

## **INTERCULTURAL BUSINESS RELATIONS IDENTIFIABLE FACTORS**

**Maia Chechelashvili, Doctor of Economics, Professor.  
Georgian Technical University  
Nino Shavishvili, Doctor of Economics, Professor.  
E.Takaishvili University**

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**Introduction.** Business is not conducted in an identical fashion from culture to culture. As business has turned more and more to an integrated world market to meet its needs, the difficulties of communicating at a global level have become increasingly widespread. Lack of understanding deriving from ethnocentrism or ignorance of culturally based assumptions erroneously believed to be universal can readily escalate to unproductive conflict among people of differing cultural orientation. Still, in an increasingly competitive world economy, it is harder for the successful business venture to conduct business exclusively within the safe confines of a single domestic business environment. Consequently, the need for dealing with intercultural differences and cross-cultural communication barriers has grown as well.

We all tend to have a management style which has evolved during our working life and with which we feel comfortable. Bear in mind, however, that your management style is probably heavily influenced by your country of origin.

### **Review of Countries with Contrast Scores in Hofstede`s 5 Dimensions Survey**

Different countries tend to develop different approaches to management and corporate structure. Some people are comfortable with the concept of hierarchy; others are not. Some people see managers as mentors who are there to encourage and coach; others expect a more instructional approach from the boss. From country to country business relations` nature can be to a certain extent learned by Hofstede`s research and partly by reflecting already established practices. So did we when discussing 4 countries according to Hofstede`s 5 dimensions and gathered prominent information about the chosen countries.

We have chosen study countries according to having rather different results in Hofstede`s research. 5 criteria data appear in contrast to one another, and accordingly express differently developed cultures in any of the after mentioned countries.

According to point of "individualism" Canada is really illustrious country, which has a highest score of this index.

For example, Arab countries are distinguished from others with high "power distance" point and religion plays a driving role in formulation of Arab culture and business.

Japan is distinguished for its high index of "masculaniti/faminy", where in contrast to Canada team work is highly valued and people are more long term oriented.

What about our last country Israel, we have chosen this country for its high score of "uncertainty avoidance", this country is unique with its unprecedented history; and history with religion formed particular culture.

**Canada.** A culture is often considered as a main force of peoples` behavior. The cultural values help societies to conduct their behavior in many differenced situations; moreover, the cultural values influence on business environment, especially, customer behavior, managerial effectiveness, and range of value-chain operations, such as product and service design, marketing and sales.

Furthermore, culture matters in international business in such areas as developing products and services; interaction with foreign business partners; selecting foreign distributors; business negotiations; dealing with customers and preparing promotional materials. As Geert Hofstede, a well-

known anthropologist wrote: culture is “the collective programming of the mind that distinguishes the members of one group or category from another.” Generally, Culture’s formulation is based on following factors: geography, history, ethnology, language, religion and traditions. Manners and business etiquette are also ways of behaving and conducting oneself in business situations. In order to be successful in business and handle it profitably, it is vital to be aware of cultural differences between existing countries in the world. Nowadays, there is no distance among business market and businesspeople ought to act as a part of world’s business market.

Generally, some cultures are more complex than others in the world. Some cultures are more individualistic, while others are more collectivist. Some of them impose many norms, rules, and constraints on social behavior, while others impose very few. Most European and world’s developed country’s culture tend to be highly individualist (IDV), have low rank of Power Distance Index (PDI), Masculinity Index (MAS), Uncertainty Avoidance Index (UAI), and Long Term Orientation Index (LTO). In that case, the best example is Canada – its society is one of the most aware of cross-cultural differences in the world. Consequently, Canada ranked sixth in the world in standard of civilized society according to multiculturalism behind only the United States, Switzerland, Luxembourg, Germany and Japan.

Canada is a truly multiethnic nation, influenced by the traditions not just of British and French, but Inuit, Indian and Métis (a mixture of French and Indian) as well. Canada as a nation is religiously diverse. However, Canada has no official religion, and support for religious pluralism. Roman Catholics make up the largest religious group (45.7% of the population) with various Protestant denominations making up the next largest group (36.3%). Business culture varies throughout Canada, depending on the region. There are some main differences between regions of Canada. For example, people from the Western Canada (Alberta, Manitoba and Saskatchewan) are open, friendly and relaxed, while the British Columbian people are less conventional. Quebec is the French region with its distinct cultural identity; so people are extremely independent and faith in self-determinism.

As in all civilized countries, different ethnic groups' rights are protected by law in Canada, too. Multiculturalism is reflected in the law through the Canadian Multiculturalism Act and Section 27 of the Canadian Charter of Rights and Freedoms. More specifically, Section 27 of the Canadian Charter of Rights and Freedoms is believed that section 27 "officially recognized" a Canadian value, namely multiculturalism.

#### ***Five Dimensions of Cultural Differences in Canada***

According to Geert Hofstede’s Analysis for Canada, Canadians tend to be self-confident and open to discussions on general topics. It should be noted that there is a tension between the French province of Quebec and other Canadian provinces. Citizens of Quebec tend to be more private and reserved. Ethnocentrism is high throughout Canada, but particularly in Quebec. Even though, Canadians are a mostly friendly, unpretentious people who value honesty, sensitivity, empathy and humility in their relationships with friends and strangers, as well as respect for the privacy and individualism of others. In individualistic societies, ties among people are relatively loose, and each person tends to focus on his or her own self-interest. These societies prefer individualism over group conformity. It should be noted that Canadian-Anglophones, as managers, are more individualist, while Canadian-Francophones managers are more collectivist in their values, motivations and behaviors. In business situations, Competition for resources is the norm, and those who compete best are rewarded financially.

Canada has the highest rank of Individualism (80) (see Chart 1.), which is indicative of a society with a more individualistic attitude. Among high IDV countries, success is measured by personal achievement.

Canada has low rank of Long Term Orientation Index (23), compared to the average of 45 among the 23 countries surveyed for which scores have been calculated. This low LTO ranking is indicative of societies' belief in meeting its obligations and tends to reflect an appreciation for cultural traditions. That is, Canadians focus on immediate results rather than on how decisions will affect future generations.

Canada's Power Distance (PDI) is also relatively low, with an index of 39, compared to a world average of 55. This is indicative of a greater equality between societal levels, including government, organizations, and even within families. It should be noted that countries with low PDI are less concentrated on authority, organizational managers rely on personal experience and decision making structures are decentralized.

Generally speaking, in many countries, women in business situations are the exception. Even though, In Canada, it is ordinary thing to be handled a business by women. Moreover, a person's authority is related to his or her responsibility. People do not have authority just because of their social class or sex. Women occupy the same range of positions as men and have the same kinds of rights. Female businesspeople can expect to be taken seriously. Likewise, Canadian women receive respect from their Canadian male colleagues, and will expect the same from foreigners. That is, there is smaller gender culture gap and men have same rights as women both in family and at work. As regards MAS Index in Canada (52), it is enough high to consider that business relations between men and women are appropriate for civilized society.

Some cultures are high power distance cultures, or hierarchical. Other cultures are low power distance cultures, or egalitarian. In second case, these cultures power tends to be deemphasized by those who have it. For instance, the boss may insist on being called by his or her first name. Subordinates tend to be called co-workers, and are rewarded for taking initiative. They do not like to be supervised too closely. Power distance is reflected in how formal or informal communication and other behaviors are in the workplace. It should be noted that world's average Power Distance Index is 55. Usually, lower score is better. High level of Uncertainty Avoidance (UAI) serves stressful working environment and higher anxiety level. In contrast, there are lower level of work stress and anxiety in Canada (the score of UAI is 39). Hence, this index demonstrates that Canada has stable cultural environment, and there is equality between social levels, government and even families.

To conclude, The Hofstede's five cultural dimensions are usually used as a general guide for a deeper understanding in cross-national interactions with business partners and customers.

#### ***Conversation Taboos in Canada***

The most common taboos in Canadian life are sex, politics and religion, as each are considered extremely personal, private matters that many Canadians can find awkward or uncomfortable to discuss in public – especially with strangers. Politics is generally considered a mostly private matter in Canada. As a result, “who did you vote for?” can be a very presumptuous and uncomfortable question, and even a close friend might react with offense if asked.

Most Canadians consider their sex lives are very private matter as well, and may regard hearing about other people as unsettling, if not disgusting. Other Canadian taboos are discussions about French-Canadians and their sense of persecution in Canada, or desires to leave the country, have a strong potential for generating polarized, uncomfortable debate as well — particularly if there are French-Canadians present. Popular topics include sports – hockey, football, baseball, basketball, golf, and tennis. Generally, Canadians tend to be self-confident and open to discuss such kind of topics.

**Arab Culture.** Arab culture refers to the culture in the countries in which the official language is Arabic (although the Arabic language in some of them is the language of minority).

The Arab world is sometimes divided into separate regions including Nile Valley (consisting of Egypt and Sudan), Al-Maghrib Al-Arabi (consisting of Libya, Tunisia, Algeria, Morocco, and Mauritania), Fertile Crescent (consisting of Iraq, Kuwait, Lebanon, Syria, Palestine and Jordan) and the Arabian Peninsula (consisting of Iraq, Jordan, Kuwait, Bahrain, Qatar, Saudi Arabia, Oman and the UAE) and the Arabian Peninsula's Al-Janoub Al-Arabi (consisting of Yemen and Oman).

The Arab Culture is divided into three main parts, the Urban Culture (Al-Hadar), the Rural Culture (Al-Reef), and the Nomad Culture (Al-Badow). Typically, countries like Egypt, Iraq, Syria, Yemen, Sudan, and Morocco are considered Rural Cultures, while Saudi Arabia, Libya, Mauritania and Jordan are considered Badow (Bedouins), while finally the Lebanon, Palestine, Tunisia, Algeria are considered Urban, yet most of the Arab Major Cities are recognized with Urban Cultures, like Cairo, Rabat, Baghdad, Alexandria, Damascus, Marrakech, etc.

#### ***The Main Characteristic of Arab Culture***

The most important values in Arab culture are the ones that come from Islam. Religion is taken much more seriously than it is in the west and it impacts almost all aspects of life. Who takes values shape and how the rules are enforced will vary from one country to another but in all Arab countries religious values are taken very seriously. Most of the other values that people respect are based on those that come from the tenets of Islam.

To Arabs the most important thing is their family and this is one of the most important values that they have. This includes the whole extended family and not just the immediate family the way that it would in the west. In most Arab households several generations all live together with aged

parents and adult children all living in the same house. For Arabs their first obligation is to their families and this affects most of the other things in their lives, everything else will take a back seat to family issues.

Arabs also have a strong attachment to their community and they will play an active role in helping others out. Charity is an important part of Islam and most people will contribute to help others out. Being involved in the community is much more important than it is in other countries and most things are done with the greater good in mind.

Honor and respect are important values in Arab culture and this is something that visitors need to be careful about. It can be quite easy to accidentally offend somebody or even worse damage their honor. This can have some really serious consequences so you need to be careful. Arabs do not believe in criticizing people in public and doing so can be the cause of offence and loss of honor.

Most Arabs consider privacy to be an important value and they rarely talk about anything that is personal. Family issues are expected to remain in the family and are not discussed with outsiders. It is considered to be rude to ask too many personal questions although asking about somebody's wife is generally considered to be good manners. You will find that most Arabs will not share very much personal information with you and for the most part they will not ask you to share anything that is personal about yourself.

### ***The Islam in Daily Life***

There is no getting around the fact that in the Arab world Islam has a huge impact on daily life. It is important that you understand this if you are going to be doing business in the Muslim world. Knowing how Islam affects daily life will help you to avoid making cultural mistakes.

The most obvious way that Islam affects daily life in Arab countries is that many of the things that are taken for granted in the West are not available. The big one here would be alcohol but this is far from the only thing that is off limits. For example pork is not eaten in the Muslim world and so is generally not available. For most Muslims these prohibitions are not really a big deal since they have never been allowed them anyway but for foreign visitors it can seem a bit strange.

The other obvious way that Islam affects daily life is the requirement to pray five times a day. In most Arab countries everybody will stop what they are doing at the prescribed time in order to pray. Clearly this is not something that you would see happen in the west but it is quite common in the Muslim world. Stores will close and business will literally just shut down for prayer.

Another big impact of Islam in daily life is the way that gender roles are defined. In the west men and women are generally treated as equals, this is clearly not the case in the Muslim world. In general women receive much less education and if they have jobs at all they are strictly limited in what kind of work they are allowed to do. In some countries women are not allowed to go out in public without a male family member to escort them and if they do they must cover their face. How strictly these rules are enforced will vary from one country to another.

One difference that Islam creates in daily life that can be a real issue for people who are trying to do business in the Muslim world is the way that they interact with each other. Muslims will never publicly criticize somebody and this includes contradicting them or disagreeing with them in public. This has gotten many Western business men into trouble. In a worst case scenario you could end up publicly criticizing somebody and cause them to lose face. If this happens you will have a serious problem and you will likely find that your business deal falls through. More common is that in order to avoid public disagreement the people you are dealing with will seem to agree to something which they don't actually agree. This can lead you to think that you have a deal even when you don't.

### ***Doing Business with the Arab World***

The Arab world is made up of the most of the countries of the Middle East and Northern Africa. The economies in most of these countries tend to be fairly small but there are some wealthy nations amongst the group. Those nations that are wealthy in almost all cases got there because they have small populations and huge oil reserves.

The largest economy in the Arab world is Saudi Arabia and this is almost entirely because of the large oil reserves on which they sit. The entire economy is controlled by the ruling families who have become very wealthy as a result. That being said the average Saudi citizen has profited as well as the money is fairly well distributed. The problem for Saudi Arabia is that there is almost no diversification to their economy. This makes them vulnerable when the price of oil goes down. It also raises questions about what is going to happen after the oil is gone.

The next largest economy in the Arab world is that of the United Arab Emirates. This is despite the fact that the UAE is one of the smallest countries in the region. Originally the country's wealth was the result of its large oil reserves but it has now become the business center of the Middle East. The main reason for the strong economic performance of the UAE is that there is a lot more economic freedom than you will find in other Arab countries and really more freedom than in most western countries as well.

The next largest economy in the Arab world is that of Egypt. This is not really surprising given that Egypt has a population that is more than twice that of any other Arab country. The economy in Egypt relies heavily on tourism and agriculture although oil production and the media are also important. Despite having one of the largest economies in the region Egypt remains a relatively poor country because of its large population. A big part of the country's problems are the result of poor government policies and corrupt officials. This makes it very hard to do business in Egypt.

Next in line for the largest economy in the Arab world is Algeria. As the second most populous Arab country this is again not a huge surprise. The economy of Algeria is based almost entirely on the production of oil. They have not diversified their economy at all which does put them at risk for when the oil runs out. They have also experienced some pretty sharp up and down movements over the years as the price of oil fluctuates. One of the problems that Algeria faces is that the wealth is very unevenly distributed and while a few people are quite rich most are very poor.

#### ***Understanding the Influences of Arab Culture When Doing Business with the Arab World***

Doing business in the Arab world can be a challenge for people from Western countries. The reason is that there is a different culture with different customs. That means that things are not done in the same way. If you are going to be successful in your business venture you are going to have to learn about these differences.

The first thing that you will notice when you are doing business in the Arab world is that things move much more slowly than they do in the west. In the Arab world things tend to be much more relaxed and meetings seem to go on forever. This is part of the culture, it is important to do things like ask about the family of the people you are meeting with. This kind of small talk is not normally done when you are doing business in the west but it is a critical part of business in the Arab world.

The other big thing that you will notice is that religion plays a much more important role in business than it does in other countries. Some of this is obvious like when the entire country shuts down several times a day for prayer. Other aspects are not so obvious, like the schemes that banks have to use to get around the prohibitions on lending money. It is important to keep in mind that not everybody in the Arab world is a Muslim. There are also differences between the various Muslim sects so you have to be careful to not lump everybody together.

The area where most foreigners get into trouble when doing business in the Arab world does not understand the concepts of face saving and context. Most Arabs will not openly disagree with you or say no to something. Instead they will allow you to save face by seeming to agree when they don't this can lead you to think that you have an understanding when in fact you don't. Even worse is to cause an Arab to lose face by openly disagreeing with him. When doing business in the Arab world the context of what is said is as important as what is actually being said. This can be hard for westerners to understand.

Another area where people tend to have trouble in dealing with Arabs in a business setting is when it comes to body language. Arabs tend to say a lot more with non-verbal communication than people do in the west and understanding this can be a challenge. Other things like personal space are also issues that you need to be aware of. Arabs will stand much closer to you when they talk than is normal in the west. Understanding all of these things will make doing business a lot easier.

#### ***Power distance***

Arab Emirates scores high on this dimension (score of 90) which means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Hierarchy in an organization is seen as reflecting inherent inequalities, centralization is popular, subordinates expect to be told what to do and the ideal boss is a benevolent autocrat Individualism Arab Emirates, with a score of 25 is considered a collectivistic society. This is manifest in a close long-term commitment to the member 'group', be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In collectivist societies offence leads to shame and loss of face,

employer/employee relationships are perceived in moral terms (like a family link), hiring and promotion decisions take account of the employee's in-group, management is the management of groups.

**Masculinity / Femininity.** Arab Emirates scores 50 on this dimension and can be considered a masculine society. In masculine countries people "live in order to work", managers are expected to be decisive and assertive, the emphasis is on equity, competition and performance and conflicts are resolved by fighting them out.

#### ***Uncertainty Avoidance***

Arab Emirates scores 80 on this dimension and thus has a high preference for avoiding uncertainty. Countries exhibiting high uncertainty avoidance maintain rigid codes of belief and behavior and are intolerant of unorthodox behaviour and ideas. In these cultures there is an emotional need for rules (even if the rules never seem to work) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation.

**Japan.** Japanese culture and business etiquette is one of the most interesting in the world. Japan island country is lying off the east coast of Asia. It consists of a great string of islands in a northeast-southwest arc that stretches for approximately 1,500 miles (2,400 km) through the western North Pacific Ocean. The national capital, Tokyo in east-central Honshu, is one of the world's most populous cities. Complexity and contrast are the keynotes of life in Japan—a country possessing an intricate and ancient cultural tradition yet one that, since 1950, has emerged as one of the world's most Economically and technologically advanced societies. Heavy emphasis is placed on education, and Japan is one of the world's most literate countries. Tension between old and new is apparent in all phases of Japanese life. A characteristic sensitivity to natural beauty and a concern with form and balance are evident in such cities as Kyoto and Nara, as well as in Japan's ubiquitous gardens. Even in the countryside, however, the impact of rapid Westernization is evident in many aspects of Japanese life. The agricultural regions are characterized by low population densities and well-ordered rice fields and fruit orchards, whereas the industrial and urbanized belt along the Pacific coast of Honshu is noted for its highly concentrated population, heavy industrialization, and environmental pollution.

Japan is remarkable for its extraordinarily rapid rate of economic growth in the 20th century, especially in the first several decades after World War II. This growth was based on unprecedented expansion of industrial production and the development of an enormous domestic market, as well as on an aggressive export trade policy. In terms of gross national product (GNP; or gross national income), a common indicator of a country's wealth,

Japan is the world's second largest economic power, ranking behind only the United States. It has developed a highly diversified manufacturing and service economy and is one of the world's largest producers of motor vehicles, steel, and high-technology manufactured goods (notably consumer electronics). The service sector has come to dominate the economy in terms of its overall proportion of the gross domestic product (GDP) and of employment. The emphasis on trade stems from Japan's lack of the natural resources needed to support its industrial economy, notably fossil fuels and most minerals. In addition, the limited amount of arable land in the country forces Japan to import much of its food needs. Generally, however, Japan's strong domestic market has reduced the country's dependence on trade in terms of the proportion trade contributes to the GDP when compared with that of many other countries.

The Japanese economy lay utterly devastated at the end of World War II (1945). The immediate postwar period was one of hard struggle to achieve reconstruction and stability. Under the Allied occupation forces, land and labour reforms were carried out, and the plan for creating a self-sustaining economy was mapped out by American banker Joseph Dodge. The outbreak of the Korean war in 1950 created a huge demand for Japanese goods and set off an investment drive that laid the foundations for a long period of extraordinary economic activity. While investment in plants and equipment was spurred by an expanding domestic market, Japan also began pursuing strong export policies. Growing demand overseas for Japanese goods led to annual trade surpluses, which (with a brief interlude in 1979–80) became perennial by the late 1960s.

By the early 1970s Japan's rapid rate of economic growth had begun to slacken, as the price of imported petroleum soared, labour costs increased, the value of the national currency, the yen, rose against foreign currencies, and overall global demand for Japanese goods weakened. In addition,

distortions resulting from the earlier quick pace of growth had begun to show: Japan's standard of living had not increased as rapidly as had the overall economy up to that point—in large part because of the high percentage of capital reinvestment in those years—but also Japan was under increasing pressure from its trading partners (notably the United States) to allow the yen to appreciate even more in value and to liberalize strong import restrictions that had been enacted to protect Japan's domestic market. By the mid-1980s Japan's standard of living had increased to the point that it was comparable to that found in other developed countries. In addition, in 1985 Japan agreed with its trading partners to let the yen appreciate against the U.S. dollar, which led to a doubling of the yen's value within two years. This action and other efforts at restraining exports encouraged Japanese companies to begin moving production bases overseas. At the same time, a speculative “bubble” arose in the prices of stock shares and real estate, and its bursting at the beginning of the 1990s sparked a severe economic downturn. The Nikkei 225 average (the main stock-price index of the Tokyo Stock Exchange), which had reached an all-time high in 1989, dropped to only half that much within a year, and housing prices in urban areas also plunged. Economic growth was essentially stagnant throughout the 1990s—in what came to be known in Japan as the “lost decade”—even though a variety of economic policies were adopted and tried. The country experienced a serious recession at the end of the decade. Conditions improved after the turn of the 21st century, though growth rates were modest and were punctuated with periodic slumps. However, by 2000 Japan was facing the fact that an increasing number of postwar “baby boom” workers would be retiring, while, with the country's population growth also stagnant, fewer young people would be entering the workforce. In addition, Japan, like the rest of the world, was hard hit by the global economic recession that began at the end of 2007 and took hold in earnest in 2008. Nonetheless, Japan continued to have one of the world's highest per capita gross national products, and it experienced continued annual trade surpluses until the recession of 2013.

Government also helps development business in country. Japan's system of economic management is probably without parallel in the world. Though the extent of direct state participation in economic activities is limited, the government's control and influence over business is stronger and more pervasive than in most other countries with market economies. This control is exercised primarily through the government's constant consultation with business and through the authorities' deep indirect involvement in banking. Consultation is mainly done by means of joint committees and groups that monitor the performance of, and set targets for, nearly every branch and sector of the economy. Japanese bureaucrats utilize broad discretionary power rather than written directives to offer “administrative guidance” in their interaction with the private sector in order to implement official policies. However, since the early 1990s, efforts have been made to limit the use of such unwritten orders, which have been castigated for creating an atmosphere of collusion between the authorities and big business. There are several agencies and government departments that concern themselves with such aspects of the economy as exports, imports, investment, and prices, as well as with overall economic growth. The most important of these agencies is the Economic Planning Agency, which is of International Trade and Industry) and, apart from monitoring the daily running of the economy, also is responsible for long-term planning. The practice of long-term planning has been a major force in the functioning of the Japanese economy. According to the economic objectives of the of resources among industrial sectors and to influence the organization of specific industries. Control has been underpinned by the detailed regulation of business activities, particularly in the financial sector. However, by the early 1990s reducing government intervention in the economy had become a major objective of the authorities. This was viewed as a way to create new business opportunities and as a necessity for making Japanese domestic markets more accessible to foreign business, thus revitalizing what was then a moribund economy. A number of deregulation packages to remove and ease controls subsequently were introduced and implemented. In the 1980s the government relinquished to the private sector its monopolies over the tobacco and salt industries and domestic telephone and telegraph services, and the publicly owned Japanese National Railways was privatized as the Japan railway group. Most of the remaining public corporations are special-purpose entities (e.g., for nuclear power generation) that would be unprofitable to operate privately or are government financial institutions. The government also retains an interest in radio and television broadcasting. It remains active in matters deemed to be of strategic interest, notably nuclear power generation, which is subsidized through a major program to increase generating capacity. Entering in Japan market for foreign business is quite impossible and such they helped their own businessman

and that's why they are one of the most development country in the world. Japanese have their business meeting etiquette. The Japanese place a high level of value on etiquette and protocol during any type of business affairs. This rule holds true to foreigners as well. However, the Japanese are generally very forgiving to foreigners as long as they show respect and an effort to understand the Japanese culture and business etiquette. Often the Japanese host will offer to help you in any way that they can. When meeting for any type of business affairs you should always play it safe and dress formally. Business casual attire is not always accepted in Japanese business etiquette. Of course there are situations where it is appropriate to dress casually such as a sporting event or activity, but you would never want to be the one who is underdressed in comparison to the group. On the contrary, it never hurts you to be overdressed for any occasion, therefore, it is always better to be safe than sorry. Your demeanor should be conservative. It is not common for the Japanese businessman to be brash and abrasive. That type of behavior can result in lack of trust and you may not be taken very seriously. Avoid using flashy pens or articles of clothing. Also, do not write in red ink, use black or blue. When first meeting face to face with your Japanese host, it is important to honor the Japanese cultural traditions. You should first bow and wait to see if your Japanese counterpart initiates a handshake. Although your Japanese host will likely offer a handshake, it is not as natural for them as bowing. It is important to understand this principal and demonstrate it to your Japanese counterpart. When the time comes to sit down and meet with your Japanese hosts, it is important to wait for direction on where to sit. Seating is much more important than one may suspect and each person's seating position is determined by their status. Usually the highest ranking person will take the head of the table, and the subordinates will sit on both sides of the table. The higher ranking people will sit closest to the highest ranking person, and the rank will decrease as you travel toward the opposite side of the table. Another important rule to remember is that you do not want to be the first or only one sitting. You don't have to wait for the instruction to sit down, but if none of your Japanese hosts are sitting than you should not be the one to break the ice. This rule applies to mostly all actions that may occur during a meeting such as speaking, drinking, eating, and others. It is very important to show interest in the meeting and acknowledge every members input. It may help to take notes or repeat an idea to clarify. This will keep you involved in the dialog and also make you look like you are very interested in what is happening. Finally, Gifts may be presented during a meeting. They are not mandatory for you or your host, but it always makes for a nice gesture. If you receive a gift from your Japanese host, make sure that you show your appreciation and thank everyone who was involved in its presentation. If the gift is wrapped you should wait until you leave to open it.

Also is very important Business etiquette protocol. In Japanese business etiquette protocol is very important during any type of business affairs. Even for foreigners there is still an expectation of at least some understanding of the business customs. Nevertheless, the Japanese are usually forgiving to outsiders that show an effort to understand the Japanese business etiquette. The Japanese host will often try to help in any way possible. A conservative demeanor is advisable, as it is not customary for Japanese businessmen to be brash or arrogant. Arrogance will take away from ones trust and image, which will lead to a lack of respect from your Japanese host. Upon the initial meeting with a Japanese host, one must honor the Japanese cultural traditions. This includes bowing before shaking hands. Your Japanese host will likely offer a handshake, at which point a handshake will be appropriate. In Japanese business etiquette seating positions are very important as they are in indicator of status. The highest ranking person will sit at the head of the table furthest away from the door. Always wait to be seated, and never be the first one to sit down. Show interest in the meeting and acknowledge everyone's participation. You may want to take notes to help you remember the discussion. Taking notes will also make you look more attentive. It is very important to look as though you are interested in what is happening. Also dress code is very high value and very important. The Japanese are very formal and frequently dress to impress despite having a somewhat conservative demeanor. The rule of thumb is to always play it safe and dress formally. Stick to dark colors preferably black or dark blue. Wear shoes that are easy to put on and remove as you will likely be doing so quite often. In Japanese business etiquette the Japanese pay close attention to one's attire and can equate a good appearance to having high social and corporate status. Dressing impressively can pay very large dividends. One should make every effort possible to dress well. The Japanese have a saying, "the nail that sticks out gets hit with the hammer." This saying holds true in Japanese business etiquette and should be applied to your selection of attire when preparing for a business meeting in Japan. The recommended code for men is a conservative and well put together business



suit. The recommended colors are dark ones, preferably black or dark blue. The quality of your attire makes a difference in your appearance, so it makes sense to invest in a nice suit and have it altered to fit you correctly. Wear something low key yet classy. You want to impress without standing out too much. Women should dress conservatively also. Heels are not appropriate in a business setting and should be avoided. In Japanese business etiquette women should not have many accessories either. Women should also avoid wearing pants in a business setting due to the fact that sometimes it is considered offensive. Generally speaking, the same conservative principals that men follow should be applied to women also.

When speaking you should never point or use excessive hand gestures. This is considered to be a very informal means of communicating and will take away from your message. Using hand signals should be avoided also as they have different meanings in Japan. For example, the “ok” hand gesture means money in Japanese culture.

If you're doing business with a Japanese company for the culture differences, here are 10 key ways to prepare yourself for the cultural differences.

1) Silence is golden. In a business setting, silence is valued over an overabundance of talking. The Japanese have many proverbs that signal the importance that they place on silence.

2) Group solidarity Paramount. It's widely known that Japan is a group-oriented culture group solidarity is valued over individualism. There is strength in the group, as the famous Japanese saying implies. “A single arrow is easily broken, but not ten in a bundle”

3) Business cards are talismans. It is very important that you have business in Japan. For Japanese business professionals, a business card is an extension of their identity it's important to observe some engrained rules of etiquette that signal respect for the person. Accept the card with both hands, briefly read it and place it in your business card holder if you are standing; if you are seated, place it on the table for the duration of the meeting and then place it in your business card holder.

4) Age Equals Seniority. Be sure to greet the most senior person before you greet others. Likewise, offer your business card to the senior person first..

5) Hard sell doesn't sell. Understand that the Japanese decision-making style is by consensus—trying to speed up the process may appear to be disrespectful of their way of doing business. Rather than be impatient, try to see the long process as an opportunity to build trust and cement the relationship.

6) Privacy is valued. Japanese people are notoriously private and Reserved. Privacy is important in Japan. People can have their names removed from phone books if they want. Windows are designed so people can't look in." So, asking a lot of personal questions at the beginning of the relationship which to us is a way of building rapport may be regarded as pushy or rude.

7) What you don't know can hurt you. We all know that a business giftexchange is an important tradition in Japan, especially at the first meeting.it seems: Flowers such as lilies, lotus blossoms and camellias are used for funeral services and should, therefore, be avoided. The same applies for any white flowers. Potted plants also carry negative superstitions. And buying a set of four of anything is deemed unlucky. The number nine is also inauspicious. Furthermore, if you send Christmas cards, avoid red, as funeral notices are customarily printed in red.

8) Chopstick manners speak loudly. Use the opposite end of your chopsticks to pick up food to add to your plate. Don't use chopsticks to pierce food pick it up, even if it is slippery. When you finish eating, leave your place setting close to how you found it; this means placing your used chopsticks in their paper envelopes or holder, and replacing lids on small dishes.

9) Honor the unofficial dress code. The operative word here for business clothes is conservative. Men wear conservative business suits and blend in with the group. Women are encouraged to keep jewelry to a minimum so as not to stand out. It is also considered in good taste for women not to wear high heels if this results in towering over their male Japanese counterpart.

10) The small stuff matters. Observing the small details of politeness is a big way of showing respect in Japan. For example, blowing your nose in public, such as in a meeting room, is considered in poor taste; best to excuse yourself and walk out. We all know about taking our shoes off at the door, and wearing the slippers your Japanese host will provide. However, it doesn't stop there. When invited to a Japanese home, you might have to remove your slippers once inside if you encounter a tatami floor a type of mat, which should only be stepped on with bare feet or socks. If you go to the washroom, you have yet another pair of slippers that's reserved for use in the washroom. Remember

to remove them before going back to your seat. While you're not expected to know all of this, it's noticed and appreciated when you do. It simply means you've done some homework to honor your host. Use your knowledge of Japanese business etiquette to demonstrate your flexibility and sensibility. It will pay dividends.

If we explore Japanese culture through the lens of the 5-D Model, we can get a good overview of the deep drivers of Japanese culture relative to other world cultures.

**Power distance:** 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 institutes and organizations within a country expect and accept the power of distributed unequally. At a score of 54, Japan is a mildly hierarchical society. Yes, Japanese are always conscious of their hierarchical position in any social setting and act accordingly. However, it is not as hierarchical as most of the other Asian cultures. Some foreigners experience Japan as extremely hierarchical because of their business experience of painstakingly slow decision making process: all the decisions must be confirmed by each hierarchical layer and finally by the top management in Tokyo. Paradoxically, the exact example of their slow decision making process shows that in Japanese society there is no one top guy who can take decision like in more hierarchical societies. Another example of not so high power distance is that Japan has always been a meritocratic society. There is a strong notion in the Japanese education system that everybody is born equal and anyone can get ahead and become anything if he works hard enough.

**Individualism:** The fundamental issue addressed by this dimension is the degree of interdependence a society maintains among its members. Japan scores 46 on the Individualism dimension. Certainly Japanese society shows many of the characteristics of a collectivistic society: such as putting harmony of group above the expression of individual opinions and people has a strong sense of shame for losing face. However, it is not as collectivistic as most of her Asian neighbors. The most popular explanation for this is that Japanese society does not have extended family system which forms a base of more collectivistic societies such as China and Korea. Japan has been a paternalistic society and the family name and asset was inherited from father to the eldest son. The younger siblings had to leave home and make their own living with their core families. One seemingly paradoxical example is that Japanese are famous for their loyalty to their companies, while Chinese seem to job hop more easily. However, company loyalty is something which people have chosen for themselves, which is an individualistic thing to do. You could say that the Japanese in-group is situational. While in more collectivistic culture, people are loyal to their inner group by birth, such as their extended family and their local community. Japanese are experienced as collectivistic by Western standards and experienced as individualistic by Asian standards. They are more private and reserved than most other Asians.

**Masculinity/Femininity:** At 95, Japan is one of the most masculine societies in the world. However, in combination with their mild collectivism, you do not see assertive and competitive individual behaviors which we often associate with masculine culture. What you see is a severe competition between groups. From very young age at kindergartens, children learn to compete on sports day for their groups (traditionally red team against white team).

In corporate Japan, you see that employees are most motivated when they are fighting in a winning team against their competitors. What you also see as an expression of masculinity in Japan is the drive for excellence and perfection in their material production and in material services (hotels and restaurants) and presentation (gift wrapping and food presentation) in every aspect of life. Notorious Japanese “workaholicism” is another expression of their masculinity. It is still hard for women to climb up the corporate ladders in Japan with their masculine norm of hard and long working hours.

**Uncertainty Avoidance:** At 92 Japan is one of the most uncertainty avoiding countries on earth. This is often attributed to the fact that Japan is constantly threatened by natural disasters from earthquakes, tsunamis (this is a Japanese word used internationally), typhoons to volcano eruptions. Under these circumstances Japanese learned to prepare themselves for any uncertain situation. This goes not only for the emergency plan and precautions for sudden natural disasters but also for every other aspects of society. You could say that in Japan anything you do is prescribed for maximum predictability. From cradle to grave, life is highly ritualized and you have a lot of ceremonies. For example, there is opening and closing ceremonies of every school year which are conducted almost

exactly the same way everywhere in Japan. At weddings, funerals and other important social events, what people wear and how people should behave are prescribed in great detail in etiquette books. School teachers and public servants are reluctant to do things without precedence. In corporate Japan, a lot of time and effort is put into feasibility studies and all the risk factors must be worked out before any project can start. Managers ask for all the detailed facts and figures before taking any decision. This high need for uncertainty avoidance is one of the reasons why changes are so difficult to realize in Japan.

**Long term orientation:** At 80 Japan scores as one of the long term oriented societies. Japanese see their life as a very short moment in a long history of mankind. From this perspective, some kind of fatalism is not strange to the Japanese. You do your best in your life time and that is all what you can do. Notion of the one and only almighty God is not familiar to Japanese. People live their lives guided by virtues and practical good examples. In corporate Japan, you even in economically difficult times, higher own capital rate, priority to steady growth of market share rather than to a quarterly profit, and so on. They all serve the durability of the companies. The idea behind it is that the companies are not here to make money every quarter for the share holders, but to serve the stake holders and society at large for many generations to come.

So we see that for Japanese people traditions and cultures are very important and if you want to make business with Japanese or have good relationship with them you need know their traditions, culture and you need to respect it. Without it is impossible to have any relationship with Japanese people.

**Israel.** Israel, also called the Promised Land, is situated along eastern coastline of Mediterranean Sea. Country's north region is forested highlands of Galilee. Central part is rocky picks of the Samarian and Judean mountain ranges descended sharply to the semi tropical Jordan Valley and Dead Sea, the lowest place on earth. And the south part is mountainous desserts. The official language of Israel is Hebrew, mostly spoken other languages are Arabian and English. Government form is Parliamentary Democracy. Main industry profiles are manufacturing scientific and innovative products and production of diamonds. All Israeli men and women are required to serve in the IDF for a minimum of three or two years, respectively.

Native Israeli is referred to as a Sabra, this is name of cactus; which is prickly on the outside, sweet and soft inside, it can survive in dessert, they grow in clusters. This name may be inferred as cultural metaphor in trace with Israel's history – survived, expressed character – prickly; inner character – sort, their cultural issue Zionism's main idea to collect Israeli in Israel to live together – grow in clusters. Israel is the most prominent example of Cultural hybridization. The concept of hybridization says that cultures are not given or fixed, but are constructs of history and discourse. That is, cultures are shaped and reshaped through interactions with other cultures in which people reflectively or unreflectively insert new meanings into their own (already hybrid) cultural understandings. Multiculturalism's concern is with cultural multiplicity while hybridization's concern is with interactions, negotiations, and mutual enrichments among these cultures. Barush Shimoni with Harriet Bergman admits hybridization "as the ongoing condition of all human cultures, which contain no zones of purity." Israel's social and formal structures - the legal system, the army, the managerial practices and concepts are the heritage of the conquering British. The nation of Israel is the world's first Jewish state in two millennia. It represents for Jews the restoration of their homeland after the centuries-long Diaspora that followed the demise of the Herodian kingdom in the 1st century. As such, it remains the focus of widespread Jewish immigration. Israel has unique history and to our mind their history can be classified as multinational hybridization; seeing that Jewish people have for a long time lived with nations of almost all continents. Therefore, Jewish population's culture is diverse. Jews from eastern and Western Europe, the Middle East and North Africa, Central Asia, North America, and Latin America have been immigrating to Israel since the late 19th century. Differing in ethnic origin and culture, they brought with them languages and customs from a variety of countries. The Jewish community today includes survivors of the Holocaust, offspring of those survivors, and emigrants escaping anti-Semitism. The revival of Hebrew as a common language and a strong Israeli national consciousness have facilitated the assimilation of newcomers to Israel but not completely eradicated native ethnicities. For example, religious Jews immigrating to Israel generally continue to pray in synagogues established by their respective communities.

Jews constitute about four-fifths of the total population (7 million) of Israel. Almost all the rest are Palestinian Arabs, of whom most (roughly three-fourths) are Muslim; the remaining Arabs are Christians and Druze, who each make up only a small fraction of the total population. Arabs are the overwhelming majority in the Gaza Strip and the occupied territory of the West Bank.

Religious Jewry in Israel constitutes a significant and articulate section of the population. As such, it is often at odds with a strong secular sector that seeks to prevent religious bodies and authorities from dominating national life. The two main religious-ethnic groupings are those Jews from central and Eastern Europe and their descendants who follow the Ashkenazi traditions and those Jews from the Mediterranean region and North Africa who follow the Sephardic. There are two chief rabbis in Israel, one Ashkenazi and one Sephardic. Tension is frequent between the two groups, largely because of their cultural differences and the social and political dominance of the Ashkenazim in Israeli society. Until recently, it was generally true that the Sephardim tended to be poorer, less educated, and less represented in higher political office than the Ashkenazim.

#### ***Cultural Dimensions – Hofstede-Israel***

If we explore the Israeli culture through the lens of the 5-D Model, we can get a good overview of the deep drivers of Israeli culture relative to other world cultures. However, Israel takes a unique position in the database of countries with scores on the 5 dimensions. Israel is the only country in the world where the size of immigrant groups is so large that they influence the dominant values to the extent that new citizens of Israel change the existing values. The below mentioned scores might not reflect the values of the whole population of Israel, but mostly it does.

***Power distance.*** 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.

***Individualism.*** The Israeli society is a blend of individualistic and collectivistic cultures (54 points). 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.

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

A low score (feminine) 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 admirable. 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 by cars, watches and technical devices.

#### ***Uncertainty avoidance***

Israel is among the stronger uncertainty avoidant countries (81 points). In these cultures there is an emotional need for rules (even if the rules never seem to work), time is money, people have an inner 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.

As Israel is the country of diverse cultural, religious-ethnic groups it is vital for business people to consider their values and customs during dealing with Israeli people. It is important to start from considering their calendar and working days, as time management is vital during doing business.

In Western countries, the workweek begins on Monday and ends on Friday. Saturday and Sunday are usually days of rest, with Sunday being a religious day. Days begin in the middle of the night,

at midnight, and run 24 hours until midnight is reached again and a new day begins. In Israel, as in Judaism, a day is calculated from sundown one day to sundown the next day. This means that holidays or religious days of rest actually cross over a two-day period. The workweek begins on Sunday and runs until midday on Friday. From sundown Friday to sundown Saturday is the Sabbath, the religious day of rest. Public transportation shuts down, and many businesses and shops are also closed. During that period the Orthodox Jews will be pleased if others also respect. People dealing with Israeli business partners should consider that, during that time, especially men even do not answer their mobiles.

Thus the Israelis' "weekend" only really runs from sundown Saturday to Sunday morning, when work begins once again. For Muslim Israelis, the day of rest is Friday, while Christians celebrate their day of rest. During a meeting the Israeli may take telephone calls and allow others into his office or the meeting room. Interruptions such as these are common in Israeli culture – do not take it as being rude, impolite or arrogant. This is a very informal society, where Israelis are expected and able to do many tasks at the same time.

### *Negotiations*

When it comes to negotiating tactics, be prepared for tough and friendly negotiations. There is little difference between the modern, air-conditioned wall-to-wall carpeted Israeli boardroom and the ancient and dusty marketplace in the old city of Jerusalem! If you are seeking to sell your apple for 100 dollars - start high and then look for a fair compromise in the middle. Israelis love to negotiate. Do not be offended by what may appear as a "ridiculous offer".

Hiring a professional translator would prevent the Israeli from breaking into Hebrew and consulting with his associates - leaving you in the dark. Having a translator on site would be very powerful and positive, given that you will always be on the "same page" with your Israeli partners and the translator could also serve as a "cultural bridge" in regards to verbal and non-verbal communication.

Get things in writing! No matter how warm and friendly your relationship may become – a handshake is good – but never good enough. A Letter of Intent and or a contract will leave no room for misunderstandings down the road. Do not bring an attorney to your meetings, rather fax your attorney all papers and contracts for them to review. Israeli people regard the written contract literally and they expect their Taiwanese partner to regard it in the same manner. Violation of a contract by a foreign company could be resulted with lawsuits and bad reputation in the Israeli business community.

The Israeli may request to conclude all negotiations immediately. This is not a sign of desperation or weakness – this is a basic difference in how the Israeli perceives time. Most Israelis are seen as being impatient – wanting everything done "today". The reason for this is their traumatic historical and military service experiences, they are not always secure as to where they will be tomorrow.

The OK sign is common and shares the same meaning as it does in the United States. Same goes for the "thumbs up" sign. Shaking a hand with the thumb pressed against the other four fingers, with the palm up and the back of the hand down means "patience, give me a second!" Israelis use a lot of large gestures while speaking.

When dealing with the Muslim community in Israel, avoid showing the sole of your foot or using the foot to move or pass anything to someone. Avoid giving and receiving objects with your left hand as well.

Israelis are very hospitable and may take offense if you do not accept an invitation. When eating in someone's house, they will offer you more food than you can eat, so it is important to be grateful and compliment the chef without forcing yourself to overact.

**Gender Issues.** Israeli men and women are equal for the most part. Women are educated, work in all parts of society, but also raise children and are active in home life. There is a larger separation between male and female spheres with religious people, they tend to interact only with people of their own sex. Women hold the same rights as men and hold positions of power in the political, corporate, and civil defense areas.

In religiously observant households, women are expected to do most if not all of the cooking, cleaning, and child rearing. Most do not work outside the home.

For Men suits with ties are common in formal situations. In most industries, business casual is acceptable. Many men wear a suit with an open collared shirt. Darker colors are the most common.

For Women stylish business suits or dresses and blouses are common; accessories are usually worn. Somewhat revealing clothing may be acceptable in various situations. Religiously observant women usually cover the arms and wear skirts/dresses cut far below the knee.

The notable national accessory is “kippa”; it is a head covering that observant Jewish males wear to show respect for God. According to the Rambam, Jewish law dictates that a man is required to cover his head during prayer, and wearing a head covering outside of the synagogue was originally a custom. Other authors, including the Taz (commentary to the Shulchan Aruch by Rabbi David Ben Shemuel Halevi, Poland, 1586–1667), held that nowadays wearing a kippah is required according to the strict Halacha.

### ***Religion and Public Life***

Judaism impacts Israeli life in a myriad of ways. Religion is often looked upon as a binding factor for Israeli Jews and has been a major tool in the promotion of social integration and nationalism. The influence of Judaism can be seen in the country’s judicial laws, state institutions, and politics. It has also heavily influenced the everyday life of common Israelis. For example, Israelis celebrate the Sabbath (the official day of rest for the Jews) on Saturday, during which businesses and enterprises are required to remain closed. Orthodox and ultra-Orthodox Jewish schools teach mandatory religious education. One of the most important religious customs followed by Israeli Jews is observing the Sabbath, which prohibits 39 categories of work for a period lasting from sundown on Friday to sundown on Saturday. Jews also observe dietary laws called kashrut. Another custom is that of having three main daily prayer services: Shacharit, Mincha, and Maariv.

### ***Stereotypes***

Stereotypes of Israelis as accepted by foreigners In Your Face Israelis can be very obnoxious in expressing their opinions and get very defensive when criticized. Israelis live under the belief that any opinion is better than no opinion, so they make a habit of telling each other and everyone else just what is on their minds. Intrusive questions are followed by a critique of the answer and it is all done with a bold-faced appeal to the value of honesty. Visitors, however, should be made aware that this honesty is a one-way street. Israelis are very prickly when they are criticized or when their motives are called into question. From an Israeli perspective, the best defense is to be offensive. Siege Mentality Israelis cause most of their own problems and need to learn how to get along. No modern nation has ever suffered such continuous harassment and attack from its neighbors as Israel. The regional Muslim states see Israel as not only an artificial country, but one created as an intended offense to Islam. However, many non-regional foreigners see Israel as intentionally provocative and uncompromising. Israelis live almost constantly on alert for attacks and often respond to them with exponentially greater violence, thus setting the stage for reciprocal attacks. Biased Attitudes Israelis are always asking for tolerance even though they are very biased themselves. Ask an Israeli about any other culture and they will have a stereotype (usually negative) as a reply. Even their allies are in for a drubbing when it comes to cultural criticism. Since Jews worldwide have been submitted to so much stereotyping and persecution, Israelis feel justified in giving free rein to their own biases. Foreigners might be surprised that such a heavily persecuted group would be so vituperative, but Israelis assume that everyone else looks down on them and turnabout is fair play. Group Mindset Israelis express themselves very differently in a group than they do in one-on-one conversations. There is an Israeli mindset about regional politics that most Israelis are loath to depart from unless they know they have a sympathetic audience. A “wrong” opinion at the wrong time can have physical repercussions. Foreigners are also advised to tread lightly until they can assess the audience. Theocracy Israel is just another religion-based culture, and non-Jews are treated as second-class citizens or worse. The Jewish faith is not required for citizenship, but it is a great advantage in both economic and political terms

**Conclusion:** No Culture is “Good” or “Bad” – “*Just Different*”!

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**Maia Chechelashvili**, Doctor of Economics, Professor of Georgian Technical University. **Nino Shavishvili**, Doctor of Economics, Professor of E.Takaishvili University. **Intercultural business relations identifiable factors**. This thesis has studied the ethno – cultural characteristics influence on business relationships. The focus is on the cultural values of the discussed countries, contrastive to each other. Cultural values are generalized and discussed in relation to each country's business life. We have selected the most prominent countries and examined the cultural consequences according to German presorts g. Hopsteed's 5 basic damnations' of the study.

**Keywords:** cross-cultural business relationships, management style, the global economy, business, ethnic and cultural influence.

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**Чечелашвілі Майя**, доктор економічних наук, професор. Грузинський технічний університет. **Шавішвілі Ніно**, доктор економічних наук, професор. Педагогічний університет ім. Еквтіме Такашвілі. **Факторы межкультурных связей в бизнесе**. Изучены особенности этнокультурного влияния на деловые отношения. Основное внимание уделено культурным ценностям стран, рассмотрены различия между ними. Культурные ценности обобщены и обсуждены в связи с особенностями деловой жизни стран. Отобраны наиболее значимые страны, и исследованы культурные приоритеты в соответствии с немецкой моделью Хофстеде по пяти базовым положениям.

**Ключевые слова:** межкультурные деловые отношения, стиль управления, мировая экономика, бизнес, этнокультурное влияние.

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**Чечелашвілі Майя**, доктор економічних наук, професор. Грузинський технічний університет, **Шавішвілі Ніно**, доктор економічних наук, професор. Педагогічний університет ім. Еквтіме Такашвілі. **Фактори міжкультурних зв'язків у бізнесі**. Вивчено особливості етнокультурного впливу на ділові відносини. Основну увагу приділено культурним цінностям країн, розглянуто відмінності між ними. Культурні цінності узагальнено і обговорено у зв'язку з особливостями ділового життя країни. Відібрано найбільш значущі країни й досліджено культурні пріоритети відповідно до німецької моделі Хофстеде за п'ятьма базовими положеннями.

**Ключові слова:** міжкультурні ділові відносини, стиль управління, світова економіка, бізнес, етнокультурний вплив.