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**Title of Report:**

**A STUDY ON THE IMPACT OF MINIMUM WAGE ON EMPLOYEES  
FROM MYDIN COMPANY**

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# CHAPTER 1

## INTRODUCTION

### 1.0 Introduction

This chapter focuses the background of the study which is on employees involved in private sector. It also emphasizes on the impacts of the minimum wages towards employees. Sections 1.1 discuss on the background of the study, Section 1.2 explains the problem statement and Section 1.3 states the research questions. Sections 1.4 on the hand, states the research objectives and Section 1.5 is on the information regarding the scope of the study. In addition, Section 1.6 explains the significant of study and lastly section 1.7 is all about the definition of terms and concepts.

### 1.1 Background of the Study

This research study will focus on the topic of minimum wage in private sector, which is the perception of employee toward the impact of minimum wage. Based on the article of Secretariat, the Minimum Wages Order 2012 which was Gazette on July 16 has to be read together with the National Wages Consultative Council Act 2011 under act 732 (Federal Government Gazette, 2012). The Minister make a recommendation to the government in term of minimum wages rates according to sector, types of employment and regional areas. Thus, the Minister may upon the direction of the Government by notification in the Gazette amend or revoke the minimum wages order.

Furthermore, in the National Wages Consultative Council Act 2011 under Minimum Wages Order 2012 stated that the implementation of this law on 1 January 2013 that related to the an employer who employs more than five employees who carries out a professional activity classified under the Malaysia Standard Classification of