

*Yes, I believe companies have an ethical duty to balance profitability with paying workers a living wage. Companies rely on workers' labor to operate and make profits. Without workers, there would be no profits. Therefore, companies have an implicit social contract with employees to compensate them fairly so they can afford necessities. Paying unlivable wages contradicts ethical principles of reciprocal care, harm avoidance, and our shared humanity. It harms individuals, families, and communities.*

*“The concept of a fair wage has a greater significance than simply one worker’s pay or one company’s policy. It is an economic concept critical to the nation as a whole in an economic system like capitalism, in which individuals pay for most of what they need in life rather than receiving government benefits funded by taxes” (Byars & Stanberry, 2019). Determining a fair wage is complex with many perspectives involved. Economists may focus on macro factors like supply-demand dynamics, inflation, and standard of living costs. Executives consider profit margins, competition, and shareholder priorities. Governments enact legal minimums. Unions advocate for worker interests. Ultimately it requires balancing multiple stakeholder concerns through ethical reasoning and good faith negotiation. There may be more than one defensible position on where to draw the line. But reasonable people should agree workers deserve adequate pay to cover healthcare, housing, nutrition, education, transportation, and other basic needs at sustainable levels.*

*I would make the business case to directors that paying above-minimum entry wages reduces turnover and hiring/training costs, boosts recruitment, retention, and productivity by engaging a more qualified, motivated workforce with increased company loyalty. This fuels long-term gains that offset short-term profit reductions. I would note major corporations like Costco and trader Joe’s who pay above-average wages while maintaining strong profits. And I would appeal to*

*ethics - that as leaders we must care for the well-being of all people impacted. Paying workers enough to afford necessities and stay out of poverty honors their dignity and humanity while upholding moral ideals important to customers and shareholders. Higher entry wages affirm our values and advance everyone's interests.*

*References:*

*Byars, S. M., & Stanberry, K. (2019). Business ethics. OpenStax College and Rice University.*

*Retrieved from: <https://openstax.org/details/books/business-ethics>*

*Jimenez, G. C., & Pulos, E. (2016). Good Corporation, Bad Corporation: Corporate Social Responsibility in the Global Economy. Open SUNY Textbooks. Retrieved from:*

*<https://milnepublishing.geneseo.edu/good-corporation-bad-corporation/>.*