulfillment
7. And much more!

The enhancements are a result of feedback and a desire to provide breadth and depth of reward options of value to our employees.
Description of Overall Recognition Program Objectives and How They Align with Strategy

Recognition at Delta is more than just one program; it is a suite of programs that encompass milestone events, corporate enterprise recognition, localized recognition, and performance management and localized performance-based rewards.

The overall objectives of recognition at Delta Air Lines are to recognize its employees for:

- Significant career milestone events
- Day-to-day contributions which exceed standard job requirements
- Performance that drives business results

Like most organizations, Delta’s specific business goals and objectives have evolved as economic and business conditions change. Recognition at Delta also has to be flexible enough to evolve with the company’s changing strategies, goals, and objectives.

As Delta looked to emerge from bankruptcy as an independent airline, the company published its 2007 Flight Plan which charted the course of the company and defined near-term objectives. Every employee at Delta has access to the company strategy.

**Fund the Flight Plan: Securing our Future**

Focuses on continuing the momentum Delta began with its restructuring, emerging from Chapter 11 and re-listing on the New York Stock Exchange. The three primary goals of this pillar are to:

- Maintain cost advantage by keeping a critical eye on expenses while improving revenue
- Reduce debt by being diligent about expenditures
- Improve shareholder value by returning 15% of pre-tax earnings to employees as profit sharing.

**Fly Right: Building a Profitable Network**

Focuses on safety, value, and closing the gap on competitors. This pillar identifies as its goals to:

- Always put safety first by “continuing to take care of our equipment and each other” in order maintain its record of “fewest ground damages in the industry,”
- Win in New York City with new dedicated BusinessElite program and amenities at JFK’s terminal 2 and improved connection carrier facilities
- Expand international routes with 14 new overseas routes and a goal of generating 40% of Delta’s revenues from international flights by 2008 with existing aircraft that can move into the international market as well as strategic investment in 29 new aircraft.
- Close the RASM gap by continuing to be disciplined in spending; by seeking new and innovative means of enhancing productivity, Delta will continue its strong progress toward closing the gap with the rest of the industry by the end of 2008.
Earn Customer Preference: Establishing Delta as the Airline of Choice
Focuses on ways Delta can earn customer preference with superior service. Goals of this pillar focus on:
• Improving baggage performance with enhanced systems and procedures, as well as creating a single point of accountability. Delta dubbed 2007 “Year of the Bag”.
• Enhancing Delta Connection operational performance with several new initiatives designed to improve on-time performance.
• Maintaining top-tier operational performance with new processes in operations control to protect scheduled service levels.
• Streamlining and optimizing customer experience by translating Delta’s new brand into tangible form by assuring that every aspect of each customer’s experience reflects Delta’s new stronger, bolder image.

Win together: Fueling the winning spirit of Delta
Focuses on goals that include sharing Delta success, rebuilding Delta pride and maintaining top-tier productivity. To accomplish this, Delta seeks at all organizational levels to:
• Deliver and receive open, direct and honest communication
• Drive accountability for results
• Build a great place to work

How MDR Links to Delta’s Strategy
By engaging its employees in their “zone of potential” to move up to the next level of commitment and performance at Delta, all of the programs supported by MDR offer the tools to define expectations and link recognition and rewards to performance that meets or exceeds them. All of the nomination, elevation and approval criteria as well as reward programs, directly support the elements of Delta’s 2007 Flight Plan and supporting business plans. For the purposes of illustration, the two most visible corporate, enterprise-wide recognition programs will be highlighted — Gaining Altitude and Chairman’s Club.

Award Categories

Gaining Altitude
By establishing four award categories that link directly with its strategic objectives Delta Air Lines has established a performance nomination program, Gaining Altitude, that recognizes employees for contributions that further the company’s strategic goals.

<table>
<thead>
<tr>
<th>Flight Plan Goal</th>
<th>Award Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earn Customer Preference</td>
<td>Customer Service</td>
</tr>
<tr>
<td>Fly Right</td>
<td>Revenue Growth</td>
</tr>
<tr>
<td>Fund the Flight Plan</td>
<td>Cost Savings</td>
</tr>
<tr>
<td>Fly Right/Win Together</td>
<td>Operational Excellence</td>
</tr>
</tbody>
</table>

Chairman’s Club
The Chairman’s Club pinnacle nomination program supports two categories including:

<table>
<thead>
<tr>
<th>Nomination Categories</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedication</td>
<td>Dedication and determination to customers, peers and communities we serve</td>
</tr>
<tr>
<td>Determination</td>
<td></td>
</tr>
</tbody>
</table>
Award Criteria
The following award criterion support the performance award categories in the Gaining Altitude program:

Customer Service
Criteria for recognizing employees whose actions “have demonstrated high levels of service with internal and external customers” include:
• Viewed problems from customer perspective and responded with empathy, positive attitude and professionalism
• Resolved customer problems quickly and effectively
• Led initiatives that increased customer satisfaction
• Performed a “heroic deed”
• Resolved a major complaint that resulted in winning back a million mile SkyMiles customer
• Obtained a high profile account based on personal relationship
• Served as a key facilitator in a cross departmental initiative focused on internal customer service.

Revenue Growth
Criteria for recognizing employees whose actions “have identified, retained or landed income” include:
• Provided value-added service(s) that improved a customer's experience
• Generated an implemented idea that resulted in a new revenue opportunity
• Delivered significant profitable revenue growth
• Employee in a non-sales capacity obtained new business for Delta

Cost Savings
Criteria for recognizing employees who “find ways to eliminate low-value work and reduce costs without compromising safety, quality, or service” include:
• Achieved cost savings objectives
• Identified ways to continually reduce costs without compromising safety, quality, or service
• Redefined a process to maximize efficiency or eliminate redundant work
• Implemented initiative with documented significant cost or productivity savings

Operational Excellence
Criteria for recognizing employees whose actions and effort “support the day to day business issues that drive Delta operations” include:
• Exceeded standards for consistent, reliable operations
• Demonstrated outstanding personal responsibility and accountability for safety
• Developed and emphasized preventive measures to avoid injury
• Went the extra mile to overcome operational challenges and/or assist customers
• Under-promised and over-delivered consistently to internal and external customers
• Achieved significant operational improvement through cross-divisional collaboration efforts
• Demonstrated extreme work commitment by overcoming difficult operational challenges.
How Delta Builds Continuous Improvement into MDR

Programs at Delta are initiated to achieve a business purpose. Delta uses a standard framework to develop, deploy and assess program performance. The process includes:

- Defining Business Goals – goals and objectives are defined
- Creating Programs – creating programs designed to achieve the goals includes determining eligibility, rule structure and the R3 strategies
- Communicating Performance Expectations - once the programs are developed, they are communicated to employees
- Measuring Performance - per the program rules, individual performance is measured throughout the program
- Linking R3 – and based on the program rules - reinforcement, recognition and rewards are linked to the performance measurements
- Measuring Program Performance – program performance is monitored through reporting and evaluation to ensure the program is meeting or exceeding the stated goals and objectives. [see Total Recognition Process Figure below]

Delta measures program performance on a monthly basis. 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 in the fall of each year.
Informal Feedback
Informal feedback can be generated directly from the field, corporate, 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.

One example of flexibility and change comes from the Gaining Altitude program. The program was originally designed with Performance Categories and detailed behavioral Performance Criteria for each category. Feedback from the business units reflected the criteria were too granular and distinctions between the criteria were difficult to evaluate. Within 30 days the recognition team had streamlined the criteria and categories to facilitate greater ease of use and improved understanding.

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. This is an appropriate time to review program performance and make adjustments as needed.

In 2006, with the support of an external consultant, the Delta Recognition Team completed a comprehensive ROI analysis on all the programs running on MDR. The driver behind the analysis was bankruptcy. All expenditures had to be justified to senior management and Delta’s Creditor Committee. With the support of MDR reporting and additional data mining, the ROI analysis was able to demonstrate clear return-on-investment for Delta’s recognition and reward initiatives. The conclusive ROI Analysis was supported by both senior management and the Creditor Committee and all programs were allowed to continue and even expand. New programs “Spot”, “Nugget” and “A Job Well Done” were deployed after the ROI Analysis. [To see MDR ROI Analysis Summary Data - 2006, click on the presentation below]
Standard II: Management Responsibility

Delta’s senior management’s role in defining and documenting the organization’s recognition strategy and policies

Senior management’s role is to identify the broader Delta Air Lines strategy, business goals, objectives and plans. Senior management also understands the value of human capital and an engaged workforce – it is the key ingredient in the organization’s ability to execute on the broader vision. The concept of “people are our most important asset” is authentic at Delta Air Lines. While senior management is not intimately involved in the day-to-day aspects of developing programs and policies, they support the overall total recognition strategy and ensure that it supports the business strategy.

An example of senior management involvement was evidenced in 2000 when the Recognition and Incentive Audit findings were revealed along with recommendations of a phased approach to link recognition to the organization’s business strategy and objectives. The plan, presented in three phases, was approved and resources dedicated to the project.

Three Phases of Total Recognition figure

Three Phases of Total Recognition

Overview of the Three Phases
The original plan, approved in 2003, involved three phases: build the foundation, integrate all programs and build the brand for recognition at Delta, and leverage into the organization.

Phase I – Build the Foundation
- Total reward recognition training
- Common guidelines and tools
- Integration and automation of key processes
- Deploy common platform — central administration with departmental “ownership”

Phase II - Integrate All Programs & Build the Brand
- Launch platform with tender-neutral currency (points)
- Deploy enterprise peer-based program aligned with business priorities
- Aggregate all reward programs
- Promote “recognition brand” within Delta

Phase III - Leverage into the Organization
- Communicate performance expectations
- Measure performance
- Provide employees’ access to personal performance data
- Link recognition/rewards to behaviors, actions and results
By 2006, all phases of the plan supported by senior management had been implemented and the first round of ROI results tabulated. Management was aware and involved in the programs supported by MDR and continuous improvements delivered over the past 2-3 years and also supported the latest recommendations of the Delta Recognition Team for the planned improvements for 2008 and 2009 which refine the current successful foundation.

The planned improvements were developed, in part, by senior management’s vision to engage employees into the “zone of potential” and to move them to the next level of commitment and performance at Delta (Tim Mapes, VP of Marketing, Velvet Rope Tour). [See below for the Senior Management’s vision]

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**How Delta senior management has identified and allocated adequate resources to manage and maintain the recognition program.**

Since 2000, more than $30M has been spent on recognition and non-cash rewards at Delta. During that time senior management has experienced significant changes. Because people – and recognition - are woven into the fabric of Delta’s culture, recognition has survived and even thrived during tough times. Senior management dedicates internal staff, including internal volunteer workers, recognition ambassadors, a centralized operating budget, additional business unit financial support and supplemental resources provided by vendors.

**Internal Staff**

The Delta Recognition Team is currently led by an Employee Recognition Specialist, Stephanie Merchiore, who has been with Delta for ten years. Stephanie is supported by a Certified Event Planner and additional administrative support.

**Volunteer Workers & Recognition Ambassadors**

Delta coordinates the Chairman’s Club event internally. During the planning and execution phases of Chairman’s Club 25-30 volunteers help support the effort. This group of passionate, committed Delta employees works with a spirit of service and an understanding of the importance of this prestigious recognition event. Volunteers freely give their time and are not compensated for the extra hours they put in.

Additionally, certain leaders and managers serve as “unofficial” recognition ambassadors within the organization. These internal “recognition champions” are vital, local resources that managers can access for additional information and support.
Operating Budget
Delta’s Recognition Team has an operating budget of $2.5M. The budget includes the MDR system, program administration support, Manager SPOT Recognition, Chairman’s Club and the Gaining Altitude program.

Business Unit Financial Support
Business units fund their own programs via the Delta Recognition Team. In 2007 more than a dozen programs representing more than $6M in points was supported by the Delta Recognition Team.

Customer Service & Vendor Support
MDR customer service and additional vendor resources amount to an additional 3-5FTEs (full-time employees). Delta’s Recognition Team serves more than 50,000 employees, managers, and leaders, and strong vendor support in the areas of technology, system administration, consulting services, customer service, and fulfillment are vital to the total recognition initiatives.

Summary Chart of Dedicated Resources

<table>
<thead>
<tr>
<th>Resource Description</th>
<th>Resource Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Staff - Delta Recognition Team</td>
<td>2.5 FTEs</td>
</tr>
<tr>
<td>Volunteer Staff &amp; Recognition Ambassadors</td>
<td>Average of approximately 3-5FTEs annually</td>
</tr>
<tr>
<td>Delta Recognition Team Operating Budget</td>
<td>$2.5M</td>
</tr>
<tr>
<td>Business Unit Contributions</td>
<td>$6-8M</td>
</tr>
<tr>
<td>Customer Service &amp; Vendor Support</td>
<td>Average of approximately 3-5FTEs annually</td>
</tr>
</tbody>
</table>

Examples of how recognition is part of management reviews and agendas — and how senior management holds managers accountable for their constructive participation in recognition programs.

Management ownership and participation in recognition is vital to its success. Every effort has been made to provide management with tools, guidelines, documented processes, and reporting necessary to effectively deliver reinforcement, recognition and rewards to their teams. While currently there is no formal process to hold manager’s accountable for using and implementing recognition, the Delta Recognition Team does track a few key metrics that illustrates management’s involvement:

• Number of peer initiated versus manager initiated nominations in Gaining Altitude
• Number of FLY elevations in Gaining Altitude
• Number of SOAR elevations in Gaining Altitude
• Number of pending nominations
• Number of SPOT recognition awards

An example of senior management responsiveness to these metrics was in 2006 when it was discovered that more than 85% of all nominations were peer initiated versus management initiated. Although Delta recognizes that most nominations would be initiated at a peer level, it was felt that a higher percentage should be initiated by managers. A communication campaign targeted managers and the result was increased management initiation of Gaining Altitude nominations.

Management does a commendable job incorporating recognition into informal team meetings and conference calls. This is an area of focus for the Delta Recognition Team in 2008 and beyond.
How senior management supports the recognition program, communicates this support to employees and exhibits personal involvement in the program.

Delta senior management support for its recognition programs is visible, clearly communicated, and reflective of each senior manager’s personal involvement in Delta Recognition programs. Senior management communicates support of recognition to employees through CEO and leader visibility, Chairman’s Club, through active participation in nomination processes, by appearing at recognition celebrations and highlighting individual and team accomplishment during operational reviews.

CEO and Visible Senior Leader Support
Richard Anderson, Delta Air Line’s new CEO has already shown visible support for recognition at Delta. He has published a booklet called “Rules of the Road” an ideologue that philosophically supports recognition concepts as a component of empowering and engaging Delta’s workforce. Anderson also enthusiastically supported the 2007 Chairman’s Club event. The CEO also supports Delta’s Service and Retirement program by reviewing and approving the program structure, signing the individual note cards and including personal letters for those who have given 20 and 40 years of service. Aside from Delta’s CEO, another visible supporter of recognition is Tim Mapes, VP of Marketing. Mapes was the officiator of the 2007 Chairman’s Club event and has promoted recognition extensively during his participation in the “Velvet Rope Tour” to stations and departments. The primary objective of the Velvet Rope Tour was internal communications and marketing to employees to foster morale, training, and engagement.

Chairman’s Club
Senior management visibility at Chairman’s Club is perhaps the most impressive show of upper management support as each year Delta senior leaders, including the CEO, host the Chairman’s Club Awards, a prestigious event honoring the year’s new inductees with a special event that includes a cocktail reception, dinner, awards ceremony and dancing.

Nomination Processes
Senior management is involved in nomination processes and events. Delta senior leaders are visibly involved in the Chairman’s Club nomination and notification process—and in continuing communications regarding the importance and historical significance of this program’s 11-year history. Senior leaders are also frequently involved in the Gaining Altitude process.

Recognition Celebrations
Senior management is often visible at recognition celebrations and functions, as well as frequent one-on-one acknowledgement of outstanding individual contributions and accomplishments.

Operational Reviews
Senior management supports recognition during operational reviews. In weekly operational news updates, leaders and managers report on key operational metrics, goals and objectives. A portion of most meetings includes highlighting department and individual accomplishments.

How senior management reviews recognition programs to evaluate and measure effectiveness.

The Delta Recognition Team is part of the broader Human Resource department. As part of the Human Resource department, the Delta Recognition Team supports senior management, business unit leaders, more than 5,000 managers and approximately 45,000 employees.

Delta’s management takes an active interest in corporate, 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 the following tools:
Weekly & On-Demand Reports
The MDR platform supports on-demand reporting. A variety of reports are run by the Delta Recognition Team on a weekly basis. Examples of weekly reports include: Award Search, Items Ordered and Nomination Detail reports.

Monthly & Scheduled Reports
Numerous reports are run on a monthly basis and submitted to management as well as special scheduled reports. An example of a scheduled report is Chairman’s Club reporting. The Chairman’s Club nomination period is only six weeks in duration. Delta runs reports weekly and submits to all levels of management and also runs special selection committee reports to aid in the selection process.

Ad-Hoc Reports
Ad-hoc reports are run on an as-needed basis. A recent example of an ad-hoc report is the Points to Date report. Click on the link below to see an example of an ad-hoc report:
Ad-Hoc Report - PointstoDateChart.pdf

Gaining Altitude Summary Dashboard
On a monthly basis, a summary dashboard for all activity relating to the Gaining Altitude program is compiled and submitted to management. Click on the link below to view a sample detailed GA Dashboard Summary Report:
GA Dashboard Summary.pdf

Program Review
The Delta Recognition Team prepares a program summary which is available to HR management and senior leaders on demand.

ROI Analysis
In 2006 a detailed ROI analysis was completed and submitted to Delta HR management, select Business unit leaders and senior management. [Click on the image link for a copy of the summary analysis.]

Summary Chart on How Managers Review Programs

<table>
<thead>
<tr>
<th>Review Process</th>
<th>Delta Recognition Team</th>
<th>Delta HR Management</th>
<th>BU Leaders &amp; Sr. Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly Reports</td>
<td>✓</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Monthly Reports</td>
<td>✓</td>
<td>✓</td>
<td>no</td>
</tr>
<tr>
<td>Ad Hoc Reports</td>
<td>✓</td>
<td>✓</td>
<td>as appropriate</td>
</tr>
<tr>
<td>Gaining Altitude</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Summary Dashboard</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Program Review</td>
<td>✓</td>
<td>✓</td>
<td>as appropriate</td>
</tr>
<tr>
<td>Annual Budget Review</td>
<td>✓</td>
<td>✓</td>
<td>as appropriate</td>
</tr>
<tr>
<td>ROI Analysis</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Standard III: Recognition Program Measurement

How Delta’s recognition program results are linked to its recognition strategy and program objectives — and then measured for effectiveness.

Delta recognition objectives are verified by statistical data gathered by the MDR website. Using this specific and quantifiable measurement data, along with measurement tools such as focus groups, surveys and feedback compiled through atg901@delta.com, and a central recognition center email address (a cyber suggestion box), detailed ROI reports and analyses are prepared to evaluate and assess the statistical and substantive validity of these programs.

During the past 2-3 years of MDR operation, the following measurements provide a means for determining program effectiveness as reflected by:

- Percent Participation in a Program – as represented by the number of records or nominations by program
- Registration Rates – the number of active Delta employees registered in MDR
- Recognition Contacts – the number of recognition touch points
- Recognition Frequency Rates – how frequently an individual receives recognition
- Overall MDR Value Analysis Calculator – the documented value tracked for MDR
How Delta documents employee and manager participation in its recognition programs

The MDR website documents participation in Delta recognition programs. Two key metrics are evaluated in measuring and assessing participation: (1) Registration rates and (2) Participation rates.

Registration Rates
All employees are eligible to participate in programs supported by MDR. However, every employee must first register to use the system. Upon registration, users are required to change their password, and due to internal security requirements, they are required to change their password every 180 days. In 2006 more than 61% of active Delta
employees were registered in MDR with current passwords and that number has grown to more than 70% in 2007. Based on a variety of sources, industry averages for program participation appear to be 30-40% - Delta has double that rate. [See Figure 10]

**Participation Rates**

Participation rates can be tracked for each program by tracking the corresponding records. For example, Gaining Altitude is a nomination based program. MDR Reporting tracks the number of overall nominations which were >23,000 in 2006, more than 70% of registered employees were recognized in the Gaining Altitude program, more than 80% of the nominations were initiated by Delta employees and approximately 20% were initiated by managers. In addition, reporting revealed that more than 80% of the nominations were a “Lift [or level one]”, 18% of the nominations were elevated to a “Fly [or level two]” and 1% of the nominations were elevated and approved as a “Soar [or level three]”. [See Figure 15 for more information]

A slightly different example is the Every Bag Counts [EBC] Formal Reward Program. The key measurement metrics for EBC are (1) revenue per passenger and (2) total annual collection of revenue. In 2004 the blended average was .71 cents revenue per passenger, in 2005 the blended average was .85 cents revenue per passenger. The total annual collection of revenue was an incremental $10M year over year due to the reward program or a 40% performance gain. [See Figures 16 and 17 for more information]
Satisfaction ratings of Delta's employee recognition programs by its employees and managers

Data for assessing and evaluating employee and manager satisfaction with Delta’s employee recognition programs is gathered using the following tools:

**Customer Service Metrics**
A call center supports all activity relating to www.mydeltarewards.com. Key metrics are tracked including number of calls, call time, and reason for the call. Most questions are very tactical in nature and relate to passwords, logins, registration and program rules. Most inquiries are easily resolved with a single call.

**Feedback**
Delta has solicited feedback from both Managers and the front line workforce.

**Managers**
Delta has identified a core group of managers who use its recognition programs and systems frequently. These managers tend to be the better, high-performance-driven managers who consistently look for tools to inspire and motivate high performance from their teams. Internal statistics show that approximately 25 percent of all nomination activity is initiated by managers for their direct reports. On a scale of 1 - 10, with 10 being most positive, manager feedback is largely positive – rated around 7. Neutral or negative comments are usually related to program rules and communications and system usability. Enhanced communication tools and a new platform upgrade will address neutral or negative feedback in 2008.

**Front Line Workers**
The front line workforce provides overwhelmingly positive feedback on the programs, processes and rewards associated with MDR. More than 75 percent of all recognition nominations are peer initiated, indicating strong grassroots, front-line utilization of the programs and system. An informal survey of front line workers revealed that approximately 76 percent shared their recognition or reward redemption experience with a significant other [friend, family, co-workers].

**Focus Groups**
Prior to the initial launch of MDR, several diverse 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 initial Recognition Plan and continues to be incorporated with whenever new features and programs are planned.
Standard IV: Communication Plan

The primary goal of Delta’s communication plan was the successful branding of the recognition experience at Delta as well as Delta’s specific recognition programs. This goal has been met by establishing MDR as the brand of Delta recognition and promoting programs independently. Tools and methods for reinforcing and promoting the brand and related programs include:

On Boarding Communication Campaign
Reaches out to new hires to promote the MDR site and incorporate their immediate registration for MDR into the orientation process.

Ongoing MDR Awareness Campaigns
Features continuous visual reminders to log on regularly and check points with catchy posters, pin cards, cafeteria table tents, flyers and other promotional items.

MDR Communications
MyDeltaRewards supports communications in the following manner:
• Home Page - After login to MDR, users are directed to a Home Page with general recognition at Delta content.
• Program Pages - Each program has its own content page which details the program rules, criteria and eligibility. Program pages are also a great place to share best practices and focus the spotlight on stars.
• Email Notifications - Updates nominees and their managers on the progress of all award processes including nominations, approvals, and elevations. These notifications come in the form of an e-card that includes a personal note from the manager regarding the nomination and why it was made.

Intranet Portal
Delta’s Internal Employee Recognition Center - provides links to vital recognition information such as:
• Program criteria and requirements
• How-to articles
• Guidelines and checklists
• Access to On the Spot information
• Links to training materials

Program Promotions
Programs are often promoted locally in an informal manner throughout the year. Individual programs are socialized or use internal communication vehicles such as Delta’s internal newspaper, voice mails, memos, mailers, posters and are discussed during internal meetings and conference calls.
Standard V: Recognition Training

Delta’s overall recognition training strategy for managers and employees and its role in the organization’s recognition strategy

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.

Delta uses a variety of complementary training strategies to equip managers and employees which include:

- Recognition e-learning courses that give a complete overview of the behavioral psychology behind Delta’s reward and recognition strategy
- Program-specific e-learning tools which give comprehensive information on program rules, processes and rewards
- Employee Recognition Resource Center that provide the central location for recognition information at Delta Air Lines
- MDR training tools which can be found on the platform to address user questions on system functionality as well as tutorials, HELP and FAQs

To ensure quality development and delivery of targeted training materials to support the overall recognition strategy, Delta 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 of at-a-glance materials
  - Printed support materials
  - Audio-visual support
  - Internet, intranet and other IT support
Specific features of Delta’s recognition training strategy

Specific features of the training strategy include a recognition e-course, content on the Employee Recognition Resource Center, and training elements found on MyDeltaRewards.

Recognition E-Course
Delta provides a Recognition Course on the basic principles of recognition to all managers. More than 50% of Delta’s 5,000 managers have taken the course which can be accessed from the Employee Recognition Center. The course was developed in 2001 and plans exist to update the content in 2008.

(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. Some examples of content found on the center include:

- **Reference Guide for Gaining Altitude** – (click on image link on right)
  a complete, easy reference guide for the Gaining Altitude program

- **Gaining Altitude Manager Guides** (click on next three hyperlinks to access Part 1, 2 and 3 of the Gaining Altitude Manager Guides) –  [GA Mgr Guide Part1](#),  [GA Mgr Guide Part2](#), and  [GA Mgr Guide Part3](#)
  a comprehensive primer for managers on the Gaining Altitude Program.

- **Gaining Altitude E-Learning** (click on blue hyperlinked text to access design document)
  [Gaining Altitude E-Course Design Document](#) – an e-learning module on the Gaining Altitude Program.
• **Gaining Altitude Super Approver Guide** *(click on blue hyperlinked text to access Super Approver Guide)*


• **Chairman’s Club Step-by-Step Guide** *(click on image link below to access the complete guide)* – visually illustrates the concepts of the program.

**Creating Nominations Guide**

• **2007 Chairman’s Club Selection Guide** *(click on blue hyperlinked text to access Selection Guide Document)*

  **2007 Selection Guide** – a comprehensive guide to the selection committee on how to evaluate nominations.

• **Nomination Evaluation Matrix** *(click on image link to right to access complete Matrix)* – a measurement system to ensure consistent evaluation of nominations prior to selecting an appropriate award level.

• **Retirement Guide** *(click on image link to right)*

  a complete reference guide for planning retirement celebrations.
• **Administrator’s Checklist** *(click on image link to right to access the complete Administrator Checklist)* – a complete checklist for business unit administrators to review when developing a new recognition or reward program.

  Administrator’s Checklist ➤

• **Ideas and Ways to Recognize** – more than 100 ideas on how, when and why to recognize Delta team members.

• **Phrases for Recognition** – dozens of recognition phrases that can be used for hand-written notes or nominations

• **Articles** – more than fifteen articles – which are updated periodically – to inform and educate on the topics of reinforcement, recognition and rewards.

**MyDeltaRewards**

MDR provides access to additional training and support materials including:

• **User HELP** – Help is available for both employees and managers. *(click on blue hyperlinked text to access User Help Guides)* [Gaining Altitude Performer Help](#), and [Gaining Altitude Manager Help](#)

• **Online Tutorials** – online tutorials are available for key sections of application including: nominations, point statements, and shopping.

• **Contact Administrator Link** – users with questions have the option to contact the system administrator at Delta with additional questions.

• **Customer Service 800#** - for users with general questions on orders and related to MDR use.

**Examples of how the Delta’s recognition training has met its objectives, how it has been effective, and the results achieved.**

**Delta’s recognition training has met its objective** by providing its managers and employees with a suite of user-friendly, on-demand tools to educate, inform, and support recognition in the workplace.

**Delta’s recognition training has been effective** across the enterprise in the following areas:

• Minimized confusion, customer service calls and calls to program administrators
• Programs are more consistently aligned with Delta’s broader business strategies
• Recognition and rewards are more consistent and aligned across the organization
• Program 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, reviewed and reporting is streamlined

Because Delta has provided a comprehensive suite of training tools and information, it has realized more effective programs which ultimately benefit the company and the customers.
Results of Delta’s recognition training are reflected in (1) the rise in registrations, (2) significant increase in program participation including nominations and recognition records over the last 4-5 years, (2) positive business leader feedback (3) positive user feedback and (4) increased reward redemptions.

Direct input from organizational business units indicates that at-a-glance training tools, such as the decision matrices and single-page guides are used more frequently than lengthier training documents and materials. Although there is still room for improvement, a general increase in awareness of both managers and on-boarding employees is evident. Central Resource for the organization receives 20-25 calls per month which use the tools, training, and celebration guidelines as common reference points.

Standard VI
Recognition Events and Celebrations

Description of Delta’s processes for celebration, event planning, and/or award ceremonies to recognize employees

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

Formal Events
The primary formal event for celebrating Delta’s top achievers is Chairman’s Club.

Chairman’s Club
With a total duration of 349 days, planning for the annual Chairman’s Club Recognition Event is the largest and most time and labor intensive activity of the Delta Recognition Team. The process for executing this prestigious event [supported by a more detailed project] includes the following elements:

- **Pre nomination period** (35 days) — chooses event theme and venue, contracts vendors, determines images needed for print materials.

- **Selection Committee development** (20 days) — solicits committee chairman, establishes meeting schedules, prepares committee documents, materials, and corporate communication regarding nominations, data and report preparation.

- **Nomination Period** (32 days) — receives nominations and distributes pins to managers.

- **Honoree Selection** (34 days) — compiles reports, determines slots, processes nominations and recommendations, completes HR/diversity checks, and assembles final list of honorees.

- **Selection Communication** (149 days) — develops and edits manager communication/honoree notification; follows-up notifications, creates honoree database, and makes travel arrangements.
• **Post selection** (6 days) — prepares seat assignments for event; prints names for photos; designs/prints programs, orders calligraphy for nametags, creates call book.

• **Awards** (3 days) — assembles gift bags, edits and prints letter and instructions, orders awards, tickets, and gifts.

• **Event Details – Hotel** (1 day) — provides hotel with room list and transportation information, confirms ballroom/breakfast set-up.

• **Event Details – Entertainment** (7 days) — selects entertainment, finalizes and confirms arrangement details, schedules program event.

• **Event Details – Venue** (2 days) — confirms load-in schedule; confirms requests for buffet table for balcony and photographer; locates backdrop, reviews music with band, confirms band time and setup information, schedules vendor walk through.

• **Event Details – Transportation** (3 days) — provides vendors and volunteers with transportation schedules, confirms pick-up arrangements.

• **Event Details – Caterer** (18 days) — selects menu/wine, catering planning/prep, confirms table numbers, confirms meal and final count.

• **Event Details – Executive** (18 days) — determines executive attendees, assembles and delivers executive packets, creates talking points for speech, selects MC.

• **Event Details – Other** (3 days) — creates lists and supplies for boxes, assembles “to go” boxes.

• **Post Event** — (1 day) — orders copies of video, provides award vendor with photos/names, sends photos and DVDs to award vendor for shipment.

While this details the high-level overall planning process, it should be noted that this event has evolved over 11 years. Chairman’s Club is a massive effort and takes a great deal of skill, planning, teamwork and dedication to reflect the prestige and honor intended.

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**Local Events**
The primary events which are celebrated include, but are not limited to, Gaining Altitude, service anniversaries and retirements.

**Gaining Altitude**
Gaining Altitude 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 as follows:

**LIFT Award**
• All nominations start out as a LIFT Award.
• No Approval is required or points awarded.
• E-card is sent directly to employee and his/her manager.
FLY Award
• A manager can elevate a nomination to a FLY or SOAR level.
• Upon approval, email notification sent to nominee and a copy is forwarded to the manager.
• Upon approval, points are automatically deposited in the employee’s MDR account.
• Manager can print and present a certificate to extend and celebrate the recognition moment.

SOAR Award
• If a nomination is elevated to SOAR, it must be approved by the Business Unit’s designated Super Approver.
• Upon approval, email notification sent to nominee and manager.
• Upon approval, points are automatically deposited in employee’s MDR account.
• Manager can print and present a certificate to extend and celebrate the recognition moment.

Officially entering its fourth year, Gaining Altitude has grown every year. In 2006, Gaining Altitude generated more than 23,000 nominations, up 20% over 2005 and has continued to grow in 2007. [See Gaining Altitude Approval Process document for more information]

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. The process is as follows:

First Year and Every Subsequent Five Year Service Awards
• Employee data file is updated monthly.
• Service award vendor verifies the data and sends a pin and note card to the manager.
• Manager plans presentation of service pin and note card.

20 and 40 Year Service Awards
• Employee data file is updated monthly.
• Service award vendor verifies the data and sends a pin and note card to the manager.
• Service award vendor sends an email to the employee.
• Employee selects a gift from a special selection.
• Service award vendor processes the order and ships the award to the manager.
• Manager plans presentation of service pin, note card and the gift.
Retirement
When employees have worked for Delta Air Lines for ten years or more, their official retirement from the company is recognized in the following manner:

- Employee selects a retirement date and notifies his or her manager, who then notifies Human Resources.
- HR notifies the third party vendor.
- Employee’s manager receives a packet containing the plaque order form and Retirement Reference guide [click on image link to view guide].

Manager’s Reference Guide

- Manager schedules the celebration date, chooses the theme and type of celebration (brunch, lunch, receptions, etc.) and makes celebration arrangements in keeping with the employee’s preferences and personality.
- Manager hosts the celebration and presents the plaque and certificate.

Informal Celebrations
To mark and celebrate other important accomplishments or the attainment of specific departmental goals, managers, at their discretion, plan informal celebrations within their Business Units and Divisions. For example, as Delta emerged from bankruptcy, many managers hosted events celebrating the sacrifices and performances of their employees. To help frame these informal celebrations, the Delta Recognition Team provides its managers with celebration guidelines [see below, click on image to view presentation].
## Delta’s High Level Framework for Informal Celebrations

<table>
<thead>
<tr>
<th>Tier</th>
<th>Accomplishment</th>
<th>Celebration</th>
<th>Gifts</th>
</tr>
</thead>
</table>
| **Tier 1** | • 1-2 month goal or milestone  
• Steady effort  
*Examples:*  
• *Milestone met for improved customer service scores*  
• *Committee completed recommendations*  
• *Baggage delivery time met goal* | **Party/Gathering**  
• 4-6 per year/group  
• $4-10 per person per celebration  
• $50 per person/yr.  
*Examples:*  
• *Morning coffee & donuts*  
• *Luncheon: pizza, sub sandwich, Chinese food*  
• *Snack: Popcorn & beverage; ice cream sundaes, cake & beverage*  
*Entertainment: choral group, quartet, magician* | Might include token gifts:  
• 2/person, $5-10 ea.  
• Up to $15/yr.  
*Might include presentation of Gaining Altitude FLY Award (up to $50)* |
| **Tier 2** | • 3-6 month goal,  
• Extraordinary effort (e.g., overtime, tasks not usually performed, creativity), &/or  
• Significant importance to Delta  
*Examples:*  
• *Met on-time departure goal*  
• *Software application launched* | **Outings**  
• 1-2 per year/group  
• $25-50 per person/per celebration  
• $50 per person/yr.  
• May include 2-4 hrs. off; up to 4 hrs. per person/yr.  
*Examples:*  
• *Banquet; out to lunch or dinner with manager*  
• *PicnicTrip to ball game, museum, or amusement park* | Might include presentation of Gaining Altitude Soar Award (up to $1000) |

### How Delta assigns responsibility for event planning and implementation.

Delta supports formal corporate events, local events, and informal celebrations.

#### Formal Events

The company’s most significant formal event – Chairman’s Club – is planned and supported by Delta’s internal Recognition Team. Delta also relies on the help of outside contractors for executing various elements of Chairman’s Club. The Recognition Team is also supplemented by a group of volunteers. In 2007, the Recognition Team was fortunate enough to have a Certified Event Planner as part of the Chairman’s Club core team.
Local Events
Local events, such as service and retirement award presentations, Gaining Altitude FLY and SOAR award presentations and other, larger celebrations are the responsibility of leaders or managers at the local level - typically a station or department. The Delta Recognition Team supports local events by supplying Celebration Guidelines to business leaders and managers. Occasionally, the Delta Recognition Team also informally supports local events by serving as the internal subject matter experts on appropriate recognition events.

Informal Celebrations
Informal events are solely the responsibility of local managers. As with Local Events, the Delta Recognition Team supplies Celebration Guidelines to aid local management with how to celebrate achievements consistently, appropriately and economically.

How Delta celebration events demonstrate creativity and management involvement.

Formal Events
The goal of the Chairman’s Club event is to recognize and ceremonially award what is the company’s most prestigious honor. And as the pinnacle of employee accomplishment, the Chairman’s Club celebration is a reflection of the highest level of creativity and management involvement.

Creativity
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 102 honorees’ lives. For example, the 2007 Chairman’s Club celebration featured:

<table>
<thead>
<tr>
<th>Theme:</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Features:</td>
<td>Music and Dance from Around the World</td>
</tr>
<tr>
<td></td>
<td>• Line Dance</td>
</tr>
<tr>
<td></td>
<td>• River Dance</td>
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<tr>
<td></td>
<td>• Tango</td>
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<tr>
<td></td>
<td>• Salsa</td>
</tr>
<tr>
<td></td>
<td>• Dragon Dance</td>
</tr>
<tr>
<td></td>
<td>• Bagpipes</td>
</tr>
<tr>
<td></td>
<td>• African Drum Cafe</td>
</tr>
<tr>
<td>Menu:</td>
<td>International Menu Fare</td>
</tr>
<tr>
<td>Elements:</td>
<td>Graduation Style, On-Stage Awards Presentation</td>
</tr>
<tr>
<td></td>
<td>Personalization</td>
</tr>
<tr>
<td></td>
<td>Pictures</td>
</tr>
<tr>
<td></td>
<td>• Pictures taken throughout the event which are compiled late in the evening for a quick photo finale, “Happy Face Video,” copies of which are presented to all guests.</td>
</tr>
<tr>
<td></td>
<td>• Personal Photo with the CEO and VIPs</td>
</tr>
</tbody>
</table>
Management Involvement
Management is deeply 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.

Leaders and managers also serve on the selection committee which reviews more than 6,000 nominations per year. Nominations are made in a six-week timeframe and then aggregated and reviewed by the selection committee. Each nomination is carefully reviewed against the established criteria. The purpose of the program is to award the company’s highest honor to the top 102 individuals in the company. This is an extremely challenging process and management is intimately involved from beginning to end.

When the honorees are selected, their immediate manager and leader of the business unit are informed. Leaders and managers use their discretion on when and how to notify the honoree, and most are very involved and creative. Because of the high honor that being a Chairman’s Club honoree represents, managers often contact the honoree’s families and close friends and bring them into the office for the notification celebration. These notification celebrations allow the leaders, managers and coworkers to celebrate the honoree’s performance in a small, more intimate setting than the formal event to follow.

During Chairman’s Club, senior management as well as management is very visible at the event. Each honoree gets his or her picture taken with Delta’s CEO and select VIP’s; the photo is framed and presented to the honoree after the event. Management’s presence, however, is not the focus of the event – the honorees are. This event is all about them. For example, hotel accommodations are included for the honoree and a guest. In 2007 the event was held at the Fox Theatre, directly across from the Georgian Hotel. The cocktail reception was held on the terrace at the hotel. When it was time to go to the Theatre for dinner, entertainment and the award reception, traffic was stopped on Peachtree Street. Management crossed the street first, rolled out the red carpet and enthusiastically applauded as each honoree and guest crossed the street. This is just one example of the role management played at this event — as servants honoring the honorees for their hard work, dedication and determination.

Local Events
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.

Creativity
Local events range from a simple catered lunch and cake to a more creative 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.

Management Involvement
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 on effective award presentations.
**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 looks to facilitate that process as much as possible.

**Creativity**

Informal celebrations tend to be initiated at the employee’s peer or direct manager level. 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.

**Management Involvement**

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, manager’s and leaders will support local celebrations whenever possible.
Standard VII
Program Change and Flexibility

Process by which Delta regularly reviews and evaluates its recognition program elements and changes them as needed to promote the organization’s goals and values.

Programs at Delta are initiated to achieve a business purpose. Delta uses a standard framework to develop, deploy and assess program performance. The process includes:

- Defining Business Goals – goals and objectives are defined.
- Creating Programs – creating programs designed to achieve the goals includes determining eligibility, rule structure and the R3 strategies.
- Communicating Performance Expectations - once the programs are developed, they are communicated to employees.
- Measuring Performance – per the program rules, individual performance is measured throughout the program.
- Linking R3 – and based on the program rules - reinforcement, recognition and rewards are linked to the performance measurements.
- Measuring Program Performance – program performance is monitored through reporting and evaluation to ensure the program is meeting or exceeding the stated goals and objectives.

[see Total Recognition Process Figure below]
Delta measures program performance on a monthly basis. 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.

(As per pp 19-20)

**Informal Feedback**

Informal feedback can be generated directly from the field, corporate, 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.

One example of flexibility and change comes from the Gaining Altitude program. The program was originally designed with Performance Categories and detailed behavioral Performance Criteria for each category. Feedback from the business units reflected the criteria were too granular and distinctions between the criteria were difficult to evaluate. Within 30 days the recognition team had streamlined the criteria and categories to facilitate greater ease of use and improved understanding.

**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. This is an appropriate time to review program performance and make adjustments as needed.

In 2006, with the support of an external consultant, the Delta Recognition Team completed a comprehensive ROI analysis on all the programs running on MDR. The driver behind the analysis was bankruptcy. All expenditures had to be justified to senior management and Delta’s Creditor Committee. With the support of MDR reporting and additional data mining, the ROI analysis was able to demonstrate clear return-on-investment for Delta’s recognition and reward initiatives. The conclusive ROI Analysis was supported by both senior management and the Creditor Committee and programs were allowed to continue and even expand. New programs “Spot”, “Nugget” and “A Job Well Done” were deployed after the ROI Analysis. [To see MDR ROI Analysis Summary Data – 2006, click on the presentation below]

[MyDeltaRewards ROI Analysis

*Preliminary*

March 24, 2006

MDR ROI Analysis – 2006 Summary Data Only]
How Delta Air Lines has adjusted its recognition programs to meet the diverse needs of individuals and teams. Please describe the process, any significant changes that have been made, the reasons for the changes, and how the changes have affected the programs.

Delta continually adjusts its programs to meet the diverse needs of leaders, individuals and teams. The process for change [outlined in more detail previously] incorporates informal feedback and an annual program review. Most changes, adjustments and flexibility are made with a “people focus in mind”. The Delta Recognition Team understands that their customers are Delta’s leaders, managers and employees. The programs have to work to achieve business results, leaders and managers need to understand how to support them and employees need to understand how to use them.

The following is an example of a recent adjustment to the Gaining Altitude program:

Process
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.

Example of Significant Change
An example of a significant change or modification was the Performance Criteria behavioral descriptors associated with each of the Performance Categories in Gaining Altitude. Manager and employee feedback indicated that it was a challenge to understand the distinction between the criteria and that it led to a cumbersome nomination process.

Reason for Change
To ensure adoption and utilization, the program needed to be clear, easy to understand and simple to use. The Delta Recognition Team developed, tested and put into place new and more succinct Performance Categories and eliminated many of the descriptors.

Result
In addition to user feedback that confirmed that the process was much improved, program improvement is further verified by increased program usage, higher nomination volume and more accurate nominations.

Examples of People Focused Flexibility

Delta Air Lines demonstrates focus on its people as it addresses the personality and special needs of its employees:

• When Hurricane Katrina struck in August 2005, Delta Recognition Team already knew who the 2005 Chairman’s Club Honorees were. One of the honorees was from New Orleans. A single father of three children, he had lost everything in the hurricane and had been displaced to Atlanta. In addition to his children, his immediate family consisted of his mother, father and brother. By working quietly from the inside, the Delta Recognition team was able to arrange for private donations that outfitted the honoree and his mother, who was his guest, to come to the event. They were treated as extra special guests, and as one recognition team member put it, “it was the proudest moment in my career that when he deserved the honor, we made sure he received it.”
• In 2006, one of the Chairman’s Club honorees, Diana Kruger, wanted to come to the event, but her husband, who had mobility issues due to cancer, would have a very difficult time attending. The Delta Recognition Team arranged for special transportation and accommodations for Diana’s husband. At the event and during the activities the day before, the team took extra care to make sure Diana’s husband was comfortable and accommodated. A grateful Diana acknowledged, “Outside the birth of my child and my marriage, it was the best thing that ever happened to me.”

• During the Chairman’s Club Notification Process, Delta charges managers with making the notification into its own unique celebration tailored to the personality and style of the employee honored. In response, managers across the board show tremendous creativity and flexibility in how they notify their employees that they have been selected for Chairman’s Club. The notification process reflects managerial flexibility and creativity in adapting nomination notifications to the individual needs and personalities of each employee. Once Chairman’s Club nominations are finalized, the manager of each honoree is notified and the manager has 7-10 days to put together a special notification event that is tailored to the honoree. A few examples include:

  • One honoree from Pittsburgh was surprised with a Steelers Football party in her honor. The vice president of the business unit said a few words describing her nomination and the reasons she had been selected. During the applause that followed, her daughter and granddaughter appeared. The vice president had flown them in from out of town. In just a few short days her team had pulled together the components of a surprise that was meaningful and special to the employee.

  • One 2007 Chairman’s Club honoree, a Canada resident on temporary assignment in London, was surprised to see her husband secretly flown in by her manager, with an armload of flowers to participate in her notification. Because the manager realized how much his employee missed her husband, he made the event special for her by bringing her husband for a visit to share the occasion with her.

  • A memorable example of managerial creativity and flexibility was the notification of a 2006 honoree who was the last to be notified. This employee had been traveling out of the country and the manager, likewise, had a rigorous travel schedule. So the manager scheduled a conference call with the employee and as many of their team members as they could get into the room. The honoree, having no idea why the meeting had been called—or what he needed to do to prepare for it, reported to the conference room at JFK Airport with his other team members to wait for the call. The manager called in for the conference, and just as he was about to get to the point of the call, a costumed Superman character burst through the door to deliver the notification in a hilarious and unforgettable way—a perfect match for the wit and personality of the honoree.

Changes and Flexibility Planned for 2008-2009

In 2007, as Delta emerged from bankruptcy a stronger, streamlined company, the Delta Recognition Team completed a comprehensive review of all programs, processes, procedures and business tools. The team prepared a series of recommendations to management which were approved for implementation over a two year time period through 2009. The recommendations included consolidating to a single source vendor for all total recognition needs, an MDR system upgrade, a new, improved Universal Rewards Mall, better international reward selection [fulfilled in-country], an improved service award program, updated training materials and several new programs.

Single Source Vendor (2007)
The Recognition and Incentive audit, conducted in 1999, revealed that Delta was engaged with more than forty different
vendors to supply reward products and services. By 2003 that list had been streamlined to four. There was a separate vendor for MDR systems and consulting services, another for gift cards, a third for merchandise and yet another which fulfilled Service Awards, Retirement and American Express Gift Checks.

The Delta Recognition team had a vision that all total recognition consulting services, training materials, systems, rewards, customer service, as well as service and retirement awards could be consolidated to a single vendor. A single vendor would better serve Delta’s diverse needs, cut down on the amount of vendor relations required to support the programs, and better leverage Delta’s overall total recognition spending. An RFI was submitted to six potential vendor partners in the fall of 2007 and a partner was selected and notified in December. Delta will be moving forward in 2008 with a consolidated, single source vendor for all total recognition needs.

**Universal Rewards Mall (Q1, 2008)**

With more than 50,000 employees, Delta has an extremely diverse workforce. From Baby-Boomers to Millennials, a broad, value-oriented reward selection that targets all groups is needed. The current MDR platform will integrate with a new, improved Universal Rewards Mall which includes merchandise [with more than 5,000,000 items], gift cards, American Express Gift Checks, event tickets, and adventure packages. The new, approved Universal Rewards Mall will be launched in February of 2008. [See link below for details on the new Universal Rewards Mall]

![Image of Universal Rewards Mall](image-url)

**MDR Upgrade (Q2, 2008)**

The current MDR platform is a V1.5 and the supporting vendor has released several major upgrades to the core platform in the last 3-4 years. A platform upgrade will provide Delta with enhanced capabilities such as:

- Improved Usability
- Enhanced Program Wizards
- Sophisticated Budgeting Tools
- Robust Reporting Capability
- New Program Dashboards
- Program Analytics
- Flexible Communications
- Targeted Surveys
- On-Demand E-Coaching on Recognition
Service Award Enhancements (Q2, 2008)
Enhancements for the Service Award program are focused on improved personalization and award presentations such as:

- All new lapel pins with updated branding
- A supervisor packet which will include a certificate and a customized brochure for 20 and 40-year recipients
- Personalized websites for 20 and 40-year recipient gift selections
- Presentation guidelines to help managers make the presentations more personal and memorable

Addressing data challenges will also be a priority for 2008. Addressing the data challenges for Service Award delivery and reporting will also pave the way for the possibility of additional enhancements in subsequent years.

International In-Country Award Fulfillment (2009)
Currently international award options are limited to VISA cards. Delta’s goal is to eventually expand International Award options in 2009 with in-country award fulfillment.

Updating Training Materials (2008 and 2009)
The upgrade of the MDR platform will feature a series of five-minute, on-demand training tutorials on the concepts of recognition. These features will enable managers to quickly and easily access information on key recognition topics. Additionally, a more formal review of all training tools and courses is planned for 2009.

New Programs (2008 and 2009)
The Delta Recognition Team is responsive to the needs of the business and supports programs revisions and new program development as needs arise. The following new programs are planned for 2008, but are subject to change:

**Gaining Altitude Award Level Changes**
Based on feedback from managers, the Gaining Altitude FLY award level will eventually feature two sub-level awards. A manager will be able to approve for either a 5000 point award or 10,000 points [$25 or $50]. Managers expressed a desire for a lower award level to appropriately recognize lower, yet still important, levels of performance.

**Environmental Team Awards**
Delta Air Lines is environmentally focused. In keeping with this priority, in 2008 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 and there will be 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.

**International Sales Incentive Program Expansion**
The International Sales Incentive Program will be expanded concurrent with improved international reward fulfillment options.