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## Introduction

Federal Express (FedEx) was established by Frederick Wallace Smith in early 1970s with headquarters in Memphis, Tennessee. Initially the company offered courier services for a limited number of American cities along with their land transportation services. Today, the company has grown to become the largest courier industry in the world. The company’s mission is to ensure highest possible returns for the investors while at the same time to ensure maximum satisfaction to the stakeholders of customers, suppliers, partners and employees. FedEx as a courier has contributed to the growth of e-commerce which in turn has been responsible for its significant growth. FedEx’s e-commerce services and tools have enabled the U. S. retail industry to achieve growth in online sales three times faster than offline sales. Forrester research states that shoppers gain easy access through e commerce tools such as smart phones, and tablets and carryout e-commerce transactions which form 11 per cent of online transactions. FedEx as a courier makes all these e-commerce transactions highly hassle-free and reliable. Courier service plays a crucial role in making e-commerce in retail a possibility. FedEx realizes that a sale is not complete until the delivery of the package is made. The company has an exclusive FedEx Express e-commerce package. The company’s FedEx Home Delivery was launched in 2000 offering Saturday delivery at no extra cost. It set a one day record delivery 1. 7 million packages on the Saturday before the Mother’s Day. FedEx Smart Post was launched in 2004 enabling online retailers to reduce shipping costs for lightweight shipments. Fifty percent of online purchases are offered with free shipping by the retailers with the aid of FedEx’s low cost service. This resulted in increase in revenue for FedEx by 18 percent. FedEx introduced FedEx SameDay\*City in 2007 for same day delivery in local city within hours. In 2013, this service was extended to 15 U. S. metro cities. Today, FedEx Saturday delivery service caters to 90 percent of the U. S. population. FedEx’s network of 1800 office locations and 600 FedEx Express service centers can also keep the packages securely for customers to pick up at their convenience which helps the company cut costs by reduced delivery attempts. The company has projected $ 1 trillion global e-commerce sales by 2016. This is 1 percent of global GDP. There will be 42 % percent increase in U. S. online spending by 2017 from $ 262 billion to $ 371 billion in 2017.

## Human Relations operations in the company

There were issues in a major new service known as FedEx Express National which could not be successful for want of high employee engagement in some locations. In Latin American locations, there was high employee engagement. Employee turnover was also increasing in one of the Latin American locations. The reasons for such a poor employee engagement were claimed to factors perceived to be outside the control of the managers as other departments and other people were contributing to low employee morale. To counter the challenge, FedEx introduced 360-degree evaluation tool developed by Real Time Performance with the objectives of indentifying leadership strengths and increasing the leadership skills. With its implementation, the working environment improved steadily and the employee turnover dropped to almost nil. Employee productivity also increased. This resulted in absorption of additional workload from Mexico domestic business without additional employment. Almost 50 percent of FedEx spending goes to rewards and benefits. Salaries are increased based on individual performance. Variable pay is in place as incentives to reward individual and team contribution. Tuition assistance in the form of subsidy for continuous learning education is being offered. The company gives paid leave for marriage, maternity and paternity. Retirement scheme is in place as a financial security in retirement. Health insurance, Life and Accidental Death Insurance are also available. Company provides discount for personal shipping. Discounted airfares and free travel FedEx aircraft are offered. Hiring right employees and trusting them they would do their jobs once hired means in persuading, motivating and inspiring the employees. Delegation of authority is important because one cannot only physically do a task alone but also because one cannot not be qualified to take all the decisions. Thus, delegation which is the fundamental theme at FedEX starts from the top most hierarchy at the company. FedEx has introduced a Survey Feedback Action (SFA) which is an annual survey for improvement of Improving Software Support Service. It is a statistical measurement of employee satisfaction, and subordinates’ feedback on management’s leadership performance. Employees participate in the online survey every April and sessions are conducted by managers after tabulating the feedback for discussion of the problems within and outside. And it would ensure that the problems are solved successfully through regular feedback. Thus, SFA has become a problem-solving tool for the entire organization. If employees are still dissatisfied with management, they can resort to Guaranteed Fair Treatment (GFT) which is the respected and bench marked grievance system. This system provides for ultimate review by Smith, the founder himself. Two most important rewards programs at the FedEx include Bravo Zulu: (U. S. Navy’s semaphore signal for “ well done”). Employees are given this for their outstanding efforts and achievement on the spot. This award includes quick cash bonuses, theatre tickets, dinner gift certificates and other gifts of equal value. Another award is Golden Falcon Award: This is from the feedback of the customers in praise of employees’ efforts beyond the expectations of their job roles. The award consists of 10 shares of the company and personal visit or call by a senior executive. FedEx founder Smith’s another policy is to ensure employees’ benefiting in the success of the company. Managers monitor the performance of the employee. Employees and top management also evaluate managers’ performance annually. Smith believes that this kind of fair treatment inspires company loyalty which pays off.

## Management

FedEx Corporation’s annual revenues are now in the region of $ 45 billion. It offers integrated business applications through its companies under the reputed FedEx brand. FedEx has been one of world’s most trusted employers with 300, 000 team members focused on safety and their customers’ and communities’ needs.
Smith believes strongly in delegation. He would often say that he is yet to see one person doing a thing alone and advice employees that should work well with others to translate their plan into action. He would rightly say that they should believe in others as much they believe in themselves. He acknowledges that FedEx’s success has been due to teamwork at the company. Smith’s commitment to leadership is exemplary. He is always on the lookout for opportunities for innovations to “ change, grow and improve”. FedEx support for innovation is at every level in order to perform better than its competitors. Smith’s policy of innovation, embracing change and not to fear are a testimony for its overnight business’ success. Smith’s values are as result of his business experiences and stint with the Navy. The organization of FedEx has the corporate culture based on his beliefs. They can be summed up as: Customer Obsession that goes beyond customer’s expectation and yield customer loyalty as a result. Trust Honesty that ensures integrity, ethics and accountability and freedom to perform. Team Spirit that recognizes that a corporation is a team and that all must participate in order to succeed. Relentless achievement means setting the bar higher for self and teammates. Innovation that translates into change and challenges the status quo..
FedEx Chief Smith is an avid reader of history and has learned a lot from historical figures more than he could from modern leadership gurus. He has learnt from the philosophy of Alexander the Great who was better at wining peace than wars. He reached out to the local population after a victory in the war rather than putting them in shackles. He would give defeated leaders some authority. Thus, his kind of management style enabled him to build a largest empire ever that was equaled by Romans after several years. FedEx draws an analogy from this to the way it has handled its acquisitions. Each acquisition would end up a wholesale turnover of the management group. By taking them in to its fold, it has ensured to make two plus two equal five

## Communication, Conflict and Credence

The founder is a good communicator and a much sought after by the media CNN Reporters for his fast-breaking news. Whenever an award is given to him, he would claim to receive it on behalf of his employees. And on return to the headquarters, he promptly addresses his employees for their great service and asserts that company’s reputation is because of their service. He always emphasizes “ we” in his speeches and would maintain that but for their collaboration, it would not have been possible for their customers especially businesses to survive in a market place known to operate at “ break-neck speed”. Smith believes that the key to get good results is communication and feedback. Employees would like what they are expected of and how their performance is. They need to have report cards just as the school grading system. As part of the communication efforts, the company has closed circuit “ FX-TV” system and broadcasts all corporate meetings, briefings, periodic performance data and training courses throughout the world. The Fed-Ex examiner, web-based news letter is another source of communication for industry news and company news. The results of SFA are posted on-line for view of the entire company. Smith’s “ Open Door Policy” has been implemented in order to ensure accessibility for the employees. Employees can submit questions or post a complaint on the matters regarding benefits, hiring, seniority or vacation. This is forwarded by the employee relations managers to the management person competent to address the issue raised. The managerial staff must respond with 14 days. Thus, Smith is a person that enables others to act. He makes people understand that managers are not better people than employees to work but rather they are the people who can make employees work better than they can.

## Ethical and Social Responsibility

FedEx Chief claims that the name FedEx is synonymous with integrity and reliability. The company considers reputation as the most valuable asset. FedEx has a long history complying with law. Every director, officer and employee must comply with the policies mentioned in the company’s Code of Business Conduct and Ethics. Likewise, FedEx contractors and global service participants also must comply with part of the code relevant to them. The code does not cover every possible situation for decisions and choices to be made. Hence, the company advises to a have knowledge of FedEx policies, manuals and handbooks which are equally important. FedEx was ranked Top 50 company as adjudged by the Reputation Institute and Boston Center for Corporate citizenship in 2008. FedEx received a rating of 74. 65 and was the 13th ranked company out of the top 50 companies. Social programs, management practices and employee relations contributed more than 40 percent of the company’s reputation. Disaster relief support, alternative energy initiatives, employee recognition programs, diversity initiatives and community service of the company account for its social responsibility. As part of its top priorities of going green, FedEx plans to replace 30 per cent of truck and jet fuel with bio-fuel and other gasoline substitutes by 2030. The company already operates a few hundreds of electric-diesel hybrid trucks and has been always testing new vehicles to reduce toxic emissions. It has solar power plants to operate most of its Oakland and California businesses and is installing solar panels in the other U. S. and European locations. FedEx has consumed 1. 3 billion gallons of fuel in 2006 which is half the consumption of the U. S. Air Force. FedEx managed to reduce carbon emissions of its air fleet by 18 percent between 2005 and 2012 and 22 percent of fuel consumption by its ground fleet. Its goal is to reduce carbon emissions from planes and fuel consumption from trucks by 20 per cent by 2020 .

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