

# IMPLEMENTING ONLINE TOTAL REWARDS TO DRIVE EMPLOYEE ENGAGEMENT AT DEUTSCHE POST DHL

Deutsche Post DHL (DPDHL) is one of the world's leading logistics companies, operating in more than 200 countries and with a workforce in excess of 450,000 employees. In recent years, DPDHL has actively improved the way it communicates with its senior staff in order to help them gain a better understanding of their full compensation package. This case study focuses on how, in collaboration with Mercer, DPDHL has developed and implemented its online total rewards system, myRewards.

## SOME CONTEXT

Although all companies strive to give their employees the most attractive compensation package possible, they often fail to explain what that package actually includes. A snap poll during the DPDHL presentation at Mercer's 2014 EMEA Compensation and Benefits Conference showed that less than 2% of the audience felt that their employees' knowledge and appreciation of their total rewards was as good as possible. So although providing a great package is part of the battle when it comes to attracting and retaining top talent, it will only ever be partially successful if those high-performers don't fully grasp the total value of what they're receiving – communication is key.

A more effective and transparent approach to compensation and benefits (C&B) also has strong commercial imperatives. Although there are still pockets of instability, the global economy is at last emerging from the turbulence of recent years, and competition is increasing in the marketplace. Controlling costs and exploring options like outsourcing are still areas of focus, but companies are now able to devote more attention to communicating with their valued staff in a manner that is more effective – and smarter, thanks to a range of constantly evolving tech options. To do that well, though, companies need to answer two vital questions: what do employees *really* value? And what *really* engages them?

Research conducted in some of Europe's leading economies, including France, Germany, the Netherlands, and the UK, can shed some light



Beyond the actual message conveyed, the way in which information is disseminated can have a huge impact on employee engagement.

on this area.<sup>1</sup> Unsurprisingly, base pay was the most important issue for employees across all the nations surveyed, but a variety of other elements were also in the mix. Although type of work was also rated highly, issues such as bonuses and incentives, a flexible work schedule, pension and savings provision, and even a good workspace were high on workers' wish lists.

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### Example

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A UK-based Mercer survey showed that, at a baseline level, 37% of employees were satisfied with their rewards.<sup>2</sup> If communication from their employer was rated as good, however, that percentage rose to 53%; conversely, when corporate communication on pay and benefits was poor, engagement plummeted to just 11%.

A similar picture was revealed when employees were surveyed on their commitment to their employer; the national norm was 64%, but rose to 74% when communication was effective, and fell dramatically to 41% when it was sub-par.

### THE EVOLUTION OF TOTAL REWARDS SOLUTIONS

Total rewards solutions (TRS) integrate information and communication in an interactive user experience that offers both employees and managers a personalised presentation of rewards packages. TRS can genuinely add value to a business by helping to drive growth, boost engagement, and improve employee morale.

The benefits of introducing such a system are self-evident, but the logistics of actually putting one in place can be fraught, and very often data and resources are the principal stumbling blocks. For TRS to work well, both global and country-specific data from internal and external sources need to be collated, verified, and imported correctly into one single aggregation point or database. This is a major undertaking for any business, especially given the numerous (and sometimes elderly) data formats that will need to be accessed and standardised. It is essential, however, that such projects are properly resourced and managed – getting the transition right the first time is a must, otherwise you'll be delivering error-riddled communications that will undermine the whole point of the exercise.

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<sup>1</sup> Mercer. *Inside Employees' Minds: Navigating the New Rules of Engagement*, 2011.

<sup>2</sup> Mercer. *What's Working Study*, 2010.

Organisations are still only waking up to the notion that they need to actively support their TRS systems with communication – only 17% of the audience polled at the aforementioned Mercer event had such a strategy in place – and three years ago, DPDHL itself was similarly below the curve. In collaboration with Mercer, however, the company has now developed myRewards, its own total rewards statement.

#### MYREWARDS AT DPDHL

The myRewards system was created at DPDHL primarily to offer more transparency on the individual C&B packages enjoyed by executives. The company was keen to explain more clearly to its senior team the value and potential of those packages, and to emphasise how much these employees were valued across the business's many divisions – something the company hoped would ultimately encourage more lateral moves. DPDHL was also keen to raise its communication game in general – surveys conducted by the company had shown that executives were lukewarm about current efforts, and in offering them an enhanced user experience through the myRewards system, the business aimed to enter a phase of value-added, effective communications.

The myRewards project team faced an uphill task: not only were they working to a punishingly short two-month deadline, they also had to embark on a huge data collection push as there was no central C&B database at DPDHL. In the end, all relevant details were captured in one extensive Excel spreadsheet; over 200 columns were needed to capture all potential variables in the C&B schemes run across the company's multinational operations. In order to provide the best possible standard of accuracy, each data set was validated five times. Rigorous data protection and security measures were followed throughout.

#### FUNCTIONALITY

Once DPDHL had collected and verified its data, it worked with Mercer to create the myRewards interface. The system was built on a responsive design platform, meaning that however employees access the system – whether by smartphone, tablet, or laptop – the content will automatically resize to give the best possible and most consistent user experience.

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Perhaps the most user-friendly aspect of myRewards is that employees have a genuinely customised experience when they access the system; they see only those elements that apply to them. As you can see in the example below, on the landing page they can immediately view the three main components of their package – annual target cash, long-term incentives, and benefits and allowances – as a pie chart. This functionality helps employees properly understand how their package is structured and how it fits into the corporate pay philosophy, as does a modelling tool that enables them to amend various aspects of their package (in a trial environment) and see the knock-on effects. Users also have access to archived data, which allows them to track the evolution of their compensation package over time.

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**Corporate Executives myRewards** Deutsche Post DHL  
Welcome Hans Bauer | Deutsch | Logout

Home Rewards Help Manager New Hire

**Your Rewards elements**  
(as of 30 September 2012)

- Annual Target Cash: 41%**  
Learn more
- Long Term Incentives: 25%**  
Learn more
- Benefits & Allowances: 34%**  
Learn more

\* as at 30 September 2012

Show in a larger format

Welcome to **myRewards** - your Deutsche Post DHL Total Rewards Statement.

As a senior executive at DPDHL, you can expect to be rewarded for demonstrating management excellence and contributing to the success of the Group. Your rewards package is designed to be fair, market competitive and performance-based.

myRewards aims to provide you with an overview of your personal compensation and benefits status. I invite you to take a look at your rewards statement and familiarize yourself with the online tool. It offers easy access to quickly review most of your personal compensation and benefits data at a glance.

This platform is the result of close collaboration between HR units across all regions, divisions and departments. It thus reflects the current transformation towards One HR – a customer-focused, value-driven HR function that combines all our strengths.

Please take the time to explore and review myRewards. We encourage you to share your feedback, which will help us to further enrich the tool and thereby better meet your needs in the future.

**myRewards**  
View your previous years rewards package  
View 2012

**QUICK POLL**  
What is your opinion of myRewards?

0 50 100

- I find it very helpful
- I find it somewhat helpful
- I find it not helpful

**FEEDBACK**  
Click here to send an email with your comments to the myRewards team.

**Savings Modeller**  
Use the Savings Modeller to estimate your retirement income

Employees can request assistance via the “Help” function, which puts them in direct contact with the relevant HR business partner. The objective for the future is for managers to have access to the package details of all team members and to be able to toggle between their profiles to easily compare salary and package details, as the screenshot on the following page illustrates.

### Summary

**19**

Headcount of Your Team

**10.4**

Average Years of Service

**32**

Days Since Last Hire

**D**

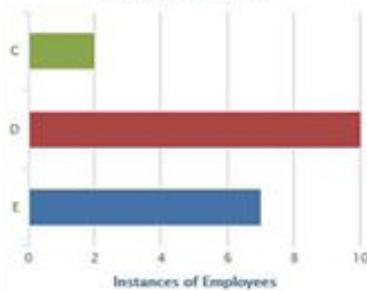
Most Common Position Grade

#### Manager Toolkit

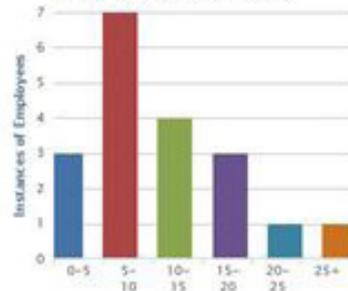
Summary

Employee Details

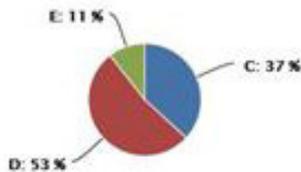
Position Summary



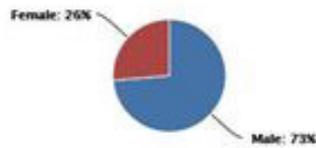
Years of Service Summary



Position Grade Summary



Gender Summary



DPDHL hopes that the system will be rolled out across the entire business eventually and will also have a role to play in maintaining the future talent pipeline. In time, the functionality should be in place for managers to be able to create “virtual statements” (such as that shown on the next page) for potential new hires that will clearly illustrate potential earnings, thus enabling HR teams to have more meaningful conversations with candidates as they decide whether to join the company.

## New Employee Criteria

Employee Data		Rewards	
First Name	<input type="text" value="Jimmy"/>	Employee Salary	\$70,000
Last Name	<input type="text" value="Newguy"/>	Cash Compensation (127%)	\$88,900
Org Level	<input type="text" value="All Org Level 1"/>	Statutory Benefits (7.6%)	\$5,320
Country	<input type="text" value="All EMEA"/>	Health & Welfare (8.3%)	\$5,810
Grade Level	<input type="text" value="All C Levels"/>	Retirement & Savings (3%)	\$2,100
<input type="button" value="Calculate Loadings %"/>		Total Rewards	\$102,130
		<input type="button" value="Create Statement"/>	
Statement			
Created For:	Jimmy Newguy		
Expires In:	30 days		
		<input type="button" value="Website"/>	<input type="button" value="PDF"/>

## THE RESPONSE TO MYREWARDS

myRewards has been warmly welcomed by DPDHL's executives; more than 85% of respondents to an internal poll stated that they have found it very helpful. The incredible accuracy of the data – across 190,000 data points and 178 sections, there was an error rate of just 0.1% – means that, for the first time, these valuable employees truly understand the components of their packages

Crucially, beyond this improved transparency on an individual level, myRewards also facilitates consistent and aligned communication across the company's global operations, allowing all executives to at last be on the same page.

The system has many positive aspects for HR managers, too; for example, it facilitates market practice comparisons across both regions and divisions, and acts as a negotiation base for lateral and/or cross-divisional moves.

With Mercer's assistance and support, DPDHL has created an innovative and valuable tool that will enable the company to deliver on its commitments to its employees for some time to come.

## ABOUT THE AUTHORS

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