The Case Study provides an opportunity for applicants to put Psychology and Science into practice (as expected in the program). It represents a realistic preview of how one might be engaged to drive consultative intervention aimed at improving conditions for employers and employees alike. This is a business case that asks you to write about the company, United Continental Holdings Inc. (UAL), commonly referred to as United Airlines, from an I/O Psychology vantage point. In addition, it will allow for the inclusion of personal strengths, key background experiences, and personal perspective. Include personal challenges, priorities, goals, and achievements that might bear on candidacy for admissions to the program. Bring your own history, previous studies, business experiences, and interests into focus to address the real-world human capital challenges and opportunities the case presents.

The United Airlines Case:

Background Summary / Business Conditions

Flying isn’t what it used to be. Complaints are up, and routes and capacity have been reduced post the recession.

For the past few years, costs have been relatively lower for airlines, especially for fuel. But the “honeymoon” phase after bankruptcy and “union busting” for many of the airlines has ended. It has become tougher, even with limited capacity and a majority of planes at key times now full.

This leaves little room for events like the weather disasters of late, which caused thousands of flights delayed, diverted or cancelled. Airlines face rebooking which can be formidable, taking days or weeks to reseat passengers, or losing revenues altogether to refunds. It hasn’t been easy.

The airlines have adapted by pushing fees and added service levels, generating revenue outside of airfare. Some argue they might not even be classified transportation companies anymore with larger portions of revenues generated in fees. Airlines have subdivided the cabins into multiple parts designating higher status and service, for some, while allowing “cheap seats” to compete on price at the low end. Others cut to bare basics and no baggage.
One of the big legacy carriers is branded United Airlines, a key component of United Continental Holdings Inc. It was developed out of a merger of former United and Continental airlines units. The tie-up improved service reach for customers on an expanded route network. But it also came with service cutbacks and cost give-backs for new added fees for baggage, changes, and credit cards (to accrue mileage for free trips and allow lounge access).

With over 88,000 staff worldwide, United Airlines has one of the most enviable route networks. Hubs in Newark and Houston accommodate business travelers. The firm earned revenue of $36 billion in 2016. Though it has struggled to churn enough profit. CEO Oscar Munoz has suffered a serious personal medical setback, and there has been considerable union, employee, and shareholder pushback. Security Analysts have grown impatient and concerned.

**Employee Values / Vision / and Loyalty Adjustment**

Given a series of setbacks or “gaffes” of late, United employees are still getting used to the new corporate identity. Threats of many kinds, some self-inflicted serve to rattle confidence and collegiality. Reputation in the news isn’t great. Passengers recount many stories of inefficiency, lack of information, uncaring staff, and repeated delays.

Continental staff before the merger prided themselves on being among the best airlines, whereas the hope was that the United unit would be improved to that standard. Now staff combine under the United brand, and unfortunately many contend that service and timeliness have decreased markedly.

**Leadership and Management Reorientation**

After the latest quarter of earnings, CEO Oscar Munoz admitted that the firm may have “dug a hole” and was having trouble emerging from it. Results have not matched investor expectations, nor competitor earning rates.

Attempting to undercut to compete against the lowest tier competition on price eats into per passenger revenues. So management must now find ways to expand revenues, reverse the trends, and rebuild the brand. With prime routes and equipment, and gates in key airports, United has potential to be among the most coveted seats in the skies. Yet, it struggles to not be ridiculed as the “airline of last resort.”

It will take significant turnaround to get United competitive again, full up in terms of capacity, and “viable” in the eyes of many potential investors and customers alike, with a coherent strategy and growth prospects. As it is, the firm downgraded expectations for the 2017 final quarter and anticipated further price competition.

Stock market analysts and shareholders have questioned the leadership on strategic intent. Patience is thin. A tough end of year holiday travel period could possibly result in management shakeup. Lack of confidence in executives will certainly result in even more challenges within the firm and from the outside.
**Working Conditions and Employee Morale**

Earlier this year video footage went viral of a passenger being forcibly removed from a plane. The passenger suffered a broken nose and many cuts and bruises being dragged down the aisle against his will. The news became even worse for United when it was reported that seats were overbooked and the airline preferred to offer seats to United crew, to facilitate flights from the flight’s ultimate destination, rather than to paying passengers.

A boycott ensued. A campaign even queried “How much extra would you spend to avoid flying United?” A tough follow-on to the airline once known for “Fly the friendly skies...”. Policy changes have been made, steps taken, and apologies offered. But those seem to have come late, and only as a result of public outcry, not from the airline’s own resolve to see, admit, and correct their errors, as might have been expected immediately after events occurred.

In addition, United has faced fines for insufficient plane inspection. Contentious negotiations with plane mechanics may suggest difficulties. Airline image and safety depend on customer expectations that travel is safe and maintenance double-checked. Yet, staff can be reported as often challenged by demand and weather, so as to be potentially overworked and overwhelmed.

Flight Attendants face more conflict and inappropriate behavior in the skies. Incidents are up substantially. So United will need to be aware of, focused on, and prepared to take action to be sure staff are entirely behind the airline doing their best. That isn’t a given at the current juncture in such difficult conditions.

You are asked to intervene to assist the firm and United’s employees to figure out what to do, when, and how.
Case Study Guidelines:

Write a 1,500 word case study describing how you might advise and help United Continental Holdings Inc. The interpersonal issues and customer service challenges must be addressed on multiple levels including operational, technology, employee engagement, leadership, morale and commitment – and put into the larger context of a slow growth global economy, increased competition, and possibly added government imposition on air traffic and control subsidy.

Specifically, what are the major areas of concern you have about the current situation at United in terms of the challenges in the current business context? What data might be gathered and analyzed to understand the concerns and the viability of potential solutions? What might be involved to address staff concerns? In what ways might the issues parallel those for other competitors under scrutiny vs. spring uniquely from this specific situation, leadership, and staff at United?

In what ways might leadership positioning and the relationships with employees improve? What benefits might be gained by suggested consultative intervention at United? What risks or downsides might need to be avoided?

What tradeoffs need to be evaluated? How might individual staff, work teams, and the overarching organization as a whole be involved to understand what to do now? How could successful change be measured? What might indicate that the intervention had addressed the most important problems needing to be addressed? What might a realistic practical business solution involve and entail?

From a personal and professional development perspective, what components from previous training, education, and work experience would help you to investigate, inform and improve the situation for UAL? Why might you be the best candidate to address these issues? What personal strengths, skills and special abilities could be utilized so as to be selected in competition to earn this assignment? How might taking on this assignment through the NYU I/O Psychology program address your professional development and career aspirations?

Your case study must be unique and an original work of your own creation. The document submitted must not exceed 1,500 words, not including references. The essay should be solely of your own writing and ideas. Content beyond 1,500 words will not be considered. As science, parsimony is key. You may cite research, or other ideas by including explicit references for any external resources paraphrased or copied from other sources. Evidence that this case study has quoted material or ideas lifted without proper reference or written by third parties will result in application rejection. This assignment is designed to personally engage and reflect your understanding of models of psychology, business, science, analytical methods, and your professional development goals in the service of applied problem solving. Therefore, minimize restating the problem and information given in the prompt and focus on value-added ideas: prioritizing, ordering and answering questions, providing solutions.
In addition, create a short video (no more than 5 minutes in length) of yourself addressing two topics:

- Deliver an executive summary of your approach to the case. The key topics and resolution suggested should be professionally presented as if to an organization in a business format and context.
- Explain your career goals and interests as they relate to the approach presented in the case study.

You will find detailed instructions for uploading your written case study and the URL link to your video in the online application. (When you are logged in to the online application, click “Psychology” in the list of links on the left, then scroll down the page to “Industrial/Organizational Applicants Only”.)

Recent relevant media references and sources utilized for this case include:


You may also want to consider other reference books, magazines, journal articles, or business sources to inform your thinking about I/O Psychology and the particular issues involved within the United Airlines case.