



## PROJECT NOTIFICATION

Reference No.: 352

<b>Date of Issue</b>	25 March 2024
<b>Project Code</b>	24-CL-29-GE-TRC-B
<b>Title</b>	Training Course on Productivity-linked Wage Systems
<b>Timing</b>	1 July 2024–5 July 2024
<b>Hosting Country(ies)</b>	Cambodia
<b>Venue City(ies)</b>	Phnom Penh
<b>Modality</b>	Face-to-face
<b>Implementing Organization(s)</b>	National Productivity Centre of Cambodia
<b>Participating Country(ies)</b>	Cambodia, Republic of China, India, Indonesia, Malaysia, Mongolia, Pakistan, Philippines, Sri Lanka, and Turkiye
<b>Overseas Participants</b>	18
<b>Local Participants</b>	6
<b>Closing Date</b>	6 May 2024
<b>Remarks</b>	Not Applicable

<b>Objectives</b>	Understand the concept and applications of productivity-linked wage systems (PLWS); enhance skills in designing, implementing, and managing effective PLWS; and share best practices and innovative approaches to PLWS among participating organizations and countries.
<b>Rationale</b>	Adopting PLWS can significantly enhance both productivity and employee welfare by aligning worker incentives with enterprise performance goals. This can motivate employees to improve productivity, leading to higher organizational performance and competitiveness. PLWS approaches align with inclusive productivity growth under the APO Vision 2025.
<b>Background</b>	<p>PLWS link wages to productivity and performance. This ensures that wage increases are directly proportional to enhancements in productivity, allowing employees to receive a fair share of the gains resulting from improved performance and productivity growth. This approach has been applied in various sectors and has gained trust in enhancing productivity and equity across organizational and societal levels. For example, the Malaysian government applied PLWS to mitigate income disparities while increasing productivity, aiming to elevate the employees' GDP compensation share from 37% in 2020 to 40% by 2025, along with profit–wage correlation and union involvement (PwC 2022).</p> <p>However, designing and implementing an effective PLWS requires a thorough understanding of its principles, benefits, and potential challenges. This training course aims to bridge knowledge gaps and promote PLWS as a means to achieve sustainable productivity growth and employee welfare.</p>
<b>Topics</b>	Fundamentals of PLWS; Design and implementation of PLWS; Case studies of successful PLWS implementation in different industries; Monitoring and evaluation with effective metrics and processes for assessing the impact of PLWS on productivity and employee satisfaction; and Legal and ethical considerations.
<b>Outcome</b>	Enhanced capacity to design, implement, and manage PLWS at organizational level, and participants can train others in developing PLWS.
<b>Qualifications</b>	Government officials, HR professionals, representatives of industry associations, and officers from National Productivity Organizations working on wage frameworks and policy and providing training and consultancy on productivity measurement.

Please refer to the implementation procedures circulated with this document for further details.



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