A STATOIL PROJECT

Merger, agents and power

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Master Thesis in Sociology

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30.06.2012
Abstract

This master thesis investigates a case study of the experiences of eighteen Statoil project workers in terms of working in a large scale project as a unit in relation to other parts of the organization. Moreover, contextual conditions influence the experiences of the informants, such as the Statoil and Hydro merger of 2007. The informants are of both ex-Hydro and ex-Statoil background.

The data is collected by qualitative interviews of each of the informants in collaboration with two other students of organizational psychology. The interviews were conducted by an open interview guide. The research questions emerged as a result of the analysis of the collected data from the interviews.

Relevant theoretical background for the analysis of the data is first of all Mintzberg’s (1983) structures in five of organization. Mintzberg’s theory is used to describe the various agents of the case, such as the various forms of structuring in the organization that the project informants have to relate to in their work. Hernes’ (1975) model of power is further described and used to discuss what characterizes these various relations in terms of interests, dependency and control. Finally, Martins’ (2002) perspectives on organizational culture and other perspectives on the merger of organizations are elaborated. The theory on organizational culture and mergers is relevant in order to discuss the various perceptions and experiences of the informants, which are also characterized by conflicting interest.

The introduction and chapter four elaborates on some of the organizational differences of the former Hydro and Statoil organizations which were investigated in a previous study on the merger.

The analysis investigates three main research questions evolved around the informants. experiences of the project work. The first research question investigates if the informants still are concerned about the merger. Furthermore, the analysis seeks to disclose if there are any direct or indirect influences of the merger expressed by the informants. Finally, the analysis investigates given the tensions, what are the effects of the informant’s organizational background.
The merger as a concern emerged out the interviews of the informants. First of all they expressed different views on the structure of the organization and the project in relation to their previous organizational background. Mostly the ex-Hydro informants present concern on the organizational structure and system, which appears to be related to the fact the much of the present organizational system are parts kept from ex-Statoil.

In relation to this, there appears to be some indirect and direct influences of the merger, such as collegiums and networks. Those informants of an ex-Statoil background express to have more of a network to relate to in other parts of the organization, something which seems also related to how the present system is in many ways parts from the former Statoil organization.

The project is an organizational unit dependent and related to many other organizational parts, such as the operative organization, support units, governing documents and the organizational values and strategies. Hence, these relations are characterized by interests, control and dependency. However, how these relations are experienced do also differ between the informants, and particularly between ex-Hydro and ex-Statoil informants. Nevertheless, the informants do not present these conflicts of interests as social identities or in “us versus “them” like manners, which is more typical in merged organizations. The conflicts of interests are rather aspects which emerge when the informants express their concerns on the way of doing things in the project and in terms of what they express as most appropriate.

The conflicts of interests or diverging perspectives on the organizational system, such as the governing documents and values seem rooted in a cultural difference of perceptions, expectations and habits. Especially, there appears to be a conflict in terms of the focuses and values, such as safety versus efficiency and cost. Thus, some of the diverging perspectives on the organizational culture seem also to reinforce each other as they are perceived as contradictory.
Acknowledgements

First of all, I want to thank my advisor Fredrik Engelstad for the relevant and valuable guidance on this master thesis.

The greatest appreciation to Statoil for the cooperation, opportunities and experiences it has brought me. Especially, I would like to thank Thomas Bjørn Thomessen for giving us all the opportunities and graciously taking the time to guide and support us, as well as Kristin Ravndal Skjølingstad for continuing the invaluable relation. To all of our kind informants, thank you for sharing all those interesting experiences with us, I hope the result of this study will be of some use to you.

A great salute to all family and friends, the closest, you know who you are. To all my accomplices both at the institute of ISS and PSI thank you for the care and the fun, as well as for the misery and self-pity that got us through the year, “Kunsten å tenke negativt”. And, especially I want to thank Marit for a great companionship these last months.

Tore, this experience would not have been the same without you. I am glad we could do this together, best of luck!

Thank you, Gjertrud and Eirik for all your love and very biased family-oriented support.

To Emil,

Julie Thue Buø

Oslo 26.06.12
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1 Introduction

Organizations, consisting of many people need to entail a combination of goals and objectives, and sometimes even interests that are contradictory and diverging. Moreover, organizations are not stable units in the long run, even though they often outlive the single member. Nonetheless, organizations need one or a few superior goals which make them recognizable and give them identity, although they at the same time have to deal with a combination of interests and objectives (Engelstad 2009: 196).

This study investigates a large scale Statoil project, in terms of a few project workers experiences as members and working people of the organization and project. Statoil consists of approximately 30,000 people and in recent time underwent a merger process. Consequently, this is an organization of many objectives and goals, so the question and research of this study is interested in how these circumstances effects, or is experienced by the project workers in relation to their work. Hence, it seems essential to introduce this study with some of the history and background of the Statoil organization.

1.1 History

In December 2006 two Norwegian industrial giants in oil and gas, Statoil and Hydro, announced that they were going to merge into one integrated organization. The new company would have a total of 31,000 employees, which 5000 of them would be from the former Hydro. Thus, those of an ex-Hydro background are a minority in the post-merged organization.

The merger was a horizontal merger, or in other words they were two different competing companies in the same type of business that decided to go together and become one corporation. The goal was to have international growth, more efficient operations nationally, scale-based efficiencies and expansion into new sources of energy (Colman, Stensaker & Tharaldsen 2011). An important aspect is how different merger motivations call for different types of mergers and integration processes. The merger of Statoil and Hydro was announced as a merger of equals, although they were unequal both in size and share holdings. Helge Lund, the CEO of Statoil, said:
“My main concern was to make sure that our people experienced through our communication and leadership actions that this was a merger of equals. Even though financially I think most people would characterize this as a takeover by Statoil of Hydro, in financial terminology” (Colman, Stensaker & Tharaldsen 2011: 18).

Colman, Stensaker & Tharaldsen (2011) further states that implementation of a merger implies the reassignment and redistribution of resources, authority and responsibilities between individuals and parts of the pre-merger organizations. In a situation like this it is very likely that conflict of interest will appear, like for example one part may experience less control of their interests or the process as “not equal”. Especially, because the merger is announced as an equal process, the members expect to experience an equal process, which might make the process more vulnerable. However, a strategy for and the focus on an equal process establishes a platform of respect for each others’ way of doing things. Much of the literature on mergers claims that leaders and leadership is an essential part of how successful a merger is, by for example understanding the process of the merger and how it affects attitudes, actions and reactions amongst the organizational members (Enehaug & Thune 2007: 25). The Statoil and Hydro merger was thoroughly planned and strategically laid up to avoid the typical merger issues of alienation, stress and resistance to the organizational changes. Hence, the leadership in the two organizations seems to have been aware of the most likely challenges to occur. To plan the merger as an equal process gives an impression of strategy of inclusion and participation of the employees, it can be seen as strategies to prevent the employees from feeling alienated from the process of the merger and their own work.

The goal of the merger of equals was to have an approach to the process with an implicit desire to eliminate the pre-merger identities by “taking the best from both organizations” to create something better that both pre-merger unit employees can identify with (Colman 2011: 233).

Literature on mergers often emphasizes the complexity of organizational culture, such as the human factor of how perceptions are made and in constant negotiation. For this reason, it seems unrealistic that like in a swing of a magic wand one will suddenly accept the “best practice” from another culture and subsequently not have any second thoughts or resistance about the changes. However, “keeping momentum of performing business-as-usual and maintaining focus on the operational activities without becoming too preoccupied with integration issues and politics is subsequently a challenge” (Colman, Stensaker & Tharaldsen...
2011:21). For instance, it is probable to imagine how too much focus on the changes and how they affect or makes the employees feel about them might become a self-fulfilling prophecy, in which challenges of the merger become confirmed and reinforced to the employees. So, perhaps this is the reason as to why, for example, the informants in this study do not express the merger as an official concern, however, they express their own perceptions on the present way of doing things and often comparatively so to their previous organizational experiences.

Riad (2005), an analyst of organizational culture, states that mergers became a typical strategic instrument, and because they often failed this caused organizational culture to become more of a model of explanation to how these processes are so complex in the 1980’s. Theory and models of organizational culture, includes the human factor unlike the more strategic and economical models of explanations. The human factor appeared to be an important and significant factor in terms of the success of mergers.

Stereotypes are often present in mergers and they involve shared believes, attitudes, preferences and preconceptions. Further, researchers of mergers state that to understand the sense making process in an organization, and how identities and self images are created and influence the process of mergers, one should map out and interpret those stereotypes that develops out of a merger (Enehaug & Thune 2007: 23).

However, much literature on mergers is either a normative recipe for success or a discussion of why a merger failed. The Hydro and Statoil merger is in many ways a successful merger, however this study investigates how there are some conflict of cultures on the way of doing things in the organizational life, or more specifically between the interviewed project workers.

**Hydro**

Hydro was established in 1905 and was the beginning of a long industrial development within the fields of agricultural products, metals and alloys at many different locations. After the first allocations of licenses on the Norwegian Continental Shelf in 1964, Hydro developed into a substantial petrochemical industry sector. Moreover, as a company the Hydro culture is described as an organization with close relations and where most problems were solved by developing a consensus through informal meetings and discussions. The corporate culture was characterized by close, personal and informal relations between unions and management. (Falkum & Tharaldsen 2011: 32)
Statoil

Being established in 1972, Statoil was a part of the introduction of several new labor regulation laws, such as the Norwegian Work Environment Act of 1977. The introduction of these laws implied a strong focus on social and psychological working conditions, as well as socio-technical principles for work organizations. For example, all work places with ten employees or more had to establish H&S officers (health and safety officers), and workplaces with 50 or more employees had to establish H&S committees with employee representatives. These legal regulations were a result of a fatal mine working accident at Svalbard in 1963, so the “workers representation was defined as a tool for giving management direct information about working conditions and perceived risks at work” which was assumed to prevent future similar accident or the development of dangerous conditions at work places (Falkum & Tharaldsen 2011: 33). So,

“While the cooperative and democratic arrangements at Hydro were dominated by the idea that labor should be regulated by agreements between employers and employees, the cooperative culture of Statoil was settled in a period dominated by political regulations by laws and legal precedence”. (Falkum & Tharaldsen 2011: 33)

Consequently, this condition of Statoil’s settlement as an organization is or was apparently reflected in their corporate culture of industrial relations. Mostly, because these new legal acts were stressed at the same time as the North Sea exploration and productions sites were initiated, and these operations and processes challenged any previous experience with and knowledge about personal health and safety aspects. Further, the accident of the Alexander Kielland platform in 1980, where 123 workers were killed and another accident in a British sector in 1988 also caused public demands for safety. Hence, this resulted in a strong management focus on safety, as well as issuing of new directives with requirements for education, training, safety courses and other measures in the industrial sector as a whole. Statoil, as a consequence became very influenced by these occurrences and the focus on regulations and laws to secure safety dominated the company’s attitude in industrial relations. (Falkum & Tharaldsen 2011:34).
**Shared identities**

Falkum and Tharaldsen (2011) point out in a part of the book and study *A Merger of Equals*, which is the report of a three year long project study on the Statoil and Hydro merger, that they assume that

“the employees and managers of the two corporations identify with the Norwegian oil activities as a project for national development, and that this shared national identification may soften or reduce the differences in corporate culture and heritage” (Falkum & Tharaldsen 2011: 35)

Organizational theorist, DiMaggio and Powell (1983) argue how the circumstances of external laws, professionalism, and imitation cause a process of isomorphism between organizations; they become more similar. In terms of pre-merger Statoil and Hydro, they have both as Norwegian corporations operating in the North Sea, used much of the same technologies, developed similar skills and have had to follow the same rules and regulations at work. However, Hydro is described as an organization that was more informal and direct, whereas Statoil was developed during the 1970s according to political regulations by legal acts and laws and had more formal corporate industrial relations (Falkum & Tharaldsen 2011:35).

1.2  **The Case**

The case for this study is a post-merged Statoil working project, or more precisely, the study investigates the working experiences of eighteen project workers in a large scale Statoil project. The project consists of workers of both of the two pre-merger organizations and is a project launched post-merger. In many ways, the project is a part of the new Statoil history, as well as a living evidence of how the merger or this new organization is working.

In terms of its relations to the rest of the organization the project is a vulnerable unit, because it is a temporary work place in the organization. A project has a start up phase and an execution phase, or in other words it has a definite beginning and ending. In such a constellation, as a project, the ways of interaction are often more flexible and unstable than in other more persistent parts of an organization. For the reason that, the roles and responsibility has not been fixed or stable for a very long time, which is more the case in other non-project parts of an organization. Moreover, a project in new Statoil is perhaps a place in which the
culture collision or restructuring of ex-Hydro and ex-Statoil is most visible, because projects are considered an ex-Hydro thing or their area of competence, whereas most of the other parts of the new Statoil system are continuations of the ex-Statoil organization.

Thus, after an inductive analysis process of the data collected by the interviews the eighteen project workers in Statoil, the analysis of this study will discuss and elaborate on the following research questions:

- Are the project workers still concerned about the merger?
- In that case, are there any indirect or direct influences of the merger?
- What is the effect of the organizational background given the tensions of the merger?

However, in the beginning of the research to this study the main focus was not actually on the merger itself, but during the interviews and the analysis it became clear that much of the informants’ perceptions and reactions to the functioning and culture of the organization was somewhat linked to their organizational background. Furthermore, the analysis focuses first and foremost on the project workers in an organizational unit in relation to the other parts of the organization; however these experiences seem much influenced by the organizational backgrounds of the informants. Nevertheless, the tensions or conflicts of interests between the informants became clear during the analysis of how the informants experience the control, dependency and power relations between their own positions and interests as project workers in relation to other organizational parts.

### 1.3 Outline of the thesis

This thesis will be further investigated and elaborated upon in the next chapters. First of all, chapter two is a theoretical chapter to lay a foundation for highlighting important aspects of the research questions and analysis in this study. Theoretical models of the functioning of organizations, as well as models of interaction with an emphasis on dependency, interests, control and power will be presented in this chapter. Further, the chapter describes perspectives on organizational culture and discusses some previous research and theory of mergers. The chapter also elaborates further on the research questions for this study and connects relevant terms and mechanism from the theory and models. Chapter three is a methodological elaboration of how the research is conducted, such as what considerations are thought of and how the data is collected. Following this, there is a chapter that describes the
field of inquiry, such as essential parts and units of the organization, which will later be prominent part of the analysis. Hence, this chapter is followed by two chapters of analysis, the first investigates the first main research questions in a more general manner, and finally chapter six analysis discusses and investigates the other main research questions in a more thorough and process oriented manner. Chapter seven is the final part of this thesis in which main findings are combined and presented in a more conclusive approach.
2 A theoretical background

“Action and structure are brought together in an organization. Through organized interaction human actions are transformed into social processes. Organizations provide people with resources and motives and they set the frames for human actions” (Ahrne 1994: vii).

Statoil is a large industrial corporation and working organization, including many different types of functions and parts, such as the project in which the informants of this study are working. In this chapter, theory on the structure and functioning of organizations will be presented, which is relevant to the analysis in terms of understanding the structure of the organization. Further this chapter presents theory on the interactions between agents in the structure, such as Hernes’ (1975) model of power. Other perspectives, such as theory on organizational culture will also be presented, these perspective are relevant in terms of how informants perceive their relations and experiences as project workers within Statoil. Finally, in connection to the theory and the perspectives on organizational culture, some aspects of the implications of mergers and organizations are also elaborated.

2.1 Structure of organizations

Mintzberg (1983) describes organizations as consisting of five parts, technostructure, strategic apex, middle line, and support staff and operating core. The operating core are those members of the organization who perform the basic work related directly to the production and services, they are the heart of the organization and produce the essential outputs to keep it alive. Further, Mintzberg emphasizes that except for perhaps the smallest of organization, the operating core is dependent on administrative components as well. He divides the administrative components into four parts; the strategic apex, the middle line, the technostructure and the support staff. The strategic apex is described as people with the overall responsibility for the organization, including those who provide direct support to the top managers. “The strategic apex is charged with ensuring that the organization serve its mission in an effective way, and also that it serve the needs of those who control or otherwise have power over the organization” (Mintzberg 1983: 13). Organizational owners, government agencies, pressure groups and unions of employees are mentioned as examples of groups that might have power over, or influence organizations, these groups can be seen as both internal
and external forces to the organization. Another part in an organization, the middle line, is what joins the strategic apex to the operating core; the chain of middle-line managers with formal authority. This middle part serve as a link between those who make the strategies, those who perform the strategies, and in between each other; a manager. The technocstructure refers to those in organizations who do analyzing and standardize work processes, outputs and skills. These people, or analyst, are removed from the operating work flow and serve the organization by affecting the work of others. The support staffs are the part in an organization that support the operating core in their work, or provide other services on the side of the actual or main product of the organization. They can be on various levels in the hierarchy depending on the receivers of their service. (Mintzberg 1983: 9-19).

**Functioning of an organization**

In organizations, Mintzberg (1983) differs between the formal authority, the flow of formal power down the hierarchy often presented in an organization chart and the unofficial functioning of an organization. In his view, important power and communication relationships of an organization are not necessarily the ones put down on paper (Mintzberg 1983: 19). An organizational chart or organigram as Mintzberg labels it, should not be ignored but rather put in context. The organigram represents the official structure and channels of authority and regulation of the organization (Mintzberg 1983: 19). In a way, the organizational chart can be said to involve the explicit, or manifest, knowledge in the organization of what and who exercise the authority and control. Further, it also gives us information about what positions exist in the organization, how these are grouped into units and how formal authority flows among them. However, there are relationships that are not presented in an organizational chart, such relations can be in system of *informal communication* and consist of unofficial centres of power in organizations. How the flow of communication is regulated both formally and informal in, what various work constellations and how adhoc decisions processes are structured in an organization also influence the relationships (Mintzberg 1983: 19-21). The informal relationships, or networks, might be what are called the tacit knowledge of an organization. In organizational theory, tacit knowledge is said to be learnt through socialization and internalization. Tacit knowledge represents a personal cognitive map that helps one to navigate through routines, practices, and processes. In an organization, such knowledge fills the gap between what is formally stipulated and what one actually does (Clegg 2008: 346). Whereas the explicit knowledge is the formalized knowledge that can be
consciously thought, communicated and shared (Clegg 2008:346), a typical example would be a hand out of the organizational structure, an organigram.

In spirit of one of the first organizational theorist, Max Weber, Mintzberg stresses the importance to know that his models, or structures, of organizations are all *ideal types* or simplifications of organisational reality. Only by combining all the unofficial relationships of an organization we get a sense of the complexity of the functioning of an organization (Mintzberg 1983: 22).

Further, Mintzberg presents five structures or designs of organizations; simple structure, machine bureaucracy, professional bureaucracy, divisionalized form and adhocracy. The five structures can be said to be both descriptive and normative, because they describe both various structures of organizations and serve as Mintzberg’s ideal types of designing effective organizations.

**A Simple Structure**

An organization with a *Simple Structure* is so called organic, little of its behaviour is formalized, and there is a loose division of labour, little technostructure and few support staffers. Power over important decisions is centralized, so the strategic apex emerges as the key part of the structure. The organization is simple and dynamic, not coordinated by standardization, and central decision making is flexible and allows for rapid response (Mintzberg 1983: 158-59).

**A Machine Bureaucracy**

In the *Machine Bureaucracy*, the prime coordinating mechanism is the standardisation of work process and the technostructure is the key part of the organisation. This structure is the closest to Max Weber’s description of the bureaucracy, involving standardized responsibilities, qualifications, communication channels, and work rules. A clearly defined hierarchy of authority is also an essential component to the *Machine Bureaucracy* (Mintzberg 1983: 163). In distinction to the simple structure, the machine bureaucracy requires management of administration. The organization, in this case, needs a design with detailed planning and standardization, which leads to a bureaucratic system. The structure gives opportunities for mass production, which often focus on simple products in a fairly stable
environment (Clegg 2008: 552). The design is obsessed with control, to be able to mass produce the organisation has to follow the standardizations.

**The Professional Bureaucracy**

The professional bureaucracy is also a design that relies on standardisation, but it relies on a standardisation of skills, not of process as in the machine bureaucracy (Clegg 2008: 552). The key part of the professional bureaucracy is the operating core with their skills and knowledge, for example universities, general hospitals, craft production firms, large consulting firms and school systems (Mintzberg 1983: 189). Whereas the machine bureaucracy is a design of hierarchical nature and formal authority, this design relies on the power of expertise (Mintzberg 1983: 192). Thus, the employees of the operating core in this design have more autonomy in their work than employees in a machine bureaucracy. On the other hand, because of the high cost of professionals they are backed up by a large number of support staff, and their work is simpler and more routinized (Clegg 2008: 552). The middle line is usually a small unit in the professional bureaucracy, because there is little need for direct supervision of the operators or mutual adjustment between them. Thus the operating units can be very large and with few managers (Mintzberg 1983 194-5).

The most severe problem in a professional bureaucracy is the coordination among the professionals themselves, because they are not integrated in entities as in a machine bureaucracy (Mintzberg 1983: 207). The professionals work in organizations to share resources, but do not have any major interest or need to be integrated with the other professionals because they are specialist in their own field. This structure or behaviour might impair their “products” because “the world is a continuous intertwined system”, and to comprehend it slicing it up might be necessary, but it “inevitably distorts it” (Mintzberg 1983: 207).

**The Divisionalized Form**

The fourth design described by Mintzberg (1983) is the divisionalized form. Instead of relying on professional individuals as in the professional bureaucracy, this design has expert units. The expert units are called divisions in the middle line. The divisionalized form’s prime coordinating mechanism is the standardisation of outputs, meaning the headquarters measure of their performance. The divisions are measured and compared on their performance to other divisions (Clegg 2008: 553). Mintzberg calls the divisions a set of quasi-autonomous entities coupled together by a central administrative structure, the headquarters, thus the flow of
power is top-down. Examples of this design are corporations in the private sector and industrialised economy, but also socialist economies, where state enterprises serve as divisions and the economic agencies of the central government as the headquarters (Mintzberg 2008: 216). The structure in the divisions are often more centralized and formalized than other types of more independent organizations like adhocracy and simple structure (Mintzberg 1983: 220) Divisionalized form often emerges as form of a consolidation of as set of independent organizations into a single federation, and in the process surrendering some of their powers to a new central headquarters (Mintzberg 1983: 221).

An Adhocracy

The description of adhocracy is more typical of what one would consider a structure of a project. An adhocracy is distinct with its highly organic structure, with little formalization of behaviour; “high horizontal job specialization based on formal training, a tendency to group the specialist in functional units for housekeeping purposes but to deploy them in small market-based project teams to do their work; a reliance on the liaison devices to encourage mutual adjustment” (Mintzberg 1983: 254). Adhocracy is a structure for innovation:

“To innovate means to break away from established patterns. So the innovative organisation cannot rely on any form of standardisation for coordination” (Mintzberg 2008: 254). The Adhocracy gives power to experts or professionals whose knowledge and skills has been highly developed, although it must treat their competence as bases to build new ones in order to not turn into a professional bureaucracy (Mintzberg 2008: 255). In an adhocracy, specialist cannot develop their knowledge isolated; they must join forces with other specialist in multidisciplinary teams and work together on a specific project of innovation. Often adhocracies are structured in a matrix. Hence, coordination must be effected by those experts who actually do the job, which makes mutual adjustment the prime coordinating mechanism and the set of liaison devices an important design parameter (Mintzberg 1983: 256). Decision-making power is distributed at all levels, and who is to decide what is mainly based on the nature of the decision, not the position of the decision maker.

The operating adhocracy usually works directly under a contract. For every operating adhocracy, there is a corresponding professional bureaucracy, which can be called the support unit (Mintzberg 1983: 257). The administrative adhocracy becomes a relatively autonomous part of the organization and there is little need for line managers’ direct supervision, they
function more as project team members, with a special responsibility to effect coordination between them (Mintzberg 1983: 261).

Moreover, these structures and functioning of organizations are interesting as ideal types, because they describe various mechanisms and logics that follow certain structures of an organization. Thus an organization may have elements of several of these structures, which will influence the interaction between the parts and agents in the system. However, the Statoil project in this case is a structure closest to Mintzberg’s description of an adhocracy.

2.2 Regimes and transfer of knowledge

Sørhaug (2004) draws a distinction between three ideal typical complexes of regimes of knowledge in organisations, namely collegiums, hierarchies and networks. “The hierarchy is an organized structure of positions that manage a hierarchy of goals and values, and a set of rules” (Sørhaug 2004: 316). The authority is top down, and the process in a hierarchy forges a closure on decisions in order to create stability and order. A collegial structure is characterised by a working community of continuous discussions, hypotheses and criticism, and ever long processes of challenging the consensus, and the authority is built bottom up (Sørhaug 2004: 315). Consensus is to be achieved through free and interest free argumentation, for those who qualify to participate in collegiums the process is democratic and egalitarian. Finally, the networks are patterns of connections of people, based on process of exchange and regulated by mutuality. A network does not have common values or goals, but rather balances between alliances. In network processes, exchange is the main action, and rumors often more emphasized than knowledge. Networks have a corrupting potential, power and authority goes between fear and comfort, friends and enemies, trust and violence (Sørhaug 2004: 317).

According to Sørhaug (2004), these regimes of knowledge infiltrate each other. Additionally, neither collegiums nor hierarchies function effectively without a network. The networks are working, the collegiums invents the new, whereas a hierarchy maintains order and stability.

2.3 Theory of exchange and power

Moreover, models of power and theories of exchange are more analytical ways of describing or discussing the relations and interactions between the organizational parts, such as those described by Mintzberg (1983).
To analyze what power is or entails can be difficult to grasp, or in other words, to give power a simple definition is challenging, because there are multiple theories on what power entails. However, Robert A. Dahl (1957) perspective is perhaps a useful simplification in order to analyze power. Dahl views power as: “A has power over B in that degree that A can make B do something B otherwise would not have done” (Engelstad 2005: 19).

Theories of power as rational choice operate with a sort of strategic rationality, in which agents adapt in relation to other agents in terms of what they might do. Rational choice perspective implies that the agents are able to reflect upon the other agent’s intentions and norms. However, power can also be about norms, agents seek to affect other people’s actions by referring to their norms or by trying to get them to change their norms and goals (Engelstad 2005: 22). Further, power, or to have some beneficial right to decide, does require some sort of legitimacy, either in form of a position, knowledge or norms. However legitimacy of power entailed out of norms, usually requires some sort of success, or the those who want to exert power need to show that they are good enough and achieve some results (Engelstad 2005: 26).

**A Model of power**

Gudmund Hernes (1975) has developed a model of power, which is mainly about the distribution of interests and control. Power, in this model, is something relational, meaning it is the characteristic of the relationship between two agents. Hence, power in this model is something tangible and useful as an analytical tool, whereas in other theories power can be described as something less definite, like for example cultural structures (Engelstad 2005). Thus, this model of power is relevant in terms of mapping out the distribution of control and interests between the project workers and the other agents of the organization that they have to relate to in their project work. The model is relevant, because the informants, much like in Mintzbergs’ (1983) description of an adhocracy, express spending a lot of time on coordinating their work, as well as communicating with other parts of the organization. In terms of this coordination, it is useful to map out the experiences of how these relations function according to the informants, which in many ways is a matter of interests and control.

Moreover, power, in this model, is a positive ability to realize one’s interests, an ability that is asymmetrical, and not evenly spread. So, power is about the ability to make someone do what one wants, despite their resistance, with the help of sanctions or rewards. Power is not just
something one has, but something one does; it involves an aspect of decision making. The ability to realize one’s goal is another aspect of power. Thus, the question becomes how dynamic is the organization, on what ability is it dependent, and how great are the contradictory of interest within the organization. Moreover, knowledge about possible consequences has a value that gives power; to reduce the distance between achieved and desired results, one must know what makes up the deviation.

In contradiction, powerlessness is a condition of inability to mobilize interests. Often agents do not know how they are controlled by others decisions, a system might urge a logic of interaction that causes everyone to seek what is best for oneself, whereas the end result is destructive to everyone (Hernes 1975: 15-17). I other words, powerlessness can be equivalent to Elster’s (1989) notion of collective action problem, a condition in which the agents are unable to mobilize their interest and all end up with an undesired outcome, because everyone does what seems best to oneself the outcome is, in total, worse to everyone.

Power in Hernes’ (1975) model is a relational term and is dependent on agents and context. A system can by a system of power, but only if agents have that interest. So, an analysis of power will emphasize on the ability to realize one’s interests, whereas an analysis of powerlessness will more emphasize those who are disinterested.

Hence, in Hernes’ model of power, the agents are goal oriented. To be a goal oriented agent implies certain rationality, the ability to range one’s goals and possible actions fitted to reach those goals. So, the model borrows the concept of the classical economic view on rationality as a capacity in a system rather than an individual psychological capacity. Thus, characteristics of some social organization will maximize one side or another of a structural rationality (Hernes 1975: 26). An example is how any of Mintzberg’s (1983) five structures of an organization forge certain rationality. For instance, a professional bureaucracy implies a different rationality than divisionalized structures. A goal in a professional bureaucracy is to be able to do one’s work without interference or having to cooperate with another profession or discipline, whereas in a divisionalized structure one is not able to reach any goals unless one is cooperative, because all products are a result of one’s contribution to a common goal.

To understand the rationality of a system, one has to look into the structural relations that influence the degree of rationality, or the mechanisms that influence the motivation. A structure has its own logic (Hernes 1975: 27). An analysis of power relation will include what
different interests an agent has, and to what degree others have control over the realization of these interests.

Further, control is an important implication in this model of power. Control means “those relations that directly puts an agent into the ability to affect the outcome of an incident” (Hernes 1975: 29). According to Hernes (1975) there are two types of control, the one that includes authority, called “competence” as well as “capacities”, which refers to those abilities, skills and resources an agent inhabits. Competence and capacities are important aspects in analysis of power in this model, because they are unevenly distributed between and agents and different types of agents, and much the source to the uneven relationship which makes one agent more powerful than the other. An example can be how the competence and capacity, or knowledge and control are unevenly distributed between specialist and operators in organizations. A specialist usually has more power than an operator, because they have more knowledge, being specialist in their field, which implicit gives them more responsibility or authority.

Another mechanism that influences the distribution of the competence and capacity in the model is something Hernes calls “rules of competence”, which basically means the rules that exists in the organization about who can decide what and how that needs to be done (Hernes 1975: 30). So, such rules are something which is built into laws and social norms of the organization. Moreover, the rules of distribution of such control will affect the organizations effectiveness and the members control over the organization, “In other words, there is often a conflict between the degree of democracy and the degree of agency, but there is no fixed course of exchange between them” (Hernes 1975: 31). In terms of competence, this usually implies a position, and in positions the possessors have a minimum of common skills and values, so that they on behalf of their background and training will give the same solutions to the same type of problems, called professionalizing. DiMaggio and Powell (1983) discuss and argue about how this professionalizing causes assimilation or isomorphism between organizations. Nevertheless, Hernes (1975) states that the degree of professionalization that influences a decision can vary a great deal by, for example, personal values, hence there is an interaction between competence and capacities of an agent. Further, to complete the analysis of power, one has to include how the consequences of an incident influence the agents and further what interests they have in various decisions.
Therefore, interest is another factor that influences the power relation between agents. The more interest an agent has in a case than others, the more will s/he do to achieve what they want, and the more control others have on the outcome, the more s/he depend on them to realize one’s interests. The dependency on those who control one’s interest means that they have the ability to set the condition for how to achieve these interests (Hernes 1975: 33). To further explain this relation of power and dependency, Hernes mentions the “principal of the least interests”, which means how the most powerful agent can make the other part comply or abide and still have the least interest in maintaining the relationship. In other words, the most powerful agent is the least, or perhaps not at all, dependent on the other part, but yet have something of great interest to them.

Moreover, Hernes (1975) mentions three objective interests; human needs, rational behavior in a certain role and the duties that are bound to a certain position. The needs of an agent, is what Hernes refers to as humans needs for survival. The objective interests that follow the rational behavior of a certain role, implies a group with an objective set of interest emerging out of the fact that they are people finding themselves in the same situation. An example of such a group or groups with conflicting interests is, for example, the relationship between employers and employees (Hernes 1975: 35). The third type of objective interests are those interest that are involved in terms of the duties that are linked to a certain position, and if one performs those duties this implies some sort of reward, such a salary or status. On the other hand, if one does not perform one’s duty it will imply some sort of sanction. Examples of such interest that follow the rational behavior of a role, mentioned by Hernes, is those of a judge or carpenter, people in positions that will be sanctioned if they do not follow the or do their duties. However, Hernes does also say that these duties are not necessarily clear and may very well be contradictory, so the agent in a position may be in a situation of conflict of interest. Moreover, these objective interests are structural, meaning the structure holds the interest independently of the agents; the agents are the representatives of the interests.

On the other hand, there are interests that are not objective, but more personal and these are called preferences (Hernes 1975). These interests have social origin in the sense that they are a result of a person’s background. One is not born with these interests, they are a part of what institutions one has been a part of, such as family and school. To analyze how these preferences comes to be, it is important to investigate in which processes these preferences are formed and changed and through or in what institutions does this take place.
Moreover, to exercise power is a sort relation of exchange between two agents. So, in this case the question becomes how or if the informants experience some conflict of interests, and is the relation of exchange equal or skewed, symmetrical or asymmetrical (Hernes 1975: 41). In an asymmetrical relation, someone has the ability to exert power because they possess more control of their own and the interest of others.

Hernes emphasizes how these relations take part in certain system or institution. So exchanges of interests become or are institutionalized, which means that these relations of exchange are not negotiated all the time, but rather logics in a system. It would be rather irrational to negotiate on things all the time, because of how time consuming and costly such negotiation would be (Hernes 1975: 52). Too much negotiation, and less system or institution would, for example, in organizations imply a lot of meeting time where one would negotiate the same questions over and over again. So, rules establish a solid connection between actions and consequences, it reduces risk and transaction cost. A rule means that one or more parts in the transaction have to adapt to the rule. A set of such rules becomes a system of reward (Hernes 1975: 52). Career is system of reward or a form of structured power. One can decide if one wants to try to accomplish the necessary performance, but one seldom has any influence on the performance requirements or criteria. A reward by moving up in the organization can be rights to participate in what should be the performance criteria for the subordinates (Hernes 1975: 54).

Further, traditions, customs and routines increase the predictability of social life. So this predictability reduces options and transaction cost, because “one knows what to do and how people will react”. When a tradition becomes the way to solve an issue, more time is available to solve other issues (Hernes 1975: 55).

However, when agents lack traditions, or disagree with the system and the ways of doing things there usually is some conflict of interest. Motivation for interaction between agents is the distance between what the agents actually controls and what s/he wants to control. If there is no distance between what the agent wants and controls, they may realize their goals. Power over another is another agent’s dependency on them. There can be indirect and direct dependency. Autonomy is the complementary term to dependency, so autonomy implies to be able to make decisions without the interference of others (Hernes 1975). The relations or what classifies the relation between the agents determine what is exchanged, and the power of the relation between them. Therefore, an analysis of power relations has to determine what the relationship is between the agents or what interest they have in each other.
An important aspect of this model is how power is an ability to realize one’s interests. This aspect, implies agents with consistent and organized desires, and that they have the ability to see how these desires are affected by others, as well as how the agents now what they want and have general idea about to how achieve their goals and knowing with whom they have to negotiate. Powerlessness, however, is according to Hernes (1975) a condition in which an agent is without clearly defined interests or without knowing how they are affected by the decisions of others. Nevertheless, one can argue that this model does not include misunderstanding, miscalculations or perceptions that are not necessarily rational or objective interests. For example, the analyses in this study finds that informants in the same position may experience lack of control, and interests differently, which may be rooted in their previous experiences and organizational backgrounds. So, to explain the more complex nature of humans in organizations, it appears relevant to supplement this theory with theory and other perspective on the culture of organizations, which does not imply rational objective interests.

2.4 Organizational culture and change

According to Grenness (1999) studies have showed that leaders underestimate what difficulties sub cultural differences within an organization cause in terms of communication problems. A cultural change implies a termination and change of common established systems of meaning. Culture is not narrow, but surrounds everything and is decided essentially by unconscious forces, and is hence difficult to change or strategically maneuver (Grenness 1999: 91).

Moreover, in Organizational Culture: Mapping the Terrain, Joann Martin (2002) defines and discusses three perspectives of cultures in organizations, she divides all the theory on organizational culture that she elaborates upon into one of the three perspectives; Integration, differentiation or fragmentation perspective.

Martin (2002) defines the integration perspective as theory that views culture as “a solid monolith that is seen the same way by most people, no matter from which angle (Martin 2002: 94). The culture is that which there is consensus about in an organization. In this perspective, if there is no consensus and if there is a conflict or if things are ambiguous, then by definition that group does not have a culture with regard to those things (Martin 2002: 98).
An integration theory, described by Martin, is a perspective where cultures have holistic concern for the well-being of employees and a desire to control deviant behavior through “shared values” rather than excessive adherence to official rules.

Moreover, in the differentiated perspective on culture there exists consensus within organization, but only on levels or in so called subcultures, which may exist in harmony, independently or in conflict with each other. However, in this perspective there are no ambiguities within the subcultures, only between them.

Subculture differentiation can proceed along horizontal (functional) or vertical (hierarchal) lines, whereas in other organizations context-specific subcultures may emerge based on networks of personal contact at work, friendship, or demographic identities, such as ethnicity and gender (Martin 2002: 103). Moreover, the theories or studies that focuses on a differentiated perspective, can either emphasize relatively harmonious relationships among subcultures or stress inconsistencies and conflicts between subcultures.

Finally, Martin (2002) maps out the fragmented perspective, which places ambiguity rather than clarity at the core of culture. Thus, this perspective embraces the complexity of the organizational culture, it is perhaps also the most difficult perspective to describe out of the three perspectives, and Martin describes this perspective with a comprehensive metaphor:

“Imagine that individuals in a culture are each assigned a light bulb. When an issue becomes salient (perhaps because a new policy has been introduced or the environment of the collectivity has changed), some light bulbs will turn on, signaling who is actively involved (both approving and disapproving) in this issue. Another issue would turn on a different set of light bulbs. From a distance, patterns of light would appear and disappear in a constant flux, with no pattern repeated twice.” (Martin 2002: 94).

Hence, this perspective indicates that cultural concerns which appears to be in consensus, is at closer investigation fragmented and unclear concerns, as well as indicating how subcultures do not necessarily have constant or always coherent perspectives on issues of matter in an organization.

Ambiguity is a key aspect of this perspective, which can be viewed as problematic void that ideally should be filled with meaning and clarity, or in other words an integrated perspective. However, some fragmentation studies view the ambiguity as a normal and inescapable part of
organizational functioning in the contemporary world. In comparison to the differentiated perspective, which focuses on sub cultural consensus, the fragmented perspective embraces that “there are multiple views of most issues, and those views are constantly in flux” (Martin 2002: 107).

Further, Martin stresses how these three perspectives on the organizational culture are complementary, or in other words, they all emphasize various dimensions of culture, orientation to consensus, relation among manifestations and orientation to ambiguity.

Mintzberg’s (1983) division of the functioning of organizations can be seen as a differentiated perspective on the organizational culture, however he does also emphasize how certain functions of an organization are not necessarily presented in an organizational chart, which could indicate that how to deal with each other opens up for ambiguities about how to go about, or there can be fragmented perspectives on the organizational culture.

**A three perspective on culture**

Martin’s (2002) argument is that because these three theoretical perspectives on organizational culture, integrated, differentiated and fragmented are complementary, they do not need to be handled as mutual exclusive, on the other hand she advocates for a three perspective on culture, which should be done not sequentially but simultaneously.

Hence, in agreement with the integrated perspective some aspects of the organizational culture will be shared by most members, producing consistency and clear interpretations of manifestations. Though, in terms of the differentiated perspective, other aspects of the culture will be interpreted differently by different groups, creating subcultures that overlap and nest with each other in relationships of harmony, independence and/or conflict (Martin 2002: 120). In the differentiated perspective there is consensus and clarity only within subcultures. Finally, in accord with the fragmentation perspective, some aspects of culture are not interpreted clearly or with consensus, but rather ambiguously, with irony, paradox and irreconcilable tensions. So, the three perspective represent each a dimension of organizational culture, and each perspective has a conceptual blind spots that the combination of them does not, integration view is blind to ambiguities, and fragmentation and differentiation views are blind to that which most cultural members share (Martin 2002:120).
There is no such thing as a “fragmented culture” or “integrated culture”, but there can be a culture that is viewed from one of the three perspectives on a certain matter. Further, “theories can be evaluated by their power to provide insight that might otherwise be overlooked rather than by how accurately they represent some objective reality” (Martin 2002: 154). For example, as an analyzer of organizational culture, an interpretation will have a part of the researchers’ subjectivity, however this does not mean that the interpretations are “wrong”, more that they are an interpretation and insight perhaps more or less influenced by these three perspectives.

The three perspectives provide relevant dimensions to understand the mechanisms of organizational culture and also to interpret the expressions of organizational members. For example, some aspects of the organizational culture might be what Martin (2002) refers to as a “home perspective”, which refers to some common understandings that most of the organizational members share, whereas other concerns might be more of differentiated and fragmented perspectives. This study does from the beginning represent a subgroup of an organization, namely the project and the project workers, however they have both integrated and more fragmented perspectives on the organizational culture.

**Mergers and organizational culture**

In terms of organizational change, such as a merger, the largest threat of learning, besides lack of interest, is knowledge. The phenomenon can be known as ignorance and describes how we might have learned something we do not want to learn more about it (Clegg 350: 2008). To have been socialized into one organizational culture is a form of knowledge, and one can imagine that if one has to adapt to a new way of functioning in an organization this process can be difficult and challenging. And, perhaps it is experienced as especially challenging if one experiences that the way one has been doing things has been successful and appropriate.

A merger is defined by Kusstacher and Cooper (2005: 2-3) as “complete union or amalgamation of two or more companies in order to become a managerially interwoven, economical and legal unity”.

Ellis (2004) has by a review of previous research made a classification of five different approaches of integration in mergers and acquisitions. The five types of mergers are described along a horizontal and vertical axis, the horizontal axis reflects how similar the pre-merger organizations are, for example to they offer the same type of products or services to the same
market. The vertical axis, on the other hand, indicates the tolerance towards remaining elements of one’s original organizational culture and way of leadership post-merger. However, a high degree of tolerance towards autonomy in how to organize the new organization results in more limited plans of integration (Enehaug & Thune 2007).

The five ways of merger integration are *non-integration, conservation, absorption, symbiosis* and *transformation*. The non-integration process of mergers is not about preserving as a strategic motif, but more a process with a lack of strategy. Conservation, on the other hand, is a strategic plan where organizations keep operating autonomously, resulting in high degree of horizontal integration and a low degree of interdependence or vertical integration. Absorption means a full integration of culture, processes, functions and activities, in such a manner that merged organization appears as a consolidation of the former organization. In this case, usually the acquired organization is integrated into the buying organization. This sort of integration requires a lot planning in order to minimize uncertainties. In a symbiosis, the goal is to integrate a “best practice”, meaning to make an organization which reflects the core competence, values and leading practices of the two former organizations. The integration, in this case, is a process of learning, transfer of knowledge and cooperation on creating plans and procedures to make sure that the competence, values, process and practices are spread across the merged organizations. So, in a symbiosis seeks to change both of the pre-merger organizations and entails a comprehensive and long process of integration in order to indentify best practice. Finally, there is the transformation process of mergers, which entails creating a totally new organization with new values, structures and ways of working. This way of doing a merger requires comprehensive planning and a clear communication of the strategic visions (Enehaug & Thune 2007).

However, these five ways are criticized for being too normative, hence not emphasizing the process on actual empirical studies. Ellis (2004) did a study herself and concluded that an integration process has to be planned and lead out of the specific conditions and goals the merger has, and that certain advices end recipes were not as productive (Enehaug & Thune 2007:13).

Moreover, a fast merger process has been proven more successful to similar organizations than those who are more different pre-merger. Additionally, empirical research indicates that a strategic fit, meaning similarity in products and markets, is not always the most essential part of a successful merger, however an organizational fit, or similarity in organizational
features, has proved to be an advantage. Hence, organizational culture, and how it affects organizations and process of merger has been the focus on much of the research on the matter of mergers (Enehaug & Thune 2007).

Mergers and organizational culture

In terms of Martins (2002) three perspectives on organizational culture, Teerikangas and Very (2006) emphasize how much of the literature on mergers has had a static explanation, out of an integrated perspective. Further, they emphasize how this perspective creates a too simple understanding of reality between the culture of organizations and performance in mergers. Moreover, the important factor that this perspective leaves out is the process of the merger, or how the outcome of the merger is more of a result of the entire evolvement of the process of merger. Hence, they stress the importance of culture as a process, which is a perspective more represented in the differentiated and fragmented perspective on cultures.

Moreover, Kleppestø (2005) argues that one should not view a collision of cultures as a collision of pre-specified systems of norms and values, but rather understand such conflicts as related to the power of definition in situations. Based on empirical studies, he concludes that in process of mergers an essential part is to understand what is going on in such conflicts by studying how different perspective on the organizations and patterns of interpretation is confronted and developed through the interaction. Researchers who focus on the fragmented perspective emphasize how organizational culture only can be understood by studying how agents in organizations experience, interpret, negotiate and create meaning out of incidents and situations (Enehaug & Thune 2007: 20-21).

Merger syndrome

The merger syndrome is term that describes both the leaders and employees negative and positive reactions about the announcement and the consequences of a merger. First of all an announcement of a merger can cause preconceptions and stress about the unknown of what is going to happen. Moreover, the consequences of the merger can be a perception of collision of cultures, where the employees keep a focus on differences and variations in way of operating and leading the two operations. Furthermore, these can create “us versus them” problems by the employees keeping record of what decision is a result of the culture of what part (Enehaug & Thune 2007: 32).
2.5 Developing data analysis

In a qualitative study, the forming of the research questions is often a result, as the case in this study, of the data collected and the conduction of the analysis (Thagaard 2006: 45). Working on the thesis and the research questions was a process that followed the entire project of this research. So, in this study the questions of research were not clearly defined once I started the collection of the data. However, I had some ideas about what the research questions would be about, in terms of the case or the Statoil project, such as theory about organizational culture and interaction in the life of working organizations. Nevertheless, the empirical data of the interviews, inductively, provided interesting themes and conflicting interest that proved relevant to the shaping of the more specific research questions. Although the project informants as a subgroup in an organization have some common interests and views on the conduct of their work, it was especially interesting, how the informants had various perspectives and how these also appear to be more influenced by their organizational background. Thus, based on the interesting themes that emerged out of the data three main research questions are developed:

- What are the tensions given the merger?

In terms of organizational tensions caused by mergers, this has been the element of research in much literature on the field of organizational culture. A merger as a phenomenon is relatively new; it is also the matter of concern in much literature simply because of the many unsuccessful mergers. During the 1980’s organizational culture was introduced as model of explanation as why mergers proved to be so complex. For example, much focus had been on the economy, strategy and leadership of mergers, although the human factor in organizations is considered to be responsible for between one third and one-half of all merger failures (Enehaug & Thune 2007). However, a previous study of the Statoil and Hydro merger concluded that the “conflict lines in the post-merger integration process were along the dimensions of the on-shore organization versus the off-shore organization, management level versus unions and between the different unions” (Colman 2011: 230). Furthermore, this study of the merger also found “very few disruptions, intergroup conflicts and in-group biased on pre-merger identities” (Colman 2011:232). Additionally the study, which is based on an integration survey and a few qualitative interviews, concludes that it found very few “us” and “them” distinctions and attitudes. This indicates that pre-merger identity is not significant to the post-merged Statoil; however other social categories were salient, such as profession and
organizational belonging (Colman 2011). These findings can be said to be unusual in terms of what is most present in other empirical research and literature on the subject of mergers. Often literature on mergers is about the issues of pre-merger social identities which are reinforced in the post-merged organization (Enehaug & Thune 2007).

Nevertheless, the process of the merger appears to be a matter of concern to the informants of this study, however not as much as direct concern of social identity as it more indirectly seems to influence how the informants perceive the culture and system of Statoil. The interviews were not directly interested or presented as having the merger as a focus. However, as the informants explain how they relate to the system and the organization as project workers, significant differences in perceptions and reactions appeared that seems related to their organizational background. Nevertheless, these concerns were not presented as us versus them, and the informants did not seem to have issues in terms of their social (merger) identities. Thus, the next research question is a more specific inquiry of how and what these concerns and experiences entail:

- Are there any direct or indirect influences of the merger?

The informants mention both indirect and more direct influences of the merger, such as networks of relations which are based on their pre-merger contacts. Whereas, other informants express frustration which includes their perception of the whole organizational system, such has about how systems have changed as a consequence of the merger. However, these tensions or conflict of interest appear most clear when informants talk about how they relate to other parts and the system as project workers. Moreover, in this case as well, much of how the concerns and experiences are of the informants appears to be influenced by their organizational background. Thus the next research question seeks to disclose;

- What is the effect of the organizational background given the tensions of the merger?

This research questions emerged out of the data in terms of how the informants perceive their working situation, especially in terms of their relations to other parts of the project, such as in terms of their perceptions of dependency, control and power. This research question will be further elaborated and discussed in chapter six.

Furthermore, the data are analyzed by a thematic approach. During the analysis the data from the interviews the information was placed in several categories, such as merger,
organizational structure, network, as well as the project workers relation to all the other parts of the organization, such as the operative organization, the support units, the governing documents and the values. These categories were themes which crystallized out of the interviews, both during the interviews, and after when I conducted the transcriptions and started the more thorough reading of the material.

In the analysis, I focus on the informants’ descriptions and perspectives on the organizational culture. Further, the analysis seeks to disclose the tensions and ambivalences in the statements of the informants. Statoil presents the merger as a successful and completed event, which also is the case because it is a well functioning organization, and there have not been any scandals or increased numbers of turnovers as a result of this process. However, many informants present some tense relations and ambivalent cultural understandings of the system of the organization, so I want to present the perspectives of the informants in this study in an attempt to analyze and discuss the nature of their perspectives on the organizational culture and system.
3 Method of inquiry

«The conversation is useful way to receive knowledge about how individuals experience and reflect upon their situation” (Thaagard 2006: 11).

This study is based on qualitative interviews of eighteen Statoil project workers. Nevertheless, other sources of information were sampled through fieldwork as an employee in the organization in the summer of 2011, and in a student project work conducted as a part of Prosjektforum at UiO in the spring of 2011. These sources include observations of the organizational life, reading of internal documents and action plan strategies, as well as previous interviews conducted in the spring of 2011. These sources are not directly included as data in this study; however, these previous experiences will inevitably influence my interpretation and experience of the data. Furthermore, these previous experiences in the organization is one of the reasons as to how this study came to be, because those contacts that were made during the previous projects are those who gave me the opportunity to do this master thesis in the same organization. Thus, these multiple sources of data, such as interviews, observations and documents give the study a more holistic view (Creswell 2007: 38). Nevertheless, qualitative interviews conducted of a small number of project worker informants are the main source of information to this analysis, and these interviews are conducted in collaboration with two other students of organizational psychology.

Moreover, my analysis in this study is conducted by an inductive process, so the research questions emerged as a result of my interpretation of the data collected, such as the interviews and other relevant texts and documents.

“Qualitative researchers use an emerging qualitative approach to inquiry, the collection of data in a natural setting sensitive to the people and places under study, and data analysis that is inductive and establishes patterns or themes” (Creswell 2007: 37).

During the analysis of the interviews many interesting themes and other conflicts of interests that the informants presented emerged, such as the project workers perspectives on the functioning of the organization and how many of their perspectives seem to be influenced by the Statoil and Hydro merger. Or in other words, the organizational backgrounds of the informants appear to influence how they perceive working in the Statoil project. Moreover,
these perspectives further seem to influence how the informants relate to other parts of the organization, such as how they experience control of their interests and dependency on others.

### 3.1 Qualitative forms of data collection

A qualitative method of research is a holistic approach to the subject of matter and can involve observations, interviews and document analyses (Creswell 2007).

*Observation*, informed, uninformed, participative non-participative, is a way to study and interpret other people’s bodily or lingual expressions and actions (Widerberg 2001: 16).

A qualitative *interview* is a valuable method of research in order to get a good foundation and insight into the informants’ experiences, thoughts and emotions. An important characteristic about the information received from such an interview is that the informants’ descriptions of events are retellings of past events. Hence, the information received is influenced and characterized by the informant’s own perception of the experiences. Moreover, a qualitative interview is a setting in which both the interviewer and the informant influence the situation; the informant may choose what information to share and the interviewer decides based on interpretations during the interview what or if certain themes can be elaborated (Thagaard 2006: 83-83).

The interview can either be less structured, semi-structured or structured. An interview characterized by less structure is an advantage if the informant brings up subjects which were not thought of in advance but which are still of interest to the interviewer, so then the lack of structure opens up for more elaboration on these themes. This method is also useful if the interviewer does not have too much knowledge or information on the subject, so it can function as a method of exploration to something of relevance to further research. However, a structured interview is more useful in order to compare, because all informants have been asked the same questions. In a semi-structured interview, most themes that the researcher wants to ask is decided in advance, however the order of how things are asked is decided during the interview. Thus, in this case the interviewer can be flexible and follow the informant’s story as well as including new subject which the informant may bring up (Thagaard 2006).

*Texts and picture analysis* is also a method of qualitative collection of data which is less influenced by the researcher, although the interpretation will still be influenced by the
researchers point of view. Moreover, expressions of the body will not be visible in something like a text and the researcher does not have an opportunity to elaborate more on themes like in an interview.

Observation is a useful method to investigate how things are actually done, and the researcher has an opportunity to collect data which informants would not necessarily express in an interview. The interview, on the other hand is a form of data collection which gives more of insight as to how informants’ perceive and experience something. In this study, the aim is to investigate how the project workers experience their project work in terms of organizational conditions and culture, so we chose to interview the informants in order to collect this information.

3.2 Sample of informants

The inquiry of this study is about project work in Statoil. Our key informants, whom we got to know during our participation in Prosjektforum in the spring of 2011, suggested this project as a case to us. Further, we were given information so we could contact the top manager of the project. The management of the project was positive to our request on interviewing some of the project workers for our master thesis. They gave us further information, such as an organizational map and background information on the project. Subsequently, we chose our informants out of the organizational map of the project.

According to this organizational map, the project consisted of four main columns. However, we chose who to interview and later contacted our informants. We sent the informants an email about information on our project and requested for their voluntary participation. In this email, we emphasised the informants’ rights in terms of anonymity and voluntary participation, and how they at any time in the process of the study could withdraw their participation. The email also informed the informants about how we do not represent any institution or organization other than our master thesis. It was important to make sure the informants knew our mandate about interviewing them so that they would feel freer to give their point of views and not suspect that this information would be used against them or that we were “Statoil spies”. The project workers are very busy people who participate and answer various and many organizational activities and emails, so we wanted to be very clear about our mandate and the intentions of our study in the email. The project workers were also
informed about our study by the project’s leader, so there could easily have been a misunderstanding about our inquiry. On the other hand, the informants in this case are not what can be called an exposed or marginalized group of people, more so they are a resourceful group of people who seem well aware of what participating in something like this master thesis implies.

Moreover, this particular project was suggested as a case to us by our key informants because it has been in process for a while and is on its way to execution, so the informants were of a relevant amount of experience of working in the project. All in all, eighteen informants participated in the interviews to this study and they are working in the project as Statoil employees.

A purposive sampling implies that the informants are chosen because of their characteristics or qualifications, so the informants are purposively relevant to the thesis (Thagaard 2006: 53). However, the sample can also be said to be theoretical sampling because the sample and case was chosen because of the organizational context (Silverman 2010: 143-144). To the case in this master thesis, a large scale Statoil project makes all the eighteen informants relevant as sources of data and information.

Thagaard (2006) argues that people with a higher education often are more willing to participate in a qualitative study than people with no or less education, because perhaps they are more used to reflect upon situations in their life. The informants, in this case, are educated people and they were very willing to participate, as well as how most of them seemed to appreciate the attention by being curious about our thesis, disciplinary backgrounds and the results of the study.

3.3 A Case study

This is a case study, with a purposive sampling of informants from a specific organization, the purposive sampling allows us to choose a case because it illustrates some feature or process in which we are interested (Silverman 2010: 141). A case study involves research or study of an issue explored through one or more cases within a bounded system, or in other words within a certain context (Creswell 2007:73). In this study, the project in Statoil represents the case, and the context or setting is a project in the Statoil organization. Further, a case study should, according to Creswell (2007), involve multiple sources of information, such as observations,
interviews and documents. In this case, the interviews of the informants working in the project serve as the main source of the analysis. However, because we conducted interviews at the workplaces of our informants, this gave us an opportunity to observe how what the workplaces look like, and last but not least we experienced how the informants are spread around in various locations.

3.4 Conduction of interviews

The interviews were conducted at the workplace of the informants. The informants are spread around on various locations; we scheduled the meetings with the informants and booked rooms for the interviews at their workplaces. We were given access to Statoil’s internal system and could book the meeting rooms our selves at the various locations. The time set of for each interview was 90 minutes; they lasted between 40 and 90 minutes.

Most of the informants we contacted were very willing to participate in an interview. Furthermore, it proved to be an advantage that we were able to meet them at their offices, because to meet them at their own workplaces made participation in the interviews more available to the informants as they had the opportunity to participate during their own working hours.

The informants seem to meet with various business relations all the time at their offices, so our appearances at the various locations did not interrupt or create any attention in terms who we where or what was our mission. Hence, it felt natural to meet informants in these locations and they did not seem be bothered about this arrangement, or about how colleagues could notice their participation in this study.

In order to maintain as much of the information shared by the informants as possible, we asked if the interviews could be tape recorded. Most of the informants had no problems with the use of the tape recorder during the interviews, and those who seemed a little sceptic at first, gave their approval when we stated once again how the information they shared would only be to the use of our mater thesis and that we would secure their anonymity in the results.
3.5 The interviews

“The interview is an instrumental dialogue, a mean to provide the researcher with descriptions, narratives and texts, to interpret and report according to his or her research interest” (Kvale 2007: 15).

As stated in the introduction of this chapter the interviews of this study are conducted in collaboration with two other students of organizational psychology. To collaborate on the interviews appeared to be both an advantage and a challenge. The collaboration was an advantage in terms of all the practical arrangements, we could share the work of arranging meetings with the informants, and there were always two of us who participated during the interviews, except for on one occasion. So, this teamwork was good support and led to many interesting and relevant discussions, which was productive in terms of the later analysis.

However, what proved more challenging was to agree on what the interview should contain and how it should be conducted, because the instrumental dialogue of the interview had to be of relevance and interests to us and our disciplines of psychology and sociology. Therefore, we decided to conduct semi-structured interviews. The two other students of organizational psychology had some other preferences in terms of the method of research than me. They preferred to do a so called SWOT-interview. SWOT, is an acronym for strengths, weakness, opportunities and threats. To structure the interview in a SWOT-format is a method to make the informants reflect upon the strength and weakness that exists today, as well as the opportunities and threats of the future that the informants perceive in terms of the project work (Dyson 2004).

However, we more or less conducted the interviews into two parts, one with the SWOT method and another in which other themes were covered as well as follow-up questions in terms of other themes brought up by the informants. To me, the SWOT method seemed a little absurd; because the informants were not supposed receive any feedback during this part. For this reason, the SWOT-method appears to be of a positivistic point of view, or in other words the method views the informants descriptions as reflections what they have actually experienced outside the setting of the interview, and subsequently the researcher is viewed as almost a neutral conveyer of the informants’ experiences (Thagaard 2006:83).

For this reason the method was challenging to me, because in theory of sociology the qualitative interview usually acknowledges how the informants in an interview setting always
is somewhat influenced by both the setting and the researcher. So, the SWOT-method made me think of the debate of positivism and the objectivity of qualitative data, as well as the arguments of the philosopher Hans Skjervheim (1963). Skjervheim’s important input in this debate was about the bystander effect on persons who are the matter of inquiry. The bystander approach, according to Skjervheim, is a neglect of people’s ability to reflect themselves upon the situation, as well as people’s ability to change their viewpoints or reflections about themselves and the world. Consequently, the bystander effect implies to perceive what the person of study says as fact and make oneself a bystander, and if one as a bystander makes the other persons opinion as a fact then it is also making it into something static and unchangeable. This objectifying attitude is according to Skjervheim an attitude that attacks the other person’s freedom by making them into a fact. To take the other person seriously, on the other hand, is to have a participative attitude towards the other person in which one takes their statements into reflection and discussion.

Kvale (2006) more recently discussed the relationship between the interviewer and interviewee, he states that the interview is actually a hierarchically relationship with an asymmetrical power distribution between the two parts. So, it is important as a researcher to be aware of these mechanisms during interviews in order to reflect upon the information shared by the informants.

Hence, the part of our interviews which were conducted by this non-feedback method, at times felt frustrating, because some informants seemed to want more of a response on the information they shared with us. Therefore, the method felt somewhat unnatural, and a few informants did also express an explicit frustration about not getting any normal responses or direct follow-up questions during this part of the interview. Although there is no “right” or “wrong” information to share, informants often seek recognition for what they say, because they do not want to waste our or their own time, as one informants stated. I think the interviews would have improved if we had allowed for more of a conversational setting during the first parts of the interviews, because it could have relaxed some of the informants and the information we received could have been more reflected upon and elaborated. Nevertheless, in the last part of the interviews the informants were asked more follow-up questions and the interview was more conversational.

However, the informants are very articulate people and most of them had a lot on their mind and did not mind talking freely about a few questions without too much interference. It was
also an advantage to be three people to conduct the interviews. However, we were never more than two people in the actual interview setting. Although, I participated in all the interviews except for two, because I had a different approach then the two other students and had to be present in order to do my part of the interview. Even though we had some different thoughts on the approaches in the interviews, it was interesting to experience how it affected some informants, and last but not least we did get a lot of useful insight to the informants’ perspectives on the organizational culture and system. Moreover, because of this open approach, I got more of a holistic insight in the first interviews which made it easier to know what to want to ask more about or follow up on in the later interviews.

3.6 Transcriptions

The transcriptions of the interviews were done mostly right after the interview was conducted; leaving most of the meeting and conversations still fresh in mind. “In short, transcriptions are impoverished decontextualized renderings of interview conversations” (Kvale 2007: 93). So, the transcripts lose some of the context that the conversation and oral speech entails; consequently these are aspects that I felt was important to be aware of once I started the analysis of the transcripts, because transcribing interviews is the first step of structuring the material and initially in itself a start of the analysis (Kvale 2007).

We had a total of eighteen interviews, which resulted in a lot of written material to go through; however being three people to do the work was an advantage considering how time consuming such an activity can be. On the other hand, we could not leave anything out in the transcriptions, because we could not start the analysis on behalf of each other.

While I was transcribing I started naturally to analyze the material, so certain themes and aspects of the informants’ perspectives became clearer in this process than during the actual interviews. In the beginning of the interviewing process, these types of observations during the transcribing right afterwards of the interviews were important in terms of how I responded and what I wanted to know more about in the next interviews.

3.7 Researcher’s point of view and preconceptions

As a researcher studying a field one is not self a part of, it is important to try to understand the situation of the informants and what the message of their expressions and statements is really
about. In terms of this, it is essential that the researcher presents her own point of view in order to make the reader able to consider this in relation to the analysis (Thagaard 2006: 182). A challenge in the analysis of a qualitative research, like this study, is to be aware of one’s own preconceptions and experiences and how these influence one’s own interpretations of the data.

In a previous student project that I participated in, we did a report on the Statoil in which we investigated the consistency of five leadership courses within a unit called the Project Academy. This experience gave me insight to the functioning and culture of the organization, such as what the projects are considered to be about and other issues, such as the ex-Statoil and ex-Hydro merger. This report further reveals some of the tensions within the organization, such as how some forces in the organization have a strategy or a wish of turning the organization into a more effective and flexible organization. Moreover, I came to understand that these tensions were much influenced by the merger, and perceptions or prejudgments that informants have about organizational changes. Although, these tensions are not something necessarily officially stated, however such perspectives and thoughts came to the surface during the interviews of this study.

As a student in sociology, I discovered that I find the informants perspectives interesting, especially the ambivalence that some informants express in terms of the functioning of organization. I find the potential conflict of what is presented as the official status quo of the organization versus the informants more ambivalent perspectives on things as very interesting. Sociology as a field is a problem oriented and deviance oriented field, so in this analyzes I have emphasized the more conflict oriented of the organizational culture and not the more functioning unambiguous parts of the organization. Therefore, my analysis may give the feeling of more “trouble” than perhaps is the actual case, because, for example, Statoil is a well function organization, with few scandals, and the informants seem very pleased to work there and they are stimulated by many interesting work related challenges. In other words, the informants are resourceful people in an organization who appreciate their job.

3.7.1 Reliability

In terms of reliability of the study, one important aspect is if the researcher explains how the data is developed, by for example making a clear distinguish between what information is collected in the field and what is the researchers own reflections (Thagaard 2006).
Moreover, we transcribed everything that was said during the interviews, this was important to do because we were three students to share our data and we could not decide what of the material would be of importance to which one of us. In my analyses, there are many direct statements of the informants, however, I have tried to mask their identity and secure their anonymity by giving them a new name, although their sex and organizational background is still present in the analysis. The organizational background of the informants is presented in their new names, those with an ex-Hydro background start their names with a capital letter H, and those of an ex-Statoil background have a name that start with the letter S. Furthermore, sometimes in the analysis parts of the informants’ direct statements are left out in order to not reveal the identity of the informant, for example, their actual position in the project is left out.

Another aspect, which is important to the credibility of the data, are the translations; the interviews are conducted in Norwegian, so all direct statements of the informants presented in the analysis are my translations of the informants’ statements in Norwegian words into English.

Furthermore, this was collaboration with two other students of organizational psychology, so our interviews ended up having a very open structure, where we were to give as little response as possible, at least during the first part. In the second part I had some aspects I wanted to cover and we gave the informants some follow up questions on the subject of matters we wanted to have them to further elaborate upon. So, during my analyses of the data some questions came up like “do I understand these data differently than someone else would do”, however my approach is a sociological and qualitative approach and the way I interpret the data will always be influenced by my subjective interpretation.

The case of this very open interview guide and the organizational psychologist method of the least amount of interaction and influence on the informants have both some advantages and disadvantages as I see it in relation to my analysis. First of all, this way of questioning ensures that most subjects of matters that are talked about during the interview are topics that the informants bring up, so we have not led them on. This way of interviewing can be positive for the research, because our informants are resourceful people who are well articulated and used to having some sort of metaphysical relationship to their working situation, so in one way if we were to ask too many direct questions, these direct questions might not be topics of mayor concern to our informants, but because as they are all well articulated people who can make a discussions out of most matters, it was interesting to make them bring most subject of matters
themselves. For example, we also noticed many of them were prepared, and in the first minutes gave an impression of what they thought we were going to investigate, especially the psychology background of the two other students, set some informants off into talking about how they felt well at work “because of the lottery and candy on Fridays” type answers. However, when they started discussing more eagerly other concerns it was clear that what they shared was not something they had prepared “to give the right impression”, but more topics of interest and concern to the informants.

On the other hand, the disadvantage that I see about the method of little interference and the very open guide for the interview is some lack of comparativeness, such as an analysis of data in which the informants are asked many of the same direct questions that gives a more accurate way to analyze that data. In a more structured interview it is perhaps clearer where and what to compare and everyone presented in the study has been given the opportunity to present their perspective and understandings on each of the same matters. However, it was interesting to discover the informants talk much about the same matters of concerns in the interviews, as well as how this is their own reflections and concerns about their experiences as organizational members and project workers and not subjects directly brought up by us. So, my hope and intention of the analysis is for the informants to recognize and indentify with my descriptions of their perceptions and understandings, although if I have achieved this only my informants will know.

The reason as to why I emphasize how the informants, in this case, are resourceful people is that in many social sciences, such as sociology, the case of study is often people who lack resources or are somehow underprivileged. In these studies there often becomes more of an asymmetrical relationship between informant and researcher, and the researcher is the most resourceful person. This was not the case in this study, in this study the informants are very competent, resourceful and reflecting people who have all done well in the organizational life because of their skills and abilities. We were in no way the ones with most power or knowledge in these interview settings; however informants were respectful of our disciplinary background and, gladly and openly shared with us their thoughts and experiences. And those informants who were more skeptical of our knowledge about the project and perhaps at times had somewhat of a condescending attitude towards us as young students, were often more thorough in their descriptions, which was mostly an advantage to us in terms of reaching an understanding of their perspectives. Though, most informants had a very positive and curious
attitude about their participation, which resulted in a rich descriptions and a lot of useful information.

I have no intention of misinterpret or present the perspectives of my informants in a way that that would feel wrong to them, meaning I am not trying to present my interpretations as absolute truths. Kvale (1997) states that an important ethical responsibility is to make a clear cut between the presentations of the informants’ own understanding of their situation and the perspectives and interpretations of the researcher. Moreover, I have strived for an objective interpretation of my data. Nevertheless, after all the analysis of data in this study is a mix of the informants’ perceptions, theoretical perspectives and my way of analyzing and interpreting.

3.8 Validity

“Validity is another word for truth” (Silverman 2010. 275). So, to control for the validity of a study means to make account for how valid or true the findings are. Furthermore, validity is about the interpretation of the data, whereas reliability is about the methods of action to create or reach the data (Thagaard 2006: 179). In other words, how true and valid are my interpretations of the data presented in the analysis and does the research questions and the analyses represent the data.

I believe my interpretations and findings are valid, because there were certain patterns of how the informants presented their concerns which have become the background for the categories and themes of the analysis. However, in hindsight it would have been interesting to have the informants elaborate more on certain statements, because some information would have been more valid if we had more room for asking or responding more directly to some of the information shared by the informants. Although, informants were also asked to elaborate on themes and the information they shared in some follow-up questions when we were uncertain about what they really meant to ensure that our interpretation was valid. Nevertheless, the information might have been more valid if we had some opportunity to control for the interpretations in something like in a second interview, but I believe that the information shared is honest and not necessarily reflected upon and presented in order to be “politically correct”. 
The inductive interpretation of the data is another challenge in terms of the validity, because the themes for the analysis emerged after the interviews were conducted, hence the informants were not aware, for example, that the merger is such a great part of the analysis. Thus, when we selected who to interview, their organizational background was not something we had considered, which could have been a challenge in terms of the representativeness of the two organizational backgrounds in the analysis. However, fortunately both of the premerger backgrounds are represented in about half and half of the informants. In retrospect, the fact that the informants are of both of the organizational backgrounds might also be the reason as to why the organizational background turns out to be of such significance in the analysis.

Moreover, the data does only present a small number of the project workers, and other workers in the project and people of the organization that are present in the analysis, are only present in the eyes of these project workers and by my interpretations.

The analysis presents the discoveries that became clear when I went deeper into the material, such as when I read the transcriptions and started to do the analysis. Thus, all over I believe the present data is sufficient enough to answer my research questions in terms of this case. Nevertheless, how the data is presented in the analysis is a result of my interpretations and selective renderings of the material.

3.9 Ethical considerations

The project, as a case was suggested to us by our key informants, some of the responsible people within the Statoil Project Academy. However, we chose our self who to interview within this project, as well as who from what part of the project organization and only we know who participated in the study. Furthermore, it was important for us to emphasize our role as independent researchers as students of masters and that we did not represent anyone else but our self, we also emphasized that to participate in the study is completely voluntary. The informants’ confidence in our role as interviewers was important to gain their trust, and it is important to me to keep the informants’ identity as confidential and anonymous as possible in the analyses.

All the informants were handed handout of informed consent before the interviews, which stated the informants’ rights as participants, such as their right to withdraw their participation at any time from the study. Further, the handout explains how the interviews will be
conducted and that we would like to use a recorder, but it also states how all recordings and transcriptions will be deleted as soon as they are done as material for our studies. The study is reported and approved by NSD (Norsk Samfunnsvitenskapelig Datatjeneste); something that which is also stated in the handout we gave to our informants. All informants who participated in this study signed the handout before the interviews were conducted and none of those who are a part of this study had any issues about the recording of the interview.
4 Introductions to Analysis

This chapter is an introduction to the analysis and it presents the case such as the agents, as well as the more contextual matters of the analysis.

4.1 A project in Statoil

This study is based on the interviews of eighteen project members, in a large scale project in Statoil. All together, there is a few hundred people working or contributing to the project, which includes the Statoil project employees, people contributing from other organizational parts and the external consultants. Our informants are all Statoil employees and are stationed in the project. So, this study’s main concern is the informants’ experience of working in the project and how they perceive their working context.

The large scale project consists of about five levels according to the organizational chart. At the top of the chart are the project leader and other part project leaders, and further down are the middle managers and other operators. Mintzberg (1983) states that the organizational chart is only the formal structure, there are also other informal power relations and channels of communication that function in an organization. These, more informal structures, are not represented in an organizational chart. For example, some informants when asked about the communication between superiors and subordinates, would respond that the communication was good and indicate that that the only superior to them in the project was the one person with whom they would have their coworker conversation with. Although, other instances of the organizations that exceed authority over them in their work, such as other organizational units, were not mentioned when asked about superiors. These relations were rather mentioned when explaining how it was to conduct their work in the project. So, these informants answered about authority in the organization according to the more official understanding, which coincides with Mintzberg’s (1893) understanding of the differences between the official and unofficial channels of power and communication. Finally, many external consultants assist the project. These external consultants are from a few other companies and work in teams based on contracts. They are not included in this analysis, because neither where they interviewed nor did they appear as of any prominent concern to the informants. The external consultants might not be of any major concern to our informants, because the
informants in the project, working for Statoil, are the once with the most control in the relation and these external consultants do not exceed any major authority over them.

Furthermore, as a structure the project is closest to Mintzberg’s (1983) definition of an adhocracy, an administrative adhocracy from chapter two, because people in the project work in a matrix and there is decisions making at all levels as well as a need for much cooperation. The project has one main leader and four sub leaders with responsibility of each one of the four main columns in the project. In each of the columns there are also a few levels, mainly five, indicating the distance of the relation between them and top leader of the project. Further there are a large number of external consultants in the project, each unit of external consultants all have a key internal person as their connection to the project. The external consultants perform what is already decided in a contract, although they are not present in this analysis, one informant was concerned about how to be less involved in how the external consultants do their work, because after all they are paid to deliver a product. Nevertheless, these relations between the informants and the others in the project is not the focus of the analysis, the analysis focuses on the informants concern in terms of their relation to other organizational agents and parts.

4.2 Who are the agents?

The main agents that will be included in this analysis are the project workers and leaders, the operators, top management, PRO and the support units. The informants interviewed in this study are working in one of the four columns in the project, mainly two and three levels, however, as mentioned, this difference is not of any significance to the analysis of this study. The other agents, such as top management and the support units, are however important to this analysis because they influence to a great extent how the project workers view their working situation and are expressed as a concern in the interviews. Even though, the project workers are the only informants in this study, it is necessary to map out some of the material and cultural context that they operate in, in order to understand their perceptions, such as the other agents with whom they interact and are influenced by in their project work.

Top management; the main organizations top management is the unit responsible for the organizations overall goals and missions, called the strategic apex. “The strategic apex is charged with ensuring that the organization serve its mission in an effective way, and also that
it serve the needs of those who control or otherwise have power over the organization” (Mintzberg 1983: 13). Organizational owners, government agencies, pressure groups and unions of employees are mentioned as examples of groups that might have power over, or influence organizations, these groups can be seen as both internal and external forces to the organization. In this case, the top management are bound to make sure that the organization performs in line with Norwegian government expectations and laws. The top management has sat as a goal for the project to save money, or spend less than what was first expected, and become a more cost-effective organization. So the top management are in charge of the projects overall goals and are responsible but not in charge of how the project performs, furthermore, they are located outside the project in the main organization.

PRO is a unit or board members who represent the projects in the organization, a sort of strategic apex or body of management for the projects. PRO has also recently launched an action or mission plan called Statoil-2011, which urges the goal of simplicity. Simplicity implies a number of factors, it can be interpreted to reduce structures and to become a more cost-effective organization. On the other hand, other important values in the organization are for example “caring”, which implies health, safety and environment (HSE) and in some cases can be in contradictory to cost-effective values. Further, this conflict of interest is discussed by several informants as an issue between values or priorities such as quality versus cost. This issue seems to be rooted somehow in the history of the organizations and connected to the various organizational cultures of former Statoil and Hydro, because in many ways these two organizations were established in different times, which influenced their organizational systems. As stated in the introduction, former Statoil was established in 1972, in a time of the introduction of several new labor regulation laws, such as the Norwegian Work Environment Act of 1977. The introduction of these laws implied a strong focus on social and psychological working conditions, as well as socio-technical principles for work organizations.

Another unit influencing the project but also located outside, at least of the organizational chart, is the so called disciplines, or support units. The adhocracy or project is initiated and sponsored by the main organization. According to Mintzberg (1983) there is usually a support staff, functioning as a professional bureaucracy that assists an adhocracy. This project is also assisted by the main organization. A support unit, located in the main organization, helps them with information, consultation and approvals. When the project lacks the resources to
resolve or find the information about something themselves, they ask for support from this unit. However, these units are also called the disciplines; which seems to refer to how they are expert in certain fields or disciplines. In this case, a challenge is the contradiction between the time perspective of the project workers and the support units. The project works on a strict time schedule and is dependent on a consistency within everyone’s performance, where as the disciplines functions more as a professional bureaucracy and do not have to be as cooperative or time oriented. The support units do not have the same time pressure as workers in the project, and they are probably rewarded more for the quality of their result, than to respond the project in time. So, the inconsistency in goals in these two units of the organization and yet the interdependency between them, or at least the project’s dependency of the support units, is a source of conflict and disagreement. For example, HSE (health, safety and environment) is an important concern to the organization and the support units, whereas the project is also interested in the goal of cost effectiveness, because they are also evaluated on the cost of their results. The support units are not on the same budget as the project workers and do not have to consider the cost and time issue in the same way. Hence, time does not seem to be of the same consideration to the support units as to those responsible in the project. On the other hand, the project is exposed to getting reprimanded afterwards for not elaborating what solutions to choose with the support units, or operative staff in the main organization.

The group referred to as the operators, are those people in the organization who are going to run the product once the project is done with it. They are also part of the main organization and are stakeholders in the product of the project.

The project leaders are responsible for the overall project and reports to the main organization and top management. These leaders’ role in the project is to control the budget and engage all the other units of the project to achieve common goals and visions. A part from the other units of the project one might say that their role is more dual, because they report to a top management located outside of the project and at the same time function as their own top management inside the project. They have the responsibility to follow up on the goals and visions of the top management and to run a successful project. They are given a budget to work on, but apart from this they are the autonomous leaders of the project.

The group referred to as the projects workers are together with the project leaders those who represent the informants of this study, and they are Statoil employees who work in a matrix
and must cooperate and work in multidisciplinary teams within the project. To work in multidisciplinary teams prevents the structure from turning into a professional bureaucracy, because there are less standardized roles (Mintzberg 1983). Further, to work in a matrix, such as in this project, with less standardized roles and structures is supposed to be create to an innovative climate (Mintzberg 1983). On the other hand, the lack of structure can also cause a lot of time spent on coordination between units and people. To have to deal with other organizational parts which are not as flexible is experienced by some informants as challenging.

4.3 Organizational culture, context and structure

The organizational culture, the merger between Statoil and Hydro in 2007 and Statoil’s values and visions are all aspects that influence the context of the project. Other contextual matters are the size and structure of Statoil as an organization and the project’s locality or status in this structure. This material and cultural context of the project is significant in terms of it influences process of the interaction between agents and parts in the organization.

Values and visions

Statoil’s four main values are caring, hands-on, courage and open. Organizations and corporations typically have espoused values and rules of behavior, such as these (Schein 1985). Often, the ideals and visions prescribed by the top management is discussed as the organizational- and corporal culture. However, the organizational culture and the management ideology is typically not identical, partly because of the ideologies lack of depth in terms of culture, and also because of variances within organizations, and between top leaders and other groups (Alvesson 2002: 69). Although, difficulties arises when espoused values by leaders is not in line with the general assumptions of the culture in the organization (Schein: 1985). So, the four values might first of all tell us something about what Statoil wants to be or what the top management considers as important values, hence they frame some of the project working context to the informants.

Other espoused values or a strategy of Statoil is as mentioned the new mission plan called Statoil-2011, which is called a mission plan for simplicity. This plan can be seen as a measure to change or transform the organizational culture. Alvesson (2002) discusses how organizational theory and practice has a tendency to simplify organizational culture and to
believe that there exist normative instrumental *good* cultures that can be achieved. Culture is a more complicated phenomenon than to be reduced to a dichotomy of *good* and *bad* (Alvesson 2002: 66). Few things are only good or bad, or only functional and non-functioning; its functionality can depend on the angle of view (Alvesson 2002:67). The action plan is a measure or guidance to the organization about how they want to change in order to fit the organization’s new reality, or what Schein (1985) calls stated official philosophies or projections of the future.

Statoil-2011 is a mission plan for simplicity; it appears to have a goal of cost reduction and to make the Statoil system more efficient. The Statoil-2011’s goal of simplicity, or turning the structure into a more effective and cost oriented organization can be in conflict to other important goals of the organization, such as *caring* or safety (HSE) and quality. For example, some informants express the focus on cost compromises the focus on quality and safety of the product. According to some informants, to be more cost oriented, is traditionally a Hydro value, whereas the strong commitment and emphasis on HSE, is considered a Statoil value. So, again this matter of the conflict or how these strategies and values are experienced can be related to the organizational backgrounds of the informants. As discussed in chapter one, ex-Statoil, before becoming a stock listed company, as a state owned organization, has been formed in a different context as a company than ex-Hydro. The corporative culture of ex-Statoil, established in 1972, was in period in Norway dominated by political regulations by laws and legal precedence. Hence, the industrial relations in ex-Statoil were/are established in a time dominated by these laws and has influenced HSE to be perceived as being crucial items on any union-management agenda (Falkum & Tharaldsen 2011: 34). Ex-Hydro, on the other hand was developed by experiments and trials, and the result of the cooperative culture was a rather pragmatic approach in which the cooperative practices are described as informal and solution-oriented (Falkum & Tharaldsen 2001: 32).

Furthermore, Statoil’s emphasis on matter of HSE can be related to other parts of the organizational structure, such as the *governing documents*. Ex-Statoil and Statoil’s large technical staffs, such as the support units, preserve the values of HSE by creating governing documents on how to proceed. As ex-Statoil was established during the time of much development of laws on work regulations, the organization has also had a strong precedence for documenting everything, in case there are incidents or accidents that have to be
investigated later on (Falkum & Tharaldsen 2011: 34). Hence, the nature of the governing documents is to some informants, typically ex-Hydro, experienced as very comprehensive.

**The merger**

In 2007 the organization started the merger process between former Statoil and Hydro and first became StatoilHydro, which today is called Statoil. The merger is not discussed officially, such as in handouts or the organizational “book”, as of any significant relevance today. Moreover, after sometime in the organization in conversations with key informants, I did not consider that the merger would be of any significant issue. However, the informants give a different impression; many of them are still concerned about the merger in how they perceive the organization and their working situation. The informants talk about the merger, some more direct and others more indirect, for example they use their previous experiences as comparison to their present perspectives on the function and system of the organization.

However, this case might not be representative to the Statoil organization as whole. For example, ex-Statoil was not a project organization in the way ex-Hydro was. So in the new Statoil organization’s projects, the merger is perhaps more of a concern than in the rest of the Statoil organization, because the organization’s cultural changes are perhaps more evident in these projects. Or, the former Hydro culture, as a project organization, becomes more visible in the project parts of the new Statoil organization. Ex-Statoil has a history of being an operative organization. Thus, some informants express that to do such a project, as this case, is a “*Hydro thing*”. So, people of former Hydro background are perhaps more likely to work in the organization’s projects than in the main organization, thereby the merger and the organization’s cultural changes might be of more significance in the projects. For example, one informant with a Hydro background thinks projects are less valued or prioritized in the new Statoil organization, than traditional Statoil units, such as the support units.

“We could have had a higher standing in the company, to run projects and investment projects, and to make them successful has to be important to Statoil. But they are about to organize it down in the organization. If you compare to Hydro, this was what we made a living out of, to deliver projects. ...Statoil still has a lot to learn here.” *(Hank)*

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1 All the statements of the informants presented in this study are my translations from Norwegian into English.
2 The names of the informants starts either with a capital H (ex-Hydro background) or capital S (ex-Statoil background)
Hence, some major changes in the last decade happened to Statoil, the merger and investment in projects. Further, according to Eriksen (2002), more project oriented organizations calls for a simpler structure and more network based work in order to be effective, and some informants discussed how the structure of the organization is too bureaucratic and makes it difficult to perform the project work. The mission plan of Statoil-2011 can be seen as a measure in this direction because of the simplification values. The mission plan of 2001 is a measure to create new common goals and values for the “new” organization.

“So, the bureaucracy surrounding us, I think its negative, when thinking of “simplicity”, which is an important driver now in Statoil-2011. There haven’t been any practical consequences, or advances especially, as to “simplicity”, so we have a lot of bureaucracy in Statoil; I think it’s a bad thing.” (Sam)

Statoil is a more bureaucratic and larger organization than ex-Hydro was, so some informants feel that the organization as a whole today is not adjusted as a project oriented organization, like Hydro was, mainly because of the structure and the bureaucracy of the organization. So, the mission plan of Statoil-2011 can be seen as a measure to become more project oriented as an organization, because in the project there are less structure and more of matrix. However, this informant recognizes the initiative for simplicity but does not experience any changes in the real working situation.

**Project as a work form**

“If you look at this project, so is this also a matrix organization. We have a task line, resource line and support and in an organization where you share your resources like that, that is strength to the organization. You can, of course, take advantage of each person a lot more when you can squeeze some extra out of them, you know. So, then you have optimized that, that’s positive in a matrix organization, and it’s easier to get experiences across. And, also, here, it’s easy to reorganize resources in a matrix organization, if it is needed more somewhere else, and then you have the power and the authority to reorganize.” (Stan)

Mintzberg (1983) discusses some potential issues to an adhocracy, which is close to the functioning of this project, such as ambiguity, ineffectiveness and the change of structure or potential to turn into more of a machine bureaucracy. Operators in an adhocracy, work in a matrix and must cooperate and work in multidisciplinary teams in order not to turn into a professional bureaucracy (Mintzberg 1983). The structure of an adhocracy constantly is threatened to become more rigid, because to gain control often means a lot of time spent in meetings to be coordinated. The informants work in matrix and the lack of structure and coordination causes flexibility and distribution of resources, but also ambiguity and
uncertainty because, for example, a lot of meeting time is necessary in order to be coordinate and decide or agree upon who is responsible for what. Instead of structure and formal roles, meetings function as a liaison device. To work in matrix without too standardized roles and structures is fruitful to an innovative climate, and the informant says it makes the organization efficient. On the other hand, the lack of structure can also cause a lot of time to coordination between units and people. The meeting time can itself become constraining structure if it is too time consuming (Mintzberg 1983). So uncertainty about roles and responsibility can cause feelings of powerlessness. Further, some informants mention a lot of meeting and interaction time as a burden and Mintzberg (1983) discusses how such compensation to a lack of structure in the end itself can be destructive as it initially in itself is structuring.

Furthermore, a project, unlike other organizational work, has a more holistic beginning and an end, it is supposed to be completed and done within a certain timeframe. In other structures of organizations, people can spend their entire career in the same position or place of the organization. In this case the main organization, or the agents and parts of the organization that the project is dependent on, hence are experienced has having a different concept of time than the informants in the project.
5 The merger and the organizational culture

A merger is a “complete union or amalgamation of two or more companies in order to become a managerially interwoven, economic and legal unity” (Kusstacher and Cooper 2005: 2-3). In organizational theory there are various traditions of research and perspectives on the process of mergers. A Strategic perspective emphasizes how mergers can produce competitive advantages, although a strategic fit is necessary in order to produce the potential synergy in mergers. In a Human Resource perspective, on the other hand, it is emphasized how mergers can be experienced as a dramatic restructuring process which may imply some negative consequences to the individual employee and the organization (Enehaug & Thune 2007: vi-vii). There are three phases of a merger, planning, realization and integration phase (Enehaug & Thune 2007: 5) The Statoil-Hydro merger is now in a post-merger process, because the two organizations are integrated and now operating as one organization, Statoil.

The goal of the merger was to become a more capable organization in the industry of oil and energies, also in an international market.

“The Statoil-Hydro merger was a horizontal merger of two former competitors motivated by a goal of international growth, more efficient operations nationally, scale-based efficiencies and expansion into new sources of energy” (Colman, Stensaker & Tharaldsen 2011: 17)

The Statoil- Hydro merger was a horizontal merger, which means they were in the same type of industries. The merger was not, however, absorbing, meaning that one minority group melts into the dominant part through a process of assimilation. The merger was rather a process thoroughly planned, where “the best of both were to be combined in one organization through a merger of equals” (Colman, Stensaker & Tharaldsen 2011: 20). The organizations have chosen a high level of structural integration after the merger, intending to balance the input from each firm (Nesheim 2011: 127). The implementation of such a merger implies the reassignment and redistribution of resources, authority and responsibilities between individuals and pre-merger units. And in this process it is very likely that conflicts of interests will appear, leading one of the parties involved to perceive the process as “not equal” (Coleman, Stensaker & Tharaldsen 2011: 19). In most theory on change of organizational
culture, resistance to change is an issue. Any change in power means or implies a change in status, the bricks are moved somehow, something is considered more or less valuable. A change of power also implies that someone has less power than before. In a book based on extensive research on process of the Statoil- Hydro merger, *A Merger of Equals* edited by Colman, Stensaker and Tharaldsen, an important aspect of the merger is that the top managements in both organizations went for a strategy of an “equal” merger process. Although the difference in size, stock and resources was significant, the strategy of the top management of both Statoil and Hydro was to have an equal process of merger. But Statoil was a much larger organization, so it is likely to think that process would be experienced as less equal to former Hydro employees. Although the new top management was to consist of an equal number of ex-Statoil and ex-Hydro members. On the other hand, a few years into the process a couple of the ex-Hydro CEOs left their positions in the top management.

In *A Merger of Equals* (2011) it is stated that there was no evidence that ex-Hydro employees felt overrun in the new organization despite the differences in size between the two former organizations. In fact the research emphasizes that in the realization phase, mostly ex-Statoil employees in the unions protested on the changes, specifically on the new health and safety regulations. In other words, these results indicate that there will not be too much concerns in the organization now revolved around the merger.

Berg (1997) states that to be an effective organization the members should, not necessarily integrate, but comply or be in compliance to the organizational values. Compliance to organizational values will save organizational members for a lot of negotiation, because it gives room for a lot of tacit knowledge, in other words, there is predictability and trust in the interaction between organizational members. The organizational uncertainty is something, a report from the Norwegian Work Research Institute (AFI) written by Heidi Enehaug and Taran Thune (2007) on collective theories on mergers, considered a significant threat in a merger process, both to the productivity of the organization and to each individual well being as an employee. A successful merger is dependent on both an integration of the social and an integration of tasks, or how one does things (Colman 2011). If organizational members disagree or want to do procedures differently, this might cause uncertainty and inefficiency because the organization lacks traditions (Hernes: 1975). On the other hand, flexibility in organizations can also provide an innovative climate, or change, and change was one of the goals of the merger.
Something that can cause difficulties in a merger process is called “the merger syndrome”. For example, the integration process can cause “culture collisions”, which means that the employees keep track of what decisions can be accredited to the one or the other part and there cause “us versus them” thinking (Enehaug & Thune 2007: 32).

5.1 (How) is the merger between Statoil and Hydro still a concern?

The merger is in fact something that many informants mention. When many of the informants explain about their understanding and relation to the culture and structure of the organization it seems influenced by their organizational background or more the difference between the two cultures of the former ex-Hydro and Statoil. Officially, the process of the merger is talked of as successful. The informants, however, seem to be concerned about the merger in one way or another, either because of networks, structure or values of the new organization.

Sam, for example says: “if you ask some top chiefs in our company today, they’ll say we’re one big family, of course that has never been the case”. Sam talks about how the merger is considered a done deal by the top management, although to him this is not the organizational reality. He also discusses other differences and tensions in the culture of Statoil, such as habits and identity as a result of the merger:

"So, X is the first large scale project since the fusion between Statoil and Hydro was a reality. In StatoilHydro, as it was called then, there was a lot of focus on finding, or establishing a new platform for this company, a lot of uncertainties, and a lot of geographical tension that still is here today. A lot of “where do you come from”, “are you a former Statoil or former Hydro”. And some people think this is over, but it is no way behind us, we were driven through a decision mill at an early stage with a system that was Statoil plus Hydro, in other words it was double up of most things, extremely rigid, tardy and inflexible. We had a difficult setting of ownership...” (Sam)

Sam explains a chaotic situation where roles and structure are not established. The double of resources must have made it difficult to know who is responsible for what. The merger seems to have caused uncertainty and there might have been conflicting interests in order to organize the new culture. If people are still interested in what background one has, that seems natural, but at the same time if there is too much focus on background or what part of the organization today is a former what it will continue to identify who or what is what in the company.
sort of interest, or concern about the former organizational cultures, can perhaps turn into a self-fulfilling prophecy because the resistance or consciousness about changes becomes greater than the will to integrate or create new traditions.

Sam also says the process of the merger is not over; people are still concerned about what former background other people in the organization have. He describes an intense integration process of the two organizations and says the difficult setting of ownership causes a rigid system. So, Sam does not experience the organizational culture as integrated in the same way as he feels it is presented to be by the top management. He experiences organizational tension both because of the former Hydro and Statoil identities, and with the system of how things are done in the new Statoil.

Henry is also concerned about of the merger and how it has influenced the way to now do the project work.

"Yes, it is. It is considerable, it is differences between old Hydro and old Statoil, and there is a difference between old Statoil and new Statoil, and Hydro and Statoil when that is being told. So, that’s it actually. It’s simply about corporate culture, different manuals for project work.” (Henry)

The merger is mentioned when informants explain about their work situation in the project. Sometimes the informants’ organizational background is referred to when they describe their view on the structure and culture of the new organization as a point of reference. Some informants talk about the merger on a more metaphysical level and say it is still a real issue to the functioning of the organization and have a more political views on the issue, whereas other informants more naturally end up mentioning the merger when explaining about their work situation in the project. Steve seemed to end up on the topic more reluctantly and when asked about the issue further seemed to want to downplay the issue and said he was a sensitive person. “That’s difficult (...) and it’s very subjectively. I typically have the wrong notion (...) I have a tendency to paint it red. (...)I have the notion that this is stuff that just needs time”.

Usually there will be resistance amongst organizational members to cultural changes (Grenness 1999: 91), but the informants do not seem to be in resistance to the organizational changes of the merger. However, they are conscious about it, and some with a more explicit relation to what it implies to the organizational culture. For example Steve says the merger process has ended up with two cultures of doing things.
"So, originally...there were two companies. Then you put them together. Then you see,. you try to take best from each,. And it is not necessarily that it is an advantage to take the best from each part or that it turns more complicated. And then you sit there with two cultures that do things their own way. To build bridges between this, takes time. It shows in any organizational change, not least. So, I can say that, it seems like a disadvantage, it can be difficult. It could just as well be that it lacks relations, that the contact which is necessary is not established, that one perceives things differently. It can be from a perspective of organizations. Or it can be from a perspective, which I think is the case, that there still are Statoil and Hydro differences."

Steve says there still is some tension between the two cultures and backgrounds, and also points out that it lacks some relations between them. He says that to try and take the “best” of each basically turns out to be two cultures. Steve is skeptic in first place to merger at all as a process, but still mentions that perhaps there are some things that could be done, like establishing contact and networks to avoid disagreements or difficulties. First, Steve says the tension is caused by different perspectives on systems of organizations, but also that it might be because of Statoil and Hydro differences. So the tension is communicated as different opinions about structure and system, although Steve discusses how the root to the tension about perspectives on structure and system is influenced by experiences from their previous organizational backgrounds. Although, Steve also explains that the merger is a process which takes time and that some tension is typical if one is subject to organizational changes.

The top management of former Hydro and Statoil were well aware of potential conflicts and difficulties as a result of a merger (Coleman, Stensaker & Tharaldsen 2011). So, both top managements of the former organizations made a plan to have a merger of equals, so both previous organizations should be represented in the top managements and have an influence on the system and values of the new organization.

Moreover, culture is not some independent definable unit that one can strategically control, it concerns everything one does, controls our perception of reality and guides our thinking, emotions and actions (Alvesson 2002: 18). Further, organizational culture, if exposed to a strategic change it might imply a reinforcement of the existing culture (Grenness 1999:92). Sackmann (1997) states that cultures are pluralistic; consisting of many subcultures. Moreover the study of the merger two years after concluded it was not the former Hydro and Statoil belonging that was the strongest referent to identity in the organization, but rather other social identities, such as profession (Coleman 2011:231-32).

However, to most of our informants the merger is still a concern. They are concerned about the merger, perhaps not as threat to their social identity in the organization, but as how it has
influenced the system and structure of the organization. So the informants express different habits and preferences in ways of doing things as a result of the merger.

5.2 **Influences of the Merger**

*Are there any direct/indirect influences of the merger to the project or project workers?*

First of all, top management in both ex-Hydro and ex-Statoil decided to implement the merger, and these powerful networks in both organizations made the merger possible. Both top managements had a plan to proceed an equal merger, although a report from the Norwegian Work and Research Institute (AFI) concludes that: “In practice one will never find a merger of equal parts, and the greatest issue related to this type of fraud is that the organizational members are lead to believe that decisions are made in a egalitarian way” (AFI 2007: 7). In this case, the intention on both sides was to have an equal merger process, and unions were included in all planning and decisions making. In phase two, however, during the actual integration process there came up some issues when union and management interests proved to be conflicting, such as to the health and safety requirements (Falkum, Bråten & Hansen 2011: 104).

Furthermore, the organizational disagreements or tensions might be influenced or controlled by various networks within the organization. Some informants talk about networks, both formal and more informal, that exist on the background of the merger.

**Formal and Informal Networks**

Networks can be large or small, formal or informal and strategic or affective. Strategic networks have more explicit intentions than more informal networks like collegiums, which function more like transfer of knowledge. Networks can also have a corrupting potential because they go between power, authority, friends and enemies (Sørhaug 2004:317).

One informant talks about how networks of former organizational background influence major organizational predicaments, such as the locality of the strategic apex. An ex-Statoil informant says if it was to be moved from Stavanger to Oslo that would be a signal to the whole organization of a major change, like departing from one’s roots. Ex-Statoil had its headquarters in Stavanger and ex-Hydro in Oslo; Statoil’s headquarters are now in Stavanger.
In other words, how the politics of the top management is formed can be interpreted by the employees as signals of what ex-organization is really in charge now.

"It is the networks that are base of power, that they are very good at, and of course I have networks with former Statoil employees, we are no better. It is worshiped and there are strong power factors in Statoil. A lot stronger than most people really want to recognize, if you ask some top chiefs in our company today, they’ll say were one big family, of course that has never been the case. Not even in old Statoil, old Statoil was totally politicized, many wings and many networks there as well, that’s how it is in large organizations, naturally. And in my world, that’s ok, but they shouldn’t get too strong, they need to be tamed, in what degree that it is possible to tame them, to take out a few alpha males from time to time, is possible. But, networks are strong stuff and what should be measured are all the networks around, it is exciting stuff, both in politics and large organizations". (Sam)

Sam says there have always been networks of power and now they are also influenced by people’s post-merger backgrounds. So the networks of interest or power are not necessarily primarily based on the organizational belongings. However the project, the project work and the employees are subject to the politics and decisions making of the top management and other power networks in the organization. On the other hand, this is not a very representative concern; most informants were not concerned about the top management, but more about their own situation in the organizational context.

Furthermore, the merger may also influence more informal networks and collegiums as a consequence. Sally says she uses her more informal networks from her organizational background to get the help she wants from the support units and that she usually knows who to contact directly.

"You don’t need to know anyone to have really good support in the support units. So, whenever I get into a difficult matter, difficult to find a solution for and so on, then I get really good support by the experts in the support units."(Sally)

She says her contacts in the disciplines is an advantage when she needs support, she knows who to contact and does it directly. Sally says you do not need to know those in the support units to get help, but at the same time she says because she knows who to contact directly she gets really good support. Further she mentions that to those who do not know who to contact directly there is an internal helpline in the organization to guide them. Even though she says the same help is offered to everyone, she does repeat how her previous network from her former Statoil background is an advantage. If this is the case, those without the relevant contacts might experience the new system more problematic, like for example some ex-Hydro people because they come from a smaller system of an organization. The informants’ contacts
or relations with other parts of the organization, such as the support units will be further elaborated in chapter 6.

The informal type of network mentioned by Sally does not necessarily have any intentions of a certain outcome of the relationship, where as the more formal networks, mentioned by Sam, he presents as a network that has an agenda or at least some preferences that they want to protect or get across in the organization. The formal networks are more political and instrumental. The informal network mentioned by Sally is also instrumental because she uses it to get information, but it can also be of more affective value, because it is something familiar. Thus both networks most likely influence the experiences of the project workers, the networks influence how they experience their relationships to the rest of the organization and each other.

One thing discovered in the research done after the merger was that the employees had different knowledge about the new system based on their background, for example more of ex-Statoil system was kept in the new Statoil (Colman 2011) Consequently, ex-Statoil people have more familiarity with the new system. This is something that is also expressed by Sally because she says her contacts are related to her ex-Statoil background.

**Structure**

“...There is a major difference in how Hydro was organized and how Statoil was organized, and there is a difference in where you come from and what kind of perception you have of what is the normal way to work.” (Henry)

The goal of the merger was to create an organization were the strengths of Hydro was to fill in the holes in Statoil, and vice versa (Falkum, Bråten & Hansen 2011: 110). Compliance with the formal structure, which is described in the Statoil book, and its principles, the tasks and responsibility inherent positions, governing documents and decisions processes has been consistently emphasized since the merger (Nesheim 2011:127). Although, the new integrated system of the organization is more similar to the ex-Statoil structure than to ex- Hydro. So, research done two years after the merger showed that the employees from ex-Statoil generally found it easier to adapt to the new roles and relationships, than employees from ex-Hydro (Nesheim 2011: 133).

"Hydro, this was what we made a living out of, to deliver projects...Statoil still has a lot to learn here.” Howard as a former Hydro employee is referring to ex-Hydro as a project organization. So, he says the structure in Statoil, or how Statoil does the projects is something
that is not yet at the best practice. Although, he does indicate that the organization is in a process of development and still “has a lot to learn”.

Pre-merger, ex-Hydro was stereotypically described as being better than ex-Statoil on project management and ex-Statoil was described as more at the forefront in terms of technological development (Colman 2011: 226) Although, a couple of years into the integration process when some interviews were done about the merger and social identity, people then described that the differences in culture, values and norms were in fact relatively small. Additionally, in a post-merger survey conducted by Statoil, called Integration Monitoring Survey, people indicated a strong feeling of identification with the merged Statoil (Coleman 2011: 227). Consequently, because social identity is so important to identify with an organization, this should indicate that organizational background does not correlate to a feeling of alienation in the new organization, which is a relevant threat in mergers.

However, Henry, Hank and Howard are not saying that they do not identify with the organization, but they are upset about the structure and how projects are conducted now, which they compare to their previous experiences from working in ex-Hydro. One aspect which might cause them to be more conscious about the differences between the two former organizations is that they work in a Statoil project. If projects were ex-Hydro’s typical system and not ex-Statoil’s, then the differences in structure are probably more apparent and intrusive in the project parts of the new organization. It is not specifically the project itself, and the matrix within the project that the informants are concerned about, but the relations to parts located outside of the organization, the layers and the bureaucracy. For this reason, these other parts of the organization seem to influence the project differently than how projects were run in ex-Hydro.

Hank has a theory as to why the structure and system in the new organization is not ideal; it has to do with the history of ex-Statoil’s structure.

“Yeah, it is probably contingent by history. Statoil is basically an operating company, or has been, and then it’s a lot easier to have many levels. And then you’re going to have the same in a project organization... a project organization needs to be able to turn around a lot faster and make quick decisions, and not have any indecision-making but make decisions when necessary. I think, Statoil was an operating company and operation stands very strong in Statoil. I think that’s a lot of the reason.” (Hank)
To Hank the new Statoil has not adapted to the needs of a project organization. He says the structure and system of the new organization is much influenced by how ex-Statoil was built up, with a focus on operation more than effective projects. So, he says the status of projects is different in Statoil than in ex-Hydro. Or in other words, other parts of the organization in Statoil have a higher standing than the projects and this influences how Hank feels he can operate or function in the project.

Thus, it seems the Statoil structure is experienced as the winning one in the new organization to this former ex-Hydro employee. Ex-Hydro was a much smaller organization than ex-Statoil, so the change of the merger is perhaps more present to the ex-Hydro employees in terms of the structure. Hank also explains why he thinks the new structure slows down decision making in projects.

“*In my opinion, Statoil is very bureaucratic. That might be because I have many years behind me in Hydro. The lines were shorter and there was more delegated responsibility to the project organization than now. So, that makes Statoil systems and procedures very tardy. Many levels in the organization make it a bit difficult and processes for change are demanding. There is a potential for improvement on this matter, I think.*” (Hank)

To Hank the current structure of the project and organization can be improved, so it is not yet developed to the best practice. He says the structure of ex-Hydro was more effective in terms of operating a project; there was more delegated authority and less control. So, Hank feels there are too many parts involved in the decision making of this project, which slows it down and consequently makes it more inefficient and expensive than projects in ex-Hydro, something also expressed by Howard.

“*In Hydro we’re like, I don’t know, we were about 5000 employees altogether, now were more than 35 000, and everything has to be coordinated, treated the same, and then it’s a lot more rigid. Before it was more adaption, you could fix stuff, achieve things. But now you are more a brick in the system, and it gets too rigid to handle in practice, so if it’s not coordinated then when the contract was written you get a problem afterwards, that’s typically the case here. You make it in way, but there is a lot, it makes a lot of commotion and there is a lot of unnecessary because of it.*” (Howard)

Howard is also concerned about the delegated authority of the project and the possibility to make decisions and act upon them. He says it works but that the structure causes a lot of unnecessary commotion and time spent on coordination.
Moreover, many of our informants have concerns about their relationship to other parts of the main organization, such as the support units and the operative staff, because the project is depending upon their support and approvals in order to accomplish their own work. However, some ex-Statoil people, like Sally, say the Statoil system is necessary and useful. And those who are not familiar with the system just need time to adapt to the way of doing things.

“So, negative about Statoil, well I’m in a way born and raised in Statoil, so I’m used to it. Those people who are not from Statoil, those people from Hydro are used to shorter lines and a lot more of “you make decisions on your own”, but that has its disadvantages as well. Now we have many people who are very competent in the disciplinary and support unit areas, and they come in and support us, I think that’s a good thing. But it takes time in such big system, it does.” (Sally)

The reason Sally thinks she can see the advantages of the Statoil system, is because she is “born and raised” there, so she is admits that the habit of doing thing is important as to understand how the system and structure of Statoil is reasonable. Furthermore, she says there are some disadvantages to the ex-Hydro’s more effective structure, such as the lack of focus on the quality and safety, which she feels will be jeopardized by a more simple structure.

“Yeah, so there are probably a lot of people who will call the support units an obstacle, but I don’t see the support units as an obstacle. I see it as a strength because we have a lot of competence there, who wants the best for our company, instead of going to some external unit for expertise that does not know the setting each time. So, I don’t think that is an obstacle, but I can see that it slows us down in a few things which could have been done a lot faster, but then perhaps it would have backfired at us when it is to be operated, that things were not optimal for those operating it every day.”(Sally)

Sally acknowledges that to some people the structure of the project, such as its relationship to the disciplines, is an impediment and that it may delay certain processes in the project work. Although, she believes the structure is an asset to the organization as a whole, and emphasizes how the form of the structure is desirable in the long run. To Sally, the structure is desirable in the long run because it ensures quality and safety. She expresses concern if this was to change and the system was to be made simpler because she values the current structure with an argument of the well being of the products and the organization as a whole. Whereas, those more skeptic or negative towards the structure of the project are more concerned about the cost and efficiency of the work process. In their case it is about the lack of delegated authority. The informants’ experiences of the relationship of the project and the other agents of the organization will be more thoroughly elaborated in chapter 6.
The interviews show that there is a tendency of informants’ backgrounds to influence their perspective on the structure of the organization. The informants do claim their perspectives on the system and structure to be caused by their previous experiences of organizational structure. Although, they do not express any feelings of alienation in terms of their social identity, something also found in the Internal Monitoring Survey conducted by Statoil. On the other hand, the informants argue that their own previous experiences make them able to see what is most productive or useful, as well as what could be improved in terms of the current organizational structure. Subsequently, the informants’ arguments as to what structure they prefer are rational or instrumental arguments, such as “it is not effective” or “it ensures quality and safety”. On the other hand, informants also express that this has to do with habit, what they are used to themselves and what others are used to.

So, the difference in structures between the two former organizations of Hydro and Statoil to the present Statoil is a significant issue to informants in the project, both the status of projects and, especially, they are concerned about the various units that need to be involved in order to perform the project work, such as operative staff and the support units. It seems that the ex-Hydro people are most concerned with structure, or it is more typical for the ex-Hydro people to say that the structure is too bureaucratic. On the other hand the concerns towards the other parts of the organization are expressed by many informants, regardless of organizational background.

The issue is not necessarily the social identities of the former organizations, although some informants also expressed the stereotypes which were typically expressed prior to the merger. Furthermore research done two years after the merger found no evidence that employees perceived systematic biases or that people from one organization was treated more or less favorably than the other (Colman, Falkum, Stensaker & Tharaldsen 2011: 259). “As people came together to start working in the merged company, their pre-merger identity was not necessarily the strongest referent to identity. This can explain the lack of pre-merger identity issues and pre-merger conflicts” (Colman 2011: 232).

So, much of the same that showed in the previous research can be said for this study, for example the social identities of the informants, such as ex-Statoil or ex-Hydro, is not referred to in the manner of “we are like this”. The former organizations of ex-Hydro and ex-Statoil, is more referred to as a reference to explain how the structure and relations in the new Statoil system is experienced to function to the informants in their project work in this project. Or, like
Henry says he experiences the status of projects is different in the new Statoil organization than in Hydro.

The concerns of the informants seem more of what Martin (2002) refers to as fragmented and not necessarily what she refers to as differentiated, or as of two subgroups; former Statoil and former Hydro, or project versus the main organization for that matter. The culture seems more fragmented because there were various perspectives on the matter, for example the project workers relationship to the various other units of the organization, the governing documents, as well as the values and goals of the organization. Sometimes the informants’ perspectives on the structure are explained by a comparison to their previous experiences from their organizational backgrounds, and sometimes by referring to experiences of work in the main organizations versus the project.

The question then becomes; how do informants experience their relation to the main organization, such as the support units and the operative staff, and what, more specifically, makes the structure and system of the organization be experienced as rigid and at times incomprehensible?
6 Status, Agents and Power

Chapter four describes various parts within the organization; the project, the main
organization and the connection between them. In this chapter, the informants’ experiences as
project workers in relation to these parts of Statoil will be discussed, as well as their
relationship with values and governing documents of the organization.

The project, or this way of running a project, is something new to the post-merger Statoil. It
seems that some of the tensions with how the informants perceive the system and culture are
related to how they experience the function of their working situation post-merger. The
merger is still relevant because much of the new Statoil system is from ex-Statoil, which was
not a project organization, but more on the forefront of technical development (Colman &
2011: 226). For example, some ex-Hydro people feel that current projects have low status in
the organization; consequently some say the projects are difficult to handle at times and many
people do not want to work in the projects, because they are not a priority, so they presume
people will rather work in the other parts of the organization.

In chapter two, Hernes’ (1975) structural model of power is described. Power, in this model,
is about the distribution and control of competence and capacity in the relationship between
(two) actors. Competence is the authority of an agent; the authority to make decisions and to
be able to bind one-self or others, or to have certain rights. Capacity is an agent’s skills or
resources. To have power means to have control, which entails those relations that directly
make an agent able to affect the outcome of an incident. The rules of competence are “rules
about who can decide what and about how it should be done” (Hernes 1975: 30). Moreover,
capacity is control in terms of knowledge, expertise or skills, meaning the abilities one has to
solve certain tasks or problems (Hernes 1975: 32). In other words, the control or power is
about who has the take on whom, or about who experiences a lack control over their own
interests and how do they experience this lack of control. An important aspect, in this theory,
is the intentions of the agent who exerts power, there has to be an intention to exert control,
otherwise power is hard to define. Nevertheless, power does not necessarily have to be
exerted; power can simply be the ability or the possibility to do something, which in itself
influences the actions of another agent.

However, how one experiences a lack of control can differ, and hence so does the experience
of powerlessness. The ability to sanction, or have some sort of effective way of responding to
someone who controls one’s interests is necessary in order to negotiate on the lack of control. Nevertheless, the ability to exert power over someone is when an agent controls or has the ability to control something that another agent wants; the interest of another agent. In other words, power is also about dependency, to exert power over another agent means another agents’ dependency on them. Emerson’s (1962) account of exchange based theory states that: the power of A over B comes from control of resources that B values and that are not available elsewhere. In this account, power and dependence are simply the obverse of each other: B is dependent on A to the degree that A has power over B. Further, power is not zero-sum, as A and B can each have power over each other, making them interdependent.

According to Hernes (1975), the interests of an agent may be objective, such as human needs, the duties of a position or the common interests of a group or role. In this case, the informants can be said to share some objective interest, such as their interest in fulfilling the duties of their position as project workers in the same organization.

An important aspect of this model is how power is an ability to realize one’s interests. This aspect, implies agents with consistent and organized desires, and that they have the ability to see how these desires are affected by others, as well as how the agents now what they want and have general idea about to how achieve their goals and knowing with whom they have to negotiate. Powerlessness, however, is a condition in which an agent is without clearly defined interests or without knowing how they are affected by the decisions of others.

Moreover, if one group in the organization decides how things should be done, perhaps some agents, like in this project, would have done things this way anyway. Hence, they do not experience a lack of control, because the way of doing things complies with their own interests. Whereas those who would prefer to do things differently, do experience a lack of control. So, a conflict of culture, or diverging interests as a result of different backgrounds, on the way of doing things is seems to be more of source to the experience of lack of control to the informants in this case. For example, the project workers’ experiences of lack of control vary in terms of how and what they express most concern about.

Thus, Herne’s model of power is limited in terms of perceptions, or the experience of having to do something you otherwise would not have done as an experience of lack of control. How one perceives the organizational culture and systems is not necessarily objective or rational,
such interests may also be influenced by habits and expectations such as cultural influences. Martin (2002) maps out the terrain of organizational culture and presents a theory of three perspectives; integrated, differentiated and fragmented. The integrated perspective focuses on the shared culture in an organization, the differentiated perspective reveals subcultures and the fragmented perspective is about the ambivalence of an organizational culture, it focuses on how culture is a complex matter and not necessarily all black and white. Martin emphasizes how the three perspectives all give separate insights into various dimensions of an organizational culture (Martin 2002: 152). So, for example, objective interests may not be the same for everyone in the same position, or the term objective interest is not sufficient to explain these interests, there are some cultural matters that influence how the interests are perceived, such as the difference between an ex-Hydro and ex-Statoil background.

This analysis can be said to have a differentiated perspective, because it focuses on the organization’s various subgroups by dividing them up and analyzing the conflicts between them. Moreover, the subgroups in this analysis proceed along horizontal and functional lines, because they are not hierarchal or vertically placed to each other officially, or in something like an organizational chart, yet some subgroups appear to have more control than others (Martin 2002:102). However there are other subgroups functioning as well, such as networks of personal contacts or the influence of organizational background. These other subgroups, also within the project, seem to share some common interests. So, this is a complex matter, because the informants’ perspectives on the organizational culture and what interests they experience a lack control of is both a differentiated and fragmented matter of perspectives. For example, the ex-Hydro informants express more lack of control about the support units than for example most ex-Statoil informants, however most ex-Statoil informants express a lack of control in terms of values, such as safety and quality.

Hence, the ex-Hydro workers express more of a lack of control in terms of the projects dependency on other parts of the organization. One reason for this might be that those parts, such as the support units, are organizational parts that are kept from the ex-Statoil system. Additionally, projects are considered more of an ex-Hydro way of organizing, so consequently some ex-Hydro informants express concerns that indicate that they do not think the Statoil organization is well adapted in terms of the functioning of projects. Ex-Statoil workers, on the other hand, are more concerned about other post-merger consequences, such an increased orientation about cost and budget, which is considered more of an ex-Hydro
orientation. However, in terms of Martins’ fragmented perspective on organizational culture, the informants do also express various and incoherent perspectives on the organizational culture as well, and not everyone with the same organizational backgrounds express the same concerns.

Subsequently, in terms of the tensions on organizational culture, the effects of the various backgrounds will be discussed in the next parts of this chapter.

6.1 Where is the project in the organization?

The project is initiated by the main organization and the top management. Moreover, the project functions autonomously in terms of its own budget. However, the project is dependent on the main organization; it is dependent on its personnel, agreements, approvals and help from operative staff and the support units, as well as guidance on the governing documents and requirements. So, this Statoil project is much like Mintzberg’s (1983) description of an adhocracy with its relations to a professional bureaucracy, such as the support units. Nevertheless, the professional bureaucracies’ priorities and interests on how to execute the project, does not necessarily coincide with the interests of the people working in the project. As a result the conflict of interests gives ground for some divergent or fragmented understandings of the organizational culture both between the project informants, as well as some tense relations towards other parts.

For example, Hank states “There is no one from PRO in corporate management (...) we are organized further down in the organization”. PRO is the Statoil projects’ own body of management and they are not represented in the corporate management. Hank mentions the position of PRO in connection to the status of projects in Statoil, he thinks that the fact that PRO is not a part of Statoil’s corporate management indicates how projects are valued by the organization, which again influences his perception of the project and the project work. Hank further discusses the status of projects in the organization.

“I am of the belief that there is not too much status working in projects like it is too...salary-related, you don’t come favorably out it, working in projects compared to the bureaucracy or to work with the technical stuff in the support units. Project work should be more appreciated, get a higher priority, then it would be easier to get the right people out in the projects. Statoil is a bunch of people, right. And there are a lot of technical people who sit and make reports and specifications on totally nitty gritty stuff. The company shouldn’t live of that.”
Hank further says that Statoil has “(...) researcher’s eyes on it, a wish to have large technical staffs, like they do. But you don’t reach them when you need them, to get them into the projects.” This perspective is related to an ex-Hydro and ex-Statoil difference, to some former Hydro people, like Hank, the organization, or new Statoil, does not appear wanting to become a project organization, the way ex-Hydro was. The perspective is grounded on an argument about those large technical staffs that were a part of the ex-Statoil system and how they are perceived as still a main priority. The technical staffs or support units, that they are also called, are experienced as something with importance to Statoil, and hence why some informants say the projects do not have the same status in the organization. The ambivalence to the priority of the technical staffs is rooted in the perspective on how they work and function differently than the projects, while at the same time the project is dependent on their support. Moreover, Hank says that when he does reach them when he needs them to support him in the project work. Thus it seems he considers them to be more of an impediment than an advantage or resource. It is experienced more as an impediment because “the right people are not in the project”, so to these informants those with expertise should rather be in and not located outside the project so when they are needed they could be reached.

Moreover, time or deadlines is experienced as different concepts between the project and the main organization. The project has deadlines and phases that control their work. The pieces of everyone’s work in the project has to be coherent, because they are all producing the same product and have to deliver together. The technical staffs, on the other hand, work more on issues within their specific field and do not seem to have to cooperate in the same way, at least not with the project or like the project members cooperate with each other.

“Yes, I do think you have more freedom in projects, but you are more controlled by the deadlines. It is more required to deliver when you work in a project. So, it’s easier to pick up in the daycare when you work in the support units, and there is less required travelling of course.” (Hank)

A project implies a different responsibility than the technical staffs; the whole organization is a project and has to deliver at same time and be coherent, so each part makes up a whole, they all have one common product. So, Hank thinks this working situation produces both less and more autonomy. The freedom or autonomy in the project is to be creative, such as when one comes up with new solutions which are either rejected or followed up. Although the new solutions may be rejected, the process of finding them gives a feeling of autonomy. On the other hand, the fact that others, like the support units, have a say in your decision making
even when they are not influenced by the same deadlines as yourself, is what Hank considers
to be rather restraining. Being rejected or limited in one’s authority or restrained from making
decisions one has an interest in, can produce a feeling of lack of control (Hernes 1975).

However, the deadlines also influence what Hank refers to as freedom in the project work, he
says it influences the working hours and how flexible one is in terms of private life, such as
picking up children from day care. So, there is an assumption that people want to work in the
main organization where the time aspect is not as pressing as in the project. The issue of who
wants to work in the project or main organization is also related to the ex-Statoil and ex-
Hydro aspect, because ex-Statoil was considered as the operative and technical organization,
whereas ex-Hydro was the project organization, so there is an assumption that ex-Statoil
people would rather work in the technical staffs than in projects.

The project exists on the mercy of the main organization; it depends on its money, personnel
and agreements. This control and dependency inhibits the project to become an entirely
separate unit, which perhaps is the reason for the asymmetrical relation between them. Our
informants are only project workers, so perhaps if responsible people in the main Statoil
organization were asked, they would considered it necessary to exercise this control over the
project and perhaps they think the project is already too autonomous. Although, as Mintzberg
(1983) stated, the type of loose structure that is typical for the adhocracy is also necessary in
order to be an innovative project.

The concern about the status of the project is an ex-Hydro informants’ concern, which
indicates a sort of skepticism towards the system of things and the priorities of the Statoil
organization. Project was the ex-Hydro organizations main priority, in the post-merger
organization the system is larger and includes many more layers of units. Their concern for
the status of the project is probably rooted in the project’s dependency on this larger system,
which is different to how projects were conducted in the ex- Hydro organization.

6.2 Project workers versus operative organization

The relationship between the project and the operative organization appears to be of little
dependence to the project workers. The relation is more about the organizational culture, or
perspectives on what should be the right thing to do and expectations on how the system
should work, which varies between informants of different organizational backgrounds.
The operative organization takes over to operate the product when the project is done with their job and product. So, the project and the operators as two subgroups have different interests or missions. The mission of the project workers is to produce a product within their planned budget and time schedule. The operative staff takes over the product of the project when it is done to work on and with that product for an indefinite time. However, the two units are both part of the same organization, so the well-being of the product is still an organizational concern when the project is done with it. The operative staff has an interest in the product to be viable, which is not necessarily a conflicting interest to those working in the project, but yet, the project’s main perspective is to make and complete the product. In this respect, various details and other aspects to the product of the project work, such as safety and quality are important to the operative staff. Even so, these conflicting values and interests are not all black and white; project workers also value the same interests as they say are the concerns of the operative staff. However, the project also has a mission of keeping the budget and the deadlines. Furthermore, some project workers are more familiar with the work of the operative unit than others, and therefore advocate more for their concerns. Nevertheless, the project seems to be in control of the operators interests and not vice versa, consequently the project workers do not appear to be as concerned about this relationship (Hernes 1975). For example, ex-Hydro informants who usually express frustration about the whole system of the organization are less concerned about the operators than other parts.

Moreover, the operative staff does not have the same time constraints as the project workers, or they do not have to consider time in the same way, because they are not ruled by the deadlines of the project workers.

“Threats or impediments are really stakeholders, such as operatives that don’t like what we produce and that it is a challenge to get them on the right time so we can do something about it, those that we are going to hand over the project to.”(Hank)

Time is a conflicting issue, the project is dependent on the operative staff to be satisfied with what they produce, but they have difficulties with involving them at the right time. First of all, the operative staff most likely does not experience the same time restraint as the workers in the project. On the other hand, the project workers might not want to involve the operative staff too much, because it might cause too many changes or discussions which are both expensive and time constraining. Stuart says:

“When it comes to project development in Statoil, I think, especially in this project, it could have been better with an earlier involvement of operators. Thus, operators...”
are going to operate the platform and run it when it’s done and they often have their own requirements and wishes that... So if they don’t come in early enough, then requirements and wishes that come in on a late stage of the project execution then it becomes expensive and pretty complicated to have it implemented.” (Stuart)

So, Stuart basically says that if the operative staff is late with their requirements and wishes, they will not be implemented in the product because then it is already too expensive to make the changes. Moreover, informants express a differentiated perspective about their relationship with the operative staff, because they present the situation as two different subgroups with diverging interest (Martin 2002). Informants say they have an interest in following their plan on the proceeding of the project, whereas the operative staff has other interests that they would like to implement in the project’s plans. However, some informants do not seem to consider the interests of the operative staff as something they are dependent on, because they present these interests as more of an impediment and something that can increase the costs of the project. So, there is a basis for both tensions and conflict between the interests of these two parts of the organization.

The operative unit is a stakeholder to the project, because they are going to operate and run the product when it is done. However, even though informants express diverging interests between them and the operative staff, they do not seem to be as concerned about the operative staff’s interests, as much as they are about, for example, the interests of the support units. The reason for this might be that there is a difference in the symmetry and control in these various relations. The operative staff might have a greater interest in the project people’s work, than they have in their opinions about it, or as Susan says:

“"We have operative in the project which of course is an advantage, but they have very little responsibility. They follow up of course on packages and have to approve solutions, but they don’t have responsibility, initially, as their discipline lead.” And I think that is a weakness in the project because it is hard to relate to them sometimes. So they should be integrated differently, but it is probably difficult to know how to do that”. (Susan)

The main focus of this study is the interviews with people working in the project, so we do not know the operative staff’s reasons or perspectives on not involving themselves on time or earlier in the decision making. A reason already discussed, is that the operative units knows what to have opinions about only when they are involved by the project workers. Many informants say operative staff is involved too late in the project and that this is a disadvantage if changes has to be made, because then they are very expensive. Although, these informants do not seem to view the involvement of the operative staff as their responsibility, but more
like something they have to consider if the operative staff claims to be unsatisfied with something. So, there is ambivalence in their statements, because at same time as they think operative staff should be involved before decisions are made, or in the planning, they do not seem to consider it to be their own responsibility to inform the operative staff. However, they do not necessarily consider it to be operatives responsibility either, because they say they should be involved, not that they should involve themselves. So, these informants indirectly say that they do not experience it as their own responsibility to inform operative staff, or that they are dependent on it in order to do their work. The symmetry or power in the relation between the operative units and the project appears to be that the project workers have the final say. Although Steve, for example, says the operative should be involved, he also admits that they are not always involved because that can make the processes in the project more comprehensive and expensive.

“So one knows that the possibilities to achieve better goals or improve results are if...if one makes sure to in time involve those who have an opinion and something to say, like an operative organization. So they don’t, so changes don’t come in late, so they don’t come in on a late stage in the projects.”(Steve)

According to Hernes’ (1975) term of power and the distribution of competence and capacity, it seems that the informants, who work in the project, both have the authority and the skills to make decisions without involving the operative people. On the other hand, the operative does not seem to have the authority, or capacity to be involved when they want to in the decisions making. The operative might have the capacity to make decisions, but do not appear to have the authority to know when to be involved, perhaps they also lack the ability to mobilize their interests, they might have a collective action problem (Elster 1985). So, the statements of the informants indicate that the operative organization may have more of an interest in the project work, than the informants seem to have of an interest to involve them. Thus the project has more of a control and consequently power in this relationship. This might also be the reason as to why this relationship does not seem to have any significant difference in how it is perceived between ex-Hydro and ex-Statoil informants, because it is not a restrain on the project work or something that inhibits the autonomy of the project work. The typical ex-Hydro concern about Statoil is that it is too bureaucratic with many layers of decision making.

In knowledge-based companies, like Statoil, some agents usually have more knowledge than others, and consequently more power (Engelstad 2005: 57). The project workers control the operative organization’s interest, but not vice versa, so there is an asymmetrical relationship
and the project seems to be in charge of this relation. Although, informants say they want the operators to be pleased, they do not say that they are dependent on opinions or interests of the operators.

6.3 Project versus the support units

The relationship between the project and the support units, however, is a relation of dependency; or the project workers are dependent on the support units. Moreover, the project workers do not have any “goods” to exchange, or ways of sanctioning the support units for not cooperating how they want. Nevertheless, this relation is experienced differently between the project members, perhaps because the support units were a part of the ex-Statoil system. The control or power of the support units is an ability they have, or more an ability some of the informants perceived they have, because they express a certain respect towards how they deal with this relationship. However, many ex-Hydro informants express a general frustration about this relation, because of the support units control and possibility to control their interests. For example, the fact that the support units are located outside the project and still exert control or have the possibility to do so about the work in the project appears frustrating to these informants. However, the ex-Statoil informants are generally more appreciative of the functions of the support units, but still impose the relationship with a respect. Hence, they also seem to acknowledge their own dependency on these units.

The various disciplines or the support units, a sort of technical staff or professional bureaucracy within the main organization, assists with solutions to problems and understanding of governing documents (Mintzberg 1983). The support units also deal with applications for changes due to deviances in the plans or to the governing documents of the organization. So, the work in the project is to a great extent related to the cooperation with the support units, because they are dependent on their knowledge and approvals. Many of the informants are in one way or another concerned about this relation. Especially, the different concepts of time between the two work settings are a concern to the informants. Time, as discussed, seems to be something that is more apparent to people who work in projects, because as they say themselves, they cannot work on one little bit of the product, but have to acknowledge all the parts of the project organization. Therefore, the informants say they practice a more holistic and cooperative way of working in the project than, for example, those working in the support units. Time is of an important interest to the project workers,
although they cannot control the time in terms of their relation to the support units. The support units functioning more like a professional bureaucracy seems to a unit in which everyone has more control of their own time in their work (Mintzberg 1983).

Furthermore, when it comes to the relationship in terms of power and control (Hernes 1975), or the distribution of control and interests, the project workers have a significant interest in the competence and capacity, or in other words the knowledge and decision making of the support units. The interest is significant because the support units have the expertise on certain issues which the project workers depend on in their decision making. However, the project workers do not seem to have any way of sanctioning the disciplines for not cooperating or responding within the time of the project workers desire. Neither, do the project worker express that they have something of interests to the support units, other than the support units desire to do their job, which includes supporting the project.

Nevertheless, the concerns about the cooperation with the support units are not shared by all the project workers as perspective within a subgroup (Martin 2002). The concerns are differentiated and fragmented perspectives on the organizational culture, for example ex-Hydro workers express more lack of control about their relationship with the support unit than ex-Statoil workers. Although, ex-Statoil informants do also express some conflicting interest with the support units.

_It’s like that in projects, we have to work really fast, so things need to be determined, preferably the same day that they come up, and the Statoil big system does not have the same time horizon on a question. They think they answer quickly if they answer in a week, to us this is way too late in many cases. So, but of course, clearly those in the support units they get questions from operation, other projects, from international business, and so they can’t just jump whenever we say jump.”_ (Sally)

In the project people have to cooperate, such as in multidisciplinary teams described by Mintzberg (1983). Sally says that in the project everyone has the same aspect of time, so it is mostly towards the other parts of the organization, such as the support units, that time is an issue. However, like Sally, ex-Statoil informants also express an understanding of the system, for example that the support units are busy, and hence one has to expect that they are not able to always respond in time.

Furthermore, some ex-Statoil informants also say they have work experience from the support units. Thus they have more of an understanding of the relationship with the support units and
how they work, and not the least they have contacts and consequently more of a network to relate to.

“The network has to be used to discuss things, or if there is deviances to our governing documents. It is not always that easy when you’re out in a project, and they are very busy too. So you need to have good efforts on your own to get them in contact. And we have done that really well.” (Susan)

In terms of power or control, the ex-Statoil informants have some tools of handling the support units; they have knowledge or competence about how these units work as well as personal contacts, who perhaps feel more of an obligation, personally, to respond than perhaps they do to others in the project that they do not know in the same way. The ex-Hydro informants, on the other hand, do not seem to have these experiences or ways of handling the support units.

Moreover, some ex-Statoil workers say it is the large system of the organization that creates the misunderstandings, like on the concept of time.

“So that is a weakness in the big system, that it turns so big that we don’t understand each other in terms of the timeframe on needs for answers. Otherwise, there is perhaps a few people who think the support units involve themselves too much in the projects, but I think that is good thing, because things go by so fast and it’s a good thing that some people are checked up upon”. (Sally)

Informants of an ex-Statoil background view the support units as a support, and say considering the organization is so large; it is an advantage to have a group of people with a different agenda than the ones in the project. The project mission, or goal and interest is to get the job done in time and on the budget, so these ex-Statoil informants say to have a control organ, like the support units, secures quality in the project work. In this perspective, the support units are an advantage to the organization as a whole, which is more typical for the ex-Statoil workers to emphasize than ex-Hydro informants. To work in a project, where sometimes time, personnel and knowledge are scarce resources, ex-Statoil informants consider it an advantage to have a support unit to help out on difficult matters.

"So at least one has really great support when one wonders about things or has difficult questions to solve. Statoil has a good disciplinary background, good support units that one can turn to. Sometimes it takes a little time to get an answer, but you just have to chase up some, and they are usually very helpful and they like to discuss things. So I think it is very positive, that in Statoil it’s not competitive but more that you help each other out and try to use your knowledge so people in the project can take it further.” (Susan)
However, organizational culture is a complex matter, and perspectives and experiences are both subjectively and varying (Martin 2002). For example, other ex-Statoil informants express a more tense relationship with the support units.

“I have to play a…or…I don’t play games when I deal with the support units, so I know that I have to be careful about asking them about too much. So, I’m reluctant to ask them because I know I get good service from them, but if I start to nag them too much there will be an end to that. I can’t expect any more service than I get today from the support units, so in total I’m very pleased with the support units, but of course the time response can in some cases be a problem.” (Scott)

In one way, Scott appreciates the help of the support units; on the other hand, it is a complicated relationship, because he has to really consider whether or not to ask for their help. So, ex-Statoil informants also express a lack of control of the relationship with the support units, they have no way of sanctioning, or something of interest to exchange with the support units for not cooperating the way they desire (Hernes 1975). The project workers are more dependent on the support units, than vice versa. To play games indicates that one has to read the cards and to do the right move; it gives connotation to a competition that one part wins. This connotation does not comply with the previous ex-Statoil informants’ view on the organizational culture as cooperative and not competitive. So, perspective on the support units is also fragmented between the ex-Statoil informants (Martin 2002). However, the ex-Statoil informants are still more appreciative of their support, but some also express how the relationship has to be imposed with a certain respect in order to get what they want from them. This respect seems to indicate a perception of the support units’ possibility to exert power, by for example not giving them the desired support. For example, Scott does recognize that the support units are busy and says he cannot expect more service then he does, something typical for the informants of an ex-Statoil background; they express more of an understanding as to why they the support units not always answer in time as a result of how they also express an appreciation for these units’ part in the organization.

Hank, on the other hand, is more upset about the projects’ relationship with the support units and says that they do not have any understanding of the project work. Ex-Hydro workers share the concerns about the support units, but do not express the same appreciation of their support or give explanations about how they are useful as the ex-Statoil informants do.

“Statoil has very rigid systems when it comes to how far up you have to go to get approvals for changes and stuff like that. …. It demands a lot of the project team. Too much (…) You have to request for a change or deviation in to the support units that has no relation to the fact that you are in a project that needs decisions and
have a schedule to relate to. But the system gives completely ...They live in their own world. That’s the challenge really.” (Hank)

The ex-Hydro informants express frustration about the system of the organization and their dependency on the support units; they do not express an appreciation of the role of the support units. On the other hand, they express the same concerns about the time of response as ex-Statoil informants, but express more of a lack of control in the relation, because they say the situation is not appropriate and that they do not seem have any “goods”, such as service of interest to exchange. Consequently, it is an asymmetrical relationship between the two parts, and the support units have more control than the project workers, or the project lacks control of their own interests, such as the response of the support units.

“So it is what I said that in that distribution to the support units, then there is bit too many, a bit too many parts that has to approve and then you have to send it to the next who has to approve, and it takes too much time, because the project is not built up like that, so it takes too much time. The proceedings are too long. So it is not an appropriate way of doing it, we have a too bureaucratic system on the handling of the deviances in that way.” (Hannah)

Moreover, the support units seem to have a great impact on the informants’ work experience of the organizational culture, because they are a subject of many concerns. Sebastian also shares some concerns about the projects relationship with the support units, unlike some other ex-Statoil informants, he feels the relationship between the project and the support units should be clearer.

“I think (...) maybe, one challenge that we have, related to the support units again, is what they do and what the project does. How independent is the project going to be, especially when it comes to works for improvement. Is the project going to do the works for improvement alone or is there going to be initiative from the support organization that goes directly on improvement. Usually, we experience perhaps that there is not so much, or that’s wrong to say...usually the support units have their hobby-horses that are important, but to a project this might be an expensive measure to implement, because it becomes too much focus on each of the support unit entity that have their goals.” (Sebastian)

First of all, Sebastian expresses an uncertainty when it comes to roles and responsibility of the two units, project and support units. The uncertainty is about delegated authority, he experiences the delegated authority of the project as unclear and perhaps this is why the project often involves the disciplines, to ensure things are done right and to not take any risks. Although, at same time he says that to involve the support units sometimes results in expensive solutions, because the support units do not have the same understanding of the project. The support units are experts in their particular fields, much like a professional
bureaucracy, in which one worships one’s own field and do not have to think holistic in terms of the rest of the organization or other fields (Mintzberg: 1983). Moreover, according to Sebastian it seems that the project is practical, whereas the support units are more ideological; they have their hobby-horses and are not that willing or able to see the needs of the project. To call the interest of the support units hobby-horses also gives a connotation to something perhaps more fun and interesting and not that useful. These concerns about the role of the support units are more typical of the ex-Hydro informants, so it is sort of new to them. The support units was a part of the ex-Statoil organization and is related to how they were more on the forefront of technical development, and consequently invested in large technical staffs (Colman 2011: 226).

Scott also says that the project and the support units have different interest: “the support units are perhaps more concerned about quality than price, to put it that way. So, that can be source of conflict, conflicting motivation and interest”. The quality that Scott says the support units are most concerned about is something of the same as what Sebastian refers to as hobby-horses. The budget of the project is the project’s responsibility, so the support units do not have to consider cost in the same way. On the other hand, the project is still dependent on the support of the support units and sometimes of their approval, so the project workers lack control of this interest (Hernes 1975).

Furthermore, in terms of Hernes’ (1975) two types of control, capacities and competence and the distribution between them, they are expressed as unevenly distributed between the informants in the project and the support units. The project workers have the capacity to do most of the work, although sometimes they are dependent on the disciplines for support and approval, so they lack the competence or authority to make certain decisions. The informants in the project do not, however, express any type of authority or control in the same way towards any interests of the support units.

Moreover, the competence is also different between the two units in terms of professionalizing. The support units appears to function more like Mintzberg’s (1983) professional bureaucracy, where one worships one’s own professional skills without much thought about other parts or fields. The project, on the other hand, is more like Mintzberg’s adhocracy, where the sum of everyone’s actions is the goal of the structure; hence cooperation and common solutions are important interests. So, another interest in the project, commented by our informants, is to get the support and approvals they need from the support units in
time. Thus the project informants seem to have more of an interest in an understanding with the support units than vice versa. There seems to be an asymmetrical relationship between them in terms of dependency; the support units exert a certain power on the process of the project work. Further like some informants say, they will not ask for too much support because then they cannot rely on the same service all the time, and this indicates their perception of the support units’ possibility for sanctioning the project by not responding quickly or at all.

Moreover, to exert power is something that calls for the definition of someone with a rational will or intention to do so; otherwise everything can be considered an exertion of power (Engelstad 2005: 27-28). Thus, it is not necessarily the intention of the support units to exert this control, but because the project informants are more dependent on them than vice versa, they experience a lack of control. So, perhaps the informants concern about their cooperation with the support units is more a case of powerlessness, or a lack of traditions (Hernes 1975). The ex-Hydro informants lack traditions or familiarity with parts of the organizational culture, hence these experiences seems to create a lack of control and autonomy. However, ex-Statoil informants also experience lack of control in the relations with the support units, although they are not as concerned and appear to have more knowledge about, as well contacts in the system which might cause them to experience more a control in the relation.

Furthermore, when a tradition becomes the way to solve an issue, the more time is available to solve other issues, whereas a lack of tradition causes a lot of negotiation on how to do things (Hernes 1975: 55). A project, as in this case, is new to Statoil. Both pre-merger organizations ran projects differently, and the new way is something that came along with merger, so the projects are in a way creating the new project culture for the organization. Thus, there appears to be some conflicts of interest on the way of doing things, such as how useful are the support units to the project, what values are important and what should be changed about the Statoil system. The conflict of culture and organizational backgrounds creates experiences of lack of control. For instance, in terms of the ex-Hydro informants who express a perspective of having to do things, like relating to the support units, which they would not how done if it was not for the Statoil system, is in Dahl’s definition a relation in which the Statoil system exerts power over these informants by making them do something they otherwise would not have done (Engelstad 2005: 19).
6.4 Governing documents

The project workers’ relation towards the governing documents is also a relationship of dependency, because these documents are rules on behalf of the top management. These documents serve as a potential power top down in the organization. As project workers, the informants have an objective interest in doing their duty and job which includes following these documents (Hernes 1975). However, perceptions and organizational culture also influence the informants’ reactions and ways of understanding these documents, because their way of functioning appears to be mostly influenced by the ex-Statoil system.

The governing documents are result of what the technical staffs, such as the support units have formulated and created of certain guidelines and laws of procedure for the organization. Governing documents can be an effective control mechanism, because if they cover about everything, when something goes wrong it is someone’s fault for not following the governing documents. Moreover, the governing documents are related to the Statoil values of quality and safety (HSE), which are strong and traditional values in the organization, especially ex-Statoil. For example, in a previous study, a process owner states: “Clearly, Hydro had fewer documents than Statoil, but a better culture in complying with the requirements.” (Nesheim 2011:137). Hence, this can be part of the reason as to why for example the ex-Hydro informants express more of a lack of control or frustration about the governing documents; because there is a now a lot more of them than these informants are used to from ex-Hydro.

“We have a brutal overwhelm of governing documents which is pretty difficult to manage, difficult to everyone to get a general idea of everything that exists of governing documents. So, constantly things you haven’t considered come up, because perhaps you didn’t know about it. You haven’t been able to take in all those requirements that exist in the governing documents. Well, things are happening on this matter, but how much better it’s eventually going to get one doesn’t know. When I started here I thought I had a general idea of all the governing documents that was on my work situation, but then I was given the assignment of collecting all the governing documents about the project and make an overview on them. But when I started to seriously search in the system I came over so many documents that I’ve never heard about that I probably should have dealt with, you know, that I should have known. That was surprising and there was so much that in many positions it is impossible to have an overview on all of it.”(Hugo)

Hugo is overwhelmed by the amount of governing documents and at the same time concerned, because he did not know about all of them before the search into the system. Further, Hugo says that it seems impossible to have a general idea or overview on all the documents that one should have. Given that it is impossible to have a general idea of all the
relevant governing documents, Hugo expresses that he does not understand the point of them, or how they are all relevant: "A lot of laws and rules, and not all of them are clear-cut and some are contradictory. So that's problematic". Somehow, governing documents that are contradictory are perhaps more of guarantee for those who made and own them, because whatever someone else does, if it goes wrong, they can always be blamed for not following the documents. So, besides from being necessary guidelines, these documents are also experienced as a control mechanism. Further, an overload of information in organizations is a consequence of new technology (Grenness 1998: 170). Access to great databases, might provide employees resources and increase their autonomy, but simultaneously such systems of information are a way to control the behavior of the employees (Grenness 1998: 97).

Moreover, Hubert says that not only are the governing documents difficult to comprehend, but when he needs assistance on them, he finds it problematic to reach those who own them.

“What is worse is to get an answer from all of those who own the governing documents. If there is something we are uncertain about, and we wish to change it, get some exceptions, it is not always easy to get them to speak, and when we finally get them to talk it can take a long time before you get the answer you need.” (Hubert)

This conflict seems related to the difference between working in the project and the main organization, and the various concepts of time. Again, it is the relation between the project and the main organization aspect that is an issue; somehow those who own the governing documents are not obliged to respond as much as the project needs the information. On the other hand, the project workers have an interest in following the governing documents, to do their job right. Some ex-Hydro informants do not recognize the documents for being useful, again this might be related to the experience of Statoil not being an organization adapted to running these new projects. The nature of the governing documents is something from ex-Statoil system, and so are the support units that play a major role in developing them. Governing documents can also be seen as part of the organizational values, such as HSE, quality and safety. The concern about these documents is mostly an ex-Hydro worker concern, probably because these systems of documents was a part of the ex-Statoil system, so one can assume that the ex-Statoil workers have more knowledge about them or are used to the system. On the other hand, some ex-Statoil informants express more of a concern about the loss of focus on the values of safety and quality, so perhaps they generally acknowledge an importance of these documents to provide and ensure these values.
This indicates a cultural conflict, or a fragmented perspective on the organizational culture, because these ex-Hydro informants express ambivalent perspectives on the governing documents (Martin 2002). They are ambivalent, because they express a concern for not being able to follow, or know about all of these documents at the same time as they sort of disgrace them for being unnecessary. The cultural conflict unfolds by one subgroup, mainly the ex-Hydro informants, who are skeptical of the functioning of the governing documents, whereas ex-Statoil informants value the quality which they express these documents provide.

6.5 Values and Interests

Values and interests of Statoil can also be viewed as control mechanisms and a type of power that goes top down in the organization. The values control the project workers, or in other words the project workers have to adapt to the organizational values and interests. However, there seems to be some ambivalence about what the actual focus of the organization is or should be, because the informants presents some values as competing interests and further disagree on what should be most in focus, such as safety and quality versus efficiency and budget. Hence, the cultural backgrounds seem to influence the perceptions of the project workers in terms of what they value.

Moreover, Statoil main values are hands-on, courage, open and caring, which can be said to be espoused “core values” set by the top management (Martin 2002: 88). Further, PRO, the top management which represents all the organizational projects, launched a mission plan for simplicity called Statoil-2011 to make the organization more efficient and cost oriented. As chapter one and four describes, ex-Statoil and ex-Hydro were two different organizations. So, ex-Statoil is known for “having money” allowing more room for long, consensus driven processes and expensive solutions to challenges posed by organizational change, whereas ex-Hydro was described as a cost-focused, less bureaucratic and more authoritarian and confrontational management (Colman 2011: 225). Thus the Statoil-2011 mission plan as a new strategy is perhaps influenced by the ex-Hydro organization, because it focuses on simplicity and becoming a more efficient and cost effective organization. For example, many ex-Hydro informants are upset about the rigid structure of governing documents and having to deal with the support units, which seems to emphasize the organizations values of quality and safety. However, the project leadership has a goal of launching a cost effective project and spend less money than expected, which is a goal set by Statoil’s top executive, Helge Lund.
This goal of being cost effective can be said to be in line with the mission plan of Statoil-2011. Nevertheless, the main conflict of interest appears to be on the focus on cost, efficiency and simplicity; because in ex-Statoil the main focus was on safety, quality and HSE. Or in other words, projects are run differently after the merger, and the new Statoil compared to ex-Statoil is now investing in international relations and productions as part of projects, so the organization is not mainly functioning in a Norwegian context. The strong emphasis on safety can be said to have to do with the context and history of the ex-Statoil, both in terms of ownership and product, because it has had the capital, considering the industry and the monopoly, and a responsibility of maintaining HSE and safety by being a state owned organization. So, to think of quality or safety first is a traditional part of the ex-Statoil organizational culture and part of building up this national industry in the 1970’s when these regulations and laws on labor were dominant changes in the industry. Whereas, this project is part of something new, at least to ex-Statoil, and different types of goals, or more cost-oriented goals are now also a part of the organizational strategy.

Ex-Hydro workers, on the other hand, express more concern about the cost of things and the comprehensive measures Statoil demands to be able to do or change certain operations and processes. For example, the mentioned ex-Hydro informants concerns about the governing documents is not perhaps directly related to the cost of the processes that these documents demand, but more about they experience these documents as inefficient and comprehensive.

However, ex-Statoil informants express a concern for what they feel is a change of focus from quality and safety to cost and efficiency, and how this may affect the result of their products. “Then we ask ourselves, has our organization, or what should I say, focus been too much on cost and too little on HSE? ” To these informants this change of focus appears as conflicting interest to how they would prefer to proceed. The project’s focus on cost is something new to them, and considered perhaps more of Hydro culture, “because Hydro had more of taking cost to all discussions” as Sally says.

“So we can say that our improvement agenda has functioned well on the economical side, but we have had, by our own means a loss of focus on health, safety and environment”. (Sally)

Sam says that the new focus on budget or cost is something that compromises safety and quality. So, these ex-Statoil workers express a condition of one or the other, to them a new
focus on cost is not in addition to, but something they seem to consider excludes other areas of focus.

“The project leadership has more an interest in, at least that’s how I perceive it locally, to have more focus on keeping cost down and deliver on time. Something I experience as a bit problematic”. (Sebastian)

Sebastian is also concerned about the project’s mission of focus on cost, and especially he feels a squeeze between the project leadership and the expectations of the support units. Sebastian is the one who mentions the support units and their hobby-horses, so to him their demands do not coincide with the focus of the project.

Scott, on the other hand, says he is concerned of the actual consequences of the change of focus:

"To execute a project within a cost frame, then you get a real focus on cost. So if...What you can do then is to choose a cheap solution today, which can show to be real expensive in the future. It’s like building a house; it is a way to move the cost into the future. And I don’t know, but my impression is that some leaders have much focus on keeping down these investment costs. Whilst Helge Lund plus most people who think sensible has to see that it is these longtime investments that matter. So, you have to think about investment costs, and you have to think about operative costs.” (Scott)

To Scott, this new focus on cost can imply consequences to the whole organization, he feels this new processes will only weaken the quality of their product and be more expensive in the long run.

However, these conflicts of values between cost and quality seem to be rooted in the lack of some traditions or norms on how to run the project (Hernes 1975). Ex-Statoil informants are mostly concerned about the cost focus and loss of focus on HSE, whereas ex-Hydro informants are more concerned about the whole comprehensible system of the work processes, the various relations and the governing documents. However, these concerns are not necessarily rational or instrumental, because they can also be related to the informants’ background in terms of organization culture. For example, no ex-Statoil informant really mentions an actual example of a concrete consequence of the change of focus on values. So, it appears to be more of assumptions related to what these changes might cause in the future; or more a concern of what it can imply, rather than what it has implied.

Additionally, it might not only be a case of lack of traditions, on the other hand, perhaps the informants experience such conflicting of interest because there are strong traditions. For
example, the strong traditions can cause what Alvesson (2002) refers to as a holy cow, which is a metaphor of a type of organizational culture. Culture as a holy cow is symbolizing something that characterizes the cultural core, in this case the values of the organization are important, and they cause an idolizing of a previous experience of a collective success. This is often a result of a historical process where people gradually accept and internalize a leader’s perceptions and values when these visions have shown to be successful. Such central values in an organization are experienced as near impossible to change because they appear so obvious and the organizational members feel a strong loyalty towards them (Alvesson 2002: 53). So, this might be a reason as to why some ex-Statoil informants feel a great deal of ambivalence towards the cost focus in the project, because traditionally they say quality and safety have been the main focus and value of the organization. Further, the metaphor of the holy cow emphasizes the limits of the instrumental rationality and focuses more on the deep community of values and the stability of cultural core. Therefore, the informants’ experience of the safety and quality being jeopardized by the focus on cost is not necessarily based on rational evaluations, but can also be a type of resistance to a cultural change.

Furthermore, Scott points out that safety and HSE still is a great focus of the organization as a whole and plays a part in how leaders are rewarded or punished.

"So, if you are a leader for a production unit, an oil platform out in the ocean that produces, you will be rewarded for how much oil and gas you can produce within a year. In return, you will be extremely punished if you have stuff that does not work on the HSE-side." (Scott)

Thus, the concern of the loss of focus on HSE is perhaps more about how things are done differently post-merger, so there are conflicts of interests in terms of what should be most in focus. On the other hand, informants present both fragmented and diverse perspectives on the organizational culture, because, for example, not every ex-Statoil worker expresses a concern for the loss of values, so it is a complex matter of organizational culture. However, generally there seems to be a culture of conflict that is rooted in the various organizational backgrounds and how the informants’ backgrounds influence their experiences of both control of interests and the system.
7 Conclusions

In this chapter, the significant parts of the analysis will be highlighted and discussed with a more holistic approach. The research questions are each elaborated and discussed in the previous chapters of analysis, but now they will be presented in a more conclusive manner including central and significant findings.

7.1 Reflections on an organizational culture

This master thesis investigates how some project workers experience the culture, structure and relations of the organization in a post-merged Statoil project. First of all, the merger of 2007 is still part of the informants’ repertoire and organizational understanding. Many informants relate to the present situation of working in the project, as well as the whole organization in terms of functioning, system and culture out of their previous organizational experiences.

Even so, it is not the how the merger constructs conflicting social identities, but more how the informants’ previous organizational experiences and preconceptions shape their understanding of the present project and organization. The informants present both differentiated and fragmented perspectives on the organizational culture. They express conflicting interests towards other subgroups of the organization, such as the support units, but there are also conflicts of interest between the project workers. This being said, a fragmented culture is not necessarily a lack of culture or a perspective of an organization with a lack of integrated culture. A fragmented perspective is more an acknowledgment of organizational culture as something ambivalent and in constant construction and reconstruction, which in many cases is desired, such as to create a innovative climate (Enehaug & Thune 2007) (Martin 2002). The focus of the analysis in this study is on these conflicts of interests and not on the more integrated culture of the organization.

Furthermore, there are some patterns in the perspectives of the informants that indicate that the organizational background, ex-Hydro or ex-Statoil, influence the informants’ perceptions and reactions to the organizational culture and system.
7.2 The merger and organizational culture

- **What are the tensions on the organizational culture given the merger?**

Influences of the merger presented by the informants, given their various organizational backgrounds, are about the system of the organization. Those informants of an ex-Hydro background are generally concerned about the large system that the project has to relate to; they call it bureaucratic and sometimes express frustration about the system being too comprehensive. Although, this issue is not strictly an ex-Hydro concern, informants of an ex-Statoil background also express experiences of the system as unwieldy at times. However, those of an ex-Statoil background are more accepting of the system and typically explain that they understand the necessity of the functioning of the organizational system. They are probably more understanding of the system, because most of the ex-Statoil system was kept in the system of the new Statoil organization. So, the ex-Statoil informants are more familiar with the system, and they express more of an understanding to the structure.

- **Are there any direct or indirect influences of the merger on the project workers or project work?**

Moreover, some informants also express social belongings or how they take advantage of their informal networks which seems based on their organizational background. So, although they are part of a new integrated organization, some parts of the human factor and identity still plays a part in how they go about with their organizational work life. This can be said to be a natural consequence of organizational life, as well as something that is necessary in order to operate as an organization. However, networks may also cause some to feel excluded, or others may lack such a network and consequently one has less ways of controlling or influencing various situations, which may cause tensions on how to do things. Collegiums or networks are more or less informal system of exchange and can have a corrupting potential (Sørhaug 2004). For example, the ex-Statoil informants express to have more of a network or collegiums in other parts of the organization than the ex-Hydro informants. Additionally, the ex-Statoil informants are generally more positive about the system and functioning of Statoil than the ex-Hydro informants.

A central focus in literature on organizational culture and mergers is how the social identity is stirred up in such a situation, but instead of viewing these cultural conflicts as an impediment for a successful merger, like in an integrated perspective, one should rather try to understand
those processes in an organization that makes the perceptions of cultural differences occurs and are reinforced (Enehaug & Thune 2007). So, the next part of the analysis, and answer to the other research question in this study, is an attempt to understand how, what and why the informants are still concerned about the merger.

7.3 Influences of the organizational backgrounds

- What are the effects given the organizational backgrounds?

The effect of the tensions given the various organizational backgrounds is differentiated and fragmented patterns of perceptions and reactions to the system and functioning of the organization (Martin 2002). These different perceptions and reactions become evident when the informants explain and discuss their understanding of their relationship towards other units and parts of the organization. The project is a distinct unit of the organization, as an adhocracy that is both dependent and related to these other units and parts, such as the operators, support units, governing documents and the organizational values. However, the informants’ express different perspectives on the same situations and relations. Thus, although the relations towards these other parts of the organization can be dominated, like in Hernes’ (1975) model, of the project workers’ interests, control or dependency, it is not only the actual conditions of the situation that influences their understandings. The informants’ perceptions seem also influenced by their organizational cultural background. Thus, Hernes’ model of power and exchange can be said to lack these element of cultural influence on objective rational interest, such as on what one experiences as ones duties in a position.

Dahl’s definition of power as one agent’s ability to make someone do something they otherwise would not have done (Engelstad 2005). This definition is perhaps more useful to explain the informants’ different experiences of lack of control in the same relation, because for the reason that they are of different organizational backgrounds, ex-Hydro and ex-Statoil, they have different perceptions on how they would like to do things or what the system should be like. Hence, they express concerns when they have to do things they otherwise would not have done, such as before the merger.

In the mentioned previous study of the Statoil and Hydro merger it was concluded that “conflict lines in the post-merger integration process were along the dimensions of the on-shore organization versus the off-shore organization, management level versus unions and
between the different unions” (Colman 2011: 230). Hence, according to these findings, people identified more with their working unit or profession than premerger background. However, this finding is not in contrast to this study, because the informants do express that they identify themselves as project workers, and not necessarily as ex-Hydro or ex-Statoil worker. Nevertheless, the interesting finding of this research is how there is a certain pattern related to the informants’ organizational background in terms of how they perceive and react to the other parts and agents of the organization. Although, the project is an organizational unit with both relations of autonomy, dependency and lack of control in terms of their functioning in the organization, how these relations are understood, or perceived and reacted to appear to vary according to the organizational backgrounds of the informants.

This perspective on the line of conflicts, to divide the informants into ex-Hydro and ex-Statoil, can be said to be out of a differentiated perspective, because they are presented as clear and distinguishable consensus driven subgroups (Martin 2002). Thus, it is important to emphasize how these perspectives also are fragmented within the subgroups of ex-Hydro and ex-Statoil informants. Nevertheless, there appears to be significant patterns that can be said to go along the lines of these subgroups.

One important aspect, that also differ this study from the previous study, is that our interviews were not specifically directed on merger issues, however the concerns came up to the surface as the informants explained their perceptions and reactions to the work in the project as well as their relations to other parts of the organizations. In the previous study, the informants knew the merger was the issue of the study, so perhaps the informants then were more concerned about their impression on the issue and wanted to show how they were positive about the merger. Moreover, the previous study was also conducted closer in time to the actual event of the merger, so for this reason the conflict lines might not have been as apparent yet. However, our informants do often express their concerns out of a project worker identity, which coincides with the former studies result of how the informants quickly felt attached to the new organization. Nevertheless, there is pattern of the concerns of our informants, and these patterns go mostly along the lines of the ex-Hydro and ex-Statoil backgrounds.
**The project**

The project is the working unit of the informants; this organizational unit is placed between other organizational units, so the relations to these other organizational parts are essential in terms of what the informants are concerned about. The project sets the context for the objective rational interest of the informants as project worker. Thus, the objective interest of the informants in the project is to do their job right and finish the project in time, which is the duty of their position (Hernes 1975). However, what the informants experience as doing their job right, or their interest in how it should be done, varies. Hernes’ (1975) model of power, can explain much of how the informants as project workers experience their relation to other parts and agents of the organization. The most prominent aspects in which the informants express a lack of control are on the concepts time between the project and other organizational parts, as well as in their relation to the support units. The project informants’ relation to the support units seems to be an asymmetrical relation characterized by the project workers dependency on their support without something of interest to exchange back or to balance the relationship. In some ways, the various perspectives on how to run or do the project work seem also as a result of lack of traditions on the way of doing things, or more various traditions on the way of doing thing. However, Hernes’ model lacks an understanding of how these interests between the informants vary, such as how they appear much influenced by the informants’ previous experiences of organizational culture.

**The Ex-Hydro background**

Generally ex-Hydro informants are concerned about the system being too large and bureaucratic, which is what Colman (2011) found in her study as what is referred to as “Statoilish”. So, the Statoil system results in ex-Hydro informants expressing indirectly that they have to do things they otherwise would not have done, such as relating to the support units and having to deal with many governing documents. The informants do not say that would not have to do this in ex-Hydro, but rather express concerns about the support units and the governing documents and questions their relevance. The informant’s express a frustration about the how the system causes inefficiency and they say it is more comprehensive to do their job now than in ex-Hydro. Hence, the source to their experience of lack of control is, except for the actual conditions, also influenced by their organizational background in terms of what they expect and perceive to be the right way of doing things.
Moreover, a general idea of the perspectives of the ex-Hydro informants can be seen as perspectives linked in a system of meaning in which these perspectives are related. For example, their view on the Statoil system as bureaucratic and non-efficient seems rooted in their experience of a lack of control of some of their decision making, such as the dependence on the support units and the many governing documents. To relate to these other parts, such as support units and the operative organization is considered expensive and time consuming. Hence this may be the reason as to why some ex-Hydro informants say the projects in Statoil lack status, and are not prioritized. Additionally, they do not view the involvement of the support units as an asset to the quality of their work in the same way as the ex-Statoil informants. One reason that may influence these experiences is how ex-Hydro informants’ lack a familiarity with the Statoil system, because the ex-Hydro organization is known for having a simpler system and more informal decision making processes.

**The Ex-Statoil background**

The general idea of the ex-Statoil background is a concern for the lack of focus on quality and safety, which are considered to be so called Statoil values.

The goal of the merger was to create an organization based on the “best practices” of both former organizations, so a goal for the merged Statoil was to assemble expertise and capacities needed to operate in international markets. However, many ex-Statoil informants express skepticism towards the new focus on efficiency and cost. This skepticism is both expressed explicit when the informants state their concern for the change of values, but also more implicit in terms of how they, unlike ex-Hydro informants, are more appreciative and supportive towards their relations to other parts of the organization, such as the support units and the operative organization. They are more positive about their dependency on the support units’ control of their work, which they say ensures quality of their work and product.

So, there appears to be a general system of meaning shared by most ex-Statoil informants as well, for example they value quality and safety (HSE), and these values are ensured by a large system with control mechanism such as governing documents, involvement of the operators and the support units. However, some ex-Statoil informants do imply that the different concept of time between the project and these other parts is a challenge to the project work. Nevertheless, they still are more appreciative and understanding of the system as whole, so although they express some of the asymmetrical relations between the project and other parts,
these seem not experienced as restricting as to most ex-Hydro informants. The reason for this is probably, as stated, because they are more familiar with and have more networks within the system. So the way of doing things, most likely, complies more with their understanding of how things should be done. Then again, some of the ex-Statoil informants are more concerned about the changes that challenges their pre-merger way of doing things, like the new values of simplicity and efficiency. Hence, in some ways the focuses of efficiency and simplicity are expressed as jeopardizing the more traditional values of the ex-Statoil organization, such as quality and safety. Thus, their experiences of these changes seem to cause a reinforcement of the informants’ perspectives on their traditional way of doing things.

7.4 Critical reflections and further research

The results of this study are generalizations of the information shared by most of the informants; however some do no not express all these concerns. Thus, because some informants do not express their concerns directly in connection to their social identity as of an ex-Hydro or ex-Statoil background, they might feel somewhat alienated from this analysis and conclusion. However, the informants refer to their previous experiences as organizational members as comparisons and explanations to their perceptions and reactions on the current situation.

An interesting aspect is how implementation of “best practice” in a process of a merger of equals was the goal of the merger (Colman 2011: 233). It might have resulted in some uncertainties and a lack of decisions on what is the actual best practice, such as in terms of values and governing documents.

Moreover, the merger of Statoil and Hydro is in so many ways a successful merger, because there was no evidence of something like a “merger syndrome” and the informants did not express alienation and desires to leave the organization (Enehaug & Thune 2007). Rather, the informants appear intrigued and stimulated by their job, and committed as well as engaged in the development and future of the organization. Further research could, however, investigate for example how the tensions discussed in this study are dealt with, or if there is a more coherent strategic plan to deal with these conflicts of interest.
References


Antall ord: 37976

Alle kilder som er brukt er i denne oppgaven er oppgitt.
Appendix 1

Forespørsel om å delta i intervju i forbindelse med masteroppgave høsten 2011

Vi er tre masterstudenter i sosiologi og arbeids- og organisasjonspsykologi ved Universitetet i Oslo og holder nå på med den avsluttende masteroppgaven. Temaet for oppgaven er prosjektorganisering. Vi skal undersøke hvordan det oppleves å arbeide i prosjekt.

For å finne ut av dette, ønsker vi å intervjuere ulike aktører innenfor et spesifikt prosjekt i denne bedriften. Spørsmålene vil dreie seg om dine opplevelser og erfaringer i forhold til prosjektarbeidet. Vi vil bruke båndopptaker og ta notater mens vi snakker sammen. Intervjuet vil ta omtrent 1,5 timer, og vi blir sammen enige om tid og sted.


Dersom du har lyst til å være med på intervjuet, er det fint om du skriver under på den vedlagte samtykkeerklæringer. Samtykkeerklæringen kan bringes til oss enten til intervjuet eller ved å sende den.

Hvis det er noe du lurer på kan du ringe Julie på 47 40 13 17, eller sende en e-post til juliebu@student.sv.uio.no. Du kan også kontakte fagligveileder Fredrik Engelstad ved institutt for sosiologi og samfunnsgiografi på telefonnummer 22 85 40 02.

Studien er meldt til Personvernombudet for forskning, Norsk samfunnsvitenskapelig datatjeneste A/S.

Med vennlig hilsen

Martine Hannevik,
Marina Kristiansen og
Julie Thue Buø
Munkedamsveien 57
0276 Oslo

Samtykkeerklæring:

Jeg har mottatt informasjon om studien om prosjektarbeid og ønsker å stille på intervju.

Signatur ....................................... Telefonnummer .................................

100
Appendix 2

Intervjuguide masteroppgave

Intro:

Presentasjon av oss to

Presentere prosjekt kort

Sette på båndopptaker - anonymt

Temaer:

Kontorfasiliteter

lokasjon

1. BAKGRUNN:

Du kan jo begynne med å fortelle litt kort om deg selv og din bakgrunn.

2. STYRKER:

Fortell om det i dag som fungerer godt ved prosjektarbeidet her, vi kaller det styrken i prosjektarbeidet.

Andre ting som du ser på som styrke?

Andre ting du ser som styrker?

Andre ting du ser som styrken i prosjektarbeidet?

Andre ting?

Andre moment?

Hvilke styrker ser du utover dette da? Du har jo vært inne på en del som for eksempel …

For Statoil helhet, hva er det du ser som styrkene deres?

Er det andre styrker som du ser i forhold til Statoil generelt?
3. SVAKHETER:
Fortell om det som i dag ikke fungerer godt ved prosjektarbeidet her, vi kaller det svakheten i prosjektarbeidet.

Andre ting som du ser på som svakhet?
Andre ting du ser som svakheter?
Andre ting du ser som svakheter i prosjektarbeidet?
Andre ting?
Andre moment?
Hvilke svakheter ser du utover dette da? Du har jo vært inne på en del som for eksempel …
For Statoil helhet, hva er det du ser som svakhetene deres?
Er det andre svakheter som du ser i forhold til Statoil generelt?

4. MULIGHETER:
Fortell om det du i dag ser som muligheter for å forbedre prosjektarbeidet her. Det er det vi kaller mulighetene.

Andre ting som du ser på som mulighet?
Andre ting du ser som muligheter?
Andre ting du ser som muligheter i prosjektarbeidet?
Andre ting?
Andre moment?
Hvilke muligheter ser du utover dette da? Du har jo vært inne på en del som for eksempel …
For Statoil helhet, hva er det du ser som mulighetene deres?
Er det andre muligheter som du ser i forhold til Statoil generelt?
4. TRUSLER:

Fortell om det du i dag ser som hindringene mot å forbedre kvaliteten på prosjektarbeidet her. Vi kaller det for truslene i prosjektarbeidet.

Andre ting som du ser på som en trussel?
Andre ting du ser som trusler?
Andre ting du ser som trusler i prosjektarbeidet?
Andre ting?

Andre moment?

Hvilke trusler ser du utover dette da? Du har jo vært inne på en del som for eksempel …

For Statoil helhet, hva er det du ser som trusler?
Er det andre trusler som du ser i forhold til Statoil generelt?

5. AVSLUTNING SWOT:

Andre momenter du ønsker å trekke frem i forhold til styrker, svakheter, muligheter eller trusler?

Er det noe her du føler at vi ikke har vært innom enda?

Er det noe du ønsker å føye til før vi går videre med våre oppfølgings-spørsmål?

Eventuelle oppfølgings-spørsmål:

6. JULIE:
Spørsmål.

7. AVSLUTNING:

Noe mer du vil spørre om (til hovedintervjuer)?
Da er vi igjennom vår intervju-guide.
Er det noe du føler du ikke har fått sagt?

Er det noe du brenner inne med sånn helt på slutten?
Da avslutter vi.