



Delivering Results

World's Largest Express Delivery Provider Uses Carrots to Accelerate Business Results

Express delivery giant DHL knows that when it comes to delivering packages to more than 220 countries and territories, moving 136,000-plus employees in one direction and making sure everyone feels actively engaged in the process, it takes “Carrots” to keep the organization growing.

“We have aggressive goals for our organization,” says Joan Kelly, vice president of compensation and benefits and, now, Chief Carrot Officer for DHL. “The best way for us to reach those goals is to create a culture of engagement that uses recognition or Carrots to keep employees moving toward those goals.”

After DHL merged with Airborne Express in 2003, employees from both organizations needed inspiration to move in one direction. Initial employee surveys indicated significant levels of disengagement and a feeling that there was a lack of communication from management. It was the time for DHL leadership to step up and establish a lasting culture with clear mandate for employees.

Now, along with greater brand recognition, DHL has cultivated near best of class status in many key areas of employee satisfaction. Recent surveys indicate DHL has been successful at not only engaging its employees in achieving the goals of the organization, but also in training its managers to become more relevant to their employees and drive business results from the ground up.

“While we are talking about how great recognition can be for the bottom line, part of recognition’s power is in the fun it brings into the work environment.” *Joan Kelly, Vice President Compensation and Benefits*

Why Carrots?

By implementing and training its managers on the Carrot philosophy — a strategic method for creating a culture of engagement and retention based on the best-selling Carrots business leadership books by Adrian Gostick and Chester Elton — DHL has created a culture centered on people, recognition and results.

“The Carrot thing is catchy,” says Kelly. “It doesn’t take long to understand that DHL is all about high energy. Our internal slogan, ‘I’m On It,’ is more than a theme around here; it’s a way of life. Our favorite word is ‘quick.’ It was important that our recognition program complement our commitment to that fast-paced, fun attitude in the workplace. The Carrot has become an icon for fun *(continued on page 2)*



RECOGNITION SNAPSHOT

NUMBERS GAME

77 percent of workers report feeling burnout on the job. But if you feel that you just can’t take it anymore, the culprit is more likely to be the cubicle next door than the stack in your inbox or the suit in the corner office.

Difficult coworkers

16%

Unrealistic workload

15%

Tight deadlines

11%

Last-minute projects

10%

Overbearing/interfering boss

9%

Source: CareerBuilder.com online survey of 2,500 workers

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Delivering Results (continued from page 1) and positive things happening at DHL.”

And DHL’s Arizona-based IT group will be the first to tell you how positive Carrots can be. As the pilot for the company’s recognition program, the Carrots philosophy was introduced just in time to make a big difference.

“The group needed to increase employee retention and engagement,” says Kelly. “If we wanted to create a strategic recognition program that delivered real bottom line results, this was an important group.”

“Recognition is separating us from the competition . . . Recognition acts as the accelerator that can bring the company together around key objectives, the right behaviors and our values.”

Scott Northcutt, DHL Global Leadership Team

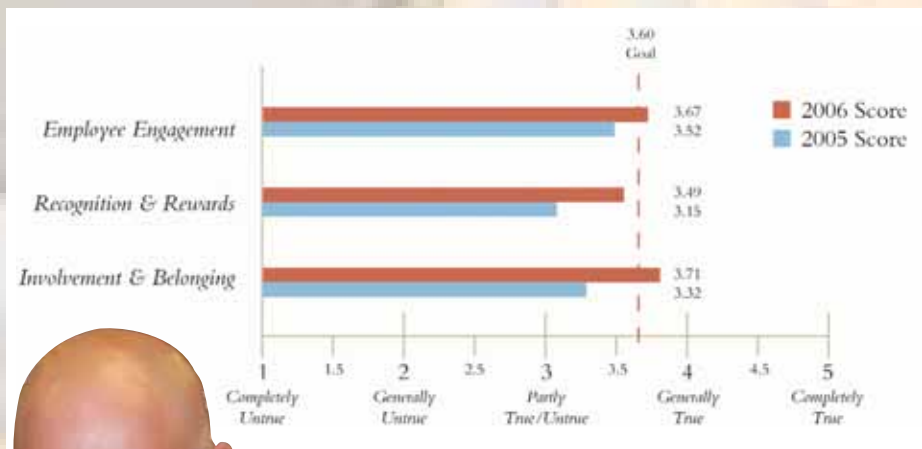
Under the philosophy that recognition, or Carrots, can act as an accelerator to greater business results while bonding people to the organization, the newly-trained IT leadership team went to work.

In the first six months, turnover within the IT department decreased 27 percent as Carrots began to affect employee morale, engagement and satisfaction.

Significant to the success of the program was the fact that DHL not only provided recognition training for all IT managers, but also trained every employee. Every person was given a copy of a Carrot recognition book, trained on recognition basics and tasked with acknowledging great behavior related to their goals.

The program has now been rolled out company wide to all of DHL’s U.S. workforce, and the organization reports higher satisfaction and engagement scores across the board.

To date, notable improvements have been made in the overall awareness and utilization of the recognition program, including a 330 percent increase in program participation in 2006. Employee satisfaction with the program, DHL, and overall engagement levels have also hit all time highs (see chart below).



“Recognition is separating us from the competition,” says Scott Northcutt of DHL’s global leadership team. “We have shown that when you have engaged employees, you in turn have higher sales, higher customer satisfaction, higher productivity and lower turnover. Recognition acts as the accelerator that can bring the company together around key objectives, the right behaviors and our values. More importantly, we’re using it as an accelerator as we become the first choice for our customers in the package delivery business. Recognition has become a core part of our culture and it is something we will continue to build on.”

DHL’s Carrot Crop

When Kelly says she wants DHL managers to fully embrace the Carrot Culture, she means it. So much so that Kelly has donned a carrot suit in management meetings to rally managers and inspire the type of energetic and fun-filled recognition she hopes every DHL employee experiences.

“I will do all I can to inspire the vision of recognition at DHL, even if that means turning myself into a carrot,” says Kelly. “Our managers have to understand that while we are talking about how great recognition can be for the bottom line, part of recognition’s power is in the fun it brings into the work environment. The carrot costume is a way for me to inject some of that fun into recognition training sessions.”

And all that fun seems to be working.

“I realize that my real task as a manager is to recognize my employees and to support the culture that we’re trying to build, not only within DHL, but within my own group,” says Scott Trumpolt, director of compensation for DHL. “Believe me — after all, I work in compensation — people don’t leave just because of the money. I’ve been here almost two years and I haven’t lost a single team member. I think that the recognition program has helped me do that.”

What Trumpolt and other DHL managers are doing is zeroing in on DHL’s seven corporate values that act as the criteria for the new recognition program.

By associating recognition with behaviors that exemplify company values and goals, Trumpolt helps employees understand the value the company places on them and their role in helping the organization achieve success.



Kelly suits up for DHL’s Carrot training sessions.



Scott Northcutt, Executive Vice President of Human Resources with DHL Compensation and Benefits team members — Scott Trumpolt and Claudia Pignetti.

“It’s hard to work somewhere where you’re not recognized for anything you do, except for your paycheck,” says Hector Aponte of DHL’s compensation team. “Little encouragements, getting a Carrot now and then, give you that little extra something that make you want to give it all you can.”

Carrots Accelerate Results

DHL’s leadership team attributes program success to its solid founding in core business principles, the energy of the Carrots philosophy and the company’s concerted effort to train managers on the how and why of recognition.

A large part of DHL’s communication strategy involves recognition training, and for that DHL turned to O.C. Tanner’s Carrot Culture Group. A specialized group of best-selling authors, speakers and trainers, the Carrot Group helps managers grasp the power of the Carrot, or how to effectively use recognition and praise to create a high performance culture.

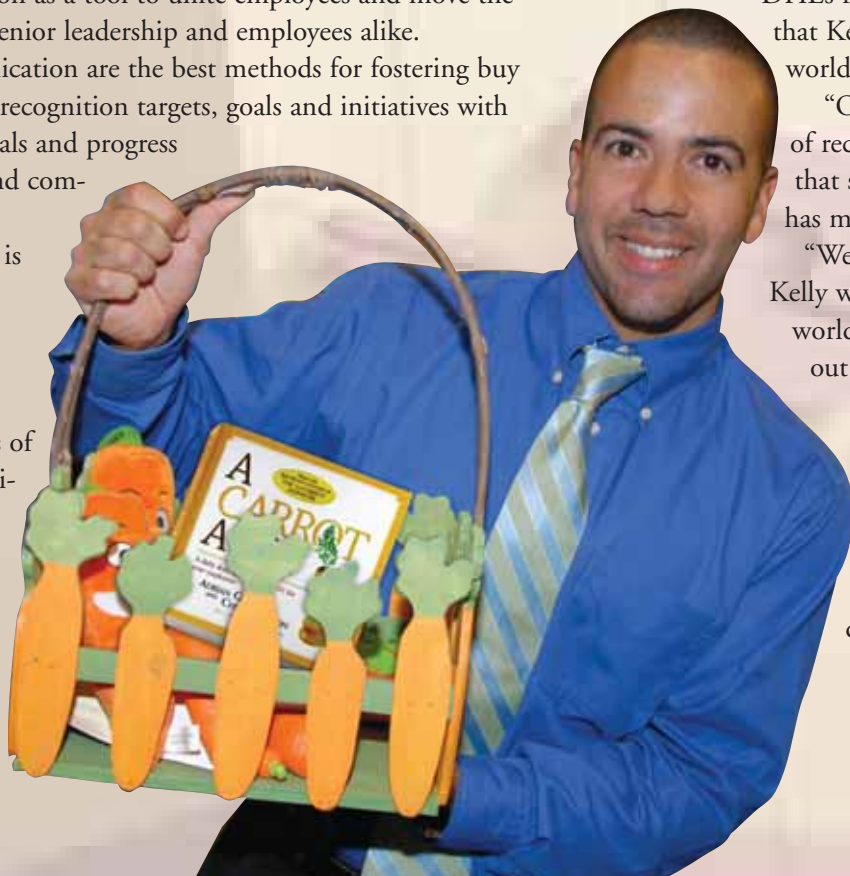
“Training helps managers understand how recognition benefits them personally — achieving goals, driving results, creating a unified, productive team. That’s what makes recognition an accelerator. It can accelerate individual and company progress toward mutual success,” says Carrots author Adrian Gostick.

Kelly and her team use recognition as a tool to unite employees and move the company forward as one, training senior leadership and employees alike.

“Training and constant communication are the best methods for fostering buy in,” says Kelly who freely shares all recognition targets, goals and initiatives with employees. Measurement charts, goals and progress reports are posted on DHL walls and communicated through the company’s Intranet site. It’s clear the company is promoting the use and impact of recognition and DHL is calling on every employee to participate.

“When people see the impact recognition is having on other areas of the organization they realize recognition is important,” says Kelly.

“Once managers understand how to use the program and the direct benefits that come from it, we usually don’t have a utilization problem. So my job is to get the tools out there and educate people on how to best use them.”



Read more about DHL’s successful use of recognition to drive results in the New York Times bestseller, *The Carrot Principle*, by Adrian Gostick and Chester Elton.

According to DHL, one of the best indicators of program success is usage. After all, if people are using the program, it has the most potential to impact the business. After falling short of aggressive participation and budget targets in 2005, DHL’s redoubled communication and training efforts paid off in 2006 when an unprecedented number of employees were recognized and the company reached the goal of \$1 million in performance recognition.

Cultivating the Carrot Crop

DHL’s recognition results in the U.S. have proved so impressive that Kelly and her team are looking to spread Carrots to DHL’s worldwide workforce.

“Our service has excelled,” reports Kelly. “The whole idea of recognizing, of inspiring and asking our employees to move that service level up and then recognizing them for doing it, has made a tremendous difference for DHL.”

“We are planning to plant Carrots around the world,” says Kelly who aims to take the program to all of DHL’s employees worldwide. “Now we have the results to take this and get it out globally.”

What’s Kelly’s advice to others trying to engage employees and move the needle on business results?

“The most important thing you can do when developing a recognition strategy and the associated programs is to make sure it fits who you are as a company,” says Kelly. “Recognition is not an initiative. It is a way of doing business.”

Hector Aponte proudly displays DHL’s carrot basket, a symbol of a job well done in the company’s compensation and benefits department.

CONGRATULATIONS!

SHRM selects Kal Mistry as Human Capital Business Leader of the Year

The Society for Human Resource Management (SHRM) recently awarded its first-ever Human Capital Business Leader of the Year Award to Kal Mistry of VITAS Healthcare Corp. The award is given to a senior human resources professional who serves as a leading force in executing organizational strategy that directly impacts an organization’s performance and prominence.

“I’ve been an HR professional for 23 years and to be recognized as the leading person in this profession is truly an honor,” says Mistry.

A Ugandan refugee of Indian descent, at the age of 13 Mistry and her family fled to England where she completed her education. After attaining a bachelor’s degree in industrial relations and personnel management from the University of East London, Mistry moved to Miami as a result of an arranged marriage in the Indian tradition. However, she eventually fled from a restrictive, abusive situation to start a new life with her two children.

Now on her own, Mistry began her career in an entry-level position with a national search firm. She soon landed a position as employment supervisor for Capital Bank in Miami and within seven years she became vice president of HR for the organization.

Now, more than 15 years and several key leadership roles later, Mistry has accepted her most mission-driven

role yet. As Senior Vice President of Human Resources for VITAS Healthcare, the U.S.’s leading provider of end-of-life care, Mistry manages the explosive growth of the organization which now employs more than 9,000 people in 16 states.

Mistry has developed several strategic initiatives designed to address VITAS’ most pressing issues: recruiting and retention. Some of Mistry’s most successful initiatives include: a national employee committee and suggestion campaign; formal rewards and recognition programs; the company’s first new hire and satisfaction surveys; a school-nursing partnership and the revamping of VITAS’ performance management program.

“I am so proud to work for VITAS and hope to continue to develop and implement initiatives to deal with the many challenges that we face,” says Mistry who believes HR must play a key role in contributing to business success. “Recruitment and retention are the key challenges for us. We need to maintain our leadership position and continue to brand ourselves as the Employer of Choice.”

O.C. Tanner extends our congratulations to Mistry and VITAS for this well-deserved honor. Read more about Mistry and her strategic work in the November 2006 issue of *HR Magazine* and in an upcoming edition of *Kudos*.



AWARD SPOTLIGHT

Dazzle with this rich, antique cushion checkerboard citrine stone framed by six brilliant cut .01ct diamonds.

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Celebrate with this bold antique cushion black onyx man's ring, featuring a distinctive textured design.



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On the cover: Bushnell H20 Waterproof Binoculars, Brighton Central Park Silverplate Ensemble, Coach Soho Signature Large Hobo Handbag

* All rings subtly include your organization's logo inside the band.

ku-dos - It may sound a bit exotic to your ear, but it's a great word. It's of Greek origin, and means to acclaim or praise someone for their achievements. *Kudos to Alice on her 15 years of service.*

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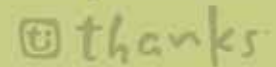
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THANKS FOR HOSPITAL WEEK

The biggest healthcare appreciation event of the year is upon us. Hospital Week (May 6-12) gives the world a chance to say thanks to those who give hope. Timed to correspond with Florence Nightingale's birthday, Hospital Week has been a main event since its introduction in 1953. That's why "Thanks" created a whole "thanks for caring" line. It makes the healthcare manager's life a little easier with thematic gift cards, printable certificates, and special "thanks for caring" gifts. Look for more news coming soon or contact your sales representative for details.



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