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STUDIES**



**FACTORS CONTRIBUTING TO EMPLOYEES PERCEPTION
TO MINIMUM WAGES IN SARIKEI**

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter concentrates on the background of study in examining factor that contributing to employee perception to minimum wage, Sarikei Sarawak. This chapter will begin with a problem statement, research questions, research objectives, scope of study, significance of the proposed study and definition of terms, terminology, and concepts.

1.1.1 Minimum Wage

The term "minimum wage" refers to the lowest amount of remuneration that an employer is legally obligated to pay their workers for labor completed during a specified period, such as an hour, a day, or a week. Employers are compelled to pay their employees at least the minimum wage to comply with the law. The major objective of policies establishing a minimum wage is to protect employees from being exploited and to guarantee that they will get a pay that is both fair and sufficient to cover their essential costs of life (Ling et al., 2014). It is possible for the government to guarantee that employees are paid at least a particular amount by establishing a minimum wage. This may assist in the reduction of poverty, the promotion of economic development, and the improvement of workers' standards of life.

In recent years, the formulation of minimum wage rules in Malaysia has been the subject of a contentious and heated discussion in the country. On May 1, 2022, the Malaysian Minimum Wages Order shall become effective and begin to be implemented. The new Order mandates a RM1,500 per month minimum salary for all workers (Geetha, 2022). Apart from domestic workers, the Order is applicable to all employees. Employers with less than five workers may take advantage of a temporary exemption from this requirement until December 31, 2022. However, this exception is not available to employers who operate their businesses during their professional activity. The Wages

CHAPTER 2

LITERATURE REVIEW & CONCEPTUAL FRAMEWORK

2.1 Introduction of Literature Review

This chapter will clearly identify and define the employee perception of minimum wages to provide a context in which the literature to be reviewed. The following literature review provides a summary of factors and dimensions of employee perception of minimum wages.

2.2 Employee Perception of Minimum Wages

Minimum wage policies have emerged as a critical tool in many countries, aiming to tackle income inequality and ensure fair compensation for workers. But here's the twist, employees' perceptions of these policies vary based on different factors, shaping their attitudes towards them. Their beliefs, attitudes, and opinions regarding the impact of minimum wages on compensation, job security, and overall well-being. In Malaysia, the introduction of minimum wages in 2013 through the Minimum Wages Order (Amendment) Act was a significant step in narrowing wage disparities and improving the lives of low-income workers (Sensasi, 2015). This policy aimed to create a safety net for vulnerable workers while promoting economic development. However, the perceptions of Malaysian employees towards minimum wages can be quite diverse, making it crucial to understand these perspectives for effective policy formulation and implementation. According to Ann Balasingam et al., (2020) many Malaysian workers see minimum wages as a catalyst for elevating living standards and reducing poverty. They view it as a vital mechanism to ensure fair compensation for their hard work. For them, it brings financial stability, enabling them to meet their basic needs and potentially improve their overall quality of life. Some employees in Malaysia hold negative perceptions of minimum wages. They worry about potential job losses and reduce working hours, fearing that employers might struggle to meet higher wage requirements (Hwa et al., 2019). Critics argue that wages

CHAPTER 3

RESEARCH METHOD

3.1 Introduction

In this chapter we dive into a research project. This chapter will suggest how data has been collected by the researcher in which it will generate information regarding the intended research. This chapter will discuss the research methodology which includes the research design, unit of analysis, sample size, sampling technique, measurement, data collection and data analysis.

3.2 Research Design

Salkind (2010) explains that a research design refers to the plan of action for conducting a research study. It involves the methods and procedures used to collect, analyze, interpret, and report data. The research design serves as a roadmap that connects the research problem to practical and attainable empirical research. It outlines the techniques employed to gather and make sense of information, along with details such as the timeframe, location, and sources of data. In essence, research design acts as a valuable guide in collecting the necessary information to address the research question.

To achieve the study's objective, a cross-sectional design will be employed. This design is suitable for the quantitative method used in this study. The data collection will take place at a specific predetermined time to address all the research objectives. The study will rely on primary data obtained through a survey to assess time management skills among students.

The objective of the study is to measure the impact of minimum wages policy implementation on organizational finance performance. Besides, this study also to obtain the feedback and information toward the policy in which it sees the employee perception of minimum wages.