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of  
INTERNATIONAL HOSPITALITY EDUCATION

**B.Sc. International Hospitality Management**

Type: Semester End Assessment (SEA)

Date: 15/01/2026

Batch and term: 2023-2026 and Term VIII

Total Marks: 25

Time Duration: 2 Hours

Course Name: Organisational Behaviour 1

Course Code: IHOH113

Faculty: Ms. Nelissa Alcasoas

This paper contains 04 pages in addition to the cover page.

Full Name of the Student: \_\_\_\_\_

Permanent Registration Number: \_\_\_\_\_ Class: \_\_\_\_\_

Marks Obtained: \_\_\_\_\_ Faculty Signature: \_\_\_\_\_ Invigilator Signature: \_\_\_\_\_

Main Answer sheet	Number of Supplements	Total number of Answer sheets
01		

- Carefully read each question at the outset of the paper. All queries must be addressed to the faculty within the first 10 minutes of the examination.
- Students are expected to maintain complete silence in the examination hall and should not interact or communicate with their peers.
- Students will carry only their essential stationery like pens, pencils, ruler and simple calculators into the examination hall.
- Bags, eatables, drinks, etc. will not be allowed inside the hall with the exception of a bottle of water.
- Cell phones, electronic data banks, scientific calculators and smart/beeping watches are prohibited in the examination hall.
- Students will answer the examination with only blue/ black ball point pens unless informed differently by faculty. Avoid usage of green or red ink pens on the answer sheet.
- Dictionaries will not be allowed into examination hall unless informed differently by faculty.



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## **Answer All Questions**

### **Case Study - Allied Industries**

In a few minutes, Aditya Puri, CEO of Allied, is due to meet Ronnie Gonsalvez, President of Blue Cross—its medical supplies subsidiary. He has just finished reading, and re-reading, three memos exchanged between them over the past 18 months.

*Date: January 15, 2017*

*To: Ronnie Gonsalvez, CFO, Allied Industries*

*From: Aditya Puri, Chairman & CEO, Allied Industries*

*Subject: Your appointment as President, Blue Cross*

*You are aware that Allied Industries recently acquired the medical supplies business of Blue Cross. Dr. Ganguly, founder and president of the company, has agreed to retire, and in line with our earlier discussion, I'm appointing you to replace him. At the outset, however, I want to warn you that Blue Cross has a history of mismanagement. As a distributor of medical items, its sales last year totaled approximately Rs. 30 crores, with net earnings of only Rs. 1.2 crores. Your job is to make sales and profits compatible with Allied standards. You are reminded that it is my policy to call for an independent evaluation of company progress and your performance as president after 18 months.*

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*September 10, 2018*

*To: Ronnie Gonsalvez, President, Blue Cross*

*From: Aditya Puri, Chairman & CEO, Allied Industries*

*Subject: Serious Problems at Blue Cross*



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*As per our company policy, consultants recently conducted an evaluation of Blue Cross. In a relatively short period, you have increased sales and profits to meet Allied standards. But I am alarmed at some other aspects of your performance. I am told that 3 out of 9 VPs resigned during the past 18 months—and you terminated 4 others. An employee opinion survey indicates that morale is low; and your managerial appointees are regarded as hard-nosed perfectionists obsessed with quotas and profits. Employees report that there is now ruthless competition between departments and regions. They also complain that the collegial, family-oriented culture nurtured by Dr Ganguly has been replaced by a dog-eat-dog situation with little attention to employees' needs and feelings. After you've studied the enclosed report, let us meet to discuss these findings. I am particularly concerned with the final conclusion that "a form of corporate cancer seems to be spreading throughout Blue Cross"*

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*Date: September 28, 2018*

*To: Mr. Aditya Puri*

*From: Ronnie Gonsalvez*

*Subject: The so-called 'Serious Problem'*

*I've received your memo of September 10 and reviewed the consultant's report. When you appointed me, I was instructed to take over an underperforming company and turn it around. I have done so in 18 months.*

*Blue Cross was a family-owned business that by your own admission had been mismanaged for years. I found a group of managers with an average company tenure of 22 years. They believed their jobs were guaranteed for life. Dr. Ganguly had centralized all personnel decisions so that only he could fire an employee. He tolerated mediocre performance. All employees were paid on a straight salary basis with seniority the sole criterion for advancement. Some emphasis was given to increasing sales each year, but none was given to reducing costs and increasing profits. Employees did indeed find the company a fun place to work, swore loyalty to Dr. Ganguly, and expressed a feeling of being part of a 'family'. Such attitudes were, however, accompanied by mediocrity, incompetence, and poor performance.*



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*I found it necessary to implement immediate strategic changes in five areas: the organization's structure, employee rewards and incentives, management information systems, allocation of resources, and leadership style. As a result, Sales was reorganized into divisions, regions, and districts. Managers that I felt were incompetent and / or lacking in commitment to my objectives and methods were replaced. Unproductive and mediocre employees were encouraged to find jobs elsewhere. Authority for staffing and compensation was decentralized to units at the division / region levels. Managers of those units were informed that along with their authority went responsibility for reducing costs, and increasing sales and profits. Each unit was established as a profit center. A new department was established and charged with reviewing performance of those units. Improved accounting and control systems were introduced. An MBO program was developed to establish standards and monitor performance. Performance appraisals are now required for all employees. To encourage more aggressive action, bonuses and incentives are offered to managers of units showing increased profits. A commission plan based on measurable sales and profit performance has replaced straight salaries. Resources are allocated to units based on their performance.*

*My own leadership style has probably represented the most traumatic change for employees. Internal competition is a formally mandated policy throughout Blue Cross. It has been responsible for much of the progress achieved to date. Progress, however, is never made without costs, and I recognize that employees are not having as much fun as in the past. I was employed to achieve results and not to ensure that employees remain secure and happy in their work. Don't let a few 'crybabies' unable to adjust to changes lead you to believe that problems take precedence over profits. Does it mean that I am not people-oriented if I believe it is unlikely that a spirit of aggressiveness and competitiveness can coexist with an atmosphere of cooperativeness and family-orientation? Do you feel that we are obligated to employees because of past practices? Frankly, I thought I had your support to do whatever was necessary to get this company turned around. In our meeting, tell me if think my approaches have been wrong, and if so, tell me what I should have done differently.*

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Just as Puri finished reading the third memo, his secretary informed him that Ronnie had arrived for their scheduled meeting. He was wondering what to say to him—and how.

**Questions**

1. Do you have any suggestions for Puri? Critically examine the events in the case, and analyze the leadership of the key personalities (Aditya Puri, Ronnie Gonsalvez & Dr. Ganguly), and their actions. **(15 Marks)**
2. Examine what Aditya Puri and Ronnie Gonsalvez can do to build a better team and work environment for the future? **(10 Marks)**