

GAINSHARING IMPLEMENTATION

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INDONESIA

WAGES AND PRODUCTIVITY IN INDONESIAN LAW No.13/2003

Minimum Wage Setting

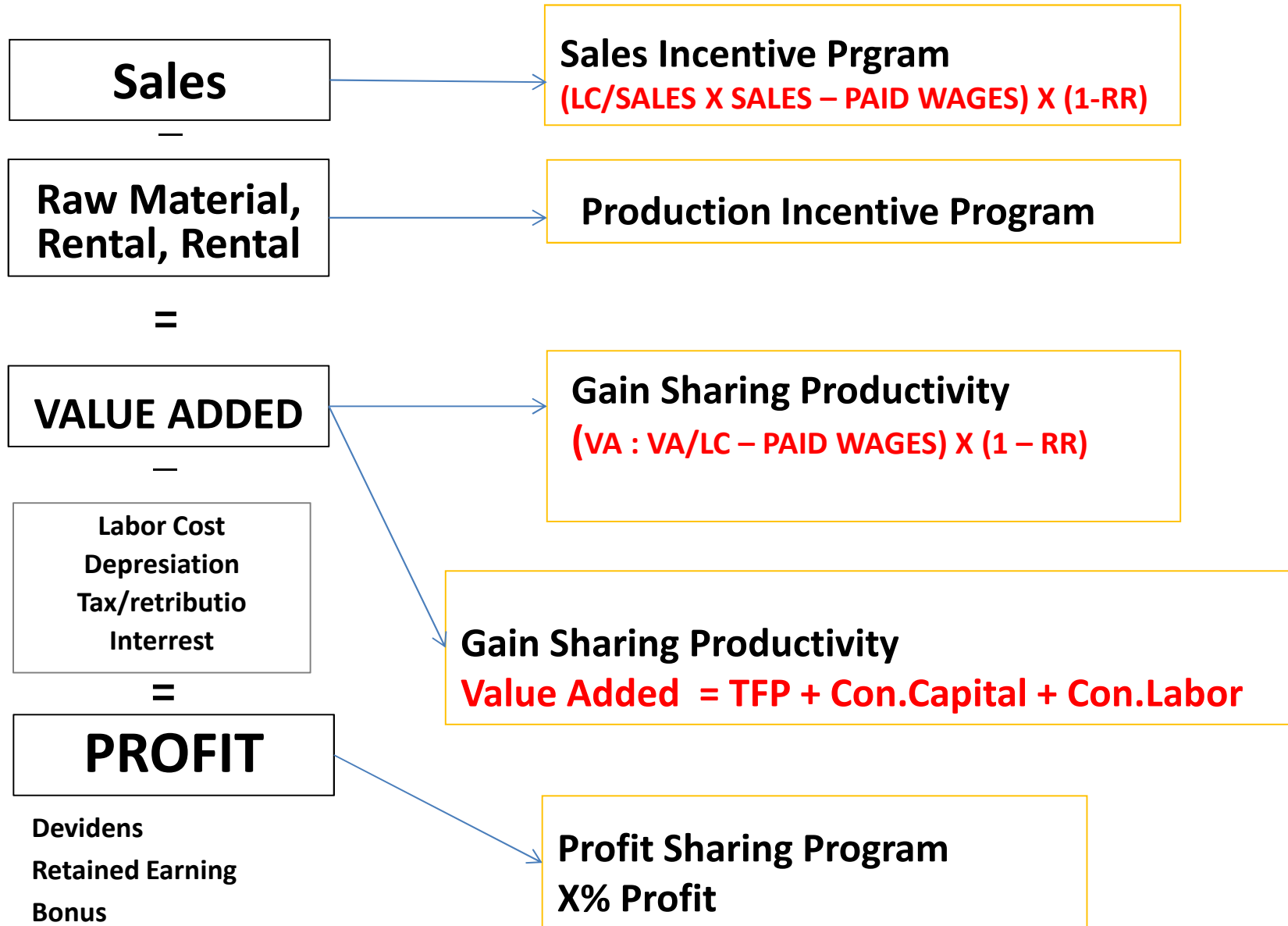
Article 88 verse (4): Government sets minimum wage based on the need for decent living and by considering economic productivity and economic growth

$$r \text{ UMP/K} = \text{Average (kKHL + pProdv + gGDP)}$$

Wage Adjustment

Article 92 verse (2): Employers periodically review the wages levels by considering the company's ability and productivity. This implies that: Employers should form the wage structure and pay scale by considering job's rank, competency, levels of education, and length of experience.

PRODUCTIVITY GAINSHARING SCHEME



SCHEME

PRODUCTIVITY IMPROVEMENT

Through Method, Tools and Technique productivity implementation

Sales
-
Material,Rent,Utiliti
=
Value Added
-
LC +Interest+ Deppre+Tax
=
Profit

Sales Incentive Sharing Program
 $(LC/SALES \times SALES - PAID WAGES) \times (1-RR)$

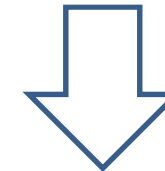
Production Sharing Program

Gain Sharing Program
 $(VA: VA/LC-Paid Wages) \times (1-RR)$

Profit Sharing Program
 $GS = X\% (\text{Profit})$

KPI measurement

**GAIN SHARING
PRODUCTIVITY**



WAGES

=

**FIXED
WAGES**

+

**VARIABLE WAGES/
Productivity Compensation**



Article 92 verse (2): Employers periodically review the wages levels by considering the company's ability and productivity

Upgrade of fixed wages

**T
Wage Increase**

**A
Annual Increment**

**P
Variable Productivity
Payment**

No	Nama	Upah Pokok	Tunj. Tetap	Kompensasi Produktivitas	Total Upah

Kopi Ulee Kareng

AWARD, TOOLS AND TECHNIQUE OF PRODUCTIVITY

a. Tools and Technique of Productivity

- ☐ Brainstorming;
- ☐ 5S (Socialization & Planning)
- ☐ Kaizen
- ☐ Action Plan
- ☐ SWOT Analysis

b. Awarded of:

- ☐ Trade Minister Award;
- ☐ Food SMEs Award 2011

PRODUCTIVITY GAIN SHARING FORMULA



PRODUCTIVITY GAIN SHARING METHOD

PROFIT SHARING (SPECIAL INCENTIVES, POSITION ALLOWANCE, BONUS)

PRODUCTIVITY GAIN SHARING FORMULA:

$$[X\% (\text{SALES REALIZED} - \text{SALES TARGET})] \times (1 - RR)$$

EXAMPLE:

RR	= 30%
X	= 20%
Sales Realized	= 3.000.000.000,--
Sales Target	= 2.500.000.000,--

$$PGS = (20\% \times 0,5 \text{ M}) \times (1 - 30\%) = 70.000.000,--$$

Gain Sharing Method known also as Productivity Improvement Results for Manpower given in the form of Bonus, Incentives and Allowance of Special Bonus

UD. Kreasi Lutvi

TOOLS AND TECHNIQUE OF PRODUCTIVITY

Quality Production Improvement implemented by:

- 5S;
- GKM (Gugus Kendali Mutu)/Quality Control Circle;

PRODUCTIVITY GAIN SHARING FORMULA

METHOD: INCENTIVES FOR EACH UNITS



FORMULA:

$$\text{PGS} = \{(\text{Realized Target} - \text{Target Unit/Division}) \times (50\% \times \text{Incentive})\}$$

TARGET UNIT / DIVISION (KPI DIVISION)

Peeling Unit	= 3,2 ton
Cutting Unit	= 3,2 ton
Sliding Unit	= 3,2 ton
Frying Unit	= 200 Kg
Packaging & Sort Unit	= 20 Box
Waste Unit	= 50 Ton



CV. Sispra Jaya Logam



AWARD, TOOLS AND TECHNIQUE OF PRODUCTIVITY

a. Tools and Technique of Productivity

- ☐ GKM/Quality Control Circle (QCC);
- ☐ 5S;
- ☐ SCORE (Sustaining Competitive of Responsible Enterprises);
- ☐ ISO.

b. Awarded of:

- ☐ National QCC Award in Manado, South Sulawesi, Ministry of Industry, 1995;
- ☐ National QCC Award in Biak, Irian Jaya, Ministry of Industry, 1998;
- ☐ ADHIKARYA awarded in 2000 by Riau Province Governor;
- ☐ UPAKARTI, awarded in 2006 by Presiden RI;
- ☐ PRIMA MUTU, awarded in 2008 by Presiden RI;
- ☐ Quality and Productivity Award SIDDHAKARYA , awarded in 2011 by Riau Province Governor;
- ☐ PARAMAKARYA, awarded in 2012 by Ministry of Manpower and Transmigration

PRODUCTIVITY GAIN SHARING FORMULA



PRODUCTIVITY GAIN SHARING METHOD:

FORMULA: Rucker Plan

$$((LC/NT \times NT) - LC \text{ paid}) \times (1-RR)\%$$

EXAMPLE:

RECEIVED GAIN	= Rp 8.312.500,--
PRODUCTION	= 50%
MARKETING	= 40%
ADMINISTRATION	= 10%

CV. Mubarak Food Cipta Delicia



AWARD, TOOLS AND TECHNIQUE OF PRODUCTIVITY

Tools and Technique of Productivity

- ☐ 5 S (Sisih, Susun, Sasap, Sosoh, Suluh);
- ☐ SCORE Modul 1 (Cooperation in Workplace);
- ☐ Kaizen (Continuous Improvement);
- ☐ TQC (Total Quality Control) dan GKM (Gugus Kendali Mutu)/Quality Control Circle;
- ☐ SMK3 (Sistem Manajemen K3)/Safety & Health Management System;
- ☐ Manajemen 4 Sehat dan 5 Sempurna (Food Combine Management);

PRODUCTIVITY GAIN SHARING FORMULA

PRODUCTIVITY GAIN SHARING METHOD:

Rucker plan

PRODUCTIVITY GAIN SHARING FORMULA:

$$(Realized Profit - Planning Profit) \times (1 - RR)$$

EXAMPLE:

Sharing:	
Employee	70%
Management	30 %



Thank You!

