

# Income inequality: natural but unfair

Sociology



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Income Inequality: Natural but Unfair Income inequality happens naturally. Employers do not come with a predisposition to compensating certain employees lesser compared to others. Instead, there are many factors that play a role in the emergence and existence of income inequality. Many employers are conscious of the fact that income inequality might serve to demotivate the lesser paid employees, and thus try to minimize income inequality and possibly, avoid it altogether. Still, there are times when avoiding income inequality becomes inevitable for an employer. For example, during the financial crisis, many companies downsized thus increasing the load of work for the remaining employees without increasing their salaries to match the new work load. Besides, the process of assessing the skills and competencies of an employee is subjective, and the salary offered to an employee may be more or less than what is justified for an employee of a certain caliber. This subjectivity leads the employers to decide different levels of income for different employees even if they are capable of contributing to the company's goals equally. Income is also used as a tool to enhance the performance of employees, and can be reduced as a liability for poor performance on the part of employees. Hence, it is unrealistic to think of a company whose employees experience no income inequality.

Income inequality could be unfair in a hypothetical world. It would be a world where all employees would be equally honest in their jobs and sincere to their employers. Ideally, people's level of honesty and sincerity, as well as skills and competences would be measurable on a scale, and the results thus calculated mathematically would not indicate any variation from case to case. People contributing to the company's goals equally and who are equally competent in their work deserve to be paid equally. However, in the <https://assignbuster.com/income-inequality-natural-but-unfair/>

real world, this is as hard as impossible to achieve. Furthermore, the level of income of an employee does not only depend upon the extent to which he/she is fair in his/her work. While deciding the pay for an employee, a whole range of factors are taken into consideration that include but are not limited to the level of education of an employee, employee's age, and skills, and sometimes the gender and ethnicity of the employees also makes a difference. Insight into all these factors suggests that many such factors are existing even before an employee starts working with an employer, so the decision about his/her pay depends upon factors that may not necessarily be related to the employee's performance. Different employees have different motivations because of which they work. Some work for money, others to improve their skills by applying theoretical knowledge to practical situations, and yet there are others who do not actually need a job for money but use it as a pastime or as a hobby. It is, beyond doubt, logical to believe that all these employees would be fair to different extents in their job. So in the real world, income inequality exists because of difference in the characteristic features and qualities in different workers, and the subjectivity existing in the performance review and appraisal process.