

MANAGEMENT REPORT

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**Values and Jordanian-Israeli Business Cooperation**

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### **1. Scientific Summary**

Data collection was completed in Jordan and exceeded all our expectations. We obtained 250 full surveys from businesspersons and an additional sample of 200 teachers for validation purposes. In Israel data collection is progressing with current N=78. Data analyses of the Jordanian sample are in advanced stages. Importantly, the Jordanians see an axis of business partnerships ranging from Arabs, Far East, Europe, USA, to Israel. Those who are willing to do businesses in Arab countries will not be willing to do business with Israel. Those businessperson may tolerate doing business with the Far East. In contrast, those who are willing to deal with Israelis are not interested in doing business with Palestinians and other Arabs, but they will do business with the USA (and Europe). This axis of countries is systematically related to values. Those who value benevolence, conformity and tradition prefer to do business with the Arab side of the axis and oppose to doing business with USA and Israel. In contrast, those who value hedonism, self-direction, stimulation, universalism, and achievements prefer to do business with Israeli and persons from the USA but not with Arabs. Interestingly, those who value power (money) are not interested in doing business with the Arab side of the axis (including the Far East).

### **2. Scientific Issues**

In Israel, the first round of questionnaire was not sufficiently effective. That is, 240 questionnaires that were mailed to businesspersons who were registered in the past in the Israel-Jordan Chamber of Commerce yielded only 35 responses. Thus, in addition we mailed about 550 questionnaires to members of the Federation of Israeli Chambers of Commerce (FICC). This added 43 more responses. Yet, even the current Israeli sample (N =78) is too small for most of our statistical analyses. Therefore, we now plan to change the method of data collection. We are approaching Executive MBA programs with students in international management class. We have obtained a permission to collect data in March, 2003 at Tel-Aviv University and a general permission (no dates yet) to collect data in two Executive MBA classes at the Hebrew University. This minor delay does not require changes in project.

### **3. Managerial Issues**

As we are about to complete our Study 1 (survey), we need to consider a place for training for Study 2 (training and training impact). In our original Technical Program Description we wrote "Two three-day workshops will take place during the second and third year of the research. Each workshop will take place in a hotel, either in Jordan or in a neutral country, pending the political situation. Participants will stay in the same hotel during the workshop. Flights, accommodations and food will be paid by the researchers..." (by means of the MERC budget). As for now, the political situation we referred to has not improved, to say the least. This creates two problems. First, it is feasible to run the workshop now only in a neutral country. Second, the Jordanian participants will need a letter of invitation from an institute in a third country as of not to risk their person or business by making contacts with Israeli public.

Using a neutral venue will be more expensive than our initial calculations. For example, we budgeted \$112 per businessperson to travel to a hotel in Aqquaba, Jordan (Tel Aviv to Eilat and Amman to Aqquaba. Flights to any other destination are more expensive. Therefore, we would be able to pay for fewer trainees than proposed.

We have now contacted the Cyprus International Institute of Management (CIIM) and requested them to sponsor our training in Cyprus. CIIM agreed to issue letters of invitation

and host our training. Therefore, we now plan to run the training in Cyprus starting September 2003.

#### **4. Special Concerns**

None.

#### **5. Collaboration, Travel, Training and Publication**

During the report period there was no international travel and cooperation was largely carried by extensive email and fax to track progress in data collection and data analyses in both countries.

The following paper was accepted for presentation:

Sagiv, L., Kluger, A. N., & Makhamra, M. (2003, July). *Bridging Across Cultural Differences: Business Contact between Jordanians and Israelis*. Paper to be presented at the 6th Regional Congress of the International Association of Cross-Cultural Psychology, Budapest, Hungary.

We plan to meet in Cyprus between Feb 6 - Feb 9 2003. At that time, the PI is to give a talk at CIIM regarding our preliminary results. The talk is intended for international businessperson working in Cyprus and for the international MBA students at CIIM.

Finally, on the basis of our theoretical development, literature reviews and our own initial results we started to prepared training material and pre-test training. The PI conducted a 3-hours workshop at the FICC premises in Tel-Aviv in November 2002. The FICC advertised the workshop to its members involved in international businesses. A total of 25 businessperson attended the training. In this training, participants learned about Schwartz's value theory and culture theory. Next they were taught the managerial implications of cultural issues, followed by analyses of businessperson experiences. Finally, the gaps between Jordanian and Israeli businesspersons that emerged from our research were explained and discussed. The participants expressed great interest in our approach. Thus, this training session will become the first component of the full training that we will offer in 2003.

#### **6. Request for American Embassy Tel Aviv or A.I.D. Actions**

The change of venue from Aquabba to a location in Cyprus entails an increase of travel cost from \$112 to about \$200 per trainee. The prices of accommodation are similar in Aquabba and in Cyprus. We are asking to specifically approve this change of venue (cost of travel per person). We will try to recover this loss in budget per trainee by shifting some of the administrative cost of organizing the training to CIIM.