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, Fiat Chrysler, 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 Fiat Chrysler (FCA) Case:

**Background Summary / Business Conditions**

For many years, the Agnelli family in Italy have controlled the primary interest in the automotive concern synonymous with Italian motorsports (including Ferrari). Fiat built a worldwide following, in recent times, with their innovative small car, the 500. The styles and brands have been immediately recognizable, if sometimes not particularly reliable, or “fussy” in engineering.

The Fiat empire had largely been shrinking, when in 2004 an iconic CEO, Sergio Marchionne, was anointed to lead the firm out of the economic doldrums. Creativity came hard, and massive cuts were needed. But Marchionne turned the concern around, and brought it to new heights.

In a particularly bold move, Marchionne literally negotiated the takeover of U.S. giant Chrysler basically “for free” from the U.S. government in the midst of the financial crisis, heavily indebted and losing market share. This might have been his biggest triumph, or his most substantial mistake. The jury remains out on whether the giant automaker can once again reinvent itself to market viability.

Sadly, the driving force, Marchionne, died suddenly in July, after surgery, unexpectedly. His death has left the firm reeling and requiring immediate changes. The Board of Directors and the Agnelli family stepped in to announce that an American, Mike Manly, from the Chrysler brands, would take Sergio’s place as CEO.
This transition is a big step. In one sense, the personal tragedy for Marchionne may unlock vast potential, at a time when change is most needed. Revenues are down, market share has not been growing, and the firm has been slow to move away from sedans and toward electric vehicles. Where other auto manufacturers have moved to more popular SUVs, Fiat Chrysler has yet to invest much there.

As a result of the anointment of Mike Manly as the new CEO, departures have begun. The most senior Italian, Alfredo Altavilla, head of Europe and Middle East, resigned. He believed he was the front runner, and was sorely upset when passed over for the top job. This won’t help the remaining remnants of the culture clash within the firm between the Italian traditionalists, and the U.S. auto juggernaut. Despite his leading the successful Ram Trucks and Jeep brands, the remaining Chrysler assets haven’t been delivering winning models, nor profits. But then again, the Fiat concerns in Europe and abroad were not doing a whole lot better overall.

Amidst a background of tariffs, trade wars, and populist sentiments in Italian politics pushing to renegotiate or leave the European Union, this new CEO faces many obstacles. Before his death, Marchionne was even advocating mergers within automotive to ensure survival. The basic components of steel and aluminum are under intense pressure as the center of the debate around fair business practice and trade.

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

Staff at Fiat Chrysler once again face the prospect of layoffs and restructuring. Major changes are needed. Those long held family values instilled by the Agnellis may need to be retuned for competitive pressures. Pet products and losing production lines may not withstand analyst or shareholder pressures.

For many years, Fiat Chrysler staff rallied around their charismatic leader, Marchionne. They did not always appreciate his choices, but they understood his allegiance and alliances, and followed his direction. They might be characterized potentially as loyal to the man as to the brands. Suddenly that unifying presence is gone.

Italian workers, the Agnellis, and even customers find themselves aligned to a mostly “hidden” American. Quiet, reserved, and not nearly the showman that Marchionne embodied, few understand what Manly stands for, how he leads, and what his priorities might be. This will take significant adjustment to get used to a new regime, after such sudden unexpected turn of events.

**Leadership and Management Reorientation**

The latest quarterly results reported for Fiat Chrysler portend troubling signs. Earnings were decreasing, sales sluggish, and new models not evident on the horizon to boost revenues. This will take some reversing, amidst great competitive pressures. Or Manly may need to think on Marchionne’s urge to merge to survive. Rebuffed by an offer to GM, Marchionne had recently proposed a merger with a Chinese automaker, as sales are down in Asia (at a loss) and where much of the coming market will develop.
This abrupt succession calls into question the HR processes and procedures in place, as apparently, it had not been clear, or evident, what might happen beyond Marchionne. Somewhat ironic, however, as he was scheduled to retire in 2019. Leadership will now face departures and disparagement. Already some have commented on the likelihood the new CEO can pull the ranks together to meet the business demands.

All managers at Fiat Chrysler must reorient to look carefully at costs, choices, and priorities moving forward. Turnaround is needed yet again. Innovation and change must be the norm, not the exception. Difficult decisions must be made quickly, and swift actions will not allow much time for debate, socialization, or group approval.

**Working Conditions and Employee Morale**

Recent charges and press rumors suggest that Fiat Chrysler had been charged with suspect business practices. Labor negotiations in automotive have always been challenging. Unions demand rich benefits and hefty pensions. At a time when technology may be set to replace even more significant numbers of auto workers, unions are digging in their heels.

New and different types of employees may need to take the lead, shoving out older workers, unfamiliar with the technologies of driverless cars. Software and services may be the bread and butter ahead, rather than the auto itself ironically (or at least for add on revenue generation). Fiat Chrysler is behind, but has partnered with Waymo, as a shot over the bow, signaling a shift. Employees will need to re-engage with the brand, the enterprise, and the future, quickly, and fully, while under attack in older manufacturing context, in the new age of a driverless car or truck. New employees will have to be coaxed to join a stodgy old auto firm rather than a brilliant new startup. Attracting, retaining, and rewarding the staff will not be easy in these new realities.

You are asked to intervene to assist the firm and Fiat Chrysler’s staff 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 Fiat Chrysler. 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 Fiat Chrysler 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 Fiat Chrysler?

In what ways might leadership positioning and the relationships with employees improve? What benefits might be gained by suggested consultative intervention at Fiat Chrysler? 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 Fiat Chrysler? 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.

(more)
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 Fiat Chrysler case.