

# Example of cultural factors report

[Business](#), [Company](#)



## **Analysis of Business Environment in Israel**

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### **Executive summary**

There are various factors that make Israel a suitable country to establish business enterprise. When an organization is considering establishing operations in a country, there are various factors that are put into consideration. These factors determine the rate at which the business will succeed or fail. There are various factors such as economic factors, social factors, and political factors that determine whether a country is suitable to establish operations. In practice, Israel has been having good public relation with other countries around the globe as a result of respect and adherence to cultural beliefs.

Moreover, its geographical location puts it in a considerable place between active foreign countries in business. Additionally, political condition and stability in the country has been quite unexpected and characterized with a lot of war and social disputes over the years. On the other hand, Israel economic conditions have not had so much fluctuation in the global market and thus have maintained economic stability over the years. Therefore, in the analysis, factors responsible for its well being in business operations as well as factors which limit the effective performance of business operations are going to be discussed

Israel cultural behaviors have been significant and consequently affect business operations in the country. Initially, Israel used to believe in Zionism idea. This was a collectivist perception of the Jewish community where they

had to agree in one as a community. However, over the years the Zionist ideology has become extinct and now Israel people are more of individualistic rather than Zionism. In this case, major decisions by the individuals do not have to be generalized as they used to be in the collectivistic times. On the other hand, even though some of the collectivist habits are still found, though not common, they have been significantly influenced by the westernization of Israel. Therefore, most of the judgments and decisions are individually made, thus making the region a good place to start business operation.

## **Business Hours**

On the other hand, there are distinct working practices in Israel. For instance, business operations are put on halt on Saturday since they believe to be Sabbath day. Therefore, in this day all business operations are shut down in honor of the Sabbath day. In practice, working week in Israel begins on Sunday with people typically working for 40 to 45 hours per week. Basically, the working hours are usually from 9am to 6pm, from Sunday to Thursday. Therefore, with the above information being put into consideration, the working hours of the Israel people seem to be much less compared with the normal working hours. In this case, business operation is not adequately endowed with sufficient time to carry out its business activities. Additionally, appointments may be made at short notice and are thus expected to be adhered to with the business partners expected to avail themselves on time. Moreover, businessmen are expected to know some of the Hebrew's expressions. However, English language is the common language used in environment business in Israel. On the other hand, knowing

to say a few of salutations and the expressions used in business is of great significance in the success of the business. Therefore, establishing business operations in Israel becomes inconvenient.

## **Geographical Location**

The geographical position of Israel makes it promising in establishing any kind of business in the country. Basically, Israel is situated in the midst of Europe, Asia and Africa. Therefore, the centrally placed position enables Israel to take advantages of various marketing strategies due to the vicinity of major global producers in its surrounding. Additionally, Israel is renowned to be the largest export market in the Middle East. Major Israel exports include agricultural products, software, and cut diamonds. Additionally, Israel has been having strong networking ties with the United States and other major European countries over the years. Therefore, with this kind of networking and export market improvements, Israel performance in the economy is anticipated to grow in the future.

## **Legislations**

The country has implemented various tax reliefs for business enterprises in order to promote business operations in the country. There is grant track also the under the tax benefit tract implemented in 2011. Additionally, companies which qualify for the tax benefit get a ' beneficiary plant' status. The laws apply to all industrial enterprises within the country and are thus guaranteed the respective tax break.

On the other hand, tax benefit tracks were dented in 2011, which allowed

various tax benefits for business enterprises. Different tax rates have been applied to different regions in order to promote business in those regions.

## **Corruption**

Israel has a very strict government with rules and regulations put in place in order to prevent cases of corruption. In this case, people in Israel have developed a culture free of corruption and thus has helped in promoting business ventures in the country. Additionally, the government ensures that strict measures are taken for individuals found with any corruption cases.

## **Israel's History**

On the other hand, Israel has an advanced market and with highly trained and skilled labor force, educated and professional employees. Therefore, with the above numerous advantages of doing business in Israel one can be certain to have a successful business operation in Israel. Additionally, the government has been very much supportive in investment practices in the country. Israel has a conducive environment to carry out innovations, which is why multinational companies have found their way in Israel.

Some of the multi-national companies having direct investment in Israel include Microsoft, Cisco, Motorola, Intel, Siemens, Philips, IBM, Comverse, ECI, Telkom, Keter Plastic are just some of the multinational companies that have invested in Israel's technology.

## **Economic Ties**

Israel relationship with the rest of the world has been excellent with the establishment of good networking with major foreign countries. For instance, Israel has a solid relationship with the United Kingdom from the time of its

inception in 1948. Moreover, political and corporate relationship, for the two countries, has been great since then. In addition, the countries company laws have been on the English model. Israel has also acted as a natural home place for United Kingdom investors, and there have been no restrictions on language. The government, on the other hand, encourages overseas and domestic investment and offer loans and grants in supporting business activities, in the country. In so doing, the government ensures that business enterprises will remain viable and productive in the future. On the other hand, there has been a great improvement on economic development in the country and a continued political stability expected to prevail in the future. Additionally, Israel has remained to be the major exporting hub in the Middle East and a site for UK business investment. Therefore, with the positive aspects about Israel mentioned above, the country is anticipated to have a greater opportunity to establish and develop a business enterprise successfully.

### **Political Situation**

Additionally, the political condition and stability has not been promising over the recent past. Therefore, the presence of political instability in the country has adversely contributed to the type and structures of business enterprises carried out in Israel. For instance, due to unpredictable political stability, the business operations cannot take a long-term course. Therefore, political instability ends up limiting the business operations to be undertaken in the country. However, with the government having embarked on measures to prevent occurrence of war in the future, there has been few incidences of political instability in the country.

## **Infrastructure**

Infrastructure within the country has been developed, and the government is still embarking on various projects to improve the current condition of the infrastructure. Basically, some improvements, alterations, and extensions of the road network were made in order regulate and accommodate the growing number of vehicles in the country. Additionally, airports and the rail systems have also been extended and improved in order to allow the connection of cities and towns within and outside the country. Therefore, with an efficient transport system, the country is expected to offer best for the establishment of a new company.

## **Information Technology**

Communication network in Israel has been improving and greatly advancing at a high rate. Basically, the telecommunication sector has been on the verge of establishing a perfect communication network within the country in order to enable efficient communication channels and media across the country. Additionally, Israel has been renowned for being the most developed in data networks across the world. On the other hand, Israel communication infrastructure has developed over the years providing services like fax, databases and cable network for clients across the country. Additionally, there is the presence of postal service, courier services and international postal which provide effective communication within and outside the country. Therefore, with such reputation, Israel is considerably appropriate to establish a business venture.

## **Recommendations**

Therefore, it is clear and evident that the establishment of a company in Israel will be a great move for the company as a result of the above mentioned advantages. However, even though there are disadvantages of establishing business operations in Israel, they do not outweigh the benefits. In conclusion, it is advisable to establish a foreign branch of the company in Israel since there are many privileges to start a company in Israel. Further, there are many desirable economic and social features in Israel.

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