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Startups organizational structure. Institutional intervention and differences between Italian and Israeli startups.

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Introduction: **Contextualization of the topic, objectives of the research and methodology adopted**

The term 'start-up' has become widely used over the years among politicians, economic development agencies, universities and, in general, all those involved in entrepreneurship at various levels. However, providing a clear and universally accepted definition of 'start-up' is challenging (Cockayne, 2019; Montani, Gervasio & Pulcini, 2020). The earliest definitions (Birley & Westhead, 1994) described start-ups as new and small businesses started by freelancers within micro-entrepreneurship projects. Other authors (e.g. Granlund et al., 2005) have defined start-ups based on factors such as the speed of growth (which should be high) and the target sector (information technology, communication, biotechnology and industry), referring to them as 'New Economic Firms'.

Again, David and Foster (2005) identified several characteristics that a start-up should possess to be defined as such: a number of employees between 50 and 150, started no more than ten years ago, independence and being limited to a specific geographical area.

More recently, Kollmann and co-workers (2016) revised these parameters, suggesting that companies that can be considered start-ups must fulfil three criteria: be younger than ten years, operate in high-tech and innovative sectors, and show high growth rates in sales or the number of employees. Other definitions were provided not by academics but by successful entrepreneurs: for instance, Blank (2020) pointed out that start-ups are temporary organizations seeking scalable, repetitive and profitable activities. Again, a straightforward definition of a start-up is proposed by Kolvereid and Isaksen (2006), according to whom start-ups constitute new forms of business that have started from scratch based on the innovative idea of a single entrepreneur or a small number of entrepreneurs. Thus, generally speaking, most authors claim that start-ups constitute innovative companies that promote a new, technologically advanced, better and more creative way of doing business than in the past (Marwick, 2013). In particular, innovative start-ups in Italy are defined as young companies (established no more than five years ago and with an annual turnover of no more than €5 million) with high technological content and with great potential and strong growth margins (DL 179/2012, art. 25, comma 2).

Some examples of successful global start-ups are the experiences of Apple, Facebook (now Meta), Google and Tesla, new forms of business that have taken off thanks to the intuition of young entrepreneurs who have focused on technology, while in Italy, the cases of ScalaPay, Yoox, E-commerce, Depop, King (creator of Candy Crash), companies founded in Italy or by Italians abroad that have increased both profitability and the number of employees in a short time, are highlighted.

For instance, the company Google - which currently employs about 178,000 people and has a turnover of about USD 76 billion in 2022 - was founded by two guys, Larry Page and Sergey Brin. Google initially gained notoriety as an internet search engine and specialised in offering IT products, web services (Google Maps, YouTube, Google Drive, Gmail, Google Chrome) and operating systems (Android). The idea from the creators of this web platform started was to build a system that would make it possible to identify and assess the relevance of websites when users were carrying out specific searches: based on this intuition, a first search engine, called BackRub, was developed in 1996. Over time, this search engine was gradually improved and enriched with new functionalities until it reached the form we all know today as Google.

In Italy, the start-up Yoox - today a world leader in the luxury fashion e-commerce sector - was founded in 2000 by Federico Marchetti to follow in the footsteps of the great Silicon Valley companies: by exploiting the potential offered by the new means of communication; Marchetti began to offer an online sales service for luxury clothing, attracting substantial investments from the Italian venture capitalist Elserino Piol and then merging with Net-A-Porter, creating the Yoox Net-A-Porter Group, which today has an estimated value of between 1.3 and 1.5 billion euro.

Experiences of successful start-ups can thus be found in all countries of the world. However, there are proportionally more start-ups in some countries where large investments have been made in innovation technology and high-tech. Israel, for example, is the perfect case, a small state that covers an area of 20,255 km2 and has a total of about 9.5 million inhabitants and more than 7,000 start-ups. It is also worth noting that in Israel, the percentage of start-ups that manage to scale up is 4%, which is even higher than in the US, which stops at 1%. Cities like Tel Aviv have the attention of well-known Israeli and international companies such as Google, Amazon, Tesla, and Alphabet.

Specifically, numerous multinationals have launched initiatives to finance Israeli start-ups and have also taken steps to hire and financially support young Israeli talents to work in their research and development groups. Such actions have produced remarkably positive results, contributing to the growth of many productive sectors (e.g. in the hi-tech field).

In contrast, in Italy, a country that covers an area of 302,073 km2 and has 58,851,000 inhabitants, there are 14,708 start-ups. It is, therefore, interesting to understand the political, economic, financial, historical, social and cultural reasons that influence the growth in the number of start-ups in a specific country. For this reason, a comparison was made between the Italian and Israeli business realities by conducting an online survey involving employees and owners of start-ups based in these two states.

Chapter 1: History background of startups

1.1 The birth of startups in Israel: an analysis of the book "Start-up Nation: The Story of Israel's Economic Miracle"

Start-up Nation: The Story of Israel's Economic Miracle" by Dan Senor and Saul Singer is a book that analyses the economic success of Israel, which has developed a world-class technology industry despite the geopolitical challenges it constantly faces. The book begins by describing the exceptional circumstances under which Israel was born, an arid land with no natural resources and a population of Holocaust survivors with little and no experience in agriculture and technology. However, thanks to a strong culture of innovation and creativity, Israelis began to develop various advanced technologies, ranging from biomedical sciences to communications, cybersecurity and artificial intelligence. Furthermore, the book analyses the underlying causes of Israel's economic success, including the importance of education and scientific research, the exceptional entrepreneurial skills and the risk-taking propensity of Israelis, the culture of support and collaboration between entrepreneurs, academics and investors, and the close relationship between the military presence and the technology industry. The authors also examine the factors that have led to the success of Israeli start-ups, including access to venture capital and foreign investment, the vast network of contacts and connections between entrepreneurs and investors, and the wide availability of highly skilled talent.

In summary, 'Start-up Nation: The Story of Israel's Economic Miracle' is an in-depth analysis of Israel's economic success, focusing on the reasons behind its technological growth. The book is interesting for anyone interested in understanding how a country can turn challenges into opportunities and achieve lasting economic success.

Compared to other countries, Israel has invested heavily in technological development primarily to provide security for its citizens, who are often victims of terrorist attacks and violent actions by neighbouring Arab countries (e.g. the 6-Day War in Egypt). Israel's history is, in fact, that of a 'landless' people that only in 1948 was granted a state by the United Nations Organisation: specifically, the proclamation of the State of Israel took place on 14 May 1948 by Prime Minister David Ben Gurion. On the same day, Egyptian,

Jordanian, Syrian, Lebanese and Iraqi troops invaded Israel, starting the so-called 'War of Independence', which ended with Israel's victory and the annexation of some territories in the Gaza Strip and the West Bank. From then on, strong tensions have always characterised relations between Israel and the neighbouring Arab states. In this regard, the chronicles still report, with high frequency, numerous attacks against Israeli civilians, settlers or soldiers.

Such circumstances have led Israel's successive governments to consider adopting measures aimed at reducing the risk of being attacked and increasing the security of its citizens as part of their agenda. This is why Israel has always been a country at the forefront of technological investments, especially in the military sector. As pointed out in the text 'Start-up Nation: The Story of Israel's Economic Miracle', especially in its less recent history, the Jewish people were by no means wealthy but rather made up of willing people who wanted to build a prosperous future for themselves and their descendants. The very condition of need may have been a relevant lever in fostering a creative and entrepreneurial spirit in which difficulties could be turned into opportunities for development and growth. Human capital, in turn, was a central factor in fostering the economic growth of the State of Israel (Senor & Singer, 2009).

The country initially became a leader in agriculture by taking full advantage of technological innovations and creating new tools and methods that increased the production of foodstuffs significantly. The same technological innovations also produced excellent results in the military sphere, enabling Israel to defend itself against neighbouring states.

The small size of the territory and the need for more business partners in its geographical area have also led Israel to turn towards international and geographically more distant markets. Rather than a possibility, the need to deal with international partners has been a necessity for Israel, which, however, over the years, has led to important economic and financial results: Israeli companies have gained considerable global importance. Therefore, Israeli entrepreneurs have developed a strong propensity to produce goods for export and be open to innovation, as global competitors are used to improving their production techniques very frequently. Recognising the importance of businesses to the economy, Israeli governments have always strongly supported entrepreneurship, especially youth entrepreneurship, where successful companies have often shared with

others the knowledge and skills needed to establish themselves, as the lack of a local market has encouraged entrepreneurs to perceive themselves as resources to be relied upon and not as competitors. With specific reference to start-ups, Senor and Singer (2009) also pointed out the characteristic boldness that characterises Israeli entrepreneurs referred to by the Hebrew term Chutzpah, which can also be translated as a positive boldness that pushes even the youngest entrepreneurs not to show reverential fear of more experienced and trained people. Many young entrepreneurs are used to asking people who have achieved success through their work, such as Chief Executive Officers of well-known companies or investors with large capital. In other words, young Israelis often think big and must set strict limits on what they can achieve through their work. In other words, compared to what is observed in other countries, Israelis do not fear failure, which is seen as a significant opportunity for learning and growth, an essential step towards success.

A further factor that has favoured the development of Israeli start-ups is the small size of the population. Whereas globally, there are seven degrees of separation between people, whereby each person can interact with another by exploiting a maximum of seven connections, within a small ecosystem like Israel's, the degrees of separation are reduced to two: thus, each new entrepreneur can only reach anyone else within Israel with the help of another person. In such a dynamic and flexible environment, mutual help and the rapid exchange of information enable people to receive advice, support and help directly from the most relevant people in the industry. Thus, a completely informal environment is formed, where everyone is willing to share with each other, and the overall result is the growth of the whole ecosystem.

Again, of cultural importance in the Israeli context is the requirement for every citizen to perform, upon reaching the age of 18, three years of military service (36 months for men and 24 months for women). The military context is meritocratic and requires people to be evaluated solely based on their abilities, skills and personality characteristics. This has three effects:

- Quality bonds are established between young Israelis that often last a lifetime.
- Israeli intelligence can notice and recruit the most promising young people.
- Characteristics of conscientiousness and responsibility develop among young Israelis, often associated with better job performance.

1.2 The development of start-ups in Italy: evolution and criticalities

The development of start-ups in Italy is a relatively recent phenomenon. In fact, until about ten years ago, in Italy, there was a minimal number of such enterprises, namely about 100 (Innovup - Italian Innovation & Start-Up Innovation, 2022), while today, the number of start-ups in Italy is about 14,000. As seen in the graph below, the number of such companies increased dramatically in 2017 and then showed a contraction in 2020. However, growth has yet to be homogeneous in all Italian regions. While in Lombardy and Latium, the number of Start-Ups has increased significantly in other geographical areas, a similar growth rate cannot be observed.

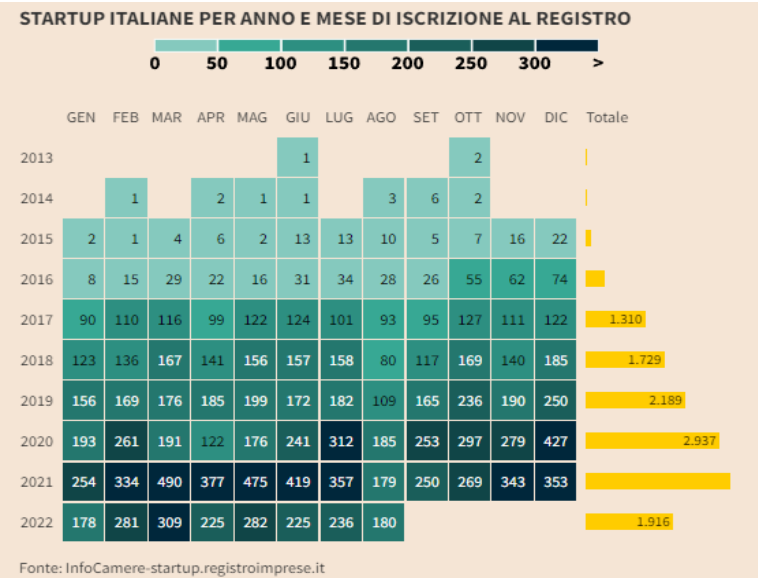

Table 1. 1

Table 1.2

The political will of successive governments over the years to focus on youth entrepreneurship, new technologies and innovation as levers for the national economy and employment has certainly contributed to this diffusion, as we will read below. This has also led to a considerable increase in the Italian entrepreneurial fabric's knowledge and expertise in the emerging high-tech sector; moreover, but not least, it has had the result of attracting business angels and national and international investors who have chosen to allocate resources to the development of specific start-ups. According to data published by the EY Venture Capital Barometer (2022), investments in Italian Start-Ups exceeded EUR 2 billion in 2022, an increase of 67.3% compared to 2021, when

investments totalled just over EUR 1.2 billion. Geographically, Lombardy is the region with the highest number of Start-Ups and which manages to obtain the most funding and contributions from investors appear to be present to a lesser extent than in the northern regions. In terms of sectors of interest, the largest investments were observed in the fintech sector (EUR 712 million), main thanks to the creation of very recent Start-Ups such as Satispay and Scalapay. Next comes the Energy & recycling sector, with around EUR 346 million raised, mainly thanks to the creation of the start-up Newcleo. Finally, a further particularly healthy sector is Health & Life Sciences (EUR 284 million in investments).

Chapter 2: Start Up Lifecycle: structure and characteristics

2.1 Star Up Lifecycle

Every start-up is born to respond to a need or problem perceived as salient in society. The founder's desire is thus to change established patterns of action that now appear ineffective in responding to the needs of a specific target. The target audience must positively evaluate the proposed innovative solution; therefore, the need to obtain feedback from the identified target audience is a prerequisite for any start-up.

Validation:

The idea behind the start-up must be validated by its intended audience. The information obtained in the validation phase will guide the investment choices in the project. One of the techniques used in this regard is testing, i.e., the possibility of observing the target audience's reactions, assessing their degree of satisfaction and making any changes to the initial project. Testing is also necessary to avoid legal disputes with consumers, as malfunctioning the system (product or web service) could severely affect the company's reputation.

Testing should be performed according to specific timing, i.e., in a project's early development stages. The more that can be done preventively, the lower the costs for the start-up to make any changes. It is also emphasised that in the absence of adequate tests that guarantee the proposed idea's validity, some investors may decide to withdraw and not support the initiative.

In order to gather information from potential customers, it is possible to be polled and surveyed at the end of the user experience or before it takes place, to carry out comparative evaluations of two versions of the same project, to conduct focus groups to identify the main expectations shared among users, to conduct usability tests to observe how users respond to the proposed systems directly. In this way, it is possible to involve customers in the design of the virtual environments in which the start-up operates, favouring the development of an emotional bond between potential customers and the company.

Construction:

The construction phase starts with creating the so-called MVP, i.e. the minimally functioning product (Ries, E., The Lean Start-up), a first version of the service that the company is still developing The objective is to test the effectiveness of a business idea quickly and on a small budget. In particular, the realisation of an MVP involves three phases: the conception or creation phase, the launch phase and, finally, the analysis phase. In the conception/creation phase, the data acquired in the Validation phase will be used to formulate an idea of the start-up's minimum functionality. The launch follows this, i.e. the commercialization of the service. Finally, the analysis phase allows us to assess how users evaluated the idea behind the start-up.

There are different categories of MVP:

- Main Functionality, in which only the main functionality of the service is tested.
- The Wizard of Oz, in which the customer has the illusion of using a service that is already in operation but, in reality, still relies on the manual work of the designers: This technique is often used in e-commerce or delivery and shipping services. The aim is, therefore, to assess whether an idea is effective before even setting up a technological and logistical system capable of supporting it.
- Concierge, in which the user is aware that the simulation takes place thanks to the manual work of the employees.
- Video Demos to be used in those cases where the creation of MVPs is too complex. In such situations, a demonstration video is one of the most reliable solutions to make the user understand how the system works.
- Pitch presentation, in which the demonstration is done not through a video but through a direct presentation to investors. This technique is preferred if the development of the idea is particularly complex.
- Piece by piece' constitutes one of the most widespread MVP models. The main advantage lies in the fact that it can be implemented at no cost using tools and software that are already available.
- Crowdfunding represents a further MVP model. In this case, a low-cost product is sold in advance in order to raise funds and further develop the idea.

Launch:

Following MVP tests, once it is certain that potential customers appreciate the idea, it becomes possible to launch the product on the market. In this case, implementing particularly aggressive communication campaigns to make the product known to as many people as possible is often useful. An important performance indicator at this stage is the customer retention rate, i.e. the number of people who decide to rebuy the product or use the service again following the first trial.

Growth:

If customers appreciate the launched product, modifications and additions can be activated to reach a wider audience. In this way, an attempt to include the service created a market share that needed to be included in the small launch niche.

The ultimate goal is to generate stable and persistent revenues over time that allow further investments and finance the development of the business while at the same time trying to acquire a growing number of customers. In order to do this efficiently, it is often necessary to enlist the help of specialists in marketing and business management, i.e. people who know how to support the activities to be carried out in this phase of the start-up's expansion by making the most of the potential offered by all communication channels. To this end, it is also useful to create a well-defined organisational culture in which each individual working within the team is familiar with the company's values, mission and goals, and the behaviours evaluated positively or negatively by management. Monitoring the set of activities carried out also makes it possible to understand what progress has been made and the potential critical areas (for improvement). Thinking that after a few successes, the company is already ready to remain competitive is a common mistake, leading entrepreneurs to underestimate innovation's importance.

Maturity:

Maturity is reached when the start-up generates profits continuously and ensures a high customer retention rate. In such situations, assessing whether the target market has been saturated is necessary and deciding whether to expand business activities into other fields is necessary. Again, at this stage, it is essential to keep loyal customers close by guaranteeing an up-to-date and high-quality product, as competitors are likely to initiate actions to increase their customers by taking them away from rival companies. This is

why it is necessary to keep the quality of the offer high and consolidate the leadership position acquired in the market.

2.2 Characteristics of the organization of Israeli startups

A first characteristic of Israeli start-ups is that they present a flat organizational structure with few hierarchical levels, in which relationships between colleagues appear less formal. Decisions are made taking into account the opinions of employees. In particular, the analysis of the organizational culture of these companies, defined by Schein (1985, 2000) as the set of values, beliefs, principles, ideas, ways of thinking, opinions and knowledge, and assumptions shared by the members of an organization that determine how a group perceives, evaluates and deals with the stimuli present (Petitta & Martinez-Corcoles, 2022) within a situation, it can be argued that Israeli start-ups are characterized by a technocratic organizational culture (Enriquez, 1970) in which the widely shared core values are professional skills, rationality and initiative, i.e. factors that assume importance in technologically advanced and highly market-oriented fields of work (e.g. cybersecurity, artificial intelligence and biotech). In such a reality, there is a particular reliance on rationality while the sphere of passions and affections is largely removed; particular reliance is also placed on goal orientation, which must be realized through the organization's members' personal resources and creative contributions. Authority takes on the dynamic function of encouraging and optimizing the performance of individuals and groups through initiative, the ability to renew oneself and creative production. The employees of a start-up can satisfy their needs for self-assertion and success by optimally performing their work according to ways that the organisation highly values . Again, great importance is attached to the organization's members' effectiveness, efficiency, performance, success, and professional capacity-building. Perfection and professional development are strongly supported, analytical and diagnostic skills are stimulated, and open-mindedness is encouraged that optimizes the data of reality because of the achievement of objectives on which, however, critical reflection is not always solicited. Personal relationships are characterized by fluidity and an absence of formalism, high competition, and the daily commitment to prove oneself 'always up to scratch' can become stressful. Such a culture directs one's attention towards qualitative and quantitative results, and with it, the logic of fulfilment is overcome in favour of the logic of the objective. The technocratic culture demands a great deal of dedication and perseverance from its members and is supported by a strongly meritocratic system of incentives and career development. As mentioned in the previous paragraphs, moreover, Israeli

companies are characterized by a global mindset that has developed over time in response to the need to reach and honour trade agreements with foreign markets rather than responding to local market needs.

2.3 Characteristics of the organization of Italian startups

Italian start-ups typically have a strongly hierarchical organizational structure in which employees have well-defined roles, tasks and responsibilities. The focus is mainly on compliance with working practices and practices. Concerning organizational culture, i.e., the set of artefacts, principles and values that regulate everyday life, as well as the company's mission and objectives, Italian start-ups are characterized by a strong orientation towards respect for rules and hierarchies. Within these companies, a high degree of formality and a strong centralization of decision-making power can be observed, often exercised by the owners. The mindset of Italian start-ups is frequently local and thus oriented towards the domestic market only; even the development of partnerships and collaborations is often initiated with Italian companies only, while collaborations with foreign companies, whether European or located in other continents, are less frequent. The organizational culture and the company's mindset strongly depend on the service offered and the reference sector. In any case, a common trait among most Italian start-ups is the strong emphasis placed on design and aesthetics, especially for companies operating in luxury, fashion, food and beverage and handicrafts.

Recent data (Breschi, Lassébie, and Menon, 2018) show that people who have started up start-ups in Italy hold a Master's degree in Business Administration (MBA) or, even more frequently, have a PhD (10%). From this point of view, there are substantial differences with other countries: for example, those who have launched start-ups after completing a Master's degree in Business Administration are substantially more numerous in realities such as the United States, Israel, Spain and Singapore than in our country; furthermore, compared to Belgium and Germany, the number of people who have launched a start-up after completing a PhD is decidedly lower. Again, the percentage of students who have started up start-ups in Italy is practically nil (as well as in France), significantly lower than in countries such as Singapore, the Netherlands, Germany, Israel, Canada, the United

Kingdom, the USA and Belgium (OECD, 2018).

Figure 4. Start-up founders' profile: education

Share of founders with a PhD, an MBA, or who are students at the time the start-up is founded

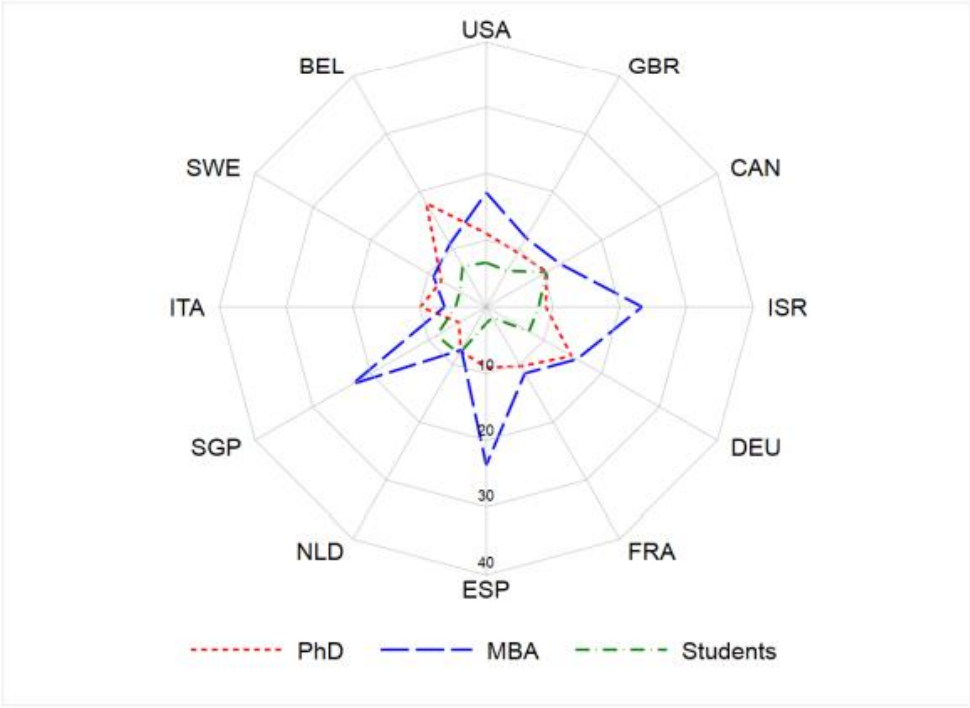

Figure 2. 1

As is also the case in other countries around the world, in Italy, start-ups are typically launched by people who have also had entrepreneurial experience in the past (24%), while only on a few occasions is the choice to start a start-up made by those with a mainly academic education (6%). Regarding the socio-demographic variables surveyed on those who have chosen to start up a start-up, it can be seen that only in 11% of cases such entrepreneurial initiatives are carried out by women and only in 3% of cases by people who have relatives leading other start-ups (this figure appears at 15% in Israel and 13% in the United States and Sweden (OECD, 2018).

Figure 5. Start-up founders' profile: previous occupation

Share of founders with previous entrepreneurial or academic experience

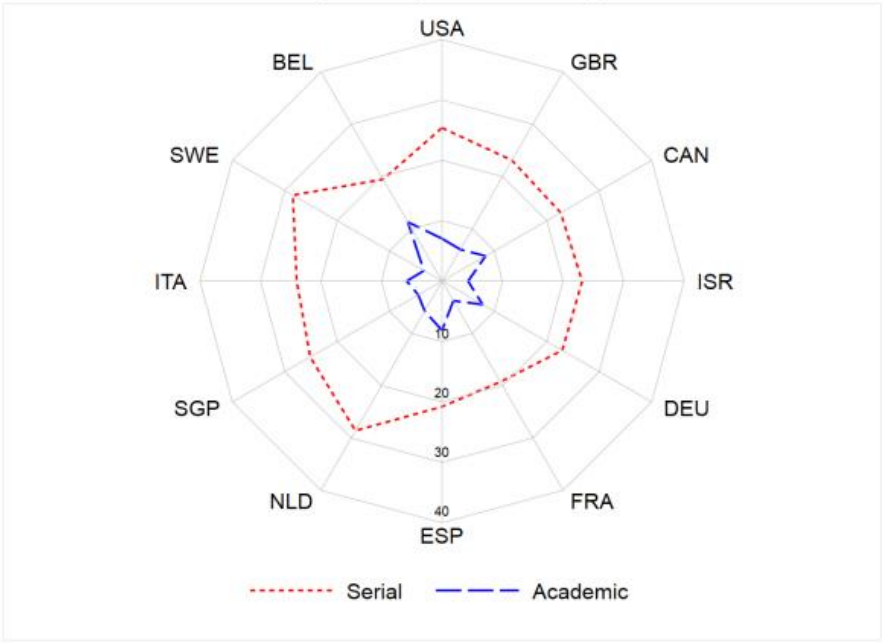

Figure 2. 2

Figure 6. Start-up founders' profile: gender and patent authorship

Share of female founders or who are patent inventors

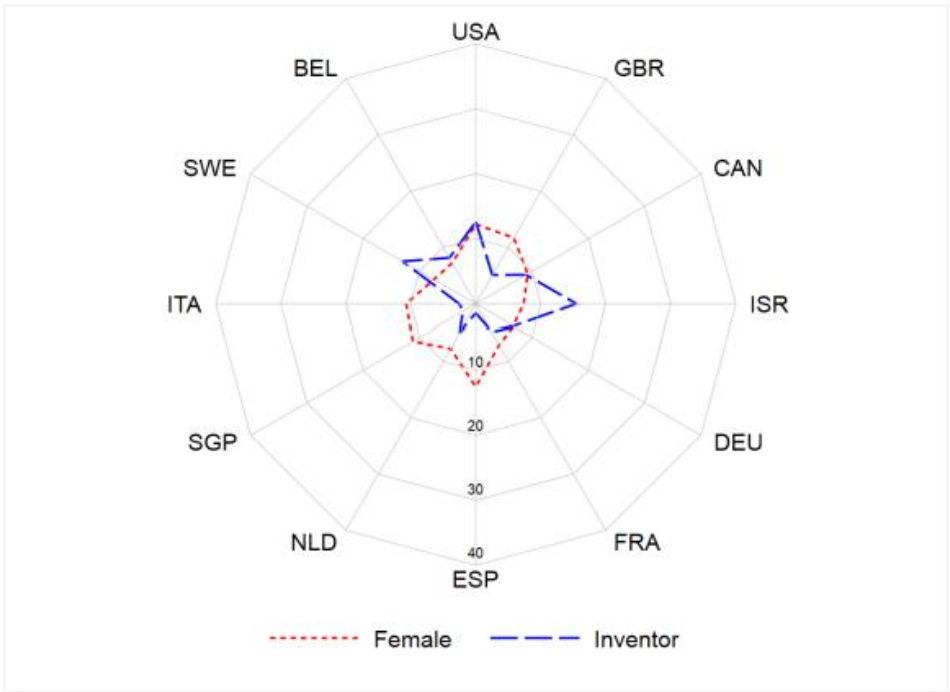

Figure 2. 3

Compared to other countries, it also seems more difficult in Italy to obtain funding to start up a start-up; moreover, when such funding does exist, it is small and insufficient to provide concrete support to entrepreneurs (OECD, 2018).

2.4 Analysis of the differences between the two realities

A comparison between Italy and Israel reveals numerous differences in the way of doing business: In Italy, there is a strong belief that starting a start-up is an activity that should only be carried out by young entrepreneurs. For example, in our country, it is a common belief that university professors should not engage in non-academic activities (e.g. starting up businesses) as their role would be to transmit knowledge and skills to students. On the contrary, in Israel, when a university professor contributes, even through a publication, to the realisation of an innovative product that has an effect in the real world, such conduct becomes a cause for applause and encouragement.

Other significant differences concern access to funding: in Israel, start-up financiers and investors place a great deal of trust in domestic companies and are used to supporting companies through very high investments, especially in the early stages of project development, i.e. at a time when there is a need to invest large amounts of capital in order to acquire the technologies required to launch the start-up. In Israel,, average investments amount to $3 billion, while in other countries (including Italy), such capital rarely exceeds half a million dollars.

Both domestic and foreign venture capital is widespread in Israel, as are Angel Investors, i.e., those who have achieved success thanks to funding received from others and now intend to reinvest their money in dynamic, young and ambitious projects (typically in technology sector). At the same time, there is a strong drive on the part of Corporate VCs to seek out innovative start-ups to finance or acquire in order to integrate them into their activities. In Israel, the Cybersecurity and Artificial Intelligence sectors, in particular, are particularly developed, as it is possible to use the knowledge and technologies developed by the military to support entrepreneurial initiatives: consider that in 2021 start-ups operating in these sectors grossed more than USD 6 billion by creating as many as nine unicorns.

Israel once more began a $70 million program in 2022 to encourage entrepreneurship among Arab communities to boost inclusivity and the Middle Eastern region's economy. In Italy, on the other hand, funding for start-ups is considerably less frequent, and when present, it constitutes state contributions to entrepreneurship that only rarely exceed €100,000.

On a personal level, it is believed that young Israelis are more inclined to entrepreneurial activities, to be open to new innovative ideas, more creative and willing to explore and have more life experiences. In Italy, on the other hand, many young people still seek the tranquillity and stability guaranteed by a fixed job and the possibility of taking on the role of the employee in someone else's company; young people also appear less curious and less open to change, but more afraid of change and the idea of failure.

All these differences reflect profound cultural differences between the two countries. In this regard, considering the contributions of Hofstede (1980), it is possible to argue that the culture of belonging contributes significantly to determining which values, expectations, and needs are of greater importance in the lives of individuals (Markus & Kitayama, 1991), providing them with a common basis for interpreting the events that take place in external reality and also guiding the choice of life goals to pursue in order to achieve happiness as well as the most appropriate ways and strategies to realise one's desires (Constantine & Sue, 2006); Uchida et al., 2004). Taking this perspective, it can be argued that cultures shape and give meaning to individual experiences (Kitayama & Markus, 2000), including work experiences. Resuming Hofstede's model, with specific reference to the work environment, it is possible to identify four typical problems with which, regardless of the culture they belong to, workers are confronted and in respect of which they propose different solutions that are significantly influenced by culture

- dependent relationships with superiors;
- the need for rules and order;
- the balance between individual and corporate objectives;
- the balance between individual values (making a career, earning money, Etc.) and social values (cooperating with others, working within an inclusive context, Etc.).

For Hofstede, the issues just listed correspond to certain value dimensions, respectively Power (Power), Ambiguity Avoidance (Ambiguity Avoidance), Individualism-Collectivism (Individualism-Collectivism), Masculinity-Femininity (Masculinity-Feminity) (Hofstede, 1980). By 'power', according to Hofstede, must understand the social distance between individuals. In cultures with higher levels of the power dimension, one finds organisations structured and organised according to rigid hierarchies to emphasise the differences between members. Differently, in cultures where power is

less important, relations between employees are more informal, and decisions are made more participative.

Continuing, Uncertainty avoidance describes the degree of discomfort experienced by individuals when faced with situations of expectation and ambiguity. Countries with a higher degree of uncertainty avoidance are generally closed and traditionalist, presenting rigid norms and deep-rooted beliefs about the correct ways of coping with life; in contrast, countries with a low degree of uncertainty avoidance present the opposite characteristics, i.e. openness to other cultures and ways of doing things, orientation towards innovation, liberal attitudes. Thus, a greater tendency towards innovation and a greater ability to cope with and accept change is expected in cultures where uncertainty avoidance is not a salient dimension.

This is followed by the Individualism/Collectivism dimension : in individualist cultures, the needs of the individual take primacy over those of the group. People behave independently and have a little standardised outlook on life, as everyone can express their ideas and opinions. In collectivist cultures, on the other hand, group membership and loyalty to its members are much more important than individual needs. Individualistic and collectivistic societies promote individuals' view of themselves as predominantly independent or interdependent on other members of society, including colleagues, superiors or customers/users (Hofstede, 1980; Triandis, 1995). Specifically, collectivistic cultures encourage people to develop an interdependent sense of self, in which relationships with others, a sense of duty to society, ethics and adherence to moral norms and obligations are important. In contrast, in individualistic cultures, people are encouraged to develop an independent sense of self, which leads them to perceive themselves as individuals with personal interests and needs (even before they are members of a society), to set individual goals for themselves and to seek personal gratification and success (Markus &Kitayama, 1991; Triandis, 1995) by looking at others as possible rivals. In this regard, studies (Heine et al., 1999; Hetts, Sakuma, &Pelham, 1999; Oishi et al, 2008) have shown that people who live in countries with an individualistic culture, when evaluating their actions and the meaning of what they are doing, focus more on the results achieved. In contrast, those who live in countries with a collectivistic culture are more inclined to evaluate their actions and the meaning of their lives based on their efforts to achieve the desired results (and not on the basis of the

achievement of the result per se). In other words, whereas in the individualistic culture, it is the achieved result that is important, in the collectivistic culture, it is the entire process by which a person decides to pursue his or her goals that are important (Steger et al., 2017).

Concerning the dimension of masculinity-femininity, masculinity represents the inclination of community members towards achievement, competition and obtaining the material rewards of success. On the other hand, femininity indicates a preference for cooperation, protection of the weakest and relationship orientation. Two other value dimensions proposed by Hofstede also assume importance in work: short- or long-term orientation and indulgence. In cultures characterised by a long-term orientation, individuals prioritise their personal goals and strive for goals that provide them stability throughout their lives. In contrast, in short-term oriented cultures, quality of life and affection are more important than the working sphere, and people's efforts are mainly made to secure their immediate well-being for themselves and their loved ones.On the other hand, the dimension of indulgence measures is the evaluation of the individual's ability to control impulses and desires. A relatively poor control is referred to as "indulgence," whilst a relatively strong control is referred to as "restraint." The larger or lower aptitude for such control will rely on the education obtained each time. At the workplace level, a more or less lenient culture can influence how employees are controlled and how much trust is placed in them.

Thus, culture is the decisive element in discerning what is important in one's life (the meaning of life) and what is not, as well as the guiding element towards those individual behaviours that enable the achievement of specific goals. By consulting the Country Comparison Tool developed by Hofstede, one can see the cultural differences between Israel and Italy. In Italy, higher levels of power distance, individualism, masculinity, long-term orientation and indulgence are found. In other words, the culture prevailing in Italy is that labour relations respond to a clear hierarchy and that the relationships that develop at work are characterised by a high degree of formality. In contrast, in Israel, the power distance is minimal, which makes it possible to create working contexts that are less formal and in which decisions are taken in a participatory manner. Again, in Italy, there is a tendency to pursue personal goals with work (success, self-affirmation, Etc.), while in Israel, attention to the community and the common good appears greater, at least

for those who are part of one's ingroup; levels of competitiveness (masculinity) also appear higher in Italy as does long-term orientation. In Israel, therefore, there is a greater likelihood to collaborate and create partnerships or start entrepreneurial initiatives immediately (in the short term) without worrying about the possibility of failure. Finally, leniency is higher in Italy: this indicates a greater propensity to control the activities conducted by others.

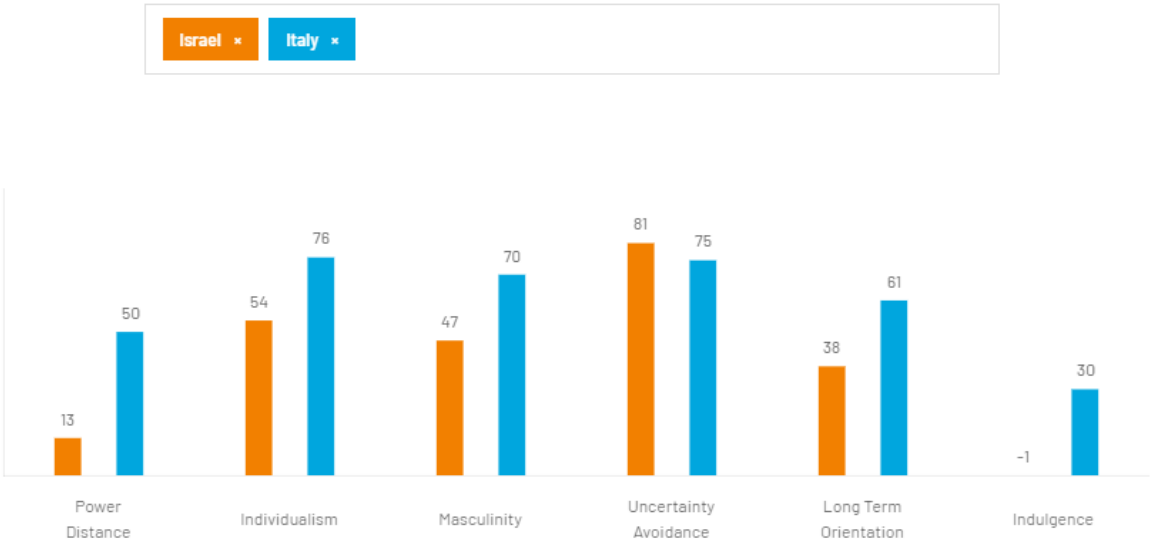

Figure 2. 4

Confronto tra dimensioni culturali: Israele vs Italia (Fonte: Hofstede; https://www.hofstede-insights.com/country-comparison-tool?countries=israel%2Citaly)

Chapter 3: Institutional interventions for startups in Italy and Israel

3.1 Government support for Italian startups in the last 5 years

In Italy, the activity of start-ups is regulated by Article 25 of Legislative Decree 179/2012, which provides a definition of start-ups and lists the characteristics they must possess to be considered such. The article in question is reproduced in its entirety below:

A start-up is defined in the Italian legal system in Article 25 of Decree-Law No. 179 of 2012 as a 'joint-stock company, also constituted as a cooperative, governed by Italian law or a Societas Europaea, resident in Italy [...] whose shares or quotas representing the share capital are not listed on a regulated market or a multilateral trading system'. Moreover, the same article also emphasized that a start-up also had to meet the following requirements to be defined as such.
(a) it must have been carrying out business activities for no more than four years;
b) the head office must be located in Italy;
c) starting from the second year of activity of the innovative start-up, the total annual production value, as shown in the last financial statements approved within six months of the end of the financial year, must not exceed €5 million
d) it must not and has not distributed profits
e) the exclusive or predominant corporate purpose must be the development, production and marketing of innovative products or services with a high technological value
(f) it must not have been formed as a result of a merger, a corporate demerger, or the transfer of a company or a business unit.
(h) it meets at least one of the following requirements 1) at least 15 per cent of the expenses are made in the field of "research and development"[1] (considering also expenses related to pre-competitive and competitive development such as those made for experimentation, prototyping and business plan development and excluding expenses necessary for the purchase and rental of real estate); 2) at least one-third of the employees must hold a PhD[2] or have a university degree with three years of certified experience at public or private Italian or foreign research institutes (or at least two-thirds of the employees must have obtained a master's degree[3]); 3) it is the owner, holder or custodian of at least one patent or registered software.

[1] Tra le spese relative al settore "ricerca e sviluppo" l'art. 25 cita anche quelle relative a "servizi di incubazione forniti da incubatori certificati, i costi lordi di personale interno e consulenti esterni impiegati nelle attività di ricerca e sviluppo, inclusi soci ed amministratori, le spese legali per la registrazione e protezione di proprietà intellettuale, termini e licenze d'uso"

[2] Il dottorato di ricerca può anche essere in corso se effettuato all'interno di un'Università italiana o straniera.
[3] Art. 3 del Decreto Ministeriale numero 270 del 22 ottobre 2004.

figure 3. 1

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[3] Art. 3 del Decreto Ministeriale numero 270 del 22 ottobre 2004.

Regarding the spread of start-ups in Italy, the data published by the Ministry of Enterprise and Made in Italy (2022[1]) indicate that in July 2022, there were 14,621 innovative start-ups registered in the business registry. This share represents 3.7% of the total number of newly established joint-stock companies in Italy. The same report indicates that start-ups grew by 1.8% compared to the previous quarter, establishing 259 new units. In 17.4% of the cases, these new enterprises are started by young people under 35 operating in software production and development, IT consultancy, research and development, and manufacturing machinery and electronic products. In terms of geographical distribution, the most significant number of start-ups were established in Lombardy (26.7%), Lazio (12.1%) and Campania (9.2%). The provinces with the highest number of start-ups are Milan (2737), Rome (1599), Naples (675) and Turin (532). In the same period, 6798 start-ups benefited from contributions from the Guarantee Fund. Almost €200 million was mobilised to support start-ups, with an average loan per company of €289,000.[2]

[1] Ministero delle imprese e del Made in Italy (2022). Startup e PMI innovative, online i dati del secondo trimestre 2022. Documento disponibile online all'indirizzo: https://www.mimit.gov.it/it/notizie-stampa/startup-e-pmi-innovative-online-i-dati-del-secondo-trimestre-2022#:~:text=Al%201%C2%B0%20luglio%202022,unit%C3%A0%20(%2B1%2C8%25) (visitato in data 5 maggio 2023)

3.2 Incentives and facilities for start-ups

The 2017 Budget Law has provided significant tax benefits for those who invest, directly or indirectly, in innovative start-ups. In particular, for individuals, there is a 30% deduction from the gross Irpef tax base for the amount invested (up to a maximum of EUR 1 million); conversely, for legal persons, there is a 30% deduction from the Ires tax base (up to a maximum of EUR 1.8 million). The incentive is granted only when there is a retention of at least three years in the start-up.[3]

The Relaunch Decree (Decree-Law No. 34/2020; see also Interministerial Decree of 28 December 2020) provided de minimis relief that provides IRPEF deductions of 50 per cent for individuals investing in the venture capital of innovative start-ups. The eligible investment amounts to a maximum of EUR 100,000 per tax period; the start-up receiving the investment can obtain up to EUR 200,000 within a three-year period.

Furthermore, start-ups can benefit from public funds, managed by the Guarantee Fund for small and medium-sized enterprises makes it easy to access credit by granting guarantees on bank loans taken out. Specifically, this guarantee can cover up to 80% of the credit granted by the bank to innovative start-ups up to a maximum of EUR 5 million. The guarantee can be granted according to various modalities:

- automatic, which occurs when the Fund does not assess the start-up's balance sheet data;

- priority, which occurs when the start-ups' applications acquire priority and are therefore assessed more quickly than ordinary applications;

- free of charge when there is no cost to access the fund.

In addition, the lending institution is not authorised to request guarantees on the part of the financing covered by the public guarantee.

Start-ups can benefit from the 'Smart&Start Italia' incentive, which seeks to support the creation and development of innovative start-ups through zero-interest financing for developing entrepreneurial projects with an expenditure programme of between EUR

100,000 and EUR 1.5 million. Here too, the financing covers, without a guarantee, up to 80 per cent of eligible expenditures. However, this percentage can rise to 90% if the start-up is entirely composed of women and/or young people under 35 years of age or if the partners include a person with an Italian PhD (or equivalent). In addition, start-ups based in certain regions such as Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia and Sicily can benefit from a non-repayable contribution equal to 30% of the loan and thus only repay 70% of the funding received. As for the repayment terms, they stipulate that the loan must be repaid over ten years starting from the twelfth month following the last instalment received. All start-ups established for a maximum of 60 months and registered in the special section of the business register can apply for the loan.

3.3 Government support for Israeli startups in the last 5 years

As also pointed out in the introduction of this paper, despite its small size, the country boasts a high concentration of startups, covering a wide range of sectors such as cybersecurity, biotech, artificial intelligence, and more.

In recent years, Israel has emerged as a hotbed for innovation and entrepreneurship, with its startup ecosystem gaining global recognition. The Israeli government's unwavering support is a significant factor contributing to this success. In fact, over the last five years, the Israeli government has significantly aided the emergence of startups in the nation. The government has created an environment conducive to innovation and entrepreneurship through funding programs, incubators, tax incentives, and collaboration with universities.

Government support plays a pivotal role in nurturing the startup ecosystem. It provides the necessary resources, guidance, and financial backing to help entrepreneurs turn their ideas into successful businesses. By fostering innovation and entrepreneurship, the government contributes to economic growth, job creation, and the nation's competitiveness.

For instance, the Israeli government has introduced several initiatives and programs to support startups over the past five years. Some of the key initiatives are described below:

1. Funding Programs

Access to funding is vital for startups to thrive. The government has established various funding programs to assist early-stage ventures financially. These programs offer grants, loans, and equity-based investments to startups with promising potential. The government aims to reduce the financial barriers and risks associated with starting a new company by injecting capital into these businesses.

2. Incubators and Accelerators

Incubators and accelerators serve as essential pillars of the Israeli startup ecosystem. These programs provide startups with mentoring, workspace, access to industry networks, and tailored support. The government actively supports establishing and operating

incubators and accelerators across the country. By nurturing startups through these programs, entrepreneurs receive guidance from experienced professionals, increasing their chances of success.

3. Tax Incentives

To incentivize entrepreneurship and attract investors, the Israeli government offers startups a range of tax benefits. Startups may benefit from reduced corporate tax rates, tax exemptions, and other incentives encouraging investment and growth. These tax benefits help lower the cost of doing business, freeing up capital for research and development or expansion.

4. Research and Development Grants

Research and development (R&D) are integral to the success of startups. The Israeli government recognizes this and provides grants and subsidies to support R&D efforts. These grants help cover the costs of developing innovative technologies, conducting experiments, and acquiring essential equipment. By easing the financial burden of R&D, startups can focus on breakthrough innovations and remain competitive in the global market.

5. Collaboration with Universities

Israeli universities have played a crucial role in fostering innovation. The government encourages collaboration between startups and academic institutions to leverage their combined expertise. Startups gain access to valuable resources, intellectual property, and talent through joint research projects, knowledge transfers programs, and technology transfer offices. This collaboration fuels innovation and strengthens the connection between academia and the industry.

6. Success Stories

The government's support for Israeli startups has yielded remarkable success stories. Numerous startups have emerged from Israel and achieved global recognition. Companies like Waze, Mobileye, and Check Point Software Technologies have become household names, showcasing the tremendous potential of the Israeli startup ecosystem.

These success stories bring economic benefits, inspire aspiring entrepreneurs, and attract international investors.

Despite the government's efforts, some challenges and criticisms persist. The competitive nature of the startup landscape, regulatory burdens, and a high cost of living can pose obstacles to early-stage ventures. Critics argue that more should be done to address these issues and ensure equal access to support programs for all entrepreneurs, regardless of their background or location.

Chapter 4: Case studies: a comparison between Italian and Israeli startups

4.1 Research Objective and Hypothesis

The study presented in these pages seeks to answer a precise research question: "What are the factors that promote or hinder the creation, start-up, development and diffusion of start-ups in Italy and Israel?"; more specifically, the study aims to investigate the effect of government interventions implemented in recent years in Italy and Israel to support national entrepreneurship.

In order to answer these questions, it was decided to carry out an online survey of employees of Italian and Israeli start-ups, complemented with the qualitative data derived from interviews with founders, managers and employees of start-ups based both in Italy and Israel.

Generally speaking, it can be hypothesised that in Israel there is a socio-economic and political context that is more fertile for the development of start-ups, and that Italian citizens are also more inclined to take a business risk by virtue of a culture and history that promotes entrepreneurship, know-how and is not intimidated by the possibility of failure. Moreover, as shown in the previous sections, the Israeli government, unlike the Italian one, has launched numerous initiatives to support youth entrepreneurship: this factor should play a critical role in promoting the development of start-ups in the Middle East country.

In order to test these hypotheses, it was decided to administer questionnaires and semi-structured interviews to employees and company managers living in the two contexts considered in order to hear, from the voices of those directly involved, their opinion on the subject.

4.2 Methodology

The presented study is divided into two parts: a quantitative survey aimed at assessing the set of knowledge, skills, beliefs and attitudes of start-up founders and employees from Italy and Israel and a qualitative study carried out by means of semi-structured interviews with Israeli and Italian start up founders and employees.

4.3 Case Study 1: Quantitative Survey

The survey's purpose was to compare Italian and Israeli start-ups on a series of variables that were deemed relevant based on the literature analysis presented in the first chapters of this paper, such as organisational structure, organisational culture

organisational structure, support received from institutions, and sources of funding.

4.3.1Participants

A total of 104 people took part in the study, including 54 Italians (51.9%) and 50 Israelis (48.1%): these were young men and women equally divided by gender, who were either employees (51%) or founders (49%) of start-ups. More specifically, the founders of Israeli start-ups who answered the questionnaire numbered 19, while the Italian ones numbered 32; the employees of Israeli start-ups who answered the questionnaire numbered 31, while the Italian ones numbered 22.

Country

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	Israele	50	48,1	48,1	48,1
	Italia	54	51,9	51,9	100,0
	Totale	104	100,0	100,0	

table 4. 1

What is your role in the startup?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	Employee	53	51,0	51,0	51,0
	Founder	51	49,0	49,0	100,0
	Totale	104	100,0	100,0	

table 4. 2

4.3.2 Procedures

The information of interest was obtained through the administration of self-report questionnaires. The questionnaires were administered from May 2023 until June 2023. Data were acquired via the Google Forms platform. Each participant was sent a link via e-mail or social network (Facebook, Whatsapp, LinkedIn, etc.) through which they were redirected to the abovementioned platform. Each person specified the purpose of the survey and was asked to consent to the study.

4.3.3 The questionnaire

Data were collected in a questionnaire divided into four sections

main sections:

- organisational structure;
- institutional support;
- organisational challenges;
- characteristics of the start-ups.

In the section on organisational structure, three questions were included to identify the number of employees within the company, the type of structure of the start-up (hierarchical, flat matrix) and how decisions are made in the company (by top management, employees or collaboratively).

In the section on institutional support, respondents were asked to indicate whether their start-up had received financial support from the government (yes, no, other), the extent of this support (high, medium, low), the main source of funding (Venture capital, Angel investors, Crowdfunding, Bootstrapping, Other) and how the environment in which start-ups are placed in the country was perceived (favourable, neutral, unfavourable).

In the section on organisational challenges, participants were asked to indicate which was the biggest challenge their start-ups faced (funding, market competition, regulatory compliance) and how high the level of "entrepreneurial culture" in the country (low, medium, high).

Lastly, a final set of questions asked them to indicate in which field the company operated, how long it had been on the market (less than a year, 1-3 years, 3-5 years, more

than five years), where the company was based; as well as to indicate their role within the start-up (founder, employee, etc.).

4.3.4 Data analysis

The data analysis was conducted with the statistical processing programme SPSS for Windows, version 27. The number of subjects considered in the survey was determined after conducting a Power Analysis with the programme G*Power. This programme determined that, at a level of $\alpha = .05$ and a power of .80, at least 51 participants per group were required and, thus, a total sample of 102 persons.

Descriptive statistics were calculated to investigate the response frequencies of each participant to all the items making up the questionnaire regarding the total number of subjects and the two subgroups considered, i.e. employees of Italian or Israeli start-ups. The non-parametric chi-square test was used to assess whether response frequencies differed between the two subsamples. This test compares the response frequencies of the two subsamples by testing the null hypothesis that the frequency distribution is the same between the groups considered. If the test provides significant results, it is possible to reject the null hypothesis and conclude that there are differences between the groups being compared.

The results were considered significant at a p-value $\leq .05$.

4.3.5 Results of the quantitative study: Frequency analysis

The participants who took part in the survey are mainly employed in start-ups with a matrix (43.4%) or hierarchical (39.4%) structure, while the flat type is less frequent (17.3%). These people work in start-ups operating in different market sectors, including agriculture, blockchain, cyber-security, information technology, software, entertainment, education, food and beverage and many others.

Which of the following best describes your startup's organizational structure?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	Flat	18	17,3	17,3	17,3
	Hierarchical	41	39,4	39,4	56,7
	Matrix	45	43,3	43,3	100,0
	Totale	104	100,0	100,0	

table 4. 3

Within these start-ups, decisions are typically taken collaboratively between managers and employees (53.8%) or in a top-down manner, i.e. by managers alone (43.3%); only in rare cases (1.9%) are decisions taken by employees in a bottom-up approach; finally, in a single case concerning a company with three owners, decisions were taken by majority vote (1%).

		Frequency	Frequency %	Cumulative
Validi	Bottom-up (by employees)	2	1,9	1,9
	Collaboratively (by management and employees)	56	53,8	55,8
	Top-down (by management)	45	43,3	99,0
	We are 3 co-founder, by majority	1	1,0	100,0
	Totale	104	100,0	

table 4. 4

About government subsidies and initiatives to support youth entrepreneurship, 67.3% of the respondents stated that the company where they work has benefited from recent

legislative measures adopted in the two states, while 19.2% reported that such subsidies had never been obtained; 13.5% were not sure whether they had benefited from subsidies or funding.

Have you received any government support or funding for your startup?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	Maybe	14	13,5	13,5	13,5
	No	20	19,2	19,2	32,7
	Yes	70	67,3	67,3	100,0
	Totale	104	100,0	100,0	

table 4. 5

However, institutional support is generally evaluated very positively (45.2%) or moderately positively (45.2%); only 9.6% state that they evaluate government initiatives to support entrepreneurship negatively.

How would you rate the level of institutional support for startups in your country?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	High	47	45,2	45,2	45,2
	Low	10	9,6	9,6	54,8
	Medium	47	45,2	45,2	100,0
	Totale	104	100,0	100,0	

table 4. 6

The sources of investment are manifold: most of the start-ups considered benefited from crowdfunding (33.7%), followed by Bootstrapping (25%), Angel Investors (20.2%) and

Venture Capital (19.2%); two participants did not provide a valid answer to this question (1.9%).

What are the major sources of funding for your startup?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi		2	1,9	1,9	1,9
	Angel investors	21	20,2	20,2	22,1
	Bootstrapping	26	25,0	25,0	47,1
	Crowdfunding	35	33,7	33,7	80,8
	Venture capital	20	19,2	19,2	100,0
	Totale	104	100,0	100,0	

table 4. 7

Most respondents considered the start-up ecosystem favourable to the development of youth entrepreneurship and micro-entrepreneurship initiatives (57.7%), while 36.5% considered the same ecosystem as essentially neutral. Lastly, a small percentage of respondents (5.8%) claimed that the start-up ecosystem is unfavourable.

How would you rate the regulatory environment for startups in your country?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	Favourable	60	57,7	57,7	57,7
	Neutral	38	36,5	36,5	94,2
	Unfavourable	6	5,8	5,8	100,0
	Totale	104	100,0	100,0	

table 4. 8

The greatest difficulty encountered by start-ups, according to employees and founders, is the need to find financing (37.5%); other critical issues are the competitiveness of rival companies in the market (28.8%) and the ability to comply with state law standards (26.9%); only a few participants mentioned the ability to grow and develop (1%) or the need to find time to commit to their entrepreneurial activity (1%) as difficulties.

What are the major challenges your startup faces?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi		5	4,8	4,8	4,8
	Funding	39	37,5	37,5	42,3
	Growth	1	1,0	1,0	43,3
	Having enough time	1	1,0	1,0	44,2
	Market competition	30	28,8	28,8	73,1
	Regulatory compliance	28	26,9	26,9	100,0
	Totale	104	100,0	100,0	

table 4. 9

Regarding the level of entrepreneurial culture, participants typically claimed it to be high in 54.8% of cases, medium in 24% of cases and low in 21.2% of cases.

How would you rate the overall level of entrepreneurial culture in your country?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	High	57	54,8	54,8	54,8
	Low	22	21,2	21,2	76,0
	Medium	25	24,0	24,0	100,0
	Totale	104	100,0	100,0	

table 4. 10

The majority of the respondents work within very young start-ups that were created within the last three years (57.7%) or even very young, i.e. started within the last 12 months (25%); only 17.3% of the respondents state that they have been working within a start-up for between 3 and 5 years (11.5%) or even more than five years (5.8%).

What is the age range of your startup?

		Frequenza	Percentuale	Percentuale valida	Percentuale cumulata
Validi	1-3 years	60	57,7	57,7	57,7
	3-5 years	12	11,5	11,5	69,2
	Less than 1 year	26	25,0	25,0	94,2
	More than 5 years	6	5,8	5,8	100,0
	Totale	104	100,0	100,0	

table 4. 11

4.3.6 Results relative to the comparison between Israel and Italy

An initial piece of data relating to the comparison between Italian and Israeli start-ups concerns the size of the organisations, which appear to be made up of a greater number of employees in Israel (M=21.3 employees; SD=34.57), although the difference in the number of employees of Italian companies (M=12.5 employees; SD=8.78) is not statistically significant (t= 1.81; p = .073).

Country	Media	N	Deviazione std.	Minimo	Massimo
Israele	21,34	50	34,575	5	250
Italia	12,54	54	8,780	3	60
Totale	16,77	104	25,058	3	250

table 4. 12

Regarding the type of structure of the Italian and Israeli start-ups, the results did not reveal significant differences between the two (χ^2=3.65; p = .161): in both cases, the structure appears to be matrix or hierarchical with a lower frequency of flat structured companies.

Contingency Table

			Which of the following best describes your startup's organizational structure?			Totale
			Flat	Hierarchical	Matrix	
Country	Israele	Conteggio	5	22	23	50
		% entro Country	10,0%	44,0%	46,0%	100,0%
		Residui stand.	-1,2	,5	,3	
	Italia	Conteggio	13	19	22	54
		% entro Country	24,1%	35,2%	40,7%	100,0%
		Residui stand.	1,2	-,5	-,3	
Totale		Conteggio	18	41	45	104
		% entro Country	17,3%	39,4%	43,3%	100,0%

Chi-Squared

	Valore	df	Sig. asint. (2 vie)
Chi-quadrato di Pearson	3,649[a]	2	,161
Rapporto di verosimiglianza	3,771	2	,152
N. di casi validi	104		

table 4. 12, table 4. 13

Concerning centrality in the decision-making process, a significant result was observed (χ^2=15.07; p = .002): in particular, there was a greater propensity to make decisions in a participatory manner in Italy (68.5% of cases compared to 38% in Israel). In Israel, on the other hand, it is customary to leave the burden of decision-making to management (62% of cases compared to 25.9% in Italy).

Tavola di contingenza

			How are decisions made within your startup?			
			Bottom-up (by employees)	Collaboratively (by management and employees)	Top-down (by management)	Majority (3 founders)
Country	Israele	Conteggio	0	19	31	0
		% entro Country	0,0%	38,0%	62,0%	0.0%
		Residui stand.	-1,0	-1,5	2,0	-,7
	Italia	Conteggio	2	37	14	1
		% entro Country	3,7%	68,5%	25,9%	1.9%
		Residui stand.	,9	1,5	-1,9	,7
Totale		Conteggio	2	56	45	1
		% entro Country	1,9%	53,8%	43,3%	1,0%

table 4. 14

Chi-Squared

	Valore	df	Sig. asint. (2 vie)
Chi-quadrato di Pearson	15,076[a]	3	,002
Rapporto di verosimiglianza	16,479	3	,001
N. di casi validi	104		

table 4. 15

Regarding the government support received, the results showed a significant difference between the response percentages provided by Italian and Israeli respondents (χ^2=8.77; p = .012). Specifically, the analysis of the standardised residuals highlighted how Italians, more often than their Israeli colleagues, stated that they did not receive enough support (29.6% compared to 8% of Israelis).

Tavola di contingenza

			Have you received any government support or funding for your startup?			Totale
			Maybe	No	Yes	
Country	Israele	Conteggio	6	4	40	50
		% entro Country	12,0%	8,0%	80,0%	100,0%
		Residui stand.	-,3	-1,8	1,1	
	Italia	Conteggio	8	16	30	54
		% entro Country	14,8%	29,6%	55,6%	100,0%
		Residui stand.	,3	1,7	-1,1	
Totale		Conteggio	14	20	70	104
		% entro Country	13,5%	19,2%	67,3%	100,0%

table 4. 16

Chi-Squared

	Valore	df	Sig. asint. (2 vie)
Chi-quadrato di Pearson	8,773[a]	2	,012
Rapporto di verosimiglianza	9,276	2	,010
N. di casi validi	104		

table 4. 17

In line with these results are also those related to the level of institutional support received, which is perceived differently by Italians and Israelis (χ^2=43.65; p < .001): in fact, such support is perceived as "low" by 18. 5% of those working within Italian start-ups, while in Israel, this percentage is 0%; differently, those who serve within an Israeli start-up - or its founders - report in 78% of cases that the institutional support received was "high". In contrast, in the Italian context, the percentage of those who believe they received considerable support from institutions is 14.8%.

Tavola di contingenza

			How would you rate the level of institutional support for startups in your country?			Totale
			High	Low	Medium	
Country	Israele	Conteggio	39	0	11	50
		% entro Country	78,0%	0,0%	22,0%	100,0%
		Residui stand.	3,5	-2,2	-2,4	
	Italia	Conteggio	8	10	36	54
		% entro Country	14,8%	18,5%	66,7%	100,0%
		Residui stand.	-3,3	2,1	2,3	
Totale		Conteggio	47	10	47	104
		% entro Country	45,2%	9,6%	45,2%	100,0%

table 4. 18,

Table 4. 19

Chi-Squared

	Valore	df	Sig. asint. (2 vie)
Chi-quadrato di Pearson	43,655[a]	2	,000
Rapporto di verosimiglianza	49,989	2	,000
N. di casi validi	104		

Tavola di contingenza

			What are the major sources of funding for your startup?				
			Non risponde	Angel investors	Bootstrapping	Crowdfunding	Venture Capital
Country	Israele	Conteggio	0	11	14	12	13
		% entro Country	0,0%	22,0%	28,0%	24,0%	26,0%
		Residui stand.	-1,0	,3	,4	-1,2	1,1
	Italia	Conteggio	2	10	12	23	7
		% entro Country	3,7%	18,5%	22,2%	42,6%	13,0%
		Residui stand.	,9	-,3	-,4	1,1	-1,1
Totale		Conteggio	2	21	26	35	20
		% entro Country	1,9%	20,2%	25,0%	33,7%	19,2%

Table 4. 20

No significant differences were found between the two groups regarding the main sources of funding for start-ups (χ^2=7.32; p = .120): in general, it can be noted that in Italy, Crowdfunding represents the strategy most used to obtain funding (42.6%), while lower percentages are observed with Angel Investors (18.5%) and Venture Capital (13%); in Israel, there is a greater differentiation of funding sources: 22% Angel Investors, 28% Bootstrapping, 24% Crowdfunding and 26% Venture Capital.

Table 4. 21

Chi-Squared

	Valore	df	Sig. asint. (2 vie)
Chi-quadrato di Pearson	7,316[a]	4	,120
Rapporto di verosimiglianza	8,165	4	,086
N. di casi validi	104		

table 4. 24

Tavola di contingenza

			How would you rate the regulatory environment for startups in your country?			Totale
			Favourable	Neutral	Unfavourable	
Country	Israele	Conteggio	48	2	0	50
		% entro Country	96,0%	4,0%	0,0%	100,0%
		Residui stand.	3,6	-3,8	-1,7	
	Italia	Conteggio	12	36	6	54
		% entro Country	22,2%	66,7%	11,1%	100,0%
		Residui stand.	-3,4	3,7	1,6	
Totale		Conteggio	60	38	6	104
		% entro Country	57,7%	36,5%	5,8%	100,0%

Further significant differences between the two countries can be seen with the evaluation of the start-ups' regulatory ecosystem (χ^2=57.95; p < .001): specifically, in Italy, this environment is mainly evaluated as "neutral" (66.7%), while in Israel it is mainly evaluated as "favourable" (96%). Once again, therefore, the fact emerges that Italian companies find it more difficult to receive support and communicate with institutions.

Chi-squared

table 4. 23

	Value	Df	Sig. asint. (2 ways)
Chi-squared	57,953	2	,000
Rapporto di verosomiglianza	68,302	2	,000
N. casi validi	104		

Contingency Table

			What are the major challenges your startup faces?					
				Funding	Growth	Having enough time	Market competition	Regulatory compliance
		Conteggio	5	13	1	0	20	11
	Israel	**%entro Country**	10,00%	26,00%	2,0%	0,0%	40,00%	22,00%
		Residui stand.	1,7	-1,3	-,7	,7	1,5	-,7
Country								
		Conteggio	0	26	0	1	10	17
	Italia	**%entro Country**	0,0%	48,1%	0,0%	1,9%	18,5%	31,5%
		Residui Stand.	-1,6	1,3	-,7	,7	-1,4	,6
Totale		**Conteggio**	5	39	1	1	30	28
		%entro Country	4,8%	37,5%	1,0%	1,0	28,8%	26,9%

Table 4. 25

Concerning the main challenges faced by a start-up, significant differences emerged between the two countries compared (χ^2=15.82; p = .007). While in Italy, the main difficulty is financing and access to credit (48.1%) - and secondarily the possibility of complying with regulations (31.5%) - in Israel, it is the possibility of remaining competitive in the market (40%) and only secondarily the possibility of obtaining financing (26%) or complying with regulations (22%).

Chi-quadrato

Table 4. 26

	Valore	df	Sig. asint. (2 vie)
Chi-quadrato di Pearson	15,822[a]	5	,007
Rapporto di verosimiglianza	18,661	5	,002
N. di casi validi	104		

Tavola di contingenza *Table 4.27*

			How would you rate the overall level of entrepreneurial culture in your country?			Totale
			High	Low	Medium	
Country	Israele	Conteggio	47	0	3	50
		% entro Country	94,0%	0,0%	6,0%	100,0%
		Residui stand.	3,7	-3,3	-2,6	
	Italia	Conteggio	10	22	22	54
		% entro Country	18,5%	40,7%	40,7%	100,0%
		Residui stand.	-3,6	3,1	2,5	
Totale		Conteggio	57	22	25	104
		% entro Country	54,8%	21,2%	24,0%	100,0%

Significant differences between the two countries are also found in the level of entrepreneurial culture (χ^2=60.39; p < .001), which is typically evaluated as "medium" (40.7%) or "low" (40.7%) in Italy, while in Israel it is considered "high" (94%). In Israel, there seems to be a greater propensity on the part of people to start up entrepreneurial initiatives because it is possible to receive subsidies and aid from the government and because historical-cultural factors have led Israeli citizens to consider the possibility of starting a company as desirable. In contrast, in Italy, an antiquated view still looks positively at fixed jobs and employee status.

Table 4. 28

Chi-squared

	Valore	df	Sig. asint. (2 vie)
Chi-quadrato di Pearson	60,393[a]	2	,000
Rapporto di verosimiglianza	72,732	2	,000
N. di casi validi	104		

4.4 Study 2: Qualitative study

4.4.1 Participants

Two start-up founders in Israel (Tel Aviv) and Italy (Rome) participated in the study. The details of the participants are summarised in the table below.

COMPANY	COMPANY ROLE	NATIONALITY
Vision Studio s.r.l.	Founder	Italy
Believyn	Founder	Israel

Tabella 5.1 – informations regarding the partecipants

4.4.2 Interview description

Each participant took part in a semi-structured interview that took place online via the Google Meet platform. A total of 7 questions were planned concerning aspects related to the creation, management and development of start-ups. In particular, there were questions concerning the motivations behind the choice to start up, the expected benefits, and the reactions to this choice by loved ones and significant others; further questions were aimed at identifying the main critical issues entrepreneurs face and assessing government interventions to support entrepreneurship. The final question aims to identify the hopes and expectations of those who had chosen to found a start-up. The complete list of questions can be found in the table below (table XXX). All interviews were conducted online and recorded (after obtaining consent from the interviewees) to be transcribed. The average duration of the interviews was approximately 35 minutes.

QUESTION	TOPIC
Preparatory question: Can you tell me what your organisation is about and define your role?	Description of the company and your role
Preparatory question: Can you tell us a typical working day?	Working practices
What motivated you to start a start-up?	Motivations behind the behaviour
What benefits did you expect to receive from starting this entrepreneurial activity?	Expected benefits
What were the reactions of those close to you when you started a start-up?	Culture of reference
What are the main critical issues you encounter when starting a start-up in your country?	Critical issues
How have current regulations and government interventions facilitated or hindered your activity?	Government intervention
What actions would be needed to foster the full development of the start-up ecosystem in your country?	Expectations and hopes for the future

Tabella 5.2 – Domande rivolte agli intervistati

4.4.3 Analytical Strategy

The data obtained through the interviews were analysed using text analysis, following the transcription operations. Categories were created for each topic into which the answers were classified, and an interpretation of the collected data was then provided for each category. Finally, similarities and differences between the Israeli and Italian founders' answers were highlighted.

Interview 1

The first interview was conducted with Francesco De Santis, the founder and Chief Executive Officer (CEO) of Vision Studio s.r.l, a newly established (2022) innovative start-up operating in the market related to Blockchain technology, in the Non-Fungible Token - NFT sector. In particular, Vision Studio s.r.l. , offers, on the national and international market, an innovative and design solution for the fruition of digital/NFT works of art (physical frames with integrated monitors equipped with a particular technology that allows the exhibition of the works in digital format). Any image, in fact, once inserted into the Blockchain, is associated with a HASH code that can make any digital file unique and recognisable, transforming it into an asset that can be exchanged on the market. The start-up analysed, therefore, proposes a unique and innovative device, born from the ideas of three young university students from Rome and designed for a particular target clientele, represented by the niche market that is expert and passionate about the Blockchain and NFT sector, to which an exclusive product is offered, born from the combination of the client's taste and Vision's artistic style.

Within this company, team members are called upon to collaborate and exchange information continuously, both within special briefings held in the mornings and informally during work shifts. The different teams work synchronously or asynchronously, using collaborative tools to write code, perform tests and share updates.

The reasons that led the founder to start the start-up, the strong individual interest in the world of start-ups, entrepreneurship and new technologies (which had led him to create web platforms with peers for the provision of services already in his teenage years) are mentioned above. The expected benefits of starting an entrepreneurial activity are those associated with the possibility of satisfying one's needs for self-fulfilment and personal

development, getting in touch with the best experts, designers and suppliers in the sector, striving for excellence, and contributing to our country's innovation.

In the interview, Francesco De Santis states that he received ample support in the start-up of his initiative from relatives, friends and acquaintances but not from the institutions, as the projects were often blocked by a bureaucracy that was considered out of step with the times. Further critical issues were encountered in obtaining funds and access to credit, which is more difficult in Italy, especially if one compares the national situation with that of other countries that instead provide more support to young entrepreneurs. According to the interviewee, simplifying bureaucracy and administrative processes would be an appropriate way to favour the full development of the start-up ecosystem in Italy, reducing the complexity and time needed to obtain authorisations and permits. This would allow entrepreneurs to focus more on innovation and business growth and reduce economic and regulatory concerns. Furthermore, the interview emphasises the importance of fostering an entrepreneurial culture and initiating a cultural process that values possible failures as learning opportunities.

Furthermore, tax breaks could further foster geo-young entrepreneurship, the national economy, the birth of innovative start-ups and the development of entire market sectors. Open dialogue with Italian institutions could improve the regulatory framework and ensure a favourable environment for developing innovative start-ups.

Interview 2

The second interview was conducted with Daniel Ilan Raccah, co-founder of Believyn. This start-up invests in the talent of third parties, financially and morally supporting young talents in personal and professional growth. It is a stock market in which there are individuals instead of companies. Organisational life is extremely dynamic and needs to be more standardised; activities are carried out individually or in groups, and interactions between colleagues and superiors occur informally. Long-term goals must, in turn, be achieved by attaining intermediate, medium-term and short-term objectives. Again, the motivations behind the decision to start up are entirely personal and can be traced back to the desire to offer all people the opportunity to make the most of their potential, which

could be recovered with help and support. In this regard, Daniel Ilan Raccah cites the example of the influencer Khaby Lame who, thanks to the social networks TikTok and Instagram, began to receive a great deal of notoriety that led him in a very short time to become the person with the most followers in the world. The idea was, therefore, to invest in people with talent to enable them to succeed. From the start-up, the founders only expected to be able to do well for other people by allowing them to achieve success and visibility by carrying out enjoyable and fulfilling activities.

Regarding the critical issues faced by the founder of Believyn, he reports none: he says that the start-up ecosystem in Tel Aviv allows anyone to enter the market and try to achieve the desired success as it is quite easy to access credit or public and private sources of investment. On the other hand, existing regulations and government interventions have yet to facilitate or hinder start-ups. The need to foster the full development of the start-up ecosystem through further tax breaks, especially for venture capitalists, is partly lamented; in addition, other virtuous actions would be the introduction of bonuses to finance early-stage start-ups and investments to be made in university hubs.

4.5 Discussion

The study sought to answer the following research questions: *"What are the factors that promote or hinder the creation, start-up, development and diffusion of start-ups in Italy and Israel?"* and *"what was the effect of the government interventions implemented to promote and foster the development of youth entrepreneurship in these two countries?*".
In this regard, both the results of the quantitative study and the results of the qualitative study showed that in Israel, young entrepreneurs perceived greater support from the state, both in terms of access to the credit system and lower level of bureaucracy related to the start-up of a bussiness. The development of start-ups in Italy is a relatively recent phenomenon. In fact, until about ten years ago in our country, there was a minimal number of such enterprises, namely about 100 (Innovup - Italian Innovation & Start-Up Innovation, 2022), while today, the number of start-ups in Italy is about 14,000. As seen in the graph below, the number of such companies increased dramatically in 2017 and then showed a contraction in 2020. However, growth has yet to be homogeneous in all

Italian regions. While in Lombardy and Latium, the number of Start-Ups has increased significantly in other geographical areas, a similar growth rate cannot be observed.

The political will of successive governments over the years to focus on youth entrepreneurship, new technologies and innovation as levers for the national economy and employment has certainly contributed to this diffusion, as we will read below. This has also led to a considerable increase in the Italian entrepreneurial fabric's knowledge and expertise in the emerging high-tech sector; moreover, but not least, it has had the result of attracting business angels and national and international investors who have chosen to allocate resources to the development of specific start-ups. According to data published by the EY Venture Capital Barometer (2022), investments in Italian Start-Ups exceeded EUR 2 billion in 2022, an increase of 67.3% compared to 2021, when investments totalled just over EUR 1.2 billion. Geographically, Lombardy is the region with the highest number of Start-Ups and which manages to obtain the most funding and contributions from investors appear to be present to a lesser extent than in the northern regions. In terms of sectors of interest, the largest investments were observed in the fintech sector (EUR 712 million), mainly thanks to the creation of very recent Start-Ups such as Satispay and Scalapay. Next comes the Energy & recycling sector, with around EUR 346 million raised, mainly thanks to the creation of the start-up Newcleo. Finally, a further particularly healthy sector is Health & Life Sciences (EUR 284 million in investments). By adopting policies to support entrepreneurship, Israeli rulers were more adept than Italian ones at creating an ecosystem that would allow these businesses to develop, create jobs and support the entire national economy. More importantly, it would appear that an entrepreneurial culture has been created in Israel, to a greater extent than in Italy, which leads young people to seek to realise their desires and not to seek the tranquillity and stability guaranteed by a permanent job (which still appears to be a goal to achieve for many young Italians).

Israeli entrepreneurs also have a greater spirit of initiative, which is also based on the possibility of accepting failure, which is not seen as a fault but rather as a learning opportunity or a necessary step towards success. These are findings that are in line with what has been argued in the literature (e.g. Senor & Singer, 2011; Breschi et al., 2018) and that suggest, especially to Italy, to review and modernise the conceptions related to

the entrepreneurial world, to doing business and the very idea of success and failure, as well as to work on improving the conditions of the national start-up ecosystem. Although there are virtuous examples in Italy in the field of start-ups, the figures for our country are far from those of Israel, where new start-ups are continuously growing thanks to government support and private funding. It is also worth noting that there are great differences between Italians and Israelis in terms of the degree of responsibility they feel for their work: while Israelis consider themselves to be active agents of both the eventual success and the eventual failure of their start-ups, Italians are more often inclined to look externally for the causes of possible failure (usually sought in the lack of availability of funds or the lack of support received from institutions).

Conclusion

The outcomes of this study have yielded responses to the research question posited at the outset of the fifth chapter of this paper, namely, "What are the factors that promote or hinder the creation, start-up, development, and diffusion of start-ups in Italy and Israel?" Unquestionably, government interventions and the support extended by institutions for nurturing start-ups assume a pivotal role in this context. Undoubtedly, enhancing access to credit for aspiring entrepreneurs constitutes the fundamental basis for ameliorating an ecosystem that is still perceived, in Italy, as inhospitable and excessively bureaucratic.

In particular, the results of the quantitative study, corroborated by the insights gleaned from the interviews conducted during the qualitative study, underscore the differing concerns and challenges confronting Italian and Israeli entrepreneurs. Italians contend with issues intertwined with the prospect of obtaining government support, securing access to credit, and complying with extant regulations. Conversely, Israelis are chiefly preoccupied with competitiveness and the furtherance of business expansion. In this vein, it appears that a cultural shift in Italy is imperative. On one front, institutions must recognize start-ups as a resource for enhancing the nation's economy and competitiveness. On the other, entrepreneurs themselves must cultivate a more sanguine outlook towards the future, nurturing ambitious ideas that often remain unrealized due to apprehensions of failure.

From a pragmatic standpoint, the results indicate the necessity for two-pronged measures to augment the Italian start-up ecosystem. Firstly, there is a compelling need to furnish greater support for youth entrepreneurship initiatives, facilitated by the streamlining of bureaucratic processes and improved access to credit for start-ups. Secondly, targeted communication campaigns are warranted to inculcate a more pronounced entrepreneurial spirit among young Italians.

In this context, the recent initiatives launched in Italy starting in 2017, which have previously seen success in other nations, aimed at boostering youth entrepreneurship in the so-called Special Economic Zones (SEZs), i.e., geographic regions (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily) that can benefit from different legislation than that in place in the nation, bodes well.

It is still premature, as of now, to gauge the efficacy of these initiatives. Nevertheless, they undoubtedly represent an auspicious beginning towards invigorating

entrepreneurship among young Italians residing in regions where credit access is particularly challenging. The results obtained thus far are encouraging. For instance, in Sardinia, the number of active start-ups in the region surged by 71 percent in 2022 when compared to data from March 2020. Similarly, in Campania, this increase averaged an impressive 39.4 percent per annum. Notably, Puglia and Sicily also demonstrated substantial enhancements (Ministry of Enterprise and Made in Italy, 2023).

The effectiveness of these initiatives necessitates vigilant monitoring, assessing the benefits accruing not merely in the short term but also over the medium and long term. Furthermore, it is hoped that additional government backing may enhance the competitiveness of the Italian start-up ecosystem, even in regions devoid of Special Economic Zones (e.g., Lombardy or Lazio). Such a prospect could augment Italy's appeal to foreign investors. In this regard, this research has also elucidated that crowdfunding represents the most prevalent form of financing in Italy, while in Israel, financing methods exhibit a greater degree of diversification.

Similarly, there is an imperative for ongoing studies that continually monitor the perceptions of young entrepreneurs concerning the Italian start-up ecosystem. Such research stands to yield fresh data instrumental for crafting interventions aimed at promoting the proliferation of start-ups in Italy and invigorating the entrepreneurial spirit among young Italians.

The data obtained in this study also confirm a personal impression I formed during a six-month period in which I had the opportunity to live, study, and work in the Israeli city of Tel Aviv. Conducting a purely personal comparison between the Israeli work environment and the Italian one, which I was already familiar with, my impression was precisely that in Israel, I observed individuals who had no fear of failure or presenting their projects, nor did they have concerns about securing funding or dealing with the bureaucratic red tape that often slows down Italian entrepreneurs. In Israel, people choose to initiate numerous activities because they are supported by a vibrant and non-competitive ecosystem, in which everyone feels a desire to assist others and contribute to the nation's well-being and development.

My hope is that a similar ecosystem can soon develop in Italy, as such an outcome would bring benefits to both young entrepreneurs and the entire nation.

However, the study presented has limitations, which could be remedied by preparing new research. The first limitation is represented by the very characteristics of the participants, whose number can by no means be considered representative of the entire population (consisting of all the employees and founders of the Israeli and Italian start-ups); furthermore, the employees and founders who responded to the survey operate in very different start-ups on different market sectors, and even this cannot allow the results obtained to be generalised. Also, the interviews were only conducted with two persons whose opinions cannot be made to coincide with those of all the founders of the start-ups in the two countries considered.

Furthermore, the study conducted is transversal and therefore does not allow for the identification of cause-effect relationships between the variables considered, nor does it allow for the investigation of long-term phenomena that could have been observed by conducting a longitudinal study.

Finally, all the data used in this survey were collected with the aid of self-report questionnaires, which are not free from the risk due to social desirability effects, and the respondents tried to provide a better assessment of themselves. Repeating such a study using a larger sample, a longitudinal study design, and objective measures for evaluating individual companies would provide a deeper understanding of the differences between Israeli and Italian start-ups.

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www.hofstede-insights.com/country-comparison-tool?countries=israel%2Citaly

SUMMARY

The term 'start-up' has become widely used over the years among politicians, economic development agencies, universities and, in general, all those involved in entrepreneurship at various levels. However, providing a clear and universally accepted definition of 'start-up' is challenging (Cockayne, 2019; Montani, Gervasio & Pulcini, 2020). The earliest definitions (Birley & Westhead, 1994) described start-ups as new and small businesses started by freelancers within micro-entrepreneurship projects. Other authors (e.g. Granlund et al., 2005) have defined start-ups based on factors such as the speed of growth (which should be high) and the target sector (information technology, communication, biotechnology and industry), referring to them as 'New Economic Firms'. Again, David and Foster (2005) identified several characteristics that a start-up should possess to be defined as such: a number of employees between 50 and 150, started no more than ten years ago, independence and being limited to a specific geographical area.

Some examples of successful global start-ups are the experiences of Apple, Facebook (now Meta), Google and Tesla, new forms of business that have taken off thanks to the intuition of young entrepreneurs who have focused on technology, while in Italy, the cases of ScalaPay, Yoox, E-commerce, Depop, King (creator of Candy Crash), companies founded in Italy or by Italians abroad that have increased both profitability and the number of employees in a short time, are highlighted.

Experiences of successful start-ups can thus be found in all countries of the world. However, there are proportionally more start-ups in some countries where large investments have been made in innovation technology and high-tech. Israel, for example, is the perfect case, a small state that covers an area of 20,255 km^2 and has a total of about 9.5 million inhabitants and more than 7,000 start-ups. It is also worth noting that in Israel, the percentage of start-ups that manage to scale up is 4%, which is even higher than in the US, which stops at 1%. Cities like Tel Aviv have the attention of well-known Israeli and international companies such as Google, Amazon, Tesla, and Alphabet. Specifically, numerous multinationals have launched initiatives to finance Israeli start-ups and have also taken steps to hire and financially support young Israeli talents to work in their

research and development groups. Such actions have produced remarkably positive results, contributing to the growth of many productive sectors (e.g. in the hi-tech field).

In contrast, in Italy, a country that covers an area of 302,073 km2 and has 58,851,000 inhabitants, there are 14,708 start-ups. It is, therefore, interesting to understand the political, economic, financial, historical, social and cultural reasons that influence the growth in the number of start-ups in a specific country. For this reason, a comparison was made between the Italian and Israeli business realities by conducting an online survey involving employees and owners of start-ups based in these two states.

A first characteristic of Israeli start-ups is that they present a flat organizational structure with few hierarchical levels, in which relationships between colleagues appear less formal. Decisions are made taking into account the opinions of employees. In particular, the analysis of the organizational culture of these companies, defined by Schein (1985, 2000) as the set of values, beliefs, principles, ideas, ways of thinking, opinions and knowledge, and assumptions shared by the members of an organization that determine how a group perceives, evaluates and deals with the stimuli present (Petitta & Martinez-Corcoles, 2022) within a situation, it can be argued that Israeli start-ups are characterized by a technocratic organizational culture (Enriquez, 1970) in which the widely shared core values are professional skills, rationality and initiative, i.e. factors that assume importance in technologically advanced and highly market-oriented fields of work (e.g. cybersecurity, artificial intelligence and biotech). In such a reality, there is a particular reliance on rationality while the sphere of passions and affections is largely removed; particular reliance is also placed on goal orientation, which must be realized through the organization's members' personal resources and creative contributions. Authority takes on the dynamic function of encouraging and optimizing the performance of individuals and groups through initiative, the ability to renew oneself and creative production. The employees of a start-up can satisfy their needs for self-assertion and success by optimally performing their work according to ways that the organisation highly values. Again, great importance is attached to the organization's members' effectiveness, efficiency, performance, success, and professional capacity-building. Perfection and professional development are strongly supported, analytical and diagnostic skills are stimulated, and open-mindedness is encouraged that optimizes the data of reality because of the

achievement of objectives on which, however, critical reflection is not always solicited. Personal relationships are characterized by fluidity and an absence of formalism, high competition, and the daily commitment to prove oneself 'always up to scratch' can become stressful. Such a culture directs one's attention towards qualitative and quantitative results, and with it, the logic of fulfilment is overcome in favour of the logic of the objective. The technocratic culture demands a great deal of dedication and perseverance from its members and is supported by a strongly meritocratic system of incentives and career development. As mentioned in the previous paragraphs, moreover, Israeli companies are characterized by a global mindset that has developed over time in response to the need to reach and honour trade agreements with foreign markets rather than responding to local market needs.

Differently, Italian start-ups typically have a strongly hierarchical organizational structure in which employees have well-defined roles, tasks and responsibilities. The focus is mainly on compliance with working practices and practices. Concerning organizational culture, i.e., the set of artefacts, principles and values that regulate everyday life, as well as the company's mission and objectives, Italian start-ups are characterized by a strong orientation towards respect for rules and hierarchies. Within these companies, a high degree of formality and a strong centralization of decision-making power can be observed, often exercised by the owners. The mindset of Italian start-ups is frequently local and thus oriented towards the domestic market only; even the development of partnerships and collaborations is often initiated with Italian companies only, while collaborations with foreign companies, whether European or located in other continents, are less frequent. The organizational culture and the company's mindset strongly depend on the service offered and the reference sector. In any case, a common trait among most Italian start-ups is the strong emphasis placed on design and aesthetics, especially for companies operating in luxury, fashion, food and beverage and handicrafts.

A comparison between Italy and Israel reveals numerous differences in the way of doing business: In Italy, there is a strong belief that starting a start-up is an activity that should only be carried out by young entrepreneurs. For example, in Italy, it is a common belief that university professors should not engage in non-academic activities (e.g. starting up businesses) as their role would be to transmit knowledge and skills to students. On the contrary, in Israel, when a university professor contributes, even through a publication,

to the realisation of an innovative product that has an effect in the real world, such conduct becomes a cause for applause and encouragement.

Other significant differences concern access to funding: in Israel, start-up financiers and investors place a great deal of trust in domestic companies and are used to supporting companies through very high investments, especially in the early stages of project development, i.e. at a time when there is a need to invest large amounts of capital in order to acquire the technologies required to launch the start-up. In Israel,, average investments amount to $3 billion, while in other countries (including Italy), such capital rarely exceeds half a million dollars.

Both domestic and foreign venture capital is widespread in Israel, as are Angel Investors, i.e., those who have achieved success thanks to funding received from others and now intend to reinvest their money in dynamic, young and ambitious projects (typically in technology sector). At the same time, there is a strong drive on the part of Corporate VCs to seek out innovative start-ups to finance or acquire in order to integrate them into their activities. In Israel, the Cybersecurity and Artificial Intelligence sectors, in particular, are particularly developed, as it is possible to use the knowledge and technologies developed by the military to support entrepreneurial initiatives: consider that in 2021 start-ups operating in these sectors grossed more than USD 6 billion by creating as many as nine unicorns.

Israel once more began a $70 million program in 2022 to encourage entrepreneurship among Arab communities to boost inclusivity and the Middle Eastern region's economy. In Italy, on the other hand, funding for start-ups is considerably less frequent, and when present, it constitutes state contributions to entrepreneurship that only rarely exceed €100,000.

On a personal level, it is believed that young Israelis are more inclined to entrepreneurial activities, to be open to new innovative ideas, more creative and willing to explore and have more life experiences. In Italy, on the other hand, many young people still seek the tranquility and stability guaranteed by a fixed job and the possibility of taking on the role of the employee in someone else's company; young people also appear less curious and less open to change, but more afraid of change and the idea of failure.

All these differences reflect profound cultural differences between the two countries. In this regard, considering the contributions of Hofstede (1980), it is possible to argue that

the culture of belonging contributes significantly to determining which values, expectations, and needs are of greater importance in the lives of individuals (Markus & Kitayama, 1991), providing them with a common basis for interpreting the events that take place in external reality and also guiding the choice of life goals to pursue in order to achieve happiness as well as the most appropriate ways and strategies to realise one's desires (Constantine & Sue, 2006); Uchida et al., 2004). Taking this perspective, it can be argued that cultures shape and give meaning to individual experiences (Kitayama & Markus, 2000), including work experiences.

The study presented in these pages seeks to answer a precise research question: "What are the factors that promote or hinder the creation, start-up, development and diffusion of start-ups in Italy and Israel?"; more specifically, the study aims to investigate the effect of government interventions implemented in recent years in Italy and Israel to support national entrepreneurship.

In order to answer these questions, it was decided to carry out an online survey of employees of Italian and Israeli start-ups, complemented with the qualitative data derived from interviews with founders, managers and employees of start-ups based both in Italy and Israel.

Generally speaking, it can be hypothesised that in Israel there is a socio-economic and political context that is more fertile for the development of start-ups, and that Italian citizens are also more inclined to take a business risk by virtue of a culture and history that promotes entrepreneurship, know-how and is not intimidated by the possibility of failure. Moreover, as shown in the previous sections, the Israeli government, unlike the Italian one, has launched numerous initiatives to support youth entrepreneurship: this factor should play a critical role in promoting the development of start-ups in the Middle East country.

In order to test these hypotheses, it was decided to administer questionnaires and semi-structured interviews to employees and company managers living in the two contexts considered in order to hear, from the voices of those directly involved, their opinion on the subject.

The presented study is divided into two parts: a quantitative survey aimed at assessing the set of knowledge, skills, beliefs and attitudes of start-up founders and employees from

Italy and Israel and a qualitative study carried out by means of semi-structured interviews with Israeli and Italian start up founders and employees.

The survey's purpose was to compare Italian and Israeli start-ups on a series of variables that were deemed relevant based on the literature analysis presented in the first chapters of this paper, such as organisational structure, organisational culture, organisational structure, support received from institutions, and sources of funding.

A total of 104 people took part in the study, including 54 Italians (51.9%) and 50 Israelis (48.1%): these were young men and women equally divided by gender, who were either employees (51%) or founders (49%) of start-ups.

The information of interest was obtained through the administration of self-report questionnaires. The questionnaires were administered from May 2023 until June 2023. Data were acquired via the Google Forms platform. Each participant was sent a link via e-mail or social network (Facebook, Whatsapp, LinkedIn, etc.) through which they were redirected to the abovementioned platform. Each person specified the purpose of the survey and was asked to consent to the study.

Data were collected in a questionnaire divided into four sections main sections: organisational structure, institutional support, organisational challenges and characteristics of the start-ups. In the section on organisational structure, three questions were included to identify the number of employees within the company, the type of structure of the start-up (hierarchical, flat matrix) and how decisions are made in the company (by top management, employees or collaboratively). In the section on institutional support, respondents were asked to indicate whether their start-up had received financial support from the government (yes, no, other), the extent of this support (high, medium, low), the main source of funding (Venture capital, Angel investors, Crowdfunding, Bootstrapping, Other) and how the environment in which start-ups are placed in the country was perceived (favourable, neutral, unfavourable). In the section on organisational challenges, participants were asked to indicate which was the biggest challenge their start-ups faced (funding, market competition, regulatory compliance) and how high the level of "entrepreneurial culture" in the country (low, medium, high). Lastly, a final set of questions asked them to indicate in which field the company operated, how long it had been on the market (less than a year, 1-3 years, 3-5 years, more than five

years), where the company was based; as well as to indicate their role within the start-up (founder, employee, etc.). The data analysis was conducted with the statistical processing programme SPSS for Windows, version 27. Descriptive statistics were calculated to investigate the response frequencies of each participant to all the items making up the questionnaire regarding the total number of subjects and the two subgroups considered, i.e. employees of Italian or Israeli start-ups. The non-parametric chi-square test was used to assess whether response frequencies differed between the two subsamples. The results were considered significant at a p-value $\leq .05$.

Regarding the qualitative study, two start-up founders in Israel (Tel Aviv) and Italy (Rome) participated in the research. Each participant took part in a semi-structured interview that took place online via the Google Meet platform. A total of 7 questions were planned concerning aspects related to the creation, management and development of start-ups. In particular, there were questions concerning the motivations behind the choice to start up, the expected benefits, and the reactions to this choice by loved ones and significant others; further questions were aimed at identifying the main critical issues entrepreneurs face and assessing government interventions to support entrepreneurship. The final question aims to identify the hopes and expectations of those who had chosen to found a start-up. All interviews were conducted online and recorded (after obtaining consent from the interviewees) to be transcribed. The average duration of the interviews was approximately 35 minutes.

The data obtained through the interviews were analysed using text analysis, following the transcription operations. Categories were created for each topic into which the answers were classified, and an interpretation of the collected data was then provided for each category. Finally, similarities and differences between the Israeli and Italian founders' answers were highlighted. The first interview was conducted with Francesco De Santis, the founder and Chief Executive Officer (CEO) of Vision Studio s.r.l, a newly established (2022) innovative start-up operating in the market related to Blockchain technology, in the Non-Fungible Token - NFT sector. The second interview was conducted with Daniel Ilan Raccah, co-founder of Believyn. This start-up invests in the talent of third parties, financially and morally supporting young talents in personal and professional growth.

Both the results of the quantitative study and the results of the qualitative study showed that in Israel, young entrepreneurs perceived greater support from the state, both in terms of access to the credit system and lower level of bureaucracy related to the start-up of a bussiness.

The outcomes of this study have yielded responses to the research question posited at the outset of the fifth chapter of this paper, namely, "What are the factors that promote or hinder the creation, start-up, development, and diffusion of start-ups in Italy and Israel?" Unquestionably, government interventions and the support extended by institutions for nurturing start-ups assume a pivotal role in this context. Undoubtedly, enhancing access to credit for aspiring entrepreneurs constitutes the fundamental basis for ameliorating an ecosystem that is still perceived, in Italy, as inhospitable and excessively bureaucratic.

In particular, the results of the quantitative study, corroborated by the insights gleaned from the interviews conducted during the qualitative study, underscore the differing concerns and challenges confronting Italian and Israeli entrepreneurs. Italians contend with issues intertwined with the prospect of obtaining government support, securing access to credit, and complying with extant regulations. Conversely, Israelis are chiefly preoccupied with competitiveness and the furtherance of business expansion. In this vein, it appears that a cultural shift in Italy is imperative. On one front, institutions must recognize start-ups as a resource for enhancing the nation's economy and competitiveness. On the other, entrepreneurs themselves must cultivate a more sanguine outlook towards the future, nurturing ambitious ideas that often remain unrealized due to apprehensions of failure.

From a pragmatic standpoint, the results indicate the necessity for two-pronged measures to augment the Italian start-up ecosystem. Firstly, there is a compelling need to furnish greater support for youth entrepreneurship initiatives, facilitated by the streamlining of bureaucratic processes and improved access to credit for start-ups. Secondly, targeted communication campaigns are warranted to inculcate a more pronounced entrepreneurial spirit among young Italians.

In this context, the recent initiatives launched in Italy starting in 2017, which have previously seen success in other nations, aimed at boostering youth entrepreneurship in the so-called Special Economic Zones (SEZs), i.e., geographic regions (Abruzzo,

Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily) that can benefit from different legislation than that in place in the nation, bodes well.

It is still premature, as of now, to gauge the efficacy of these initiatives. Nevertheless, they undoubtedly represent an auspicious beginning towards invigorating entrepreneurship among young Italians residing in regions where credit access is particularly challenging. The results obtained thus far are encouraging. For instance, in Sardinia, the number of active start-ups in the region surged by 71 percent in 2022 when compared to data from March 2020. Similarly, in Campania, this increase averaged an impressive 39.4 percent per annum. Notably, Puglia and Sicily also demonstrated substantial enhancements (Ministry of Enterprise and Made in Italy, 2023).

The effectiveness of these initiatives necessitates vigilant monitoring, assessing the benefits accruing not merely in the short term but also over the medium and long term. Furthermore, it is hoped that additional government backing may enhance the competitiveness of the Italian start-up ecosystem, even in regions devoid of Special Economic Zones (e.g., Lombardy or Lazio). Such a prospect could augment Italy's appeal to foreign investors. In this regard, this research has also elucidated that crowdfunding represents the most prevalent form of financing in Italy, while in Israel, financing methods exhibit a greater degree of diversification.

Similarly, there is an imperative for ongoing studies that continually monitor the perceptions of young entrepreneurs concerning the Italian start-up ecosystem. Such research stands to yield fresh data instrumental for crafting interventions aimed at promoting the proliferation of start-ups in Italy and invigorating the entrepreneurial spirit among young Italians.

However, the study presented has limitations, which could be remedied by preparing new research. The first limitation is represented by the very characteristics of the participants, whose number can by no means be considered representative of the entire population (consisting of all the employees and founders of the Israeli and Italian start-ups); furthermore, the employees and founders who responded to the survey operate in very different start-ups on different market sectors, and even this cannot allow the results obtained to be generalised. Also, the interviews were only conducted with two persons whose opinions cannot be made to coincide with those of all the founders of the start-ups in the two countries considered.

Furthermore, the study conducted is transversal and therefore does not allow for the identification of cause-effect relationships between the variables considered, nor does it allow for the investigation of long-term phenomena that could have been observed by conducting a longitudinal study.

Finally, all the data used in this survey were collected with the aid of self-report questionnaires, which are not free from the risk due to social desirability effects, and the respondents tried to provide a better assessment of themselves. Repeating such a study using a larger sample, a longitudinal study design, and objective measures for evaluating individual companies would provide a deeper understanding of the differences between Israeli and Italian start-ups.