



Roll a die and tell a lie – What affects honesty?



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ABSTRACT

We examine the effect of religiosity and gender on the level of honesty by conducting under-the-cup die experiments among secular and religious Jewish students. The *highest* level of honesty was found among young religious females while the *lowest* was found among secular females. Finally, we derive practical implications for increasing the level of honesty in society.

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1. Introduction

Honesty plays an important role in modern economic life. The degree of honesty in an economy determines the extent to which sellers will refrain from utilizing their superior information regarding the quality of their goods and services in order to exploit consumers.¹ It affects the productivity of employees² and compliance with tax laws. Moreover, a low degree of honesty imposes costly monitoring expenses on the economy. The modern economy presents both direct and indirect opportunities to lie and even incentives to do so.

It is becoming increasingly clear in the economic literature that in contrast to the traditional economic view of homo-economicus the degree of honesty is not solely determined by the selfish maximization of personal monetary benefit³ and

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¹ See Akerlof (1970).

² See Shapiro and Stiglitz (1984).

³ Further discussion can be found in Gneezy (2005). Becker (1993) points out that: "The economic approach I refer to does not assume that individuals are motivated solely by selfishness or material gain. It is a *method* of analysis, not an assumption about particular motivation."

that gender, culture and other social and psychological factors also play an important role.⁴ In other words, in the absence of a punishment mechanism, individuals can be expected to lie in order to achieve monetary benefits unless they are constrained by a behavioral code.

The objective of this research is to examine the effect of religiosity and gender on the degree of honesty. To accomplish this, we extend the under-the-cup die experiment originally developed by Fischbacher and Föllmi-Heusi (2013) by differentiating participants according to gender and degree of religiosity. The under-the-cup die experiment provides an incentive for participants to cheat in order to achieve monetary benefits since they know they won't be caught (thus eliminating the expected cost of lying).⁵

We conduct three experiments and sort the participants according to their gender and degree of religiosity (either secular, Orthodox or ultra-Orthodox Jews).

Jewish Law prohibits lying.⁶ As is characteristic of the religious Jewish population in Israel,⁷ the Orthodox and ultra-Orthodox participants in our experiments attended religious schools from kindergarten through high school.⁸ Furthermore, most of the religious males in the sample continued their religious studies in yeshivas after high school. The religious school system focuses on the in-depth study of Jewish religious texts. In addition to the effect of religious schooling, the more religious segments tend to live in closed communities and to devote a significant amount of time to religious activities and studies. In these communities there is less exposure to the secular media (TV, secular radio stations, unsupervised internet, etc.), particularly in ultra-Orthodox communities.⁹ Thus, individuals in these communities are socialized to behave according to religious values by means of both the education system and the neighborhood effect. In short, religious students have been indoctrinated to follow a shared set of values and norms, including the prohibition against lying. Therefore, religiosity may have an effect on honesty.

The first experiment was conducted simultaneously at two Israeli colleges: the College of Management, whose student population largely consists of secular Jews, and the Jerusalem College of Technology (hereinafter: JCT), whose student population consists primarily of Orthodox and ultra-Orthodox Jews. Unlike the College of Management, JCT is defined as a religious institution which combines secular academic studies with Jewish religious studies. The JCT is thus committed to maintaining Jewish religious values and compliance with religious commandments, in addition to providing an academic education. This includes, among other things, the strict separation of females and males on different campuses.¹⁰

Participants first filled out a detailed anonymous questionnaire and were then asked to throw a die once and report the outcome. The participant was alone and behind a curtain when throwing the die, so that the true outcome was known only to him (her). The payoffs in the first experiment increased with the reported outcome.¹¹ Therefore, participants had a strong monetary incentive to report the highest possible number (i.e. six) regardless of the true outcome. The tendency to lie is likely to be a function of the participant's level of household income and may be constrained by obedience to a behavioral code. The use of a socio-demographic questionnaire enabled us to control for gender, age, income and other socio-demographic variables.

Following Fischbacher and Föllmi-Heusi (2013), we classify the group of subjects whose average report is statistically equal to six as "*income maximizers*" and the group whose average report is statistically equal to five as "*partial liars*". A group whose average reported outcome does not exceed the expected outcome in a fair die throw will be classified as "*honest*". A simple way to test for honesty is therefore to compare the average reported outcome to the expected one in a fair die throw (i.e. 3.5) and to the expected outcomes for "*income maximizers*" and partial liars.¹² Another approach is to calculate the proportion of participants who report five or six within each group. If the group consists of "*honest*" participants, this proportion is expected not to exceed one-third (the probability of a five (1/6) or six (1/6) in a single throw of a fair die).

The findings of the first experiment suggest that secular females are less honest than Orthodox and ultra-Orthodox females. According to the statistical tests, secular females are "*partial liars*" while Orthodox and ultra-Orthodox females can be classified as "*honest*". Similarly, secular males were found to be less honest than Orthodox and ultra-Orthodox males.

⁴ See also Gneezy (2005), Mazar et al. (2008), Shalvi et al. (2011, 2012), Shalvi and Leiser (2013), Erat and Gneezy (2012), Houser et al. (2012) and Gino and Ariely (2012). For an extensive review of the literature, see Mazar and Ariely (2006).

⁵ Bertoni et al. (2013) showed in a natural experiment that increased inspection reduced cheating on tests.

⁶ "Keep thee far from a false matter" (Exodus 23:7). The equivalent Christian position is expressed in St. Augustine's *De Mendacio* (On Lying), written in 395 AD: "To me, however, it seems certain that every lie is a sin." Kant (1787) also completely negates the use of lies.

⁷ The majority of Jews in Israel are secular while among the religious population the vast majority are Orthodox or ultra-Orthodox, with only a minority classified as Reform or Conservative (denominations which are much more popular in the US).

⁸ Secondary schools for Orthodox females are called "ulpenas", those for ultra-Orthodox females are called "seminars" and those for males are called "yeshivas".

⁹ See also Berman (2000).

¹⁰ Orthodox Judaism adheres to the interpretation and application of the laws in the Torah, as interpreted in the Talmud (the "Oral Law") and further developed and applied by later authorities. Ultra-Orthodox Judaism is even stricter in its adherence to religious laws. The participants in our experiment were asked to classify themselves as either secular, Orthodox or ultra-Orthodox. The degree of adherence of Orthodox Jews is the most heterogeneous, ranging from close to secularism to very much like the ultra-Orthodox.

¹¹ In our version of the experiment, the payoffs are in NIS (New Israeli Shekels where 1 shekel is roughly equal to 0.28 US dollars). In addition to the fixed payment of 20 NIS for participation, subjects who reported a throw of 1 received an additional 10 NIS, those who reported 2 received 20 NIS and so on. Also note that the minimum hourly wage in Israel is roughly 20 NIS. Thus, the minimal payoff is equal to the wage for about 1.5 hours of work and the maximal payoff is equal to about 4 hours. These payoffs are considerable for low-income students.

¹² The expected outcome of a fair die throw is $\frac{1}{6} \times [1 + 2 + 3 + 4 + 5 + 6] = 3.5$.

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