The Impact of Minimum Wage on Enterprise Employees

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Abstract: The minimum wage refers to the minimum labor remuneration standard set by the government, which aims to ensure the basic living needs and increase income of workers, and is also an important means of maintaining social fairness and justice. However, the impact of the minimum wage on enterprise employees is complex and diverse. In the following article, we will analyze the impact of minimum wage on employees from multiple perspectives.

Keywords: Minimum Wage; Enterprise Employees; Influence.

1. Introduction

The minimum wage standard refers to the standard at which a unit is required to issue at least the minimum wage for workers who provide normal labor during the specified working hours and the working hours stipulated in their labor contract. The normal labor here refers to the need for workers to sign labor contracts that can protect their maximum interests. It can also allow some disadvantaged groups to enjoy policies that ensure the daily expenses of some workers and their family members, and protect the rights and interests of low-income workers [1-3].

2. Advantages and Disadvantages of Minimum Wage

The minimum wage system refers to the policy established by the state to legally regulate the minimum wage standards for employees in enterprises and employers. The advantage lies in ensuring the basic living standards of workers, preventing some enterprises from squeezing employees in pursuit of profits, and protecting their rights and interests. At the same time, the minimum wage standard system can also promote fairness and justice in the entire society, curb vicious competition, and achieve healthy economic development. However, the introduction of the minimum wage system may also bring some negative impacts: rising labor costs, increased difficulty in recruitment, and rising unemployment rates. The following will provide a detailed introduction to the advantages and disadvantages of the minimum wage system [1].

2.1. Advantages of Minimum Wage

2.1.1. Protecting the Rights and Interests of Workers

The introduction of the minimum wage standard is to protect the rights and interests of employees. This is because in a market economy environment, enterprises often obtain the maximum benefits at the minimum cost, including wage costs. Therefore, some companies have to resort to low salaries or squeezing employees in order to pursue higher profits. After the introduction of the minimum wage system, it can improve the basic income level of employees, protect their rights, and avoid the problem of employees being squeezed and discriminated against due to the pursuit of profits by the enterprise.

2.1.2. Promoting Fair Competition

The introduction of the minimum wage standard system can also promote fair competition among enterprises and curb vicious competition among them. After adopting the minimum wage system, enterprises must pay employees' salaries according to the minimum wage standard, comply with labor laws and regulations, and thus create a healthy and fair competitive environment. This is conducive to the stable development of various enterprises, more conducive to the long-term prosperity of the entire society, and helps to maintain social fairness and justice.

2.1.3. Maintaining Healthy Economic Development

The minimum wage system is beneficial for the healthy economic development of the entire society. By ensuring the basic income level of employees, their consumption ability is enhanced, thereby increasing market demand. Improving consumption ability is not only beneficial for individuals, but also for enterprises, increasing their sales volume and creating favorable conditions for their development and growth [1].

2.2. Disadvantages of Minimum Wage

2.2.1. Increase in Labor Costs

After the introduction of the minimum wage system, companies must pay employees according to standards, thereby increasing their labor costs. For enterprises with already high costs, this increase in costs may make it difficult or even impossible to sustain their operations. In order to compensate for the impact of rising wage costs, companies may reduce operating costs through other means, such as reducing welfare benefits, which directly affects the quality of life of employees.

2.2.2. Increased Difficulty in Recruitment

The introduction of the minimum wage system may also bring about another issue, which is the increasing difficulty for enterprises in recruiting new employees. Due to the increase in salary standards, companies may place greater emphasis on the experience and skills of candidates to ensure that employers can receive more benefits. This will make it more difficult for beginners and young people without relevant work experience and skills to find jobs.

2.2.3. Rising Unemployment Rate

The promotion of the minimum wage system may lead to an increase in unemployment rate. For companies that cannot afford rising costs, they may choose to reduce the number of employees, leading to an increase in unemployment rate. This
has a particularly significant impact on beginners and young people, as they often cannot meet the needs of companies for experienced employees.

Based on the above analysis, the advantages and disadvantages of the minimum wage system are complex. The minimum wage standard plays a positive role in ensuring employees' basic living needs and improving their income levels. However, when introducing the minimum wage standard, it is also necessary to consider the potential negative impact on the enterprise and employees. The government and enterprises can balance this conflict of interest through various means, such as adjusting the different minimum wage standards in different industries and regions, strengthening employment and skills training, and adopting more flexible labor market policies [2].

3. The Impact of Minimum Wage on Recruitment and Labor Costs

The minimum wage system refers to the introduction of laws and regulations by the state that restrict the minimum wage standards for employees in enterprises to ensure their basic livelihood needs. The minimum wage system can protect employee rights, promote fair competition, and maintain healthy economic development. But at the same time, the minimum wage system also has its adverse effects, such as rising labor costs and increasing recruitment difficulty. This article will discuss the impact of minimum wage on recruitment and labor costs.

3.1. The Impact of Minimum Wage on Recruitment

The introduction of the minimum wage system may have a certain impact on the recruitment of enterprises.

On the one hand, the increase in the minimum wage standard makes it necessary for enterprises to consider the required salary level when hiring employees, thereby increasing the recruitment cost of enterprises. This cost increase may further drive companies to reduce labor or reduce costs, leading to a decrease in employment opportunities. Therefore, the implementation of the minimum wage system may create certain recruitment difficulties for young people entering the workplace, especially those without relevant experience and skills.

On the other hand, after successful recruitment by enterprises, the implementation of the minimum wage system will have a certain impact on the recruitment decisions of enterprises. Most companies choose to minimize job opportunities that require meeting the minimum wage conditions when recruiting, whether it is to save costs or pursue higher profits. In this situation, experienced employees may have a lower success rate in recruiting qualified employees due to their strong selectivity [3].

3.2. The Impact of Minimum Wage on Labor Costs

The introduction of the minimum wage system will also have an impact on the labor costs of enterprises.

On the one hand, the increase in the minimum wage standard has led to an increase in labor costs for enterprises. For companies that cannot afford the cost increase, they may choose to reduce labor costs through layoffs, cuts in employee benefits, and other means, leading to an increase in unemployment rate and a decrease in employee rights. In addition, if a company cannot absorb the increase in costs, it will ultimately lead to bankruptcy and bankruptcy.

On the other hand, in order to avoid hiring employees with high salaries, companies may reduce the amount of labor or shorten working hours, resulting in a decrease in employee income levels. This can have a negative impact on the attractiveness and welfare of employees, and may also make them feel that the company is not concerned about their needs, thus leaving a deep negative impression.

3.3. The Dual Nature of the Minimum Wage System

The minimum wage system has its long-term dual nature. On the one hand, the implementation of the minimum wage system has advantages such as protecting employee rights, promoting fair competition, and maintaining healthy economic development; On the other hand, the implementation of the minimum wage system will increase the labor cost and recruitment difficulty of enterprises, and even cause problems such as layoffs and bankruptcy. The government and enterprises should adopt appropriate policies to balance this conflict of interest, such as gradually increasing the minimum wage standard and strengthening labor market regulation, in order to achieve better social effects. At the same time, policy support in vocational education and skill training can be strengthened to enhance the employability of the people and reduce unemployment caused by a lack of relevant skills [4].

4. The Impact of Minimum Wage on Employment Opportunities

The minimum wage system is a legal provision that ensures the basic salary of employees, protecting their basic rights and improving their living standards by setting a minimum wage standard. The introduction of the minimum wage system helps to promote fair competition, enhance the transparency and stability of the labor market, but may also have a certain impact on employment opportunities. This article will analyze the impact of the minimum wage system on employment opportunities from several aspects.

4.1. The Positive Impact of the Minimum Wage System on Employment Opportunities

The implementation of the minimum wage system helps to increase the income level of workers, thereby improving their quality of life. In some cases, the minimum wage system also has a positive impact on employment opportunities:

4.1.1. Encourage Enterprises to Improve Employee Benefits

The increase in the minimum wage standard forces companies to provide higher salaries and benefits to employees to ensure that they do not violate legal regulations. This helps to attract more high-quality and skilled talents, improve the competitiveness of enterprises, and thus increase new employment opportunities.

4.1.2. Promoting Transparency and Stability in the Labor Market

The implementation of the minimum wage system can promote transparency and stability in the labor market, making it fairer and more transparent, thereby enhancing the credibility of enterprises and attracting more talents to join
4.2. The Negative Impact of the Minimum Wage System on Employment Opportunities

In addition to having a positive impact on employment opportunities, the minimum wage system may also have some negative impacts on employment opportunities:

4.2.1. Increase Labor Costs

The increase in the minimum wage standard will increase the cost of employment for enterprises, which may create a heavy burden for those with low profits but high sales. Enterprises may reduce costs by reducing employment or reducing employee benefits, leading to a decrease in employment opportunities.

4.2.2. Restricting the Creation of Informal Jobs

Some companies need to take on significant risks when recruiting employees for informal jobs, and these jobs usually do not fall under the legal category of formal work. Therefore, an increase in the minimum wage standard may limit the creation of these job positions, leading to a decrease in employment opportunities for this group of people.

4.2.3. Reducing the Demand for Low-Skilled Workers in Enterprises

The increase in the minimum wage standard will force companies to pay more wages and benefits to employees. For those with only a certain level of low-level skills, it is difficult for them to create value for the enterprise, so the enterprise may be more inclined to hire employees with higher skills, leading to a decrease in employment opportunities for the low-skilled population.

4.2.4. The Comprehensive Impact of the Minimum Wage System on Employment Opportunities

Overall, the impact of the minimum wage system on employment opportunities is complex. Although in some cases, the minimum wage system helps to improve the income level and quality of life of workers, and helps to increase the competitiveness of enterprises, thereby increasing employment opportunities; However, in other cases, the minimum wage system may increase the employment costs of enterprises, limit the creation of informal jobs, and reduce the demand for low-skilled workers, leading to a decrease in employment opportunities. The government and enterprises should take appropriate measures to balance this conflict of interest, in order to protect the rights and interests of workers and stabilize the labor market.

5. Conclusion

In summary, the impact of the minimum wage standard on enterprise employees is complex and diverse. The minimum wage system plays a positive role in ensuring the basic living needs of workers and increasing their income. However, when introducing the minimum wage standard, it is also necessary to consider the potential negative impact on the enterprise. In order to better balance this conflict of interest while maintaining social fairness and justice, the government can take some measures, such as taking into account the actual situation of different industries and regions, and adopting different standards when formulating the minimum wage standard; Improve law enforcement and supervision when implementing the minimum wage standard, and reduce the risk of non-compliance by enterprises; At the same time, efforts should be made to encourage enterprise innovation, transformation and upgrading, and strengthen policy support for enterprise development, in order to promote healthy economic development and stable employment growth.

References


