



## Message from CMD

**B**EML's core values are **F**ocus on Customer, **I**nnovation & Technology, **R**eliability & Quality, **S**peed and Responsiveness and **T**rust & **T**eamwork, which we have christened as '**BEML FIRST**'. We being socially responsible corporate citizens help each other succeed through integrity, trust, respect, transparency and teamwork.

Towards this objective, I congratulate BEML vigilance department for designing and successfully conducting a programme '**PRAYAAS**'- an integrated approach to address the '**Ethical Dilemmas at Workplace**' in BEML. This programme has set in standards to make appropriate decisions in less time with business ethics as a guiding principle.

I am happy to note that Vigilance Awareness Week- 2019 is being observed throughout the organization from 28<sup>th</sup> October 2019 to 2<sup>nd</sup> November 2019 and on this occasion our vigilance department is bringing out a special souvenir **PRAYAAS - A Journey towards Integrated Ethical Management** on the theme 'Integrity – A way of Life'.

I extend my good wishes to the observance of VAW-2019 and to the release of Souvenir.

**Deepak Kumar Hota**  
Chairman & Managing Director





## From CVO's Desk

I am extremely delighted to share the experience of conducting "Ethical Dilemma at Workplace" training programme, named "**PRAYAAS**" in BEML Ltd. The programme has been conceptualised as an attempt to work towards integrated ethical management framework which is aimed at setting up a holistic architecture of vigilance administration in BEML.

The active support of CMD and other top level management and that of the trainer is deeply appreciated in executing the programme. Though the domain of ethical dilemma training does not fall within the traditional area of vigilance functioning, the enthusiasm and active support of all concerned have been extremely encouraging. The response of participants has further motivated me to plan to roll out the programme on sustained basis in times to come.

I am hopeful that "PRAYAAS" will usher a new era in ethical management in this company and help in providing effective vigilance administration and also in setting up a new standard/benchmark for other PSUs.

**Vidya Bhushan Kumar, IFS**  
Chief Vigilance Officer





CHAPTER-I

# Conscious to Conscience

- A Life Journey

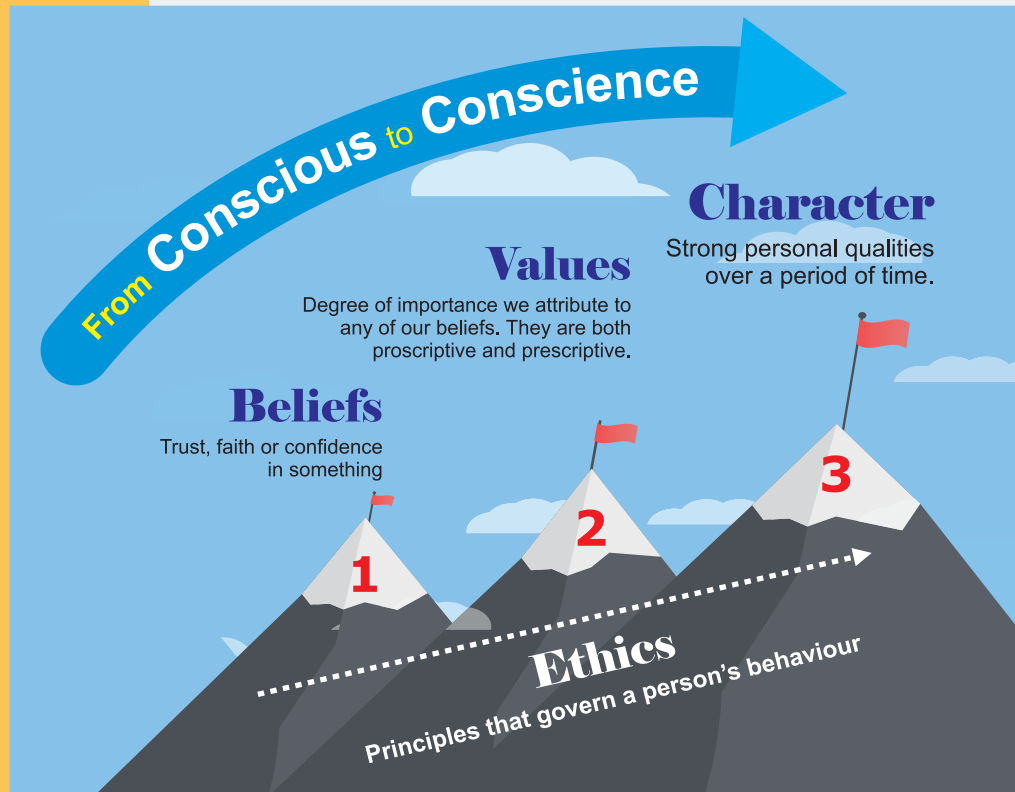


## Conscious to Conscience - A Life Journey

Integrity is the fundamental requirement for good corporate governance which in turn depends on organisational culture, ethical standards and personal values. A company's values are the set of deeply held beliefs that unify and inspire its people and create a strong brand identity around the world.

'Ethics' refers to the principles which evaluate behaviour as right or wrong, good or bad.

In the organisational context, active support must be provided for the people to move from 'Conscious' to 'Conscience', as depicted here:





Because organisations are confluence of people, alignment of beliefs, values and ethics towards the common goals is necessary.

In this endeavour, it is a must to empower the managers to identify & respond to the ethical dilemmas that they have to tackle as a part of decision making process involving 'Choices' and 'Transactions' in a day-to-day work life.

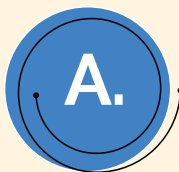
Ethics is not purely a personal matter & it is also influenced by organization culture. Thus, it is equally important to address organization ethics and integrity and shape them both, for guiding an employee's conduct and, for company's sustained growth. As known, maintaining organizational integrity pays rich dividends in long run.

Traditionally ethics management has mostly relied on compliance management through imposing legislations, strict code of conduct etc., with the principle of detection & punishment in order to channelize behaviour in lawful directions. In this approach, the role of vigilance is **preventive by doing system analysis and prescribing systemic improvements and punitive, by recommending action against the violators.**

In this world of changing technology & unlimited access to knowledge by workers, **integrity or value based approach focuses to stimulate ethical behaviour & responsible conduct by self-governance. Under this approach, emphasis is given to individuals aligning to company's values & standards through training, regular communication & coaching.** This proactive approach aims to develop active role and efforts of managers at all levels & creates a positive and value based culture.

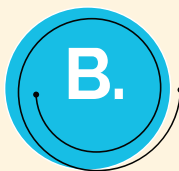
Both the approaches are necessary for management of organization ethics as they are complementary and compensate for each other's limitations. While the rule-based approach helps with preventing unethical behaviour; the value based approach helps with supporting employees in dealing with ethical dilemmas.





In order to develop a holistic approach to integrity management framework in our company, value - based approach must also be given due attention. This could be done if we immediately address the following:

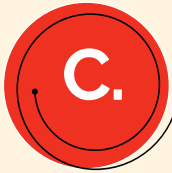
- o **Evolving code of ethics** (value - based) in addition to code of conduct (rule - based) ;
- o **Gifts and gratitude policy**: essential element should be that all gifts be reported to management;
- o **Effective post public employment policy**;
- o **Conflict of interest policy**: making staff sensitive for problems and encourage them to systematically report problems;
- o Inclusion of integrity as criterion in personal management (like selection and evaluation of promotion), procurement policies, financial management, information management and privacy and quality management.



- o A well-developed **ethical training program** for various levels of staffs should be put in place;
- o Integrating integrity into the organizations daily discourse through magazines, website, targeted mailing;
- o Regular discussions of ethical dilemmas in official internal communication like internal magazine, intranet;
- o Institutionalizing discussion of integrity issues in staff meetings, supervisor – employee meetings;
- o Creating an **open culture of communication** and specially **bringing all integrity related issues on table**.



## Conscious to Conscience - A Life Journey



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An effective whistleblowing policy constitutes the most important measure for monitoring of integrity in an organization. It aims to solve problem before it becomes a scandal. Although it is mandated by Company Act to put in place a vigil blowing mechanism in all the registered companies, its success lies in its effective implementation. It is not the core element of ethics management, but an essential safety net.



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Enforcing of Integrity through informal sanctioning and by adopting fair and appropriate procedures for investigations and sanctions.

In fact, **active leadership support** is the most significant factor for success of any ethics management plan. The support must be explicit and forceful to ensure there are sufficient means for integrity management and paying adequate attention to integrity in communication.

Effective resolution of ethical dilemmas in daily official work is the building block for development of sound and robust ethical management framework and organizational integrity. A holistic approach will ensure that they do not only prevent integrity violations but also support employees in dealing with ethical dilemmas.

With the above backdrop, to support the holistic approach to integrity management framework at BEML, value-based approach, **"PRAYAAS"**, an integrated approach to address the "Ethical Dilemmas at Workplace" was designed and implemented at BEML.





## CHAPTER-II

# Why it is important in PSUs & BEML?



## Why it is important in PSUs & BEML?

In today's global business scenario, there is a constant demand on every organisation to have "self-imposed ethical framework" of ethics, values, fairness and objectivity. Everything we do must stand the test of public scrutiny as the business organisations are increasingly under lens to ensure '**corporate governance**' and '**balanced approach**' of managing the business.

In India, Public Sector Undertakings (PSUs) are pivotal towards growth and economic development. Every PSU must ensure that the public funds are properly utilized and any sort of misuse is prevented.

Traditionally, the vigilance administration of a PSU follows two broad approaches, namely the ***Preventive and Punitive approach***. Recently, a new approach has been introduced by the CVC, which focuses on ***Predictive Vigilance***, whereby emphasis is given to guide individual PSU Managers to understand and demonstrate the 'right kind' of values and behaviour.

In today's competitive global business scenario, business reputation & brand is the differentiating value proposition, which depends on ethical and value standards practised by the organization and its people.

Companies, irrespective of their ownership (i.e. MNC, private, government etc.), have to be increasingly committed to create & support the Ethical foundation in all aspects of business operation encompassing environment, vendors, customers, employees etc.

To build a strong and solid all-round ethical practices, it has to be in the organisation's DNA and have to be part of culture, communication, and practice... BEML being a CPSU, operating in three globally competitive business areas has stepped up its efforts on the '**value-based approach**' of **business ethics administration** with its multifarious benefits.







CHAPTER-III

# Conceptualisation of the Programme



# Conceptualisation of the Programme

**B**EML Ltd is a Mini Ratna CPSU under Ministry of Defence having a turnover of around Rs 3500 Crores with approx 7000 employees.

## Company's Vision & Mission Statement:

### **Vision**

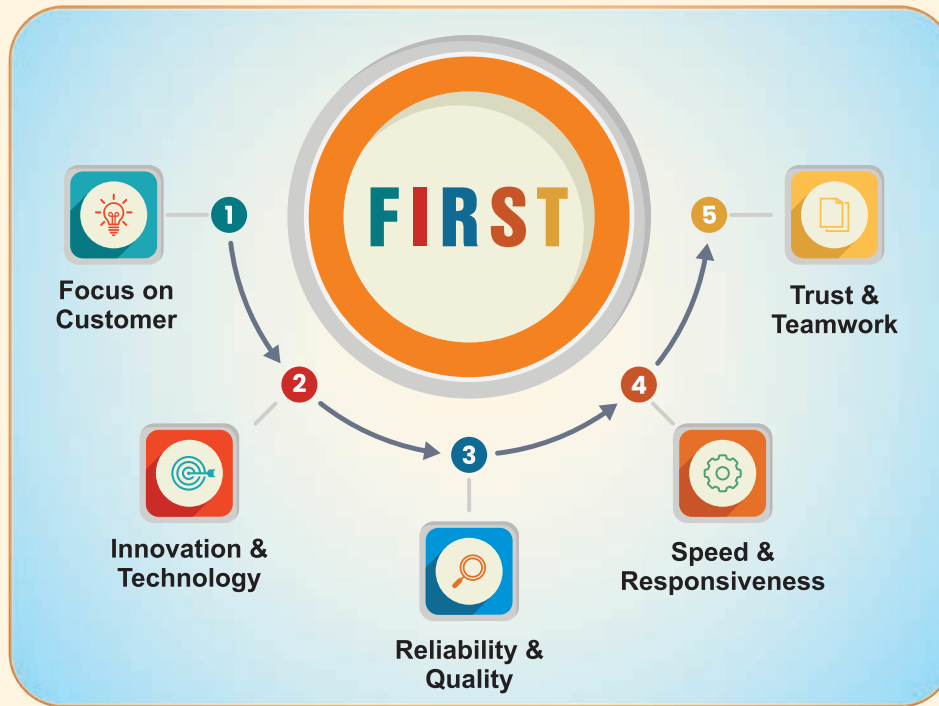
Become a market leader, as a diversified company, supplying quality products and services to sectors such as mining & construction, rail & metro, and defence & aerospace and to emerge as a prominent international player.

### **Mission**

- Improve competitiveness through collaboration, strategic alliances and joint ventures, to sustain and enhance market share in product groups BEML operates.
- Grow profitably by aggressively pursuing business and market opportunities in domestic and international markets by pursuing at-least 10% of sales in exports.
- Adoption of state-of-the-art technologies and bring in new products through Transfer of Technology and in-house R&D.
- Continue to diversify and grow addressing new products and markets with turnover from in-house R&D developed products at 60%.
- Attract and retain people in a rewarding and inspiring environment by fostering creativity and innovation with attrition levels less than 5%.
- Offer technology and cost effective total solutions for enhanced customer satisfaction.



In the journey of Value creation, BEML follows 'FIRST' approach as below:



In BEML, we believe that values are those 'enduring beliefs that influence the choices we make among available means. While we have long standing code of conduct, well-established monitoring and discipline management systems, a deeper dive into building the ethics – proactively into every person's work-life was envisioned and driven through this new initiative, called 'PRAYAAS'.



## Conceptualisation of the Programme

**Vision Mission Value alignment:** Essential for organisation to function effectively



'PRAYAAS' aims to support the BEML business leaders/managers firstly by identifying the ethical dilemmas at their workplace, secondly by making them aware of a framework/and principles for effective resolution in all circumstances and finally by propagating ethics and integrity across the organisation.





CHAPTER-IV

# Actions Undertaken



## Actions Undertaken





With the above, the initiative '**PRAYAAS**' has been introduced with the following purpose and objectives:

**Purpose:**

*Empower managers to identify and respond to ethical dilemmas implicit in everyday work related choices and transactions".*

**Objectives:**

1. *Strengthen understanding of moral intuitions and intent - the guiding force in decision making.*
2. *Highlight likely ethical dilemmas, individual ethical tendencies and how they may affect decisions of managers.*
3. *Managers as champions and role models of ethical behavior - How to drive ethical behaviors in teams and build a culture of "right way of doing things"*
4. *Propagate BEML ethical expectations and rules, understanding compliance and code of conduct (CoC) issues at work and how they can be cascaded as ethical messages in teams.*

As a part of the designing the initiative, detailed need analysis was conducted through telephonic interviews and questionnaire. Key stakeholders shared their expectations regarding the deliverables & design.

Based on these inputs, contents of the initiative/programme were developed. The multi-level programme was branded as 'PRAYAAS', 'MERA PRAYAAS' and 'HUMARA PRAYAAS' as detailed below:

Journey to Build Value Based Culture		
Levels	Objectives	Coverage
<b>PRAYAAS</b> (Level – I)	Enabling managers to identify & responds to the Ethical Dilemmas	Executive Directors, CGMs, GMs, DGMs & AGMs at Corporate and major production units
<b>MERA PRAYAAS</b> (Level – II)	To develop <b>Value Champions</b> to cascade Value based performance cultures	Select officials from Level – I participants.
<b>HUMARA PRAYAAS</b> (Level – III)	Large scale intervention through multiple mechanism	Going forward



## Actions Undertaken



The first programme covering 24 senior leadership team members was conducted on 3rd May'2019. CMD & Functional Directors were present.



The participants experienced the 'PRAYAAS' as enlightening and outstanding as it helped them to appreciate the importance of the value system, recognize the ethical dilemmas & the ways to handle the same at their work place.

Subsequently the 'PRAYAAS' was planned & rolled out at Mysore and Bangalore Complex in August, 2019.





## Actions Undertaken





# Feedback



**M V RAJA SEKHAR**  
**Director (Mining & Construction), BEML**

Excellent Case Studies relating to Value system, Leadership and exercises related to Ethical Dilemmas.

**Learning for workplace:** No hierarchy should influence decisions, Never Give-up, invest in building character & Leader should be courageous



**PANNEER SELVAM R**  
**ED (Corporate Planning & Materials), BEML**

The program depicts Balanced Approach.

**Learning for workplace:** Action value of the company



**AMIT BANNERJEE**  
**ED (RAIL & METRO), BEML**

Excellent Program on Ethical Dilemma at work-place



**RADHAKRISHNA K R**  
**CGM (Quality), BEML**

**Excellent program Learning for Workplace:** Empathetic relationship building, Driving Values in workplace & Goal setting in correlation to workplace Value system



**SIVAKKUMAR P**  
**CGM (Head - Palakkad Complex), BEML**

It is very relevant to our Organization

**Learning for workplace:** Empowerment



**RANGANATH HS**  
**CGM (Head - Mysore Complex), BEML**

Excellent Program with group activities like Fort Cassandra, critical zone.

**Learning for Workplace:** Critical zone, Relationship Vs Performance & put BEML values into action



**NAGARAJ P**  
**CGM (Metro Products), BEML**

Very Interactive and Useful Workshops.

Work Ethics, Accountability, Team Work are extremely relevant to work-place



**PAWAN KUMAR**  
**CGM (Sales), BEML**

Reflecting on Value Systems

**Learning for Workplace:** Brand Building - Responsiveness





**SOUMITRA SEN**  
**GM (Service), BEML**

Excellent Initiative of the Organization

**Learning for Workplace:** Importance of Believes, Values & Character, PLUS (Policies, Legal, Universal, Self) Model,



**THAMILSELVAN A.S**  
**GM (Head - Engine Division), BEML**

Excellent Program and topics.

Will Apply Teamwork, Culture Building and Building Bridges in the Workplace.



**SUNIL R KHARAD,**  
**GM (Corporate Materials), BEML**

The program delved in details about the Dilemmas arise while taking decisions and how to take the Balanced Decisions



**MANOJ KUMAR JHA**  
**GM (Chief Information Officer & Head of IT), BEML**

Entire workshop was enlightening.

**Learning for Workplace:** Crowd Discipline and Value



**DEBI PRASAD SATPATHY**  
**GM (Human Resource), BEML**

Excellent workshop with lots of group activities

**Learning for workplace:** Integrity & Responsibility, decision making in complexity



**Dr. MYTHILI R**  
**GM - Offg. (Medical), BEML**

**Learning for Workplace:** Team Values, Handle Ethical dilemma



**R A S PATIL**  
**GM - Offg. (Purchase), BEML**

Outstanding workshop with various tools & models.

**Learning for Workplace:** Accountability & Alignment



**Gp. Capt. CHAKRAPANI MANDELA (Retd.)**  
**DGM (Vigilance), BEML**

**Learning for Workplace:** Ethics & Integrity towards our customers



## Feedback



**VIDHYADHARAN M K**  
**DGM (Legal), BEML**

**Excellent Program Learning for workplace:** Ethical issues & Priorities challenges.



**SUDHARSHAN H UDUPA**  
**AGM (Aerospace Manufacturing Division), BEML**

**Learning for workplace:** Group problem solving techniques.



**MURALIDHAR S R**  
**DGM (Vigilance), BEML**

Topics, case studies & group exercises are very relevant

**Learning for workplace:** Decision making under pressure.



**DATTA K S**  
**AGM (Vigilance), BEML**

**Outstanding program**

**Learning for workplace:** Handling Ethical dilemmas in decision making process.



**HIMAJAPADA CHAKRABARTI**  
**DGM (Vigilance), BEML**

**Learning for workplace:** Value system, Leadership ways through wisdom of geese.



**SUJIT KUMAR BHUNIYA**  
**DGM (Human Resource), BEML**

**Outstanding workshop Learning for workplace:** Ethics is the key to Companies Long-term success.





CHAPTER-V

# **Ethical Dilemma**

- Framework for Resolution



# Ethical Dilemma

An ethical dilemma is a decision making problem between two moral imperatives, neither of which is unambiguously acceptable or preferable. The complexity arises out of the situational conflict in which doing one would result in transgressing another.

## **Framework for Resolution of Ethical Dilemma:**

**A) 5 guiding ethical principles**

**B) Anatomy of decision making**

**C) Ethical dilemma for leadership**

**D) PLUS model**

**E) 3 GUIDING QUESTIONS**



### **A) 5 Guiding Ethical Principles**

1. GOOD CONDUCT (beneficence or non malfeasance)
2. BEING RESPONSIBLE (fidelity and responsibility)
3. BEING HONEST (integrity & honesty)
4. BEING OBJECTIVE (fair play)
5. BEING FAIR (respect for people's rights & dignity)



### **B) Anatomy of Decision Making**

1. Define the Problem
2. Seek resources
3. Identify alternative solutions to the solution
4. Evaluate the identified alternatives
5. Make the decision
6. Implement the decision
7. Review the decision



### **C) Ethical Dilemma for Leadership**

1. **Responsibility or Accountability:** The ownership paradigm
2. **Paradox of "C" Choices:** Conduct, Compliance or Compassion
3. **Aligning Values & Beliefs:** Personal or organizational
4. **Rule Based Vs. Value Based "Right" or "Fair":** Balancing decisive interpretation





## D) PLUS Model

### P- Policies

Is it consistent with my organization's policies?

### S- Self

Does it satisfy my personal understanding of the "right" and "wrong"?



### L- Legal

Is it acceptable under existing applicable laws and regulations?

### U-Universal

Does it conform to the universal principles/values my organization is committed to?



## E) 3 Guiding Questions



### 1. Is it Legal?

(Will I be violating either civil law or company policy?)



### 2. Is the decision balanced?

(Is it fair to all concerned in the short term as also the long term? Does it promote win-win relationships?)



### 3. How will it make me feel about myself?

(Will I feel good if my decision was published in the newspaper? Would I feel good if my family knew about it?)





CHAPTER-VI

# Way Forward



# Way Forward

Integrity and ethical culture is imperative for all organisations. These organisations embody leading with trust and living by values.

## The movement 'PRAYAAS'

**aims** to develop the inner awareness of ethical values among all employees in a business context. With the successful launch and high level of acceptance by the

BEMLiens, this 3-level initiative aims to have the self-ownership (Prayaas), development of role models/coaches (Mera Prayaas) and make the 'Integrity' as way of life across the company as "Humara Prayaas". In this journey, the **responsibility of maintaining integrity** is not confined to one/two departments only. All employees would be aware of the principles of ethics, understand the immense benefits of the same and visibly practice the same.

**Humara Prayaas**

**Mera Prayaas**

**Prayaas**





## Way Forward

Going forward, to create the ethics eco-system, where integrity becomes core to all processes, systems and people, following steps are being implemented:

- To engage, train and communicate the fundamentals of Prayaas, it will be part of every induction programme, training programme, review meetings, communications and strategy meets.
- The various ethical dilemmas & the ways to mitigate the same will be shared through BEML News, BEML Connect, Whatsapp groups, web-based modules, banners, displays etc. This will make ethics "Visible" and will help people to share, overcome the dilemmas even under intimidating situations.
- We would like to recognize and admire the outstanding ethical behavior and actions in BEML.
- To have internal seminar to share the best practices across complexes and divisions to promote ethical culture.
- It will be our endeavor to share the 'PRAYAAS' experience and the process with other PSUs.