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A Cultural Comparative Discussion of Innovation between Israel and China – Recommendations for Chinese Professionals

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Abstract: Israel and China have been expanding their relationships to build stronger connections since 2013. After the Belt and Road Initiative, the innovation power of Israel has gained interest by China. This case study compares Israel's unique culture to that of China. Connections across Hofstede's cultural dimensions are discussed in the context of innovation. Suggestions and recommendations for Chinese professionals are listed regarding how to communicate effectively on Israeli teams.

Keywords: Hofstede; China; Israel; Culture; Comparison

Case Study

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1.0 Introduction

Israel and China have expanded their relationship and build stronger connections since 2013, after the Belt and Road Initiative (BRI) (Lavi et al., 2015, 2017, Habibi, Sahtz et al., 2019, Efron et al., 2019, Zhu, 2019, Harutyunyan, 2020, Tzogopoulos, 2022, Wu and Yarrow, 2022). Israel's location as part of the Belt and Road Initiative, is interested by China, and the advanced technologies. Israel wants to expand their relationships and connections with world's fastest growing, 2nd largest economy in world, also want to export to world's largest market. Both two countries have their own interesting from each other.

Hofstede's cultural dimension theory was used as an analytical tool to compare the culture dimension values between China and Israel, try to find out some relations and give the suggestions for Chinese how to communicate with Israeli, also avoid cultural traps in daily communication.

2.0 Israel

Israeli culture is rich (Zhang, 1994) and its contribution to innovation is well recognized. It is a small country in the Middle East with very scarce natural resources. Most of its territory is desert. There is no rain for more than 7 months in the whole year. It has long been on the edge of territorial disputes and Israeli-Palestinian conflicts, and its survival and as such, development conditions are challenging.

Israel has achieved significant economic development, especially in the field of technological innovation. Through scientific and technological innovation, Israel has not only broken through the limitations of ecological and environmental development, but also has become a world economic and technological power. In recent years, Israel has developed rapidly for high-tech industries such as electronics, communications, computer software, electronic medical equipment, and biological products.

Located at the eastern end of the Mediterranean Sea, Israel is bounded to the north by Lebanon, to the northeast by Syria, to the east and southeast by Jordan, to the southwest by Egypt, and to the west by the Mediterranean Sea. The official language is Hebrew.

Israel is a small country with a relatively diverse topography, consisting of a lengthy coastal plain, highlands in the north and central regions, and the Negev desert in the

south. Running the length of the country from north to south along its eastern border is the northern terminus of the Great Rift Valley.

Israel has a wide variety of climatic conditions, caused mainly by the country's diverse topography. There are two distinct seasons: a cool, rainy winter (October–April) and a dry, hot summer (May–September). Precipitation is light in the south, amounting to about 1 inch (25 mm) per year in the Arava Valley south of the Dead Sea, while in the north it is relatively heavy, up to 44 inches (1,120 mm) a year in the Upper Galilee region. Water resources are very unevenly distributed. Precipitation occurs on about 60 days during the year, spread over the rainy season. Severe summer water shortages ensue in years when the rains come late, or rainfall totals are less than normal (Sicherman and Russell, 2022).

3.0 Innovation in Israel

In the past two to three decades, the liberal immigration policy helped Israel attract a lot of high-quality technical talents (Han, 2017). Consequently, it made remarkable achievements in economic development, especially in the field of scientific and technological innovation, and has been regarded as a model of high-tech cluster, in which Israel's efficient national innovation system plays an important role (Liu, 2018). Israel has a developed high-tech industry, with high-tech products accounting for more than half of its industrial exports and leading the world in many fields such as agriculture, biology, data security and medical equipment. It enjoys being the world's second largest supplier of medical devices and one of the most innovative countries in the field of medical devices. In 2011, the number of medical device patents per person in Israel ranked first in the world, and the absolute number ranked seventh in the world. The world's major medical device manufacturers, such as General Electric, Philips, Siemens, Boston Scientific, Johnson & Johnson, have set up R&D centers in Israel.

Similarly for the biotechnology industry which has become a pillar for its Economic growth. At present, there are more than 900 biotechnology companies in Israel, among which nearly 100 have certain influence in the industry, including Teva Pharmaceutical and other world-renowned biopharmaceutical enterprises. Israel is the only non-European country to participate in both the EU Research and Development Framework (FP) and EUREKA and has established close cooperation with leading biotechnology countries around the world (Katz, 2020).

The Israeli government attaches great importance to the cultivation of talent. Grey literature reported that Israel has 140 engineers per 10,000 people, the highest in the world. Among them, 34 percent of the population has a university education, 12 percent have a master's degree or above, and about 40 percent of the industrial workers are engaged in research and development. In addition, the academic strength of Israeli universities is among the highest in the world, with seven major universities and research institutions (Hebrew University, Haifa Polytechnic University, Tel Aviv University, Haifa University, Bar-Ilan University, Ben Gurion University and Weizmann Institute) undertaking 65% of life sciences research (Li, 2012).

Israel has some of the world's most dynamic and fast-growing innovative companies (see figure 1). Some outlets have reported more than 140 Israeli companies listed on NASDAQ in the United States, which is the largest number of listed companies outside the United States. More than 50 percent of the world's top technology companies have a record of buying Israeli startups or setting up R&D centers in Israel. More than 200 multinational companies, including Intel and IBM, have come to set up global R&D centers and factories. According to the Israeli Ministry of Industry and Trade, more than 43 percent of Israel's scientific and technological talents now work for multinational companies or their research and development centers. Israel has become an important "hub" for global innovative enterprises.

Israel is one of the world's top countries in software development, communications, and life sciences, and has been called the second Silicon Valley. According to the Guardian, Israel Silicon Valley near Tel Aviv is one of the world's largest technology centers after Silicon Valley in the U.S. According to statistics, Israel publishes far more books in the natural sciences, engineering, agriculture, and medicine as a percentage of its working population than any other country. The number of patents filed in Israel is also one of the highest in the world, and the number of medical device patents per person is the highest in the world.

On February 27, 2012, WWF released the Global Clean Technology Innovation Index 2012, providing the first ever global technology innovation ranking data. Israel ranked second in the global clean technology innovation ability ranking and was awarded the highest honor of "Clean Technology Innovation Proof".

Figure 1. Israel Innovation Brand Maps[1].

4.0 Hofstede Cultural Dimensions Put into Context

Professor Geert Hofstede conducted one of the most comprehensive studies of how values in the workplace are influenced by culture. He defines culture as "The collective programming of the mind distinguishing the members of one group or category of people from others". The Hofstede model of national culture consists of six dimensions. The cultural dimensions represent independent preferences for one situation over another that can be used to distinguish countries (rather than individuals) from each other.

The country scores on the dimensions are relative, in that we are all human and simultaneously we are all unique. In other words, culture can only be used meaningfully by comparison. The model consists of the following dimensions: Power Distance Index (PDI), Individualism Versus Collectivism (IDV), Masculinity Versus Femininity (MAS), Uncertainty Avoidance Index (UAI), Long term Orientation Versus Short Term Orientation (LTO), and Indulgence Versus Restraint (IVR).

"The comparison is based on the Hofstede 6 cultural dimensions on a continuum that range from high to low. Culture is defined as the collective mental programming of the human mind which distinguishes one group of people from another. The country comparison tool from Hofstede Insights website provides the "values" for each of Hofstede dimensions, without the comparison, any "values" or score for each Hofstede 6 cultural dimensions are meaningless." (Hofstede, 2023)

Israeli culture is characterized by moderate individualism versus collectivism, as in collectivist Eastern cultures, but also by low power distance and higher uncertainty avoidance, as in individualistic Western cultures. The mixed profile elicits innovation, the cultural values that are relevant to explaining the generation of start-ups: ingroup

[1] *https://www.slideshare.net/YaelShany/israel-innovation-brand-map-44640962*

collectivism, power distance, and uncertainty avoidance. We used Hofstede's cultural dimensions comparative tool to visualize the differences China and Israel (figure 2).

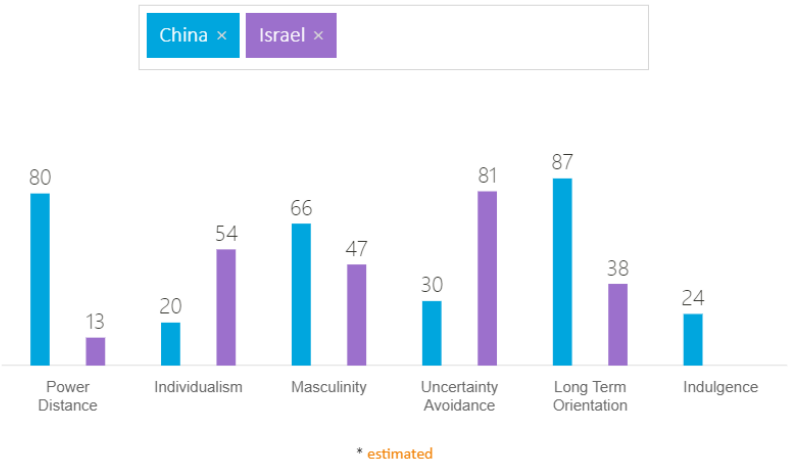

Figure 2. Country Comparison Tool outcome

4.1 Power Distance Index (PDI)

This dimension deals with the fact that all individuals in societies are not equal – it expresses the attitude of the culture towards these inequalities amongst us. Power Distance is defined as ***the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally***.

With a score of 13 points Israel is at the very low end of this dimension compared to other countries. With an egalitarian mindset the Israelis believe in independency, equal rights, accessible superiors, and that management facilitates and empowers. Power is decentralized and managers count on the experience of their team members. Respect among the Israelis is something, which you earn by proving your hands-on expertise. Workplaces have an informal atmosphere with direct and involving communication and on a first name basis. Employees expect to be consulted.

At 80 China sits in the higher rankings of PDI – i.e., a society that believes that inequalities amongst people are acceptable. The subordinate-superior relationship tends to be present. Individuals accept formal authority are in general optimistic about people's capacity for leadership and initiative.

4.2 Individualism Versus Collectivism (IDV)

The fundamental issue addressed by this dimension is ***the degree of interdependence a society maintains among its members***. It has to do with whether people´s self-image is defined in terms of "I" or "We". In Individualist societies people are supposed to look after themselves and their direct family only. In Collectivist societies people belong to 'in groups' that take care of them in exchange for loyalty.

The Israeli society is a blend of Individualist and collectivistic cultures (score 54). Small families with a focus on the parent-children relationship rather than aunts and uncles are common. And at the same time extended families, with many children and close ties to all other family members are a part of society as well. There is a strong belief in the ideal of self-actualization. Loyalty is based on personal preferences for people as well as a sense of duty and responsibility. Communication is direct and expressive.

At a score of 20 China is a highly collectivist culture where people act in the interests of the group and not necessarily of themselves. In-group considerations affect hiring and promotions with closer in-groups. Employee commitment to the organization (but not necessarily to the people in the organization) is lower than that towards members of the in-group. Relationships with colleagues are more cooperative for in-groups than for out-groups. Personal relationships prevail over task and company.

4.3 Masculinity Versus Femininity (MAS)

A high score (Masculinity) on this dimension indicates that the society will be driven by competition, achievement, and success, with success being defined by the winner / best in the field – a value system that starts in school and continues throughout organizational life.

A low score (Femininity) on the dimension means that the dominant values in society are caring for others and quality of life. A Feminine society is one where quality of life is the sign of success and standing out from the crowd is not admired. ***The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine)***.

With a score of 47 Israel is neither a clear Masculine nor Feminine society. Some elements point at more Masculine features. Performance is highly valued. Managers are expected to be decisive and assertive. Status is often shown, especially via cars, watches, and technical devices.

At 66 China is a relatively more Masculine society –success oriented and driven. The need to ensure success can be exemplified by the fact that many Chinese will sacrifice family and leisure priorities for work. Service people (such as hairdressers) will provide services until very late at night. Leisure time is not so important, comparatively speaking. The migrated farmer workers will leave their families behind in faraway places to obtain better work and secure the support for family to live in cities. Another example is that Chinese students care very much about their exam scores and ranking as this is the main criteria to achieve success.

4.4 Uncertainty Avoidance (UAI)

The dimension Uncertainty Avoidance has to do with the way that a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? This ambiguity brings with it anxiety and different cultures have learnt to deal with this anxiety in different ways. The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these is reflected in the score on Uncertainty Avoidance.

Israel is among the stronger uncertainty avoidant countries (score of 81). In such cultures, there is an emotional need for rules (even if the rules never seem to work), time is money, people have an urge to be busy and work hard, precision and punctuality are the norm, security is an important element in individual motivation. Cultures with a high score on this dimension are often very expressive. Something the Israelis clearly show while talking with their hands, gesticulating and vocal aggressiveness.

At a score of 30, China has a low level of Uncertainty Avoidance. Truth may be relative though in the immediate social circles there is concern for Truth with a capital T and rules (but not necessarily laws) abound. None-the-less, adherence to laws and rules may be flexible to suit the actual situation and pragmatism is a fact of life. The Chinese are comfortable with ambiguity; the Chinese language is full of ambiguous meanings that can be difficult for Western people to follow. Chinese are adaptable and entrepreneurial. At the time of writing, the majority (70% -80%) of Chinese businesses tend to be small to medium sized and family owned.

4.5 Long Term Orientation Versus Short Term Normative orientation (LTO)

This dimension describes ***how every society has to maintain some links with its own past while dealing with the challenges of the present and future***, and different societies prioritizes these two existential goals differently. Normative societies which score low on this dimension, for example, prefer to maintain time-honored traditions and norms while viewing societal change with suspicion. Those with a culture which scores high, on the other hand, take a more pragmatic approach: they encourage thrift and efforts in modern education as a way to prepare for the future.

A low score of 38 on this dimension indicates that Israeli culture prefers normative thought. People in such societies have a strong concern with establishing the absolute Truth; they are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results.

China's scores of 8, on the other hand, means that it is a very pragmatic culture. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context, and time. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.

4.6 Indulgence Versus Restraint (IVR)

One challenge that confronts humanity, now and in the past, is the degree to which small children are socialized. Without socialization we do not become "human", so to speak. This dimension is defined as the extent to which people try to control their desires and impulses, primarily based on the way they were raised. Relatively weak control is called "Indulgence" and relatively strong control is called "Restraint". Cultures can, therefore, be described as Indulgent or Restrained.

There is currently no score for Israel on this dimension. China, on the other hand, is a "Restrained" society as can be seen by its low score of 24. Societies with a low score in this dimension have been observed to have a tendency for cynicism and pessimism. Also, in contrast to Indulgent societies, Restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are Restrained by social norms and feel that indulging themselves is somewhat wrong.

4.7 Interpretation from other sources

Other sources of cultural dimensions comparing Israel with China seem to indicate that our analysis is reasonable. More specifically, our comparisons of individualism and power distance have similar interpretations, however the results for uncertainty avoidance are different. Israel takes a unique position in the database of countries with scores on the 6 dimensions. Israel is the only country in the world where the size of the immigrant groups is so large that they influence the dominant values to the extent that new citizens of Israel change the existing values. For example, the scores shown in table 1 below might not reflect the values of the whole population of Israel. Furthermore, research should be done to express the values of all the current Israelis. The uncertainty avoidance value is relatively lower than other countries as shown in in the Table 1, which is different with Hofstede-insights website (Han, 2017).

Table 1. Comparison of cultural values (Katz and Triester, 2019).[8]

Country	In-group collectivism	Power distance	Uncertainty avoidance
Finland	4.23	5.08	5.11
France	4.66	5.68	4.66
Germany	4.16	5.48	5.35
Israel	4.63	4.71	3.97
Japan	4.72	5.23	4.07
Singapore	5.66	4.92	5.16
South Korea	5.71	5.69	3.52
Sweden	3.46	4.94	5.36
Switzerland	4.04	5.05	5.42
USA	4.22	4.90	4.15

5.0 Discussion

This case study briefly overviews Israel's innovation achievements and compares Israeli to Chinese cultures across the six cultural dimensions of Hofstede. Analysis of the differences between the two cultures indicate that there is a lack of consensus regarding the uncertainty avoidance as reflected in different research papers. Moreover, additional analysis provides insights Israeli culture is very diverse and evolves continuously, thereby requiring special consideration and more frequent re-analysis and interpretation of its overall cultural dimensions.

Through this comparative analysis of cultural dimensions between Israel and China, suggestions and recommendations can be synthesized on how Chinese professionals can communicate with Israeli professionals for effectively. Challenges are discussed and situations to be avoided are elaborated. We first summarize the differences:

1. The disparity between China and Israel for PDI is especially obvious. Considering that China's history of centralized governance against Israel's democracy, this distinction is evident. Furthermore, in the workplace in China, there is no defense against the boss in the reporting relationship. But it is different in Israel, Israelis believe in independence, equal rights, accessible superiors, and that management helps and empowers them. The leaders in the team will relay on the experience from team member, they respect the team member's hands-on expertise. There are always have an informal atmosphere with direct and involving communication in the workplace, the team members are always expected to be consulted.
2. China granted the value of 20 for individualism, which means that China is highly collectivistic culture. The Israel received a score of 54 denoting that Israel has high position for individualism relatively. In Israel, there is an environment that each one is expected to look out for his/her own welfare or small families with parent-children relationship. There is a strong belief in the self-actualization and always with direct and

expressive communications. The China with 20 score, in another word, emphasizes that people need to take care of other in group, its affect hiring and promotions in workplace with closer relations, personal relationships supersede task and business.

3. China granted relatively higher score than Israel as score of 66, Israel scored lower with score of 47, we need clearly understanding that even Israel is lower than China, Israel didn't grant a low score, but the average score as 47. China with higher level of masculinity than Israel is the logical conclusion of in keeping with Chinese history of assigning traditional roles to men, for example patriarchs in family. In the other word, China is a success oriented and drive society. Chinese will prioritize and spend more time on the work, sacrifice family and leisure time to ensure the success, to find better work and better pay in the cities, the migrated farmers will leave their families and find a job far away from his home. On the other hands, Israel has the average score, seems that Women occasionally fill traditionally male positions in Israel; for instance, join their male counterparts in the military. Other elements of masculine in Israel are that high performance is highly recognized, it is expected that managers to be decisive and assertive.
4. Israel granted the score as 81 which is relatively high, one probable explanation for Israel's high score is that it is a young country, the Israeli trying to develop and establish the rules and regulations. In its country history, the instability of Israel with its neighbor countries, as well as its perpetual dread of terrorism, the young country trying to avoid the uncertainty to protect their county and people. Considering the history of Israel, Israeli people naturally want to be busy and work hard, they are usually on time, and feeling safe is a big part of how motivated they are. In the other side, China granted as score as 30 which reflects its long-centralized government history, China was traditionally controlled by man instead by law. Pragmatism is a fact of life, and laws and regulations may be modified to suit the actual circumstance. Ambiguity is welcomed by the Chinese; The Chinese language is full of meanings that are hard to understand for Westerners. Chinese people are entrepreneurial and flexible.
5. Israel granted a low score of 38 for LTO, which means that normative thought is more prevalent in Israeli culture. The establishment of the absolute Truth is a major concern for those living in such societies. They think in a way that is typical. They show a great deal of reverence for custom, a relatively low propensity to save for the future, and a focus on getting things done quickly. In the other hands that China granted a relatively higher score of 87, and that implies that it is an extremely realistic culture. People in societies with a pragmatic orientation believe that situation, context, and time greatly influence the truth. They demonstrate a propensity to save and invest, prudence, and perseverance in achieving results, as well as the capacity to easily adapt traditions to changing conditions.
6. China granted a very low score of 24 in this dimension, seems that China has a tendency to cynicism and pessimism. China as restrictive societies control their desire fulfillment and place little value on leisure time, they prefer to spend more time on hard work. But the Israel for this dimension is no score currently.

It is evident from the above that there is important cultural difference between China and Israel that need to be considered when working and communication with each other. Special attention needs to be taken to manage communication. Some suggestions to Chinese professionals to mitigate the impact of cultural differences are as follows:

1. When Chinese professionals communicate with Israeli, information needs to be communicated directly, accurately, and explicitly. As a manager local expertise need to be consulted, their advice taken seriously, treat everyone equally, and not put personal relationships over task and company. Chinese professionals must demonstrate expertise in their domain.
2. Chinese professionals need to avoid misunderstanding caused by ambiguity, despite the fact that Chinese culture is comfortable with ambiguity. They need to make sure that information is delivered directly and avoid English language ambiguous meanings and terms by using English language local resources for precision. Follow basic rules of keeping sentence short and vocabulary simple.
3. Chinese professionals should find a strategic way to avoid too much flexibility in doing business and communicate diplomatically the need for adherence to certain Chinese rules, regulations, and laws.
4. Since both Chinese and Israeli work very hard, are high performing, they could align well by negotiating common goals and targets.

6.0 Concluding Remarks

This case study briefly introduced the innovation achievements of Israel. Then the cultural dimension theory of Hofstede was used as an analytical tool to compare the cultural values between China and Israel and put them into perspective to offer Chinese professionals some suggestions on how to manage communication with Israeli professionals.

Some key difference between Chinese and Israel cultures exists and that Chinese professionals need to pay attention and certain factors that they should try to avoid while interacting with Israeli counterparts. These include being direct, accurate, consultative. "Listening" versus "hearing" is essential and questions need to be asked to ensure miscommunication does not occur. Demonstrate your expertise early in the relationship and remain equal in the way you treat everyone. Avoid ambiguity at all costs as you find opportunities to elaborate on Chinese rules, regulations, and requirements rather than adapting them to new circumstances or realities.

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