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Kulturális összehasonlítás: A kultúra hatása a vállalkozásokra

Cultural comparison: Culture effect on businesses

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Research question: How do cultural norms and values influence the decision-making processes regarding future investment in Israeli versus Hungarian organizations?

ABSTRACT

This research explores the influence of cultural norms and values on the decision-making process regarding future investments in Israeli versus Hungarian organizations, emphasizing how these cultural elements shape strategic business choices. It investigates the critical role that cultural norms and values play in shaping investment decision-making processes in Israeli and Hungarian organizations. As businesses increasingly operate in globalized markets, understanding how culture influences these decisions is essential for fostering successful cross-cultural collaborations and investments. Given the distinct historical backgrounds and societal values of Israel and Hungary, this research aims to find how cultural context affects investment strategies within these countries. The discussion delves into the assertiveness, risk-taking, and innovative orientation in Israeli organizations, contrasted with the cautious, traditional, and formal approach characteristic of Hungarian companies. Key findings highlight that Israeli firms are inclined to pursue high-risk, high-reward gains, driven by a national narrative of resilience and adaptability. Conversely, Hungarian organizations prefer stability and sustainability, reflective of their emphasis on thorough planning and collective harmony. Ultimately, this research concludes that understanding these cultural influences is essential for business administrators and managers, as it offers critical insights into tailoring investment strategies to align with the unique cultural landscapes of Israel and Hungary.

1. INTRODUCTION

In today's global economy, it is important to understand the relationship between cultural norms, values, and decision-making processes regarding investments in organizations across different countries, it can help with effective strategic planning for future investments. When organizations consider future investments in different countries, such as in Israeli and Hungarian marketplaces, cultural factors can significantly impact the success or failure of these investments. The core purpose of this research is to highlight the importance of understanding the cultural influences and see how it can affect decision making which can influence the investments outcomes.

Cultural norms and values fundamentally shape individuals' perceptions, behaviours, and attitudes, and these components collectively contribute to the organizational decision- making process. In the context of investments, these cultural dimensions may manifest in risk tolerance levels, negotiation styles, and ethical considerations, among other aspects. For instance, a culture that values collective decision-making and long-term relationships may approach investments with a different mindset compared to one that prioritizes individualism and short-term gains. Recognizing and adapting to these differences is crucial for achieving effective investment strategies.

Israel and Hungary, representing two distinct cultural landscapes, provide a compelling comparative basis to understand how cultural norms and values influence investment decisions. Israel is known for its dynamic, innovation-driven economy, often characterized by a high tolerance for risk and an entrepreneurial spirit. Conversely, Hungary, with its storied historic influences from both Eastern and Western Europe, may exhibit more conservative and structured approaches to business operations and investments. By delving into these cultural nuances, the exploration sheds light on how Israeli agility and risk-taking contrasts with Hungarian methodical and calculated decision-making processes, showing diverse strategic approaches to future investments.

Multinational companies, operating in an array of cultural environments, need to be adept at navigating these cultural differences. An understanding of local cultural norms and values not only aids in designing investment strategies that align with local market dynamics but also mitigates risks associated with cultural misunderstandings. Such insights may also reveal new opportunities that a culturally insensitive approach might overlook. In other words, cultural competence becomes a strategic asset, enabling companies to operate more efficiently and effectively on a global scale.

Moreover, the examination of cultural influences on investment decisions is particularly relevant given the increasing intertwining of global markets. As companies seek to expand their footprint internationally, awareness of cultural dimensions can foster better stakeholder relationships and smoother operational integration in foreign territories. Managers and decision-makers armed with this cultural intelligence are in a better position to tailor their investment approaches, ensuring that strategic objectives are met within the culturally specific context of the target markets.

In summary, this study explores the complicated relationship between cultural norms, values, and the decision-making processes regarding future investments in Israeli versus Hungarian organizations. The research question investigates how these cultural dimensions influence investment strategies and outcomes, appreciating how cultural norms and values influence investment decisions holds significant advantage for organizations aiming to have investments across international borders. The insights gained from comparing Israeli and Hungarian cultural influences on business decision-making processes underscore the necessity of cultural sensitivity in crafting investment strategies. By acknowledging and addressing these cultural factors, organizations not only enhance their strategic planning capabilities but also stand to achieve more sustainable and successful investment outcomes in diverse global markets. This research aim is to have a better understanding of these cultural dimensions, laying the groundwork for more informed and effective business strategies in international investments, and will give a better understanding of the chosen countries methods of decision making.

2. LITERATURE REVIEW

This part of the research will review previously conducted studies and results. This literature review will be structured as follows: first, it will provide an overview of relevant theoretical frameworks, such as Geert Hofstede's cultural dimensions theory, and Trompenaars 7 dimensions theory, to have foundation for understanding cultural influences on investment decisions. By exploring these theoretical frameworks, the review will clear the key dimensions of culture and their connections for investment decision-making processes.

Next, a comparative analysis based on Hofstede research and Trompenaars' 7 dimensions will be conducted to identify similarities and differences in cultural influences on investment decisions between Israel and Hungary, it will present an examination of cultural norms and values in Israeli and Hungarian societies, highlighting key cultural Hofstede and Trompenaars' dimensions and their implications for investment decision-making.

Following the comparative analysis, the review will explore case studies and empirical research that investigates how does culture influences corporate risk-taking and investments decision making.

Subsequently, the review will undertake a comparative analysis to identify similarities and differences in decisions making styles between Israel and Hungary and show how culture can have an impact on decision making followed by case studies and examples. By understanding the decision-making styles in these countries, we can get a better background and understanding of how the culture norms and values can influence future investment decisions.

Finally, the review will conclude with reflections on the practical implications of cultural influences on investment decisions and offer suggestions for future research directions in this area. By taking the main findings and insights gathered from the literature review, the conclusion aims to provide practical recommendations for organizations seeking to successfully navigate intercultural investment management.

Through this comprehensive research, this literature review aims to contribute to a deeper understanding of the role of culture in shaping investment decisions and to inform strategies for managing cross-cultural investments, improving organizational success in diverse cultural environments, and fostering sustainable global partnerships.

2.1 Hofstede and Trompenaars dimensions theory

To understand how cultural norms and values influence the decision-making processes in organizations, it is essential to ground the discussion in a theoretical framework. Geert Hofstede's Cultural Dimensions Theory provides a comprehensive model for analyzing cultural differences and their impacts on various business practices. In this part of the literature review few articles and studies were used to provide a theoretical background for understanding cultural differences and how they are being applied in different societies. In Hofstede's analysis he defines culture as "the collective programming of the mind that distinguishes the members of one group or category of people from others" (Hofstede, 2011). This definition suggests the considerable influence of culture on individuals' perceptions, behaviors, and interactions within social groups. Hofstede’s cultural dimensions theory can help with analyzing cultural variations in different societies. By identifying key dimensions that characterize social values and norms, the model enables people to explore the connections between culture and human behavior. These dimensions can help understanding how culture can shape decision making processes within organizations.

Hofstede's model, although “critiqued and revised over the years, remains one of the most influential frameworks in intercultural communication and management” (Minkov, 2017). The theory originally identified four dimensions of national culture—Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, and Uncertainty Avoidance—and was later expanded to include Long-Term vs. Short-Term Orientation and Indulgence vs.

Restraint (Su, 2022). Each dimension offers valuable insights into how cultural values shape organizational behaviors and decision-making processes.

Hofstede's dimensions operate on a macro level, providing broad generalizations about cultural tendencies. For instance, power distance, countries with a low power distance are characterized by preferring decentralized organizations and put emphasis on equality. In countries with a high-power distance, organizations will have hierarchical structure and strong authority is applied. Power Distance (PD) describes the extent to which less powerful members of a society accept and expect power to be distributed unequally. High PD cultures tend to have hierarchical structures, where authority and decision-making power are centralized. In contrast, low PD cultures advocate for equality and participatory decision-making processes. This dimension has practical implications for management styles and corporate governance. For example, high PD environments might discourage employees from voicing dissenting opinions, thereby affecting the overall decision-making process (DeBode, Haggard, & Haggard, 2020).

Another dimension is Individualism-Collectivism, individualism show the degree people will consider their personal goals over the group goals, individual achievement is highly valued, unlike the collectivistic societies where the group goals are more important, and group harmony being highly appreciated and valued. Individualism versus collectivism differentiates cultures that emphasize personal achievement and autonomy from those that prioritize group harmony and collective well-being. In the context of business administration, this dimension influences various organizational practices such as leadership styles, communication patterns, and conflict resolution approaches. Research has validated the agility of the Individualism-Collectivism dimension, making it a reliable tool for assessing cultural differences (Minkov, 2017).

Masculinity-Femininity dimension show the gender distribution around the society, societies with more masculine approach will put emphasis on assertiveness, competition, and males will be more appreciated in these societies and are more likely to succeed. In feminine societies corporation, quality of life is more appreciated, and these societies tend to live with equality life approach between the genders (Hofstede, 2011). This dimension provides insights into gender roles within organizations and their influence on leadership, teamwork, and personal ambition. Research indicates that a cultural emphasis on femininity is associated with greater economic freedoms, such as labor and monetary freedom, suggesting that cooperative and fair processes can enhance economic benefits (DeBode et al., 2020).

Uncertainty Avoidance dimension reflects the extent to which the society feel threatened by uncertainty. Cultures with high uncertainty avoidance will apply more rules, and regulations in their societies to mitigate uncertainty, while countries with low uncertainty avoidance are more open for experimentation, and flexible. However, the validity of Uncertainty Avoidance has been questioned, as recent studies suggest it lacks internal reliability and fails to predict associated behaviors like job security preference and innovation (Minkov, 2017). Such findings indicate the need for further improvement and contextual adaptation of this dimension.

Long-term orientation dimension shows the extent to which individuals in a society prioritize long-term goals, such as perseverance, thriftiness, and respect for tradition, over the short-term. This dimension is particularly relevant in understanding strategic decision-making processes within organizations and their orientation towards future investments. In business practices, this can influence strategic planning, investment decisions, and savings behaviors. For instance, cultures with a long-term orientation may be more inclined to invest in sustainable and far-reaching projects, whereas short-term oriented cultures might favor immediate gains.

Finally, indulgence versus restraint dimension examines the extent to which individuals in a society act according to their impulses and desires versus exercising restraint and control over them. Cultures characterized by indulgence get satisfaction from going after their desires and the enjoyment of life is important for them, while cultures with a higher level of restraint emphasize self-discipline and moderation. This dimension can affect consumer behavior, marketing strategies, and overall lifestyle within a society (Su, 2022).

Hofstede's Cultural Dimensions Theory provides a valuable, though imperfect, framework for understanding how cultural norms and values shape organizational behaviors and decision-making processes. By examining these dimensions, researchers and practitioners can gain nuanced insights into the cultural underpinnings of business practices in diverse contexts, including Israeli and Hungarian organizations. Through his comprehensive analysis, Hofstede provides valuable insights into the cultural factors that influence decision-making processes within organizations. By understanding these dimensions, researchers can navigate the complexities of cross-cultural management more effectively, enhancing organizational success in diverse cultural environments.

Trompenaars model of national culture differences is a framework developed by Dutch researcher Fons Trompenaars. It aims to understand cultural differences across countries by identifying several dimensions along which cultures can vary. These dimensions help in categorizing and comparing diverse cultures based on their values and attitudes. Trompenaars initially identified seven cultural dimensions as Rodić, M. (2020) mentioned:

The dimension Universalism refers to people who obey laws and principles vs. particularism which says that relationships and circumstances guide behavior and decision making.

Following there's the Individualism dimension, which reflects how individuals prioritize personal goals vs. communitarianism which reflects group harmony and collective society.

Next, there is specify which refers to cultures where individuals maintain boundaries between personal and professional life vs. diffuseness which describes cultures where there is little to no boundaries.

Neutral cultures tend to hold back emotions, while emotional cultures express emotions openly.

Achievement-oriented cultures value accomplishments, and performance-based rewards, while ascription-oriented cultures emphasize status, age, and other inherent attributes.

Sequential cultures prefer linear, step-by-step approaches to tasks and communication, while synchronous cultures value simultaneous action and multitasking.

The last dimension is internal vs. external control, where internal control cultures believe they can control the environment to achieve goals and accountability, while external control cultures believe they cannot control outcomes to external forces or fate.

Trompenaars' model provides a framework for understanding and navigating cultural differences in various contexts, including business, communication, and international relations. By recognizing and accommodating these cultural dimensions, individuals and organizations can effectively engage with diverse cultural environments.

2.1.2 Hofstede and Trompenaars' dimensions- Israel vs Hungary

Israel, known for its diverse history and cultural diversity, thanks to its mix of religious groups, ethnicities, and people who have immigrated there from other countries. Hungarian culture, on the other hand, has many traditions, customs that has been influenced by many different events and exchanges over a long time. Using Hofstede comparison tool we got the following results:

Hofstede's Power Distance dimension reflects the degree to which less powerful members of a society accept and expect unequal distribution of power. Hungary scores (46) on the Power

Distance Index (PDI), indicating a moderately hierarchical society where individuals accept authority but are also willing to challenge it when necessary. In contrast, Israel has a lower PDI score of (13), suggesting there is a more equal approach to power distribution and a greater degree of autonomy among individuals.

Next, there is the dimension of Individualism vs. Collectivism which measures the extent to which individuals prioritize personal goals and autonomy over group harmony and collective welfare. Hungary scores (71) on Individualism, indicating a strong emphasis on individual autonomy and self-expression. In contrast, Israel scores (56) on this dimension, suggesting a balance between individualism and collectivism, with a greater emphasis on collective groups and familial ties.

Hofstede's Masculinity vs. Femininity dimension, Hungary scores (88) on Masculinity, indicating a strong emphasis on achievement and material success. Israel scores (47) on this dimension, reflecting a balance between masculine and feminine values, with a greater emphasis on quality of life and interpersonal relationships.

Hungary scores (82) on Uncertainty Avoidance, indicating a strong preference for rules, structure, and predictability. Similarly, Israel scores (81) on this dimension, suggesting a similar approach to uncertainty and a reliance on rules and regulations to mitigate risk.

Hofstede's Long-Term Orientation dimension measures the extent to which a society values perseverance, and respect for tradition over short-term achievements and rapid change. Hungary scores (45) on this dimension, similarly to Israel which scores (47), indicating a balance between tradition and innovation, with a greater focus on adapting to change and seizing opportunities in the present.

The last dimension is Indulgence vs. Restraint, which explores the extent to which individuals in a society indulge in their impulses and desires versus exercising restraint and control over them. Hungary scores (31) on Indulgence, suggesting a preference for restraint and self-discipline. In contrast, Israel scores (38) on this dimension, indicating a slightly higher level of indulgence and a greater emphasis on enjoying life and seeking personal fulfillment.

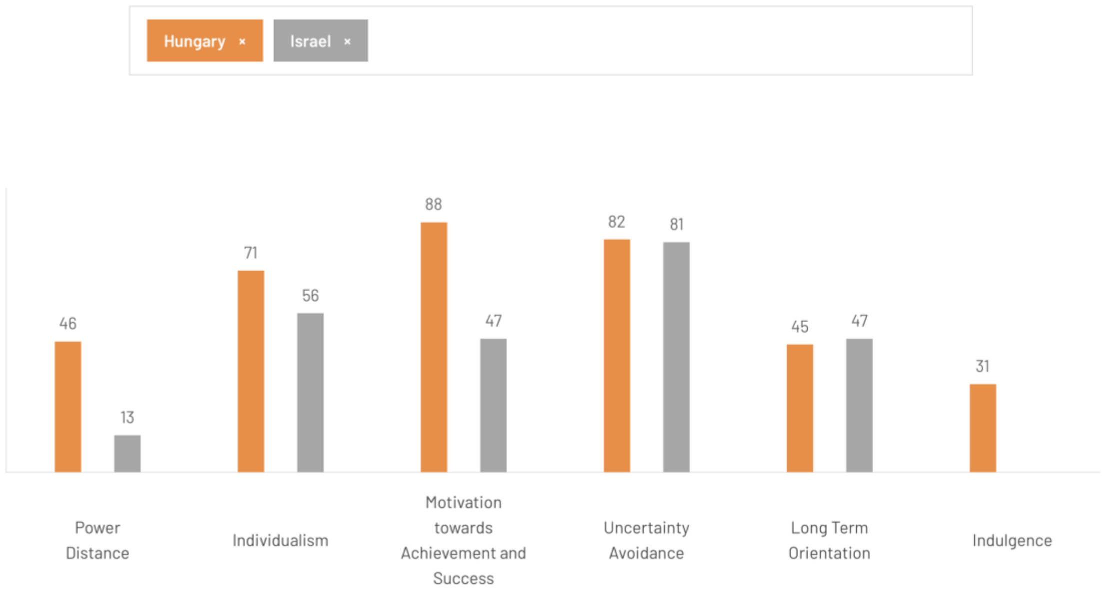

Figure 1: Israel Vs. Hungary (The Culture Factor by Hofstede, 2024)

Following Hofstede dimensions there's Trompenaars' cultural dimensions, Fons Trompenaars' cultural dimensions framework offers a valuable tool for understanding and comparing cultural differences across countries. The results for comparing Israel and Hungary are:

The first dimension is Universalism vs. Particularism, universalism refers to the extent to which rules and principles guide behavior, while particularism emphasizes relationships and circumstances. Hungary scores lower (54) on Universalism compared to Israel (95), indicating a greater emphasis on relationships and flexibility in Hungary's cultural norms, whereas Israel shows a more balanced approach between rules and relationships.

The second dimension is Individualism vs. Communitarianism, Hungary (66) scores higher on individualism compared to Israel (88), suggesting a stronger emphasis on personal achievement and autonomy in Israeli society, while Hungary values collective harmony and interdependence to a greater extent.

Next there's Specificity vs. Diffuseness, Specificity refers to distinct boundaries between personal and professional life, while diffuseness indicates fluid boundaries and overlapping roles. Israel (84) scores higher on specificity compared to Hungary (65), implying a preference for clear role distinctions and separation between personal and professional spheres in Hungarian culture, whereas Israel present more fluid boundaries and overlapping roles.

Neutral vs. Emotional dimension is the following dimension, neutral cultures suppress emotions in social interactions, whereas emotional cultures express emotions openly. Hungary

(42) scores higher on neutrality compared to Israel (24), indicating a preference for emotional restraint, and maintaining composure in social interactions, while Israel exhibits a more expressive and emotionally open culture.

In Achievement vs. Ascription dimension, achievement-oriented cultures value winnings and performance-based rewards, while ascription-oriented cultures emphasize status and inherent attributes. Israel (77) scores higher on achievement compared to Hungary (37), suggesting a stronger emphasis on individual accomplishments and performance-based rewards in Israeli society, while Hungary present a greater focus on status and inherent attributes.

Sequential cultures prefer linear, step-by-step approaches to tasks and communication, whereas synchronous cultures value simultaneous action and multitasking. Israel (80) scores higher on sequentially compared to Hungary (77), indicating a preference for structured and sequential approaches to tasks and communication in Hungarian culture, while Israel exhibits a more flexible and simultaneous approach.

The last dimension is Internal vs. External Control. Internal control cultures believe in personal agency and accountability, while external control cultures attribute outcomes to external forces or fate. Israel (93) scores higher on internal control compared to Hungary (32), suggesting a greater emphasis on personal agency and responsibility for outcomes in Israeli society, while Hungary exhibits a slightly stronger belief in external forces or fate.

Through the lens of Trompenaars' and Hofstede’s cultural dimensions a comparative analysis of Hungary and Israel reveals distinct cultural patterns and values that shape societal norms and behaviors. By looking closely at the scores in diverse cultural dimensions of these two countries' cultures, this dissertation will reveal what exactly affects the decisions organizations make about investments.

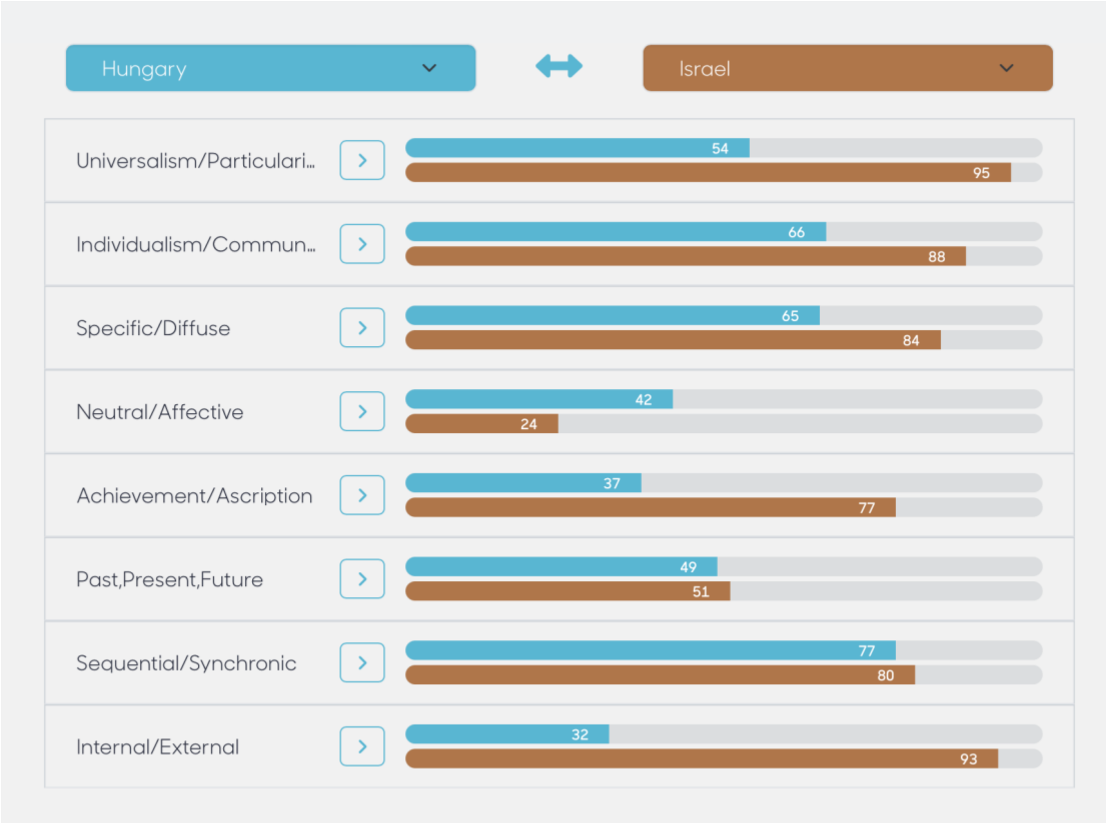

Figure 2: Israel Vs. Hungary (Trompenaars Hampden-Turner,2023)

2.2 Economic and political backgrounds affecting business practices in Israel and Hungary

Understanding the economic and political backgrounds of Israel and Hungary is crucial for evaluating how cultural norms and values influence the decision-making processes regarding future investments in these two countries. Both countries have unique historical and socio-political contexts that shape their business environments, affecting how organizations perceive risks, opportunities, and responsibilities.

Israel's economy has been characterized by its rapid technological advancements, leading to its reputation as the "Start-up Nation." The country has a strong emphasis on innovation, entrepreneurship, and high-tech industries. Politically, Israel operates within a complex landscape marked by regional geopolitical instability. This setting necessitates a business culture that is highly responsive to risk and adept at crisis management (Yuval-Davis, Meier, Rosen, & Varjú, 2023). Economic policies in Israel have traditionally supported free-market principles, but the government also plays a significant role in certain sectors through substantial defense and technology investments. The presence of mandatory military service, particularly for young adults, also contributes to a disciplined workforce with strong leadership and problem-solving skills, crucial for business operations.

Hungary, on the other hand, presents a different economic and political scenario. Following the fall of the socialist regime, Hungary transitioned to a market economy, although this shift did not happen uniformly across sectors (Egedy, 2010). Urban regeneration strategies in Hungary have focused on architectural and socio-economic implications, highlighting a need for comprehensive development policies that integrate environmental, social, and economic goals. The nation has seen efforts to attract foreign investments and revitalize urban areas, but these have been complicated by the remnants of its socialist past and the challenges of adapting to global capitalist dynamics.

Politically, Hungary's environment has been shaped by its history of centralized control and more recent tendencies toward increasing governmental oversight and nationalist policies. This political context often affects business regulation and market operations, requiring businesses to be adept at navigating both formal and informal networks (Mahmood, Chung, & Mitchell, 2017). While the country has made strides in economic development, the political landscape can be unpredictable, impacting business decisions and investor confidence.

The research of Yuval-Davis et al. (2023) underscores the complexity of political influences on business operations by comparing how center-right and center-left newspapers in Israel and Hungary cover ecological crises. The study reveals that while cultural and historical contexts differ, the most significant influences come from the political projects of belonging rather than the countries themselves. This observation indicates that political affiliations and orientations can significantly shape business practices and perceptions, impacting how organizations in Israel and Hungary address ecological and economic challenges.

Moreover, the strategies adopted by Hungarian decision-makers to address urban regeneration, as described by Egedy (2010), show awareness of the interconnectedness of social, economic, and environmental issues. By focusing on integrated urban development programs, Hungary aims to improve the quality of life and foster economic growth. This holistic approach necessitates a business environment that values long-term planning and collective responsibility, which may contrast with the more immediate and innovation-driven culture observed in Israeli organizations.

Mahmood, Chung, and Mitchell's (2017) research provide further insights into how political connections in dynamic environments affect business strategies. Their study on Taiwan's business diversification during political and economic liberalization offers a parallel to understanding Hungary's and Israel's business landscapes. In closed political-economic systems, formal ties to central political figures offer significant advantages, whereas, in more open systems, informal ties to a broader range of political actors become more beneficial. This dynamic is relevant to both Hungary and Israel, where navigating political landscapes is crucial for successful business operations.

In conclusion, the economic and political contexts of Israel and Hungary profoundly impact their business environments. Israel's focus on innovation and technological advancement, combined with its geopolitical instability, fosters a business culture that is responsive and adaptive. In contrast, Hungary's transition from a socialist regime to a market economy has led to a cautious and integrative approach to business, influenced by its political landscape. Understanding these backgrounds is vital for investors and organizations aiming to make informed decisions in these countries.

2.3 Cultural impacts

2.3.1 Culture impacts on risk taking.

There are several studies (Griffin et al., 2012; Streicher et al., 2023; Frijns et al., 2021) that provides several key findings regarding the relationship between cultural dimensions and corporate risk-taking behavior, based on their findings there is a connection between the culture and risk taking in organizations.

The study "How Does Culture Influence Corporate Risk-Taking" written by Griffin key findings were about several dimension in Hofstede studies, two of them are directly connected to risk taking. There is a positive association between individualism and risk taking, Cultures with high levels of individualism tend to have greater risk-taking behavior, in these cultures there is a stronger emphasis on personal achievement which may translate into a higher chance of taking risks among firms.

Individualism is positively related to rule of law, disclosure, and GDP per capita, but negatively related to earnings discretion and GDP growth volatility. On the other hand, there is a negative association between uncertainty avoidance and risk taking, cultures with low score in this dimension are more open to uncertainty, therefore there is more chance of risk taking in these culture corporations. When there is a high score in this dimension the chances of risk taking are low, these cultures will require a higher discount rate. Uncertainty avoidance is negatively related to institutional variables and positively related to firm size and sales growth (Li et al., n.d. p.2). Another important key finding was that larger firms with disciplined financial management systems are less influenced by cultural backgrounds in risk-taking, firm characteristics can moderate the role of cultural values in corporate risk-taking (Li et al., n.d. p.1). The study highlights the economic significance of cultural values on corporate risk-taking, showing how changes in cultural values impact risk-taking behavior. Overall, the research shows the considerable influence of cultural dimensions on corporate risk-taking behavior. The study discussed demonstrates that cultural values such as individualism, uncertainty avoidance, and harmony have significant associations with corporate risk-taking. Specifically, individualism is positively related to risk-taking, while uncertainty avoidance and harmony are negatively related to risk-taking. Additionally, the influence of culture on risk-taking is conditioned by factors such as earnings discretion and firm size. These findings suggest that cultural values play a crucial role in shaping the risk appetite of firms and their decision-making processes.

By understanding how cultural factors shape risk attitudes and behaviors, firms can better navigate cross-cultural environments and create their risk management strategies accordingly. The findings have important implications for international business and finance, highlighting the need for culturally sensitive approaches to risk management and decision-making.

Similarly, there is the study "National Culture and Corporate Risk-Taking around the World" (Frijns et al., 2021) which investigates the relationship between national culture and corporate risk-taking behavior across different countries. The study examines how the cultural dimension individualism-collectivism influences the risk-taking approach of firms on a global scale.

Using a regression model, the researchers find a positive relationship between individualism and corporate default risk. This suggests that higher levels of individualism in a country lead to increased default risk in firms operating within that country. The results remain consistent even after controlling several factors and including other cultural dimensions proposed by Hofstede. Through empirical analysis, the research finds several key findings like the previous studies. Cultures characterized by high individualism tend to have greater corporate risk-taking behavior. In such societies, where personal autonomy and achievement are valued, firms are more probable to pursue riskier opportunities and innovation, on top of that Individualism influences risk-taking incentives, self-achievement focus, and overconfidence, leading to higher corporate risk-taking. The study highlights the importance of considering cultural factors, beyond formal institutions, in understanding cross-country differences in corporate decision-making. The findings have implications for multinational corporations operating in culturally diverse markets, suggesting the need to adapt risk-taking strategies to diverse cultural environments.

This study reveals that risk attitude is not an innate personal characteristic but is significantly shaped by the norms and values of the country's culture. By better understanding the interplay between these informal institutions and real financial decisions, we can implement these effects into predictive models.

The research on "The Risk Culture Framework: Introducing an Integrative Framework for Holistic Risk Analysis" by Bernhard Streicher, Moritz Bielefeld, and Eric Eller presents several key findings. The research identifies several dimensions of risk culture that contribute to the overall risk profile of an organization. These dimensions may include risk awareness, risk appetite, risk communication, risk accountability, and risk governance. By examining these dimensions, organizations can gain a deeper understanding of their risk culture and its impact on decision-making processes. Moreover, the study highlights the significant influence of organizational culture on risk culture. Cultural factors, such as values, beliefs, norms, and behaviors, shape the way individuals assess, and respond to risk within organizations.

2.3.2 Culture impact on investments

Zhang et al. (2015) investigates the relationship between national culture and firm investment efficiency across different countries in her research. The study takes international data to analyze how cultural dimensions impact the efficiency of firms' investment decisions, using data from listed companies in eighteen countries.

The study focuses on four Hofstede dimensions, it compares power distance, individualism, uncertainty avoidance and long-term orientation to investment efficiency. The key findings of the research are that cultures characterized by high power distance, where hierarchical structures are implemented and authority is respected, are associated with lower firm investment efficiency. In such cultures, it is impossible to challenge authority or act differently from established norms, leading to less efficient investment decision-making processes.

The second key finding is that cultures characterized by a long-term orientation, which prioritize future-oriented thinking and perseverance, tend to have higher firm investment efficiency. In these cultures, firms may prioritize long-term value creation over short-term gains, which can lead to more strategic and sustainable investment decisions.

The study also found a significant positive correlation between individualism (IND) and investment biases, indicating that countries with higher levels of individualism tend to exhibit higher investment biases. In contrast, uncertainty avoidance (UA) and masculinity (MAS) showed significant negative correlations with investment biases, suggesting that countries with higher uncertainty avoidance and masculinity have lower investment biases.

The findings suggest that cultural factors play a crucial role in shaping firm behavior and investment decisions. Companies operating in different countries need to be aware of the cultural environment they are in and leverage cultural factors to enhance investment quality and decision-making processes.

Overall, the research highlights the major influence of national culture on firm investment efficiency. The results support the hypotheses that cultural factors, such as individualism, uncertainty avoidance, and masculinity, influence firm investment decisions and efficiency. The study highlights the importance of considering national culture in corporate governance and decision-making processes to improve investment quality and reduce biases. By understanding how cultural dimensions shape investment decision-making processes, firms can better adapt their strategies to different cultural contexts and improve their overall efficiency in allocating resources.

2.3.3 Culture impact on decision making

Decision-making under risk and uncertainty is a complex process influenced by several factors, including individual differences, situational contexts, and cultural backgrounds. In her study, "The Influence of Culture on Decision Making under Risk and Uncertainty," Joanne Laban explores how cultural factors shape individuals' perceptions, attitudes, and behaviors towards risk. Laban investigates how individuals from diverse cultural backgrounds perceive and respond to risk, drawing on psychological and sociological theories to examine cultural influences on decision-making behaviors.

Laban's study highlights the significant cultural variability in how individuals perceive and evaluate risk. Diverse cultures may have diverse attitudes towards risk-taking, influenced by societal norms, values, and historical experiences. For example, cultures characterized by collectivism (Israel) may prioritize social harmony and conformity, leading individuals to adopt more conservative risk-taking behaviors. In contrast, individualistic cultures (Hungary) may emphasize personal autonomy and achievement, fostering a higher propensity for risk-taking among individuals. Therefore, people from collectivist cultures, like Israel, form larger financial risk-sharing networks at organizations compared to people from individualist cultures, such as Hungary. This influences their willingness to take financial risks.

Cultural norms and values play a crucial role in shaping individuals' attitudes and behaviors towards risk. Laban's research emphasizes that cultural contexts influence individuals' risk perception and decision-making strategies. For example, cultures with high uncertainty avoidance may have a greater fear from uncertainty, leading individuals to seek stability and predictability in decision-making processes. In contrast, cultures with lower uncertainty avoidance may embrace uncertainty as an opportunity for innovation and exploration and take higher risks in their decision-making processes.

The study has a strong focus on the concept of uncertainty avoidance and its implications for decision-making under uncertainty. Cultures characterized by high uncertainty avoidance tend to have a stronger preference for clear rules, structures, and predictability, whereas cultures with lower uncertainty avoidance may display a greater tolerance for change and unpredictability. Laban's findings suggest that cultural differences in uncertainty avoidance significantly influence individuals' risk perception and decision-making strategies, shaping their responses to uncertain situations.

Laban's research explores how cultural factors influence decision-making strategies. Cultural norms and values may shape individuals' preferences for decision-making approaches, such as intuitive versus analytical decision-making. For example, cultures that prioritize collective welfare and social harmony may favor consensus-building and consultative decision-making processes, whereas cultures that value individual autonomy and achievement may prioritize decisive and independent decision-making.

Laban's study underscores the importance of considering cultural influences in understanding decision-making processes under risk and uncertainty. By recognizing cultural variability in risk perception, attitudes, and decision strategies, organizations and policymakers can develop more effective risk management strategies and decision-making frameworks that account for diverse cultural contexts. Moreover, fostering cultural sensitivity and awareness can facilitate cross-cultural collaboration and communication, having decision-making effectiveness in a globalized world.

2.4 Hungary and Israel

2.4.1 Hungarian culture impact on decision making

Cultural differences play a significant role in shaping decision-making styles. A study conducted by Dabić et al. (2014) explores these dynamics within the context of Central and Eastern Europe, focusing on countries such as Hungary, Croatia, Slovenia, and Bosnia and Herzegovina. The study uses Hofstede's dimensions of national cultures and variance analyses to identify cultural differences in decision-making styles related to complex decisions. The key findings from the research, with a specific emphasis on the insights regarding decision-making styles in Hungary are:

Firstly, Hungary has a moderate level of power distance, indicating that hierarchical structures are present in organizations. This can influence decision-making by emphasizing the importance of authority and top-down decision-making processes. On top of that, Hungary leans towards individualism, which can impact decision-making by prioritizing individual goals and achievements over group consensus. This may lead to more independent decision-making processes within organizations. The trends identified in the study are the global shift towards decreasing power distance and increasing individualism dimensions. This trend was confirmed in the selected countries, including Hungary, indicating a move towards more equal and autonomous decision-making processes (Dabić et al., 2014, p. 3).

Hungary has a moderate score in long term vs. short term dimension which imply they are in the middle, with stronger emphasis on the short term, a focus on long-term orientation would suggest a strategic and future-oriented approach to decision-making, considering the consequences of decisions over time, but Hungary is leaning more towards the short term suggesting they are more present focused which can impact their long term decision making.

In terms of decision-making styles, the study found that respondents from Hungary present a vigilant approach. They carefully consider different decision options, gather reliable information, and set clear goals, indicating a thorough and analytical decision-making process (Dabić et al., 2014, p. 11). With a high uncertainty avoidance index, Hungarian organizations may prefer structured decision-making processes with clear guidelines and information. This can influence how risks are perceived and managed in decision-making.

Moreover, the research highlights the cultural values emphasized in Hungary, which include harmony, intellectual autonomy, and equality. These values shape the decision-making context, influencing how decisions are made and prioritized within the cultural framework. Hungary scores moderately on masculinity, which may influence decision-making by valuing assertiveness, competition, and achievement. This can impact the decision-making style towards more competitive and purposeful approaches. Additionally, Hungary was found to moderately emphasize affective autonomy while placing low emphasis on control, and hierarchy (Dabić et al., 2014, p. 3).

Furthermore, the study identifies decision-making dominance in Hungary, characterized by a vigilant approach with infrequent use of liability avoidance, procrastination, or hyper-vigilance styles. Similarities in complex decision-making were observed between Hungary and Slovenia, suggesting that there's common characteristics in decision-making processes within the region (Dabić et al., 2014, p. 11). Hungarian communication styles, which may include indirect communication and a preference for non-verbal cues, can impact how decisions are communicated and implemented within organizations.

These findings underscore the importance of understanding cultural differences in decision-making styles to enhance business cooperation and facilitate political and economic integrations within the Central and Eastern European context. By identifying and incorporating cultural nuances, organizations and policymakers can foster more effective decision-making processes and promote collaboration across diverse cultural backgrounds.

The research conducted by Dabić et al. (2014) provides valuable insights into the cultural dynamics influencing decision-making styles in Central and Eastern Europe. The findings regarding Hungary emphasize the vigilant approach to decision-making, cultural values emphasizing harmony and autonomy, and the importance of recognizing cultural differences to foster cooperation and integration within the region.

2.4.2 Key Characteristics and Influences on Decision-Making in Hungarian Organizations

The decision-making process in Hungarian organizations is deeply influenced by cultural norms, particularly those related to hierarchical structures and a cautious approach towards investments. Hierarchical structures are used and evident in both manufacturing and administrative sectors, shaping the way decisions are made, and risks are managed. Unlike more democratic corporate cultures, Hungarian organizational behaviors and decision-making processes tend to be conservative and risk-averse, prioritizing stability and predictability over rapid changes and innovation.

Hierarchical structures in Hungarian organizations dictate that decision-making authority is generally centralized at higher levels of management. This characteristic is evident in various ways. For instance, Dunay, Nagy, and Illés (2017) observed that in Hungarian companies operating in the chemical equipment manufacturing market, there is a clear dominance of hierarchical culture in manufacturing departments, while a market-oriented structure is more typical among white-collar workers. This duality highlights how hierarchical influence permeates operational levels, affecting key facets of the decision-making process. In such environments, junior employees may have limited autonomy, and their input may not significantly influence final decisions, which are usually made by senior management.

This centralized decision-making framework has both advantages and disadvantages. On the positive side, it allows for a unified vision and streamlined implementation of business strategies, as top management can enforce cohesive plans without significant opposition from lower-level staff. However, this system can also lead to rigidity and slow responsiveness to market changes or innovative opportunities. The cautious nature of Hungarian organizational culture often emphasizes thorough evaluation and risk management before committing to new ventures, which can delay investment decisions and potentially result in missed opportunities.

Trust also plays a pivotal role in Hungarian business contexts and directly impacts decision-making. Szőke (2020) highlights that in cross-cultural business negotiations, Hungarian managers place a high importance on trust, which is built through repeated interactions, reputation, and perceived alignment of interests. Trust can facilitate smoother decision-making processes by reducing perceived risks and uncertainties. Szőke's research underscores that trust levels are influenced by various factors, including cultural stereotypes and previous experiences with foreign partners. Inadequate trust can lead to defensive and protective communication, which can further complicate the decision-making process.

The interplay between trust and hierarchical structures in Hungary's business environment is complex. Trust is often mediated by hierarchical position; senior managers or those within close networks tend to be more trusted, which can influence whose opinions are valued in the decision-making process. While trust may expedite collaboration among long-term partners, the friction caused by a lack of trust can lead to heightened scrutiny and slower decision-making, particularly in international and multicultural settings.

Furthermore, the influence of national cultural values is deeply embedded in organizational behaviors. Máté, Kovács, and Néda (2013) introduce a network representation method for visualizing hierarchical region structures, which is applicable to various scales, including organizational hierarchies. They emphasize that these hierarchical networks are influenced by historical and cultural factors, reinforcing the stable and cautious approach seen in Hungarian organizations. The cultural emphasis on maintaining established norms and procedures means that Hungarian companies are less likely to engage in speculative or high-risk investments without substantial evidence and reassurances.

Despite these hierarchical and cautious tendencies, Hungarian organizations are increasingly operating within the broader context of European Union regulations, which can drive merging in business practices across member states. Dunay et al. (2017) note that EU regulations exert a significant influence, even replace national cultural norms in certain industries. This external regulatory framework can limit the extent to which Hungarian organizations can adhere strictly to traditional hierarchical and cautious approaches, necessitating a balance between regulatory compliance and cultural predispositions.

In conclusion, Hungarian organizations exhibit a distinct pattern of hierarchical structures and cautious decision-making influenced by national cultural norms. These characteristics shape how investments are evaluated, and decisions are made, often prioritizing trust, stability, and risk management. While these norms provide a predictable and controlled business environment, they can also limit responsiveness and flexibility, posing challenges in the dynamic and rapidly evolving global market.

2.4.3 Key Characteristics and Influences on Decision-Making in Israeli Organizations

Israeli organizational culture has a unique blend of characteristics deeply rooted in social norms and values, which profoundly shape decision-making processes, particularly regarding future investments. One of the classic attributes defining Israeli business culture is its high degree of innovation and entrepreneurial spirit, often referred to as the "Startup Nation" phenomenon. The environment encourages risk-taking, creativity, and rapid problem-solving, significantly influencing how organizations approach investment decisions (Avidor, 2011). This innovative approach is supported by various structural and cultural factors, including substantial public R&D grants, a strong venture capital scene, and a strong emphasis on human capital.

The Israeli culture is also characterized by a sense of collective responsibility and resilience. This is evident in how the society and organizations alike deal with crises, such as geopolitical conflicts and economic downturns. The normalization of fear and emotional resilience are aspects that not only influence individual behaviors but also collective decision-making within organizations (Moshe, 2021). For example, despite constant security challenges, Israeli companies continue to thrive and innovate, underscoring a unique cultural ability to function optimally under stress.

Further, this culture's reflection in music and media provides a lens into the collective psyche. Moshe (2021) highlights that popular Israeli songs often include themes of self-searching, romantic longing, and patriotism. These elements indicate a society that maintains a balance between personal desires and collective nationalistic sentiments. This emotional duality, captured in popular culture, mirrors the cultural values that drive decision-making processes within organizations. Decision-makers in Israel are often influenced by this dual focus, balancing innovation and risk with a deep-rooted sense of duty and resilience.

However, the societal emphasis on innovation does not translate into reckless decision-making. The incubators program for innovation projects in Israel exemplifies a structured yet flexible approach to fostering innovation. According to Kahane and Raz (2005), the categorization induced by the Iterative Category Exclusion (ICE) procedure provides a systematic way to manage the complexity of entrepreneurial ventures, ensuring that meaningful data drives investment decisions. This data-centric approach facilitates better strategic assessments and decision-making capabilities, allowing organizations to make informed investment choices tailored to specific needs and opportunities.

In summary, Israeli organizations' decision-making processes regarding investments are significantly influenced by cultural norms of innovation, collective responsibility, and resilience. The societal emphasis on pioneering new solutions and technological advancements, underpinned by public policies and venture capital, creates a fertile ground for dynamic investment decisions. This is balanced by a structured approach to managing innovation, where data-driven strategies are employed to navigate uncertainties and optimize outcomes. The interplay of these cultural norms ensures that Israeli organizations remain at the forefront of global innovation while maintaining a robust and resilient operational framework.

2.4.4 Differences and Similarities in Decision-Making Processes Between Israeli and Hungarian Organizations

The decision-making processes in organizations are significantly influenced by cultural norms and values, with substantial variations between different countries. This subchapter critically analyzes the differences and similarities in the decision-making processes of Israeli and Hungarian organizations, focusing on factors such as risk perception, hierarchical structures, and the impact of individual versus collective cultural traits.

In Israel, the business environment is characterized by a high degree of innovation and a collective responsibility norm, which influences decision-making processes. The Israeli culture is notably high on individualism, which often leads to more aggressive investment choices. A study by Singh (2023) discussed how individual cultural values such as individualism and long-termism traits push investors towards aggressive investment strategies due to overconfidence and herd mentality biases. In the Israeli context, these cultural attributes foster a business atmosphere where entrepreneurial risk-taking is encouraged and failure is often seen as a learning opportunity rather than a setback. This view aligns with the broader societal values of innovation and collective responsibility, which prioritize forward-thinking and collaboration over conservative, hierarchical decision-making models.

On the other hand, Hungarian organizations exhibit a different cultural profile. Hungary's business culture tends to be more cautious and heavily influenced by hierarchical structures. Hungarian culture scores high on uncertainty avoidance, meaning that businesses typically prefer well-established procedures and are more risk averse. This characteristic affects the decision-making process, as detailed in the comparative analysis of European municipalities by Vasa, Hegedűs, and Lentner (2021). Their study highlighted how geopolitical locations and local government systems impact economic management, showing a significant correlation between local government debt and conservative financial strategies. This tendency towards cautious and planned decision-making in Hungary is reflective of a broader cultural aversion to uncertainty and a strong reliance on hierarchical approval systems.

Despite these differences, there are also notable similarities in how cultural values influence decision-making in both Israeli and Hungarian contexts. One commonality is the importance of past experiences and personal values in shaping investment decisions. Agyemang and Ansong (2016) found that individual shareholders' personal values, such as honesty and family security, significantly affect their investment choices in Ghana. This finding, while specific to a different geographical context, has broader implications, indicating that personal and cultural values universally play a significant role in shaping financial decisions. Similarly, in both Israel and Hungary, past investment experiences serve as a moderating factor in shaping current decision-making processes. This observation aligns with the findings of Singh (2023), who noted the significant moderating impact of past investing experiences on risk propensity and investment choices.

Moreover, both Israeli and Hungarian organizations must navigate their unique cultural landscapes while also addressing the global business environment's demands. Despite their differences in risk tolerance and hierarchical influence, they share a common need to balance local cultural expectations with the broader demands of global markets. For instance, Israeli organizations, despite their inclination towards aggressive investments, still require structured processes to manage risk effectively, especially when operating in international markets that may favor more conservative strategies. Conversely, Hungarian organizations, while inherently cautious, must adopt more innovative and flexible approaches to remain competitive globally.

In conclusion, the decision-making processes in Israeli and Hungarian organizations are profoundly shaped by their respective cultural norms and values. While Israeli organizations prioritize innovation and collective responsibility, leading to more aggressive investment behaviors, Hungarian organizations emphasize hierarchical structures and risk aversion, resulting in more conservative decision-making. However, both contexts highlight the critical role of personal values and past experiences in shaping investment decisions, underscoring the universal influence of cultural factors in business administration. These insights provide a nuanced understanding of how cultural values influence organizational behavior and highlight the importance of context-specific strategies in global business operations.

2.4.5 Case Studies and Examples of Investment Decisions in Israeli and Hungarian Organizations

In investigating how cultural norms and values influence investment decisions in Israeli and Hungarian organizations, it is necessary to dive into specific case studies that elucidate these cultural dynamics. Understanding the socio-cultural landscape requires examining instances where these cultural attributes materially affect business decisions, thereby offering insights into how investments are guided by deeply ingrained beliefs and practices.

Israel's cultural framework, characterized by its innovative spirit and collective norms, significantly affects investment decisions. An example is derived from Rosenboim et al (2010) study on financial decision-making among members of a kibbutz, a collective community in Israel. The research identifies a unique financial behavior pattern significantly different from those living in urban settings. Kibbutz members often exhibit a communal approach to investment decisions, which stems from deeply ingrained collectivist norms. For instance, investment choices often prioritize community benefits over individual gains, a mindset impacting everything from small-scale financial contributions to larger, community-wide investment projects. This communal orientation fosters a risk-sharing mentality, inherently reducing individual exposure to financial uncertainty and thereby facilitating a higher propensity for innovation.

Turning to Hungary, we find a more cautious and hierarchical approach to investment decisions rooted in its historical and cultural context. In illustrating this, Floyd's (2002) work on multinational corporations entering the Polish market underlines the importance of understanding local cultural influences. While the study is specific to Poland, the findings have implications for similar Eastern European markets, including Hungary. Hungarian organizations emphasize caution and thorough evaluation processes, often necessitating multiple layers of approval before an investment decision is made. This hierarchical structure ensures that all risks are meticulously assessed, fostering a decision-making process that is gradual and meticulous. This cautious paradigm is partly attributable to Hungary's historical experiences and socio-economic transformations, reflecting a prevalent cultural norm of risk aversion.

Collectively, these case studies show how the cultural fabrics of Israeli and Hungarian societies influence their respective investment climates. Israeli organizations display a pronounced inclination towards innovation, driven by a collective norm that mitigates risk and fosters community-centric decision-making. Conversely, Hungarian organizations exhibit a stringent, hierarchical, and cautious approach to investments, reflecting a culturally ingrained caution and good risk assessment. These cultural underpinnings are not merely ideals but practical realities that tangibly influence how investment decisions are made.

Understanding these dynamics allows investors and policymakers to create their strategies to align with the localized cultural contexts. For cross-cultural investors, being aware of these cultural nuances can significantly enhance investment outcomes, ensuring that decisions are not only financially sound but culturally proper. Thus, delving into the specific cultural norms and values of each region provides invaluable insights, ensuring more informed, effective, and culturally attuned investment decisions.

3. METHODOLOGY

This research study on the impact of cultural norms and values on investment decision-making in Israeli and Hungarian organizations involves a structured approach to data collection, sampling, and analysis. The study uses a quantitative research design to assess and compare the cultural factors influencing investment decisions within small-sized organizations in Israel and Hungary. By applying a structured survey with a focus on cultural dimensions and investment practices, this approach allows for statistical comparison and hypothesis testing. The quantitative method is well-suited to objectively measuring responses and identifying patterns within and across both national contexts

Moreover, quantitative methods offer a high level of reliability and validity, as they allow for the precise measurement of variables and the replication of studies to confirm findings. This preciseness is particularly important in a research area where accuracy and consistency are paramount.

Overall, the choice of quantitative research method for this study is justified by its ability to provide systematic, generalizable, and reliable insights into the influence of cultural norms and values on investment decision-making in Israeli and Hungarian organizations.

3.1 Hypotheses

H1: Israeli organizations demonstrate a higher comfort level with cross-cultural collaboration in investment decision-making compared to Hungarian organizations.

H2: Israeli organizations will feel more comfortable challenging authority then Hungarian organizations.

H3: Israeli organizations exhibit a greater tolerance for risk then Hungarian organizations.

H4: Hungarian organizations prefer conservative, stability-oriented investment approaches, consistent with their cultural values of maintaining tradition and minimizing uncertainty.

3.2 Sampling, Statistical Analysis and Survey Design

For this study focusing on small-sized organizations in Israel and Hungary involved in investment decision-making processes. Small-sized organizations are chosen as they are representative of a significant portion of the business landscape in both countries, making them suitable subjects for analysis, as the study aims to capture a diverse range of experiences and perspectives relevant to investment decision-making. Given that investment decision-making processes can vary significantly across organizations of different sizes, focusing on small-sized organizations allows for a clearer understanding of cultural influences on these processes.

With a sample size of 12 organizations from each country, a balance is right between obtaining sufficient data for analysis and maintaining feasibility in terms of data collection and analysis resources. Purposive sampling allows researchers to identify relevant organizations within their target industries, ensuring that the sample aligns with the research objectives. Subsequently, convenience sampling is utilized to select specific organizations within each industry segment based on factors such as accessibility and willingness to participate. This combined approach maximizes the balance between representativeness and feasibility, allowing for a focused analysis while still providing enough data points for meaningful insights.

In addition to these considerations, the nature of the research topic also suggests that a quantitative research method is a better choice. Investment decision-making processes are often influenced by a wide range of factors, including cultural norms and values. By employing quantitative methods, it is possible to systematically measure and analyze these factors, allowing for a more accurate examination of their impact on investment decisions. Quantitative analysis also enables me to test hypotheses and identify statistically significant relationships between variables, providing empirical evidence to support the findings.

For this study focusing on small-sized organizations in Israel and Hungary involved in investment decision-making processes, an appropriate evaluation method would involve a combination of descriptive statistics and inferential statistics.

Descriptive statistics would serve to summarize and describe the characteristics of the data collected from the small-sized organizations in both countries. This includes calculating measures such as means, standard deviations, and percentages for key variables related to investment decision-making and cultural influences. By utilizing descriptive statistics, researchers can gain insights into the central tendency, variability, and distribution of responses within the sample, enabling the identification of patterns, trends, and distributions.

Inferential statistics would be utilized to make conclusions about the population of small-sized organizations in Israel and Hungary based on the sample data collected. This involves hypothesis testing and determining the significance of relationships between variables, such as the relationship between cultural factors and investment decision-making outcomes. Inferential statistics enable researchers to assess the strength and direction of relationships, generalize findings to the broader population of small-sized organizations in Israel and Hungary.

The survey was structured to gather insights into how cultural norms and values influence investment decision-making within small-sized organizations in Israel and Hungary. It consisted of 21 questions, including multiple-choice, open-ended, and scale-based questions, designed to capture the respondents' perspectives on factors such as risk tolerance, stakeholder influence, and cross-cultural interactions. The survey was conducted online in both countries over a two-month period (August-September 2024), allowing business leaders to share their responses at their convenience. This structure ensured both accessibility and relevance, aligning with the study's goal of identifying cultural patterns and preferences in investment strategies.

Overall, the combination of descriptive and inferential statistics would provide a comprehensive analysis of the data collected from the small-sized organizations in Israel and Hungary, allowing for a deeper understanding of the relationship between cultural norms and values and investment decision-making processes. This analytical approach would enable me to uncover meaningful insights, make informed decisions, and contribute to the body of knowledge in cross-cultural business management.

4. RESULTS

4.1 Risk Tolerance Findings in Israeli and Hungarian Companies

The analysis of risk tolerance between Israeli and Hungarian companies highlights significant differences that shows how culture influences decision-making processes. Understanding how these cultural norms shape business practices is essential for organizations operating in both countries or seeking to expand into them.

When survey respondents were asked in question 9 about how much their organizations focus on minimizing uncertainty and risk in investment decisions, a clear contrast emerged between Israeli and Hungarian companies. Israeli respondents generally showed a lower emphasis on avoiding uncertainty, with most rating this factor between 2 and 3 on a 5-point scale with average score of 2.58 as shown in Figure 3. This indicates that Israeli businesses are more comfortable with taking risks and dealing with ambiguity. In contrast, Hungarian companies showed a higher emphasis on minimizing risk, with average responses around 4. This suggests that Hungarian organizations prioritize stability and are more cautious when it comes to making decisions involving uncertainty.
Further differences were observed in how the two groups approach risk-taking. In question 10 Israeli respondents rated their companies' tolerance for risk at an average of 4.17 on a 5-point scale, indicating a generally high willingness to take risks. This contrasts with Hungarian respondents, who averaged around 2.58, reflecting a more moderate, risk-averse attitude. Hungarian companies seem to prefer a more careful approach, and feeling less comfortable with risk taking as we can see based on the results, Hungary scores 2.92 when it comes to comfort in risk taking. These findings show how Hungarian organisations favoring decisions that promise security and long-term stability over those that might offer higher rewards but come with greater risks. Based on this information H3 is proven to be right and show that Israeli organizations exhibit a greater tolerance for risk then Hungarian organizations. We can partially support H4 as this questions proved that Hungarian organizations will focus on minimising uncertainty.

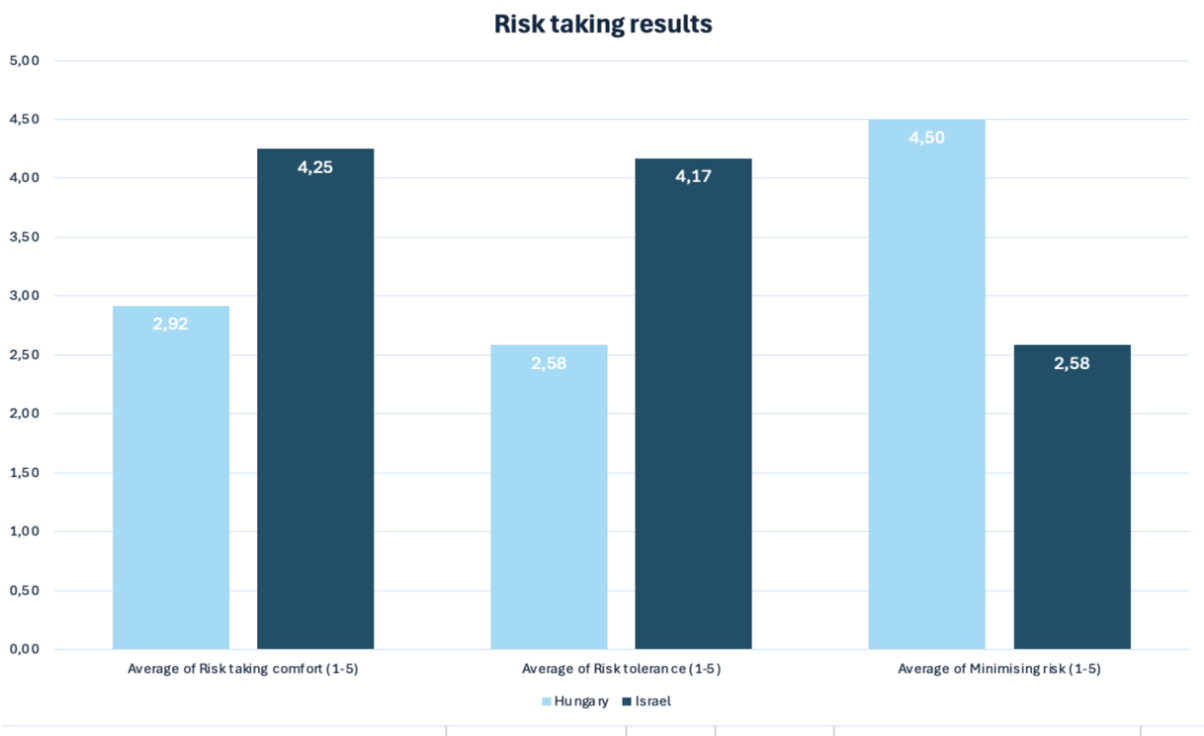

Figure 3: Average graph (own questionnaire data)

In conducting the t-test between the responses from Israel and Hungary, we aimed to determine whether there were statistically significant differences in how these two groups responded to the survey questions. The results of the t-test provide insight into whether the cultural differences, as reflected in their decision-making styles, are supported by the data. A t-test compares the means of two groups and returns a p-value that helps us determine whether the differences are due to chance or are statistically significant.
For example, when analyzing Question 9 regarding the emphasis placed on minimizing risk and uncertainty, we found that Israeli respondents generally scored lower, indicating a lower emphasis on risk aversion, while Hungarian respondents tended to rank this aspect higher. The t-test was performed to compare the means of these two groups. With a p-value of less than 0.05, as shown in table 1, therefore we rejected the null hypothesis, concluding that the difference in risk tolerance between Israel and Hungary is statistically significant. This supports the Hofstede dimension of Uncertainty Avoidance, which shows Hungarians generally have higher uncertainty avoidance than Israelis, who are more comfortable with risk. Another example is from Question 10, which assessed how much companies in Israel and Hungary can tolerate risk. Israeli respondents generally have more tolerance for risks. In contrast, Hungarian respondents leaned toward prioritizing certainty. The t-test comparing the responses from both countries revealed a p-value below 0.05, indicating that the differences are statistically

significant and the same results arised when it comes to risk raking comfort in Israeli Vs. Hungarian companies.

Table 1: Hypothesis test (own questionnaire data)

T-test	**P value**	**Hypothesis: HU = IL**
Minimizing risk:	0.00000051	Rejected H: P<0.05
Risk tolerance:	0.00001274	Rejected H: P<0.05
Risk taking comfort:	0.00070919	Rejected H: P<0.05

Through analyzing the survey responses, it was clear that the distributions of answers on risk tolerance were non-normal and exhibited asymmetric skewness, when the value indicate skewness to the left it proved that the responses were mainly between 4-5, and when it is skewed to the right it proves the responses were mainly between 1-3. Specifically, in Hungarian companies, the distribution of responses was skewed to the left in minimising risk question and risk taking comfort as shown in table 2 (negative value indicate left side skeness), indicating a more risk-averse behavior where a significant portion of respondents emphasized minimal risk-taking. In contrast, Israeli companies displayed a right-skewed distribution in minimising risk and risk tolerance questions, with a larger number of respondents expressing a higher tolerance for risk, favoring more dynamic and opportunistic investment decisions.

This asymmetric distribution was confirmed by conducting a A-measurement, which indicated that the data did not follow a normal distribution pattern, with skewness values outside the acceptable range for normality (+positive or -negitive). In the case of Hungary, the skewness to the left underlined a cultural preference for stability and security, while the Israeli right-skewness emphasized a tendency to embrace innovation and risk. The test results showed statistically significant differences between the two countries, highlighting that the variation in risk tolerance is not random but deeply rooted in their respective cultural norms.

Table 2: Non normal distribution test- symmetric/asymmetric (own questionnaire data)

A-measurement	Minimizing risk	Risk tolerance	Risk taking comfort
Hungary	-0.7416	0.8725	-0.1051
Israel	0.8725	0.2322	-0.8660

These findings can be better understood by considering the cultural dimensions developed by Geert Hofstede, particularly with Uncertainty Avoidance Index (UAI), where both Israel and Hungary score similarly high—Israel with 81 and Hungary with 82. This indicates that both countries generally exhibit a high level of discomfort with uncertainty and ambiguity. However, the survey results highlight some differences. Despite their close UAI scores, Israeli organizations appear somewhat more willing to take risks compared to their Hungarian counterparts. This divergence could be attributed to Israel's entrepreneurial and innovative culture, where risk-taking is seen as a crucial factor for innovation and growth. In contrast, Hungary's historical and cultural context, shaped by socio-political instability and a more conservative business environment, may foster a greater emphasis on maintaining stability and minimizing risk.

The Trompenaars' model of national culture offers further insights into these differences. One of Trompenaars' key dimensions, Universalism vs. Particularism, can help explain the variation in risk tolerance between Israeli and Hungarian organizations. Israel tends to lean toward particularism with 95 score in this dimension, when a country tend to particularism rules are flexible depending on circumstances and relationships. This cultural trait may encourage a more flexible approach to risk and uncertainty in business decisions. Israeli companies are often willing to adapt quickly and take calculated risks, trusting in personal networks and informal decision-making structures. On the other hand, Hungary tends to lean more towards universalism, where rules and procedures are seen as important for maintaining order and predictability. This cultural orientation can make Hungarian companies more likely to follow established protocols and take a conservative approach to avoid risk.

Another relevant dimension from Trompenaars' model is Individualism vs. Communitarianism. Israeli companies tend to display higher levels of individualism, where decision-making may be more entrepreneurial, with individual leaders or teams taking ownership of risks and opportunities. In contrast, Hungarian organizations lean more towards collectivism, where collective decision-making is more common, and the emphasis is placed on the well-being of the group or organization as a whole. This collective focus may explain why Hungarian companies are more risk-averse, as they prioritize the stability and long-term security of the organization over the potential gains of risky ventures.

Lastly, Achievement vs. Ascription in Trompenaars' model also plays a role. Israeli culture leans more towards achievement, where status is based on accomplishments, which could drive a more dynamic, results-oriented approach to decision-making. This may further encourage a willingness to take risks in pursuit of success. Hungary, being more ascription-oriented, places more value on established roles, titles, and seniority, which may contribute to the preference for cautious and measured decision-making processes, particularly when it comes to investment decisions that involve significant uncertainty.

These differences in risk tolerance have important implications for how companies in Israel and Hungary make investment decisions. Israeli companies' higher tolerance for risk means they are likely to take advantage of opportunities that require quick, decisive action, even if they come with higher potential downsides. This approach is beneficial in dynamic industries that demand innovation and agility. However, it also means that Israeli companies may face greater volatility and potential losses.

In contrast, the more cautious approach of Hungarian companies could lead to steadier, more predictable growth. Their preference for minimizing risk and uncertainty might protect them from market fluctuations, but it could also result in missed opportunities for rapid expansion or high-growth ventures. Understanding these cultural differences is crucial for businesses that operate in or plan to expand into these markets, as it allows them to tailor their strategies to align with local business practices.

while both Israel and Hungary score high on Hofstede’s Uncertainty Avoidance Index, reflecting a shared discomfort with uncertainty, their actual business practices differ. Israeli companies, influenced by their entrepreneurial and flexible cultural norms, are more willing to take risks. Hungarian companies, on the other hand, prefer more stable, predictable strategies that align with their more structured and cautious cultural tendencies, as highlighted by both Hofstede and Trompenaars’ dimensions.

4.2 Hierarchy and Authority Findings in Israeli and Hungarian Companies

One of the key dimensions explored in this research is the influence of hierarchy and authority on decision-making processes within organizations. The survey included two critical questions on this theme: (1) the extent to which hierarchy and authority influence decisions (question 14), and (2) the comfort level of employees when challenging authority or suggesting alternative approaches (question 15). The responses to these questions provide insight into the cultural differences between Israel and Hungary regarding organizational power structures, which are closely related to Hofstede's Power Distance Index (PDI), Individualism vs. Collectivism, and Trompenaars' Achievement vs. Ascription dimension, which provide valuable frameworks for analyzing cultural attitudes towards authority, leadership, and decision-making structures.

In Israel, responses indicated a moderate influence of hierarchy in decision-making. On a scale from 1 to 5, with 5 being significant influence, the average score was 2.83 as shown in Figure 4, reflecting a balanced approach. Many Israeli respondents indicated that while organizational hierarchies exist, decisions are often made through collaboration and open dialogue, with authority figures being approachable and flexible. This is consistent with Israel's relatively low Power Distance (PDI score of 13), where organizations are typically more egalitarian, and employees at various levels feel comfortable expressing their opinions and challenging decisions. In addition, Israel's high level of individualism (Hofstede's score of 54) emphasizes personal responsibility and autonomy in decision-making. Individualistic cultures value independence and personal initiative, which leads to more flexible organizational structures. Employees in Israeli companies are often empowered to make decisions independently or as part of cross-functional teams, which can speed up the decision-making process and foster innovation. Moreover, when asked about their comfort level in challenging authority, Israeli respondents showed a higher degree of comfort, with an average score of 3.67 out of 5. This aligns with Israel's collectivist culture, where informal, direct communication is encouraged, and employees are often involved in decision-making processes. This trait reflects Israel's emphasis on innovation, risk-taking, and quick adaptability, which requires fluid structures that allow for feedback from all levels of the organization.

In contrast, Hungarian respondents displayed a higher emphasis on hierarchy in decision-making. The average score for hierarchy influence was 4.08, showing that authority plays a more significant role in organizational decisions. Employees tend to defer to senior management or executives, with decisions being made at higher levels and often communicated downwards. This is in line with Hungary’s higher Power Distance (PDI score of 46), where the organizational culture tends to be more hierarchical, and authority figures are less likely to be questioned. Regarding the comfort level in challenging authority, Hungarian respondents scored significantly lower, with an average score of 1.58. This suggests that employees in Hungary are less comfortable questioning authority or proposing alternative approaches, which aligns with the cultural norms of deference to hierarchy. Hungarian organizations may prioritize stability and adherence to established practices over open debates or challenging ideas, reflecting a more formal and structured communication style. Moreover, Hungary’s collectivist orientation (Hofstede’s Individualism score of 80, where lower scores indicate higher collectivism) highlights the importance of group harmony and shared responsibility in decision-making. Collectivist cultures place value on group consensus and often prioritize the well-being of the group over individual autonomy. In Hungary, this translates to decision-making that seeks stability and predictability, with a stronger emphasis on long-term planning and risk minimization. This test proved that H2 is right and Israeli organisations will feel more comfortable challenging authority then Hungarian organiztions.

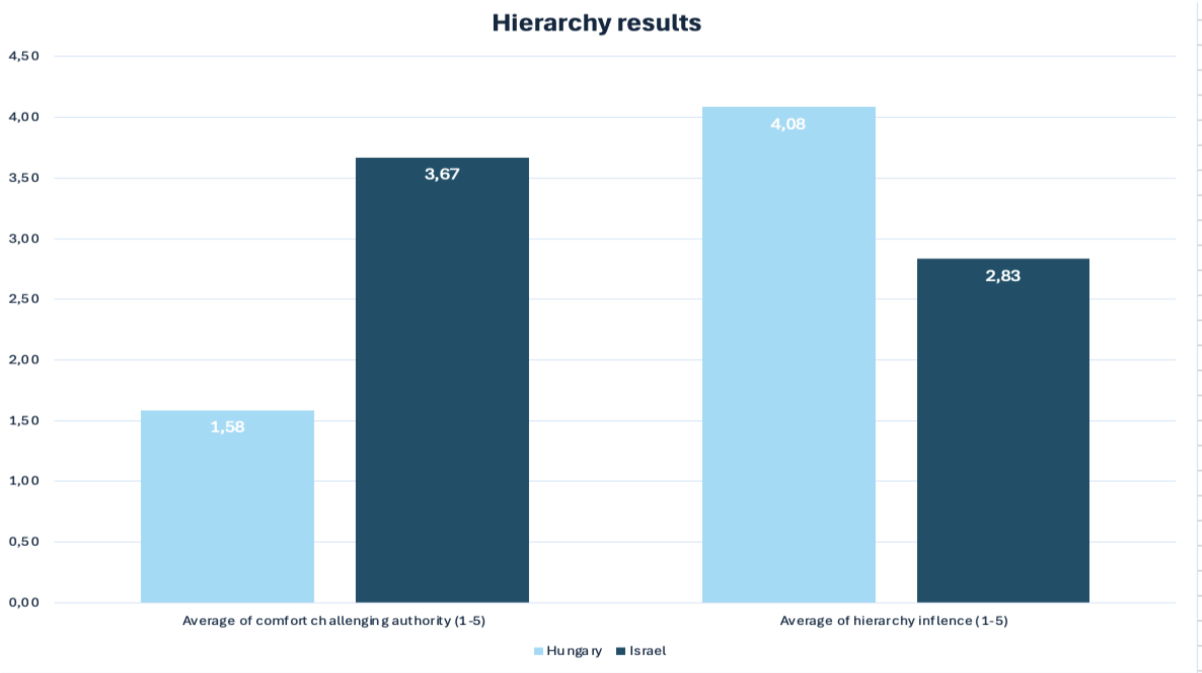

Figure 4: (own questionnaire data)

The results from a t-test analysis revealed significant differences between the two countries. With a calculated p-value of less than 0.05 as mentioned in table 3, the null hypothesis that there is no significant difference between the Israeli and Hungarian responses was rejected.

This confirms that the answers regarding hierarchy and authority varied meaningfully between the two countries. Israeli respondents generally indicated a lower emphasis on formal authority in decision-making, showing more comfort in challenging superiors and offering alternative viewpoints. On the other hand, Hungarian respondents indicated a stronger adherence to hierarchical structures, with more deference to authority figures in the decision-making process.

Table 3: Hypothesis test (own questionnaire data)

T test	**P value**	**Hypothesis: HU = IL**
comfort challenging authority	0.00022670	Rejected H: P<0.05
hierarchy influence	0.00107920	Rejected H: P<0.05

Further analysis using an A-measurement revealed that the data distribution for responses regarding hierarchy and authority was non-normal. The skewness showed that the responses were asymmetrically skewed, with Israel's data skewed to the left and Hungary's skewed to the right in comfort challenging authority as shown in table 4. This indicates that most Israeli respondents favored less hierarchical decision-making, whereas the majority of Hungarian respondents leaned toward more authority-driven processes.

The skewness value for Israeli responses was negative, indicating that a majority of the respondents chose lower rankings on hierarchical influence, reinforcing the idea that Israeli businesses promote more open communication and less deference to authority. Conversely, the positive skewness for Hungarian responses indicated a preference for more hierarchical decision-making structures. These findings are statistically significant, further highlighting the cultural differences in how hierarchy and authority are perceived and practiced in organizational settings in both countries. The non-normal distribution of the data shows that cultural norms around authority do not follow a uniform pattern but are heavily influenced by national and organizational cultures.

Table 4: Non normal distribution test- symmetric/asymmetric (own questionnaire data)

A-measurement	**comfort challenging authority**	**hierarchy influence**
Hungary	0.7356	-1.0181
Israel	-0.9288	-0.2322

The findings illustrate clear differences in the way hierarchy and authority are perceived and exercised in Israel and Hungary. Israeli organizations, with their low Power Distance, demonstrate a more egalitarian approach, where employees are encouraged to engage with decision-makers and challenge authority when necessary. This culture fosters innovation and adaptability, as organizations rely on the input of a broader group of employees. In contrast, Hungarian organizations, influenced by their higher Power Distance, tend to emphasize hierarchical structures, where authority is more rigid and less open to challenge. Decisions are often made at the top levels, with less involvement from lower levels of the organization.

These cultural differences align well with both Hofstede's Power Distance, Individualism vs. Collectivism dimensions, and Trompenaars' Universalism vs. Particularism dimension. While Israeli organizations lean toward a more universalistic approach, where rules and processes apply equally to all, Hungarian organizations lean toward particularism, where decisions may be more dependent on the specific context, such as the seniority of the decision-maker. This contrast influences not only the decision-making processes but also the level of risk-taking, with Israeli companies potentially more open to innovation and change, while Hungarian companies may prioritize stability and tradition.

Overall, the analysis of hierarchy, authority, and decision-making behaviors in Israel and Hungary reveals clear cultural differences that align with Hofstede's Power Distance and Individualism dimensions, as well as Trompenaars' Achievement vs. Ascription framework. Israel's low power distance, individualism, and achievement-oriented culture encourage open communication, flexibility, and risk-taking in investment decisions, while Hungary's higher power distance, collectivist, and ascription-oriented culture fosters a more structured, conservative, and authority-driven approach. The data suggests that hierarchy plays a much larger role in Hungarian organizations than in Israeli organizations, which is consistent with broader cultural trends in the two countries.

4.3 Cultural Diversity Findings in Israeli and Hungarian Organizations

The survey findings indicate that Israeli companies report higher comfort with multicultural teams, especially in the context of investment decision-making, as evidenced by responses to Questions 7 and 11. These questions specifically address whether the respondents' organizations have multicultural teams (Question 7) and how comfortable employees are with cross-cultural communication and collaboration in investment decisions (Question 11). 59% (7\12) of the Hungarian respondents, and 92% (11/12) of the Israeli respondents had a multicultural team. A significant portion of Israeli respondents indicated a higher level of comfort in working within multicultural teams with average of 4.33 compared to Hungarian companies who have 3.25 average as shown in Figure 5. This difference in attitudes toward multicultural teams can be understood by looking at the broader cultural and business environments in both countries. The following data proves that H1 is right and Israeli organizations demonstrate a higher comfort level with cross-cultural collaboration in investment decision-making compared to Hungarian organizations.

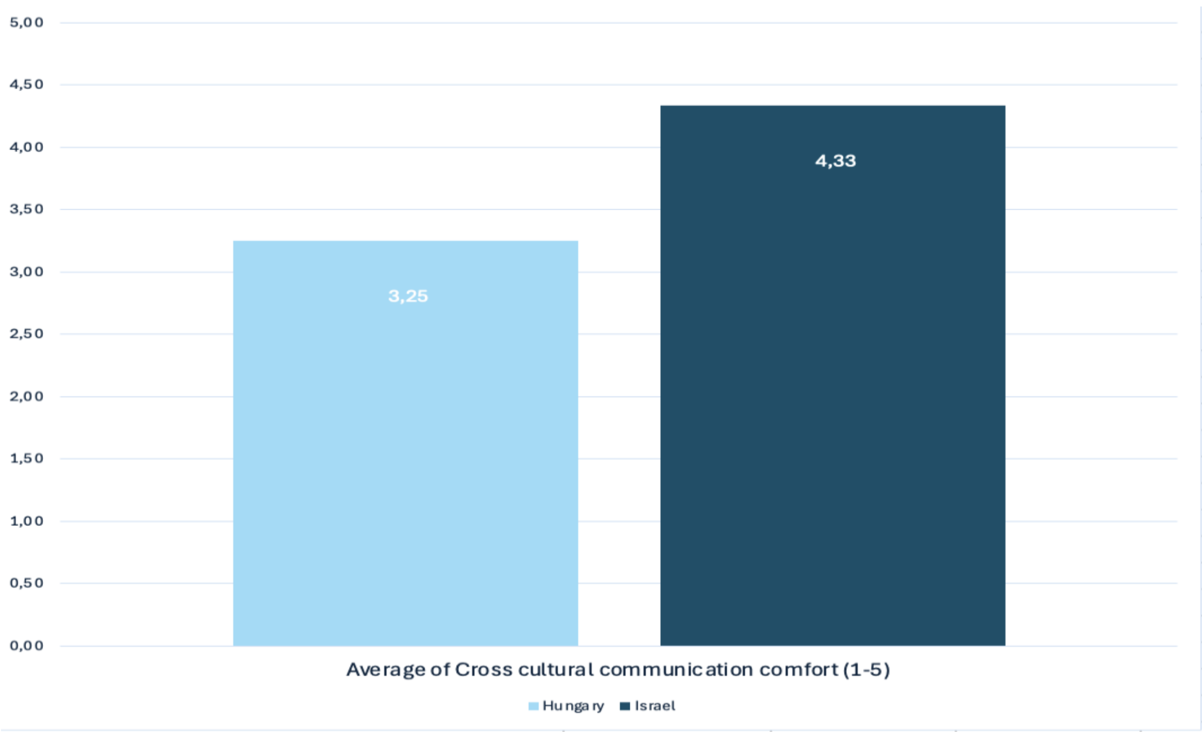

Figure 5: (own questionnaire data)

The cultural diversity findings from the survey responses highlighted significant differences between Israeli and Hungarian organizations regarding their decision-making processes. To quantitatively test these differences, a t-test was conducted on the responses from both countries to compare the mean scores across various cultural dimensions. The p-value obtained from the t-test was less than 0.05 as table 5 shows, proving that there is a statistically significant difference between the responses of Israeli and Hungarian participants. This confirms the hypothesis that cultural norms and values, especially in decision-making regarding future investments, are shaped differently in both countries. Israeli organizations tend to place more emphasis on collective decision-making and stakeholder relationships, while Hungarian organizations demonstrated a stronger focus on formal, market-driven decisions, aligning with the different cultural dimensions.

Table 5: (own questionnaire data)

T test	**P value**	**Hypothesis: HU = IL**
Cross cultural communication comfort	0.00106265	Rejected H: $P<0.05$

In addition to the t-test, the standard deviation of the responses was calculated to assess the variability in decision-making preferences within each country. The standard deviation measures how spread out the responses are from the mean, providing insight into the consistency of decision-making attitudes in both cultural contexts.

Table 6 shows that for Hungary, the standard deviation was calculated as 0.621, indicating relatively less variation in the responses. This suggests that decision-making in Hungarian organizations follows a more consistent, structured pattern, aligning with a focus on formal and market-driven processes. Hungarian organizations appeared to have a more homogeneous approach to investment decisions, with lower emphasis on stakeholder influence.

In contrast, the standard deviation for Israel was calculated as 0.778, indicating a higher level of variability in the responses. This reflects a wider range of opinions and decision-making styles within Israeli organizations, which may be influenced by a more diverse set of cultural norms. The higher standard deviation suggests that Israeli organizations balance collective decision-making with varying levels of risk tolerance, indicating a more nuanced approach to investment decisions.

Table 6: (own questionnaire data)

	Hungary	**Israel**
n	12	12
mean	3.25	4.3333
stdev	0.6216	0.7785

The asymmetry of the responses was further validated using an A-measurement, which analyzed whether the data followed a normal distribution. The skewness calculation showed that the distribution of responses was non-normal and skewed, with Israeli responses tending to skew to the left, with negative A measurement, indicating a preference for collective and risk-averse approaches in decision-making. In contrast, Hungarian responses skewed to the right, with positive A measurement shown in table 7, indicating a higher tolerance for market-driven, individualistic approaches. These findings reflect the deeper cultural tendencies: Israeli organizations prioritize maintaining harmonious relationships and long-term stability, while Hungarian organizations lean toward more pragmatic, short-term investments. This skew in responses underscores the significance of cultural differences, reinforcing the results of the t-test and demonstrating that culture profoundly influences decision-making styles in these two distinct contexts.

Table 7: (own questionnaire data)

A-measurement	**Cross cultural communication comfort**
Hungary	0.4022
Israel	-0.8563

Israel's high comfort level with multicultural teams is reflective of its diverse demographic and globalized economy. The country's population is composed of a wide variety of ethnicities, religious groups, and immigrant communities. With a history of absorbing large waves of immigration, particularly from Europe, the Middle East, and the former Soviet Union, Israeli society has developed a more inclusive approach to cultural diversity. This multiculturalism is mirrored in the country's business sector, where international partnerships are common.

The Israeli business environment is characterized by its dynamic entrepreneurial ecosystem, with numerous tech start-ups and companies having international connections. The globalized nature of Israeli businesses, especially in industries like technology, innovation, and research, necessitates frequent collaboration with partners from diverse cultural backgrounds. As such, the ability to navigate cross-cultural interactions is a critical skill in Israeli organizations. This aligns with Trompenaars' model of cultural dimensions, particularly the universalism vs. particularism dimension, where Israel leans toward universalism, reflecting an openness to broader norms and practices that facilitate global business exchanges. It also ties into Hofstede's Individualism dimension, as Israeli businesses often emphasize individual initiative and innovation, requiring them to work fluidly across different cultures.

In contrast, Hungarian respondents exhibited less comfort with multicultural teams. Hungary's workforce is more homogenous compared to Israel's, and the country has traditionally had fewer immigrant populations. As a result, cross-cultural collaboration may not be as ingrained in the day-to-day operations of Hungarian businesses. This can also be linked to Hofstede's Uncertainty Avoidance dimension, where Hungary scores relatively high. High uncertainty avoidance indicates a preference for structured environments and established norms, which can make working in culturally diverse teams more challenging for Hungarian organizations. The unfamiliarity with diverse cultural perspectives may lead to discomfort or misunderstandings in business communication, especially in decision-making processes where cultural nuances play a crucial role.

Furthermore, Trompenaars' dimension of neutral vs. emotional cultures can provide additional context. Hungarian business culture tends to be more neutral, with an emphasis on keeping emotions and personal relationships separate from professional interactions. In a multicultural team setting, where emotional expressions and cultural sensitivities may vary, this more neutral approach could hinder effective communication, creating a barrier to successful cross-cultural collaboration.

The differences in how Israeli and Hungarian organizations perceive and manage cultural diversity have clear implications for their investment decision-making processes. Israeli companies, with their higher comfort level in multicultural settings, may be more inclined to consider a broader range of perspectives when evaluating investment opportunities, making them more adaptable to international market trends. Their comfort with diversity likely enhances their ability to manage risks in a globalized market, where understanding different cultural norms and expectations is crucial.

On the other hand, Hungarian organizations might face challenges when collaborating with multicultural teams in investment decisions, particularly when it comes to navigating cultural differences. The lower comfort levels reported by Hungarian respondents suggest that businesses may need to invest more in cross-cultural training and awareness to improve collaboration and communication within diverse teams. This is especially important as globalization continues to affect businesses worldwide, and the ability to work effectively across cultures becomes an increasingly valuable asset.

The findings from the survey revealed interesting patterns in how Israeli and Hungarian organizations approach cultural diversity and decision-making processes. An intriguing outlier was observed in the responses to the question on cross-cultural comfort (Question 11), which asked participants to rate how comfortable they feel with cross-cultural communication and collaboration within their organization during investment decision-making. While most Israeli companies ranked their comfort level as a 5, indicating a high level of ease with cross-cultural interaction, two Israeli companies rated their comfort level as a 3.

This outlier raises interesting points for analysis. The majority of Israeli companies showing high comfort with cross-cultural communication could be attributed to Israel's diverse workforce, which includes individuals from various ethnic, religious, and cultural backgrounds. This diversity likely fosters a higher level of cross-cultural competence and adaptability within most Israeli companies. However, the two companies that ranked a 3 suggest that not all organizations may equally benefit from or prioritize cross-cultural interactions. The reasons for this could vary. One possible explanation is that the first organization is operating in the real estate industry, this sector is generally less exposed to international markets or culturally diverse teams in Israel as they focus on the Israeli market, which may reduce the need for frequent cross-cultural engagement. The second company who chose 3, is smaller company who include 17 employees and operate in construction industry, they have a more homogeneous workforce, leading to less emphasis on fostering cross-cultural competence compared to larger, more diverse organizations.

On the other hand, in Hungary, most respondents ranked their cross-cultural comfort at around 3 or 4, showing a moderate level of comfort. This could be attributed to the generally more homogeneous cultural landscape in Hungary, which might result in fewer opportunities for cross-cultural interactions compared to Israel. Hungarian organizations may be less exposed to multicultural environments, especially in sectors that predominantly serve local or regional markets. As a result, their level of comfort with cross-cultural communication, while positive, does not reach the higher levels seen in Israel.

Overall, the findings related to cultural diversity in Israeli and Hungarian companies reflect broader national cultural norms and values. Israel's openness to multiculturalism and globalized business practices enhances its adaptability in decision-making processes, while Hungary's more traditional and structured approach to diversity presents potential challenges. These insights align with Hofstede's and Trompenaars' cultural models and underscore the importance of understanding cultural diversity when analyzing investment decision-making in different national contexts.

4.4 Tradition vs. Innovation

This section delves into the results from Question 12 of the survey, which asked respondents to rank the following factors based on their importance in guiding investment decisions within their organization:

- Maintaining traditions and established practices
- Embracing innovation and change
- Prioritizing long-term stability and security
- Pursuing short-term gains and opportunities

These factors align closely with cultural dimensions described by Hofstede, particularly Long-Term Orientation (LTO), which measures a society's inclination towards valuing the future versus maintaining traditions and short-term gains. Trompenaars' Universalism vs. Particularism and Neutral vs. Affective dimensions also help frame the broader discussion of how organizational cultures balance the tension between tradition and innovation.

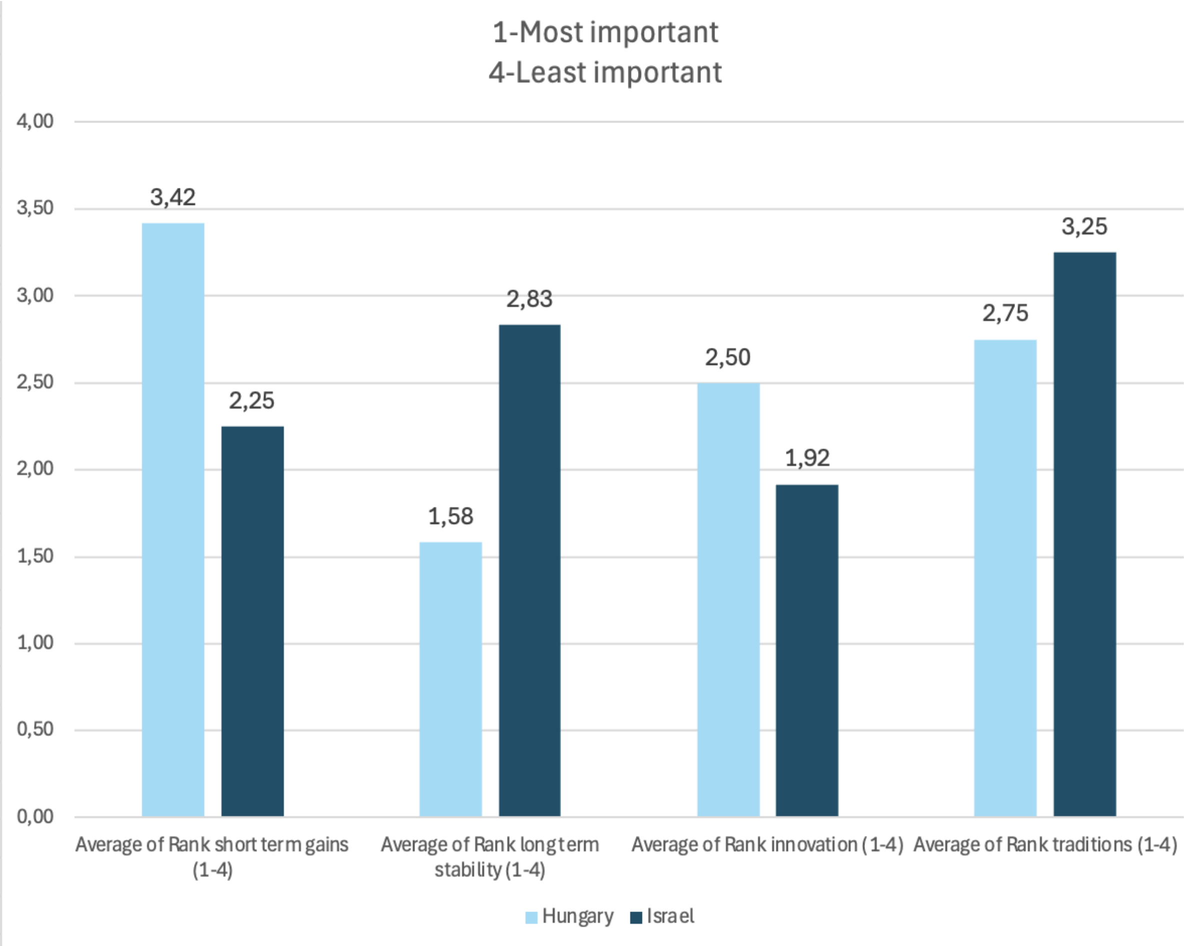

Figure 6: (own questionnaire data)

According to the results shown in Figure 6, Hungarian respondents in this study generally placed a higher emphasis on Maintaining traditions and established practices and prioritizing long-term stability and security, as the average shows that Hungarian organizations ranked tradition 2.75 and long-term gains 1.58 showing they place higher importance to these aspects. This suggests that Hungarian organizations are more conservative in their decision-making processes, showing a preference for stability and continuity over making changes. This aligns with Hungary's score in Hofstede's Long-Term Orientation, where the country shows a tendency to focus on practical considerations and incremental change rather than rapid innovation and support H4 which says that Hungarian organizations prefer conservative, stability-oriented investment approaches, consistent with their cultural values of maintaining tradition.

According to Hofstede's framework, Hungary scores moderately high in Long-Term Orientation, which indicates that Hungarian organizations are likely to adopt a forward-looking approach but still emphasize caution. This means that decisions in Hungarian companies are often designed to ensure stability over time, and they tend to avoid making bold, high-risk investments that could destabilize their long-term plans. Tradition plays a key role in these decision-making processes, and this is reflected in their desire to maintain established business practices and avoid significant disruptions.

In Trompenaars' model, Hungary's focus on maintaining traditions can be linked to its Universalism, where business practices are standardized, and organizations prefer to follow established rules and principles. This further underscore the significance of tradition in guiding Hungarian corporate culture, where innovation may be embraced only when it can be integrated into existing frameworks without causing significant upheaval.

In contrast, Israeli respondents ranked Embracing innovation and change and pursuing short-term gains and opportunities higher than their Hungarian counterparts with average ranking of 1.92 in innovation and 2.25 in short-term gains. This suggests that Israeli organizations are more likely to prioritize agility and flexibility in their decision-making processes, often favoring innovative solutions and new ventures. Israel's organizations emphasize a culture of risk-taking and experimentation, where companies are willing to invest in new ideas and adapt quickly to changing market conditions.

Hofstede's cultural dimensions reveal that Israel has a lower score in Long-Term Orientation, meaning that Israeli organizations are more likely to focus on short-term results and embrace rapid change rather than long-term planning and stability. This aligns with the survey results, where Israeli respondents showed a higher preference for innovation over tradition. The willingness to embrace change reflects the Israeli business culture's focus on competitiveness and short-term gains, which is often driven by the need to stay ahead in a fast-paced global market.

In Trompenaars' model, this results that shows that Israeli organizations acting towards innovation can be seen in Israel's Particularism, where business decisions are more flexible and contingent on specific circumstances rather than fixed rules or traditions. Israeli companies, therefore, demonstrate a capacity to change quickly in response to new opportunities, even if it means departing from established practices. This dynamic approach to decision-making highlights the importance of innovation as a driver of success in the Israeli market, particularly in industries like technology, finance, and venture capital, where speed and creativity are essential.

The survey results show a clear divide between Hungarian and Israeli respondents when it comes to balancing tradition and innovation in investment decision-making. Hungarian organizations' focus on long-term stability and maintaining traditions suggests a preference for continuity, where change is approached cautiously and only when necessary to preserve the status quo. In contrast, Israeli organizations are more likely to prioritize innovation and short-term gains, reflecting a business culture that values adaptability and rapid growth.

This difference can be understood through the lens of Hofstede's Long-Term Orientation:

- Hungary's high LTO score indicates a focus on long-term strategies, where maintaining stability and avoiding unnecessary risks are central to investment decisions.
- Israel's lower LTO score, on the other hand, points to a preference for seizing immediate opportunities, even if it means taking greater risks in the short-term.

Trompenaars' dimensions of Universalism vs. Particularism also provide valuable insights into how these two cultures approach change. In Hungary, the emphasis on Universalism reflects a commitment to following established business practices and traditions, with a reluctance to deviate from the norm unless necessary. Israeli companies, driven by Particularism, are more likely to adapt their decision-making processes to the specific circumstances of the moment, allowing for greater flexibility and innovation.

4.5 Stakeholder Influence in Investment Decision-Making

Stakeholder relationships play a crucial role in shaping the decision-making processes within organizations. In the context of cross-cultural research on how businesses make investment decisions, understanding how companies prioritize their stakeholders can provide significant insights into the cultural aspects of their strategic choices. By analyzing stakeholder influence in Israeli and Hungarian organizations, particularly focusing on Questions 16 and 17 from the survey, we can assess how these two countries balance collectivist and market-driven approaches.

In Israeli organizations, there tends to be a strong emphasis on maintaining relationships with stakeholders when making investment decisions. This focus on stakeholders is indicative of a collectivist approach to business, where the well-being of the community, employees, and other relevant parties is considered. According to Question 16 of the survey, which asks how much consideration is given to the potential impact on the broader community or company employees when making investment decisions, Israeli companies gave moderate to significant consideration with average score of 3.5/5.

This prioritization reflects Israel’s high emphasis on Collectivism, where decisions are not made solely based on financial metrics or market-driven factors. Instead, Israeli organizations place considerable weight on how their investment choices will affect those within and outside the organization. Israeli businesses often operate in environments that value interpersonal relationships, community cohesion, and long-term relationships. This aligns with the Hofstede dimension of Collectivism, which emphasizes group needs over individual success. In the Israeli context, business decisions are often seen as a shared responsibility, and the welfare of employees, clients, and even broader social concerns are regularly factored into the process.

Question 17, which asks respondents to rate how much emphasis their organization places on maintaining harmonious relationships with stakeholders, further reinforces this trend in Israeli companies. The results are shown in figure 7 indicate that Israeli firms place a great deal of emphasis on these relationships with average rank of 4.67/5. This focus on maintaining harmony aligns with the Israeli business culture, where interpersonal networks and long-term partnerships play a significant role in decision-making. For Israeli companies, harmonious relationships with stakeholders are not just a business strategy but a key part of organizational culture.

This focus on stakeholder relationships in Israel could be attributed to several factors, including the cultural importance of personal relationships and the small, interconnected nature of the Israeli business landscape. Israel's economy is characterized by a relatively small population, and industries often overlap with a strong focus on innovation and technology, making long-term relationships essential. These relationships help businesses navigate uncertainty and rely on trust and cooperation within tight-knit business communities. By maintaining strong stakeholder relationships, Israeli firms foster trust and collaboration, which may enhance their competitive advantage, particularly in uncertain and high-risk markets.

In contrast, Hungarian companies tend to place less emphasis on stakeholder relationships when making investment decisions, reflecting a more formal, market-driven approach. Based on the responses to Question 16, Hungarian organizations are more likely to prioritize market factors, financial performance, and regulatory compliance over broader community or employee considerations. Hungarian respondents more frequently report "minimal" or "moderate" consideration for the broader community or company employees with average rank of 2.42\5 when it comes to investment decisions, suggesting a more individualistic orientation compared to Israeli organizations.

This trend aligns with Hofstede's dimension of Individualism, where decisions are made with a focus on achieving specific organizational goals, often driven by profit, efficiency, or market competitiveness, rather than prioritizing collective welfare. In Hungary, investment decisions are more likely to be based on financial return and risk analysis rather than the broader social impact of the decisions. As such, Hungarian companies may be more focused to gain short-term financial goals, with less emphasis on how these investments will affect employees or the broader community in the long term.

Question 17 further underscores this market-driven approach in Hungary. Respondents from Hungarian companies more frequently report that their organizations place "some" or "a fair amount" with average rank 3.08\5 of emphasis on maintaining harmonious relationships with stakeholders, but not to the extent seen in Israeli companies. Hungarian businesses may view stakeholder engagement as important but secondary to the primary goal of financial success. This suggests that while Hungarian companies do not disregard stakeholder relationships entirely, these relationships are seen as part of a more formal process rather than a central guiding principle in decision-making.

The Hungarian approach to stakeholder influence can be seen through Trompenaars' Universalism vs. Particularism dimension. Hungarian companies align more closely with Universalism, where decisions are made based on universal principles such as laws, contracts, and established business practices rather than personal relationships or particularistic concerns. In a market-driven decision-making process, the emphasis is placed on measurable outcomes and following rules and norms, which may lead to less focus on creating personal relationships with stakeholders compared to Israeli organizations.

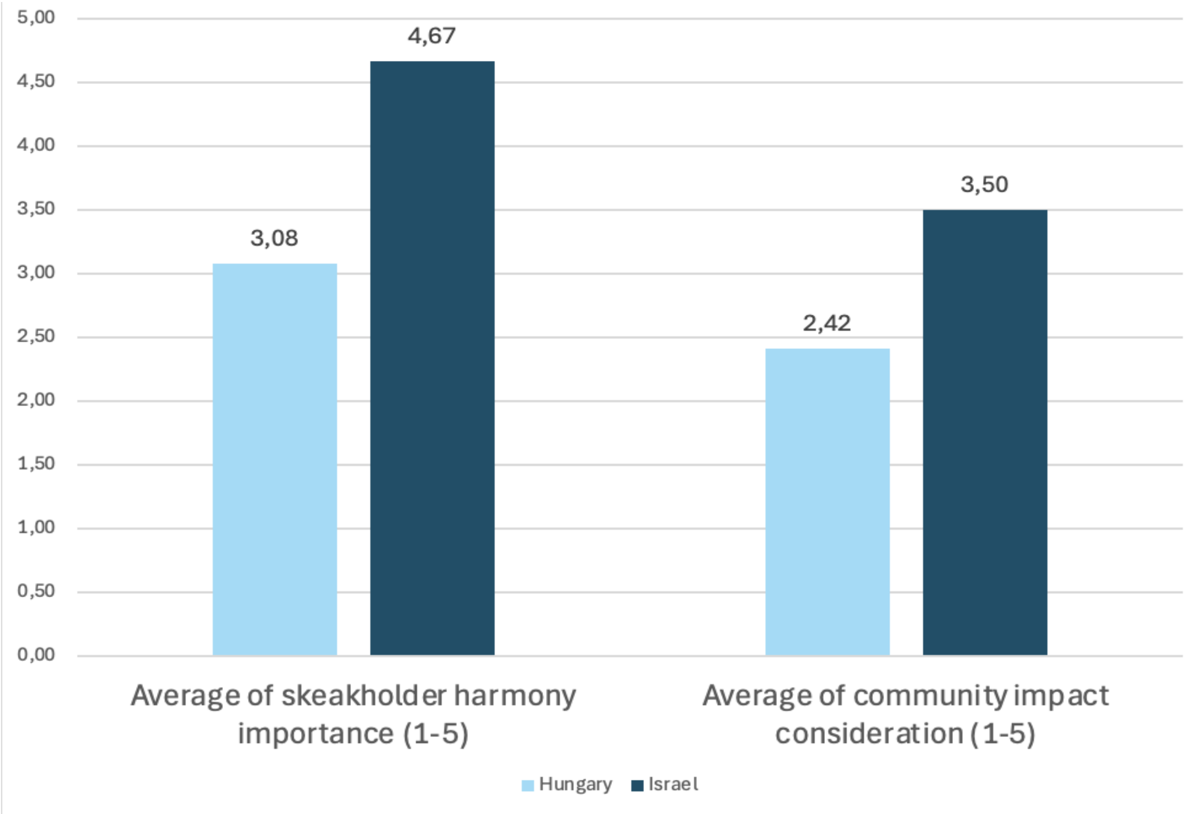

Figure 7: (own questionnaire data)

In the analysis of stakeholder influence in investment decision-making between Israel and Hungary, a t-test was conducted to determine if the differences in responses between the two countries were statistically significant, the results of the test are shown in table 8. Specifically, the focus was on responses to questions regarding the level of emphasis placed on maintaining harmonious relationships with stakeholders during investment decisions. The p-value obtained from the t-test was less than 0.05, indicating that there is a statistically significant difference between the answers from Israeli and Hungarian respondents. Israeli companies, in general, placed more emphasis on collective decision-making and the impact on stakeholders, which aligns with the cultural value of collectivism. On the other hand, Hungarian companies tended to focus more on formal, market-driven decision-making, reflecting a more individualistic and rule-based approach. These results rejected the null hypothesis and confirmed the hypothesis that Israeli and Hungarian companies approach stakeholder considerations in investment decisions differently, emphasizing the cultural divide in how each country perceives the importance of stakeholder relationships.

Table 8: (own questionnaire data)

T test	P value	Hypothesis: HU = IL
stakeholder harmony importance	0.00000121	Rejected H: P<0.05
community impact consideration	0.01070055	Rejected H: P<0.05

Further analysis using an A-measurement confirmed that the distribution of responses was non-normal and skewed. The skewness indicated an asymmetric distribution in both Israel and Hungary, with Israel's responses skewing to the left, meaning a majority of respondents consistently emphasized stakeholder relationships in investment decisions. Conversely, Hungary's responses were skewed to the right, reflecting a greater emphasis on financial and regulatory factors over stakeholder interests. When it comes to community imact consideration both countries are skewed to the right, showing both counries take community into considaration when they make decision making in the company. This asymmetry in the data highlights the cultural divergence in decision-making approaches, with Israeli firms showing a collectivist tendency to integrate stakeholder perspectives, while Hungarian firms demonstrate a more market-focused orientation with some community considarations. The skewness in both distributions underscores the importance of understanding the cultural context when evaluating corporate decision-making processes.

Table 9: (own questionnaire data)

A-measurement	stakeholder harmony importance	community impact consideration
Hungary	0.1246	0.4628
Israel	-0.6770	0.5000

The analysis of the responses to stakeholder-related questions revealed notable differences between Israel and Hungary in the importance placed on stakeholder relationships and the broader community impact when making investment decisions, it was tested by the standard deviation as shown in table 10. Specifically, the question assessing how much emphasis is placed on maintaining harmonious relationships with stakeholders produced distinct results in both countries.

In Hungary, the standard deviation (STDEV) for responses was 0.6686, indicating a relatively consistent approach to stakeholder engagement, though not as centralized as might be expected in more collectivist cultures. Hungarian organizations appear to have a moderate focus on maintaining stakeholder harmony, but the variability in responses suggests that the importance placed on stakeholders may vary depending on the organization's size, industry, or market-driven priorities.

In contrast, the standard deviation for Israel was 0.4924, which indicates that Israeli companies are more aligned in their emphasis on stakeholder harmony. The lower variability suggests that the importance of maintaining strong stakeholder relationships is widely shared across Israeli organizations, reflecting the collective nature of Israeli business culture. This aligns with Hofstede's collectivism dimension, where group harmony is prioritized in decision-making processes. These findings highlight that Israeli businesses are more consistent in their focus on stakeholder harmony, aligning with a more collectivist and community-oriented culture.

When it comes to considering the impact of investment decisions on the broader community and employees, there is also a noticeable difference between the two countries. The standard deviation for Hungary is 0.9003, showing a higher degree of variability in responses. This suggests that Hungarian organizations do not uniformly prioritize the broader community in their investment decisions, reinforcing the idea that these organizations may be more focused on short-term gains and market-driven priorities. This greater variability reflects a more individualistic decision-making approach, with less emphasis on the collective impact of investment decisions.

In Israel, the standard deviation for this question was 1, showing an even broader range of responses compared to Hungary. This high variability indicates that while some Israeli organizations highly prioritize the community impact, others may not, suggesting a more mixed approach to this issue. This variation could be due to different organizational sizes or industries, but it still aligns with the collective values often observed in Israeli culture, where social and community considerations can play a larger role in organizational decisions.

Table 10: (own questionnaire data)

Standard deviation	stakeholder harmony importance	community impact consideration
Hungary	0.6686	0.9003
Israel	0.4924	1

The differences between Israel and Hungary in stakeholder influence on investment decisions reflect broader cultural patterns. Israeli organizations' emphasis on collectivism, relationships, and long-term partnerships contrasts with Hungarian companies' more formal and market-driven approach. These cultural differences can be explained by Hofstede's and Trompenaars' dimensions, where Israel scores higher on collectivism and Hungary tends to lean more toward individualism and universalism.

The stronger emphasis on stakeholders in Israeli companies suggests that Israeli business culture is more relationship-oriented, while Hungarian companies are more likely to prioritize performance metrics, market factors, and regulations. This distinction influences how both countries approach risk, change, and long-term investment strategies.

Overall, while both countries acknowledge the importance of stakeholders in the investment decision-making process, Israeli companies place a higher emphasis on fostering relationships with stakeholders, reflecting a more collectivist approach. Hungarian organizations, on the other hand, emphasize market-driven decisions, aligning with a more individualistic and formalized approach to business. These cultural nuances in stakeholder influence shape how investments are evaluated, decisions are made, and ultimately how companies navigate the challenges of global and domestic markets.

5. CONCLUSION

The comparison of cultural norms and values between Israeli and Hungarian organizations reveals profound differences in how each country approaches decision-making, particularly in the context of future investments. Through the application of cultural dimensions from both Hofstede and Trompenaars, as well as the analysis of survey results, several key conclusions highlight the influence of cultural factors on corporate decision-making processes. These findings are crucial for understanding how organizations in different cultural settings prioritize stakeholder relationships, manage risk, and navigate uncertainty in their investment decisions.

One of the primary differences between Israeli and Hungarian organizations is in their approach to stakeholder relationships. Israeli companies place significant emphasis on maintaining strong, harmonious relationships with stakeholders, reflecting a more collectivist mindset. This aligns with Hofstede's dimension of Collectivism, where the well-being of the group takes precedence over individual interests. Israeli organizations tend to consider the broader community and employee welfare when making investment decisions, as demonstrated by their survey responses. This collectivist approach fosters long-term partnerships, interpersonal trust, and collaboration, which are seen as critical to successful business operations in Israel.

Hungarian organizations, on the other hand, show a more individualistic approach to stakeholder relationships. While they acknowledge the importance of stakeholders, their focus is more on financial metrics and market-driven factors. In contrast to Israel, Hungarian companies are more likely to prioritize formal decision-making processes and rely on performance indicators, market trends, and legal regulations. This is consistent with Hofstede's dimension of Individualism, where decisions are made with a focus on individual success and organizational goals, rather than collective well-being. Hungarian organizations maintain stakeholder relationships as part of a broader formalized strategy, rather than as a core guiding principle.

This difference in stakeholder emphasis between Israel and Hungary significantly impacts how each country approaches risk and long-term investments. In Israel, the importance of relationships may result in a more cautious approach to risk, where decision-makers take into account the potential impacts on their network of stakeholders. In Hungary, the more formal, market-driven approach may lead to a greater willingness to take risks in pursuit of financial gains, as decisions are less influenced by concerns about the broader community.

Another key cultural factor influencing decision-making is the approach to risk and uncertainty. Survey responses reveal distinctions between Israeli and Hungarian organizations in how they evaluate investment opportunities and manage uncertainty. Israeli companies tend to place a lower emphasis on minimizing uncertainty and risk, reflecting a higher tolerance for risk in their decision-making processes. This is not aligned with Hofstede's Uncertainty Avoidance dimension, where cultures that score high in uncertainty avoidance prefer stability, clear rules, and risk mitigation strategies.

Hungarian organizations, by contrast, exhibit a more moderate tolerance for risk. While they also consider the potential risks of investment decisions, their responses suggest a lower degree of comfort with uncertainty and a smaller willingness to take risks in pursuit of market opportunities. This aligns with Hungary's high score on Hofstede's Uncertainty Avoidance dimension, indicating a cultural preference for stability, confidance, and minimise uncertainty. Hungarian companies may be more likely to invest low risk investments and take calculated risks.

Survey questions related to decision-making styles and the role of authority also highlight important cultural differences between Israeli and Hungarian organizations. In Israel, decision-making is often more collaborative, with employees feeling moderately comfortable challenging authority or suggesting alternative approaches. This reflects a more egalitarian and decentralized approach to decision-making, where hierarchy is less rigid, and individuals at various levels of the organization are encouraged to contribute to the process. This is consistent with Trompenaars' dimension of Achievement vs. Ascription, where Israeli culture leans toward achievement, emphasizing merit and individual contributions over formal authority or status.

In Hungary, decision-making tends to be more centralized, with authority playing a significant role in guiding decisions. Hungarian respondents are more likely to report that hierarchy and authority significantly influence decision-making processes, and there is less comfort with challenging authority or proposing alternative strategies. This aligns with Hofstede's Power Distance dimension, where cultures with higher power distance accept a greater degree of inequality in decision-making authority and are more likely to defer to leaders or managers when making important choices.

The responses to survey questions asking respondents to rank factors such as maintaining traditions, embracing innovation, prioritizing long-term stability, and pursuing short-term gains provide insights into the cultural orientations of Israeli and Hungarian organizations. These cultural differences have significant implications for how Hungarian and Israeli organizations approach investment decisions. In Hungary, investments are likely to be more conservative, focusing on projects that promise long-term stability and align with established business practices. Investors in Hungarian companies may expect slow but steady growth, with an emphasis on minimizing risks and protecting existing assets.

In contrast, Israeli organizations are more inclined to pursue bold, innovative investments that offer the potential for high returns, even if they come with greater risk. This risk-tolerant approach to investment decision-making reflects the broader cultural emphasis on agility and technological advancement, which is central to Israel's thriving start-up ecosystem.

Considering the findings on the distinct decision-making tendencies of Israeli and Hungarian organizations, specific proposals can be developed to enhance investment practices by tailoring them to each country's cultural orientation. These proposals aim to encourage balanced, effective approaches to investment that respect each culture's unique approach to risk, stability, and collaboration.

One key proposal is Strategic Training for Israeli Organizations on calculated risk-taking. Given Israel's high tolerance for risk and individualistic orientation, as demonstrated in the study, Israeli organizations could benefit from structured training on calculated risk assessment. Workshops focused on the importance of data-driven analysis in risk-taking could enable Israeli decision-makers to continue pursuing bold investment strategies with a greater awareness of potential long-term implications. Such training programs might include risk management simulations and scenario planning exercises to teach Israeli business leaders how to approach aggressive investment opportunities strategically. By enhancing these skills, Israeli organizations would be empowered to make dynamic investment decisions that maximize opportunity while safeguarding organizational resilience.

For Hungarian organizations, the recommendation to Develop Conservative Investment Portfolios aligns with their cultural preference for stability and tradition. Hungarian companies tend to adopt a conservative approach, reflecting a more collectivist and risk-averse attitude towards investments. Therefore, structured portfolios that emphasize stability and moderate, steady growth would be particularly beneficial. This approach could include diversifying investments across safer, more predictable markets and prioritizing sectors that demonstrate resilience. However, while conservative portfolios may offer security, they typically yield lower returns due to reduced risk exposure. This conservative approach, if overly cautious, may have implications for broader economic growth and productivity. When companies focus predominantly on low-risk, low-return investments, there is limited capital flowing into innovative or growth-focused sectors, potentially leading to slower GDP growth. Encouraging

Hungarian organizations to make calculated, modestly higher-risk investments could increase their returns and contribute to the national economy. By diversifying into moderately riskier ventures, these firms can help stimulate sectors such as technology, infrastructure, or renewable energy. This shift could promote economic development and support an increase in GDP, as investment in growth-oriented sectors typically enhances productivity, job creation, and market expansion. Adopting this balanced investment strategy would enable Hungarian companies to maintain a culturally compatible risk profile while contributing to the nation's economic progress.

Another proposal involves conducting Cross-Cultural Workshops on Balancing Risk and Stability, which could serve as an effective forum for Israeli and Hungarian organizations to learn from other cultures strengths. Israeli firms could gain insights into the benefits of stability-focused strategies, while Hungarian organizations could understand the importance of selectively embracing risk. Facilitating these workshops would promote knowledge-sharing, fostering a mutually beneficial exchange of ideas that would bridge the cultural gap between the two nations. By participating in these cross-cultural discussions, business leaders would develop a better understanding of how different approaches to risk and stability can complement each other, allowing for more balanced investment decisions that incorporate both risk-taking and risk-mitigation measures.

Last proposal will be a Periodic Review of Investment Strategies Aligned with Cultural Traits would provide a framework for both Israeli and Hungarian organizations to adapt their strategies as economic conditions or organizational goals evolve. Israeli organizations might benefit from routine evaluations to ensure their high tolerance for risk is aligned with current market conditions, avoiding potentially excessive exposure. For Hungarian firms, periodic reviews could help evaluate whether their conservative approach is positioning them competitively within their industry. By incorporating these reviews, both Israeli and Hungarian organizations could ensure that their investment strategies are continuously refined and aligned with their core values, cultural characteristics, and business objectives.

Finally, While the responses between Israeli and Hungarian companies differed, reflecting their unique cultural contexts, the answers within each country were generally consistent across the surveyed organizations. The analysis of the survey data revealed that, overall, there were no significant outliers across most questions, with companies from both Israel and Hungary generally providing similar answers. The responses tended to align closely with the anticipated cultural differences between the two countries, as reflected in established cultural dimensions frameworks. Both Israeli and Hungarian organizations showed consistent patterns in their approaches to decision-making, investment considerations, and stakeholder influence. However, the one notable exception was in the responses to the question regarding cross-cultural comfort in communication and collaboration, where Israeli companies demonstrated significantly higher comfort levels compared to Hungarians. Despite this, the overall patterns in both countries confirm a strong alignment of responses, pointing to the shared cultural values that guide investment decision-making in each nation.

The survey results clearly demonstrate that cultural norms and values play a significant role in shaping how organizations approach risk in their decision-making processes. Israeli companies' higher risk tolerance reflects a broader cultural openness to uncertainty and innovation, while Hungarian companies' more conservative stance aligns with a cultural preference for stability and risk aversion. These insights provide valuable guidance for companies seeking to navigate the complexities of doing business in these two culturally distinct environments. By understanding and respecting these cultural differences, organizations can make more informed decisions that are better aligned with the expectations and practices of each market.

In conclusion, the findings from this study reveal significant cultural differences between Israeli and Hungarian organizations in how they approach stakeholder relationships, risk-taking, decision-making styles, and long-term versus short-term orientation. Israeli companies, with their strong emphasis on collectivism, stakeholder relationships, and long-term stability, reflect a more cautious and relationship-driven approach to decision-making. In contrast, Hungarian companies prioritize market-driven factors, formal decision-making processes, and short-term gains, reflecting a more individualistic orientation. These cultural differences have important implications for how organizations in both countries approach investment decisions, navigate uncertainty, and interact with stakeholders. By understanding these cultural dynamics, businesses in Israel and Hungary can better tailor their strategies to align with the cultural expectations and norms of their respective environments, ultimately improving decision-making processes and enhancing competitiveness in global markets. The proposals aim to leverage the distinct cultural dimensions of Israeli and Hungarian organizations, enhancing their ability to engage in meaningful and culturally compatible investment practices. By aligning training, portfolio structure, cross-cultural collaboration, and strategic evaluations with cultural orientations, these organizations can make more effective investment decisions, ultimately fostering growth and stability. Ultimately, understanding these differences is crucial for multinational companies and investors operating in both Hungary and Israel. Decision-makers must be mindful of the cultural context in which their investment strategies are formulated, recognizing that what works in one country may not be appropriate in another due to differing attitudes towards tradition, innovation, and risk.

6. SUMMARY

This research examines the role of cultural norms and values in shaping investment decision-making processes within small-sized organizations in Israel and Hungary. Understanding cultural impacts on investment strategy is particularly relevant given that each country's unique cultural context influences the way business leaders assess risk, value stability, and approach decision-making. This study was conducted using a structured quantitative approach, leveraging survey responses to provide empirical evidence on key cultural influences. The survey targeted a sample of small-sized businesses, focusing on their approach to investment decision-making and factors such as risk tolerance, stakeholder relationships, and cross-cultural interactions.

Survey findings indicate that Israeli organizations demonstrate a stronger preference toward individualism and a higher tolerance for risk, which aligns with a more aggressive investment style. This contrasts with the Hungarian businesses, which, rooted in a culture of collectivism and tradition, prioritize stable, conservative strategies that minimize risk. For instance, Israeli respondents were more likely to emphasize innovation and short-term gains, while Hungarian organizations leaned toward preserving traditional practices and ensuring long-term stability. Furthermore, Hungarian organizations tended to place high value on stakeholder harmony and collective goals in their decision-making process, whereas Israeli companies exhibited a more flexible approach, focusing on individual or direct business gains.

The study's findings, aligned with cultural models like Hofstede's and Trompenaars' dimensions, suggest that cultural context can deeply influence the risk profiles and strategic choices of organizations in each country. Specifically, Israel's cultural orientation toward risk-taking may drive dynamic, high-yield investment choices, whereas Hungary's focus on risk avoidance may result in steady but lower-yield investments. This insight highlights the need for tailored investment strategies that consider cultural preferences, which could improve cross-cultural collaborations and maximize investment potential in these regions. In conclusion, by comparing Israeli and Hungarian decision-making frameworks, the reveals the broader implications of cultural dynamics in business and offers recommendations for aligning investment strategies with cultural values.

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8. APPENDICES

I. survey questions

1. Which country are you currently located in?

a) Israel

b) Hungary

c) Other (please specify)

2. What is the name of the company you work for?

(open)

3. What is the number of employees of your company?

(open)

4. What is the field of your company?

(open)

5. What is your position in the company?

(open)

6. What is an estimated investment size your company made?

a) Less than 100,000 Euro

b) Between 100,000- 500,000 Euro

c) Between 500,000-1M Euro

d) More than 1M Euro

7. Do you have multicultural team Within your company?

a) Yes

b) No

8. What factors do you believe significantly impact investment decisions in your organization?

a) Economic factors

b) Cultural factors

c) Legal regulations

d) Market trends

e) Other (please specify)

9. When evaluating investment opportunities, how much emphasis is placed on minimizing uncertainty and risk? (1-5 when 1 is minimum emphasis)

10. How would you describe the level of tolerance for taking risks in your organization's decision-making processes? (1-5 ranking)

11. How comfortable do you feel with cross-cultural communication and collaboration within your organization when it comes to investment decision-making? (1-5 ranking)

12. Please rank the following factors based on their perceived importance in guiding investment decisions within your organization, with 1 being the most important and 4 being the least important:

a) Maintaining traditions and established practices

b) Embracing innovation and change

c) Prioritizing long-term stability and security

d) Pursuing short-term gains and opportunities (Ranking)

13. How do you think cultural differences contribute to misunderstandings or conflicts in investment decision-making processes within multinational teams?

a) Lack of communication

b) Misinterpretation of cultural cues

c) Differences in decision-making styles

d) Clash of values and norms

e) Other (please specify)

14. To what extent do you believe that hierarchy and authority influence decision-making processes within your organization? (1-5 Ranking)

15. How comfortable do you feel challenging authority or suggesting alternative approaches to investment decisions within your organization? (1-5 Ranking)

16. When making investment decisions, how much consideration is given to the potential impact on the broader community or the company employees? (1-5 Ranking)

17. In your opinion, how much emphasis does your organization place on maintaining harmonious relationships with stakeholders when making investment decisions? (1-5 Ranking)

18. How do you perceive the impact of cultural differences on the risk-taking behavior of your organization?

a) Cultural differences have no impact on risk-taking behavior

b) Cultural differences slightly influence risk-taking behavior

c) Cultural differences moderately influence risk-taking behavior

d) Cultural differences significantly influence risk-taking behavior

e) Cultural differences have a very significant influence on risk-taking behavior

19. To what extent do you think personal relationships and networks influence investment decisions in your organization?

a) Not at all

b) Somewhat

c) Moderately

d) Significantly (Multiple-choice)

20. 10. How do you think your organization could better leverage cultural diversity to improve investment decision-making outcomes?

a) Encouraging open dialogue and exchange of ideas among team members

b) Implementing cross-cultural training initiatives for employees

c) Creating an inclusive decision-making process that considers diverse perspectives

d) Promoting cultural sensitivity and awareness at all levels of the organization

e) Other (please specify)

21. Please rate the extent to which your organization values diversity of perspectives and opinions in investment decision-making. (1-5 Ranking)

II. Survey answers

Name	Country	Employees	Field	Position
Asum	Israel	47	Construction	CEO
BIM PROPERTY ZRT.	Hungary	12	property management	CFO
DAW Építész Stúdió Kft.	Hungary	28	construction and architecture	Manager
Dentop Center Kft	Hungary	15	denistry	owner and CEO
Eden supervision and management of construction projects	Israel	17	Construction	CEO
Eliya field crops	Israel	56	Cultivation and processing of agricultural produce	CEO
Fábián Automotive Ltd.	Hungary	50	car dealership	CEO
Fábián Ltd.	Hungary	130	commercial and repaie	CEO
front media	Israel	6	commercial and advertisement	CEO
GF Development Kft.	Hungary	9	project management	CEO
illustria	Israel	6	supply chain security	Manager
lankri group	Israel	21	real estate	Manager
Legit security	Israel	75	Cyber and technology	CEO
Lolo Snack Kft	Hungary	13	Food industry	CEO
M.P construction	Israel	17	Construction	CEO
Maniv	Israel	100	real estate	CEO
MATTHEW AND DANIEL'S KFT.	Hungary	12	real estate	Manager
Piandos Kft	Hungary	8	project management	financial manager
PM trade and investment Kft	Hungary	21	trade and constructions	owner and CEO
Reckitt	Israel	100	Hygiene & health	CFO
RESTORE IT MÉRNÖKIRODA Kft.	Hungary	11	Construction	financial manager
Sensorz	Israel	18	Cyber	Managet
Trullion	Israel	75	Technology	Manager
Vis Vitalis	Hungary	17	Bottling premium mineral water	CEO

Values	Hungary	Israel	Grand Total
Sum of Cross cultural communication comfort (1-5)	39	52	91
Sum of values diversity in decision making (1-5)	36	52	88
Sum of personal networks influence (1-5)	31	49	80
Sum of cultural differences affect risk taking (1-5)	31	44	75
Sum of stakeholder harmony importance (1-5)	37	56	93
Sum of community impact consideration (1-5)	29	42	71
Sum of comfort challenging authority (1-5)	19	44	63
Sum of hierarchy inflence (1-5)	49	34	83
Sum of Minimising risk (1-5)	54	31	85
Sum of Risk tolerance (1-5)	31	50	81
Sum of Risk taking comfort (1-5)	35	51	86
Sum of Rank traditions (1-4)	33	39	72
Sum of Rank innovation (1-4)	30	23	53
Sum of Rank long term stability (1-4)	19	34	53
Sum of Ranl short term gains (1-4)	41	27	68

Values	Hungary	Israel	Grand Total
Average of values diversity in decision making (1-5)	3.00	4.33	3.67
Average of personal networks influence (1-5)	2.58	4.08	3.33
Average of cultural differences affect risk taking (1-5)	2.58	3.67	3.13
Average of stakeholder harmony importance (1-5)	3.08	4.67	3.88
Average of community impact consideration (1-5)	2.42	3.50	2.96
Average of comfort challenging authority (1-5)	1.58	3.67	2.63
Average of hierarchy inflence (1-5)	4.08	2.83	3.46
Average of Ranl short term gains (1-4)	3.42	2.25	2.83
Average of Rank long term stability (1-4)	1.58	2.83	2.21
Average of Rank innovation (1-4)	2.50	1.92	2.21
Average of Rank traditions (1-4)	2.75	3.25	3.00
Average of Cross cultural communication comfort (1-5)	3.25	4.33	3.79
Average of Risk taking comfort (1-5)	2.92	4.25	3.58
Average of Risk tolerance (1-5)	2.58	4.17	3.38
Average of Minimising risk (1-5)	4.50	2.58	3.54