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Creating a corporate culture in a multinational corporation

The case of Statoil

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Resymé

- The purpose of this dissertation is to look at the creation of corporate culture through the use of corporate trainee programs.
- Statoil is the company used as the example.
- The study was done through qualitative research by interviewing four international trainees at two different times; first after they had been in Statoil for 3 months, then after 9 months in their job.
- The theory on corporate culture used for this thesis is *Organizational Culture and Leadership*, by Edgar H. Schein.
- The theory on national culture used is Hofstede's 4 cultural dimensions
- The interviews are divided according to subjects and questions

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Preface

The work of this dissertation was started in late fall of 2005. It took some time and effort to get in touch with the right people in Statoil and agreeing with them on the topic of my thesis. The spring of 2006 I participated in an exchange program at Vanderbilt University in Nashville TN, and this led to a natural pause in my work. The process of finalizing the dissertation started again summer of 2006 and ended late fall of 2006.

The work on this thesis has not been optimal in the sense that it started late in the semester and continued with several breaks in the writing process. A positive aspect is that I got a job in Statoil through my work, but working and writing is a challenge and so the fall of 2006 wasn't as efficient as it should have been.

The conclusion of my work is based on interviews with only 4 trainees. This may be seen as a weakness. At the same time, I interviewed a high number of people all together, both trainees and other international employees, and the results from the 4 interviews used for this research were relatively consistent with the other interviews. A strong aspect of my research is that I have now worked in Statoil myself for 4 months and I have therefore had easier access to relevant information as well as gradually learning to know the company for myself.

I would like to use this opportunity to thank my supervisor, Professor Paul Gooderham for his excellent guidance. He has from the very beginning of the process been helpful, patient and inspiring in his supervision. Heartily thanks also to Ragnar Fiskå and Jarle Padøy with Statoil ASA for giving me this exciting opportunity which at the end of the day gave me an interesting and challenging job.

I hope this research is useful and meaningful according to its purpose.

Marte Lie Vilkenen

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1.

Creating a corporate culture in a multinational corporation: the case of Statoil

1.1

Introduction

The purpose of this dissertation is to learn more about the challenges of creating a corporate culture through the use of corporate trainee programs in the context of a company that is becoming a multinational corporation¹. Culture may be described as “the way we do things around here”, or more formally as something referring to a system of meaning, values, beliefs, expectations and goals, this shared by members of a certain group of people distinguishing them from members of other groups. It is a product of “the collective programming of the mind” (Hofstede, 1991), and is learned through regular interaction with other members of the group.²

Culture is something we take for granted; something that lies deep within us. Shaking hands when introduced to someone new, nodding my head as a sign of “yes”, eating oranges during Easter and sandwiches with “brown cheese” for lunch, are all aspects of the culture I am a part of; the Norwegian culture. These are things that I don’t even stop to think about because they are deeply imbedded in me.

National culture colors corporate culture, and creating a corporate culture in a multinational corporation is a great challenge. I have used the Norwegian oil company Statoil as my example for this research. To gather relevant information I have interviewed international trainees working at the Statoil headquarters in Stavanger. The idea was to find out if Norway’s most popular employer³ is able to achieve this position and kind of respect among their international employees as well. This is interesting because as a company with clear goals of growth, Statoil has to look to internationalization as the way to go. The Norwegian oil reserves are limited, and this means operating in other countries and therefore having employees from

¹ Multinational Corporation as defined by Gooderham and Nordhaug in *International Management – Cross boundary challenges; A MNC is actively managed substantial foreign direct investment made by firms that have a long-term commitment to operating internationally.*

² *The decline of cultural differences in Europe*, by Gooderham and Nordhaug 2002, EBF issue 8

³ <http://www.narf.no/Article.asp?ArticleID=2098>

other cultures and countries than Norway. As Statoil is well into the year 2006, they are moving towards an exciting phase in their 34 year long history of even more internationalization.

The key factor to success in a company is not necessarily a certain tradition, history or technology. Statoil is an oil and gas company, and there are many companies like Statoil, doing most of the same things. The difference between these companies and Statoil is the people creating the company, the employees. A company invests huge amounts of time and money in their employees, as well as involving them in company decisions, secrets and methods. Losing valuable staff like this is costly and an undesirable situation. Statoil is therefore concerned with having employees that are happy and satisfied in their jobs, and even more so, having employees who feel like a real and important part of the company⁴. The clue is creating a corporate culture where the employees have their company in their hearts and not only in their minds.

“We in Statoil” is a document formed by all Statoil employees in 2004. The document presents the values and leadership approach for the company. It has been decided by Statoil CEO Helge Lund that these values shall be global and universal, thus covering all parts of Statoil in all the countries where they operate. The Statoil values are:

- ◇ Imaginative
- ◇ Hands-on
- ◇ Professional
- ◇ Truthful
- ◇ Caring

Creating a corporate culture in a company so the employees feel the job isn't just a job, but much more, is a critical competitive advantage. For the fifth year in a row Norway has been ranked the best country to live in the world by the United Nations⁵. So as Norway's most popular employer and a company with very low turnover, Statoil must be doing something right. As they face an increased internationalization and a bigger workforce outside the Norwegian borders, they also face the challenge of

⁴ Employment and personnel development, HR policy of Statoil

⁵ <http://www.norge.fi/policy/organizations/fnrapport.htm>

bringing this good tradition on to their new foreign staff. Will the previous Norwegian company, with a Norwegian corporate culture be able to implement this culture in their foreign subsidiaries?

The international trainee program introduced by Statoil in 2003 might be a step towards the creation of a corporate culture which enables people from different nationalities to cooperate and work well together. The trainee program is a 2 year period in Stavanger with the intention that the trainees shall return to their home countries when a suitable job is available there. The goal is that they by then will be trained as proper “Statoilers” in the way of working and thinking, and that they are able to spread the Statoil culture on to people at the local offices. As mentioned the values from “We in Statoil” are global and shall be used by all employees world wide, and so the Statoil offices around the world are supposed to be recognized by the Statoil way of doing things. This is the case even though the offices are in countries with cultures that are extremely different from the Norwegian culture.

How can Statoil create a corporate culture that someone from Algeria and Iran as well as Venezuela and Norway feels is truly theirs? And is that even possible?

In this thesis I will try to answer this by looking at theory on corporate and national culture, learn more about the company Statoil and its corporate trainee program.

1.2

Norway - the land of the midnight sun and a country like no other

Norway is by many seen as a fairly homogenous nation with a relatively small and scattered population of about 4.5 million people. A part from a Sámi-speaking group in the north and a moderate group of immigrants in the major cities, this may to some extent be a true assumption⁶. Norway is in many ways a different country from the rest of Europe. Norway is not a member of the European Union; Norwegians have given their “no” twice in referendums in 1972 and 1994.⁷ As a country that historically has been forced into union, first with Denmark, (1380-1814), then with Sweden (1814-1905), then later invaded and occupied by Germany during World War 2, Norway enjoys and prefers freedom and independence too strong alliances.⁸ This

⁶ <http://www.visitnorway.com/templates/NTRarticle.aspx?id=28384>

⁷ http://www.europakommisjonen.no/eu_and_country/

⁸ <http://www.noregur.is/history2/history/history.htm>

may be part of the reason why Norway is not a member of the European Union. Even though the population is somewhat divided on the matter, the tendency today, especially among younger Norwegians, is a certain skepticism towards the European Union⁹.

Still, in today's globalized society, where Norwegians join the international trend of traveling the world, often studying and working abroad, one would assume that the traits typically making Norwegians so Norwegian, would slowly fade away replaced by a more European or global culture shared with the neighboring countries.¹⁰ This is said not to be the case. The more international world of business has led to an international style of leadership and organization. There is, however, one country moving in a different direction, with an egalitarian leadership style as well as little or no hierarchy in their organizations, and this country is Norway. While other European countries are moving towards a more common, European tradition, Norwegians are becoming more Norwegian and Scandinavian with a different management style. This is the result in a study made by Professors Gooderham and Nordhaug at the Norwegian School of Economics and Business Administration, presented further in the chapter on theory.¹¹

1.3

Statoil - a Norwegian company

The typical Norwegian corporate culture is very egalitarian, where the boss is caring and considerate, and where all employees are seen as equally important with a right to be heard.¹² In 2006 Statoil was for the fifth year in a row ranked as the most popular potential employer by Norwegian students studying economics and engineering.¹³ This means that as Norway's most wanted employer Statoil has a unique and admired place in the Norwegian world of business. The company experiences a very low level of turnover which means the time and money they invest in their employees is not often wasted. Statoil also has a very low sickness absence, about 3.2 percent in 2004 which is a considerably lower level than the Norwegian

⁹ <http://www.forskning.no/Artikler/2005/november/1131440490.72>

¹⁰ <http://www.dagbladet.no/dinside/2002/09/25/349750.html>

¹¹ <http://www.forskning.no/Artikler/2004/november/1100525669.82>

¹² <http://www.forskning.no/Artikler/2004/november/1100525669.82>

¹³ http://www.universumeurope.com/files/N%C3%A6ringsliv24_Her%20vil%20studentene%20jobbe_060511_Norwegian.pdf

average of 7.3 percent.¹⁴ National culture gives the basis for a company's corporate culture, and being such a popular and successful employer in Norway indicates that Statoil must indeed be a very "Norwegian" company with "soft" values.

Statoil's HR policy indicates the same thing;

- Administration and common systems; *"the main concern is the integrity of our employees and their right to confidentiality with respect to private information about themselves and their **families**."*
- Management; *"Promote and sustain Statoil identity through the communication of common values and principles. Establish positive internal and external **relationships**. Develop an open, **people-oriented** management style."*
- Organizational development; *"Continual focus on **teamwork** and learning. **Hierarchy** and bureaucracy should be **kept to a minimum**; we aim for simplicity and efficiency."*
- Information and labor relations; *"Culture of **co-operation** between management and employees. Information, openness and reliability are key elements. Statoil fully respects **human rights** and thereby the rights of the employees to exercise freedom of association and collective bargaining, wherever we operate."*
- Employment and personnel development; *"We consider our employees as an important resource. We respect the integrity of all our employees, and dissociate any kind of discrimination or harassment. High standards for the **health, environment** and **safety** of personnel are essential in all of our business operations."*
- Rewards; *"Statoil's remuneration policy aims to reward each employee according to position, performance and competence (...) maintaining equity, **fairness** and gives the employee a **fair salary** for good performance."¹⁵*

Statoil is in the process of becoming a fully multinational corporation. Should Statoil, with its Norwegian corporate culture try to export this culture to its host countries? Other companies have chosen to go for a more international style, leaving

¹⁴ <http://www.statoil.com/INF/SVG02304.nsf?OpenDatabase&lang=en&app=2004year>

¹⁵ Statoil's HR policy

the Norwegian corporate culture at home for only Norwegians to see, while some companies stick to their original culture no matter what country they operate in. What is the best way of doing things; a high degree of local adaptation or global integration? This is an interesting question as the majority of countries on Statoil's list are countries with cultures extremely unlike the Norwegian culture.

1.4

The Corporate Trainee Program

The Corporate Trainee Program has been one of Statoil's recruitment methods for many years. It has, however, been in continuous change as the company has changed, and was introduced in its present form 6 years ago. In 2003 Statoil started recruiting international trainees as well, and the idea was to attract top talents from countries where Statoil is present. This way Statoil would be able to develop employees with a good commercial understanding and knowledge of Statoil's value chain. It is a goal to make good "Statoilers" of the international trainees; employees that share the Statoil corporate culture, the values and the ethical guidelines, and that are able to bring this on to their colleagues back home after leaving Stavanger.

A lot of resources are put into the recruitment process, Statoil has agreements with many universities abroad and the company is working hard to build a brand name outside the Norwegian borders and win the race for the best talents. Statoil seems to be succeeding; in 2006 there were over 3200 applicants to 50 trainee positions and 52% of the applicants were non-Norwegian.

Statoil states 3 main points that they wish to achieve through the trainee program:

1. Flexibility in key competence areas.

This means meeting specific competence requirements that are to be identified by the business and based in the different business areas' HR plans. The trainee program is also to provide a platform for accelerated development of high-performing young people. Development of personnel with specific competence within a certain area and with a good understanding of Statoil's overall business and value chain is also a goal. The program shall encourage movement across business areas.

2. Internationalization

The trainee program is meant to accelerate internationalization processes across the organization. Through this process it shall contribute towards national competence building outside Norway and build a corporate culture in all parts of Statoil.

3. Brand-building – Statoil as the employer of choice

The program is to show the Statoil values in practice with an equal evaluation of the trainees' delivery and behavior according to Statoil's HR policy. The program is also there to increase Statoil's positive profile at educational institutions in Norway as well as establishing and strengthening Statoil's recruitment profile internationally.

The program offers 2 years of systematic development:

1. Work-based development

This means planned and accelerated competence building within one area, giving the basics within the chosen area through 4 jobs in at least 2 different business areas. A mentor is provided for each trainee to follow up personal and professional development during the entire 2 year period, as well as personal support at each job placement.

2. Corporate Competence

This involves an introduction program and common training modules based on the "We in Statoil" values and knowledge of Statoil's business and value chain.

3. Network Building

The program is supposed to support young and new employees in developing a good network in the organization, as well as helping the trainees exchange professional and personal experiences. The program encourages responsibility for own development.

In the recruitment process for new trainees Statoil is looking for young, relatively inexperienced, (maximum 2 years) people with excellent university degrees. Personal qualities are heavily emphasized, for instance alignment with the Statoil values, international experience, language skills, (English and at least one other relevant language), excellent communication skills, curiosity, willingness to learn and flexibility to move during the trainee period. When recruiting trainees Statoil wishes to have a good gender balance and a goal for the next recruitment period is 50% international trainees. The potential new trainees are interviewed, and then 2 candidates for each

vacant position are invited to Statoil headquarters for an assessment center before the final decision on the preferred candidate is made.

According to Statoil, the program offers fantastic learning opportunities because of the insight into several business areas and different work processes as well as being the start of an interesting and varied career for the trainees. For the international trainees the program includes free housing arranged by Statoil in central Stavanger, 2 trips a year to their respective home countries, a decent pay check and a home pc. The international trainees are temporarily positioned in Norway and are supposed to return to their home country when and if a suitable job is available to them there. The international trainees also have access to Statoil's internal job market, but they shall be treated as external applicants in a potential recruitment process.

The corporate trainee program is extremely popular in Norway and internationally. The program offers interesting opportunities and the trainees are taken very well care of throughout the 2 year period. The program seems successful in many ways, but to what degree does this trainee program help Statoil in creating a corporate culture across national cultures? That is a different question, and the scope of this thesis.

2.



A Norwegian dream comes true

2.1

In the beginning - and today

The Christmas of 1969 Phillips Petroleum found oil on the Norwegian continental shelf, after spending about NOK 750 million in today's currency value in the exploration process. In the 1950s most Norwegian experts had agreed that it was not likely that any oil could be found along the Norwegian coast. Still, the American Phillips Petroleum wanted to drill and search for fossil fuels. They were given permission by the Norwegian government in 1965, and started searching a year later. They had very nearly given up, actually wanting to lease out their platform, Ocean Viking, when that Christmas of '69 was one of extra special joy and happiness. The production of oil started in 1971, and the Norwegian government wanted a state owned oil company along in the action. So in 1972 Statoil was established under the name "Det norske stats oljeselskap a.s."¹⁶.

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Ocean Viking was built at Akers Mek. in Oslo for exploration in the North Sea.

Statoil is today a partly privatized oil and gas company with activity in over 30 countries and with more than 25000 employees. The production is over 1 million

¹⁶ *Fra fossil til velferd - studiehefte om Norsk olje- og gassvirksomhet*, Bøhmer, Isaksen, Lode og Granli, Gyldendal 2000

¹⁷ <http://pub.tv2.no/TV2/program/article369871.ece>

barrels per day. In 2004 the company had its best year ever with a net income of NOK 24.9 billion. Statoil is responsible for 60 percent of Norwegian gas and oil production and is more than ever involved in international production. From 2003 to 2004 Statoil increased the international production by 29 percent¹⁸. Statoil is a major supplier of gas to the European market, and experienced record-high gas sales in 2004¹⁹. Statoil is the world's third largest crude oil seller and is listed on the New York Stock Exchange as well as on the Oslo Stock Exchange.²⁰

Statoil is and will continue to be the leading oil and gas producer on the Norwegian continental shelf.²¹

2.2

It started with Statfjord

In 1974 the Statfjord area was discovered in the North Sea, and this was the largest oil deposit offshore yet to be discovered. Statoil was state-owned and was given perks by the Norwegian government, like the 50 percent owner share of the Statfjord field. This gave the company an advantage compared to the other Norwegian and foreign oil companies operating in the North Sea. Statoil built up their expertise and organization as the Statfjord area was developed, and production started in 1979.



The Statfjord area

¹⁸ Statoil group presentation/<http://www.statoil.com/INF/SVG02304.nsf/0/05DDD209C7DDC1ABC1256FC40035259A?OpenDocument&app=2004year>

¹⁹ <http://www.statoil.com/INF/SVG02304.nsf?OpenDatabase&lang=en&app=2004year>

²⁰ Statoil group presentation/<http://www.statoil.com/INF/SVG02304.nsf/0/05DDD209C7DDC1ABC1256FC40035259A?OpenDocument&app=2004year>

²¹ http://www.offshore.no/offshore_energi/bok/innledning.pdf

Statfjord can be characterized as the spine of Statoil, and without it, Statoil would have been a very different company; a smaller and less powerful one.²² Statfjord is a unique area with a record of production of 850 204 barrels of oil, delivered from the three platforms at Statfjord on January 16th 1987. The 25th anniversary of Statfjord was celebrated in November 2004, and by then oil valued at NOK 1045 billion had been extracted from the area, around 63 percent of the total deposits. Statoil's goal is to continue production from the Statfjord area until 2020 when an estimated 70 percent of the total oil deposits will have been extracted from the area. Not bad considering the goal in the beginning was 48.4 percent, a then highly optimistic prediction. This reflects the amazing development of technology and efficiency acquired by Statoil throughout the years. Statoil's first president and CEO, Arve Johnsen, was bold and daring when it came to investing in new technology and innovation. This has characterized the company from the start and has been a key factor to their success. An example is the piping system for gas introduced by Statoil. The gas is extracted in the North Sea and carried by pipes to land where it is processed. No other oil and gas company has more pipes undersea than Statoil's over 7000 kilometers.²³

2.3

The shifting 80s

In 1981 Statoil became the first Norwegian company to achieve operator responsibility for a field, Gullfaks. By this time Statoil was already a fully integrated oil company.

Around the 1980s the conservative politicians, led by Willoch and his government, felt that Statoil had become too dominant and had gained too much control over Norwegian oil deposits. A reduction of Statoil's power was set on the political agenda, much to the advantage of the other Norwegian and foreign oil companies. Statoil's power was reduced, but the "crown jewel", the 50 percent owner share of Statfjord was not taken away. In the mid 1980s the discussion was whether Statoil should take over the operation responsibility of Statfjord, until then operated by the American oil company Mobil. The labor party wanted Statoil to take over

²² http://www.museumsnett.no/ntm/no/utstillingene/Jakten_oljen/historie.htm#oljeselskaper

²³ http://www.offshore.no/offshore_energi/bok/innledning.pdf, "Et Oljeeventyr", edited by Helge Keilen, Offshore Media Group

immediately, while the conservatives held back. After a great deal of political turmoil Statoil got operation responsibility for the Statfjord field on January 1st 1987. The 1980s were characterized by high oil prices with little focus or care for efficient technology and production. However, in 1986 when the prices fell, the oil companies were forced to develop new and more professional technology. The huge concrete constructions were no longer the most competitive alternative, and Statoil led the way with their underwater piping system and floating constructions.²⁴

In 1988 the Tommeliten gas field in the North Sea was finally brought on stream. The Tommeliten field is historically important for Statoil because it was the first detection of oil made by Statoil as an operator. The field was found already in 1976 but was not prioritized on account of the Gullfaks field. Also in 1988, the Mongstad oil terminal, the second largest facility of its type, was brought on line north of Bergen. The year after, the Veslefrikk field was brought on stream and the modernization and expansion of Mongstad refinery was completed.²⁵ In the mid 80s Statoil acquired the Esso service stations in Denmark and Sweden.²⁶

The 1980s were years where Statoil stabilized and positioned themselves in the Norwegian and Scandinavian markets.

2.4

The 1990s: Company growth and looking beyond the Scandinavian borders

The oil deposits in the North Sea are limited, although new deposits are being discovered and the technology for extraction is more efficient than earlier. However, for a company with clear goals of continual growth such as Statoil, it's necessary to expand internationally.²⁷ This process was started in 1990 when Statoil formed an alliance with BP for international operations. In 1992 Statoil acquired BP's service stations in Ireland, and in 1995 Statoil acquired Aran energy, with interests in fields off the UK and Ireland. Celebrating their 25th anniversary in 1997, Statoil brought two new foreign projects on stream, Azeri-Chirag off Azerbaijan and Lufeng off China.²⁸

²⁴ http://www.museumsnett.no/ntm/no/utstillingene/Jakten_oljen/historie.htm#statfjord

²⁵ http://www.offshore.no/offshore_energi/bok/innledning.pdf

²⁶ www.statoil.com

²⁷ [http://www.statoil.com/STATOILCOM/SVG00990.nsf/Attachments/konsernpresentasjonAugust2005/\\$FILE/KonsernpresentasjonAugust2005.pdf](http://www.statoil.com/STATOILCOM/SVG00990.nsf/Attachments/konsernpresentasjonAugust2005/$FILE/KonsernpresentasjonAugust2005.pdf)

²⁸ <http://www.statoil.com/>

During the 1990s there was an increased focus on environmental issues, both in Norway and internationally. In 1990 the oil companies were responsible for 20% of carbon dioxide emissions in Norway. As a consequence the Norwegian government introduced tolls on this kind of pollution. The oil companies were again encouraged to develop new, more environmental friendly production methods, but because production increased, the emissions level remained unchanged. After the Kyoto Protocol was signed in 1997, the carbon dioxide spills in Norway is scheduled to be reduced by 6 percent by 2012.²⁹ Statoil supports the Kyoto Protocol.³⁰

The 1990s were also years where the production of gas increased. Norway is in fact Europe's third largest producer of gas and supplies the European continent with about a 20% market share in Europe. During the 1990s Norway started moving from being an oil nation to becoming more of a gas nation.³¹ In this period, Statoil launched several projects in the gas sector. In 1993 the Sleipner field came on stream, and this field represents 63% of Statoil's total gas production.³² Two years later the Europipe gas trunk line to Germany came on stream. In 1996, with Statoil as operator, the Troll gas project came on stream, and in 1998 the Franpipe gas trunk line became operational. The new millennium was started by gas production from Åsgard B, and in the same year Åsgard Transport gas trunk line to Kårstø began operation.³³

2.5

The beginning of a new century: Partial privatization and stricter requirements to profitability

On April 26th 2001 the Norwegian parliament, Stortinget, approved a proposal stating that Statoil should be partly privatized. The different political parties compromised on a deal that the Norwegian government should sell approximately one third of its stocks in Statoil, as well as the company being listed on the New York and Oslo stock exchanges. The privatization process was characterized by debate and disagreements, between parties, but also within. The Labor party, the ruling party at

²⁹ http://www.museumsnett.no/ntm/no/utstillingene/Jakten_oljen/historie.htm#1986

³⁰ <http://www.statoil.com/INF/SVG02304.nsf?OpenDatabase&lang=en&app=2004year>

³¹ http://www.museumsnett.no/ntm/no/utstillingene/Jakten_oljen/historie.htm#1986

³² [http://www.statoil.com/STATOILCOM/SVG00990.nsf/Attachments/konsernpresentasjonAugust2005/\\$FILE/KonsernpresentasjonAugust2005.pdf](http://www.statoil.com/STATOILCOM/SVG00990.nsf/Attachments/konsernpresentasjonAugust2005/$FILE/KonsernpresentasjonAugust2005.pdf)

³³ <http://www.statoil.com/>

the time, was divided on the matter of privatization. Nevertheless, in November 2000 a majority in the party voted for a partly privatized Statoil.³⁴ The privatization of Statoil became the largest privatization in Norway ever, and took place during difficult market conditions.³⁵ Even so, CEO at the time, Olav Fjell, was able to present satisfying economic results for Statoil in the annual report in 2001.³⁶ June 18th, 2001 Mr. Fjell pushed the button starting the trade in Statoil's stocks at Oslo stock exchange. Fjell and others with him saw this opening as a milestone for Statoil, the entering into a new era.³⁷ During its first six months as a listed company on Oslo Stock Exchange, Statoil accounted for nearly 15% of the turnover at the Norwegian stock exchange.³⁸



CEO Olav Fjell pushes the button

The beginning of the 21st century was also a time for increased internationalization for Statoil. In 2002 Statoil celebrated 30 years as Norway's most influential oil and gas company, and this year the company secured their grip in Iran as well as entering into a gas contract with British Centrica. The year after Statoil took over operator responsibilities from Norsk Hydro on several production facilities in the Tampen area. In 2003 Statoil also secured important projects off Azerbaijan and Angola, in addition to getting an Asian breakthrough in liquefied petroleum gases.

³⁴ <http://www.eiro.eurofound.eu.int/2001/05/inbrief/no0105131n.html>

³⁵ http://capitalmarkets.rrdonnelley.com/case_statoil.cfm

³⁶ <http://www.statoil.com/inf/SVG02304.nsf?OpenDatabase&lang=en&app=2001year>

³⁷ <http://www.statoil.com/inf/svg02304.nsf/0/2CEF579D1BCD1825C1256B910038A1E0?OpenDocument&app=2001year>

³⁸ <http://www.statoil.com/inf/svg02304.nsf/0/2CEF579D1BCD1825C1256B910038A1E0?OpenDocument&app=2001year>

In spring 2004 Helge Lund took over for Olav Fjell as president and CEO of Statoil.³⁹ Fjell had resigned the previous fall when bribery suspicions were raised on a contract aimed at helping Statoil do business in Iran.⁴⁰ The company later cleared themselves through the Keiserud report that stated: *“Following the examination, the conclusion is that there is no basis for finding Statoil, as a company, or any individuals in Statoil, criminally liable in connection with the consultancy contract”*.⁴¹ The Norwegian economic crime police still gave Statoil a fine of NOK 20 million for entering the deal⁴².

2004 was like previous years one of growth in Statoil's international operations. Statoil's office in Astana, Kazakhstan was opened in May, and the office in Algiers, Algeria in September. Gas deliveries were started from the In Salah project in the Algerian part of the Sahara desert, and oil deliveries began from the coast off Angola⁴³. Statoil entered into a twenty-year agreement to triple capacity at an LNG terminal in the USA, and new gas sales contracts were entered with Dutch Essent and British Gas Trading. Statoil also teamed up with Conoco Phillips in a joint venture for receiving gas facilities in Germany⁴⁴.

2.6

Today - and the future

In the last few years there has been an international development focused on Corporate Social Responsibility (CSR). Statoil has joined this trend and introduced a document in 2002 stating their strategy on corporate social responsibility. On the World Petroleum Congress in Calgary, Canada, June 14th 2000, Olav Fjell said the following in his speech; *“Corporate social responsibility covers the whole range of a company's interaction with society at large, from health, safety and environmental protection to conditions of employment, industry and labor standards, social development and human rights.”* In his speech Fjell talked about business not only

³⁹ <http://www.statoil.com/>

⁴⁰ <http://www.dn.no/forsiden/article84079.ece>

⁴¹ <http://www.statoil.com/STATOILCOM/SVG00990.nsf?opendatabase&lang=en&artid=41256A3A0055DD31C1256EB6006A2806>

⁴² <http://www.statoil.com/STATOILCOM/SVG00990.nsf?opendatabase&lang=no&artid=41256A3A0055DD31C1256EC2001D3040>

⁴³ www.statoil.com

⁴⁴ <http://www.statoil.com/INF/SVG02304.nsf?OpenDatabase&lang=en&app=2004year>

being about maximizing profits, but having core values and a meaning beyond money making.⁴⁵

There are three focus areas in Statoil's CSR strategy;

1. *We will be recognized for respecting labor and human rights*
2. *We will be recognized as a transparent company*
3. *We will be recognized for creating local spin-offs from our activities*

Respecting labor and human rights means for instance ensuring safety for their employees and engaging in human rights projects in cooperation with other organizations, e.g. Amnesty International. Statoil entered into such an agreement with Amnesty in 2001, as the first company in the world to ever do so.⁴⁶ Being recognized as a transparent company means being transparent about income or taxes, and joining anti-corruption projects. The commitment of local spin-offs implies hiring and developing local employees or supporting education in oil and gas related areas as well as cooperating with national research institutions in the host country.⁴⁷

The concept of CSR is relatively new in Statoil, but the focus on Health, Safety and Environment (HSE) has been essential for the company since its start in 1972.⁴⁸ When the company values were revised through "We in Statoil" in 2004, the following was stated on HSE; *"Our goal is zero harm. All accidents can be prevented. A high standard for health, safety, security and the environment – HSE – has a value in itself."*⁴⁹

"We in Statoil" presents the core values of Statoil, and all Statoil employees are presented with these values, reminded of them or asked about them nearly every day. These values are not just something written on a piece of paper, but something all employees really need to care about and live by at work. It is expected that Statoil employees "walk the talk" regarding the company core values.

Being an international corporation represented in over 30 countries certainly has its challenges for Statoil. Many of the countries are poor and underdeveloped,⁵⁰

⁴⁵<http://www.statoil.com/STATOILCOM/SVG00990.nsf?opendatabase&lang=en&artid=C7BE98DAF45B9C4BC12568FD0036A24C>

⁴⁶ www.prosus.uio.no/publikasjoner/Rapporter/2005-1/rapp1.pdf

⁴⁷ Statoil internal document; *Corporate Social Responsibility – Relevant for HR?*

⁴⁸ www.prosus.uio.no/publikasjoner/Rapporter/2005-1/rapp1.pdf

⁴⁹ <http://www.statoil.com/hse>

⁵⁰<http://www.statoil.com/STATOILCOM/SVG00990.nsf?opendatabase&lang=en&artid=C7BE98DAF45B9C4BC12568FD0036A24C>

and there are serious violations on human rights in several of these countries.

⁵¹Ensuring that the poorest countries are not harmed, but helped by the globalization process, as well as increasing the living standards in these countries are main challenges for Statoil. To enter into a country, Statoil needs to see a potential for growth and development. Statoil's involvement is always of a long-term commitment, and the threshold for entering, as well as withdrawing is high. Statoil realizes the duty they have in the host countries to contribute to social development through interaction with the society as well as the development of Statoil employees and the important parts they can play in these countries.⁵²

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Statoil's world

²⁹<http://www.statoil.com/statoilcom/HMS/SVG03272.NSF/0/4B914A2C8C391DFCC1256E61002F4972?OpenDocument>

⁵²<http://www.statoil.com/statoilcom/HMS/SVG03272.NSF/0/4B914A2C8C391DFCC1256E61002F4972?OpenDocument>

⁵³ www.statoil.com/statoils_world

There is no doubt that Statoil now is well on its way of becoming a full multi national company. The process started decades ago and has resulted in Statoil today being present in over 30 countries. This means an increased number of international employees in the future, all working for Statoil, the previously Norwegian company only operating in The North Sea.

The newly developed international trainee program is a step towards training employees from host countries where Statoil is present and will continue to operate for a long time.

Statoil values employing local people at their offices around the world because this gives advantages when doing business in these countries. Knowing the language, the business culture and how to deal with local authorities is often necessary to enter into and succeed in a foreign market. The idea behind the trainee program is to influence these foreign employees, teach them the Statoil way of doing things, then have them return to their home country, (when a position is available), where they hopefully can pass the Statoil way on to their colleagues. Statoil wants to be recognized as the same company even though you visit their office in London or Caracas, as well as in Stavanger. At the same time they have a certain degree of local adaptation in their host countries. On their road towards becoming a fully multinational company Statoil faces the challenge of developing and maintaining their corporate culture in all 33 countries and making sure their over 25000 employees share and work by the Statoil values of imaginative, hands-on, professional, truthful and caring.

3. Theory

3.1

Corporate Culture

The purpose of this chapter is to present relevant theory on culture, both corporate culture and national culture. In the first part I will present theory on corporate culture taken from Schein's third edition of *Organizational Culture and Leadership*. I will then look at National culture and present Hofstede's theory on cultural dimensions before I present an article written by professors Gooderham and Nordhaug, on the convergence of values in Europe. Lastly I will look at the culture of the countries where the interviewees come from before I briefly link corporate and national culture in the end.

3.1.1

Schein

Culture is according to Schein *both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and a set of structures, routines, rules, and norms that guide and constrain behavior*. Schein believes that culture within an organization often begins with leaders who impose their own set of values and assumptions on to a group.

The concept of culture also brings with it the elements of structural stability, depth, breadth, and patterning or integration.

Structural stability means that culture is not only shared by members of a group, but also stable because it defines the group. Once the group reaches a sense of identity it becomes the major stabilizing force. This means that culture survives even when members leave the group. Culture is hard to change and is there to offer predictability and stability.

Depth means that culture is the deepest part of a group and therefore less tangible and sometimes less visible than other parts.

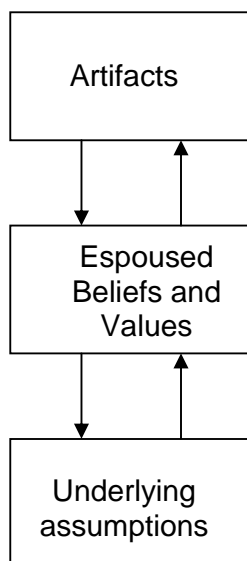
Breadth indicates that culture covers all functions of a group. Culture influences all sides of how an organization deals with its tasks, its environments and the internal operations in the organization.

The patterning or integration implies that in culture rituals, climate, values and behavior are tied together in a coherent whole. It's in human nature to seek a stable and orderly environment; disorder and irrationality may lead to anxiety so we generally seek what's consistent and predictable.

According to Schein culture forms in two ways. One is by spontaneous interaction in an unstructured group that leads to patterns and norms of behavior that eventually becomes the culture. In more formal groups where an individual creates or leads the group, that person's visions, goals, beliefs, values and assumptions are the factors forming the group culture.

Culture can according to Schein be thought of as the accumulated shared learning of a group, this covering behavioral, emotional, and cognitive elements of the group members' performance. Culture implies stability and shared history.

Schein states that culture can be analyzed at several different levels, from the very obvious things that are easy to see, to the more hidden unconscious sides of a culture. Schein divides culture into 3 main levels:



Artifacts - the visible organizational structures and processes of a culture. Artifacts are things at the surface; all the phenomena that one sees, hears and feels when

introduced to a new culture. It may be a language, rituals or clothing. At this level of culture it is easy to observe but very difficult to decipher. An outsider may be able to describe what he or she sees and feels, but can not say what these things actually mean to the group. If the outsider lives in the group long enough, the meanings of the artifacts become gradually clear. If this level of understanding is to be achieved more quickly, one can attempt to analyze the espoused values, norms, and rules that provide the principles of a culture. This leads to the next level of culture;

Espoused beliefs and values - the strategies, goals and philosophies, (espoused justifications). This is the level at which a group learns that certain beliefs and values “work” in the sense of reducing uncertainty. Beliefs and values at this conscious level will predict much of the behavior that can be observed. If these beliefs and values are somewhat aligned with the underlying assumptions, then turning those values into a philosophy may be of great help in bringing the group together, creating identity and giving a core mission. Espoused beliefs and values may leave large areas of behavior unexplained, giving the feeling that one understands a small piece of a culture, but is still missing the big picture. To get to the deeper understanding one has to understand the basic underlying assumptions.

Basic underlying assumptions - the unconscious, taken-for-granted beliefs, perceptions, thoughts and feelings, (ultimate source of values and action). Basic assumptions are created when a solution to a problem is used repeatedly and eventually taken for granted. If a basic assumption is strongly held in a group, members will find any other behavior unthinkable. Basic assumptions tend to be non-confrontable and non-debatable and are therefore extremely difficult to change. Culture as a set of basic assumptions defines for us what to pay attention to, what things mean, how to react emotionally to what is going on, and what actions to take in different situations. We create a “mental map” and feel safe and comfortable in the presence of people that share our assumptions, and very uncomfortable and vulnerable in situations where other assumptions operate. Human beings seek stability, so challenges or questioning towards our basic assumptions will result in anxiety and defensiveness. Schein describes this level of culture as the DNA of the group. Assumptions often deal with fundamental aspects of life, e.g. the nature of time, human nature, human activities, the nature of truth and how one discovers it,

the correct way for the individual and the group to relate to each other, the relative importance of work, family, self-development and the role of men and women. The essence of culture lies in the pattern of basic assumptions, and once one understands those, one can easily understand the other more surface levels and deal with them in a right manner.

The culture of a group or organization is defined by Schein as *a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.*⁵⁴

3.1.3

Corporate Culture - summing up

To really know a culture and truly be a part of it you must “live” in it. I agree with Schein’s view on this. There is no doubt that there are several levels of knowing and understanding a culture. Most of us have experienced being at the first level when visiting a foreign country. Being a tourist can be fun and exciting. We hear the strange language, see the funny houses, taste the weird food and meet the interesting people of a new and different culture and we might find it fascinating. There may be many sides of a culture we find strange and hard to understand. Even though we travel to a certain country several times and we after a while start feeling like we know the culture, we may still very well be at the first and “shallow” level. It takes time, perhaps several years living in a culture before you get to the deeper level that Schein calls basic assumptions.

Stepping in to a foreign culture for the very first time may be fascinating be it a foreign country or a new company with a certain corporate culture. The beginning is often fun and exciting. The first weeks or even months, where you only see the tip of the iceberg are periods where everything may be great and problem free. When this tourist period, or “honeymoon phase” is over, you gradually begin to actually learn to understand the culture. You will experience a certain level of conflict, frustration and

⁵⁴ *Organizational Culture and Leadership*, by Edgar H. Schein, third edition 2004, Jossey-Bass

having to solve difficult problems. In this process you will truly get to know the people of the company and you will learn to know the culture at a deeper level. As Schein states; the essence of culture lies in the pattern of **basic assumptions**, and once one understands those, one can easily understand the other more surface levels and deal with them in a right manner.

3.2

National Culture

Our national culture is a part of who we are in every aspect of life, also in work life. This means that in many ways national culture creates the basis for corporate culture. In this part I will present theory on national culture and use this theory to present the national culture of Norway. I will also present the culture of the countries where the 4 interviewees come from; Venezuela, Algeria, Russia and Iran.

3.2.1

Hofstede

Professor Geert Hofstede is an influential and well known Dutch expert on the relationship between national and business culture. He started his work analyzing data he had gathered from IBM employees from over 70 different countries between 1967 and 1973. He studied how values in the workplace are influenced by culture, and he identified 4 dimensions to use when differentiating cultures. These 4 dimensions are power distance, individualism, masculinity and uncertainty avoidance. Later Hofstede added a 5th dimension; long term orientation.⁵⁵ In this thesis I have chosen to use the original 4 dimensions as the basis for my research, and following is a brief presentation of the 4 dimensions:

Power distance is the degree to which the less powerful members of a society expect there to be differences in the levels of power. A high score suggests that there is an expectation that some individuals have more power than others. Countries with high power distance ratings are often characterized by a high rate of political violence. In these countries those in power should appear as powerful as possible.

⁵⁵ http://www.geert-hofstede.com/geert_hofstede_resources.shtml

Other people are seen as a potential threat and can not be trusted. A low score reflects the view that all people should have equal rights and opportunities. In these cultures those in power should appear less powerful than they really are, and people at different power levels feel less threatened and more prepared to trust people. Latin American and Arab nations are ranked the highest in this category; Scandinavian and German speaking countries the lowest.

Masculinity versus femininity reflects the importance placed on traditional male or female values. Masculine cultures have competitiveness, assertiveness and ambition as their most important values. In these cultures money and things are important, performance is what counts and one admires the successful achiever. Feminine cultures emphasize the values of relationships and quality of life. Here, people and the environment are important, and quality of life is what counts. One sympathizes with the unfortunate. Japan is considered by Hofstede as the country with the most masculine culture, while Norway and Sweden represent the most feminine cultures.

Individualism is the opposite of collectivism, and refers to the extent to which people are expected to stand up for themselves and what they believe in, or act mainly as a member of a group or an organization. In a collectivist culture identity is based in the social system and order is provided by the organization, while in an individualist culture identity is based in the individual. Latin American cultures rank the lowest in this category, while Scandinavian countries rank relatively high, and the United States has the most individualist culture of all.

Uncertainty avoidance refers to the extent in which a society attempts to deal with anxiety by minimizing uncertainty. Cultures that score high in uncertainty avoidance prefer rules (for example about religion and food) and structured circumstances, and employees tend to remain longer with their present employer. In cultures with high uncertainty avoidance there is great concern with security in life and career stability is needed. In cultures with low uncertainty avoidance there is more willingness to take risks, and uncertain situations are acceptable. Mediterranean cultures and Japan rank the highest in this category.⁵⁶

⁵⁶ http://en.wikipedia.org/wiki/Geert_Hofstede

3.2.2

Gooderham and Nordhaug

In an article published in 2002 professors Gooderham and Nordhaug at the Norwegian School of Economics and Business Administration discuss what they call; *The decline of cultural differences in Europe*. The article is based on a study conducted in the fall of 2000 on differences in corporate culture. The study was done by sampling students from European business schools in 11 countries on the topic of work related values. The countries represented were Austria, Denmark, Great Britain, Finland, Norway, France, Germany, Holland, Italy, Sweden and Spain. The study showed a convergence on values in work settings across Europe. The results suggest that differences between European countries seem to shrink as a result of the European Union and globalization in general; and there might even be bigger differences between men and women within a culture than between different nationalities.

However, one of the countries from the study shows a different tendency. Where the European countries are moving towards a common set of values and a similar corporate culture, Norway is moving in a different direction. As the neighboring countries Sweden and Denmark are adapting to a European management style, Norway is becoming more Norwegian and Scandinavian. This means having an egalitarian management style and a corporate culture where all employees are seen as valuable and equal. Values in work life that are seen as positive in Norway may be perceived very negatively in other cultures. For instance, a typical Norwegian manager with a friendly, open and collaborative style of management may be seen as incompetent and naïve in other cultures. In other words, when it comes to corporate culture, Norway is different from the rest of Europe and the rest of the world. This is something Norwegian managers need to be aware of when dealing with international employees or business partners.^{57 58}

⁵⁷ <http://www.forskning.no/Artikler/2004/november/1100525669.82>

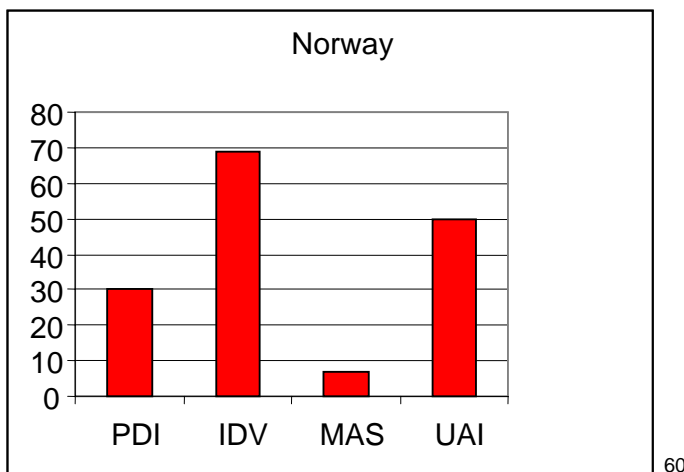
⁵⁸ *The decline of cultural differences in Europe*, by Gooderham and Nordhaug 2002, EBF issue 8

3.2.3

Norway



As previously mentioned, Norway is a relatively different country compared to other nations. One thing distinguishing Norway from neighboring countries is the fact that Norway is not a member of the European Union. Norway is a country that relies heavily on import, more than half of the food needed is imported. The Norwegian export is mostly raw material and semi-produced goods; Norway is the world's largest oil exporter, only beaten by Saudi Arabia. In other words this is a country that is highly dependent on doing business and having good relationships with its trade partners.⁵⁹ When being part of such an international business world, one would assume that the business culture and management style would develop from being so Norwegian to becoming more European or even international. This is not the case, and the Norwegian style of management is very egalitarian with feminine values.



Power distance is very low in Norway. This is especially visible in business settings where you deal with managers and people at different power levels.

⁵⁹ http://www.photius.com/wfb1999/norway/norway_economy.html

⁶⁰ <http://www.geert-hofstede.com>

Individualism is very high in the Norwegian culture. This may lead to more responsibility for your own work and learning by doing more so than being trained in a work setting.

Masculinity is extremely low in Norway. This is reflected in the values in work life, where work often is seen as just a job, and free time with family and friends is much higher valued.

Uncertainty avoidance is relatively high in Norway. This means that Norwegians prefer to plan ahead, for instance like planning a summer vacation 2 years in advance, or sticking to a contract when an agreement is entered.

3.2.4

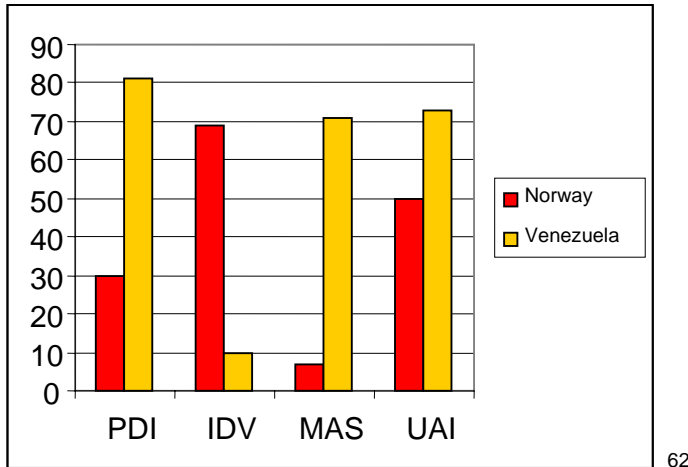
Venezuela



Venezuela is a former Spanish colony and is today a federal republic. The country is known for its petrol industry and has historically had some disputes with neighboring country Guyana. Venezuela has been a melting pot; its people are descendants of Amerindians, Spanish colonists, African slaves, Italians, Portuguese, Arabs, Germans and people from other South American countries. Spanish is the official language and Roman Catholicism is the dominant religion. People in Venezuela are known as easygoing, talkative and family-oriented.⁶¹

⁶¹ http://en.wikipedia.org/wiki/Culture_of_Venezuela
<http://searchwarp.com/swa47958.htm>

The Hofstede dimensions Venezuela vs. Norway



62

Power distance is much higher in Venezuela than in Norway.

Individualism is extremely low in Venezuela and significantly higher in Norway.

Masculinity is remarkably high in Venezuela, and the difference is huge between the feminine Norwegian culture and the masculine Venezuelan culture.

Uncertainty avoidance is slightly higher in Venezuela than in Norway.

Algeria



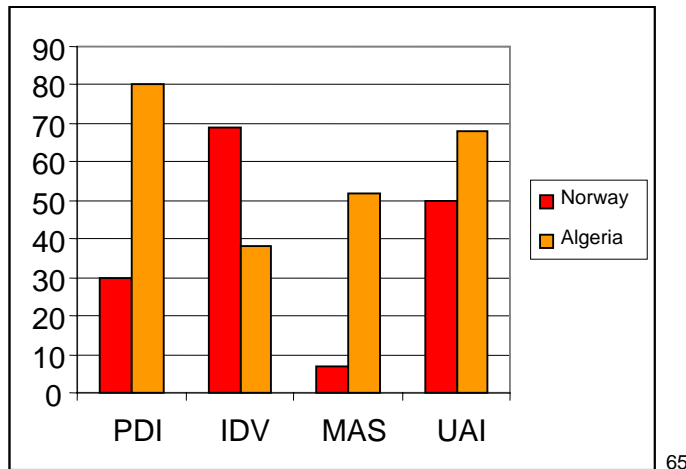
The Algerian culture is strongly influenced by Islam and marked by the colonial time when the country was a French colony. Arabic is the official language in Algeria and French is the most studied foreign language.⁶³ Algerian culture is in many ways a society with traditional roles between men and women, and family is considered very important.⁶⁴

⁶² <http://www.geert-hofstede.com>

⁶³ <http://en.wikipedia.org/wiki/Algeria#Culture>

⁶⁴ <http://www.everyculture.com/A-Bo/Algeria.html>

The Hofstede dimensions Algeria vs. Norway



65

Power distance is remarkably high in Algeria compared to Norway.

Individualism is higher in Norway than in Algeria, the Algerian society is more family based than the Norwegian society.

Masculinity is significantly higher in Algeria than in Norway.

Uncertainty avoidance in Algeria is somewhat higher than in Norway.

Russia

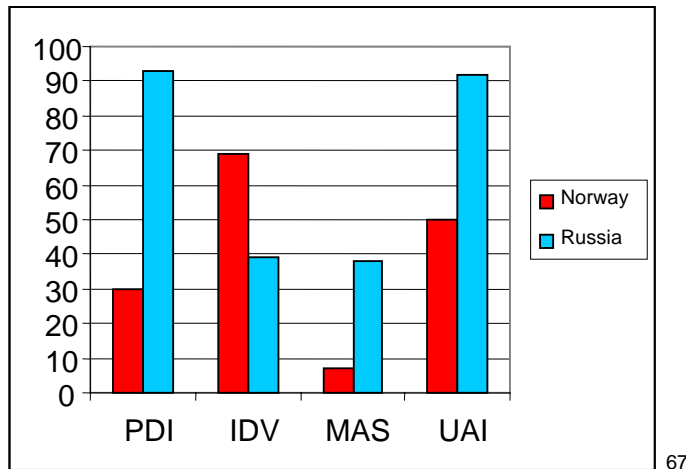


Russia was until 1991 a part of the Union of Soviet Socialist Republics, but is today an independent republic. Russian is the official language and the Russian Orthodox Church is the dominant religion followed by Islam. ⁶⁶

⁶⁵ <http://www.geert-hofstede.com>

⁶⁶ <http://en.wikipedia.org/wiki/Russia>

The Hofstede dimensions Russia vs. Norway



67

Power distance is much higher in Russia than in Norway.

Individualism is slightly higher in Norway compared to Russia.

Masculinity is notably higher in Russia than in Norway.

Uncertainty avoidance is higher in Russia than in Norway.

Iran

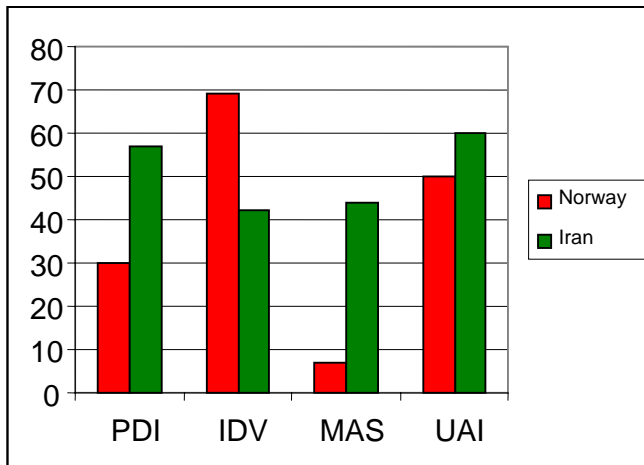


Iran is an Islamic republic with strong bonds between religion and society. Persian is the official language.⁶⁸

⁶⁷ <http://www.geert-hofstede.com>

⁶⁸ <http://en.wikipedia.org/wiki/Iran>

The Hofstede dimensions Iran vs. Norway



Power distance is notably higher in Iran.

Individualism is slightly higher in Norway.

Masculinity is considerably higher in Iran than in Norway.

Uncertainty avoidance is just a little higher in Iran than in Norway.

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As seen from the graphs, all of these cultures; the Venezuelan, Algerian, Russian and Iranian are very unlike the Norwegian culture. The cultural differences create great challenges when Statoil operates in these cultures and also when people from these countries come to Stavanger to work at the Statoil headquarter.

3.3

National and corporate culture

According to Hofstede's article *The business of international business is culture* the culture of a country affects its people; children, teachers, students, politicians, journalists - basically all its citizens. This means that management practices in a country are culturally dependent. What works in one country does not necessarily work in other countries. The Hofstede studies of national cultures show significant differences between the Norwegian culture and the Venezuelan, Algerian, Russian and Iranian. This is highly relevant in business settings because national culture

⁶⁹ <http://www.geert-hofstede.com>

colors the way we behave, work and communicate in work settings, and therefore also the corporate culture. According to Hofstede's article the thing keeping a multinational corporation together is a common organizational culture across borders. This is the key to a successful, well-functionally multinational organization.⁷⁰

⁷⁰ *The business of international business is culture*, by Hofstede, 1994 International Business Review

4.

Methodology

4.1

Quantitative versus Qualitative Research Methods

The purpose of this chapter is to look at the features of quantitative research and qualitative research. We will also look more specifically at interviewing in qualitative research, which is the method chosen for this thesis.

When dealing with methodological issues it is common to distinguish between qualitative and quantitative research. The distinction is not always obvious and clear-cut; however there is a considerable difference between the two methods. One can for instance say that quantitative research deals with measurement while qualitative research does not. Another distinction often made is that qualitative research uses numbers and quantitative research uses words.

Contrasts between quantitative and qualitative research strategies

Quantitative	Qualitative
Numbers	Words
Point of view of researcher	Point of view of participant
Researcher distance	Researcher close
Theory testing	Theory emergent
Static	Process
Structured	Unstructured
Generalization	Contextual understanding
Hard, reliable data	Rich, deep data
Macro	Micro
Behavior	Meaning
Artificial settings	Natural settings

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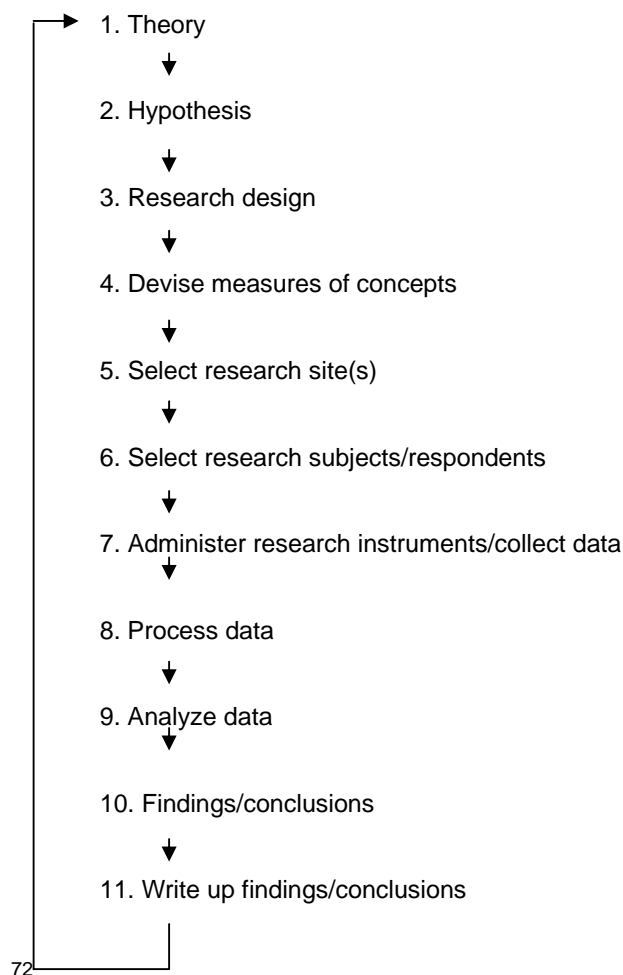
⁷¹ *Social Research Methods*, by Bryman 2001 edition, Oxford

4.2

Quantitative Research

Quantitative Research deals with numbers rather than words and employs measurement. It is defined by Bryman as *entailing the collection of numerical data and exhibiting a view of the relationship between theory and research as deductive, a predilection for a natural science approach, and as having an objectivist conception of social reality*. It involves a deductive approach to the relationship between theory and research in which the focus is testing of theories. It involves studies that use mathematical analysis to search for statistically significant differences between groups of people. It is typically used in studies where a large sample size is needed. The questions are relatively closed and the analysis statistical. Types of quantitative research are structured interviews, questionnaires, and structured observation.

The process of quantitative research:



⁷² *Social Research Methods*, by Bryman 2001 edition, Oxford

Criticism of quantitative research

Quantitative research has over the years been exposed to a great deal of criticism, especially from representatives and supporters of qualitative research. Some critics say that quantitative researches fail to distinguish people and social institutions from the “world of nature”, (claimed by Schutz). Others critic that the measurement process in this type of research has a constructed and artificial sense of accuracy and precision; the respondents may fail to understand the questions or try to answer “correctly” or what they think the researchers want to hear.

When doing this type of research one relies heavily on instruments and procedures, and according to some skeptics this may hinder the connection between research and everyday life. Structured interviews and closed, to-the-point questions can perhaps fail to reflect the truth, or even parts of the truth. It is also said that the analysis of relationships between variables in quantitative research creates a static view of social life that is independent of people’s lives.

There is no doubt that this type of research may have flaws and imperfect traits. However, when used correctly and making sure the research is both reliable and valid and that the sample is representative for the group you are researching, this type of research may indeed be useful and valuable. Still, when looking at topics where you don’t actually know what the focus should be, or even what questions to ask, it is better to use a different type of research. In these cases you may want to gather more detailed information from the people you are talking to. In such cases you would be better of choosing qualitative research.⁷³

4.3

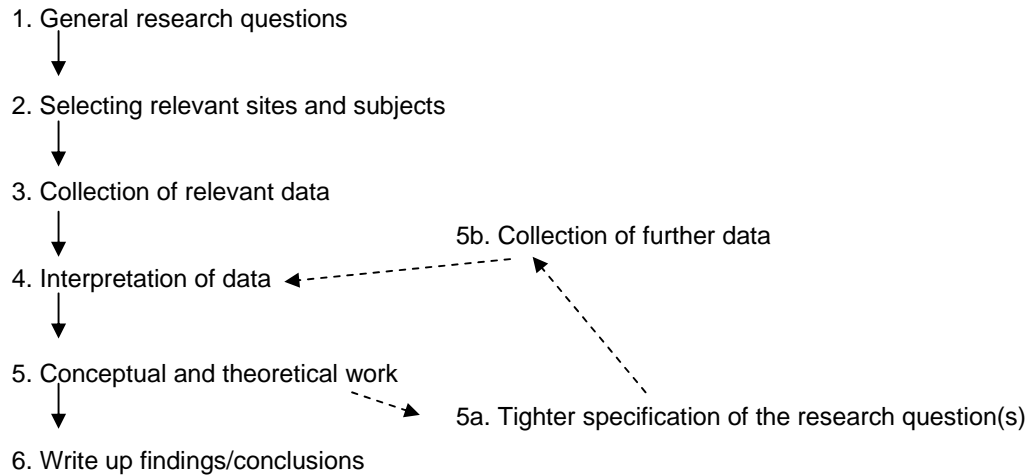
Qualitative Research

Where quantitative research usually has a large sample size and deals with numbers, qualitative research has a smaller sample size and deals with words. Qualitative research has an inductive approach to the relationship between research and theory, where theory is usually generated from the research that is done. The focus is the comprehending of the social world through an examination of the understanding of that world by its members. The view in this type of research is that social properties are outcomes of the interactions between individuals rather than a phenomenon

⁷³ *Social Research Methods*, by Bryman 2001 edition, Oxford

separate from individuals. The questions in this type of research are often more open, and the topic and outcome of the conversations are shaped by the interviewees. You will often gain much more information from qualitative research than from quantitative research.

The main steps in qualitative research:



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Common types of qualitative research are focus groups and interviews.

A **focus group** typically consists of 8-10 members and is discussion based over topics led by a moderator. Focus groups are often observed either by video tape or through windows. The idea from this type of research is to gain from group dynamics where different people can trigger each other and discuss a topic more naturally than in an interview setting. This interaction may stimulate new ideas, you get to observe the people and the findings are easily understood. Problems with focus groups may be moderator bias or that some members of the group are too dominating in the conversation. Also, some people may not be comfortable in such a group setting and will therefore not be totally honest in the discussion.

Interviews are one on one and will be more likely to produce honest answers, especially when dealing with somewhat sensitive matters. It gives a smaller sample size than with focus groups, and is more expensive to administrate, but the

⁷⁴ *Social Research Methods*, by Bryman 2001 edition, Oxford

respondent is very actively involved and the interviewer may be more sensitive to non-verbal language.

When dealing with qualitative research it can often be helpful to use projective techniques. This means tapping the interviewees' deepest feelings by having them "project" those feelings onto an unstructured situation. This is often easier than to get people to say what they truly think and feel.⁷⁵

Criticism of qualitative Research

Quantitative researches tend to criticize qualitative research for being too subjective. This is because findings in qualitative research are based on what the researcher sees as most relevant and important.

This type of research is also difficult to replicate as a result of the unstructured form lacking standard procedures. In qualitative research the interviewer is the data collector, and what issues seen as the most significant is mainly up to the investigator and therefore different depending on whom is doing the research.

There is also a certain problem of generalization in qualitative research. First of all, the sample size is often so small that the findings can not be transferred to other settings and situations. The results will perhaps be more likely to fit into several settings if the sample size is bigger, like in quantitative research.

Lastly, the lack of transparency is by many seen as a potential problem in this type of research. Sometimes it may be difficult to figure out how the research was done and how the analysis and conclusion was made. It is important that the interview is written down in the way it actually was and that the sources of information used in the research are completely clear.

4.3.1

Interviewing in Qualitative Research

This was the method chosen for the research in this thesis. The interview is the most common method in qualitative research. The flexibility of the method makes it attractive even though the analysis of the interview transcripts is relatively time-consuming. In the qualitative interview there is great interest in the interviewee's point of view, and as a result this type of interview tends to be very flexible. When

⁷⁵ *Advertising and Promotion: An Integrated Marketing Communications Perspective*, by George E. Belch and Michael A. Belch, 6th edition, McGraw Hill

interviewing in qualitative research the researcher is looking for rich and detailed answers as opposed to quantitative research where the answers need to be simple and short so they later can be coded. In qualitative interviews the interviewees are often interviewed on twice or several occasions. The two main types in this category are unstructured and semi-structured interviews, but these are the two extremes, and there are many variations in between.

In an unstructured interview the interviewer has a certain range of topics. There may be as little as only one question, and the interviewee may respond freely to this with perhaps a few follow-up questions from the interviewer. Unstructured interviews often tend to be very similar to a regular conversation.

A semi-structured interview is more planned with a list of specific questions or certain topics to be covered, also known as the interview guide. The questions aren't necessarily carved in stone, and the interviewer may often do minor changes, like adding or removing questions as they go along.

In neither case does the interviewer strictly follow the interview guide, but both methods are flexible and the focus of the interview should be on what the interviewee understands and sees important on the topic.^{76 77}

4.4

Method chosen

In this thesis I have used a qualitative method, interviewing international trainees at Statoil's headquarter in Stavanger. This method was chosen because the scope of the thesis needed detailed and thorough answers to my questions. I needed words and not numbers, and I wanted the point of view of the participants. Also, I would not always know the right questions to ask, so a semi-structured interview would be the right way to provide the useful information needed for this thesis. The research was going to be on a micro level and so the choice of qualitative research was natural.

The interviews took place in mid-November 2005 when most of the trainees had been in Statoil for around 3 months. I interviewed 11 trainees, and chose to focus on 4 of them as a basis for my thesis. To perfectly study the effect of the trainee program it would have been optimal to interview the trainees once in the

⁷⁶ *Social Research Methods*, by Bryman 2001 edition, Oxford

⁷⁷ *Advertising and Promotion: An Integrated Marketing Communications Perspective*, by George E. Belch and Michael A. Belch, 6th edition, McGraw Hill

beginning of their trainee period of 2 years, and once at the very end of their stay at Stavanger headquarters. However, this thesis needed to be finished before the 2 year period for the interviewees was over, so I did follow-up interviews with the 4 chosen trainees after approximately 9 months. The follow-up interviews were necessary to study any possible changes in the interviewees view and opinions of Statoil and Norway. After 9 months in the organization such changes, if present, would have already started appearing.

The 4 candidates I chose to focus on in this thesis were chosen because they come from 4 different countries and cultures. The interviewees were interesting because they all come from countries where Statoil has extensive interests and where Statoil plans to be present for a long time.

5.

Interviews

The 4 interviews I have chosen to focus on in this thesis were chosen mainly because of their nationalities. They are all from countries where Statoil is present and has plans to continue their business for a long time. The interviewees were also chosen because they are from countries where the culture is quite different from the Norwegian culture, as previously presented in the theory part. The names of the interviewees are changed to ensure anonymity. The interviewees are:

Teresa

Nationality: Venezuela

Gender: Female

Age: 26

Education: Geologist

Background: Started in Statoil as a graduate student

Abdou

Nationality: Algeria

Gender: Male

Age: 26

Education: Geophysics

Background: Started in Statoil as a graduate student

Maria

Nationality: Russia

Gender: Male

Age: 26

Education: Economist

Background: Started in Statoil as a graduate student

Samira

Nationality: Iran

Gender: Female

Age: 26

Education: Engineer

Background: Started in Statoil as a graduate student

5.1

Cultural challenges in Statoil and Norway compared to home country

Hofstede's 4 dimensions

In this part the interviewees are asked about the 4 Hofstede dimensions on measuring culture. I have asked them to compare Norway and Statoil to their home country. The comparison has to a high degree been on Statoil since that is their main reference point when it comes to Norway and Norwegian culture.

5.1.1

When asked about power distance:

Teresa:

There is an extreme difference between Venezuela and Norway. In my country the power distance is huge, the boss is the boss, and you need to be careful when you talk to him. In Norway you sometimes don't even know who the boss is. When we have meetings the manager "guides" the meeting, he shares, and is not demanding. I feel a lot more comfortable in this company. I hope this will be the same when I work for Statoil at home. It's easy to get used to good things. They give explanations to their employees, if something goes wrong they tell you why. The bosses in Venezuela don't feel they have to explain anything to people below them.

After 9 months:

You get used to the low power distance. I think the Norwegian way is better.

Abdou:

Norway has little power distance, in Algeria and France there are huge differences between boss and subordinate. In Total you wouldn't get to talk to the CEO, if you want to talk to Helge Lund you can leave him a message, and I think he will call you back. Here you have the open offices; the managers are sitting next to us. I like the Norwegian way, if you have something to say and it's very important, just go to the top management or vice president, if you want to you can even talk to Helge Lund. In France or Algeria you wouldn't do this. The boss is the boss; there is a gap between us. That is not good. Helge Lund came to see us during the first weeks, which was very positive.

After 9 months:

It's great in Statoil; there are no borders between the managers and engineers. Here we can just go to the office to talk to the manager; I'm impressed by this in Norway and in Statoil. It takes 1 minute if you need to talk to your boss in Norway versus 2 weeks if you need to talk to your boss in Algeria.

Maria:

The power distance in Russia is very high; here in Norway there is much more equality. Sometimes it's confusing for me, because I'm used to clear roles between boss and employee.

After 9 months:

Clearly power distance is very low in Norway, it's much higher in Russia. At Statoil it's the same as in Norwegian society; 90% of the time you think about what to do and discuss it; 10% of the time you actually do the work.

Samira:

It's early for me to judge. But I've seen that the power distance is less here than in Iran. It's good that people are equal, no matter if it's Helge Lund or a regular employee. In Iran there are larger differences; not flat structures. You should obey your boss and show respect. It's worse than here. I'm happier in this system, but it's a matter of culture. If some of my co-workers ask me if I'm okay, I will say yes no matter what. Norwegians are very direct, and I'm very indirect. I want to show respect, so I won't always voice my opinion.

After 9 months:

The hierarchy is flat, I really like that; I work better when there's better communication. I can communicate easily with my boss and everyone around me regardless of their position.

Concluding thoughts

Then

Overall the 4 interviewees are very satisfied with the low power distance in Statoil. They feel comfortable with the little distance between boss and subordinate, the "guiding" leadership style, and having the possibility of talking to their boss whenever they feel the need. A somewhat negative point stated by Maria from Russia is that the low power distance may sometimes be confusing because she is used to clearer roles between boss and subordinate.

Now

There aren't any drastic changes after 9 months. The interviewees are mostly happy with the egalitarian leadership style. The skeptic is once again Maria pointing out a certain inefficiency when stating that "90% of the time you think about what to do and discuss it; 10% of the time you actually do the work".

5.1.2

When asked about masculinity:

Teresa:

Norway is extremely feminine. All the time you read how these tragic things happen in other countries, and the other day someone told me about a huge fundraiser here in Norway; people giving money for victims. In Venezuela we care a lot too, and try to help. We have a lot of oil, so we give free oil to poorer countries. Our problem is we don't have a lot of money to give. Norwegians work to LIVE, travel, enjoy life and provide for their families. In Venezuela people live to WORK. You get a good position and gain recognition for it.

After 9 months:

I feel like I have the same rights as everyone else here which is great. There are many possibilities, and in Norway you get benefits from the government. This is indeed a very feminine culture.

Abdou:

Norway is very feminine. People are very important here. The atmosphere is friendly. I had to attend a stress management course; they want a good working atmosphere. I prefer the middle way. In life you must have some objectives and you have to achieve something; that is very important. We are in the oil BUSINESS. Algeria is in the middle here, the result is an important value which means stress and working hard. Here in Norway there is equality between men and women, I don't know any other country where there is this much equality. This is very good. For me, the base value is EQUALITY. If you are not equal you will not work hard.

After 9 months:

Here there is extreme equality; between men and women, everyone have the same opportunities. This is definitely different then Algeria and I think it's extremely good.

Maria:

It's quite clear that in Russia it's more masculine than Norway. However I have met quite a few very ambitious people here. But it's not as extreme as the textbooks say. The Norwegian trainees are very ambitious.

After 9 months:

It's less masculine here than in Russia, but there's not such a huge difference. In Statoil it's the same; it's a very Norwegian company, and as feminine as it could be.

Samira:

I think it's more feminine here. The system is flat. In the US, for instance, if you have money and are famous you can become the president. Here, I can call my boss by his first name; that was strange for me. He says "it's lunch time, let's go eat"; the distance is very little between us; I can say anything to my boss or coworkers. In Iran it's important having money and things, it gives you power and respect. But in Iran people are also very emotional; people and the environment are important values too.

After 9 months:

In Iran in work life I can say that at my level I didn't see any masculinity there, nor do I see it here. For the rest of society, I think here in Norway you can see more cooperation between men and women for instance in family life and taking care of children. I'm not sure about the "rules" here but in Iran there are some rules between

men and women that aren't always fair. I feel freer here, but I haven't seen a great difference from my home country. At certain levels you would probably see great difference, there's not a flat structure like here. In many ways it's similar, in other levels it's fairer here.

Concluding thoughts

Then

All the interviewees agree on the fact that Norway and Statoil is very feminine in that values like family and free time are more important than work and money. They seem to be relatively neutral to this, without having any strong feelings on either side.

Abdou says he prefers "the middle way" and that Statoil needs to remember that they are in the oil BUSINESS. They agree that the equal opportunities in Norway and Statoil are great, but overall they appear to see the femininity as something that's just there and that's the way it is in Norway and Statoil.

Changes

There aren't any huge changes after 9 months on this point. Samira from Iran is slightly more positive; she feels freer and likes the cooperation between men and women in society. Other than that the interviewees are relatively indifferent to the feminine Norwegian culture.

5.1.3

When asked about individualism:

Teresa:

I think there is a huge difference. For us, family and friends is the MOST important thing. We would do anything, even wrong things to protect them. I haven't noticed this in Norway; they don't talk about their brothers and sisters. Venezuela is better than Norway here. With the relationships, men have their plans, women their plans, so they have separate lives in many ways. I don't see that commitment is a very important thing here in Norway.

After 9 months:

Sometimes it's difficult to make friends and work in teams because the communication is hard. It's not always easy. This is negative. I am getting used to it though; you have to understand these things when you live in another culture.

Abdou:

I don't know about the social system here. I don't think Norwegians are very individualistic, the government takes good care of everyone.

After 9 months:

In Norway it's individualistic. For example I was impressed that there actually are courses on "How to work in teams". Norwegians are not used to it. It's still at the starting point here at Statoil; people are in general not used to working together.

Maria:

Norway is very, very individualistic. I wish it was more collectivistic. In Russia it's more collectivistic, like in society it's easier making friends. I was very shocked when I went to a party where people brought a gift AND had to pay for their own food. In Russia you don't expect friends to pay for their own food. The cultural differences between Norway and Russia are very clear, not only with friends, also between men and women. Norwegian boyfriends take less part in your life; it's almost like having 2 separate lives. In Russia it's accepted with more integration in someone's life; it's a sign that you care for someone.

After 9 months:

I think that on the personal level, Norwegians are very individualistic, but on a higher level Norwegians are quite collectivist; in society and in Statoil as well.

Samira:

I feel that the system here is very individualistic. Each person is very important. People are separated from each other. They need alone time. In Iran your family is more important than yourself, then your extended family and neighbors; collective living. It has some problems and some advantages. The problem is that everyone can interfere and talk about you, the good thing is that if you need help you have a lot of people that want to help you.

After 9 months:

Here it's more individualistic; you feel like you have to take care of your family and friends, but here it's more individualistic. In Statoil it's the same, if you don't ask people they don't come to you. It's not that they don't care, but they work for themselves. Sometimes it's positive, sometimes negative. I'm used to a more collectivistic society, so it's sometimes hard. You can feel that nobody cares about

you. But it can be positive because people don't backstab each other, and you don't feel checked up on.

Concluding thoughts

Then

The interviewees are all from cultures where society is collectivistic and not individualistic like in Norway. And this seems to be the point where they are mostly negative towards Norway and Statoil. They miss people being committed to each other and it's hard for them to get in contact with Norwegians. They are all amazed and surprised by the amount of "alone-time" Norwegians seem to need.

Changes

Little has changed in 9 months. They are still mostly negative towards the individualistic Norwegian style. A positive point, however, made by Samira is; "...it can be positive because people don't backstab each other, and you don't feel checked up on". Also, the interviewees seem to be getting more used to the individualistic Norwegian society.

5.1.4

When asked about uncertainty avoidance

Teresa:

Norway wins here. I was worried about a lot of things back home that I don't have to worry about now. Back home I had to worry about a better job, having enough money. There is more stability here than in my home country

After 9 months:

In Norway everything is so safe, so you can live day by day, today I will do this, and tomorrow I will see what happens. At home I would like more stability. In Statoil it's the opposite, they go for safe things, the things they KNOW is right, and they don't take as many risks as they should.

Abdou:

Norwegians plan ahead. Helge Lund said that people should go to more unfamiliar situations, because here in Norway you are so lucky, everything is fine here, so you should see some other countries and new situations. Norwegians plan everything! "I

will travel in 2007..." Statoil will be more international, they will meet uncertain situations. In Algeria people are more risk taking and willing to go to new places. French people are like Norwegians; they plan everything!!!

After 9 months:

Here in Norway I think people usually have to plan things ahead. I've also noticed that people don't like moving. It's very hard to get people to move abroad as expats; everything is so great at home so why should they move?

Maria:

The uncertainty avoidance is much higher here than in Russia. Norwegians are not as risk taking, they want things to be more certain. If you want to have a party in Russia you just say; "the party is tomorrow". Here you have to plan the party a few weeks in advance. In general people are less flexible and tend to plan and fix everything for the future.

After 9 months:

Uncertainty avoidance is high in Norway and in Statoil as well. Statoil is quite conservative. In Russia it's lower and people are more flexible.

Samira:

I have seen that many people here change jobs, but this society is so calm and secured so everything is fixed here. It's quiet here. In Iran nothing is "fixed" or stable, you can't know what is going to happen in 1 month, like the value of money, houses, jobs, even for education-they always change their minds and change the rules

After 9 months:

Mostly because of political instability there is more uncertainty in Iran, but here it's more planned and constant, there are the same rules. Sometimes you feel like every day will change in Iran. In Statoil some things are well planned, a long time ahead and sometimes some people are so relaxed and they don't want to plan.

Concluding thoughtsThen

On this point the interviewees have mixed feelings. They like the stability and safety in Statoil and Norway. The main negative point is that they see Statoil and Norwegians as relatively inflexible and scared of taking risks.

Changes

There aren't any huge changes on this point. The feeling is still that the stability given to Statoil by having relatively high uncertainty avoidance is good, but that the company is way too risk averse. They see Statoil as inflexible and too slow because of this.

5.1.5**When asked about challenges on living and working in Norway:**

Teresa:

Where I come from hierarchy is very important, the boss is the boss, he is very important. Here in Norway you can knock on your boss's door and ask for anything. I'm still getting used to it, but I like it very much. Also you can ask whatever without being afraid that your boss will be offended, (in Venezuela you wouldn't ask something unless you KNEW he knew the answer to it). Things would be easier if we were trained better, here you have to learn everything yourself, this is difficult and time consuming, there should be better guidelines. There are also general differences like the fact that Norwegians are very reserved. They like to be alone, they enjoy their alone time. In Venezuela we don't like being alone, we want to be in groups, we're VERY talkative. Getting used to the Norwegian way is a challenge.

After 9 months:

The cultural differences are still a challenge, and there are things I am used to from home that they don't have here. But it's easier now than in the beginning. There are some situations, differences between us and the Norwegian trainees or expats, like for instance tax issues. It's getting easier and easier.

Abdou:

The weather is bad and it gets dark early. People speak English, so there's no language barrier; this is usually the problem in a new country. Your culture is "blue"

and we are “red”. In the gym it’s very quiet. In Algeria people are loud, always talking and gossiping, here in Norway people are very concentrated. People are very good here in Statoil, so are all the trainees. I’m in a very good team, I’m lucky.

After 9 months:

The weather is still a challenge; it’s so different from my home country. The culture differences are also a challenge; you are “blue” and hard to get in contact with, while I’m “red”.

Maria:

There is a much more stable and predictable working environment here than in Russia. You know you will be paid and that you have a job. The main challenge was to integrate; this is still difficult, I’m struggling with the language, because everyone speaks English, so I don’t HAVE to learn it. I don’t think I have any real Norwegian friends, mostly international friends. We integrate with the Norwegian trainees which is good. Norwegians are easy to approach but very difficult to become good friends with, it’s easier with the foreigners. This is the main challenge! In the beginning I was very optimistic about integration, but now I’m more frustrated.

After 9 months:

I think the main challenge is to integrate with Norwegians, it’s getting better though.

Samira:

I miss my family; I am very close to my parents. I like to see, experience and I can adapt myself to new conditions. This is an opportunity to do that.

After 9 months:

A positive challenge is that I am able to work in an international surrounding. The negative aspect is some changes that I had to tolerate coming here.

Concluding thoughts

Then

All 4 interviewees mention the individualism in Norwegian society as a main challenge. They see Norwegians as reserved “loners” and they find it hard to integrate. Along with the bad weather, this is the hardest thing for them about living and working in Norway.

Changes

There aren't any huge changes after 9 months in Statoil. Integrating is still seen as a major challenge, but some of the interviewees are getting used to the individualistic Norwegian society.

Cultural challenges: Concluding thoughts

It was surprisingly homogenous among the interviewees that the individualism in the Norwegian culture is the hardest thing to handle and the thing about Statoil and Norwegians that they see as most negative. The low power distance is almost only seen as very positive, except sometimes leading to inefficiency and unclear roles. The extreme femininity in Norway and Statoil seems to be something the interviewees are mostly neutral to and the high uncertainty avoidance is seen as a drawback because Statoil is less willing to take risks.

5.2

Working in Statoil

5.2.1 Statoil Values

When asked about the Statoil value Imaginative:

Teresa:

I think this value, imaginative, has to do with the way they solve problems. For me it's different, I see everything new, nice and good. Maybe it's normal here, but for me it's good. If there are problems, or they need to communicate abroad, they have net meetings, everyone supports to improve.

After 9 months:

They really are imaginative. They look after new opportunities, and new technology.

Abdou:

Statoil is very imaginative; the technology offshore is like no other companies' technology. This is my view of Statoil; very imaginative.

After 9 months:

Statoil is imaginative in ways that they go to new areas and new and unfamiliar countries. Statoil is quite imaginative considering the new technology they develop in sub sea areas.

Maria:

This is my favorite value, but we are bad at it. It's a big challenge. It's good that we have it, we should work towards improvement.

After 9 months:

Yes I think Statoil is imaginative. There is, of course room for perfection, but technical solutions in Statoil are very innovative, they go to unknown territory so they are imaginative.

Samira:

In my department I think they are imaginative in some tasks, like with new technology. In other departments I don't know. This is hard to do in all kinds of operations. In this kind of system you have everything that you need, so you don't NEED to be imaginative because you have everything, everything is prepared for you. You don't have any motivation to try harder because everything is so good. Norwegians are so happy in their lives that they don't try to improve.

After 9 months:

I don't feel it, I haven't seen it. Maybe they are, but I haven't seen it. On management level, yes, but as a trainee you don't see it.

Concluding thoughts

Then

Teresa, Abdou and Samira seem to see Statoil as very imaginative in the way they work, solve problems and use and develop technology. The skeptic is Maria who thinks Statoil needs to improve on this.

Changes

There aren't any huge changes after 9 months other than Maria being more convinced and Samira being more skeptical. All in all the trainees see Statoil as being imaginative.

When asked about the Statoil value Hands-on:

Teresa:

Performance is good; they do everything that they have to in order to get things done on time.

After 9 months:

They could improve. Sometimes in the Norwegian culture, when people go on holiday, that comes before everything else. The job isn't their first priority, and this is a problem because in this business there are some things that just can't wait.

Abdou:

They should change this; it's very difficult to understand. I guess working in teams is hands-on, that is really good. You have to work together in order to get results. The open office thing helps.

After 9 months:

It's hard to understand, I think the company is curious, but not curious enough. Statoil is not as efficient as they should be; it often takes a lot of time to fix a problem. But they always solve it in the end.

Maria:

This is difficult to understand.

After 9 months:

I think Statoil could be better at this, but I still think it's difficult to understand.

Samira:

People at Statoil are ready to work, they can handle the problems. But the rate of handling problems is rather slow.

After 9 months:

I don't have a specific idea, sometimes yes, sometimes no. It depends on the person.

Concluding thoughtsThen

Teresa and Samira are positive and see Statoil as a hands-on company in that they get things done on time and being able to handle problems, (even though the rate of handling problems is somewhat slow). Maria and Abdou are having trouble understanding this Statoil value.

Changes

The trainees agree on the fact that Statoil could speed up on the way they work and solve problems. Statoil is not seen as very efficient.

When asked about the Statoil value Professional:

Teresa:

The most relevant thing is team work, and there are very good networks. You can get help from people at your own department, or from other people, everyone shares information. (Open office), also if you need help you can use Ticker, (the Statoil intranet), you can get help from anyone.

After 9 months:

To take a simple decision takes a lot of time and resources because of the flat structure. Everything needs to be analyzed by everyone; this takes time and is not very hands-on or professional. But people here are committed, they stand for the decisions they make. They always try to find more practical ways of doing things.

Abdou:

The contract thing wasn't very professional. They have to be better on this. They should promote diversity; they need to change the differences between the Norwegian and the international trainees. I can't say; "I'm not working overtime". I'm learning, gaining experience and that's great. That's the thing that motivates me.

After 9 months:

Half and half, maybe mostly professional, but still Statoil is not always following their contracts.

Maria:

Statoil is professional, but I miss "ambitious". It's not aggressive enough, and this may reduce the competitive advantage.

After 9 months:

Yes, Statoil is professional, especially in all their production, exploration, projects and technology.

Samira:

They try to be more professional, ex; they are trying to be more international and they want to work with other companies. In my department they don't try to be international, like in INT. Many courses in my department are only in Norwegian, so I can't understand it. If Statoil really wants to be international they need to have their things and meetings in English.

After 9 months:

For instance they have very good progress in the Barents Sea, going deeper, you can conclude that yes, Statoil is professional.

Concluding thoughts

Then

Statoil is seen as living by the value professional by most of the trainees. Abdou is negative because he had some contract issues and Maria misses the "ambitious" part in Statoil's values. Samira points out that Statoil isn't as international as they ought to be.

Changes

There is no doubt that the trainees think of Statoil as a company that does things right. Something they see missing is Statoil being ambitious enough and quick enough in the decision process.

When asked about the Statoil value Truthful:

Teresa:

I think so far they are very ethical in everything they do, that and caring is their first priority. If they do something, they do it right. They are also very open, in this business it is difficult not to make mistakes, when they do they don't hide it. That says a lot about Statoil.

After 9 months:

Statoil is definitely truthful. They hire local people, get agreements with local universities that give mutual benefits in the countries; makes something good out of the oil industry.

Abdou:

The contract says something else then the reality. No overtime payment even though it's in our contracts. This isn't truthful.

After 9 months:

Definitely yes on this value. Compared to other companies Statoil is very truthful. I give it an 8 on a scale from 1-10.

Maria:

Yes, they are truthful; my guess even better than other companies. On a day to day basis what I miss is more clearness/openness/transparency in relationships, to find my place. My boss tends to give me vague tasks, and I think; "Should I do it now, or think about it, or do it later?", and also sometimes when he gives me feedback I don't really understand him. To get negative feedback here is impossible. They don't know how to "wrap it in", so they just don't give it.

After 9 months:

Definitely, there are no flaws here.

Samira:

Statoil wants to be a truthful company and trust their employees; in this kind of system people try to be more honest. Like the SAP system on refunds, there isn't any control, but they trust you, and when you're given that kind of trust you want to be honest. This is very good. Here many people are very direct; this is a kind of truthfulness.

After 9 months:

Yeah, I feel that the system is honesty-based, there's a lot of truthfulness everywhere. I haven't seen anything bad.

Concluding thoughts

Then

According to the trainees, Statoil is definitely a truthful company. Statoil is seen as an open and transparent in the way they do business, and the fact that employees are given such a high degree of trust from the company makes the employees want to be more honest. On personal relations, Maria points out that people have a hard time giving negative feedback because they don't know how to do indirectly.

Changes

There aren't any big changes in this area, other than that all 4 interviewees are even more positive on this matter. Maria states that Statoil is truthful and that "...there are no flaws here".

When asked about the Statoil value Caring:

Teresa:

Health, safety, environment, (HSE) is in focus ALL the time. They CARE about their employees, and don't want anyone to get hurt. They care about the societies where they are working. In Venezuela they have agreements with universities, they invest, the fact that I am here proves it.

After 9 months:

Statoil is very, very caring!

Abdou:

They care a lot. The HSE poster is EVERYWHERE. I do not know any other company where there is a HSE Executive Vice President. This means they really care, they do a lot and they do their BEST. The reputation of Statoil is very good. My manager and mentor are caring.

After 9 months:

This is the most Statoil-applied value. It's amazing. In Algeria they saw that the condition was bad on some installations and so they shut it all down even though it cost them a lot of money. In Venezuela they stopped their drilling only 200 meters before reaching their target because of HSE issues. I am very happy to be in such a company.

Maria:

Statoil is really good at this, “zero harm policy” and they are good at it also in everyday life. Because of caring we might lose the ambitious part. There’s a balance of course.

After 9 months:

Here, Statoil is the best, especially in response to HSE and environment. There was a competition in the US among oil companies, and Statoil was given the best performance on environment. They are caring, not only on HSE and environment, but with also towards their employees and stakeholders.

Samira:

I think they are very involved in the HSE system. Some coworkers are very caring, some not. This depends on the people. In general most Statoil employees are not caring, they don’t care what you are doing, or ask why you are sad. But I think it’s too soon to judge.

After 9 months:

It’s difficult to describe. As an international trainee they don’t know everything about our situation, and that’s not very caring. If you ask for something they might answer that it’s impossible, even though it’s not. In other ways the company tries to be more caring, like the Statoil travel agency; all the tickets you buy, even for private us, are fully flexible, which is great. It’s difficult to describe if Statoil is caring, but sometimes yes, sometimes no. I have seen some conflicts here; I think the company is medium caring.

Concluding thoughts

Then

This is the value where the interviewees all agree that Statoil absolutely is living by. The company is seen as very caring, examples are the importance Statoil places on HSE issues and the way they treat their employees.

Changes

There aren’t any significant changes here; Statoil is still seen as a very caring company.

5.2.2

Statoil's corporate culture

Teresa:

Statoil is a flat, caring organization, with good use of technology.

After 9 months:

Statoil is a very caring company; they care a lot about the welfare of their employees. But sometimes they care too much and the employees don't get serious responsibilities. But I think this is up to the employees to complain about.

Abdou:

Statoil is still not an international company. Working in INT and UPN is not the same. In UPN everyone speaks Norwegian, and everything is in Norwegian. In INT it's better. If Statoil really wants to be an international company, they need to change that. It's a very good company, still blue, but good. I give a 7 on a scale of 10. Statoil has a very good reputation compared to other oil companies. I'm very happy working here, just one thing; they didn't respect the fact that in my contract it says overtime payment, I still don't get it.

After 9 months:

Statoil is like a family. It's a nice company with a nice culture. Statoil is in the middle of "red" and "blue" when talking about culture. In Statoil we have flexibility. People listen to me even though I'm young and new in the company.

Maria:

Statoil is Responsible. There is responsibility for actions. People and the company are responsible, but also relaxed; sometimes maybe a little bit TOO relaxed.

After 9 months:

It's very difficult to abstract the company from the values. I would say that Statoil is a highly professional company that is doing well.

Samira:

Statoil is welcoming and kind.

After 9 months:

It is honesty based, a relaxed company, you don't have to go very fast. I think the company tries to care about their employees, like for instance spending money on them and providing certain facilities.

Concluding thoughts

Then

Caring, with good use of technology, with a certain lack of internationalization, responsible and kind are some of the words the trainees use to describe Statoil's corporate culture.

Changes

No significant changes after 9 months, they still see Statoil as caring, (maybe too caring!?) and nice. Abdou even compares Statoil to a family.

5.2.3

When asked how they themselves perceive Statoil:

Teresa:

Statoil is a very Norwegian company. This is reflected in every aspect, the way they do business and the way leadership is performed. You can be comfortable and dress informally. Statoil reflects the Norwegian culture very much.

After 9 months:

Statoil is a very Norwegian company that is struggling to become more international. They struggle because Norwegians fight to preserve their culture, and sometimes the willingness to be international isn't good enough. They want to speak Norwegian all the time, and they want the international employees to learn Norwegian. Statoil is a caring company with clear goals, and we are going after them. Statoil is a small company compared to for example Exxon, but they are clear on their goals, and work towards reaching them in a right and honest way. Statoil is a good company to work in, more truthful like a family.

Maria:

The power distance is low, but maybe higher than the Norwegian average? I don't know; the masculinity might be a little lower than the Norwegian average. People are ambitious, individualism as a company is lower than in Norway in general, uncertainty avoidance in Statoil is high, but they are trying to accept more uncertainty.

After 9 months:

The company is inflexible. I don't know why, maybe because it's so huge, Norway's largest company, or because of uncertainty avoidance, or because it's partly state-owned. It might be any of these reasons.

Samira:

They are trying to be more international and professional. The system inside Statoil is based on trust and honesty, the work environment is quiet and calm, no disturbing, they don't control and check you all the time. You can concentrate on your work. They don't have an awful lot of bureaucracy. Negative point of view; I feel that they don't have a strict schedule for doing their work and achieving their goals. Maybe there is a lack of motivation; everything is fine so you don't need to stress. Maybe on longer terms this kind of system is better. Sometimes you feel that you don't work as hard and high quality as you can, because this won't make a difference. There is a calm and good system.

After 9 months:

I think generally it's a company that tries to be more professional, more international, the system inside is working and I have a good feeling about it

Concluding thoughts

Then

It is hard to separate Statoil's corporate culture from the question "how do you perceive Statoil?". Some of the things that came up here were that Statoil is a very Norwegian company, with a low power distance and perhaps with a certain lack of motivation with its employees.

Changes

No changes; Statoil is still very Norwegian and relatively inflexible.

Concluding thoughts: Working in Statoil

There is no doubt that all the international trainees are very happy and satisfied with working in Statoil. All in all they see Statoil as a company that “walks the talk” on their values, and a good company to work for. To improve themselves they should become more efficient, more ambitious, more international and more flexible.

5.3

The trainee program

5.3.1

When asked about the recruitment process, (not repeated after 9 months):

Teresa:

They came to the university, held a presentation, and had interviews. We were contacted for more interviews, 4 of us came to Norway, and 2 got a job. It was excellent; they brought us here, so we knew where we were going once the job was ours. The bad thing was it took a long time before we got the final answer.

Abdou:

They came and interviewed me and said they had a lot of business in Algeria. After I came to the assessments center here they chose me.

Maria:

There was frustration with the long waiting, (3 months) before we knew if the job was ours. The assessment center was very good, a whole day of team work, communication/analytical skills were assessed

Samira:

Our assessment week was very intensive and the process for informing me was so slow. It took too long before I knew if I had the job! I was glad I had been here in advance.

5.3.2

When asked what they think of the trainee program:

Teresa:

I feel very lucky. Honestly I wouldn't have gotten anything this good in my home country. It is a win-win situation, good for us but also for Statoil. We bring something new and different to the company. The way they plan tasks and integrate us with the Norwegian trainees is excellent. They are trying to involve us in everything, company/culture, and provide Norwegian lessons. For me the flat system is okay, I have everything I need, I liked that they thought about the location. If they offer me to move I don't want to. The salary is okay, I don't care that they don't pay for extra hours. I like stability very much, it is stable here; you know you have a job, a good salary, BUT I would like a plan for the future; what happens in 2 years? I can't plan anything. I knew this when I accepted the job, but it would be nice to know more. The professional side is great, but I have a boyfriend back home, when can I get married?

After 9 months:

It's very good, I love it. I've learned a lot, and integrated in the Norwegian society. There are some uncertainties, not knowing what is going to happen after the training period. Other than that everything is great.

Abdou:

It's very good. The most important thing is that we have 3-4 assignments. Now I'm working on shore, later offshore, so I learn a lot! It's great; we have gatherings, we travel, there are good modules and good training. This is one of the reasons why I chose Statoil.

After 9 months:

It's great; the best program in the company to join. You meet a lot of people from different countries, so there's a great network. Because of the program you get to know friends. The modules we follow are very good and you learn, develop your skills as well as your network.

Maria:

It is very good, overall very good. I am very happy that we have the trainee gatherings. We have 6 modules which is good. We integrate with each other, and with previous years' trainees. You can rotate in different business areas and find what you're good at and what you enjoy working with.

After 9 months:

My valuation of the trainee program is very high. The program offers everything, it's very good, there are several placements, you get a lot of experience, you get an overview of the company, courses, social gatherings, and it's very GOOD. There is nothing bad that I can think of.

Samira:

It's a good program, I would prefer to stay here like a trainee, if I had the choice between trainee and regular employee, (even though I earned more money), I would choose to be a trainee. We have courses, modules together, we feel taken care of.

After 9 months:

It would be better if they had more detailed knowledge about the program. Sometimes they don't know what we are going to do, I always have to ask for more work—if I don't ask I don't get work. All the trainees, not only the international, have this problem. If you don't have enough work you get bored. The rest of the program is great—there are different opportunities, you gain experience, finally you can find the best place for yourself. We have gatherings and modules, there is a good network among us, and this is important for the company. If I were to make a brief statement it would be; if our situation was more defined and clear it would be even better.

Concluding thoughts

Then

The trainee program is given top grade by all the interviewees. They are happy with their mentors, with the modules, and with being trainees in Statoil.

Changes

There are no huge changes; the program is still seen as exceptional. Maria says it this way; "My valuation of the trainee program is very high. The program offers everything, it's very good, there are several placements, you get a lot of experience,

you get an overview of the company, courses, social gatherings, and it's very GOOD. There is nothing bad that I can think of".

5.3.3

When asked how the training is/has been:

Teresa:

They train you for things they think you need for your tasks. In my case, it's the needs of the company but also what I want to do. I will get more training when I need it.

They are "shaping" me the way they want me.

After 9 months:

The training is more than enough most of the time. If I don't get everything I need I can ask for it and I will always get a positive answer.

Abdou:

Very good!

After 9 months:

We get enough training. You shouldn't have too much.

Maria:

A lot of learning by doing

After 9 months:

It is enough, but there's flexibility, so you can get more if you want it.

Samira:

Not enough for me. Some do everything in teamwork, for me this is not the case. I do my work alone and I don't feel I have enough training.

After 9 months:

Sometimes not enough, I can handle more

5.3.4

When asked how it was to start working at Statoil and after 9 months what it's like today:

Teresa:

It was very good, they had prepared a desk and tasks for me; it was a really easy start. The only bad thing was that you waste a lot of time getting to know practicalities, how stuff works, ticker and so on. But I guess that's normal when you start somewhere new.

After 9 months:

It's wonderful. The work environment is great, I have helpful colleagues, and I'm enjoying myself.

Abdou:

I started working right away which was good. I had my own desk right away; GREAT, I felt expected, they had prepared everything. I have enough work to do.

After 9 months:

Statoil has a cool atmosphere, in an oil company you usually have to dress up, but here you can wear whatever, even jeans. People are very nice. Everything is very good.

Maria:

There was too much introduction, both on Statoil and INT. But really good, a little slow and they couldn't answer all our questions which was bad.

After 9 months:

I would rate it between medium and good. Sometimes you fall in between in the system, for instance I had no mentor at a time, I felt small when I was alone, and I didn't have enough work to do. To fix things take too much time in this company. It's too relaxed.

Samira:

It was different but good. I was taken good care of and most of the things were ready.

After 9 months:

You don't feel that much pressure, you have time, can be relaxed, it is a good place to work.

6.

Conclusion

The purpose of this dissertation has been to learn more about the challenges of creating a corporate culture through the use of corporate trainee programs in the context of a company that is becoming a multinational corporation. Statoil is the company used as the example, and 4 international trainees have been interviewed twice as research for this thesis. The interviews with the trainees on culture, Statoil and the trainee program have given indicators as to which degree Statoil is succeeding in building a corporate culture among the international employees and not only among the Norwegians through this program.

There is no doubt that the corporate trainee program is successful in many ways. The interviewees all give very positive feedback on the program. For instance, the trainees get to go through several different modules, and they have 3 or 4 jobs in various business areas during the 2 year period. This gives the trainees an opportunity to develop an extensive network within the organization as well as getting to know Statoil and the business processes better than if they just were to stay in the same job for 2 years.

A possible problem I see with the job rotation might be that they never really get to work properly because they don't stay in each job long enough to actually get that chance. Being good at a job requires time and hard work. It takes time to know your colleagues and learn to understand the business processes, in most cases it takes more than 6 months. The trainees may learn a lot during the trainee period, but there is a chance that the knowledge is rather shallow and not as thorough and useful as it ought to be. Statoil seems to have identified parts of this problem, and the trainees that started in the fall of 2006 will only go through 2-4 different jobs.

Another interesting aspect of the trainee program is the extraordinary way the trainees are taken care of. Each of them have a personal mentor to help and guide them in their work life. The mentors are trained and given courses to ensure that they do their jobs properly. There are different gatherings and social activities for the trainees where they can meet and mingle, they travel and they are introduced to important people such as CEO Helge Lund. Statoil seems to be making a real effort

in showing these trainees that they are indeed appreciated and that they are the few chosen ones, the “crème de la crème” of Statoil. This isn’t necessarily a bad thing; all companies should strive to take good care of their employees, perhaps in particular the young and new ones. There is, however, a chance that the trainees may become spoiled, and end up viewing the world, themselves and their place with Statoil in a slightly skewed manner.

An issue has been the difficulty for Statoil in getting the trainees to return to their home countries after the 2 year trainee period is over. This was one of the intentions of the trainee program; to spread the corporate culture out to the Statoil offices around the world. A reason for this problem may be that Statoil’s headquarters is in Stavanger, and if you have great ambitions to climb your way up in the Statoil system, Stavanger is the place you need to be. The fact that the trainees may see themselves as the future leaders of Statoil can enhance this wish to stay in Stavanger. Finding the trainees a relevant job in their home country may also be challenging. Another side of this difficulty in getting them to return home may simply be that living in Norway is just so darn great. The trainees are taken extremely well care of from the day they arrive Stavanger all through their trainee period. Some of the trainees come from countries where political instability, high crime rates and even poverty are parts of everyday life. It’s only rational and natural that they should want to keep on living in a safe, peaceful little country like Norway.

Another negative aspect may be that the trainees never stay long enough in one job to really get under the skin of each business unit they work with. This can result in the trainees continuing to stay in a “honeymoon phase” throughout the whole trainee period. Everything is great, it’s all good, people are nice and they never reach the necessary level of conflict to really get to know the culture, their coworkers and their company.

Schein’s theory on culture tells us that to truly get to know and be part of a culture you have to live in it, often for an extensive period of time. You have to stay long enough to experience conflicts and problems so that the unconscious, taken-for-granted beliefs and perceptions of that culture become your own assumptions. The trainee program is meant to “Statoilize” the international trainees, but is this process possible when the trainees remain “tourists” in their own company? Do they stay long enough in each place to do a good job, experience conflict and problem solving, just

basic everyday life in Statoil, or do they only see the tip of the cultural iceberg? Have the trainees really become proud bearers of the Statoil corporate culture? The interviews show 4 trainees that are very comfortable in their jobs and that seemingly still are tourists after being 9 months with Statoil. It is interesting to observe the lack of change in the trainees' perception of Statoil and the trainee program. Either these were extremely successful recruitments or the trainee program is too shallow and hasn't really had a lot of effect in shaping them at all.

I think, that to really form someone and make them part of a culture you need time and persistence, enough time to experience conflict and challenges. I don't see this being the case in the trainee program. The trainees seem to be in the artifacts level where everything is new, great, fun and exciting. After a 2 year "honeymoon" period, why should the trainees want to return to their home countries? An issue that all 4 trainees stress in the interview is the problem with Norway and Norwegians being so individualistic. This may indicate that the trainees fail to integrate properly in society and in Statoil.

One can argue that the interviews were made only half way through the trainee period; perhaps the trainees have gained a deeper understanding and become more a part of the Statoil corporate culture when the 2 year period is over. That may be the case. At the same time I would argue that if this program helps in the "Statoilization" of the trainees, the process should have started showing after 9 months and a significant change in the trainees' perception of Statoil should have appeared. The interviews demonstrate something else; that little has changed from 3 to 9 months.

I don't think Schein would have recommended the trainee program for the purpose of creating a common corporate culture across different nationalities. For that purpose the trainee program is too superficial and the trainees are taken too good care of and treated as guests to have that effect. It may seem like the Statoil they are presented with isn't necessarily the real Statoil, but a rather glorified holiday version. The trainee program appears too good to be true, and that might just be the case. If Statoil really wants to achieve international employees that share and are a true part of the Statoil culture, they need to make sure that the trainees really meet the real Statoil, for better or for worse. They also need to ensure that the trainees

stay in their jobs long enough to learn it right, get to know the people, deliver results and throughout the process become a part of the Statoil corporate culture.

Statoil is successful in many ways when it comes to corporate culture. Being such a popular employer with a very low turnover is proof in itself. Nevertheless, there is a tremendous challenge in exporting this culture to other and different countries and new employees. The international trainee program does not seem to be the answer to this challenge; it gives too little depth and too little reality to manage that task.

7.

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