

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

UNSTARRED QUESTION NO:3934  
ANSWERED ON:21.03.2013  
PRODUCTION AND EMPLOYMENT IN PSES  
Mohan Shri P. C.

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

- (a) the comparative data of production and employment in Public Sector Enterprises (PSEs) for the last three years and the current year;
- (b) whether internal manager motivation programme of Performance Related Pay has been implemented in Navratna, Miniratna PSEs;
- (c) if so, the details of such PSEs;
- (d) whether there is increase in management costs of these organizations after implementation of PRP; and
- (e) if so, the details thereof and the reasons therefor?

**Answer**

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

(a): As per information available in Public Enterprises Survey (2010-11) and (2011-12), which were laid in the Parliament in the respective years, the production (in terms of sales) and the number of employees in Central Public Sector Enterprises (CPSEs) during the last three years have been as shown in the Table-1 below.

Table-1  
Years    Production in    Employment    Salary & Wages  
          terms of sales    (in numbers)    (`in crore)  
          (   `in crore)

2009-10    12,44,805    14,89,818    96,210

2010-11    14,98,018    14,39,995    98,402

2011-12    18,41,927    13,98,313    1,05,407

(b) & (c): Performance Related Pay (PRP) is a powerful management tool to motivate the executives and non-unionised supervisors, including managers of all the Central Public Sector Enterprises (CPSEs), irrespective of their Navratna and Miniratna status. PRP is linked to the profits of the CPSE and the performance of the individual executives.

(d) & (e): As may be seen from Table -1 above, the salaries and wages in CPSEs increased from `96,210 crores in (2009-10) to `1,05,407 in (2011-12), which include the PRP component. As per Public Enterprises Survey (2010-11 and 2011-12), the share of 'salaries and wages' as a component of ' Net Value Addition' by CPSEs during these three years have, however, remained the same at around 23 per cent.