

# How much (more) is fair to pay? The ethics of merit in assessing poverty wages in organizations

Ethics of merit  
in assessing  
poverty wages

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## Abstract

**Purpose** – This study aims to conduct a comprehensive analysis of poverty salaries and minimum wage in light of virtue ethics and a new natural law perspective on work.

**Design/methodology/approach** – Existing approaches to poverty wages are critically examined, including the nonworseness claim and legal minimalism. This paper introduces a more nuanced framework, taking into account the concepts of merit and participation in light of virtue ethics.

**Findings** – We argue that the fairness of minimum wage policies can be assessed as a matter of contributive-distributive justice by considering individual contributions to an organization's outcomes within an approach that provides a robust foundation for reconciling the dignity of work with the operational realities of organizations.

**Research limitations/implications** – Empirical research is needed to validate the practical application of the proposed conceptual framework for addressing poverty wages.

**Practical implications** – The paper provides better decisional arguments for employers concerned with poverty salaries in their organizations considering the moral dimensions of wage policies and employee well-being, offering guidance for potential adjustments in compensation practices. It also contributes to the discourse on social and economic justice by emphasizing the moral obligations of organizations in fostering a just and dignified work environment without the employee's participation.

**Originality/value** – This paper presents a novel approach that blends virtue ethics and new natural law principles, emphasizing the moral responsibilities of employers and organizations in addressing the conditions of the working poor. It also highlights the potential for a "lesser evil" situation, morally acceptable when it serves as a transitional phase aimed at improving working conditions and employee well-being.

**Keywords** Merit, Minimum wage, Poverty wages, Justice, Dignity of work

**Paper type** Research paper

## 1. Introduction

The labour of the husband and wife together must [. . .] be able to earn something more than what is precisely necessary for their own maintenance; but in what proportion [. . .] I shall not take upon me to determine.

(Smith, WN, I, VIII, p. 97).

### *Compliance with ethical standards*

*Ethical approval:* The study did not involve the use of any humans or animals.

*Conflict of interest:* The authors declare that they have no conflicts of interest.



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The concept of human work has received much attention in the business ethics theory, especially when attempting to define the appropriate integration of economic goals and human dignity (Fontrodona and Melé, 2022). This has raised several questions on the noneconomic features of work, economic justice, and the social scope of such concerns. In particular, the latter begs the question of the importance of workers being able to afford a good living, turning the standards of livelihood not only into an important indicator of economic justice, but also into one that relates to dignified employment. However, the principle of dignity of work is not always in line with corporate reality and modern employment. This means that, even though attending to workers' living conditions is a desirable goal – particularly that of the working poor – the reality shows that many formal employees still remain in poverty in many economies. According to the International Labour Organization, in 2018, 8% and 13% employees worldwide were extremely poor and moderately poor, respectively (Gammamarano, 2019). However, increasing salaries for the sake of work's dignity is not that simple and faces restraints on the part of both workers and firms, such as a lack of individual productivity, the absence of technical skills, or employer's limited financial capacity.

Thus, the "shocking reality" of bad working conditions in economies worldwide becomes a challenge for the business ethics theory, namely, the need to explain how employees' undignified livelihood can be changed without making unrealistic proposals to employers. Contemporary ethical theories have addressed the problem of the formal working poor by examining the issue of minimum wages and poverty-level salaries (MW-PS) (Berkey, 2020; Faraci, 2019; González, 2003; Meyers, 2004; Sison, 2011; Zwolinski, 2007). Among other things, these theories have proposed reducing normative restrictions to provide a much more "realistic" understanding of employment, such that bad living conditions for employees can be seen as fair or even as relatively good.

In this regard, we claim that such ethical approaches have not correctly addressed the problem and, for this reason, have not provided appropriate principles for ethical decision-making. In particular, these theories have neglected the importance of work's dignity and personal merit to assess compensation policies and employees' living conditions.

The aim of this paper is to provide a comprehensive analysis of the issue of poverty salaries and social inequality within the context of minimum wage laws and virtue ethics theory (VE). The paper aims to critically examine existing approaches to poverty wages, including the nonworseness claim and minimalist approaches, and to propose a more nuanced framework that considers the concepts of merit and participation. Specifically, the paper seeks to explore the potential of virtue ethics, particularly the principles of merit and participatory justice, as a means of addressing and rectifying the problem of poverty salaries. It emphasizes the moral responsibilities of employers and organizations in mitigating working poor conditions while highlighting the need for a temporary "lesser evil" situation, which may be morally acceptable as long as it serves as a transitional phase toward improved working conditions and employee well-being.

Therefore, aiming to reconsider the importance of merit in fair compensation policies, we maintain that MW-PS can be assessed in light of a principle of individual contribution to an organization's results, that is, merit defined in light of virtue ethics in business theory (Sison *et al.*, 2016; Sison and Fontrodona, 2012, 2013), along with a new natural law approach to the definition of work as a dignifying practice (Pinto-Garay, 2019; Monge and Hsieh, 2020; Sison, 2018; Velasquez and Brady, 1997). As we will explain, this virtue ethics and new natural law-based approach provides a more complete argument for reconciling the dignity of work and the reality of organizations to assess the fairness of MW-PS compensation policies.

To explain this, we will follow a philosophical approach. As a conceptual paper, it does not rely on empirical data or experiments but instead engages with existing philosophical literature, ethical frameworks and relevant normative concepts in light of virtue ethics to construct arguments and insights related to the issue of poverty salaries and minimum wage laws. The methodology involves a deep exploration of virtue ethics, distributive justice, and the ethics of merit within the context of workplace practices and labor compensation.

We will start by addressing the mainstream approaches to the minimum wage, including the nonworseness claim (N-WC) and the minimalist approach to subliving wages, and show how, even for different reasons, both fail to recognize the intrinsic value of personal work by making a legalistic assessment of corporate practices, according to which management decisions are morally good only when they comply with current regulations. To overcome this approach, which is ultimately guided by economic interests, we propose the idea of merit in light of virtue ethics as a way to overcome the “work blindness” present in mainstream approaches that prevents human work from being performed in a dignifying, fair, and meaningful way.

Further advancing this “work-centered approach,” we will then claim that the value of work should be derived from its merit as an organizational concern, in terms of contribution, working circumstances, and participation. In other words, if work and wages are valued because of merit and contribution, the problem of the working poor can be addressed under the logic of contributive-distributive justice, that is, as the responsibility to improve wages by enhancing employees’ capacity to achieve better standards of living, instead of as a social issue (adjacent to welfare or law). Finally, we will show how this improvement should result from doing what is necessary to enhance merit in contribution by empowering employees to do better on their own initiative and participate in organizational processes; in other words, increased contribution cannot be sustained without employee participation.

## 2. Nonworseness claim and minimalist approach to subliving wages

Established for the first time in New Zealand in 1894, minimum wages (MW) are the legal obligation for employers to pay basic economic compensation to workers regardless of the productive-economic contributions employees make to their workplaces. However, although such wages have existed for many decades, the academic debate on this topic has become relevant only in the last 30 years. Many researchers have identified [Maitland et al.’s \(1996\)](#) book, *The Great Non-Debate Over International Sweatshops*, as the starting point for current economic and ethical discussions on MW ([Meyers, 2004](#)). Since this publication, the MW phenomenon has been approached from several philosophical and economic perspectives, according to which the moral standing of such compensation policies has been discussed, especially when these wages are associated with subliving salaries and poor-quality employment ([Faraci, 2019](#); [Werner and Lim, 2016](#); [Arnold and Bowie, 2003](#)).

In this regard, the problem of MW has been assessed along with bad working conditions, such as sweatshops, exploitation, child labor, industrial facilities in third-world economies, and international contractors ([Powell, 2018](#)). Additionally, MW has been studied for its capacity to restrain social development, democracy, globalization, sustainability, corporate competitiveness, and global markets, among other economic and institutional dimensions of modern society ([Cassel, 2001](#); [Werhane, 2012](#); [Radin and Calkins, 2006](#)). Thus, the discussion focuses not only on the tension between economic performance and the ethical justification for raising or maintaining a subliving MW ([Krugman, 2013](#)), but also on the possibility of setting fair minimum compensation in accordance with both employees’ living conditions ([Krueger, 2008](#)) and economically sustainable corporate activities ([Preiss, 2014](#)).

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Faced with such a range of problems associated with MW, several ethics theories have tried to address the problem in a more systematic manner, two of which stand out:

- (1) N-WC); and
- (2) the minimalist approach to legal obligations borne by corporations.

Broadly speaking, these two approaches to MW-PS can be summarized as follows:

- (1) According to the N-WC theory, workers, no matter how low the wage they receive, have morally acceptable employment at any time and the alternative – that is, not having that job or having an informal one – puts them in a worse position.
- (2) From a minimalist perspective, workers, regardless of how low the wages they receive, have morally acceptable employment as long as it is legal or at least not illegal.

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The first approach, N-WC, was originally developed to understand the reality of impoverished working conditions in developing countries (Powell and Skarbek, 2006). Sometimes called the “reasonable view” (Faraci, 2019) or “beneficent exploitation” (Meyers, 2004), this theory suggests that bad working conditions must be assessed based on the following principle: engaging in a consensual and mutually beneficial transaction (like employment relations) cannot be morally worse than preventing those transactions (Berkey, 2020; Coakley and Kates, 2013). In this sense, there are only two basic conditions for a good work arrangement:

- (1) mutual consent; and
- (2) working conditions that are at least not worse off.

Therefore, N-WC reinforces the position that bad working conditions paid with subliving salaries, such as sweatshops or child labor, are not necessarily wrong in terms of comparison. These jobs may be an improvement over previous working conditions and personal standards of living.

Using this line of argumentation, Zwolinski (2007) and Faraci (2019) argued that any form of third-party intervention, such as public authority, international labor associations, human rights groups, consumer associations, etc. aimed at improving low-income workers' compensation, is groundless from a moral perspective. Among other reasons, the sum of more labor regulations, such as MW policies and regulatory standards, causes those jobs to be impractical, economically unproductive, and, consequently, forces employers to lay-off employees. In other words, MW-PS legal restrictions cause employees to lose their formal jobs and return to worse labor and living conditions, that is, worse welfare standards (Powell, 2018). Thus, when public authorities or any other third party intervene in the employment relationship based on a certain principle of fairness by introducing compulsory labor regulations, they decrease workers' welfare and limit employers' autonomy to decide the conditions offered within a job position (Faraci, 2019). Therefore, enforcing better working conditions based on the willful promotion of fairness leads to decreased welfare and autonomy (Kates, 2015; Carson, 2013). In other words, enforcing better working conditions and increasing compensation increases unemployment (Powell and Zwolinski, 2012). Therefore, many poor labor relationships can be morally acceptable, even when they are exploitative (Snyder, 2010), simply because the alternative is worse. Accordingly, sweatshops, wage exploitation and poor working conditions are not morally reprehensible *per se* but only relatively so, as they often provide better living conditions, especially in third-world economies (Powell and Skarbek, 2006).

For its part, the minimalist theory has more broadly addressed low-income salaries by considering the civic role of corporations (Sison and Fontrodona, 2013) and the relationship between firms and the public authority in terms of complying with contractual rights and legal duties locally and in international markets (González, 2003). Among other things, these duties protect the right to fair wages, as well as safe and healthy working conditions as indicated by regulators; that is, they are free from arbitrary discrimination, respect private property, etc. (Sison, 2011). Thus, according to moral minimalism, when employment regulations exist effectively, the only moral concern with poor working conditions and wage exploitation is the capacity to adhere to the required legal minimum. According to Handy (2002), this is a legalistic assessment of corporate practices, according to which management decisions are morally good only when they comply with current regulations (Pinto-Garay *et al.*, 2021; see also Bowie, 1988; Moorhead and Hinchly, 2015), regardless of how insufficient these regulations are in terms of providing better job conditions and good living wages.

Moreover, a minimalist approach implies the convenience of following only the most required norms, that is, only those that are in line with the economic interests of a firm. Accordingly, Langtry (1994) suggested that a minimalist business ethics theory might be related with what he defined as the “pure stockholder’s theory.” According to this approach to corporate practices, firms have the sole purpose of maximizing the value of their stocks, and thus fulfilling the economic interest of shareholders. This purpose must be articulated within a firm’s legal restraints, and the less, the better. Therefore, a minimalist assessment of working conditions is in line with the normative stockholder’s theory (Bishop, 2000) and, in this sense, regulators are valued only when they help a firm achieve its maximum economic value. For their part, firms must obey these rules and respect the law and customs in which they operate (Friedman, 1970) to avoid “market defects that dampen competition (e.g. collusion, price-fixing, monopoly), or that impose costs on uninvolved third parties who are unable, for one reason or another, to press their own demands for compensation (e.g. extremely diffuse pollution)” (Heath *et al.*, 2010, p. 444). Thus, complying with legal and regulatory standards is solely based on competitive advantage and economic benefit, and in terms of labor regulation, does not consider the value of work in itself.

### 3. From “work blind” to “merit centric” ethics

As seen, both the minimalist and N-WC theories neglect the value of personal work. Both theories have replaced it by a bounded principle of employees’ welfare and the economic benefits derived from compliance standards. Thus, N-WC and legal minimalism are “work blind,” that is, they accept a MW-PS situation for reasons other than the value of work in its own right.

Now, being “work blind” is a problem not only in terms of moral theory but also a problem in practical matters when it comes to decision-making. Indeed, neither the N-WC nor the minimalist theory can be relied on in the matter of MW-PS because of (i) a relativistic welfare approach’s incapacity to objectively recognize better conditions and (ii) the limitation of the minimalist approach when it comes to incorporating a legislation’s aim into corporate practice beyond merely fulfilling particular norms:

- As mentioned, for N-WC, welfare standards are valued relatively, that is, a situation is good in contrast to eventually worse circumstances, in which employees can end up. However, this principle is problematic, as there is almost always a chance for employees to do worse in life. In other words, a worst-case scenario is always possible. Therefore, considering MW-PS as acceptable because of the N-WC principle is a form of arbitrary argumentation, as a hypothetical worse situation cannot lend any objectivity to determining what is acceptable or not. In other words,

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a N-WC cannot provide guarantees when it comes to avoiding bias in employers' comparisons of worse cases. Indeed, as explained by [Preiss \(2014\)](#), sweatshops and bad working conditions are always considered the *status quo* because those who accept those jobs are always in a nonexploitative situation any time there is a chance that they can do worse. The same can be said for MW-PS.

- As for complying with laws and regulations in ethical minimalism, the moral argument is equally inconsistent in practical terms because it does not consider that laws and regulations are not necessarily aimed at improving the economic performance of individuals and corporations, but, in many cases, at achieving better standards of justice, a public and common good ([Finnis, 1998](#)), in local and international communities in which all corporations and economic institutions participate ([Sison, 2018](#)). Indeed, without a sense of common good beyond mere legal compliance, it is impossible to judge a law or regulation as clearly unfair, even though it is economically convenient. This happened, for instance, with forced labor in car factories during Nazi Germany, when authorities and industries forced people to work because of their religion or race, a situation that was totally legal. In other words, the mandatory incorporation of slaves into factories must be accepted as good when done in accordance with the law, which, in practical terms, invalidates any moral reasoning in decision-making (this example also shows the inconsistency of the N-WC perspective because Jewish employees were "better off" than their family members living in concentration camps. However, we cannot conclude that this was an acceptable situation).

As seen, both arguments become impractical in terms of making the best ethical decisions in cases such as MW-PS and, as mentioned, this happens because they are "work blind," they do not consider that work itself should be performed in a dignifying and fair manner.

Now, to reintroduce work as the issue at stake in assessing working conditions and compensation, we will reformulate the argument in light of the virtue ethics approach. Indeed, this moral theory, which considers the value of work itself, can be applied to understanding justice in MW-PS. Although both the circumstances of action and law are integrated into a virtue ethics assessment of working conditions ([Bernacchio, 2021](#)), this theory bases its arguments on the principle that the fairness of compensation policies must be appraised from the starting point of work as a good in itself. In this sense, it is work as a personal good that enables the capacity to assess both the circumstances and importance of legal compliance in corporate practices, and not vice versa.

However, shifting to VE regarding MW-PS asks the question of how a work-centered approach – especially for the working poor – defines the fairness of a particular condition of work, as solely referencing work as a dignifying activity can still be a very vague starting point. Broadly speaking, the answer is that a work-centered approach must address employment in a way in which the value of work is derived from its merit, that is, in terms of contribution, working circumstances, and participation:

- **Work as contribution:** The value of individual work in an organization must be addressed in terms of contribution, that is, personal merit, a criterion of distribute-contribute justice. Therefore, personal work is a dignifying activity when it effectively contributes to a firm's activities and performance. However, merit and livelihood in the case of the working poor, although they are not to be conceived separately, must be integrated in a practical way, according to which merit comes before living conditions in terms of employers' responsibilities. Accordingly, livelihood standards must be achieved first because of effective merit, meaning that workers can demand better compensation first and foremost because of their



contribution to an organization, not their personal condition. Otherwise, better compensation policies become mere paternalism.

- Working circumstances: From the virtue ethics approach, MW-PS can be paid, but morally speaking, only as a provisional solution – a lesser evil that must always be transitory. This is because decision-making must consider the social and economic circumstances of corporate activity, which are often unfavorable in terms of achieving the basic conditions for paying better salaries without risking insolvency. However, such an impediment must be considered temporary if prompt correction is impossible. Thus, even when circumstances impede employers from providing better compensation, they remain responsible for improving the situation as soon as the circumstances facilitate a plan to recognize employees' merit and, consequently, offer better income.
- Work as participation: Employers should improve the MW-PS situation not only in accordance with a firm's financial sustainability but also in terms of personal fulfillment at work (which is a matter of human dignity). This means facilitating employees' ability to improve their effective contribution to a firm and, in so doing, earning more toward improving their living standards by enhancing a firm's capacity to pay more. In this sense, merit, as a way to increase salaries, demands participation, and not simply efficiency.

Hence, the VE approach to MW-PS sets out a position that differs from N-WC and legal minimalism, as shown in the following table (Figure 1).

It is worth mentioning that using merit as the criterion of fair compensation policies not only makes a different argument from N-WC's "better off" principle or the minimalist criterion of compliance but also places attention on a firm, rather than on welfare or regulations, a field over which a firm has little to no influence or responsibility. In other words, merit is much more of an organizational concern. Welfare and laws are, instead, social issues.

	PRINCIPLE OF ASSESSMENT	EMPLOYER'S CRITERION FOR RAISING SALARIES	'FORMAL WORKING POOR' SITUATIONS	EMPLOYERS' RESPONSIBILITY TO INCREASE SALARIES
NON-WORSENESS CLAIM	Welfare and social conditions	Better of	Is right if better of	None if better of
MINIMALISTIC	Law and regulation	Compliance	Is right if legal	None if not illegal
NEEDS EXPLOITATION	Distinctly Human Life	Wellbeing	Is right if provides access to basic goods	Permanent if working poor
VIRTUE ETHICS	Dignity of Work	Merit	Is acceptable if lesser evil	Permanent if working poor, but in line with the firm's common good

**Figure 1.**  
Differences between  
VE and other  
mainstream  
approaches

Source: Author's own elaboration

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#### 4. Merit and justice in compensation

Workers' income and standards of living have been topics of interest since the origins of modern economic thought. Indeed, for Adam Smith, "A man must always live by his work, and his wages must be at least sufficient to maintain himself [. . .] otherwise it would be impossible for him to upbring his family" (WN, 1, VIII). However, despite his concerns about wages, the most extended opinion on this matter derives mostly from David Ricardo's interpretation of Smith, rather than from Smith himself. According to Ricardo, wages and work are bought and sold (Ricardo, 1821). In this sense, any concern for employees' household standards is a matter of market exchange: if the market value of a job position does not allow employees to earn more, employers bear no responsibility for increasing their salary. They must limit themselves to paying the market price of that salary. In this sense, Moriarty (2012) explained that when it comes to the amount of money considered suitable for a specific job, Ricardian neoclassical economics – which sustains that employees are wage takers, not wage makers – considers wages purely as a matter of market prices.

However, if, on the contrary, work and wages are valued based on merit and contribution, the problem of the working poor must be approached in terms of fostering employees' capacity to make better wages under the logic of a contributive-distributive justice, that is, the responsibility to improve wages by enhancing employees' capacity to achieve better standards of living. The Ricardian approach conceives of the problem as a commutative relationship of justice, according to which merit does not play a leading role. Therefore, to better understand it, in what follows, we will further explore the idea of merit, as well as how it is associated with compensation.

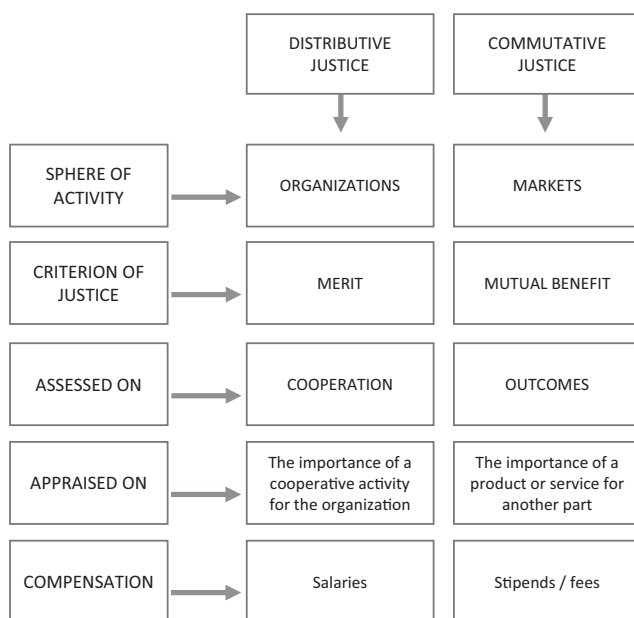
##### 4.1 Merit and distribution

Merit is the criterion according to which an organization (community or group) fairly compensates its members in a proportional manner (Aquinas, S.Th. I, q.47, a.2, ad.3). Indeed, it is a matter of proportionality, which means that distributive justice does not imply an egalitarian allocation of benefits among all members of a working group, but rather an assignment of benefits in accordance with the contribution made by each member of the group to an organizational activity (Pinto-Garay *et al.*, 2020). Merit, therefore, is the assigned value of a contribution to an organization, according to which some employees earn more than others.

However, to understand the relationship between salaries, employees' merit, and their living conditions, it is important to establish the first distinction in terms of justice: salaries are a matter of distributive justice. Therefore, they cannot be valued like any other commercial, as Ricardo did (*see* Figure 2). Commercial exchanges (buying and selling) involve commutative justice. Work in organizations is, instead, compensated, not bought. Along this line, Liberatore (1891) explained that significant confusion originates from the fact that work is not merchandise that can be exchanged (like in commutative justice), but rather, a human action. Therefore, an ontological distinction is needed before analyzing wages: personal work and products are not the same. Thus, wages are not prices to be paid, but rather compensation based on proportional contribution to an organization. In other words, compensation should consider not only the outcomes of individual tasks but also the ability to perform cooperatively toward achieving an organization's necessary production standards.

As defined by Aquinas (S.Th., II-II, q.61, a.2), in "distributive justice something is given to a private individual, in so far as what belongs to the whole is due to the part, and in a quantity that is proportionate to the importance of the position of that part in respect of the whole" (*see also* Aristotle (1995) *Nicomachean Ethics*, 1131a, 1131 b; Aquinas, S.Th. II-II,





Source: Author's own elaboration

**Figure 2.**  
Comparison between  
distributive and  
commutative justice

q.61, a.1, ad.3; II-II, q.61, a.1). In terms of distributive justice, what everybody receives within a firm is reasonable to the extent that most of the firm's members participate, share, and cooperatively take part in the process of production (Sison and Fontrodona, 2013), that is, based on "the ability to work with others toward a common goal that cannot be reached individually" (Sison and Fontrodona, 2012, p. 230). In other words, employees' tasks are essentially performed cooperatively (Kennedy, 2006) as a community of work (Sison and Fontrodona, 2012, 2013; Solomon, 1992) and are aimed at delivering products and services in markets both efficiently and profitably (Melé, 2012). In fact, within an organization, no one would accomplish anything but participate in cooperative and coordinated practices. In other words, in organizations, merit is necessarily associated with the importance of each member cooperating, rather than just trying to achieve individual outcomes.

Merit in organizational processes must be understood in terms of what employees are expected and able to contribute to their work (Gomberg, 2007); it is a matter of participation in cooperation, according to which wages must be assigned in consideration of all features of personal work, not simply individual deliverables. In fact, contribution through cooperative participation is precisely what firms must compensate for, but not as a debt (as happens in market exchanges), instead as the right of every member of a community to have a "share" of the benefits to which everyone has made a proportional and personal contribution (Finnis, 1980, p. 175). Therefore, compensation in organizations is a matter of contributive-distributive justice based on the principle of merit. By contrast, commutative justice, as explained by Aquinas, takes place through exchanges and tradeoffs between two or more persons and is only associated with exchanges of products or services, that is, the kind of justice-befitting actions in which the notion of exchange defines a relationship (Aquinas, S. Th. II-II, q.61, a.2), such as trading, usufruct, money lending, deposits, and rent

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(Aristotle, 1995, NE 1131a). Employees, instead, do not periodically sell the outcomes of their work to their employers. Employers and employees, rather, work together to deliver products and services, a relationship that unfolds as cooperation in production, not exchange. In short, salaries and wages are a matter of distribution, not commutation, as in fees, stipends, or honoraria, because every employee's contribution depends on all the capacities and resources necessary for sustaining cooperative-productive relationships within an organization. Contribution, in other words, is not simply a matter of productivity but of participating in productive cooperation.

#### 4.2 Merit and livelihood

According to the distributive approach to salaries in organizations, an MW-PS context is a matter of compensating what is due to employees because of their merit through effective collaboration and contribution. Therefore, a salary increase should be justified in line with an increase in merit. However, such a statement raises the question of whether merit would rule out any concern for employees' livelihoods. To approach this problem, we argue for the use of a twofold consideration to explain the connection between employees' merit and living conditions:

- (1) the reason why firms must be concerned about their employees' standards of living, especially those of the working poor, and, if so; and
- (2) how this problem should be addressed in terms of merit.

As for "(1)," organizations must be concerned about employees' living standards because they are communities of work (Sison and Fontrodona, 2012, 2013). Therefore, employers' and managers' responsibility for an organization also involves responsibility for workers' integral personal development, and not as an individual production factor. In other words, personal work, as we have mentioned, is not a matter of mere productivity, but rather a dignifying activity. Besides, human dignity demands that employees be given the opportunity to achieve personal fulfillment at work, along with the chance of a dignifying and fulfilling way of life.

This idea is based on the consideration that a person's well-being cannot be properly evaluated in a compartmentalized manner (MacIntyre, 1981), as if work activity could be dignified when employees' living conditions are, at the same time, undignified. In fact, from a neo-Aristotelian view, the complete separation between the dignity of one's work and the dignity of one's personal lifestyle is inconsistent; instead, personal well-being must be assessed integrally, that is, through the virtue associated with the unity of life. As explained by MacIntyre and Dunne (2002, p. 10), we must be aware that the pursuit of the goods of home and family reinforces the capacity to achieve goods at the workplace and vice versa (MacIntyre and Dunne, 2002, p. 10). Therefore, unity implies integration. Thus, personal and workplace fulfillment should not be considered simply as valuable ambits of personal life, but rather as an integrated and synergic part of the unity of good living.

According to Aristotle, having a good life (*eudaimonia*) requires achieving a variety of human excellences at various relevant stages – family, friendship, civil society, work, etc. – all of them in an integrated manner as part of work and personal life (Sison, 2015). Besides, in line with Aquinas, Finnis (1980) explained that the basic forms of the human good can be listed, though not exclusively, as life (health and the goods needed for living), play (rest and nonworking activities), knowledge (not merely instrumental but in terms of culture), esthetic experience, practical reasonableness (such as the capacity to decide several aspects of one's personal lifestyle and work participation), religion, and sociability or friendship. These

goods, in fact, express “the solid core of the notion of human dignity” (Finnis, 1980, p. 225) and dignified living standards must at least minimally have them.

Even though every employer must have moral concern for employees’ standards of living, especially for the working poor, these employers are not responsible for alleviating deplorable conditions in any way possible. Instead, they must focus on doing so in terms of a firm’s actual competence and in accordance with the common organizational good. In other words, attending to employees’ poor living conditions must be done in an organizational manner, that is, to avoid attending to workers’ living conditions by means of actions detached from regular organizational activities, such that organizational sustainability is put at risk or distracted from its proper functions.

From the new natural law approach, this argument is based on the principle that any moral responsibility for the common social good is limited in terms of both practicability and the organizational principle of unity. In terms of practicability, Finnis (1980), for instance, saw the importance of having in mind that those who intend to act justly – like for example, an employer concerned about the problem of MW-PS – decide in a more appropriate manner:

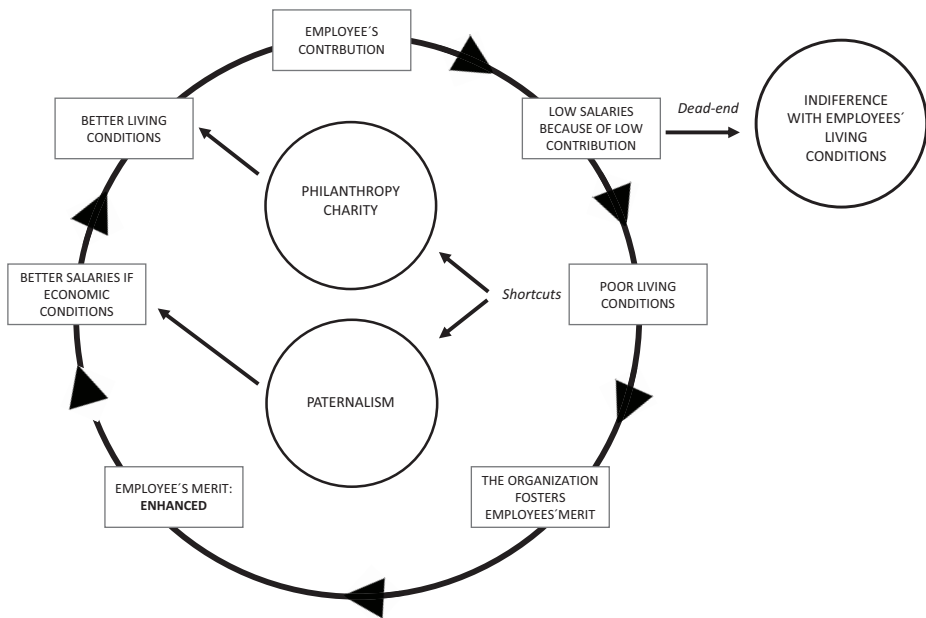
[. . .] not by trying to estimate the needs of the community “at large” [. . .] but by performing his particular undertakings and fulfilling his other responsibilities to the ascertained individuals who have contractual or other rights correlative to his duties (Finnis, 1980, p. 474).

This means that for an organization, attending to the needs of those who integrate the organization’s *qua* employees is its major concern. The social problem of poverty, even when it is a major problem, becomes a moral concern of priority for employers only when it affects their employees.

Additionally, there is a responsibility for an organization’s unity, which means that any form of community (firms, families, clubs, organizations, etc.) depends on its existence and on (i) being devoted to self-fulfillment and helping others fulfill themselves, (ii) acting cooperatively, and (iii) members being equally committed to the community to which they belong (Finnis, 1980, p. 138). Therefore, the alignment of a self-fulfilling concern, coordination, and commitment to an organization defines how employers responsible for the unity of a firm must look at workers’ poor living conditions. In this sense, if poverty can be alleviated such that the three conditions mentioned above are fulfilled, there is no reason to attend to the working poor problem through philanthropic practices or charity, that is, with disregard for employees’ merit in terms of their contribution to an organization and the common good of a firm in its unity.

In short, any concern for employees’ way of living cannot neglect the employer’s responsibility for the organization’s unity and work itself: attending to the situation of the working poor must be done by considering employers’ first responsibility to encourage organizational development, and job position as a condition for employees’ personal development *qua* workers. Thus, the intention to improve poor employees’ living conditions must be raised as a virtuous circle of merit, payment, and livelihood such that indifference to the working poor and paternalism are avoided (see Figure 3). In other words, this means helping employees potentially earn more because of their work and increasing merit when it comes to contributing to their organization.

According to this argument, employers’ responsibility toward MW-PS employees is a matter of work itself, that is, assisting workers in helping themselves through their work to increase their living standards. In this sense, Finnis (1980) defined assistance (*subsidium*) as subsidizing a person, that is, acting with responsibility and justice to help other members of



**Figure 3.**  
Virtuous circle of  
merit, payment, and  
livelihood

**Source:** Author's own elaboration

the communities in which a person participates by association. However, this way of helping is characterized by an intrinsic commitment to empowering the person who receives help:

The proper function of association is to help the participants in the association to help themselves or, more precisely, to constitute themselves through the individual initiatives of choosing commitments [...] and of realizing these commitments through personal inventiveness and effort in projects [...] (Finnis, 1980, pp. 146-147).

In other words, it involves “helping other members help themselves” but in accordance with the organization’s features in which both the assistant and the assisted participate.

Therefore, the issue of the working poor, although it must represent a real concern for an employer committed to providing dignified work, does not demand that the employer attend to the problem without concern for the organization and the work itself. Rather, concern for the working poor must result in doing what is necessary to enhance merit in contribution by empowering employees to do better through their own initiative and participation in organizational processes. However, increasing contribution cannot happen without employees’ participation; otherwise, improvement upon an MW-PS situation risks becoming paternalistic.

## 5. Enhancing merit

Improving employees’ contribution to a firm, increasing their merit, and eventually their compensation can be done paternalistically or in a participative way. The former, originally developed from Taylor’s (1911) ideas, aims to increase individual productivity in accordance with the organizational procedures that workers must follow. On the one hand, an increment in individual performance at work is justified, among other reasons, because of firms’

possible concern for employees' poor living conditions, a problem that can be resolved by raising wages, which, on the other hand, depends on employee productivity. Therefore, fostering better living standards for employees depends, at least in Taylorism, on better standards of workers' individual productivity (Drucker, 2012). However, in this productivity, salaries, and living conditions scheme, Taylorism avoids the need to incorporate workers' effective participation. In Taylor's theory, participation can be problematic for productivity when employees do not have the capacity, intelligence, and skills needed to be more efficient, which, for him, is the norm. Thus, a Taylorism-inspired work policy commands employees to complete specific tasks that are preconceived as instructions for them to follow. However, this system of work, although ostensibly more productive, goes against an essential feature of dignity of work when it limits the value of employees' personal fulfillment through the use of their work skills, job experiences, etc. In other words, this approach is mostly characterized by a distributive corporate policy laid down by a paternalistic management system that values employees' welfare (Goksoy and Alayoglu, 2013), not their well-being.

Paternalism, indeed, conceives of welfare benefits by neglecting individual autonomy and self-direction (Finnis, 1980, p. 230). On these lines, Moosmayer *et al.* (2019) argued that many management theories follow Tayloristic logic in a kind of depersonalization, thus neglecting employees' autonomy, their good judgment, and moral responsibility in daily tasks (Morrell and Learmonth, 2015; Pettigrew and Starkey, 2016; Rocha and Ghoshal, 2006). Accordingly, Sayer (2009) sustained that, from a Tayloristic approach, individual employees are valued more as recipients than active contributors, whose benefits fundamentally depend on what they can contribute to a firm. However, if we reformulate work in an Aristotelian manner – continues Sayer – we must emphasize the importance of self-fulfillment and well-being, which helps us see that acting is more important than having in work; in other words, what we do is what we become. Similarly, Finnis explained that distributive justice demands not only being assigned to certain roles but also having the opportunity for individual advancement (Finnis, 1980, p. 175) through full participation in daily tasks at work (Pinto-Garay *et al.*, 2020). According to this neo-Aristotelian approach, employees increase their contribution from the principle that firms fulfill their duties of justice toward low-income employees by offering such employees opportunities and resources they need to improve their potential work capacities in terms of participation (Melé, 2012). Thus, merit demands not only increased productivity but also greater participation.

In this way, the neo-Aristotelian VE approach introduces the importance of merit in participation as a key moral principle for verifying the existence of work policies in tune with the dignity of work, workers' integral wellbeing, and the common good of a firm (Solomon, 1992; Sison and Fontrodona, 2012, 2013; Pinto-Garay *et al.*, 2020). It goes beyond simple welfare standards outside the workplace. Virtue ethicists have explained that defining work's dignity in accordance with the neo-Aristotelian theory demands that tasks be done in a participatory manner in accordance with the notion of excellence in personal fulfillment (Sison *et al.*, 2016; Pinto-Garay *et al.*, 2020). According to Finnis (1980, pp. 458–459):

[...] members of a group coordinate their activity not merely with a common objective but according to a shared plan of action, their individual acts pursuant to the plan are elements in the group's carrying out of the plan by its own action(s).

In this sense, the possibility of understanding work in terms of the ethics of merit depends on the conception of organizations as a form of cooperation featured by shared deliberation

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processes, according to which workers are included in a firm as members applying their technical skills and intellectual-moral virtues (Sison and Fontrodona, 2013). Otherwise, work itself loses its moral status as a fully dignifying practice because the merit assigned to employees' individual productivity is removed.

However, merit in participation is not just a matter of opportunity but also of personal responsibility. Indeed, the possibility of dignifying participation is based not only on the autonomy provided by employers but also on the responsibility that employees have to act from their own deliberative capacity with the aim of improving their contribution to a firm and, consequently, achieve better forms of compensation (Pinto-Garay *et al.*, 2020). This amounts to the capacity to turn work into a productive and meaningful activity by having access to the resources and opportunities that a firm provides to individual workers (Sayer, 2009). In this sense, Moore explained that productivity valued in terms of participation integrates internal aims related to products, such as beer for the brewer, as well as other personal aims essential to craftsmen themselves (Moore, 2002; Moore and Beadle, 2006). This means conscientiously working on personal goals during daily tasks, acting according to personal values and principles, autonomy in choosing certain forms of acting and deciding, personal control, self-imposed challenges, achievements, engagement, self-realization, self-actualization and growth, moral and psychological fulfillment through personal deliberation, decision-making, autonomy, and service and personal contributions to other people's development (Fairlie, 2011). In short, it involves adhering to higher standards of personal excellence (Shotter and Tsoukas, 2014) in line with organizational forms of excellence (Koehn, 1995; González and Guillén, 2008), which are often defined in a corporation's purpose statement. Therefore, merit has the potential to become a source of personal meaning at work when employees value their merit in terms of individual responsibility.

In summary, when considering the need to increase wages, the effective participation of low-income employees is an essential feature of a good compensation policy that attends to living conditions. In this manner, increasing merit through participative processes enhances the capacity of low-income employees to cover their basic needs with dignity, that is, with jobs that offer better opportunities for autonomy and foster responsibility and the experience of having meritorious-meaningful work. Without the logic of participation, the ethics of merit are critically incomplete.

## 6. Merit, but with realism

Even though the principle of merit provides insight into compensation based on the dignity of work, assessing MW-PS with a sense of organizational realism must address both the issue of the economic value of salaries and circumstances in which, regardless of the merit of employees, firms cannot raise wages because of financial constraints or simply because they would negatively impact society or the organization itself.

### 6.1 *Merit and the economic value of salaries*

As for assessing the fairness of an amount of money – or any other economic form of compensation – and its relationship with merit in compensation, it is important to keep in mind that merit itself does not provide us with a set of criteria for precisely defining the economic value that wages should have to be fair. In other words, a fair amount of compensation cannot be fixed based on the merit criterion. Merit establishes a hierarchy of salaries within an organization or helps justify wage increases, but it cannot by itself determine a specific amount for economic compensation.



In other words, even when both merit and money are concurrently related to the problem of employees' living conditions and they can even be held in a complementary manner, they do not play the same role in compensational fairness. Fairness in the economic dimension of compensation is a matter of just price, which has been extensively studied by the School of Salamanca (Elegido, 2009). In terms of dignifying the standard of living, just price and merit attest to this problem differently.

According to Aquinas, regarding compensation or exchange, fair economic value is usually found in what societies consider reasonable to pay for. Therefore, a just person – the wise and good man, as Aquinas explained – will estimate the economic justice of a price simply by referring to market customs, that is, what the most people usually pay for when it comes to given products and services (Aquinas, S.Th. II-II, q. 71, a.4). In line with this, for Finnis (1980, pp. 111–112), when considering products or economic activities, the market reasonably provides a common denominator (currency), which enables a certain range of reasonable comparisons – a benchmark we might say – to estimate prices, costs, and profits. This means that the economic value (price) reflects the wide value range that society assigns to its preferences and wants as being reasonably fair. This is what Aquinas meant by establishing a history of public consensus on commercial relationships that are usually just (Baldwin, 1959). However, referential market prices and values are not *per se* a determinant of justice, but rather are “proxies” for the criterion of fairness that each person has in economic transactions; a criterion that is generally set in accordance with what each person believes he/she needs to afford a good living standard. In fact, when no objective criteria exist to establish a good living standard for each personal case, the most practical reference in these matters is what everyone expects to earn from his/her work. In other words, personal judgements reflected in market prices are taken as a spectrum for fair pricing with some margin of error.

According to Koehn and Wilbratte (2012), this does not mean that Aquinas was an early neoliberal. Aquinas, on the contrary, was simply aware that “what people usually do” has practical value in certain ambits of decision like markets. Markets are not always right in terms of fairness. Instead, Aquinas (S.Th., I-II, q.95, a.2) underscored the importance of social customs when deciding or fixing (*determinatio*) wages within certain price ranges associated with certain types of tasks. In other words, market prices are simply a reference for what a person might estimate as fair to receive from his/her work (Baldwin, 1959; Pinto-Garay *et al.*, 2020). This is true when it is reasonable to assume that each person, under different circumstances and conditions, knows what she/he needs to secure a good living, which is precisely reflected in what she/he asks in exchange for work. On these lines, Finnis (1998) showed that, according to Aquinas:

[...] general fair market price – normally a range rather than a point – will be mutually recompensing so far as circumstances allow; seller who bring to market goods for which there is no demand at a price which covers their costs and labour cannot expect to recover those costs. And it will inevitably vary from place to place and time to time, according as the commodity in question is scarce or plentiful.

Hence, however markets can offer a reference for fairness in all forms of economic exchange (commutative and distributive), when establishing the amount of money assigned to a wage demands more than just benchmarking labor market compensations and salary ranges; it also involves consideration for those living in undignified conditions, even though they might be receiving wages in line with market practices. In this sense, if what is usually paid keeps workers living in poverty, there is a problem of justice in terms of economic compensation and not necessarily in terms of merit.

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However, the economic value of wages does not only represent what people expect to receive but also what employers can and are willing to pay or, more importantly, are able to pay. In this sense, a matter of justice in economic compensation must integrate not only employees' (good) living standards but also the importance of keeping workplaces economically sustainable and, consequently, safeguarding other employees' living conditions as well. In fact, this is what [Finnis \(1980, p. 459\)](#) identified in a more than just instrumental conception of the common good in Aquinas, in which each member of a community, like an association or firm, is responsible for communal flourishing, not just his/her individual development and good living. This means that there is a condition for mutual assistance according to which economic compensation, for instance, must be assessed by reconciling the good living standards of each member who participates in a firm. This, in fact, is a principle not only befitting the working poor situation but also applies to the case of employees who receive economic compensation that puts an organization's sustainability at risk (like, for instance, the "golden parachute" compensation policies for chief executive officers or football players earning high salaries).

In sum, the fairness of economic compensation that is essentially and directly associated with living conditions must be assessed in a systemic manner, that is, considering the living standards of other organization members in terms of their capacity to afford a good living. As [Koehn and Wilbratte \(2012\)](#) explained, a wage policy achieves a standard of justice in economic terms by introducing a reasoned awareness of the other's good and the good of the larger community to be fairer. In this sense, the criterion of fairness in the amount of economic compensation is not only associated with a good living standard for each employee but also with consideration of the good living conditions of those who also make up the organization. We can add to this argument that the economic sustainability of an organization is a common good derived from the fact that many employees and investors depend on an organization's economic stability to make a good living. Therefore, MW-PS cannot be assessed simply by considering the economic benefits of the working poor in an isolated manner because it also needs to be seen in relation to an organization's prosperity and other employees' good living.

### *6.2 Lesser evil in minimum wages and poverty-level salaries*

So far, we have considered different hypothetical situations but not inexistent or improbable ones, in which MW-PS cannot be immediately increased. Indeed, employers may be beholden to restraints when it comes to alleviating the working poor's living conditions. These restraints include, among others, the financial capacity of a firm to increase costs, the risk of becoming unsustainable, the incapacity of workers to improve their merit in more productive activities, or just the need to be fair with other employees who, despite making a more valuable contribution to the firm, do not have a significantly better salary. Now, when nobody is obliged beyond what he/she is able to do (*ultra posse nemo obligatur*), it seems that the "better of" argument is, contrary to all that we have argued here, a correct principle in such cases. However, and as mentioned, this argument is incomplete, when the restrictions derived from the circumstances are considered transitory based on the fact that MW-PS is always an undignified situation for employees. Therefore, if MW-PS always demands moral concern from employers who cannot increase salaries in the short term, the present compensation must be considered a lesser evil, but an evil situation still.

However, the lesser evil in MW-PS situations demands that some arguments in this situation be recognized as such; otherwise, managers' decision to maintain a MW-PS compensation policy risks being arbitrary or negligent. Indeed, the new natural law foundation of decision-making accepts the lesser evil but under certain conditions specified

in the doctrine of the double effect. On these lines, several authors have systematized a set of conditions that must be present to confirm that the circumstances of action are those of a lesser evil.

Indeed, some authors have explained that such limitations of the lesser evil in the double-effect doctrine must consider [Boyle \(1980\)](#) definition, in which a lesser evil action is morally permissible when (i) the state of affairs is not intrinsic to the action undertaken – that is, it is not intended – and (ii) there is a serious reason for undertaking the action; besides, some harms are permissible when they are not intended but brought about as side effects, and there are sufficiently serious moral reasons for doing the thing that brings about such harms ([Anderson, 2007](#)). Gury's definition is worth mentioning, according to which:

[. . .] it is permitted to posit a good or indifferent cause, from which a twofold effect follows, one good, but the other bad, if there is present a proportionately grave reason, the end of the agent is honest, and the good effect follows from that [good or indifferent] cause, not from a mediating bad one ([Kaczor, 1998](#)).

In a more systematic consideration, [Lemmons and Hayden \(2006\)](#), pp. 31–32 explained that a lesser evil decision must be grounded by at least five principles:

- (1) the act in question has both good and bad effects;
- (2) the evil effect is not the means to the good effect;
- (3) the evil effect does not outweigh the good effect;
- (4) only the good effect is intended; and
- (5) the act in question is a last resort because there are no other viable options.”

According to [Monge and Hsieh \(2020\)](#), a lesser evil situation demands that (i) the act itself must be morally good or at least indifferent and (ii) the agent may not positively will the bad effect but may permit it. If he/she could attain the good effect without the bad one, he/she should have done so. The bad effect is sometimes said to be indirectly voluntary. It also demands that (iii) the good effect must flow from the action, at least as immediately (in the order of causality, although not necessarily in the order of time), as the bad effect. In other words, the good effect must be produced directly by the action, and not by the bad effect. Otherwise, the agent would use bad means to achieve a good end, which is never allowed. Finally, (iv) the good effect must be sufficiently desirable to compensate for allowing the bad effect.

On these lines, we can assert that MW-PS can be assessed with more precision to classify some of them as a lesser evil situation, that is, as transitory circumstances in which an unintended effect is caused, namely employees' underliving conditions. Therefore, if we take, for instance, [Lemmons and Hayden's \(2006\)](#) description of what we need to confirm with some certainty a lesser evil-specific situation, the analysis can be presented in [Table 1](#). Similarly, we can argue starting from [Monge and Hsieh \(2020\)](#), as shown in [Table 2](#).

In sum, MW-PS may be morally acceptable under some of these double-effect principles as a temporary, rather than permanent, situation for employees when poverty salaries are always a social emergency considering the intrinsic value (dignity) of personal work. As for its temporary condition, the lesser evil situation demands that employers apply some virtues to figure out how to overcome the situation. On these lines, [Finnis \(1980, p.110\)](#) explained that every decision-maker is morally required to:

[. . .] be looking creatively for new and better ways of carrying out one's commitments [. . .] Such creativity and development show that a person, or a society, is really living on the level of practical principle, not merely on the level of conventional rules of conduct, rules of thumb, rules

Lesser evil assessment	
Conditions	Working Poor
The act in question has both good and bad effects	The job position offers poverty salaries
The evil effect is not the means to the good effect	Poverty is not a <i>sine qua non</i> condition for employees to do their work
The evil effect does not outweigh the good effect	Receiving a low-income salary, but having stability of income, is better than being poor and an informal worker
Only the good effect is intended	The employer intends to provide a participatory and productive job
The act in question is a last resort because there are no other viable options	The employer is not aware of any other way to hire but under conditions of offering poverty salaries. Otherwise, the employer puts the organization at risk

**Table 1.** Source: Author's own elaboration based on [Lemmons and Hayden, 2006](#)

Lesser evil assessment	
Conditions	Working poor
The act itself must be morally good or at least indifferent	Giving a participatory and productive job is a good act in itself
The agent may not positively will the bad effect but may permit it. If he could attain the good effect without the bad effect, he should do so	The employer is not aware of any other way to hire but under conditions of offering poverty salaries. Otherwise, the employer puts the organization at risk
The good effect must be produced directly by the action, not by the bad effect. Otherwise, the agent would be using a bad means to a good end, which is never allowed;	Poverty is not a <i>sine qua non</i> condition for employees to do their work
The good effect must be sufficiently desirable to compensate for the allowing of the bad effect	Receiving a low-income salary, but having stability of income, is better than being poor and an informal worker

**Table 2.** Source: Author's own elaboration based on [Monge and Hsieh \(2020\)](#)

of method, etc., whose real appeal is not to reason [. . .] but to the sub-rational complacency of [. . .] conformity [. . .].

Thus, when minimum wages are indeed the lesser evil – morally licit based on compliance with double effect conditions – this does not mean that corporations and managers are free to extend related arrangements as a “normal” part of corporate practices, as in N-WC or minimalism. Rather, they are duty bound to do what is possible to change prevailing compensation arrangements with creativity and moral intelligence toward an organization to achieve its common good.

Additionally, as seen in the lesser evil analysis, a basic condition exists for accepting this situation: where possible, work is performed in a participatory and productive manner under the logic of the ethics of merit. The moral responsibility of providing dignified work is not ruled out because of the inability to pay more; on the contrary, the latter is the permanent responsibility of employers.

## 7. Discussion

Poverty wages and social inequality pose significant challenges for businesses and for society at large. In this context minimum wage laws, among other initiatives, have been implemented as part of a broader effort to systemically address these challenges. At the same time, they have also sparked ethical debates regarding the extent of responsibility employers bear in terms of wages and compensation, ethical debates that have primarily revolved around two theoretical frameworks: the Nonworseness Claim and legal minimalism. Aiming to provide a critical revision of the theoretical frameworks inherent in ethical perspectives on poverty and minimum wages, our work explored the potential for a more consistent approach by reframing the issue through the lens of justice, particularly focusing on merit and participation within the framework of virtue ethics theory.

In so doing, we identified a crucial deficiency within existing theories concerning work, particularly their failure to acknowledge the intrinsic value of personal work. Consequently, we endeavored to address this gap by introducing a novel epistemology of work rooted in the classical notion of merit within the framework of distributive-contributive justice.

Moreover, and because of this, we also sought to realign the discourse within virtue ethics theory, placing renewed emphasis on the concept of personal work – a concept often overlooked within neo-Aristotelian perspectives. We thus reorient the discussion by showing the significance of personal work within ethical considerations of justice as an essential issue in virtue ethics theory.

In line with this view on justice and personal work, we presented a wider approach to the problem of poverty salaries by integrating employees' contributions, working circumstances, and participation in a more realistic conceptual framework for understanding employers' scope of responsibility when facing poverty salaries in their organizations.

We also explained that the issue of the working poor must be a moral concern for every employer and organization in terms of acknowledging the importance of trying to alleviate employees' underliving conditions. However, such concern must avoid paternalistic approaches, which happen when employers attend to the problem without integrating employees' capacity to participate with autonomy in their own work processes.

Moreover, we have advocated for a model rooted in personal work and justice by showing the importance of elevating merit by empowering employees to contribute through their own initiative and active participation in organizational processes, which entails fostering a culture of personal responsibility among employees or, in other words, of work excellence.

However, as we have seen, participation, moral concern and merit present some limitations, at least in practice. Indeed, we have posited that merit through participation goes beyond merely granting autonomy to employees; it involves educating them to perform better. However, this process takes time, and the outcomes of equipping employees with new skills are not always certain or guaranteed.

Furthermore, we argued that accepting poverty-level wages as morally justifiable hinges on them being seen as a temporary situation, that is, a lesser evil arrangement in compensation schemes. Nevertheless, identifying situations as such relies heavily on employers' ability to wisely assess their particular circumstances. In other words, despite the existence of general moral norms for identifying lesser evil scenarios, the intricate nature of business contexts often complicates the determination of whether specific conditions of poverty are truly acceptable.

Having said this, future research directions should include the importance of the impact of autonomy on workplace policies as contrasted with effective outcomes in terms of

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assessing levels of objective merit and raising poverty salaries. The idea of merit represents a novel epistemological approach for theoretically understanding the normative value of compensation in modern organizations, but it must go hand in hand with empirical research on poverty salaries. Also, in this line, a virtue ethics approach to salaries and personal work requires interdisciplinarity, establishing new intersections with other disciplines in management, such as psychology, economy, or sociology, etc. In short, empirical and interdisciplinary research is needed to validate the practical application of a theory of justice (merit) and excellence in personal work.

Finally, in addition to being rooted in the principle of justice and the importance of enhancing employees' merit, an ethical framework concerning wages and the plight of the working poor must also point toward a clear understanding of personal work as grounded in human freedom, dignity, and responsibility.

## 8. Conclusions

Social inequality presents significant challenges for the common good. This study explored the possibility of providing a better solution than minimum wage laws to overcome this problem by analyzing the concept of merit and participation in light of virtue ethics theory.

After presenting the limitations of the most salient approaches to the topic – that is, the N-WC and minimalist approach – and then recognizing the intrinsic value of personal work, we presented the idea of merit under the logic of contributive-distributive justice to highlight the importance of enhancing merit by empowering employees to contribute through their own initiative in organizational processes, that is, by promoting employees' participation in coordinated productive activities. When merit by participation is not simply derived from providing more autonomy to employees but from educating them to do better, and when this takes time and the results of giving employees new and more productive skills are uncertain, employers can face circumstances in which actual poverty salaries are simply a provisional lesser evil. In this way, a lesser evil situation is morally acceptable only when it is considered temporary, meaning that employers bear the responsibility for doing what is in their capacity to increase employees' merit, integrating both the development of workers and the organization.

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