Moral Relativism Thinking

Idea In Short

A company that operates in many countries soon learns that people do not agree on what is proper. Gift-giving, hiring practices, and the role of family in business carry different meanings from place to place. Moral relativism takes this diversity seriously and asks how far leaders should adapt to local standards. The question is hard because the facts of difference do not settle what we ought to do about them. This article separates the descriptive observation that moralities vary from the normative claim that no standard can be judged, shows what research on business ethics says about the debate, and offers a practical way to respect culture without abandoning core commitments.

A manufacturing firm opens a plant in a country where hiring relatives is the norm and trust runs through family ties. Back at headquarters, the same practice would break a conflict-of-interest rule. The plant manager asks her boss, "Do we follow our rule or their custom?" Both answers have a case behind them, and neither is obviously complete.

What relativism claims

Two ideas often travel together under the label moral relativism. The first is descriptive: moral beliefs and practices vary widely among societies. The second is normative: because they vary, no standard is better than another, so each society's code is right for that society.

A Business LibreTexts chapter states the position plainly. It defines cultural relativism as the suspicion that values and morality are culture specific, resting on what the community believes and not on universal reason. The chapter adds that accepting the premise means rejecting the foundation of traditional ethics.1

The distinction matters because the first claim is plainly true and the second is highly contested. A leader can accept that cultures differ while still asking which differences deserve respect and which do not.

Why international managers care

The practical problem is familiar. A conference paper on international business describes the most fundamental ethical problem facing the manager of an international business as the problem of moral diversity, noting that a company may operate in countries with different views on matters such as equality of men and women.2

A related editorial on cultural diversity makes a similar point. It observes that differences in race, sex, language, ethnicity, values, religion, and local practices matter to business management, policy makers, and international organizations, and that tension appears between moral universalism and moral cultural relativism. It calls the debate still open.

For managers, the debate is not abstract. Decisions about bribes, working conditions, and treatment of women or minorities force a position, whether or not anyone has named it.

The case against relativism

Many business ethicists argue that pure relativism fails. One paper in the Journal of Business Ethics holds that rejecting relativism is a precondition for business ethics to get off the ground, and it proposes an educational strategy to clear up the philosophical confusions that trap business people and students.3

The paper's summary adds that the author favors moral universalism, an approach that emphasizes universal values and virtues in business ethics, and examines the often fallacious arguments for relativism. It also reports the relativist reply that universalism stems from cultural imperialism and that business complexity does not suit universal rules.

One of the oldest objections to relativism is that it undercuts itself. If every claim is true only for its culture, then the claim that relativism is correct is true only for relativists, which gives others no reason to accept it.

Fact versus ethic

A digest of the IESE symposium papers states a key point for practitioners: moral relativism is a generally acknowledged fact, but accepting that fact does not support normative moral relativism. It also notes that several papers evaluate whether universal ethics could come

from the natural moral law tradition and from virtues such as courage, temperance, humanity, and transcendence.4

This helps managers avoid two traps. The first is dogmatism, where one assumes that the home culture's rules are the only ones. The second is passivity, where one assumes that anything locally accepted is therefore fine.

The middle course takes local customs seriously as information about what people value, and it also asks whether a practice harms people or violates basic rights. Many customs pass this test easily, and a few do not.

Learning from other traditions

Recent scholarship challenges the habit of exporting Western frameworks. A paper in the Journal of Business Ethics argues that a teacher-student dynamic has long shaped the West's approach to business ethics, relying on Eurocentric frameworks to instruct non-Western cultures. It holds that ethics flourishes in native soil and that indigenous frameworks often prove more effective in promoting both practical success and ethical reform.5

The point does not support relativism by itself. It shows that moral wisdom exists in many traditions and that managers who listen can find local ways to express shared commitments, such as fairness and care, in forms that people recognize.

In practice, ask local colleagues how they would describe the value at stake. A principle of honesty may take the form of a particular kind of hospitality or a particular way of keeping promises. Understanding the form helps you build practices that work.

A practical approach

Start by separating three layers. Core principles are the few commitments that bind everywhere, such as honesty, safety, and respect for human dignity. Local customs are practices that vary and that you can usually respect. Gray areas are practices that look troubling from outside and that need inquiry.

For each gray area, gather facts. Ask who benefits, who is harmed, whether participants

consent freely, and whether local people themselves are debating the practice. Consult local employees and community members, and avoid acting on assumptions.

Then decide and explain. State the commitment, show how it fits the local context, and offer support for the change. People accept limits more readily when they understand the reason and see respect for their culture.

Handling bribes and gifts

Gifts and payments show the difficulty clearly. A small token of hospitality may be a sign of respect in one culture and a bribe in another. The difference often lies in size, timing, and purpose.

Write clear rules that reflect both. Allow modest gifts that follow local custom, set a cap, require disclosure, and ban any payment tied to a decision or favor. Train employees with real examples, and give them a person to consult in doubt.

Review the rules with local staff. They may point out cases where the rule is too strict, too loose, or confusing, and their advice improves compliance.

Dialogue across cultures

Disputes about standards often soften when people explain their reasons. A manager from one country may see nepotism, while a colleague from another sees loyalty and responsibility to family. Each is reacting to a real value, and the two values can be compared in conversation.

Set up forums where employees from different countries can discuss cases. Ask each person to describe the value they see at stake and the harm they fear. Look for shared ground, such as fairness in hiring, and for practices that serve it in both settings, like open job postings combined with a requirement to disclose family ties.

Over time, such dialogue builds a common language. It also shows leaders where a rule needs adjustment and where it needs firmer explanation.

A hypothetical example

Imagine a hypothetical consumer goods firm that learns its distributor in a new market pays workers below the legal minimum, defending the practice as customary. The firm's managers debate whether to respect local norms or enforce their code.

They separate the layers. Wage law is a core principle and a legal requirement, so it is not negotiable. Scheduling norms around local festivals are customs, and the firm adapts to them. The firm offers the distributor help with costs and a timeline, and it ends the contract only after the distributor refuses. The case is invented, but it shows how layers help managers respect culture without giving up core commitments.

Cautions

Do not use cultural difference as an excuse for convenience. If a practice happens to cut your costs, test your reasoning more carefully.

Avoid stereotyping. Cultures are not uniform, and people within them disagree. Ask individuals, and treat generalizations as starting points.

Finally, stay humble about your own standards. Home practices also reflect culture and history. A willingness to learn from others keeps the conversation honest, and it often reveals better ways of meeting a shared goal.

- 1What is cultural relativism?
- 2Ethical relativism and the international business manager
- 3Universal values and virtues in management versus cross-cultural moral relativism
- 4Cultural diversity and universal ethics in a global world, digest summary
- 5Business ethics beyond the teacher-student dynamic

Summary

Moral relativism thinking begins with the fact that moral standards and judgments differ across cultures, which managers must understand to work well abroad. Accepting that fact does not require accepting that all practices are equally defensible, and many scholars in business ethics argue for universal values alongside cultural sensitivity. Leaders can listen

first, separate local custom from core principle, set a few firm limits, and explain them with respect. Write down the three commitments your organization will keep in every country and explain each one to local teams, then list the practices where you will adapt to local norms and why.