



Indian Institute of Management Kozhikode

Case Study

IIMK/CS/136/MM/2020/23

March 2020

Lotus Pharmaceuticals - Integritytest

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LOTUS PHARMACEUTICALS - INTEGRITYTEST¹

Lotus Pharmaceuticals (LP) is a Hyderabad based generic pharmaceutical company with interests in antibiotics. It started its operations in 2012 with a mere 20 employees of which about 5 were in sales. It grew fast in the last decade and is now planning to cover pan India.

Lotus Padmanaba Chary (LBC) has started this company. He was earlier with Alliance Life Sciences as Head of R&D. While working he had filed several patents on his name. After earning money, he returned to India in 2011 and started Lotus Pharmaceuticals. Since his childhood, LBC was imbued with characteristics of integrity and honesty. He believed that growth can come any day, but once values are lost, their recovery is almost impossible.

Over the last two years, he was eyeing the East India markets comprising W.Bengal, Odissa and N-E states. He recently got an approval from his investors to scale up the operations. As soon as he got permission, he decided to set up a sales office in Kolkata and released an advertisement for recruiting sales managers. Over the month or so, he received nearly 300 applications for the position and he finalised 30 of them on the pre designated criteria of education in B.Pharm, experience and a Psychometric test (16PF). These 30 candidates had to go through a series of tests in Kolkata to finalise their appointment.

At the beginning of the assessment center, LPC wanted to take an Integrity test and designed a series of 15 questions that the prospective reps have to arrange in a sequence of increasingly acceptable behaviours. These 15 statements are given in Appendix - 1.

In order to evaluate the candidates, he had to arrange the statements in the increasing order of acceptability. Can you arrange them in order?

¹ Prof. Sridhar Guda and Prof. Anjan Swain prepared this case study as the basis for class discussion rather than to illustrate either effective or ineffective handling of a situation. Note that the names are changed for confidentiality. This is a fictitious case drawn from experience sharing of executives.

APPENDIX – I :SCENARIOS

1. A senior sales representative of your company has been the best sales rep for the past five years consecutively. Unknown till now was that he runs a private business on his wife's name, wherein he distributes your competitor products in the same territory. Despite knowing this, Regional Manager still kept him in his team.
2. A sales representative accepts a foreign wine bottle from a local distributor after a successful year.
3. You overheard members talking in the room about a rep who works under you has colluded with a distributor for some personal gains. He had not achieved the budget for some years now and is seriously in need of achieving numbers this year, else he may lose his job.
4. At an annual sales meet, a senior sales representative molested a female sales representative.
5. A sales representative gets into an altercation and in the heat of the situation beats the customer.
6. A manager asks you to lie to a disciplinary hearing to protect his career.
7. Two members of your sales team fabricate a story to coverup inflated achievement of targets this year.
8. A senior sales executive does not distribute the freebies or samples to the customers but has a tie – up with the distributor to share the profits from its sales.
9. A senior sales representative started using samples for personal consumption.
10. After a late-night party with key customers, a senior sales representative was tested positive for intake of alcohol by traffic police. He took the name of the company and told it as essential part of the duty to entertain the customers.
11. You and another friend in your sales team are close for several years. Recently he informs you that he has an infections disease. His performance did not decrease. Now, you are concerned about how others see you and hence started distancing from him.

12. One of your salespeople recently experienced two personal tragedies; got divorced and parents died in an accident. Sales from the territory is not happening as desired. Your boss will be on your back if the numbers do not come. Hence you asked him to resign
13. You find that a recently inducted sales manager did not attend a training program at IIM as stated on his resume. He infact has not graduated also. You know his supposed IIM training was instrumental in getting him hired.
14. Despite seeing that one of the stores is selling drugs post their expiry date, a senior sales representative does not act. These drugs were sold couple of months back under a scheme and the store purchased it in bulk.
15. This morning you got a mail from a customer about a new drug launch in the market. This new drug has potential to destabilize your brand. You forwarded the message to your R&D department and your sales manager.

Note: Point 12 and 13 inspired from another source. Pls contact the author for the source