

Frederick W. Smith—FedEx

1. How do the standards set by Fred Smith for FedEx teams improve organizational performance?

Fred Smith set standards for the FedEx teams that improved organizational performance not just in the immediate future but for a prolonged period of time. Not only does Smith set standards for his company, he reinforces them through projects, such as the “golden package” idea, which renders every package as highly important and deserving of on-time delivery. (Lussier & Achua, 2010) This program maintains the notion that all customers are important, no matter their size or reputation. If FedEx allowed larger packages to take priority over smaller packages, then it would very possibly mean delays for the smaller packages. Such a procedure would introduce flaws into the system that would eventually lead to larger packages not receiving necessary service. The overall performance of the organization is improved by the “golden package” program. By awarding a monthly Circle of Excellence recognition to the best FedEx station, Fred Smith encourages teams to take responsibility for the company’s success. (Lussier & Achua, 2010) Furthermore, team members are encouraged by Fred Smith to take risks at FedEx. Failure is not punished, as Smith prefers to emphasize a “job-secure environment” to help improve organizational performance. (Lussier & Achua, 2010) Fred Smith learned about leadership during his time serving in the Marine Corps in Vietnam. According to Smith, leadership is about “getting discretionary effort out of people” and to encourage them to do their best job possible. (Smith, 2002) In order to improve organizational performance, Smith believes that communication and feedback are essential. It is important that when problems arise, employees are comfortable working as teams to resolve the problems. Fred Smith’s standards involve employees honestly committing themselves to their work. Smith believes that if workers are fully engaged, then the organization as a whole will perform well.

2. What motivates the members of FedEx to remain highly engaged in their teams?

To remain highly engaged in their teams, members of FedEx are motivated because of the environment in which they work. The environment of FedEx became team-oriented rather than being one that took a top-down approach. The support for a team-oriented approach came from the very top of FedEx, causing employees to feel secure in embracing the idea. The employees of FedEx also bought into the concept of team membership because of the benefits self-managed teams offer. By nature, self-managed teams provide members the feeling that they belong to more than a group; rather, they are part of a unit focused on the same goals. The self-managed team requires members to take ownership of their work, which yields more pronounced employee motivation, increased job satisfaction and commitment, in addition to organizational benefits, like reduced operational costs, higher productivity, and accelerated new product innovation. (Lussier & Achua, 2010) Members of FedEx assume responsibility for the results of the company, which requires the teams to work as efficient units. FedEx teams were empowered by Fred Smith and his leadership team with the authority and responsibility to improve productivity and customer service. (Lussier & Achua, 2010) This sense of authority and responsibility makes employees feel needed by FedEx. It helps them to understand that, without their hard work, FedEx would not function nearly as well as it does. In addition, responsibility is initially granted to teams

rather than individuals. Once the team knows what it must do, the members of the team understand the role they each must play in order to help FedEx succeed. When FedEx members see managers helping to load packages onto planes in a self-sacrificing manner during emergencies, it fosters a sense that everyone has a responsibility to the higher goals of making FedEx an operational success. (Lussier & Achua, 2010) Team members at FedEx are also motivated to remain highly engaged in teams, because they have opportunities to cross train in other job functions, giving them more skills and making them more marketable. (Lewis, 2003) If team members care about their careers, they will see the opportunity to cross-train as a means to become more valuable to FedEx. Members of FedEx are also motivated to remain engaged in teams, because they are tested when they are placed on teams to deal with challenging customers. (Lewis, 2003) These situations call on employees to use their unique knowledge in addition to customer relation skills to help in dealing with customers.

3. The Big Five model of personality categorizes traits into dimensions of surgency, agreeableness, adjustment, conscientiousness, and openness to experience (Chapter 2). Which of these dimensions do you think Fred Smith possesses?

Among the traits categorized by the Big Five model of personality, Fred Smith possesses certain dimensions, but not necessarily all of them. Clearly, Fred Smith is conscientious, in that he has worked hard to build and lead FedEx from its very beginning. Throughout the years, Smith has put in extra time and effort to make FedEx a success, setting an example for employees to emulate. Fred Smith has given his best over the years and expects the same from employees. This idea forms the basis for his business philosophy. (Smith, 2002)

In addition to conscientiousness, Fred Smith has also demonstrated that he possesses the openness-to-experience trait. Rather than allowing himself to become arrogant and FedEx to become complacent, Fred Smith rejected the old style of autocratic management. Smith decided to transform FedEx into a team-oriented operation, where leaders at any level of the organization could play a role in making FedEx a success. (Lussier & Achua, 2010) Smith's implementation of the "golden package" concept and the Circle of Excellence award illustrate that he does not avoid change. Rather, he initiates and embraces new ideas that have a chance of making FedEx a greater success. Indeed, Fred Smith wholeheartedly believes that constant change should be welcomed rather than avoided. (Smith, 2002) If a leader or organization refuses to accept inevitable change, they will be left behind.

Fred Smith has demonstrated the dimension of adjustment by remaining calm under pressure and in control of situations. When FedEx lost money in its early days, Smith did not panic. Instead, he focused on the company's assets, namely its ability to move packages in the right direction. (Smith, 2002) Fred Smith's positive attitude is emblematic of being emotionally stable. Having led many soldiers and been a pilot in Vietnam, Fred Smith was unafraid of becoming an entrepreneur. (Smith, 2002) When competitors went out of business, Smith did not become worried about the future of FedEx. Instead, he kept on working and believing in his company, demonstrating that he possesses a great amount of adjustment.

4. The normative leadership model identifies five leadership styles appropriate for different situations that users can select to maximize decisions. (Chapter 5) Which of the five leadership styles is practiced by FedEx team leaders?

Of the five leadership styles identified by the normative leadership model that users can select to maximize decisions for different situations, FedEx team leaders practice the facilitate style, which has continued to bring the firm success. Team leaders, or managers, work as facilitators with team members to define the problem and its parameters in addition to encouraging team members to participate in making decisions. (Lussier & Achua, 2010) FedEx clearly does not practice leadership participation styles that involve only managers making decisions. If FedEx did pursue this approach, it would be considered more of an autocratic or management-oriented company instead of a team-oriented organization. The facilitate leadership style allows FedEx to operate in a manner of self-managed teams, where team members each take on responsibility for managing themselves and their work. Each team member also assumes the role of decision maker in helping FedEx to solve problems. Having multiple people work together in teams to solve problems means that more ideas are available for selection. If one person made the decisions, then FedEx would suffer from the decision-making aspect.

5. Research on followership describes five styles of followership (see Exhibit 7.3, Chapter 7). Which of these types will work best in FedEx's team environment as described in the case, and why? Provide your answer within Part B with the previous four questions....and also post your response to Question #5 on the Discussion Forum under the related topic heading. For the Discussion Forum posting, tie this response to the previous student response unless you are the first posting.

To work best in FedEx's team environment, the five styles of followership must be examined to determine an appropriate fit. With the self-managed team environment that has been set up at FedEx, the effective follower would work better than any other followership style. In order for a team to function effectively, all of its members must be engaged in the work in terms of decision making and involvement. As LZavala357 stated in their post, the nature of FedEx teams includes accountability, also meaning that each team member must hold himself or herself accountable. If team members become alienated followers, they will be unlikely to participate when FedEx faces critical situations. In these cases, alienated followers' talents would be coveted, but these team members will not be mentally focused on contributing to solving the problem. (Lussier & Achua, 2010) If too many teams had alienated followers, the negative feelings would become an organizational problem. In critical situations, conformist followers would not provide valuable critical thinking to their teams. Instead, they would be waiting for others to contribute. After a team has made a decision or is getting close to making a decision, the conformist follower would find opportunities to be agreeable. (Lussier & Achua, 2010) They may provide optimism, but FedEx, like any organization, needs employees to be honest, especially when dealing with adverse circumstances. Conformist followers do not fit into Fred Smith's business philosophy, which emphasizes the need for truthful employees providing a reality check. (Smith, 2002) This lack of initiative exhibited by conformists would be similar to that which passive followers provide to a team. The lack of active membership would require other team members to keep passive followers up to speed on the team's work. In addition, passive followers require supervision in order to overcome their lack of commitment. (Lussier & Achua, 2010) While pragmatic followers may not be distractions to a team to the level that alienated, conformist, or passive followers would be, they are also not completely engaged in the team's work. Pragmatic followers would not be of great benefit to FedEx, as they would be political in an attempt to achieve their own self-interest. (Lussier & Achua, 2010) The pragmatic followers might be productive in their work, but they may not be great contributors to solving problems.

In cases where solving problems might benefit their careers, pragmatic followers would likely become more engaged in the team's work.

With some FedEx teams likely spread out over wide geographic areas, coordination among team members is paramount. For coordination to appear seamless, FedEx team members must be fully engaged in the team's work. Otherwise, the process of delivering packages could experience bottlenecks or even break downs. With Fred Smith's golden package program, failures to deliver packages as promised are unacceptable. The golden package program requires that all packages no matter their size be treated as critical for delivery. (Lussier & Achua, 2010) With teams composed of effective followers, FedEx managers can trust their teams to work together effectively. Team leaders, or managers, will not have to shoulder the responsibilities all by themselves, because they are part of self-managed teams composed of effective followers. Although teams at FedEx benefit greatly from effective followers, conflict is still possible, as effective followers seek to maintain their own integrity while contributing to problem solving and working hard. Teams composed of effective followers may not be made up of best friends. However, respect among team members is very likely to exist and will push them to maintain that respect by putting forth their best efforts.

References

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