



# Compliance Guidelines and their Cultural Context

**Corinna Elisabeth Frommelt**

University of Salzburg Business School, Austria;  
University of Latvia, Latvia

## Abstract

Cultural influences are aspects that cannot be resisted, even in an internationally networked and globalized world. This raises the question, to what extent compliance regulations and guidelines are also influenced by national cultures? With the help of a qualitative document analysis of three compliance documents from the EU, the US and China and the cultural dimensions according to Hofstede as the theoretical underpinning, the author was able to find identical elements in the compliance programs, such as training and auditing, but also national focuses. The design of the national guidelines is characterized by the trade-off between international legal standards or the same legal attitudes of countries, which is why existing guidelines may be used as a template for other countries, and the respective national priorities and cultural differences at the same time. However, from a cultural perspective, hardly any specifics could be identified in the documents. The results intend to represent an initial starting point for further research to determine whether (at least in the textual formulation) compliance guidelines should be given cultural adaptations in order to achieve a stronger compliance intention, whereby compliance documents for multinational companies or a group of states such as the EU certainly may pose challenges.

**Keywords:** compliance, national compliance guidelines, compliance programs, culture, dimensions of culture

## 1. Introduction

According to a recent study, German multinational corporate groups had over 33,000 subsidiaries worldwide in 2018, with the largest number of subsidiaries outside Germany being in the United States (US), the United Kingdom, France, China and the Netherlands (Statistisches Bundesamt Destatis, 2022). However, it is often the cultural differences that can become challenges and require management to be aware of the different cultures and country-specific values. It is therefore not surprising that there large stock of literature on the subject of how challenges arising from cultural differences should be addressed by management such as cross-cultural management (Adler, 1983a, 1983b; Adler et al., 1986; Chevrier, 2003; Negandhi, 1983; Søderberg & Holden, 2002) or the management of multicultural teams (Brett et al., 2020; Zander & Butler, 2010).

In the context of compliance, this gives rise to questions, such as what should the compliance program of an internationally operating company look like in order to take into account the culture and values of the employees and will this possibly result in a greater willingness to comply? Should national compliance programs be created with cultural differences in their content and design to foster compliance intention? These central questions are rarely dealt with in compliance research. The author therefore takes the opportunity to analyze the current status quo of different national compliance guidelines as a first step to assess whether and to what extent there are currently differences in the compliance programs content and design, such as specific compliance program elements or whether a "one-size-fits-all" approach is being pursued over countries. This paper aims to build a better understanding, to what extent the compliance programs are currently affected by culture and national values to provide the basis for further research. As a starting point, the author decides to analyze compliance programs of three economically strong countries and with apparently different cultures: the US, China and Germany.

Since the author considers cultural aspects<sup>1</sup> of the different national compliance programs, the cultural dimensions according to Hofstede et al. (2010) are used as the theoretical underpinning of this paper. The author uses a qualitative document analysis to evaluate the different national compliance programs in terms of content and cultural characteristics. Detected similarities or differences between the different compliance guidelines help to present the national characteristics. The paper concludes with the summarized results and points out future research need, also in view of the limitations of the paper.

## **2. Theoretical Background**

There is a huge bundle of definitions of culture, but it necessary to characterize culture in a precise way (Goldstein, 1957). It is important to understand, that the culture of a country can be understood as "a set of likely reactions of citizens with a common mental programming" (Hofstede et al., 2010, p. 191). The dimensions of national cultures according to Hofstede et al. (2010) are a frequently used theory in research, as the dimensions describe the national values of a country in a structured and vivid manner, which is why this theory is also used for this paper. Geert Hofstede carried out a statistical analysis on the national values of employees of the subsidiaries of International Business Machines (IBM), examining different areas (Hofstede et al., 2010, p. 30).

Those areas can be understood as dimensions of cultures, whereby "a dimension is an aspect of a culture that can be measured relative to other cultures" and the countries can then be characterized by a score of the different dimensions (Hofstede et al., 2010, p. 31). In the following section the different dimensions will be presented in detail and since the author will analyze the different compliance programs of the US, China and Germany, the different dimension scores of those countries are listed in the following tables. Index values (scores) may develop over time, in this paper the published data of Hofstede et al.(2010) based on the IBM database and the World Values Survey and are used.

### **2.1. Power Distance (from small to large)**

Power distance is defined "as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede et al., 2010, p. 61). Power distance refers to a country's dependence relationships,

---

<sup>1</sup> Cultural aspects in the sense of different national values; company culture is not considered in this paper.

whereby subordinates in countries with small power distance have a low dependence on their bosses, consult and contradict them (Hofstede et al., 2010, p. 61). There is a mutual dependency between superiors and subordinates, whereby compromises are being sought (Hofstede, 1983, p. 51). Subordinates in countries with large power distance however, will not contradict their bosses, since they have a large dependence on their bosses, which can be either perceived favorably or unfavorably by subordinates (Hofstede et al., 2010, p. 61).

Table 1: Index scores of the cultural dimension Power Distance

	United States	China	Germany
<i>Power Distance Index Scores</i>	40	80	35

Source: Table created by the author, based on Hofstede et al. (2010, pp. 57–59)

Table 1 shows that China has quite high power distance index scores compared to the US or Germany, which means that in China employees have a strong dependence relationship with their supervisors. In the context of compliance, a successful strategy for China could be for the respective managers to introduce the compliance programs and, in particular, for the managers to be trained in compliance, who then in turn, as knowledge carriers, convey the content of the compliance programs in close cooperation with their employees. For the US and Germany, however it becomes more important for supervisors to be open for discussions and queries in term of the compliance program, e.g. discussions about expected behavior.

## 2.2. Individualism versus Collectivism

Individualism refers to loose connections and taking care of oneself and close family, while collectivism is connected with a lifetime affiliation to an in-group characterized by unconditional loyalty (Hofstede et al., 2010, p. 92). In social science, in-groups describe the “we”-feeling, whereas out-groups are linked to “they” (Hofstede et al., 2010, p. 16). Central aspects of this dimension can be seen in work goal items: in individualistic cultures, time for one own and the family as well as freedom for own ideas and personal challenges at work are important, while in collectivistic cultures, training possibilities, good physical conditions at work and a comprehensive use of skills are seen as more important (Hofstede et al., 2010, pp. 92–93). Interestingly, there are more societies in the world characterized by collectivism (Hofstede et al., 2010, p. 90).

Table 2: Index scores of the cultural dimension Individualism versus Collectivism

	United States	China	Germany
<i>Individualism Index Scores</i>	91	20	67

Source: Table created by the author, based on Hofstede et al. (2010, pp. 95–97)

The high index scores of individualism for the US show that employees probably need individualized training on a compliance program, e.g. online training that the employee can schedule himself, tailored to the respective person, e.g. special content for a sales colleague compared to a colleague in production. The internal organization of compliance officers or representatives could also be decentralized so that individual persons assume and implement compliance responsibility for certain areas (as opposed to a central department with several colleagues). The compliance program could also support formulations that emphasize the role of the individual in the company with regard to compliance. According to the scores, presented in table2, this tendency towards individualism can also be seen in Germany, whereas China is more collectivistic. For China, group training is therefore more likely to be considered, as well as a delegation or a group of employees who address the topic of compliance in an organization. Formulations in the compliance program that emphasize the sense of unity could also be helpful.

### 2.3. Masculinity versus Femininity

Gender roles are another central aspect of each society, but the terms “masculine” and “feminine” are to be seen as relative terms (Hofstede et al., 2010, pp. 137–138). In a masculine society, there is a distinction of emotional gender roles (e.g. men are expected to be assertive), in a feminine society, the emotional gender roles of men and women may be the same (e.g. men as well as women are expected to be tender) (Hofstede et al., 2010, p. 140). Work goals of a masculine society are e.g. the opportunities of high earnings, to receive the appropriate recognition for their own performance, the opportunity to advance to higher positions and personal challenging work, while feminine cultures refer to work goals such as a good relationship to direct managers, well cooperating colleagues, attractive living area for themselves and their families as well as the security of keeping their job (Hofstede et al., 2010, p. 139).

Table 3: Index scores of the cultural dimension Masculinity versus Femininity

	United States	China	Germany
<i>Masculinity Index Scores</i>	62	66	66

Source: Table created by the author, based on Hofstede et al. (2010, p. 141)

As can be seen in Table 3, all three countries have very similar masculinity scores. Financial incentives could be provided for compliant behavior to reflect the more masculine culture.

### 2.4. Uncertainty Avoidance (from weak to strong)

Hofstede et al. (2010, p. 191) define uncertainty avoidance “as the extent to which the members of a culture feel threatened by ambiguous or unknown situations”, whereby they feel stressed and therefore require predictable situations as well as (un)written rules. Strong uncertainty avoidance refers to the fear of uncertain situation such as the abolition of rules or terminating your own employment relationship (Hofstede, 1983, p. 53).

Table 4: Index scores of the cultural dimension Uncertainty Avoidance

	United States	China	Germany
<i>Uncertainty Avoidance Index Scores</i>	46	30	65

Source: Table created by the author, based on Hofstede et al. (2010, pp. 193–194)

Table 4 summarizes the scores for the countries to be analyzed regarding the culture dimension uncertainty avoidance. In terms of uncertainty avoidance, Germany has the highest scores of the three countries, which means that German employees need a clear and comprehensive set of rules in their compliance programs in order to feel comfortable in unfamiliar situations when dealing with compliance. The lower scores from the US and especially China suggest that employees in these countries are less afraid of new compliance situations, which suggests that the compliance guidelines require less detailed descriptions and explanations. Based on the scores, formulations in German compliance programs are expected to be less abstract and summarizing, but rather concrete and without room for interpretation.

### 2.5. Long-term versus short-term orientation

Long-term orientation is linked to values, which refer to rewards in the future such as e.g. thrift, whereby short term orientation is liked to values, that refer to the present or past such as traditions or saving face (Hofstede et al., 2010, p. 239). There are diverse differences between long-term and short-term oriented cultures with regard to business: for short-term oriented cultures look for this year’s profit, consider guidelines about right and wrong as universal, feel satisfied in their contribution to rectify injustice, while long-term oriented ones

are interested in future profits (ten years), consider guidelines depending on situations and do not feel satisfied in their contribution to rectify injustice (Hofstede et al., 2010, p. 251).

Table 5: Index scores of the cultural dimension Long-term versus short-term orientation

	United States	China	Germany <sup>2</sup>
Long-term orientation Index Scores	26	87	83

Source: Table created by the author, based on Hofstede et al. (2010, pp. 255–257)

Based on the scores presented in table 5, the US are to be considered as short term oriented, while China and Germany tend to be long-term oriented. In the US, short-term goals should therefore be more closely linked to the compliance program, e.g. zero violations for the current calendar year. While in China and Germany, goals could also be formulated for the long-term, e.g. striving to be a leading company in terms of compliance in 5 years by expanding further compliance efforts. In the US, compliance programs should help to improve direct, day-to-day work situations with regard to compliance, whereas in China and Germany, compliance programs could already take future scenarios into account, making it easier to develop compliance programs.

## 2.6. Indulgence versus Restraint

This latest dimension is related to fun and enjoyment of life, while indulgence can be seen as the attitude for free fun and enjoyment, while restraint stands for the perceived need of regulation of fun and enjoyment through social norms (Hofstede et al., 2010, p. 281). Indulgent cultures are more optimistic, have less moral discipline and perceive a personal life control, while restrained cultures are more pessimistic, have moral discipline and feel helpless (no control over own situation) (Hofstede et al., 2010, p. 291).

Table 6: Index scores of the cultural dimension Indulgence versus Restraint

	United States	China	Germany <sup>3</sup>
Indulgence versus Restraint Index Scores <sup>4</sup>	68	24	40

Source: Table created by the author, based on Hofstede et al. (2010, pp. 282–284)

According to the scores listed in table 6 and the descriptions of Hofstede et al. (2010), China and also Germany can be considered as quite restrained, which means that those countries probably show strong moral discipline with regard to the compliance program. Since the US tend to be more indulgent, compliance programs are expected to highlight the need to follow and stick to the compliance rules.

Derived from the indices of the cultural dimensions, significant cultural differences between the US, China and Germany for most of the dimensions become obvious.

## 3. Methodology

The author uses a qualitative document analysis, since it is an empirical, interpretive approach without the aim of generalization (Altheide, 2000, p. 290). In the context of a document analysis, any kind of printed or electronic documents are systematically reviewed and evaluated, such as e.g. books, newspapers, charts and maps, program proposals, organisational or institutional reports, public records (Bowen, 2009, pp. 27–28). The iterative procedure of skimming, reading and interpretation of the documents contains characteristics

<sup>2</sup> Additional index scores for Germany E: 78

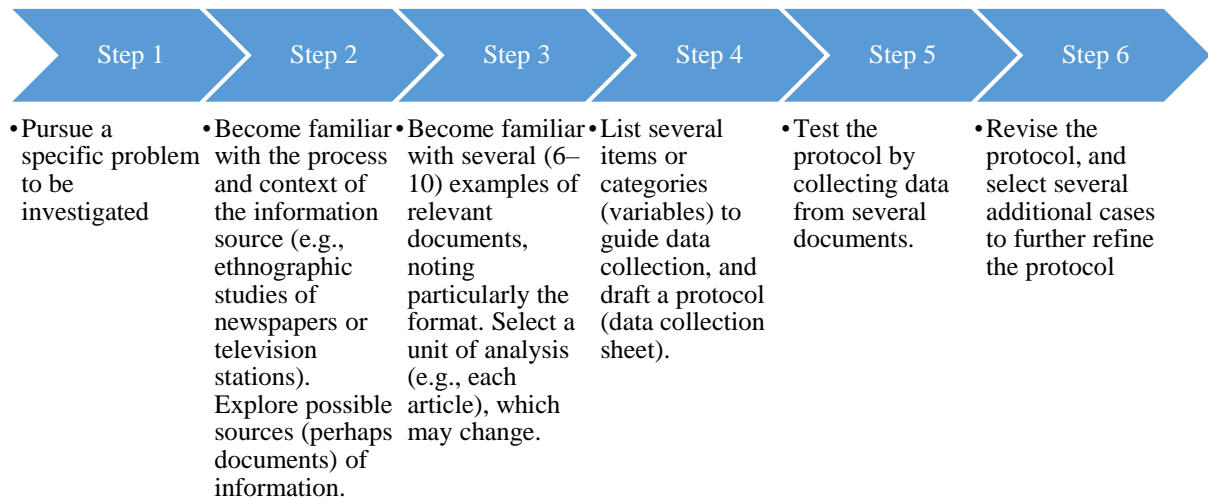
<sup>3</sup> Additional index scores for Germany E: 34

<sup>4</sup> High scores refer to indulgence, low score refer to restraint.

of a content and thematic analyses, which develop categories based on the research question or on the data (Bowen, 2009, p. 32).

Altheide and Schneider (2013) describe the following six steps as the process of a qualitative document analysis, presented in figure 1.

Figure 1: Six steps of a qualitative document analysis



Source: Figure created by the author based on Altheide and Schneider (2013, pp. 39–45)

- **Step 1:** “Pursue a specific problem to be investigated” (Altheide & Schneider, 2013, p. 39)

Aim of this qualitative document analysis is to compare the compliance programs of the US, Germany and China to identify content and design related differences and similarities within the context of their respective cultures.

- **Step 2:** “Become familiar with the process and context of the information source (e.g., ethnographic studies of newspapers or television stations). Explore possible sources (perhaps documents) of information.” (Altheide & Schneider, 2013, p. 39)

As a source the author used search engines on the Internet to find respective instructions, guidelines or handbooks, that describe national compliance programs, preferably published by an official authority. The document search proved to be quite difficult to find documents with the same objective to provide guidance on the design and implementation of compliance programs. It was particularly difficult for China to find an official document or a document with national scope. For Germany, the author decided not to research a purely national document, but an European document, since European regulations also apply to Germany as a member state of the EU.

Previous literature research helped to identify relevant documents, since some authors in the field of compliance refer to official recommendations or national guidelines (e.g. Sample, 2015, p. 298; Schonfelder et al., 2016, p. 445). Schonfelder et al. (2016, p. 445) for example mentions, that the different compliance program elements of the Chinese Business Leaders Forum’s Business Integrity Handbook, are in line with those of other national standards.

- **Step 3:** “Become familiar with several (6–10) examples of relevant documents, noting particularly the format. Select a unit of analysis (e.g., each article), which may change.” (Altheide & Schneider, 2013, p. 39)

As the analysis concerns very specific documents, of which there are not many, the author has decided to concentrate on the following three documents.

- COMMISSION RECOMMENDATION (EU) 2019/1318 of 30 July 2019 on internal compliance programmes for dual-use trade controls under Council Regulation (EC) No 428/2009
- United States Sentencing Commission, Guidelines Manual, §3E1.1 (Nov. 2021)
- China Business Leaders Forum, Business Integrity Handbook - Guidance on compliance knowledge, skills and strategies (2012)

Even though the Commission Recommendation (EU) is quite specific related to so called “dual-use items<sup>5</sup>” this guideline is chosen by the author, since also any exporting organizations in the EU are faced with observing the Dual-Use Regulation (EU) 2021/821 and corresponding export controls. Identifying an appropriate document for the analysis of Chinese compliance programs, that was available with an English translation proved difficult, but the Business Integrity Handbook of China Business Leaders Forum (2012), which deals with anti-corruption, was chosen. The Guidelines manual of United States Sentencing Commission (2021), on the other hand, deal with any type of offences, such as offenses against the person, basic economic offenses, offenses involving public officials and violations of federal election campaign laws and many more. The intention of the documents, which is to provide guidance on the topic of compliance (even though in different areas), is recognizable in all three documents, since they represent either official recommendations, manuals or a handbooks.

- **Step 4:** “List several items or categories (variables) to guide data collection, and draft a protocol (data collection sheet)” (Altheide & Schneider, 2013, p. 44)

A qualitative content analysis according to Mayring (2000) is used to build categories inductively on the documents. The categories built from the first document analysis were used as guidance for the analysis of the next document. For each document, the corresponding text passages or headings per category were recorded in tabular form.

- **Step 5:** “Test the protocol by collecting data from several documents.” (Altheide & Schneider, 2013, p. 44)
- **Step 6:** “Revise the protocol, and select several additional cases to further refine the protocol” (Altheide & Schneider, 2013, p. 44)

It was challenging to compare the documents due to the different approaches, which is why the author took the elements from the European Commission (2019) as a starting point and then assigned the elements from China Business Leaders Forum (2012) and United States Sentencing Commission (2021) to the previous built categories and thus table 7 (as a protocol) was extended by further categories and thus further refined.

---

<sup>5</sup> According to the European Commission (2021, p. 5) dual-use items mean “items, including software and technology, which can be used for both civil and military purposes and includes items which can be used for the design, development, production or use of nuclear, chemical or biological weapons or their means of delivery, including all items which can be used for both non-explosive uses and assisting in any way in the manufacture of nuclear weapons or other nuclear explosive devices”.

## 4. Results

Table 7 below shows the categories of the different national compliance programs as a summary with the respective text passages. For better readability in table form, the contents of the United States Sentencing Commission (2021), US §8B2.1 have been partially shortened or summarized by the author. In the following, the content of the compliance programs will be analyzed, and the various cultural dimensions will be applied in a next step.

Table 7: Results of the document analysis of national compliance guidelines

Category /Element	EU - (Internal compliance program (ICP) guidance for dual-use trade controls)	China – Key Principles	US - §8B2.1 (p. 517-522) Effective Compliance and Ethics Program (in United States Sentencing Commission, Guidelines Manual)
<b>Management commitment</b>	1. Top-level management commitment to compliance	1. Top-level commitment	-
<b>Organizational structure &amp; responsibilities</b>	2. Organisation structure, responsibilities and resources	-	(2) (B) High-level personnel - ensure effective compliance and ethics program, - shall be assigned overall responsibility for the compliance and ethics program. (2) (C) Specific individual(s) - with operational responsibility - report periodically to high-level personnel and, as appropriate, to the authorities - adequate resources and direct access to authorities
<b>Training</b>	3. Training and awareness raising	3. Ongoing education and training programmes	(4) (A) periodically communication on standards and procedures, and other aspects of the compliance and ethics program, conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities. (4) (B) comprehensive target group: the members of the governing authority <sup>6</sup> , high-level personnel, substantial authority personnel, the organization's employees, and, as appropriate, the organization's agents.
<b>Auditing</b>	5. Performance review, audits, reporting and corrective actions	4. Effective communication lines and anonymous reporting channels 5. Identifying problem areas through independent monitoring, reviews of business relationship, and auditing of finance and operations	(5) (A) Ensuring that the organization's compliance and ethics program is followed, including monitoring and auditing to detect criminal conduct; (5) (C) to have and publicize a system, which may include mechanisms that allow for anonymity or confidentiality, whereby the organization's employees and agents may report or seek guidance regarding potential or actual criminal conduct without fear of retaliation.

<sup>6</sup> Here and in the following: according to United States Sentencing Commission (2021, 519) "Governing authority" means the (A) the Board of Directors; or (B) if the organization does not have a Board of Directors, the highest-level governing body of the organization".

Category /Element	EU - (Internal compliance program (ICP) guidance for dual-use trade controls)	China – Key Principles	US - §8B2.1 (p. 517-522) Effective Compliance and Ethics Program (in United States Sentencing Commission, Guidelines Manual)
Documentation	6. Record keeping and documentation	9. Documentation	-
Policies and procedures		2. A complete set of written policies, management procedures and code of conducts	(1) The organization shall establish standards and procedures to prevent and detect criminal conduct
Risk assessment	Risk assessment	7. Regular risk assessment	§8B2.1. (c) Periodical risk assessment
Incentives & Sanctions	-	8. Investigative and disciplinary action for violations	(6) Promotion and enforcement of the compliance and ethics program through (A) appropriate incentives (B) appropriate disciplinary measures for engaging in criminal conduct and for failing to take reasonable steps to prevent or detect criminal conduct.
Improvement	-	10. Continual improvement	(5) (B) Periodical evaluation of the effectiveness of the organization’s compliance and ethics program; (7) After criminal conduct has been detected, the organization shall take reasonable steps to respond appropriately to the criminal conduct and to prevent further similar criminal conduct, including making any necessary modifications to the organization’s compliance and ethics program.
Oversight by organization’s highest management	-	-	(2) (A) The organization’s governing authority shall (...) exercise reasonable oversight with respect to the implementation and effectiveness of the compliance and ethics program
Compliant individuals	-	-	(3) Efforts not to include any individual whom the organization knew, or should have known through the exercise of due diligence, has engaged in illegal activities or other conduct inconsistent with an effective compliance and ethics program.

Source: Table created by the author, based on European Commission (2019), China Business Leaders Forum (2012), United States Sentencing Commission (2021)

What is noticeable in the analysis are compliance program elements that capture the content of the text as categories. What is striking in the comparison of the three selected compliance documents is that the EU European Commission (2019) and China Business Leaders Forum (2012) used a similar approach, i.e. clearly naming the element as a heading or bullet point, while the United States Sentencing Commission (2021) approach describes the elements rather in terms of content building on each other, making it rather difficult to clearly delineate the individual elements.

Before United States Sentencing Commission (2021) begins to describe the details of the compliance program, the two essential points of an effective compliance program are described in §8B2.1. (a), which includes due diligence for the prevention and detection of criminal conduct as well as the promotion of organizational culture that fosters ethical

behavior and compliance. The direct mention of an appropriate compliance-fostering culture is particularly interesting and differs significantly from the other two documents in this regard. The program elements described in §8B2.1. (b) are to be understood as a kind of minimum requirements and are intended to implement the two central aspects, which are due diligence and a compliance promoting culture (United States Sentencing Commission, 2021). The European Commission (2019) highlights, that the listed elements are to be seen as core elements, which are necessary to ensure the effectivity of a dual-use trade control internal compliance program (ICP). The document of China Business Leaders Forum (2012) takes a very general approach by describing key principles of a successful compliance program and by pointing out in advance that every company, regardless of factors such as size, location, industry and ownership, should have such a kind of program, not only to defend - in this context- bribery, but also to have such a program as a kind of self-defense in the case of own misconduct, which represent a very interesting and specific point of view.

The aspects such as “transaction screening process and procedures” and “physical and information security” (European Commission, 2019) or “a screen and due diligence model before entering contractual relationship with any business partner or intermediary” (China Business Leaders Forum, 2012) are content related to the specific kind of compliance program - in these cases export controls and bribery - which is why these aspects are not analyzed.

The following two elements are of key importance, since they have been addressed by all three foundations: training, communication, awareness raising as well as auditing, monitoring, reporting. Another aspect that is addressed by all three guidelines, although only in the document of China Business Leaders Forum (2012) as a concrete element, is risk assessment. Next to the listed core elements, also the European Commission (2019) addresses risk assessment. “An ICP needs to be tailored to the size, the structure and scope of the business, and, especially, to the company's specific business activity and related risks” (European Commission, 2019) Other elements are discussed in only two of the guidelines. European Commission (2019) and China Business Leaders Forum (2012) mention elements such as top level commitment und documentation. China Business Leaders Forum (2012) and United States Sentencing Commission (2021) on the other hand address standards and procedures, disciplinary actions or measures, as well as evaluation and improvement of the compliance program. Organizational aspects such as responsibilities and resources are thematized by both the European Commission (2019) and the United States Sentencing Commission (2021). United States Sentencing Commission (2021) also mentions other aspects, such as the involvement of governing authorities, not hiring people with non-compliant behavior, and the promotion of compliance program through incentives.

The results show that some compliance program elements are seen as equally relevant on an international level, even though different priorities may be set nationally. The elements of the compliance program of the national guidelines may overlap in content, which is obvious if the countries have agreed on legal regulations. It is also important to understand that other existing international documents are used as a reference when a new national compliance document is created. It is not surprising that the same or similar elements can be found in the different frameworks. For example, the European Commission (2019) points out that the ICP was developed using several existing export control compliance materials, including the United States Export Control and Related Border Security Program ICP Guide website from 2017. This suggests that the various national compliance programs strongly influence each other, resulting in similar compliance programs internationally.

After focusing on the content and structure of the documents, the cultural dimensions are applied, which leads to unexpected results.

Although China has actually high power distance scores, in their compliance program, management commitment was not more highlighted than in the European compliance program. Since cultures with high power distance scores have a strong relationship to their supervisors and managers, it was expected that this aspect is more highlighted, even though it represents the first element, mentioned in the document, as well as in the European version. Germany, as a member of the EU, has lower values for power distance, as does the US. In the US version, however, management commitment is not mentioned at all.

Regarding individualism, which is common in the US, and collectivism, which is more prevalent in China, there are no obvious differences in the documents, which is a pity, as the textual design could certainly address the cultural differences and emphasize the contribution of the individual to compliance in the US document, as well as the "we-understanding" in the Chinese version. A hint for the individualistically characterized US could be seen in the description „high-level personnel“ and „specific individual(s)“ (United States Sentencing Commission, 2021, 518), which highlights the individual, that takes over the responsibility to ensure compliance.

Indications in the compliance guidelines that correspond more to a masculine tendency could be seen in the aspect of incentives, which may correspond to the appreciation of good compliance behavior. However, incentives are only thematized in this way in the US version.

Germany has the highest uncertainty avoidance scores, followed by the US, while China has the lowest values. Regarding the presentation and description of compliance elements and rules, the American United States Sentencing Commission (2021) describes the compliance program very detailed even with application notes and more as a continuous text compared to the other versions. The European and Chinese documents work with meaningful headings, which gives the content a clearer structure. However, due to Germany's high scores, one might have expected the very detailed description in the European version in order to rule out unexpected situations with regard to compliance. Both, the EU and the US version of the compliance programs address organization and structure as a relevant aspect concerning uncertainty avoidance, which is not the case in China. Recordkeeping and documentation, which can be associated with uncertainty avoidance, can also be found in the European document, as well as in China, but not in the US. Risk assessment, on the other hand, can be found in all three versions. Contradictory to the high values of Germany as a European country is the fact that the aspect "policies and procedures", as an essential element to avoid uncertain situations, is not included, whereas it is in the other two documents.

The long-term orientation of China can actually be noticed in their compliance program description. Adjectives that indicate a longer planning horizon can be found in the document together with some compliance program element, e.g. "ongoing education and training programmes"(China Business Leaders Forum, 2012, p. 39), „regular risk assessment“ and „continual improvement“ (China Business Leaders Forum, 2012, p. 43). However, additions such as "periodically" (e.g. (United States Sentencing Commission, 2021, 519) are also used in the US manual in the context of several compliance program elements, which also indicates a long-term orientation, although the scores of the culture dimension suggest a short-term orientation for the US.

With regard to the dimension "indulgence versus restraint" the US has a tendency towards indulgence, which according to Hofstede et al. (2010, p. 291) is associated with lower moral discipline. For this reason, the manual probably refers to the necessary oversight by the

highest level of management (United States Sentencing Commission, 2021, 517–518), as well as disciplinary measures (United States Sentencing Commission, 2021, 519) to ensure the effectiveness of the compliance program. However, the aspect of disciplinary actions is also addressed in the Chinese document (China Business Leaders Forum, 2012, p. 43), although the index scores for China are more indicative of a restraint culture.

All in all, the results show that there are a significant number of identical compliance program elements that are described in all three or at least two national manuals, as well as differences in content, such as missing or additional aspects. On the other hand, cultural characteristics that are reflected in the manuals can hardly be identified.

## **5. Conclusion**

The aim of this paper was to determine the status quo of current compliance documents in different countries in an initial analysis and to identify potential cultural differences in order to create a starting point for further research. One limitation is that only three compliance documents were compared with each other, which is why the results cannot be generalized. All documents thematize compliance, however in different contexts (e.g. dual-use trade controls). In addition, an EU compliance document was used as a German compliance document, which although it also applies to Germany as a member state of the EU, is compiled for all other EU member states, so that fewer culture-specific features might be expected.

Although there is an overlap of compliance program elements, there are also national focal points. Cultural characteristics according to Hofstede et al. (2010) in terms of the content or textual description of the documents, could hardly be perceived by the author or in some cases contradict the expected cultural tendency. The design of national guidelines is characterized by the trade-off between international standards, the same legislation or legal attitudes of countries and the respective national priorities and cultural differences. For example, COMMISSION RECOMMENDATION (EU) 2019/1318 of 30 July 2019 on internal compliance programs for dual-use trade controls under Council Regulation (EC) No 428/2009 (European Commission, 2019) must be drafted as a valid document for all EU member states, despite the cultural differences between the member states. The creation of documents that are valid for several countries, such as the EU, remains a challenge, as does the design of internal documents (e.g. ICP) for multinational companies.

However, instead of basing the design of guidelines solely on existing manuals from other countries, following the "one-size-fits-all" solution, it should be considered to consciously take cultural characteristics into account, at least in the textual design (regardless of equally applicable content), in order to obtain documents that correspond to the respective national cultures and thus the respective target groups, which in turn may lead to a more effective compliance instrument to foster compliant behavior. In contrast, effective compliance programs could also be aligned across countries, without reflecting the cultural characteristics of the countries. This results in the need for further research to determine, whether compliance guidelines are implemented more effectively by individuals with linguistic and content characteristics that are consciously adapted to the respective culture, e.g. for multinational companies, documents could be created with the cultural characteristics of the respective subsidiary. This could, for example, be researched using the empirical method of an experiment. It should also be taken into account that the author of a document is probably also consciously or unconsciously influenced by his or her own cultural background.

## References

- Adler, N. J. (1983a). Cross-Cultural Management Research: The Ostrich and the Trend. *Academy of Management Review*, 8(2), 226–232. <https://doi.org/10.5465/amr.1983.4284725>
- Adler, N. J. (1983b). Cross-Cultural Management: Issues to Be Faced. *International Studies of Management & Organization*, 13(1-2), 7–45. <https://doi.org/10.1080/00208825.1983.11656357>
- Adler, N. J., Doktor, R., & Redding, S. G. (1986). From the Atlantic to the Pacific Century: Cross-Cultural Management Reviewed. *Journal of Management*, 12(2), 295–318. <https://doi.org/10.1177/014920638601200210>
- Altheide, D. L. (2000). Tracking discourse and qualitative document analysis. *Poetics*, 27(4), 287–299. [https://doi.org/10.1016/S0304-422X\(00\)00005-X](https://doi.org/10.1016/S0304-422X(00)00005-X)
- Altheide, D. L., & Schneider, C. J. (2013). Process of qualitative document analysis. In *Qualitative Media Analysis* (pp. 38–74). SAGE Publications, Ltd. <https://doi.org/10.4135/9781452270043>
- Bowen, G. A. (2009). Document Analysis as a Qualitative Research Method. *Qualitative Research Journal*, 9(2), 27–40. <https://doi.org/10.3316/QRJ0902027>
- Brett, J., Behfar, K., & Kern, M. (2020). Managing Multicultural Teams. In *Organizational Collaboration* (pp. 155–164). Routledge. <https://doi.org/10.4324/9781315881201-17>
- Chevrier, S. (2003). Cross-cultural management in multinational project groups. *Journal of World Business*, 38(2), 141–149. [https://doi.org/10.1016/S1090-9516\(03\)00007-5](https://doi.org/10.1016/S1090-9516(03)00007-5)
- China Business Leaders Forum (2012). Business Integrity Handbook: Guidance on compliance knowledge, skills and strategies, 1–62.
- European Commission (2019). COMMISSION RECOMMENDATION (EU) 2019/1318 of 30 July 2019: on internal compliance programmes for dual-use trade controls under Council Regulation (EC) No 428/2009. *Official Journal of the European Union*.
- European Commission (2021). COMMISSION RECOMMENDATION (EU) COMMISSION RECOMMENDATION (EU) 2021/1700 of 15 September 2021: on internal compliance programmes for controls of research involving dual-use items under Regulation (EU) 2021/821 of the European Parliament and of the Council setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items. *Official Journal of the European Union*, 1–52.
- Goldstein, L. J. (1957). On Defining Culture. *American Anthropologist*, 59(6), 1075–1081. <https://doi.org/10.1525/aa.1957.59.6.02a00110>
- Hofstede, G. (1983). National Cultures in Four Dimensions: A Research-Based Theory of Cultural Differences among Nations. *International Studies of Management & Organization*, 13(1-2), 46–74. <https://doi.org/10.1080/00208825.1983.11656358>
- Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: Software of the mind : Intercultural cooperation and its importance for survival* (Revised and expanded third edition). McGraw-Hill. <https://www.loc.gov/catdir/enhancements/fy1009/2010010437-b.html>

- Mayring, P. (2000). Qualitative Content Analysis. Advance online publication. <https://doi.org/10.17169/fqs-1.2.1089> (Forum Qualitative Sozialforschung / Forum: Qualitative Social Research, Vol 1, No 2 (2000): Qualitative Methods in Various Disciplines I: Psychology).
- Negandhi, A. R. (1983). Cross-Cultural Management Research: Trend and Future Directions. *Journal of International Business Studies*, 14(2), 17–28. <https://doi.org/10.1057/palgrave.jibs.8490516>
- Sample, J. (2015). Compliance and ethics programmes and the Federal Sentencing Guidelines for Organizations in the United States: implications for international HRD specialists. *Human Resource Development International*, 18(3), 295–307. <https://doi.org/10.1080/13678868.2015.1071991>
- Schonfelder, K., Velamuri, S. R., & Liu, W. (2016). Evolution of international and Chinese anti-bribery and corruption compliance programs. *Corporate Governance*, 16(3), 437–451. <https://doi.org/10.1108/CG-07-2015-0097>
- Søderberg, A.-M., & Holden, N. (2002). Rethinking Cross Cultural Management in a Globalizing Business World. *International Journal of Cross Cultural Management*, 2(1), 103–121. <https://doi.org/10.1177/147059580221007>
- Statistisches Bundesamt Destatis. (2022). *German multinational enterprise groups generated 360 billion euros worldwide.* [https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/06/PD22\\_267\\_73.html](https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/06/PD22_267_73.html)
- United States Sentencing Commission (2021). Guidelines Manual, 1-600.
- Zander, L., & Butler, C. L. (2010). Leadership modes: Success strategies for multicultural teams. *Scandinavian Journal of Management*, 26(3), 258–267. <https://doi.org/10.1016/j.scaman.2010.06.002>