CHAPTER IV

REVIEW OF AWARDS

In an ongoing crusade of searching for a genuine entrepreneur, the financial institutions as well as all the concerned financiers are continually looking at entrepreneurship from different angles.

An important aspect in this search is the motivational attitudes of an innovative entrepreneur. According to McLelland, if substantial economic development has to occur in poor countries, the number of individuals with entrepreneurial motivational complex, and particularly with high excellence achievement will have to be significantly increased. What appears to make an individual behave in a particular fashion is the motivational complex not entirely understood as yet, but containing a strong need for achievement. (*30)

Most motivation is reward oriented. Profits as a form of reward can be termed as a strong motivator. However, financial rewards cannot be the sole motivators. If they were, then a majority of entrepreneurs would be happy after reaching a particular level of turnover achieved by their enterprise. But this is not to be so. Social motivation is also an important aspect of success. Award winning can be termed as ‘social quantification of motivation’.

This study has taken into consideration awards given by the following institutions. Innovative entrepreneurs' sample is drawn out of such awards.

**G S PARKHE Awards:**

These are disbursed in the month of June every year by the Mahratta Chamber of Commerce and Industries, Pune. Late Shri G S Parkhe had been instrumental in the growth of their family enterprise, Paper and Pulp Converters Ltd. He had developed a slate for writing for the school children. Until then such slates were traditionally made from stone. Late Shri G S Parkhe had made the slate from card board pulp. As a student, he had excelled in academics by topping at the diploma examination at the institute of Technology. On the first death anniversary of Shri Gopal Sadashiv Parkhe, who died an untimely death, his brother Shri M S Parkhe donated Rs. 5000 to the Mahratta Chamber of Commerce and Industries. Rs. 1500 were donated by Mr. G B Kale, a mechanical engineer with Industro Mechanics Ltd. Thus to form a corpus of Rs. 6500 for disbursement of the awards.

In the extraordinary General meeting of the Chamber held 23rd October 1945, it was decided to award an entrepreneur who would be instrumental in developing products that were important to Maharashtra's industrial development. An award was instituted in the memory of Mr. M S Parkhe's brother to be given to any small/medium scale entrepreneur from Maharashtra, (which then included Goa and Belgaum), who innovated a product and made it commercially
successful. To decide upon the commercial success, a study of the working of
the concerned unit for a period of three preceding years would be conducted.

This award would be given to entrepreneurs from Vidarbha, Marathwada,
Khandesh, Ahemadnagar, Nasik, Thane, Kolaba (i.e. Raigad), Ratnagiri, Solapur,
Pune, Satara, Belgaum and Goa districts, and other Marathi speaking districts
from the neighbouring states to any innovative entrepreneur who had introduced
his product in the market after 1940. This award was to be advertised through
newspapers and an appeal was to be made to entrepreneurs to exhibit their
products before a judging committee.

In April 1946, a judging committee of five members was nominated. On 16th
June 1947, i.e. the day of death anniversary of Mr. G S Parkhe, the first set of
awards was presented. The total value of the awards was Rs. 500, divided
equally among five awardees. The judging committee which judged the first set
of entrants consisted of:

1. Mr. D V Potdar, the then president of MCCI.
2. Seth F D Pudamjee, Director, Pudamjee Pulp and Paper.
3. Mr. G G Dandekar, a technocrat.
4. Mr. G S Karandikar, a technocrat, and
5. Mr. M S Parkhe.
In 1967, the Government of Maharashtra added a substantial amount to the corpus of the awards. Thereafter, the number of awards given every year rose sharply.

In 1974, a division was made in the awardees. Awards were given separately for agro based products, and some entrepreneurs were given only merit certificates as a form of encouragement. In the same year, three new awards were declared. Smt. Yashoda Ramchandra Bhide prize, Smt. Harimalini Joshi prize and late Ramabai Joshi domestic science prize. The domestic science award was instituted to be given away for research in pure sciences only.

Up to 1967 i.e. in a span of 20 years, there were only about 75 award winners. This meant only 4 awards were given every year, approximately. Between 1968 and 1977, i.e. in a span of 10 years, there were about 130 award winners. This meant that in this particular decade, 13 awards were given on an average every year. In 1974 and 1975, there were 20 award winners in each year. However, since 1980, the number of awards given every year had declined. Barring 1990, when 17 awards were given, in all the other years since 1980, 10-12 awards are given every year.

By 1980, Rs. 100 to be given away as cash prize to award winners seemed a ridiculously low amount. Therefore it was then decided to give only a citation and a merit certificate to every award winner. Also, since there were too many repetitive entrants and award winners, entry in the subsequent year after winning
an award was disallowed. Despite this, there are many entrepreneurs who have received the Parkhe award at least 4 times until now.

This also proves the popularity of this award in Western Maharashtra, and the social recognition it offers to innovative entrepreneurs.

**M L DAHANUKAR Entrepreneurship Awards:**

Mr. S M Dahanukar had set up a trust in the name of his father, late Shri M L Dahanukar. Late Shri M L Dahanukar was the president of the Maharashtra Chamber of Commerce, Bombay, during 1938 to 1946, and had been the founder vice president of the chamber.

Till 1988-89, all the awards given away in this scheme were funded by this trust. The trust used to reimburse the awards money to the chamber every year. In 1988 however, the M L Dahanukar trust donated a sum of Rs. 150,000 to the Maharashtra Chamber of Commerce, Bombay.

This award is given to any Indian national who is:

1. An individual - an owner, proprietor or a partner actively responsible for establishing and / or successfully managing a manufacturing or trading unit.
   Or,

2. An individual who holds a responsible office such as the Managing Director, CEO etc. and who is primarily identified with the responsibility
of policy decision making, and who ensures and achieves overall
development of the unit, and

3. An individual who has displayed enough innovative talent in managing the
unit or commercially marketing a new product.

The main idea behind giving away these awards was to appreciate the
creditable work done by the small scale sector and encourage entrepreneurial
talents amongst these small industrialists.

These awards were instituted in 1974, and about five awards are given every
year. Now since awards especially meant for agro based industries have been
discontinued, the number of awards given every year has declined.

Awards are given once every year to entrepreneurs from the following two
categories:

1. Two awards to individuals who have displayed exceptional entrepreneurial
talents - a first prize with cash award of Rs. 5000, and the second prize
with an award of Rs. 2500, and a certificate along with a momento.

2. Two awards for outstanding performance by a small scale unit, which has
been commissioned within ten years prior to the year in which this award is
given - a first prize with cash award of Rs. 5000, and a second prize with a
cash award of Rs. 2500, along with a certificate and a momento. Up to
1990, momentos were given to all the award winners. However after 1990,
it was decided to give away only the certificate (and cash).
All entrepreneurs from Industrial and/or trading business located in the state of Maharashtra (inclusive of Goa) would be eligible to participate.

A panel of judges consisting of 3 external judges and the president, vice-president and the secretary of the chamber would select the appropriate winners.

The basis of selection of the entrepreneurs is:

a. Intrinsic value one possesses in taking calculated risks with confidence, and ability to conceive and establish an industrial or a trading unit.

b. Meritorious performance to be judged from the rate of growth of the industrial unit depending on the increase in the annual turnover and the gross return on capital employed as of three prior years.

c. Whether the unit is in a strikingly new line of manufacture, or in a new trading practice.

d. Original research, technical or otherwise, or any other contribution leading to advancement and/or development of the particular concerned industry.

e. Outstanding contribution to the cause of increasing efficiency/productivity in that particular industry.

Initially, an additional award was announced for agro based industries, but looking at the poor response, no awards are declared specifically in this category.

The external panel of judges in 1979-80 were:
1. Mr. P R Dasgupta, Industries Commissioner, Maharashtra.
2. Mr. G L Abhyankar, Principal, Sydenham College of Commerce.
3. Mr. J G Bodhe, an engineer and architect.
4. The president, Vice President and the Secretary of the Chamber completed this team.

DADASAHEB RAVAL new entrepreneurship awards

Dadasaheb Raval is a self made entrepreneur from the rural parts of Maharashtra. He donated a sum of Rs. 1 lakh to the Maharashtra Chamber of Commerce, Bombay. A fund was created from this donated sum. This fund is used for disbursing three awards every year to new entrepreneurs. The first prize has a cash award of Rs. 5000. a second prize with a cash award of Rs. 3000 and the third with Rs. 2000.

Awards were to be given away every year for outstanding achievements in the fields of:
1. Import substitution.
2. Agro Industrial sector, and
3. Rural industrialisation.

As this scheme was initiated with an intention to encourage new entrepreneurs and appreciate their achievements, the participating units or individual
entrepreneurs should not have completed more than five years of their activities at the time of entry for this award.

Since 1986, two awards have been given every year. Though awards were planned to be given every year, consistency is not noticed in the disbursement of these awards.

The panel of judges for selection of new entrepreneurs would consist of three external judges apart from the reigning president, vice-president and the secretary of the Chamber. The external panel of judges for 1990 comprised of:

1. Mr. Lalit Doshi, industrialist and Chairman, SICOM.
2. Mr. C B Bhave, Secretary, Govt. of Maharashtra, and

**WOMEN ENTREPRENEURSHIP AWARD**

This category was especially considered with a view to include women on a representative basis in the sample to be selected. To promote and encourage women in business, the ladies wing of the Maharashtra Chamber of Commerce, Bombay, instituted three awards, which were to be given to women entrepreneurs only.
The funding for these awards was done as follows:

1. Sushilabai Oak Puraskar - Mrs. Oak donated a sum of Rs. 15000 to the Chamber in 1986.
2. Baburao Dhanvate Puraskar - Smt. Lalitadevi Dhanvate donated a sum of Rs. 10000 in 1986, in the memory of her husband late Shri Baburao Dhanvate.
3. Special export awards - Mr. J N Guzder donated Rs. 10000 in 1992 to encourage export business activities amongst women entrepreneurs.

Out of this corpus, the following awards are given to women entrepreneurs every year:

a. A first prize of Rs.1000.
b. A second prize of Rs. 700, and
c. A third prize of Rs. 300. Every award winner also receives a certificate along with a momento.
d. An additional award of Rs. 1000 and a momento, to be given in the special category of export promotion.

Since 1995, however, as a policy matter, it was decided to do away with the cash amount attached with the award, and only a certificate and a momento would be given to every award winner.

These awards, too, are judged by three external judges as well as the president, the vice-president and the secretary of the ladies wing of the Maharashtra Chamber of Commerce, Bombay. Since 1986, 4 or 5 awards are given every year in the category. These awards are a kind of contribution of the ladies wing
towards the area of management and entrepreneurship. Functions for giving away all these awards are hosted by the concerned Chambers, as a part of their yearly ongoing activities. All these awards are given in separate functions.

The above mentioned four categories were the main awards considered for the selection of sample for this study. Apart from these, there are some other awards given in the state, too. These however, were not considered for the selection of the sample, because:

a. They are not necessarily awards for innovative entrepreneurship, and
b. They are not essentially given on the basis of growth or sales performance of the entrepreneurs.
c. They are given to a predefined section of people either belonging to a certain area or for only for felicitation.

A brief enumeration of such awards is given below:

1. The FIE Foundation awards - Instituted by Mr. P D Kulkarni, owner / proprietor of Fuel Instruments and Engineering Pvt. Ltd., Ichalkaranji. He is an innovative entrepreneur himself and a Parkhe award winner, too. These awards are given annually to individuals for their superior talents shown in the areas of leadership, technical / industrial research, social work etc. However, they are not exclusively given to innovative entrepreneurs. The award however is considered quite prestigious among entrepreneurs, being given by a respected entrepreneur, in recognition of their talent.
2. Awards given by the respective Industrial Estates to their contributing members. These are usually given to active members who have made their area proud with their outstanding performance.

3. Scrolls of honour - A scroll of honour was initiated in 1986 by the Vidarbha Industries Association to honour successful member businessmen of the association.

The above are a few of the many different awards on the state level, which were not considered in the study. Similar kind of awards are given yearly by other industrial estates like the Ambad Industrial Award to an entrepreneur from the same industrial estate or by Thane-Belapur Industrial Estate giving an award to a member entrepreneur.

At the national level, some of the important awards are:

1. Udyog Patra / Udyog Shri Award - awarded by the Institute of Trade and Industrial Development, New Delhi.

2. Inventions Promotion Board award - This board was set up in 1959. This award is given annually for outstanding inventions made by Indian nationals. The inventions should relate to:
   a. Invention of original products or processes
   b. Improvements on existing products or processes by way of increased utility or reduced cost.
   c. Development of import substitutes for products or processes.

These awards are given twice every year, on the Republic Day, and on the Independence Day. This award is open to individuals or groups of individuals working independently or in an industry or in a research institute or a laboratory.
3. The National Research and Development Council Awards: NRDC gives awards every year on the Independence Day. These awards are given at the hands of the President of India and carry a cash prize Rs. 10000 and a merit certificate. They are given to innovative and research oriented entrepreneurs. However, many entrepreneurs shy away from most awards since there is a long procedure to be followed after applications are made to the District Industries Centre. Some of the entrepreneurs of the selected sample informed that the selection for these awards was not fair enough and involved too much of a follow up.

4. Best Women Entrepreneurship awards: These awards were jointly instituted by the Institute of Marketing Management (IMM) and M/S National Winder, Varanasi. Titles as the IMM / CINNI Fan Awards, they consist of a gold / silver medal and a certificate of recognition. These awards are open to all women entrepreneurs, excepting those involved solely in trading and distributive activities. Usually, the selection depends on the initiative and performance displayed by the entrepreneurs in the three preceding years before the disbursement of the awards.

5. Awards given to small scale sector entrepreneurs by the state development boards. The entrance, scrutiny, selection and recommendations of the entrepreneurs is done by Maharashtra State Small Scale Industries Development Corporation (MSSIDC) in Maharashtra.

6. The Rotary and the Lion Club awards.

7. The FASII and FICCI awards: These are in the areas of export promotion, outstanding performance in business / enterprise etc. Special category
awards are given to women entrepreneurs as well as new (first generation) entrepreneurs.

The above is a brief, not a fully exhaustive list, and only an enumeration of some of the awards given in the State of Maharashtra as well as by the Central Government.

The one sole aspect which also is common among all these awards is that they are encouragement given to small scale industrialists, which means that at the time of inspection the said unit belonged to the small scale sector. Also, emphasis of most of the schemes for technocrat entrepreneurs or Government schemes of incentives, subsidies etc. is strongly given on the small scale sector.

It is essential here to elaborate on the small scale sector, and how it compares with the other countries, here. This shall also clarify the definition of the sample taken for this study. Table 4.1 describes the changing definitions of the small scale sector.

Since this definition does not touch upon the sales turnover aspect, a majority of the units selected in the sample fall under the small scale industries. All the units selected in the sample had begun as small scale units, and some of them later grew on to the level of medium scale. Since this definition is too narrow, it usually becomes rather ambiguous. There exists a need to redefine "small scale industries" on the basis of capital, net assets, employment, turnover and types of activities carried out by the unit. In most of the countries where the
TABLE 4.1: Definition of small scale and ancillary units

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>Period</th>
<th>Type of unit</th>
<th>Capital Investment in plant and machinery</th>
<th>Number of persons employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jan 1955</td>
<td>SSI</td>
<td>Rs 5 lakhs</td>
<td>50 in case using power,*</td>
</tr>
<tr>
<td>2</td>
<td>Jul 1966</td>
<td>A U</td>
<td>Rs. 10 lakhs</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Nov 1979</td>
<td>SSI</td>
<td>Rs. 7.5 lakhs</td>
<td>in case not using power.*</td>
</tr>
<tr>
<td>4</td>
<td>Mar 1985</td>
<td>SSI</td>
<td>Rs. 10 lakhs</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Jul 1980</td>
<td>A U</td>
<td>Rs. 15 lakhs</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Mar 90/91</td>
<td>SSI</td>
<td>Rs. 20 lakhs</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>A U</td>
<td>Rs. 25 lakhs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Mar 90/91</td>
<td>SSI</td>
<td>Rs. 35 lakhs</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>A U</td>
<td>Rs. 45 lakhs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Mar 90/91</td>
<td>SSI</td>
<td>Rs. 60 lakhs, and</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>A U</td>
<td>Rs. 75 lakhs for EOU's</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>A U</td>
<td>Rs. 75 lakhs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: 'Indian Economy' - Dutt and Sundaram, 1994 edition

small scale industries model has worked for economic development, the definition of the small scale sector includes factors like employment, initial investment and activity of the unit. A brief comparison of this definition with other countries is as shown in table 4.2.
TABLE 4.2: Definitions of small scale industry in select countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Activity</th>
<th>Investment</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Mining</td>
<td>30 M yen</td>
<td>100 people</td>
</tr>
<tr>
<td></td>
<td>Wholesale and retail trade</td>
<td>10 M yen</td>
<td>50 people</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>300 M yen</td>
<td>300 people</td>
</tr>
<tr>
<td>U S A</td>
<td>—</td>
<td>—</td>
<td>Less than 500</td>
</tr>
<tr>
<td>U K</td>
<td>Manufacturing</td>
<td>—</td>
<td>Less than 200</td>
</tr>
<tr>
<td></td>
<td>Retail trade</td>
<td>Turnover less than 50000 pounds</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Wholesale trade</td>
<td>Turnover less than 50000 pounds</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Construction</td>
<td>Turnover less than 50000 pounds</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Transport</td>
<td>Turnover less than 50000 pounds</td>
<td>—</td>
</tr>
</tbody>
</table>

Definitions in Korea, Thailand, Iran, Vietnam and such other developing countries contain aspects such as capital investment, activity of the unit, employment and ownership in combination for defining the small scale sector.

In other countries, common infrastructure facilities in an industrial area are provided by the regional business co-operative associations, which are lacking in our country.
In countries like Japan, where small scale industrialisation was used as an economic developmental policy, awards like the Nikkei Awards for innovations are given every year to encourage innovativeness. Some of the popular products in Japan have been recipients of these awards. However, no studies indicate the definite outcome of giving awards.