

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:4144  
ANSWERED ON:06.09.2012  
EMPLOYMENT OPPORTUNITIES IN PSUS  
Ahir Shri Hansraj Gangaram

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) whether opportunities of employment are decreasing inspite of increase in production in Public Sector Undertakings (PSUs) in the country;
- (b) if so, the comparative details of production and employment in PSUs for the last three years and the current year;
- (c) whether incentive scheme has been implemented for Managers under Performance Related Plan (PRP) in the PSUs including Navratna and Miniratna PSUs;
- (d) if so, the details of the list of PSUs in which PRP has been implemented ;
- (e) whether managerial expenditure of these industries is increasing after the implementation of PRP; and
- (f) if so( the reasons therefor?

**Answer**

THE MINISTER FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI PRAFUL PATEL)

(a) & (b): Public Enterprises Survey (2010-11), which is a consolidated report on the performance of Central Public Sector Enterprises (CPSEs) was laid in the Parliament on 22.03.2012. Analysis of performance shows that while employment in some CPSEs increased, it declined in other cases. In terms of permanent employees at the aggregate level, however, there has been a decline in employment during the last three years. Employment in CPSEs and their production (measured in turnover), during the last three years, are shown below:

Sr. No.	Items	2008-09	2009-10	2010-11
1.	Employment (in lakhs)	15.33	14.90	14.44
2.	Turnover (in Rs. crores)	12,715.29	12,448.05	14,733.19

Source: Public Enterprises Survey (2010-11)

(c) Based on the recommendations of the 2nd Pay Revision Committee, the Government vide Department of Public Enterprises (DPE) O.Ms, dated 26.11.2008 and 09.02.2009 has allowed Variable Pay / Performance Related Pay (beside the Fixed Pay), which is linked to profits of the CPSE and the performance of the individual executive. Performance Related Pay (PRP) depends on various factors like signing and rating of a CPSE under the MoU system, rating of executives under the Performance Management System (PMS) and the recommendations of the Remuneration Committee of the Board of Directors of the CPSE. The percentage ceiling of PRP progressively increases in accordance to rank from junior level to senior level executives. PRP is a management tool for motivating the executives and non-unionized supervisors, including managers, irrespective of the status of the CPSE as Maharatna, Navratna, or Miniratna.

(d) to (f): DPE is the nodal Department in the Government of India for issuing policy guidelines in respect of CPSEs. As no CPSE is under the administrative control of DPE, implementation of these guidelines (including those on PRP) is the responsibility of the CPSEs and their respective administrative Ministries / Departments.