



Tier 2 (Productivity/Performance-Based Incentive Scheme or Incentivizing Performance)

What is Incentivizing Performance?

Productivity/Performance-Based Incentive Scheme, the second component of the Two-Tiered Wage System, is a program that grants incentives to workers for work performance that leads to increases in productivity or improvement in overall business performance.

PBIS is implemented at the firm level and is voluntary in nature.

Objective:

The program aims to promote competitiveness and sustainability of firms through higher enterprise and worker productivity. Incentivizing improvements in workers' performance strengthens the link between wages and productivity and allows workers to receive higher take home pay or income as a result.

Target Beneficiaries:

Micro, small and medium enterprises covered by the wage advisories issued by the Regional Tripartite Wages and Productivity Boards and are implementing productivity improvement programs.

Availment Mechanics:

Interested MSMEs may request technical assistance in setting-up their incentive schemes from the RTWPBs which have jurisdiction over their area.

Technical support provided by the RTWPBs cover capacity building on productivity programs and assistance in designing incentive schemes including the corresponding performance indicators, metrics and incentive details.