

## **INDIAN ETHOS & VALUES AT VEDANTA LTD: A CASE**

### **APPROACH**

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### **EXECUTIVE SUMMARY OF THE CASE:**

Vedanta Limited (also known as Sterlite Ltd) is India's solely Natural Resources Company. The company's main businesses concentrate on metallic element, lead, silver, Aluminum, copper, iron ore, oil & gas, and industrial power, whereas its operations span across India, Republic of South Africa, Namibia, the Republic of Ireland, Australia, and African country.

Vedanta's commitment is zero levels of fraud bribery & corruption to promote a higher level of ethical work culture & Value system at the workplace. They bring their commitment to all internal and external stakeholders by demonstrating the values through their actions, processes, programs, and partnerships and it shows in their action. they are constantly learning and making progress, and they have tried to improve their performance. Vedanta took action to promote a high-value system towards their employee with these approaches. Encouraging the employees to adhere to and follow the code of conduct and ethics. Promoting integrity with the help of the audit committee. Implemented a whistle-blower policy.

Vedanta has proved that every situation can be met effectively we business adhere to certain ethical and value systems to their operations. Reflection with a tranquil mind helps in drawing solutions for within, ethics will lead to a more coherent and complete value undemanding.

**Introduction to Indian ethos & value system:**

**"The ethos of Indian civilization is like an amoeba, it can change it can integrate, it can drop with impunity. "**

**- Sadhguru**

India's ethos refers to the value and practices the culture of India contributed to the service and leadership and management. The ethos and the value system of Indian culture are rooted in the Santana dharma, also been influenced by Indian philosophy.

Indian ethos & value system gives an idea that "Businesses need not be regarded evil, tainted and unethical, business is scared. How one can manage the business is just a matter of attitude approach level of management conciseness one is doing in the business." earning profits, building the property and even so one can managing the business by due recognition to human and ethical approach and valuing & respecting all person.

Indian has been always a place of pride in a strong ethical base. Just then that ancestral ethical value approach has to be approached by proper education to the young and budding managers. The values were been put forward by the great epic Mahabharata and Ramayana, Bhagavat Gita has put it dearly and concisely.

**Vedanta:**

Vedanta Limited is the highest diversified natural resource company with interests in zinc-lead-silver, Iron ore, Steel, Copper, Aluminum, Energy, Oil, and Gas. Vedanta is confined to have a positive impact on the communities in which they operate and leave a legacy of pride. Commitment and discipline toward their employees are an integral part of Vedanta's core values. They bring their commitment to all internal and external stakeholders by demonstrating the values through their actions, processes, programs, and partnerships and it shows in their action. they are constantly learning and making progress, and they have tried to improve their performance. Vedanta is fully committed to operating with integrity and adhering to 'non-compliant business principles. While their business has expanded over the past three decades in many parts of the world, their operations have had a positive impact on the communities in which they operate.

**Ethical value system adopted by "Vedanta":**

Vedanta is committed to a zero level of tolerance approach to fraud, bribery, and corruption, according to the highest standard of integrity and professionalism to promote ethical business behavior Vedanta took action to:

- Encouraging the employees to adhere to and follow the code of conduct and ethics.
- Promoting integrity with the help of the audit committee.
- Implemented a whistle-blower policy.

**Vedanta's core value:**



**Source: Author's Study**

**Trust:** Vedanta actively fosters a culture where mutual trust between stakeholders can be taken and encourage an open dialogue with the stakeholders which ensures mutual respect.

**Entrepreneurship:** Vedanta believes that their people are their most important asset they actively encourage them for their development and support them in perusing their goals.

**Innovation:** Vedanta embraces a conducive environment to encourage innovation that will lead to zero harm towards the environment and exemplifying optimal utilization of natural resources improve efficiency and recovery of the product.

**Excellence:** Vedanta's primary focus is to deliver the highest standard to their stakeholders; they are constantly motivated on improving their cost and improving the quality of the product in each of their businesses throughout a culture of best practice benchmarking.

**Respect:** Vedanta lays consistent emphasis on human respect the principle of free prior informed consent while their engagement with stakeholders allows local communities to voice their opinion and concern.

**Care & Integrity:** As day-by-day Vedanta is growing they are committed to the triple bottom line of people, planet, and prosperity. Vedanta place utmost importance to encourage and engage ethically and transparency with all the stakeholders taking accountability for their actions to maintain the highest standard of professionalism and to complying with international procedures & policies.

**Vedanta's core purpose:**

Vedanta is a highly globalized diversified natural resource organization with low cost operations they encourage & empower their people to drive excellence & innovation to create value for their stakeholders, Vedanta ensures or demonstrates world-class standards of governance safety, sustainability & social responsibilities.

Height in business ethics and integrity by letter and spirit ensures their credibility, Vedanta demands the highest standard towards carrying out its business activities. All the people in the organization must adhere to the code, all the managers, and should take corrective actions to ensure that the codes are communicated properly to all the people under all circumstances. Their procurement process is aimed to surface ethical issues where serious ethical issues are identified so that suppliers will be excluded from doing business with them.

**Strategy Adopted by Vedanta to promote ethical business behavior:**

1. **Encouraging the employees to promote or adhere to code of conduct and ethics-** all the employees need to adhere to the code of conduct of the CBCE (**code of business conduct & ethics**) and to report possible violation which is investigated and resolved promptly.
2. **Encourages integrity through audit committee-** Vedanta's audit committee consists of four non-executive directors who help the board to maintain the integrity of the financial statement and evaluates the risk management system and internal control as well as external control of auditors objective and independent.
3. **Adopting whistle-blower policy-** The whistleblower Policy was adopted by the Company's Audit Committee to manage the reception, storage, and handling of complaints and the protection of confidentiality, and privacy, and similar reporting. These policies and procedures apply and are available to all employees of the Company, its subsidiaries, and all external stakeholders. Copies of the Whistle Policy are available from the Company Secretary and a summary is given below.

Employees have the opportunity to lodge/report complaints relating to the following areas such as:

- Fraud (an act of deliberate misrepresentation that may affect the interests of those involved) against investors, security fraud, postal or telephone fraud, bank fraud, or fraudulent statements at the London Stock Exchange, Securities, and Exchange Board

of India, U.S. Securities as well Exchange Commission, other related stock exchanges, or any other relevant authority or members of the investment community.

- Violation of any rules and regulations applicable to the Company and relating to accounting, internal financial management, and audit matters.
- International error or fraud in the preparation, review, or audit of financial statements of the Company.
- Any violation of the Company's business ethics as defined by the Company The Code of Business Conduct and the Code of Conduct.
- Any other event that may affect the business interest.

**Case conclusion:**

People are now realizing and understanding the importance of ethos and values in their businesses they now understand that these things are more important than money, material marketing & management. Vedanta has proved that every situation can be met effectively we business adhere to certain ethical and value systems to their operations. Reflection with a tranquil mind helps in drawing solutions for within, ethics will leads to a more coherent and complete value undemanding. With the help of the core values, Vedanta leads to the highest ethical encouragement to their employees, all these value systems help an organization to maintain a smooth run in the ethical domain and maintain a safe and healthy environment internal as well as into external environment also.

**TEACHING NOTES FOR THE CASE:**

**TEACHING OBJECTIVES:**

The following Teaching Objectives may be considered concerning the case:

1. To examine ethos and value system adopted by Vedanta Limited
2. To make case readers & participants understand the core value and purpose of Vedanta.
3. To present the readers an opportunity to deliberate upon the essentials of Vedanta's ethical behavior.

**RESEARCH METHODOLOGY:**

A case study approach completed with the help of secondary data.

**LEVEL OF ANALYSIS:**

The present case is a type of teaching case with focuses on illustrating the case approach. The analysis attracts an understanding of the ethical behavior of Vedanta. This case is suitable for the case study approach at the extent of Management Students. To be specific BBA Final Year

students & MBA Students shall have a deserving benefit out of this General Management case. Executive MBA Students & start-ups in respective Industry could also be also get benefited. Industry at large is going to be benefitted from the case.

### **CASE ASSIGNMENTS:**

As a part of the case study delivery, participants could also be assigned certain tasks pre & post-delivery of the case.

**Pre-discussion Task:** Gather fair information on the ethical and value system adopted by Organizations

**Post discussion Task:** Conduct a review of further literature about the theme of the case.

### **POTENTIAL BENEFITS OF THE CASE:**

- Students of Management Education: Case Study exposure on code of conduct & value system of Vedanta. Students shall gather learning on the ethical behavior adopted by Vedanta in light of the theme of the study.
- The case will be helpful to General Management Function at Organization and overall shall support in gaining better ethical aspects.
- The case shall assist in learning the fundamentals core purpose & values adopted at Organizations.
- The case being a general ethos topic, this will support the Organizations in augmenting the value system at the organization in various aspects, which eventually shall benefit the Organizations.
- The startups & new companies stepping into the business will find the case as a good example of Ethos & Core value activities of businesses. They will inculcate the value of developing business and giving back to society.

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