The Impact of the Minimum Wage Ordinance on Security Companies in Hong Kong

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Abstract

Hong Kong, as a developed city, has implemented a new law of Minimum Wage Ordinance since May 2011. Many industries would be affected, especially for some low-skilled and low wage industries. This research is to evaluate impacts of the Minimum Wage Ordinance on guarding companies in Hong Kong. Guarding companies are to change their business strategies, company structures and human resources policies to suit into the market. This research is to identify the arguments in favour of and against Human Resource Management and Minimum Wage in Hong Kong. In-depth Interview of qualitative research methodology adapts to the research to have rich descriptions of phenomena from the interviewees and Open-ended questions are used to get various answers to the research questions.

The findings reveal that all interviewed companies are well arranging Human Resource Management policies on dealing with the implementation of Minimum Wage Ordinance; wages have been increased, communication has been enhanced and benefits have not been reduced. It is suggested that the implementation of Minimum Wage Ordinance is perfectly at the very good time of rapid economy growth in Hong Kong where most of the negative effects are offset or even over by economy growth. All interviewed companies keep making profits and maintain profit margins. The inflation is even downward which some theorists argue that setting up minimum wage would push the inflation upward. It is also suggested that the minimum rate is set not high
that most low-skilled and low wage employees are earning wages very close to the minimum rate. As this is a new law, this research would contribute to the Hong Kong Government that it would have more useful information for developing its labor strategies and policies and it would be an indicator for the guarding industry to plan the Marketing and Human Resources strategies.
Declaration

I declare that this thesis that has not been submitted in any form for another degree or diploma at any university or other institution of tertiary education. Information derived from the published or unpublished task of others has been properly acknowledged in the texts and references lists.

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Mr. Hon, Kim Tak

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