

EXECUTIVE SUMMARY

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|--------------------------------------|---|
| TITLE | : ACCELERATING LABOUR MARKET REFORM: A CAPACITY BUILDING PROGRAM DRIVING PRODUCTIVITY GROWTH THROUGH PROGRESSIVE WAGE POLICY FOR STAKEHOLDERS. |
| OBJECTIVES | : <ul style="list-style-type: none"> • To understand the Progressive Wage Principles from Singapore expert and experience and gain insights into the fundamental principles and components of the Progressive Wage Model; • To explore strategies for tailoring the Progressive Wage Model to suit Malaysia unique structure and industry dynamics; and • To gain understanding of relevant labor laws and compliance requirements associated with the Progressive Wage Model. |
| EXPECTED OUTCOMES | : <ul style="list-style-type: none"> • Increased knowledge and awareness among participants about the fundamental principles and components of the Progressive Wage Model; • Enhanced understanding of how progressive wage systems operate, including the criteria for wage progression and the principles behind fair compensation; • Participants gain insights into tailoring the Progressive Wage Model to their organization's structure; and • Development of a plan or framework for the implementation of the Progressive Wage Model within the specific Malaysia. |
| DATE & VENUE | : 6 – 8 March 2024, Dorsett Hotel, Putrajaya |
| DELEGATES (S) | : Officers & Representatives from MPC & Regional Officers, Ministry of Economy, MITI, MOF, MOHR, MTUC, MEF, SME Corp. & FMM |
| ESTIMATED COST | : RM97,900.00 |
| BUDGET | : TWIP 2024 Budget & Operation Budget |
| RECOMMENDED BY | : Talent Development, People Productivity |
| Comment/ Signature By PCT | |

ACCELERATING LABOUR MARKET REFORM: A CAPACITY BUILDING PROGRAM DRIVING PRODUCTIVITY GROWTH THROUGH PROGRESSIVE WAGE POLICY FOR STAKEHOLDERS

1.0 Purpose

The purpose of this paper is to request approval from MPC Board of Management in organizing Accelerating Labour Market Reform: A Capacity Building Program Driving Productivity Growth through Progressive Wage Policy for Stakeholders.

2.0 Background

The recent presentation on *Kertas Putih Dasar Gaji Progresif* by YB Minister Economy has applauded the importance of improving low wages, skill mismatch and slow productivity growth and hence to undertake labour market reform. Such initiative will support the Mid Term Review of the 12th Malaysia Plan, NIMP 2030, NETR and the *Ekonomi MADANI*. To fulfill the aspiration, it is vital for MPC and pertinent stakeholders to explore opportunities which would enhance our workforce development initiatives, particularly in the area of wage structuring and progression.

Subsequently the findings from MPC-EUERA study on New Wage Model for Building Sustainable Business and Workforce 2023, have identified the Progressive Wage Model as an integral framework that aligns with our commitment to employee development and fair compensation practices. Understanding the complexities and distinctions associated with implementation of this model indeed need a specialized training and guidance in ensuring a successful integration into Malaysia context.

Considering the reputable expertise of the Singapore National Employers Federation (SNEF) in matters of labour and employment, this program will utilize SNEF resource person to implement the training and consultancy services on the subject matter of Progressive Wage Model. With SNEF, wealth of experience and knowledge, is well-positioned to provide comprehensive insights and guidance on the effective implementation of this model.

3.0 Objectives of the programme

- i. To understand the Progressive Wage Principles from Singapore expert and experience and gain insights into the fundamental principles and components of the Progressive Wage Model;
- ii. To explore strategies for tailoring the Progressive Wage Model to suit Malaysia unique structure and industry dynamics; and
- iii. To gain understanding of relevant labor laws and compliance requirements associated with the Progressive Wage Model.

4.0 Training Format

Workshops, or customized sessions, depending on the availability and recommendations of SNEF.

5.0 Expected Date & Venue

6 – 8 March 2024, Dorsett Hotel, Putrajaya

5.0 Expected outcomes.

- i. Increased knowledge and awareness among participants about the fundamental principles and components of the Progressive Wage Model;
- ii. Enhanced understanding of how progressive wage systems operate, including the criteria for wage progression and the principles behind fair compensation;
- iii. Participants gain insights into tailoring the Progressive Wage Model to their organization's structure; and
- iv. Development of a plan or framework for the implementation of the Progressive Wage Model within the specific Malaysia.

6.0 Participants Nomination

Please refer to Attachment 1.

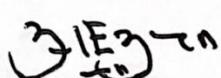
7.0 Expenses Cost

Please refer to Attachment 2.

8.0 Approval From BOM

The approval of Board of Management (BOM) is sought on the estimated total expenses of **RM97,900.00** for the program.

Prepared by:



Zul Ezwan Muhamad
Manager
Date: 6 February 2024

Reviewed by:



Dr. Suriati Zainal Abidin
Deputy Director
Date: 6 February 2024

Approved by:



Mohamad Muzaffar Abdul Hamid
Director
Date: 6 February 2024

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6 – 8 MARCH 2024 | DORSETT HOTEL, PUTRAJAYA

PARTICIPANTS NOMINATION

| NO. | PARTICIPANTS | ORGANIZATION |
|-----|--------------------|---|
| 1. | Pegawai KE | Human Capital Development Division, Ministry of Economy |
| 2. | Pegawai KE | |
| 3. | Pegawai KE | |
| 4. | Pegawai MITI | Strategic Planning Division, MITI |
| 5. | Pegawai MITI | |
| 6. | Pegawai MOF | Bahagian Fiskal dan Ekonomi (FED), MOF |
| 7. | Pegawai MOF | |
| 8. | Pegawai Dasar MOHR | Bahagian Dasar Sumber Manusia, MOHR |
| 9. | Pegawai Dasar MOHR | |
| 10. | Pegawai JPPM | Jabatan Perhubungan Perusahaan Malaysia, MOHR |
| 11. | Pegawai JPPM | |
| 12. | Pegawai MPGN | Majlis Perundingan Gaji Negara, MOHR |
| 13. | Pegawai MPGN | |
| 14. | Pegawai Perkeso | PERKESO |
| 15. | Pegawai Perkeso | |
| 16. | Pegawai SMECorp | SME Corporation |
| 17. | Pegawai SMECorp | |
| 18. | Wakil MTUC | Malaysian Trades Union Congress (MTUC) |
| 19. | Wakil MTUC | |
| 20. | Wakil MEF | Malaysian Employers Federation (MEF) |
| 21. | Wakil MEF | |
| 22. | Wakil FMM | Federation of Malaysia Manufacturers (FMM) |
| 23. | Wakil FMM | |
| 24. | Wakil EU-ERA | Centre for Future Market Labour Studies (EU-ERA) |
| 25. | Wakil EU-ERA | |

| NO. | PARTICIPANTS | ORGANIZATION |
|-----|---------------------|---|
| 26. | Wakil EU-ERA | |
| 27. | Associates MPC | Associates MPC |
| 28. | Associates MPC | |
| 29. | Associates MPC | |
| 30. | Trainer | SNEF |
| 31. | Trainer | |
| 32. | Pegawai MPC | Malaysia Productivity Corporation (MPC) |
| 33. | Pegawai MPC | |
| 34. | Pegawai MPC | |
| 35. | Pegawai MPC | |
| 36. | Pegawai MPC | |
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| 40. | Pegawai MPC | |
| 41. | Pegawai MPC | |
| 42. | Pegawai MPC | |
| 43. | Pegawai MPC | |
| 44. | Pegawai MPC | |
| 45. | Pegawai MPC | |
| 46. | Pegawai MPC Wilayah | |
| 47. | Pegawai MPC Wilayah | |
| 48. | Pegawai MPC Wilayah | |
| 49. | Pegawai MPC Wilayah | |
| 50. | Pegawai MPC Wilayah | |

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EXPECTED COST

PERINCIAN KOS - BAJET PEMBANGUNAN – TWIP

| Perkara | Kategori | Nilai |
|---|--|---------------|
| Pakej Mesyuarat (50 peserta x RM180 x 3 hari) | P29401 – Makan Minum Orang Jemputan/ Peserta Kursus | 27,000 |
| Penginapan Sekretariat (10 pegawai x RM230 x 3 malam) | P29407 – Makan Minum Termasuk Penginapan | 6,900 |
| Penceramah/ Fasilitator Program - Luar Negara (2.5 hari = \$15,000 x 3.6) | P29118 - Perkhidmatan Pakar Runding Luar Negara | 54,000 |
| Penulisan Laporan / Press Release | P29112 - Perkhidmatan Penterjemahan Dan Penafsiran / Penulisan | 5,000 |
| JUMLAH KESELURUHAN (RM) | | 92,900 |
| | | |

PERINCIAN KOS – BAJET OPERASI

| Perkara | Kategori | Nilai |
|--|----------|--------------|
| Tuntutan Perjalanan Pegawai MPC (HQ & Wilayah) | | 5,000 |
| JUMLAH KESELURUHAN (RM) | | 5,000 |

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TENTATIVE AGENDA

Day One (9.00am – 4.30pm)

Session 1 : Concept and Principles of Progressive Wage System (PWS)What, why and how

Session 2 : Sectoral Progressive Wage (PW) and Occupational PW7
sectoral PW and 2 occupational PW

Session 3 : Structural approach to PW formulation

Day Two (9.00am – 4.30pm)

Session 4 : key consideration for the successful implementation of PWS

Session 5 : Facilitation and group discussion on road map from conceptualization to implementation

Session 6 : Presentation of framework and action plan by tripartite partners
(Government, Employer and Employee representatives)

Day Three (9.00am – 12.00 noon)

Other components that make Progressive Wage System sustainable
– Stephen Yee

Session 7: Holistic implementation for employers to see sustainability on how to manage PWM

Integrates with Job Redesign to increase productivity and skills

Session 8: Social Dialogue with Employers and Unions getting a stronger buy-in

Session 9: Discussion on Minimal Wage Model vs Progressive Wage Model