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IMPORTANT CONSIDERATIONS FOR CONDUCTING CROSS-CULTURAL ETHICS RESEARCH: THE CASE OF ISRAEL

by

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Important Considerations for Conducting Cross-Cultural Ethics Research: The Case of Israel

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Abstract

This paper proposes a model relating national cultural values to individual ethical behavior and specifically includes individual and situational moderators. Specific individual moderators discussed in this paper are gender, age, work experience, religiosity, and immigration. Using previous theoretical and empirical studies as a basis, the paper recommends the inclusion of the individual moderators in future cross-cultural studies of ethics and values. Israel is proposed as a country where the individual moderators might have an especially significant effect on ethics and values.
Important Considerations for Conducting Cross-Cultural Ethics Research: The Case of Israel

Introduction

The current business environment is global in nature. It is difficult even for small businesses not to have some global aspect in their operations. For many larger businesses, globalization is the current paradigm. Many suppliers, customers, shareholders and other stakeholders to businesses headquartered in one country are located in different countries around the world. Increasingly, businesses which have been successful in their home countries are undertaking to do business in other countries. An understanding of the cultural differences that exist between the home country and the host country is an essential factor in the success or failure of the “exported” enterprise.

A key aspect of culture that differs from country-to-country (culture-to-culture) is ethics as applied to business transactions. While this is still an under researched area, a number of fairly recent studies have investigated differences in the business environment across cultures including the ethical dimension. However, many of these studies ignore significant potentially confounding variables which may affect the external validity of the findings.

One purpose of this paper is to identify the important variables which must be taken into account when conducting cross-cultural studies in business ethics. Another objective is to provide a model of the relationship between cultural values and business ethics taking into account the effect of the moderator variables. Israel is an example of a nation where the moderator variables might be particularly significant. Israel is unique in that its national cultural history extends back less than 60 years and its population is drawn from many diverse national cultures of the world. A high proportion of its population is comprised of relatively recent immigrants. So, despite its common religious heritage, its national culture is likely to be more complex than many other countries in the region.

Previous Research in International Culture and Ethics Studies

Considering the increasing importance of cross-cultural studies of ethics (Schlegemilch & Robertson, 1995; Vitell, Nwachukwu, & Barnes, 1993; Wines & Napier, 1992), until recently this was an under-researched area. From 1988 until 1992, less than 5% of the empirical papers published in a leading ethics journal, The Journal of Business Ethics, were cross-national (Robertson, 1993). Dubinsky, Jolson, Kotabe, and Lim (1991) lament the paucity of research in cross-national aspects of business ethics. Of the
empirical studies that have been conducted, many, while contributing to a theoretical understanding of the ethics dimension of culture, lack sufficient external validity to provide much guidance to international managers. Indeed many studies ignore significant potential threats to external validity. Others conclude with a statement to the effect that the study results should not be extrapolated beyond the study sample. For example, Sower, Abshire, and Shankman (1998) caution “One cannot assume that a sample of the upper division business students from one university in each country adequately represents the population” of those countries.

One of the earliest and most frequently cited studies of cross-national cultural differences was conducted by Hofstede (1983). He characterized national cultures using four dimensions: power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity. Notably absent is an ethical dimension of culture. However, Davis, Johnson, and Ohmer (1998) suggest that, given “values are a powerful facet of culture…one might expect cultural differences along Hofstede’s value dimensions will parallel differences in moral judgements.” A potential threat to external validity is that Hofstede’s analyses were based on data collected from employees of a single multinational corporation.

Building on Hofstede’s work, Schwartz (1999, 1992) has extensively studied values in a number of regions of the world. Schwartz differentiates between culture-level values and individual values. In Swartz’s (1999) view, “values are trans-situational criteria or goals…ordered by importance as guiding principles in life.” They “guide the way social actors…select actions, evaluate people and events, and explain their actions and evaluations.” But he suggests that “the value priorities that characterize a society (can be inferred) by aggregating the value priorities of individuals.” He cautions that “National boundaries do not necessarily correspond to the boundaries of…relatively homogeneous societies with a shared culture.” Thus care must be taken to insure that the sample of individuals selected for study is representative of the national society to be characterized.

**A Culture-Based Model of Ethical Behavior**

Many researchers contend that nationality affects people’s perceptions and behaviors. In particular, Dubinsky, et al. (1991) cites a number of studies (Bartels, 1967; Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Wotruba, 1990) that find that different cultures produce different expectations and dissimilar ethical standards. At an individual level, Wines and Napier (1992) suggest that “practices in the dominant and sub cultures…filter through (the individual manager’s) experience and education to arrive at (the manager’s) moral code.” Figure 1 is a model based on ones by Robertson and Fadil (1999) and Wines and Napier (1992) linking national cultural values to individual ethical values and behaviors.

The main focus of this study is in the relationship between national cultural values and individual ethical behavior and on the effects of the individual moderators. In our model, the individual moderators are envisioned as playing a role in all of the stages of development from national cultural values to individual ethical behavior. For example,

Most empirical studies attempt to characterize national culture by surveying individuals within that culture. The underlying premise is that the "law of large numbers" will overcome the individual differences among respondents and allow a characterization of a cultural ethical orientation. Measurements (measures) of a large number of individuals' ethical behaviors (or more commonly, their intended ethical behaviors) are used to define (inferences) the ethical orientation of the national culture. This approach may work well in relatively homogeneous cultures where the individual moderators are relatively unimportant (e.g., Japan). This approach may be less well suited to relatively diverse cultures—melting pots which contain large groups of recent immigrants (e.g., Israel). In diverse cultures it is vital that empirical studies explicitly account for individual moderators.

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**Figure 1.** A culture-based model of ethical behavior (based on Robertson & Fadil, 1999 and Wines & Napier, 1992)

Some researchers suggest that "there does not appear to be either a theoretical or an empirical reason to consider the impact of demographic characteristics" and they may simply be "eliminated from further consideration" (Dubinsky, et al., 1991). Most researchers, however, find reason to include demographic characteristics as moderators. Among the individual moderators that have been identified by previous studies are gender, age, education, work experience, marital status, race, income, and religiosity. A further potential confounding effect in countries where recent immigrants comprise a significant proportion of the population is that the national culture that helped shape
individuals' moral and ethical orientations often differs from the national culture in which they live (and which is being assessed by the study).

There is significant support for a relationship between national cultural values and individual values and individual ethical intentions and behavior. Kumar and Thibodeaux (1998) state that cultural values are a result of "complex interactions that take place between individuals and their social environment." A number of other studies (Bower, 1973; Hoge & Bender, 1974; Kirchner & Hogan, 1972; Kumar, Borycki, Nonis, & Yauger, 1991) also link individual value systems with the social environment. Other studies (Wines & Napier, 1992; Kroeber & Kluckhohn, 1952; England, 1975) define morals and values as implicit components of national culture. They view ethics as an application of moral values. They further link personal values, and thus personal ethical behavior, with cultural values.

Wines and Napier (1992) define ethics as "the activity of applying moral precepts to concrete problems." They suggest that while common values may exist in different cultures, they may differ markedly in their application to a specific issue. This can result in differences in ethics across cultures where national values appear to be similar. For example, two cultures may share the cultural value of respect for human life but take widely different positions on the practices of abortion and euthanasia. This makes the study of cross-cultural values and ethics more complicated.

**Some Effects of Individual Moderators**

**Gender** may be a significant moderator variable in business ethics. Miesing and Preble (1985), in a study of students, found that women and students with religious conviction tended to be more ethical than men with little religious conviction. Weeks, Moore, McKinney and Longenecker (1999) in an empirical study of U.S. business people, found that "females demonstrate higher ethical judgement than their male counterparts in numerous situations." This is consistent with a study of U.S. students by Kreie and Cronan (1998) which found that men and women were distinctly different in what they considered to be ethical or unethical. Men were consistently less likely to consider a behavior to be unethical. Weeks, et al. (1999) also analyzed 14 other ethics studies many of which found no gender effect. They concluded that this discrepancy may be due to females becoming more like males in certain business situations (situational moderator), or that there may be other interactions (e.g. gender-age) which were not taken into account. Their study found no significant interaction between gender and career stage and ethical judgement in a sample of U.S. business people. While care must be taken not to simply extrapolate the findings of these U.S. studies to other cultures, Spencer, Sower, and Muehsam (1999) found that the interaction of gender with ethics was not significantly different in Mexico than in the U.S. One study (Ros, Schwartz, & Surkiss, 1999) addressed the gender issue by insuring the male/female ratio between the two subsamples was constant. This increases the internal validity but does not improve external validity of the study beyond the sample under study.
Age has been found to be a significant moderator variable in ethics studies. Serwinek (1992) argued that age must be considered in the research design in order for the experiential results to be meaningful. His studies found that as age increases respondents become more ethical. Ruegger and King (1992) found that older students differed significantly in their ethical decision making than younger students. Their study determined that older subjects made more ethical decisions than younger subjects. This presents potential problems for the many cross-cultural ethics studies which exclusively use students as subjects. Because students would be expected to be younger than the population average, such studies characterize only the ethics and values of the younger subdivision of the national population not necessarily the national population as a whole. Studies, such as some of those by Schwartz (1992) which use subjects of various ages (e.g. students, teachers, factory workers) are likely to result in a better characterization of national culture and national ethical orientation.

Work experience has also been shown to influence ethical judgement. Most researchers examining work experience point out the correlation between work experience and age. Researchers most likely would have to select either age or work experience for inclusion in their statistical model in order to reduce collinearity in the estimation process (Dubinsky, et al., 1991). Miesing and Preble (1985) found a relationship between age and work experience and ethical values of students. The older and more experienced the student, the more ethical they were. Chron (1984), based on theories developed by Super (1957), Erikson (1968), Gould (1978), Schein (1971), and Super and Bohn (1970), contends that individuals' attitudes toward ethical issues might vary with their career stage. In early career stages, the individual may be more influenced by situational moderators (e.g. pressure from superior to meet performance goals) than someone in a later career stage. In an empirical study, Weeks, et al. (1999) found that some ethical judgements did differ significantly across career stages. Individuals in later career stages showed higher ethical judgements that people in earlier career stages. Ros, et al. (1999), in a study of education teachers and students in Spain, found no significant differences in values. The researchers point out, however, that while there is "no evidence that the experience of teaching influenced the importance of basic values," the similarity between education teachers and students may have obscured differences." This study also failed to expressly account for any of the other moderator variables such as gender or age. Schwartz and Sagiv (1995) point out that in order to assure validity in cross-cultural studies, "replications of the analyses with subsamples from the population of interest are crucial."

Religiosity as an influence on values and ethics has been the subject of a number of studies. Most theorists agree that religions are likely to influence the value systems of their adherents" (Huismans & Schwartz, 1992). Clark and Dawson (1996) concluded that "personal religiousness is a potential source of ethical norms and consequently an influence in ethical evaluations." Huismans and Schwartz (1992) define religiosity as the "commitment (of adherents) to whatever religion they profess." Their study found a consistent pattern between religiosity and individual values. Safranski (1986) found that differences in management values were related to religious philosophy. Kim (1988) and Schwartz and Huismans (1995) also found a relationship between religious affiliation and
values. Huismans (1994), studying data collected from university students and teachers from a number of countries, concluded that religiosity is connected in a specific way to individual values. Kennedy and Lawton (1996), in a study of U.S. and Ukrainian business students, found that “willingness to engage in unethical business behavior was related to … lower levels of religiousness.” Chick (1997) finds support for the idea that the religious give greater priority to certain values (e.g. peace, love, forgiveness). This is supported by a study by Rokeach (1969) which found that more religious people rank the values of forgiving and helpfulness as more important than less religious respondents.

Effects of Immigration

Assimilation is the process by which immigrants “adopt the culture of the society in which they have settled. The cultural borrowing is often one sided. The assimilated minority group eventually loses the cultural characteristics that had set it apart.” (Moran & Stripp, 1991). Evidence for this assimilation process comes from a study by Kumar and Thibodeaux (1998). They found that “sustained cross-cultural contacts in another cultural environment (results in a tendency for) the value profile of the individuals to get modified so as to include the values preferred and desired in the new social environment.” Their study found that Far Eastern students who had spent an average of 1.46 years in the U.S. were less assimilated than ones who had spent an average of 4.68 years in the U.S. This is consistent with Schwartz’s (1999) observation that national boundaries do not necessarily define a single national culture. Recent immigrants who have not yet been assimilated may present a potential confounding effect if they are included as subjects in studies which attempt to characterize a national culture.

Historically, the U.S. has been considered the “melting pot” assimilating immigrants from all over the world. In 1996, there were 916,000 legal immigrants and perhaps 275,000 illegal immigrants to the U.S. The predominant regions from where immigrants originated were Mexico, Asia, the Caribbean, and Eastern Europe (U.S. Immigration and naturalization Service, 1996). But, using immigration as a percentage of total population, Israel has assumed a major role as a “melting pot” country.

The Case of Israel

The state of Israel has been characterized as “one of the oldest new societies.” It was founded after World War II with roots in the Hebrew Bible, carved out of the nineteenth-century Ottoman empire, and based on “European ideologies of nationalism and ethnic politics” (Goldscheider, 1996). While defined as a secular state, religion has been an integral element of its politics. “Israel has integrated millions of Jewish immigrants from an enormous range of diverse countries” and may be characterized by heterogeneity and by intense and continuous change” (Goldscheider, 1996). One of the prominent differentiating factors is religion (Sagy, Orr, & Bar-On, 1999). Therefore, it seems reasonable to expect that the national culture of Israel might be more complex than that of many other countries.
A Demographic Profile of Israel

Israel had a population in 1992 of over 5 million people distributed over an area about the size of New Jersey. Israel’s population is relatively young with about 30% of the population under the age of 15 and about 9% above the age of 65. The dominant ethnic-religious population is Jewish (82%) about equally split between Western and Middle Eastern origins. The second largest ethnic-religious population is Arab (Goldsheider, 1996).

Immigration is a major factor in the changing nature of Israel’s cultural and political character (Goldsheider, 1992)—see Table 1. As of the 1990 census, 38% of the Jewish population in Israel was foreign born. There have been a number of major streams of immigration to the State of Israel (Goldsheider, 1992). Early in its modern history (1948) refugees from Eastern and Central Europe and the Balkins comprised 85% of the immigrants to Israel. A second stream occurred in the 1950s. In 1951 over 70% of the immigrants were from Asia and North Africa. From 1972 to 1979, 51% of the immigrants came from the Soviet Union. Restrictions on the emigration of Jews from the Soviet Union reduced the flow of Russian immigrants to Israel to just 19% in 1980-1989. From 1989-1991, another influx of Jewish immigration from the former Soviet Union began.

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<th>Table 1. Immigration to Israel 1979-1983</th>
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Source: Leshem & Shuval, 1998

Despite the dominance of the Jewish religion, the “religious component of Jewish culture...has become increasingly problematic and a source of acute tension in recent generations as a result of the decline of social and cultural homogeneity in Jewish society” (Sagy, et al., 1999). Traditionally, Israeli Jews were divided into two categories for analysis: secular and religious. Estimates of the proportion of Jews in each category varied but tended to center around 80% secular and 20% religious. But Elazar and Sandler (1998) contend that there are really four categories of Israeli Jews. There are ultra-Orthodox (haredim)—8%, religious Zionists (datiim)—17%, traditional Jews (masortiim)—55%, and secular Jews (hilonim)—20%.

The Israeli Arab population, the second most populous category, is also heterogeneous relative to religion, social class, and demographics. In 1990, approximately 78% of the
Arab-Israelis were Moslem. The remaining 22% are divided into Arab-Christian and Druze Israelis.

Schwartz (1994) in his studies of cross-cultural values breaks down the Israeli population into four separate population segments: Israel Druze, Israel Muslim Arab, Israel Christian Arab, Israel Jews and finds that there are differences in values among the segments.

Studies which attempt to characterize the cultural values or national ethical orientation of Israel should explicitly account for the cultural diversity of the population as well as for the individual moderators. At a minimum, such studies should assess religion using seven categories: Jewish, ultra-Orthodox; Jewish, religious Zionist; Jewish, traditional; Jewish, secular; Arab, Moslem; Arab, Christian; and Druze. In addition, the effect of immigration, length of time since immigration, and country of origin should also be explicit parts of the study. Only by accounting for these variables can a study have sufficient external validity to claim to characterize the cultural values and national ethic of a country so diverse as Israel.

**Suggestions for Future Studies in Israel**

While there is no evidence that many of the individual moderators (e.g. age, gender, work experience) would be of greater or lessor importance, religiosity and immigration are two which might well have a more pronounced effect in a study in Israel. Several hypotheses specific to the study of values and ethics in Israel can be proposed.

\[ H_1 \] There will be observable differences in values among the seven religious categories of Israelis.

\[ H_2 \] There will be observable differences in ethical orientations among the seven religious categories of Israelis.

\[ H_3 \] There will be observable differences in values among Israelis who are immigrants and those who are native born.

\[ H_{3a} \] The nature of the differences in values will vary depending upon which of the five home continents the immigrant is from.

\[ H_{3b} \] Differences in values will diminish as the length of time since immigration increases.

\[ H_4 \] There will be observable differences in ethical orientations among Israelis who are immigrants and those who are native born.

\[ H_{4a} \] The nature of the differences in ethical orientations will vary depending upon which of the five home continents the immigrant is from.
**H₄b** Differences in ethical orientations will diminish as the length of time since immigration increases.

**H₅** There will be observable differences in values between genders in Israel.

**H₆** There will be observable differences in ethical orientations between genders in Israel.

**H₇** There will be observable differences in values between age groups in Israel.

**H₈** There will be observable differences in ethical orientations between age groups in Israel.

**H₉** There will be observable differences in values between respondents with varying levels of work experience in Israel.

**H₁₀** There will be observable differences in ethical orientations between respondents with varying levels of work experience in Israel.

A study of the cultural values or ethical orientation of Israel would benefit from studies which collect sufficient socio-demographic data to allow the testing of these hypotheses. The addition of appropriate demographic questions to Schwartz & Bilsky's (1987) cultural value instrument would allow the testing of hypotheses 1, 3, 3a, 5, 7, and 9. This instrument has been used in a variety of national cultures. The addition of appropriate demographic questions to the modified version (Sower, Abshire, Shankman, 1998) of Dubinsky and Levy's (1985) retail ethics instrument would allow the testing of hypotheses 2, 4, 4a, 6, 8, and 10. This instrument has been validated in three national cultures. It has the further advantage of using retail-based scenarios which are familiar to respondents across nationalities and of all ages, genders, and levels of work experience.

**Conclusion**

This paper has proposed a model showing the relationship between national cultural values and individual ethical behavior. The model explicitly considers the effect of individual (discussed in this paper) and situational moderators on this linkage. Based on a review of previous studies in cross-cultural ethics and values, the paper concludes that these moderator variables must be included in such studies in order to insure the external validity of the conclusions. Israel is proposed as a unique subject for studying the effects of immigration and religiosity on values and ethics.

The hypotheses suggested for study in Israel, when properly modified to reflect the different religions represented, are also appropriate for studies in other countries where there is significant immigration (e.g. the U.S.). Any such studies should explicitly account for the individual moderators identified in this study to ensure the validity of the comparisons.
The question remains as to the most appropriate way to re-aggregate the results for the various sub-samples in order to characterize a set of national cultural values or national ethical orientation. Since the objective of many cross-cultural studies of ethics and values is to infer a set of national cultural values or ethical orientation based upon the measurement of a large number of individual ethical behaviors or intentions (see Figure 1), this is a critical issue. A balance must be struck between succinctly representing national values and ethics while effectively reflecting the diversity that exists within the national culture.

References


