

Is the pay cap ethical? No it's not!

1. Demotivation (the salary cap will demotivate people and might prevent creativity and innovation). Furthermore, people with high salaries are those who have a lot of responsibilities and are hard to replace. A pay cap would increase the turnover in a bad way.
/slow down the process of hierarchy (promotion, creation of positions)
2. The salary cap limits the rich to contribute to society (barrier) since they do not earn enough (or what they should be earning).
3. people's compensation should be commensurate with their contribution (in this case when managers provide high contribution to the organization because of their knowledge and experience that the normal employee don't have it would be fair to be rewarded at the same level otherwise limiting their salary is unfair)
4. Loss of value towards some jobs. People might not consider professional jobs as valuable as it would be. The potential benefits may not be as attractive (the job is not worth the pay/benefits anymore)
5. Increase income taxes instead
6. Managers and CEOs would be tempted to work elsewhere (in another country)
- 7: The pay cap limits the creation of new jobs, which eventually negatively impacts society. With the implantation of a salary cap, people may not want to take some particular kind of jobs, because they consider the compensation is not enough.
8. The pay cap diminishes the ways on how we are able to value jobs and leads to the question how do we value jobs?