

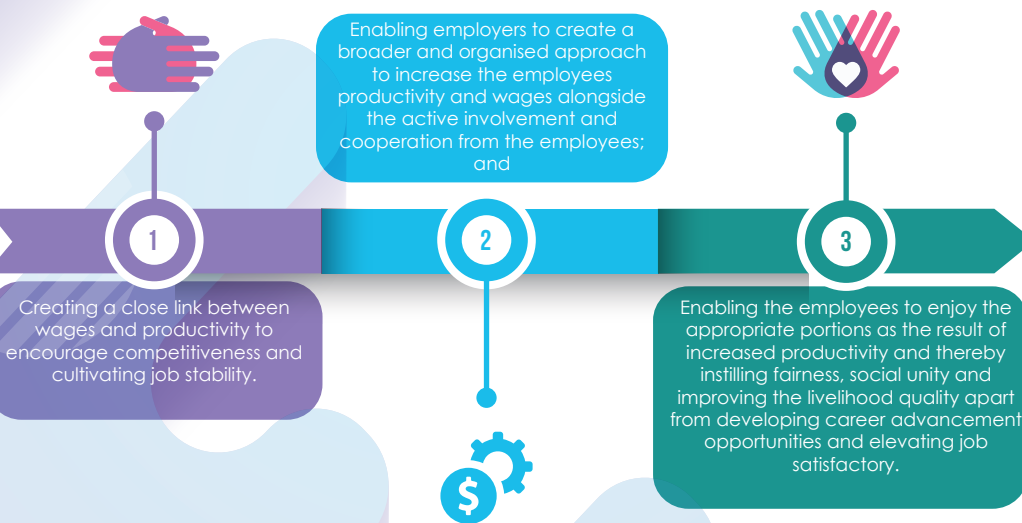
## 1 INTRODUCTION



The effort to increase the competitiveness and the durability of the country has to be prioritised due to the ever changing scenario of the world and the nation's economy. Due to that, for the benefits of all involved that is employees, whether in union or non-union sectors, employers and the country it is necessary to implement measures to improve efficiency and productivity.

Productivity is one of the important factors that predisposed the economy growth and the citizen's standard of living. Therefore, productivity improvement is the most strategic way to increase economic competitiveness. Realising the importance of escalating the productivity and the competitiveness of an organisation, the Productivity-Linked Wage System is introduced by the government.

## 2 OBJECTIVES OF PLWS



## 3 MAIN COMPONENTS IN PLWS

- The main components in this system are:
- Wages must be inclusive of the combination of monthly income or other payments that is more frequent, annual increment, yearly bonus or other non-frequent bonus.
  - Wages must contain fixed components including basic salary and additional components in the form of variable pay.
  - Regarding the fixed and variable components, examples of the main elements in both components are as such;

**Fixed components**

- Basic salary;
- Annual increment;
- Contractual Bonus (where applicable).

**Variable Components**

- Annual increment based on productivity escalation / profit distribution formula

- Change in basic salary should include factors such as cost of living, knowledge, competency, experience and skills
- Fixed components should depict work values and the annual increment will work as a recognition to year of service and the employees experience; and
- Variable components can be determined by associating with individual performance, work group, or organisation. The indications used must be explicit and can be measured and considerations should be given to all the parties involved during the payment for variable components.

## 4 PLWS MODELS

PLWS can be based on Profitability Model, Productivity Model and Integrated Model.

### Profitability Model

Using the fixed and variable components that had been assigned according to the company's profit distribution formula such as:

- The formula should be agreed upon by the administration and the workers union and being stated in a collective agreement or through negotiation for non-union company and should be occasionally checked;

- Additional incentives are being paid when the company profit exceeding the target, calculated based on the return of investment, asset, equity and the average profit obtained from the previous years.

### Productivity Model

Using the fixed and variable components that had been assigned according to the company's performance and/or productivity rate of each employee such as:

- Salary incentives for the respective year should be in line with productivity escalation.
- Salary increment should be agreed upon and does not include annual increment which being paid as variable productivity scheduled payments.
- Productivity based payments can be changed according to company's profit.
- In the beginning, a formula or mutual understanding should be manifested to make adjustments for variable productivity payment.
- Companies that does not have their own productivity indicators can use the indicators from the industry, national productivity, or economic growth as a guide to determine the wage payment for that respective year; and
- Productivity indicators that are being used should be based on the values that had been added to each of the employee or any other methods.

### Integrated Model

Making account from both profits and productivity based models.

## 5 IMPORTANT COMPONENTS IN IMPLEMENTING PLWS

The success of implementing PLWS depends on these four (4) important components:-

- Existence of trust between the employers and the employees
- Trust and transparency will create consensus/cooperation toward the escalation of productivity; and
- Transparency in information sharing to established trust between both parties
- Productivity increment can results in profit that be shared together.

The main components in implementing PLWS can explain by the next figure:



## 6 PLWS ELEMENTS

Following are PLWS elements that are being used:-



## 7 STEPS IN IMPLEMENTING PLWS

There are few steps that must be followed by company before implementing PLWS:

- Creating awareness about PLWS among company's management
- Briefing/Explanation to employees about PLWS
- Establishing Internal committee represented by management and employee
- Establishing measurement of productivity tools (KPI)
- Getting feedbacks from employees and management
- Transition to new system on trial
- Revision and continuous improvement
- Implementing PLWS

## 8 BENEFITS OF IMPLEMENTING PLWS

- Productivity increment and competitiveness on company level are guaranteed
- Wages payment are synchronised according to the economic performance thus reducing the negative impact towards the employers and employees
- Ensuring job stability and reduce risk of employee dismissal during sluggish economy;
- Establishing a win-win situations between both parties
- Enabling the company to standardise their policies according to the current economic situation
- Improving work specialisation according to the employee's skills and enhancing workability.
- Improving the communications and the cooperation between the employee and the employers because both parties are working hard in improving the company performance; and
- Enhancing the employee's motivation, moral and work satisfaction.

For further information, please contact:

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# PRODUCTIVITY-LINKED WAGE SYSTEM (PLWS)



## 7 LANGKAH-LANGKAH MELAKSANAKAN PLWS

Terdapat beberapa langkah yang perlu diikuti oleh syarikat sebelum melaksanakan PLWS:

1. Wujudkan kesedaran mengenai PLWS di kalangan pihak pengurusan syarikat
2. Taklimat/Penerangan kepada pekerja mengenai PLWS
3. Tubuh Jawatankuasa Dalaman yang diwakili oleh pihak pengurusan dan pekerja
4. Pembeduan alat-alat pengukuran produktiviti (KPI)
5. Mendapatkan maklumbalas daripada pekerja dan pengurusan
6. Peralihan kepada sistem baru secara percubaan
7. Semakan dan penambahbaikan berterusan
8. Melaksanakan PLWS

## 8 FAEDAH-FAEDAH PELAKSANAAN PLWS

- ✓ Menjamin peningkatan produktiviti dan daya saing di peringkat syarikat;
- ✓ Pembayaran upah diselaraskan mengikut prestasi ekonomi dan ini dapat mengurangkan impak negatif terhadap majikan dan pekerja;
- ✓ Menjamin kestabilan pekerjaan dan mengurangkan risiko berlakunya pembuangan pekerja sewaktu kelembapan ekonomi;
- ✓ Mewujudkan situasi menang-menang (win-win situation) bagi kedua belah pihak;
- ✓ Membolehkan syarikat menyelaras polisi mengikut suasana ekonomi semasa;
- ✓ Memperbaiki pengkhususan kerja mengikut kemahiran dan meningkatkan kerjaya para pekerja;
- ✓ Menambahbaik komunikasi dan kerjasama antara majikan dan pekerja kerana kedua-dua pihak berusaha menjurus kepada peningkatan prestasi; dan
- ✓ Meningkatkan motivasi dan moral pekerja serta kepuasan bekerja.

Untuk keterangan lanjut, sila hubungi :  
**BAGHIAN KEHARMONIAN PERUSAHAAN (BKeP)**  
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Komponen penting dalam melaksanakan PLWS ini dapat dijelaskan melalui gambar rajah di bawah ini:



## 6 ELEMEN-ELEMEN PLWS

Berikut adalah di antara elemen-elemen PLWS yang digunakan:-



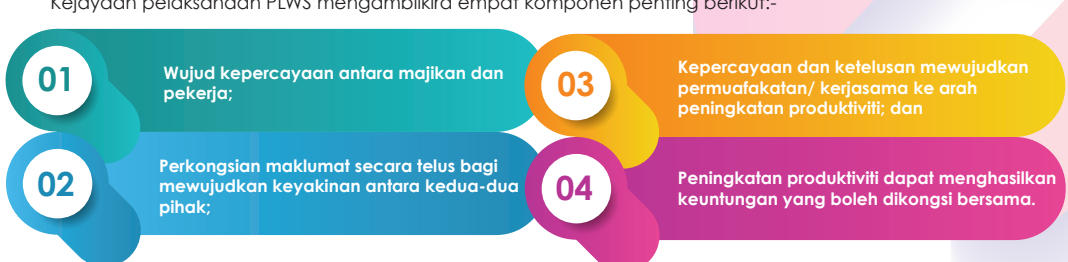
## 4 MODEL-MODEL BAGI SISTEM INI

PLWS boleh diasaskan kepada Model Keuntungan, Model Produktiviti dan Model Gabungan.



## 5 KOMPONEN PENTING DALAM MELAKSANAKAN PLWS

Kejayaan pelaksanaan PLWS mengambilkira empat komponen penting berikut:-



## 1 PENGENALAN



Usaha mempertingkatkan daya saing dan daya tahan Negara terus diberi keutamaan berikutan perubahan persekitaran ekonomi negara dan antarabangsa. Sehubungan itu, untuk kepentingan semua pihak yang berkenaan iaitu pekerja-pekerja samada dalam sektor berkesatuan atau tidak berkesatuan, majikan-majikan dan negara, adalah perlu dilaksanakan langkah-langkah meningkatkan kecekapan dan produktiviti.

Produktiviti merupakan salah satu faktor penting yang mempengaruhi pertumbuhan ekonomi dan taraf hidup rakyat sesebuah negara. Oleh yang demikian, peningkatan produktiviti merupakan cara yang strategik untuk meningkatkan daya saing ekonomi. Menyedari kepentingan meningkatkan produktiviti dan daya saing organisasi, Sistem Upah Yang Dikaitkan Dengan Produktiviti atau *Productivity Linked Wage System (PLWS)* telah diperkenalkan oleh Kerajaan.

## 2 OBJEKTIF PLWS



## 3 CIRI-CIRI UTAMA DALAM SISTEM UPAH YANG DIKAITKAN DENGAN PRODUKTIVITI (PLWS)

- Ciri-ciri utama dalam sistem ini adalah:
- a) Upah hendaklah merangkumi kombinasi pendapatan bulanan atau lain-lain bayaran yang lebih kerap, kenaikan gaji tahunan, bonus tahunan atau lain-lain bonus yang tidak kerap;
  - b) Upah hendaklah mengandungi komponen tetap, termasuk gaji pokok dan komponen tambahan dalam bentuk bayaran boleh ubah;
  - c) Mengenai komponen tetap dan boleh ubah, satu contoh unsur-unsur terpenting dalam kedua-dua komponen tersebut adalah seperti berikut;

**KOMPONEN TETAP**  
 • gaji pokok;  
 • kenaikan gaji tahunan;  
 • bonus kontraktual (di mana berkaitan).

**KOMPONEN BOLEH UBAH**  
 • kenaikan gaji tahunan adalah berdasarkan kepada peningkatan produktiviti / formula pengagihan keuntungan

- d) Perubahan gaji pokok perlu mengambil kira faktor-faktor seperti kos hidup, pengetahuan, kecekapan pengalaman dan kemahiran;
- e) Komponen tetap hendaklah menggambarkan nilai kerja dan bayaran kenaikan gaji tahunan adalah sebagai pengiktirafan tempoh perkhidmatan dan pengalaman para pekerja; dan
- f) Komponen boleh ubah boleh ditentukan dengan mengaitkan kepada produktiviti dan prestasi individu, kumpulan kerja atau organisasi. Petunjuk-petunjuk yang digunakan hendaklah telus dan dapat diukur dan pertimbangan dapat diukur dan pertimbangan juga perlu diberikan oleh pihak-pihak yang terlibat kepada aspek masa pembayaran komponen boleh ubah.