

Giving employees a new lease on LiFE

How FedEx Express and the University of Memphis Global created a successful business-academic partnership designed to reduce attrition and drive growth

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Introduction

There's been an explosion of business and academic partnerships in recent years, and it isn't hard to see why. Unemployment remains low and employees need more skills than ever before. At the same time, university enrollment rates are flat in the U.S., partially due to the increasing cost of student tuition. Yet while students might not be able to afford higher education, neither can they afford to miss out on the economic advantages gained from additional credentials or a college degree. One study predicted that this set of circumstances will lead to a rise of individuals entering the workforce directly out of high school and going to work for companies that will pay for degrees or certifications.¹

Sometimes, there's a disconnect between the skills employers need and the ones employees have. In this instance, businesses and academic institutions need to partner together to curate programs that will develop the right employee skills. Classroom learning isn't always a feasible option for some employees, as line-level workers especially often don't have the time to attend an in-person class. With the proliferation of technology, universities and colleges can use the latest platforms to push learning content to their students on time and on demand.

One example of a successful business-academic collaboration is the relationship between FedEx Express and the University of Memphis Global. When FedEx Express needed to reduce attrition at its Memphis World Hub, it needed a unique solution. Building on its strong relationship with the University of Memphis, FedEx Express collaborated with UofM Global to form an innovative education program. In less than six months, UofM Global designed LiFE — a custom degree initiative designed with the needs of FedEx Express' workers in mind. By working together, FedEx Express and UofM Global made large-scale changes to their approaches to education. These changes addressed barriers to education employees might face, from finances to entrance exams, time constraints, and technology. The outcomes for both are positive: in less than a year, enrollment in LiFE has exceeded FedEx Express' expectations, which has reduced attrition and helped with recruitment. Program enrollment has also contributed to increased growth for UofM Global.

The Collaboration

FedEx Express is the largest operating company in the FedEx enterprise, with a global footprint and more than 240,000 team members worldwide. FedEx Express' world headquarters is in Memphis, Tennessee, which is also the location of the Memphis World Hub, the largest Hub in the operating system. In Memphis alone, FedEx Express employs 13,000 people and is one of the largest employers in the community. Other Hubs are in Indianapolis, Newark, New Jersey, and Oakland, California.

The University of Memphis Global is a division of the University of Memphis. Offering undergraduate and graduate degrees entirely online, UofM Global is nationally recognized for its programs.

¹Busteed, B. (2019). "This Will Be The Biggest Disruption In Higher Education." *Forbes*.

Retention, retention, retention

Work at the Memphis Hub can be grueling, and non-management workers turn over at high rates. It's a tough job, with:

- Exposure to the elements.
- Physically demanding work.
- Work during the middle of the night.

FedEx Express faced a retention challenge with its employees at the Hub. Robbin Page, vice president of human resources for FedEx Express, knew how much voluntary attrition was affecting the bottom line. It cost \$3,500 to replace each employee who voluntarily left the Hub. The higher the turnover, the more money was spent on worker replacement and onboarding costs.

Research suggests that one way organizations can keep employees is through skills development. Gallup found that 87% of millennials prioritize professional training, with career growth being very important to them.² Career development is both possible and encouraged at FedEx Express — particularly due to the company's promote-from-within culture. Also, the wider FedEx enterprise has a tuition assistance program for professional development — but Hub workers weren't taking advantage.

"I think there are two reasons that Hub workers didn't use the tuition reimbursement program," Page said. "One, it was \$3,000 per year. Now, there's no cap — you can use it in perpetuity. But as you probably know, \$3,000 doesn't go very far when you are looking to earn a college degree and starting from the beginning. If every credit hour is \$425, then employees can take maybe a couple of courses a year, which doesn't help them get a degree in the short term." The data agrees — average cost of in-state tuition is nearly \$10,000 a year.³ "The other challenge that these employees in particular have is the fact that it's a reimbursement program," Page added. "They can't outlay the money and then wait and get it reimbursed."

Encouraging employees to earn certifications or degrees can benefit both employee and employer. Having a college degree is one way to earn more than employees could otherwise.⁴ For FedEx Express, providing opportunities to earn a degree helps develop a solid pipeline of promotable individuals. But the barriers to entry were too high for many. For those employees making \$13 – \$15 an hour, something had to change.

Boosting the numbers

Successful business-academic partnerships provide universities with students and businesses with college graduates to fill vacant jobs. At the same time FedEx Express was looking into ways to slow attrition, UofM was examining how to drive growth in its Global division. Dr. Richard Irwin, executive dean of UofM Global, recalls the challenges. "Our president identified UofM Global as the way to grow the university with nontraditional students. I see business partnerships as a major component of achieving that outcome."

Dr. Irwin described the initial gestation of the collaboration with FedEx Express. "It really started with the chairman of our board Alan Graf, CFO at FedEx, telling our president that I had made a couple of presentations to our board about Global and its growth. He said, 'We'd like to initiate some discussions about Global helping us address this attrition problem.' In March of 2018, I met with FedEx Express to discuss their challenges and hopes for a program that would help them address their retention problem."

²Gallup. *The Replacement for Annual Reviews*. ³Powell, F. (2018). "See the Average Costs of Attending College in 2018-2019." *U.S. News & World Report*. ⁴Dusst, E. and Winthrop, R. (2019). "Top 6 trends in higher education." *Brookings*.

Building out a LiFE

FedEx Express knew what it wanted: reduced attrition among its Memphis Hub workers. Over the course of six months, as the initial seeds of what was eventually to become LiFE (Learning inspired by FedEx) took place, Page outlined what she was looking for:

- The program needed to be scalable and accessible across the U.S.
- There were to be no out-of-pocket tuition costs to the employee; charges must be direct billed to FedEx Express.
- The program needed to recognize and accommodate the employee situation — in terms of both time available to complete a degree program and previous earned experience.
- Entrance exams were forbidden.
- The program couldn't be tied to far-out start or end dates.

“Our goal was to remove the barriers to a secondary education, and money is one of the largest barriers,” Page said. “While our tuition assistance program could go up to \$3,000 a year, it’s a lot of money for someone working full time and making \$13 – \$15 an hour. Where are they supposed to get that money? We went through and eliminated many of the barriers to obtaining a college degree that we know our team members face, and UofM was willing to work with us to eliminate those barriers.”

To eliminate the financial concerns, FedEx Express flipped the tuition model — moving from reimbursement to direct billing. With LiFE, FedEx increased the amount of tuition it would cover yearly from \$3,000 to \$5,250 (the maximum tax-deductible amount the IRS allows). There are no caps to the number of years eligible employees can use the tuition benefit. Page recalled that no out-of-pocket tuition costs to employees was one of FedEx Express’ main requirements for the new program. “If at any time the university said we can do everything but the direct bill, it wouldn’t have happened.

We needed to have the direct bill to make sure these employees didn’t have that problem of not being able to pay the tuition upfront,” Page said.

This and other program requirements meant taking different approaches on UofM’s part. FedEx Express didn’t want to require employees to take an entrance exam to enroll — no SAT or ACT. Along with a new tuition model, LiFE needed to be as simple as possible to enroll in and use. Some employees might not be college ready or experience anxiety stemming from the last time they attended college. The barriers to entry were already putting a college education out of reach for most employees; there didn’t need to be more.

To that end, Dr. Irwin and his team at UofM Global designed LiFE with two major components: the college track, which culminates in a college degree, and LiFE Prep Academy. LiFE has several entry points, depending on an employee’s education level: some high school, high school diploma or early college work, or advanced college standing. Those employees who need to earn their high school equivalency are connected with a local adult education agency in their home city.

Employees who have more than 30 credit hours and don’t enroll in the Prep Academy are assigned a LiFE coach who has expertise in transfer evaluations — more than 50% of students in this category are bringing credits from other institutions. Their LiFE coach works with them on the admission process, helps them understand how existing credits will apply to a degree at UofM, and connects them to an academic advisor. Once students have enrolled, the LiFE coach keeps tabs on their progress and checks in periodically to provide an additional layer of support. Triaging employees based on this criteria allows the LiFE coaches to become subject-matter experts with their population and provide proactive outreach. “Sometimes students

need a little bit of calibration after that initial enthusiasm weight wears off, so our coaches work with them when that happens,” Dr. Irwin said.

The largest number of employees have completed high school but never enrolled in college or began a college degree but stopped before earning 30 credits. These employees begin in the LiFE Prep Academy, a set of four pre-existing UofM classes that have been redesigned to meet the needs of this diverse group. The competency-based Prep

Academy allows students to move at their own pace. Successful Prep Academy completion proves employees are ready for college-level work and guarantees them entrance into UofM Global without the need for admissions exams. Employees receive 12 college credit hours upon successful completion of the Prep Academy. The goal of the Prep Academy is to remove unnecessary hurdles to an education.

A 21st-century approach to learning

In the United States alone, online college course enrollment has risen at an astonishing rate — more than quadrupling in the past 15 years.⁶ UofM Global is in the vanguard in this area; its online programs are consistently top-ranked by *U.S. News & World Report*.⁷ “We’ve been doing online for years,” Dr. Irwin said. UofM Global’s programs are virtual but not impersonal — there are real people behind the webpages. (For example, online students have access to coaches and facilitators.) This technological expertise came in handy when designing LiFE. FedEx Express wanted its new program portal as clean and user-friendly as possible. UofM Global was happy to oblige, and designed a user interface with several key features:

- A custom simple sign-up.
- Responsive design.
- Basic details on a clean landing page.

These details would encourage learners to keep moving forward with learning, not bog them down.

A mobile approach

Internal data from UofM Global showed that 70% of its students access content from their mobile devices, so it was essential for the content to be responsive and mobile forward. FedEx Express agreed. For employees with long commutes, attending school either before or after work isn’t feasible. Employees spending more than two hours each day getting to and from work wouldn’t necessarily have the capacity or ability to do coursework on a desktop or even a laptop — but they just might be able to when the program is available and accessible from a tablet or smartphone. This made it necessary for mobile content to be an integral part of the program.

“We have a group of employees working at the Memphis Hub busing in from Mississippi — a two-hour journey each way,” Page said. “These are employees commuting four hours a day, which proves they really want that job. Having LiFE accessible on mobile is our way of investing in those employees and giving them opportunities to develop themselves they wouldn’t have otherwise.”

The technical side

Another goal of LiFE is the seamless transition between content and course load. UofM Global uses the Brightspace platform to personalize online content for employees. For many employees, LiFE is their first experience with online learning, so it provides a risk-free environment to explore. The landing page is clear and simple, while tutoring is integrated into the platform and available 24/7. Also, faculty members have virtual office hours, enabling employees to ask questions and get specific feedback. Courses have gamification aspects to keep employees engaged and learning.

The platform utilizes release conditions to manage employee coursework and optimize learning. Students don’t need to log in and immediately see the 200 different tasks needed to finish a course — that can be overwhelming. Release conditions break course content into bite-sized chunks, so students only need to focus on the half-dozen tasks immediately ahead of them. Ultimately there are several different versions of the Prep Academy — the release conditions differentiate between them and curate the experience for learners.

Intelligent agents (artificial system elements that monitor student behavior and send messages or notify learners based on sets of given conditions⁸) also allow for custom, personalized, and automated communication. “We use intelligent agents to encourage students to keep going,” Dr. Irwin said. “It helps us with particular communications around acknowledging and congratulating students for successful completed work.”

⁶Dusst, E. and Winthrop, R. (2019). “Top 6 trends in higher education.” *Brookings*. ⁷U.S. News & World Report. University of Memphis Online Programs. ⁸Mills, F. and Stufflebeam, R. (2005). “Introduction to Intelligent Agents.” *CCSI: Consortium on Cognitive Science Instruction*.

Recruiting

While the main impetus for LiFE was to retain, Page said the program has had an unintended boost on recruiting Hub workers. As part of its communication efforts, FedEx Express mentions LiFE in its job postings. LiFE has also factored in community outreach events.

“We started using LiFE as a retention tool, but it’s since morphed into a recruitment tool as well,” Page said. “We initially focused our efforts on managers and followed with internal information available to employees. Then, we invited the university to participate with us at external events. For example, we were the only employer at a recent expungement day in Memphis. FedEx Express was set up to take applications for employment and LiFE was of course

prominently displayed as one of the advantages of working with us. Similarly, we’ve started to hold recruitment events on UofM’s campus. So, while LiFE started as a retention tool, it’s grown into something much greater.”

Top-down communication for both current and prospective employees ensures the program remains top-of-mind as something employees should enroll in. This communication stresses the importance of a college education, focusing the attention on the benefits to the employee.

Learn to Earn

“University of Memphis (UofM) Global has collaborated with FedEx to offer FedEx Hub employees at select locations a higher education degree program, LiFE (Learning inspired by FedEx).

There are potentially no out-of-pocket costs if candidates meet the criteria and are in good academic standing.

In addition, you will have courses suited to your prior education, 24/7 tutoring and a UofM Global LiFE Coach to help you along the way.”

—from FedEx Express careers page, Days Material Handler/Warehouse position

Bringing people into the company culture

A program like LiFE doesn't get off the ground without senior leadership. But Page had their support. "We actually made the business case and received support from senior leaders before we even went to UofM," Page said, "because we had to solve for this retention problem. We were able to show that if we could retain a Hub employee for longer than 90 days, even if those employees end up using the whole \$5,250 (which you can't possibly do in such a short amount of time) then we've still come out ahead."

A strong part of FedEx's company culture is its commitment to internal promotions. "Every job that needs to be filled, managing director and below, is first posted internally, and only internal candidates are considered," Page said. For an internal promotion strategy to be successful, organizations need strong candidates to fill those roles. This has been another positive outcome of LiFE. By

paying for and encouraging employees to go to college and earn their degrees, FedEx Express is building out its pipeline for internal promotions.

Because UofM Global designed LiFE to culminate with a leadership degree, employees end the program with the skills they need for management roles. "When we shared our initial thoughts with FedEx Express about what degree we felt would be the best fit for LiFE, they jumped for joy," Dr. Irwin said. "What we thought was the best targeted program for this population speaks to their employees. This is a leadership program. It says to employees, 'We want you to be leaders.'"

Telling everyone about the program

"Results, Order, Caring and Learning are the four tenets of the whole FedEx People Service Profit culture, and we needed our program to align to those aspects," Page said. To make LiFE successful, FedEx Express needed to market it and communicate both the program's availability and its potential benefits to employees. The full-court marketing efforts consisted of:

- Marketing materials.
- Hub-specific fliers with the tagline "Learn to Earn," sharing the monetary value of a higher education.
- Visible LiFE logo and banners in each of the Hubs.

"We participated in the launch of other Hubs besides Memphis," Dr. Irwin said. "We did a ribbon cutting and made the process very ceremonial. Now, one of our goals is to return to each of those spots and keep that enthusiasm going."

As another example of a successful business-academic partnership, UofM Global has an employee at the Memphis Hub. "She's on the ground during new-hire orientation, recruiting and verifying employees for the program," Dr. Irwin said.

Business performance results

Six months is an incredibly short time to design a full-scale education program, yet that's what UofM accomplished. By August 2018, LiFE was ready to go. The program immediately garnered significant interest. When UofM Global received signups, it would verify with FedEx Express biweekly to ensure the employees signing up were eligible. More than 3,000 FedEx Express workers are currently enrolled.

While the program started in Memphis, it hasn't been confined there. As an early indicator of success, interest from across the FedEx Express network drove program expansion to other Hubs in Indianapolis and Newark. Also, while not official Hubs, FedEx Express' major sort locations in Oakland and Los Angeles wanted to participate, so the program was made available to them as well. "I received a ton of calls from Hub management in Newark, Oakland, and L.A., all asking if their employees could participate," Page recalled. "These calls were especially surprising because by that point it was November. We don't typically roll out programs at FedEx in November — we need to start gearing up for our peak shipping season. But we did, and the managers at the other Hubs and locations wanted in. Management interest in trying this to retain employees was that high."

It's been less than a year, but LiFE students are quickly moving through the program. One employee has already received his high school equivalency, while many more are moving from Prep Academy to the college degree program. A few employees who came into the program with a high number of college credits have already graduated.

There's also been amazing feedback, both from students and the greater community. "We're the biggest employer in the state of Tennessee, and UofM isn't far behind," Page said. "Anything impacting us as a company or them as an academic institution will also be felt in the community at large."

What Success Looks Like

One of LiFE's biggest successes is its ability to give FedEx Express workers closure on their education. An example is a long-term employee who dropped out of college 25 years ago with 100 earned credit hours. Thanks to LiFE, the employee was able to apply those credit hours toward a fee-free degree, which he'll finish this year.

Conclusion

Business-academic partnerships will be critical for business success in the coming years. Organizations will need college-educated workers with the skills necessary to thrive in the new world of work. By partnering with academia, businesses can guide the development of the skills they need for their workers. For universities, these partnerships can drive growth through increased enrollment of nontraditional students. These partnerships need to hit the ground running and show results quickly — today's speed of business requires a rapid response to immediate challenges.

Its recent collaboration with FedEx Express allowed UofM Global to reexamine approaches to enrolling nontraditional students, eliminating barriers to college admission and making the experience better for all. “In the past, there's always been this trajectory of, ‘Go to college and then get a job,’” Dr. Irwin said. “With programs like LiFE and the Prep Academy, we're flipping the model on its head.

Now you get a job so you can get supported going to college. I think the beauty of what we have going on is to provide both of those together. And FedEx's promote-from-within culture is so strong that if you get in there and do well and stick with it, you're going to move along.”

For FedEx Express, measurement of the program's impact will be a long-term project. “We have the enrollment numbers, and now we've got to maintain them and make sure people are matriculating,” Page said. “However, currently we have more utilization in this program than we do the traditional tuition reimbursement program. I want to make sure program participation and enthusiasm continues and it really is changing lives.”

About

FedEx Express

In 1965, Yale University undergraduate Frederick W. Smith wrote a term paper about the passenger route systems used by most airfreight shippers, which he viewed as economically inadequate. A few years later, his term paper came to life when the company he started, Federal Express, incorporated in June 1971. It officially began operations on April 17, 1973, with the launch of 14 small aircraft from Memphis International Airport. On that night, they delivered 186 packages to 25 U.S. cities from Rochester, New York, to Miami, Florida. Though the Memphis, Tennessee based company did not show a profit until July 1975, it soon became the marketplace's premier carrier of high-priority goods and the standard-setter for the industry it established. FedEx Express has continued to evolve and expand over the course of the first decades of the 21st century and is the largest express transportation company in the world. Learn more at www.FedEx.com.

University of Memphis Global

Founded in 1912, the University of Memphis is nationally-recognized for its academic, research and athletic programs. The UofM educates more than 21,000 students and awards more than 4,000 degrees annually. UofM Global is the University's online collective of degree offerings. UofM Global offers undergraduate degrees in 24 areas of study, 20 master's level degree programs, 3 doctoral level programs and 13 graduate certificates. Areas of study include the arts, business, education, engineering, health professions, humanities and social science. The online classrooms draw on the resources of the Carnegie ranked Tier-II research university. Learn more at uofmglobal.memphis.edu.

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