



PROJECT NOTIFICATION

Ref. No.: 22-CL-14-GE-WSP-A-PN2200064-001

Date of Issue	22 June 2022
Project Code	22-CL-14-GE-WSP-A
Title	Workshop on Productivity-linked Wage Systems in the Service Sector
Timing and Duration	8–10 August 2022 (three days)
Hosting Country(ies)	Malaysia
Modality	Digital Multicountry
Implementing Organization(s)	Malaysia Productivity Corporation and APO Secretariat
Participating Country(ies)	All Member Countries
Overseas Participants	38
Local Participants	12
Qualifications of Participants	Government officials, representatives of industry associations, and professionals from National Productivity Organizations working on wage frameworks and policy and providing training and consultancy on productivity measurement
Nomination of Participants	All nominations must be submitted through National Productivity Organizations of member countries
Closing Date for Nominations	25 July 2022

1. Objectives

- a. Discuss productivity measurement and its linkages to wages and remuneration in the service sector.
- b. Examine how productivity issues could affect wages with the adoption of new working styles and digitalization.
- c. Share best practices of the implementation of initiatives by APO members in applying wage policies based on productivity in the service sector.

2. Background

In 2021, the World Bank reported that the service sector had grown faster than manufacturing in many developing countries, contributing an average 55% of GDP and 45% of employment. In APO members, the service sector accounted for 51% of economic growth in the Republic of China, 67% in the Republic of Korea, and 81% in Singapore for the period 2010–2019 (*APO Productivity Databook 2021*).

The pandemic has affected many service enterprises. However, signs of recovery are emerging, particularly in the tourism-related sector. The report “Post-COVID-19 Economic Recovery in Southeast Asia” published in 2022 by the ADB stated that better-paid and more highly skilled workers were needed to rebuild the tourism industry. In this context, the practice of productivity gainsharing could attract and retain higher-quality, more productive workers in this particular sector.

A productivity-linked wage system (PLWS) can assist organizations in realizing gainsharing schemes. As developed by the Malaysia Productivity Corporation, it is a flexible wage system featuring mutual benefit in which gains are distributed in accordance with the productivity performance of both employees and employers. It has proven effective to increase prosperity and organizational competitiveness.

This workshop will provide insights on how to develop and manage PLWS in participants’ own organizations. They will also learn about the benefits of such systems as well as benchmark against the best practices of implementation in selected APO members.

3. Scope, Methodology, and Certificate of Attendance

The duration of each day’s sessions will be around three hours comprising presentations by experts, group discussions, and other relevant learning methods. The indicative topics of the presentations are:

Day 1:

- Productivity measurement and its link to profitability
- Productivity gainsharing: Concept and approaches
- Introduction to PLWS

Day 2:

- Introduction to the e-Shared Prosperity Organization
- Developing PLWS in the service industry
- Case studies from selected APO members

Day 3:

- Benefits of PLWS
- Issues and challenges in implementing PLWS
- Group action plan presentation

The detailed program and list of speakers will be provided two weeks prior to the sessions with announcement of the names of the selected participants.

The participants are required to attend all sessions. This full participation is a prerequisite for receiving the APO certificate of attendance.

4. Financial Arrangements

- a. The APO will meet the assignment costs for overseas resource persons.
- b. The host country will meet the assignment costs of local resource persons and for a virtual site visit(s), either broadcast live or recorded as applicable.

5. Implementation Procedures

Please refer to the implementation procedures for APO digital multicountry projects circulated with this document.

A handwritten signature in black ink, appearing to read 'Dr. AKP Mochtan', with a long, sweeping flourish extending upwards and to the right.

Dr. AKP Mochtan
Secretary-General