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The role and importance of commitment and
business culture in business relationships
between U.S. and Norwegian petroleum
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Sammendrag

Petroleumsindustrien er en av Norges viktigste bransjer og er den største bidragsyteren til det norske bruttonasjonalproduktet. Formålet med denne studien er å forstå norske bedrifters tilnærming til forretningskultur og forholds-forpliktelse innenfor handel med amerikanske firmaer. Studien undersøker hvordan man norske firmaer ser på og vurderer forretningsforpliktelse, forhold og kultur og forsøker å besvare tematikken med følgende problemstilling:

How does commitment and business culture influence business relationships between Norwegian and U.S. petroleum sector companies?

For å besvare problemstillingen ble det gjennomført en kvalitativ strategisk undersøkelse basert på semi-strukturerte intervju med to ekspertinformanter og fire informanter fra petroleumsindustrien, som holder til i industriens «hovedstad» Houston, Texas. Det appliserte teoretiske rammeverket består av aktuell litteratur innenfor områdene: forretningskultur, forretningsforpliktelse og forretningsforhold.

Resultatet av studien viste at individer som jobber i USA har en høy verdsettelse for forholdsforpliktelse. Dog, fant de det vanskelig å oppnå slik forpliktelse i USA. I de relativt få tilfellene hvor informantene har klart å skape forholdsforpliktelse, har det vært en tydelig kalkulatív orientering av forpliktelse. Overraskende nok har ingen av firmaene til informantene noen klare strategier på hvordan man skal skape forholdsforpliktelse med amerikanske firmaer. Denne studien har identifisert et behov for selskapene til å skape komplementere strategier basert på underliggende informasjon som omhandler amerikansk forretningskultur, for å skape forpliktelse i fremtiden – i og med at den nåværende tilnærmingen viser liten til ingen suksess.

Når det kommer til den norske petroleumsindustriens verdsettelse av forretningskultur i deres forretningsforhold med den amerikanske petroleumsindustrien, indikerer studien at individer som jobber i USA har et solid fokus på forretningskultur. Imidlertid har det vist seg at dette fokuset først kom frem etter informantene hadde ankommet USA og innsett at kulturene ikke

var så like som først antatt. Det tyder på at det er en manglende forståelse på bedriftsnivået at den amerikanske kulturen er signifikant forskjellig fra den norske. Det kom tydelig fram gjennom intervjuprosessen at det praktisk talt ikke fantes kulturell trening, heller ingen eksplisitte strategier til å motarbeide og tilpasse seg den ulike amerikanske forretningskulturen. Et av funnene som ble gjort tyder på at norske petroleumsselskaper har et betydelig potensial til å utnytte kjent forskning innenfor kultur for å kunne penetrere den amerikanske forretningskulturen.

Gjennomgang av informantenes forståelse av forretningsdimensjoner, dvs. Hofstede's dimensjoner mot deres responser til spørsmål om den amerikanske forretningskulturen og forholds-forpliktelse viste en god match. Review of the informants' perception of business dimensions, i.e. Hofstede's dimensions against their responses to questions about the U.S business culture and commitment showed a good match. Studien viste at forholds-forpliktelse med deres amerikanske motparter sjeldent oppnås, og dermed kan man ikke slå fast at forholds-forpliktelse har stor betydning for forretningsforhold. Når det kommer til forretningskultur, viser studien at det har betraktelig betydning for forretningsforhold. Imidlertid er den åpenbare mangelen av norske petroleumsselskapers håndtering og utnyttelse av amerikansk forretningskultur overraskende, og harmoniserer ikke med dens viktighet for forretningsforhold.

Det mest interessante funnet i studien var mangelen blant petroleumsselskaper for å håndtere og utnytte amerikansk forretningskultur. Når man kombinerer den begrensede suksessen for å oppnå forretnings-forpliktelse med den manglende overordnede strategien på bedriftsnivå får man et interessant spørsmål; hva kan oppnås i dersom man klarer å forbedre forretningsforhold generelt sett, og spesifikk forretnings-forpliktelse dersom man implementerer en robust strategi for å mestre den amerikanske forretningskulturen. Verdien av forretnings-forhold er veletablert, og grunnet potensialet for å forbedre forretningskultur bør dette feltet undersøkes videre.

Preface

This dissertation is written as the final phase of the Master of Science program at Nord University. With a major in international business and marketing, as well as a minor in leadership – the topic of business relationship felt like a natural fit as it extends over these themes. A large part of the thesis is based upon frameworks of business relationships, and thereunder buyer-seller relationships. It will also feature culture and relationship commitment. The theoretical background from lectures and courses from the business school have been of great value for supplementing and supporting the dissertation.

As the topic of business relationships is quite wide – I have deemed it necessary to limit certain aspects of the paper. However, I believe the limitations will streamline the study and make it more credible and precise. By limiting the paper, I have also found research questions for new studies that can add to the existing study or use this dissertation as a base for new studies.

Throughout the process of preparing this dissertation, I have gained a better understanding of the oil- and energy industry – and have observed firsthand the importance of business relationships. Researching business relationships and understanding how culture and commitment plays into this have taught me a lot about how these factors influence the overall business of a firm, both good and bad. It has been very rewarding to create a sizeable study with a practical implementation of a theoretical understanding.

To my informants – thank you for providing me with your insight and for taking time of your busy days for all of my questions. Without you, this paper would not have existed. Further I would like to exceed my gratitude to my advisor, Frode Nilssen, for his valuable insights and constructive feedback throughout the process.

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Camilla Emilie Bergersen

Abstract

The petroleum industry is one of Norway's most important industries, and the largest contributor to the Norwegian gross domestic product. The purpose of this study is to understand the Norwegian businesses' approach to business culture and relationship-commitment in the context of trade with U.S. companies. The study researches how Norwegian companies perceives and values commitment, business relationships and business culture, and attempts to answer the thematic with the following research question:

How does commitment and business culture influence business relationships between Norwegian and U.S. petroleum sector companies?

To answer the research question, a qualitative strategic method was used. The method was based on semi-structured interviews with two expert informants and four informants from the petroleum industry, whom all are located in the industry's "capital" Houston, Texas. The applied theoretical framework consists of relevant literature within the topics of: business culture, commitment and business relationships.

The study found that individuals working in the U.S. value commitment highly. However, they found it very difficult to attain commitment in the U.S. In the relatively few cases where the informants have been able to create commitment, it has always been of the calculative type. Surprisingly none of the companies in question have any clear strategies on how to create commitment with American firms. The study has identified a need for the companies to create complimentary strategies based on the underlying information concerning the American business culture, in order to attain commitment in the future – as the current approach is showing little or no success.

Regarding the Norwegian petroleum industry's value of business culture in their business relations with the American petroleum industry, the study indicates that individuals working in the US. put a solid amount of focus on business culture. But interestingly, that focus started only after the informants arrived in the U.S. and realized that the cultures were not as similar as they initially expected. There seemed to be a lack of understanding on company level that the American business culture is significantly different from that in Norway. It became clear throughout the interview process that there was almost no cultural training, nor any explicit strategy to "combat" and adapt to the different business culture in the U.S.

It was found that the Norwegian oil sector companies have a substantial potential to utilize known cultural research to create a strategy to penetrate the U.S. business culture.

Review of the informants' perception of business dimensions, i.e. Hofstede's dimensions against their responses to questions about the U.S business culture and commitment showed a good match.

As the study showed that commitment with the U.S. counterpart is seldom achieved, commitment cannot be considered an important factor that influence business relationship between Norwegian and U.S. petroleum sector companies. Regarding business culture the study has shown that it has great importance for business relationship. However, the apparent lack of oil sector company strategies for handling and exploiting U.S. business culture was surprising and does not harmonize with its importance for business relationships.

The most interesting finding in the study was the lack of oil sector company strategies for handling and exploiting U.S. business culture.

Combining the limited success of achieving commitment in the American oil sector with apparent neglect of the lack of company level strategies for handling and exploiting U.S. business leads to an interesting question; What could be achieved in terms of improved business relationship in general, and commitment specifically if implementing a robust strategy for mastering U.S. business culture? The value of commitment is well established and due to the potential for improving business this topic should be researched in a future study.

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1 Introduction

The purpose of the introductory part is to create an overview of the background for the topic, why it is relevant today, present the research question, the limitations, and finally the structure of the paper. By providing insight to the topic of business relations, the underlying themes of culture and commitment may be positioned with regard to relations. In turn, there will be given an explanation why the U.S. and Norway were chosen as the countries of comparison, and why the oil- and energy industry is an interesting study area.

1.1 Background

It is an interesting time to write about the oil- and energy industry as the global demand for energy is increasing (International Energy Agency, 2018). Paradoxically, the combat against climate change has become a universal agreement as 176 of 197 nations have ratified the convention of the Paris Agreement (United Nations Framework Convention on Climate Change, 2018). The recent shale-revolution influenced the market in terms of dramatically affecting the price of oil. Additionally, it has found new areas for the technologies used offshore in the shale-basins. After the decline of the oil price in 2014, many companies in the oil- and energy industry have retreated or decreased their operations in the U.S. Historically, tough times within a sector often force the companies to become more competitive and put additional focus on cost-cutting and improving efficiency. As the sector is still experiencing large restructures due to the sustained lower oil price and the high cost levels, it is interesting to study the business relationships, and thereunder the role of commitment and culture today.

This dissertation will focus on the commitment and culture within business relationships that exist between Norwegian and U.S. companies. The motivation for these topics is based upon the actuality of the subjects, as well as the author's personal interest in international business, and the petroleum industry. The petroleum sector is Norway's largest industry measured in value creation, government revenue; investment and export value (Norsk Petroleum, 2018). Thus, it represents a crucial part of the overall economy in Norway. The U.S. is the world's largest economy (International Money Fund, 2018), as well as one of Norway's main trading partners (Statistisk Sentralbyrå, 2018) – the tie between countries' petroleum businesses made for an interesting research project.

1.2 Norway and the United States

“An alliance within the alliance” is a phrase that has been used to describe the close ties between Norway and the United States (Tamnes, 1997) as bilateral partners within the framework of North Atlantic Treaty Organization (NATO). The United States was among the first countries to acknowledge Norway’s independence in 1905, which is the beginning of the close historical ties of the countries’ cooperation (Norway in the United States, 2017). The longstanding tradition of friendly relations are based on similar democratic values and mutual respect that has grown stronger through close military cooperation since World War II (U.S. Department of State, 2017). Through the co-founding of the United Nations and NATO (Norway in the United States, 2017), the relationship has remained strong to this day.

The economic ties between the two countries are considerable. The economic cooperation between the countries have led to a dynamic partnership that creates jobs, drives the development of safe and secure energy sources, as well as fostering a healthy environment (U.S. Department of State, 2017). As one of the largest exporters of oil and gas, Norway contributes with a substantial energy supply to the world market. However, few oil producing nations can show the same political stability and security of deliveries as Norway (Norway in the United States, 2017). Norway plays an important stabilizing role in the energy markets, thus contributing to energy security (U.S. Department of State, 2017), which is one of the reasons why many U.S. companies participate in the Norwegian petroleum sector. The trade relationship between the countries are extensive, and Norway is increasing their investments in the American economy (Statistisk Sentralbyrå: Seksjon for finansmarkedsstatistikk, 2017). The U.S. is currently the 8th largest foreign direct investor in Norway. As for Norwegian outward direct investment, the U.S. is the third most attractive place to invest (Statistisk Sentralbyrå: Seksjon for finansmarkedsstatistikk, 2017).

1.3 The Norwegian Petroleum Industry

The Norwegian “oil-adventure” began in the early 1960s when the American company Phillips requested permission to conduct seismic surveys in the North Sea. This alerted the Norwegian government to the possibility of extracting oil and gas on the continental shelf outside the Norwegian coast (Smith-Solbakken, 2017). However, it was not until the

discovery of the large oil field Ekofisk in 1969 the Norwegian oil era truly began. As the extraction process commenced at Ekofisk in the late 1970s, the area north of the 62nd parallel was opened for petroleum activity (Norwegian Ministry of Petroleum and Energy, 2014). The Norwegian continental shelf and the North Sea was considered as a far more reliable source of supply than the Middle East, an important aspect which laid the foundation for an active oil policy (Smith-Solbakken, 2017). During the establishment of the petroleum sector in Norway, a government committee decided that there would be a high degree of national management and control of the industry. Further, the committee ruled that a government-owned oil company (what we know today as Statoil) should be created to contribute to an “integrated Norwegian petroleum environment”. This led to the establishment of a strong national supply industry where the goal was to master virtually every aspect of the oil production chain. Lastly, the committee emphasized that the extraction should be executed in an environmentally sound manner (Smith-Solbakken, 2017).

The Norwegian petroleum management system is based upon the principle that the exploitation of these natural resources should generate the greatest possible values for society and that the revenues shall benefit the State and in turn the Norwegian society (Norwegian Ministry of Petroleum and Energy, 2014). That is why the State claims a great amount of the value creation through taxes, fees and the State’s Direct Financial Interest. In addition to creating a cash inflow, the petroleum industry is contributing substantially to the Norwegian economy through direct employment of 150 000 people. Taking into account the industry’s effect on the overall economy, this number increases to approximately 250 000. Now, fifty years after the first production licenses were awarded in the mid-1960s, the industry is the largest and most important sector of the Norwegian economy measured in value creation, State revenues and exports (Norwegian Ministry of Petroleum and Energy, 2014).

1.4 The American Petroleum Industry

The American petroleum industry has its roots back in the early 1860s, when oil was discovered in Titusville, Pennsylvania (American Oil and Gas Historical Society, 2017). Owen (1975) states the importance of the oil discovery in Titusville being the very first commercial oil well, and that it caused additional drilling activities, and consequently establishing a petroleum supply that could sufficiently support business enterprises of

magnitude (Owen, 1975). After this early start, Titusville and other towns boomed – and entrepreneurs found that building pipelines was an effective way to transport and sell oil to other geographical regions. The cities that were linked to the oil fields by boat and rail, boomed because of all the money made by the oil industry (Wall, 2017). Later, in the early 1900s, increasing sales of gasoline for automobiles and airplanes, as well as sale of oil and byproducts of the manufacturing made the petroleum business lucrative. Prior to World War I, the U.S. contributed oil to its allies. However, after the war the government found that they had few alternate locations to source oil, and therefore pressured American companies to seek oil abroad (Wall, 2017). This caused the American firms to invest in South-America, Southeast Asia and the Middle East, as well as searching for oil all over the world, while continuing exporting oil from the US. When World War II commenced, the oil industry contributed greatly to both the U.S. and its allies by creating new products from petroleum and natural gas, such as artificial rubber, Trinitrotoluene, and improved gasoline (Wall, 2017). After World War II, the U.S. provided aid to Europe that ended up being one of the first elements of the economic integration that later would become the European Coal and Steel Community – which was important as Europe underwent a major coal shortage. In recent years the U.S. have invested heavily in the Middle East, a region with an abundant amount of oil and gas. However, as the conflict level in the Middle East has been high and there have been widespread political instability - the willingness to invest in these areas have dampened. As the U.S. became dependent on imported oil they sought out more “safe” and stable partners like Norway and Scotland, though, they are still heavily involved in the Middle East.

1.5 Actualization

Prior studies of business relationships, commitment and culture have predominantly been concentrated towards the topics themselves and other existing theories, and not necessarily studied in the context of specific industries. This study will attempt to explain the influence of commitment and culture in business relationships, specifically commitment and culture in the oil- and energy industry which is known for being highly exposed to cyclical fluctuations. The purpose of this study is thus to create an understanding of these factors in the setting of the international petroleum industry.

As the world is becoming increasingly globalized and trade barriers are fading – it is becoming increasingly important to understand how factors like business culture and commitment influences business relationship across borders. By having an understanding of the underlying factors, one can utilize this knowledge to further build “cultural bridges” to extend the cultural literacy and create a foundation for mastering business throughout the globe.

1.6 Purpose

The purpose of this dissertation is to map the impact of commitment and business culture on business relationships and understand the importance of these factors in the context of U.S. – Norwegian business within the oil- and energy industry. As the global demand for energy is increasing (International Energy Agency, 2018), the reduced prospects of findings on the Norwegian continental shelf makes business relationships with international partners more important than ever. Creating long-lasting profitable relationships may appease some of the financial effects created by the recent years reduction in oil price due to the shale revolution. It may also contribute to creating valuable knowledge if a company wishes to diversify within the energy sector and expand into renewables.

1.7 Research question

The entry point for the research question was to explore the oil industry business ties between Norway, a small country located in Northern Europe, and the global superpower U.S. as both nations are heavily dependent on this industry in their national value creation. By looking at the way they regard business relationships, and to what extent they emphasize commitment and culture, one can understand the status of the cooperation and whether possibly identify possible ways to improve business competitiveness in the future. Thus, the study aims to answer the following research question and sub-research question.

How does commitment and business culture influence business relationships between Norwegian and U.S. petroleum sector companies?

Sub-research questions:

- Does the Norwegian petroleum industry systematically value commitment in their business relation with the American petroleum industry?
- Does the Norwegian petroleum industry systematically value business culture in their business relation with the American petroleum industry?
- How does the Norwegian perception of American petroleum businesses fit with the business culture diagrams from Hofstede?
- Which business culture factors does the Norwegian petroleum industry find most important when dealing with U.S. companies?

1.8 Limitations

Business relationships, relationship commitment and business culture are all wide research fields with numerous possibilities for different studies; however, this dissertation will not utilize this wide scope. This study is limited to how relationship commitment and business culture influence the business relationships between U.S. and Norwegian companies in the petroleum industry. Further, the study will have a Norwegian perspective, as it will have a focus on how Norwegian companies based in the U.S. experience the abovementioned themes.

1.9 Definition of terms

Business relationship is a connection that exists between entities involved in a business process and refers to the ties between the various stakeholders in the business environment. There is an inherent idea of reciprocity between the partners, as business depend on the development and continuation of crucial relations with employees, business partners, suppliers, customer as well as other entities that are involved in the business process. A company that purposely nurtures and promotes such connections are often able to promote customer loyalty, retention and collaboration within the supply chain. In turn, this can help build a positive company image and increase overall business performance (Hennig-Thurau & Deseniss, 1997).

Relationship commitment emerged in the 1990's as a critically important element for marketing channel performance and survival (Geyskens, Steenkamp, Scheer, & Kumar, 1996). Commitment connotes solidarity and cohesion (Dwyer, Schurr, & Oh, 1987). By encouraging a partner to resist short-term alternatives that appears attractive in favor of the expected long-term benefits of staying with an existing partner.

Business culture, sometimes referred to as organizational culture, are defined by Deal and Kennedy (1982) as a complex set of values, assumptions, beliefs, and symbols that define the way in which a firm conducts its business. In this sense, culture has pervasive effects on a firm because a firm's culture not only defines who its relevant employees, customers, suppliers and competitors are, but it also defines how a firm will interact with these key actors.

1.10 Structure

The thesis is divided into seven chapters as shown in the figure 1 below:

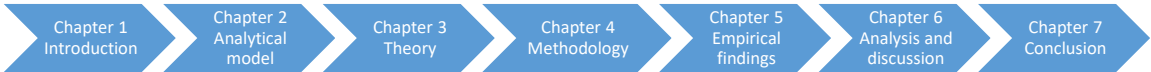


Figure 1 – Thesis structure

The first chapter will provide a description of the background for the chosen theme, problem question, as well as the limitation for the dissertation. Chapter two will present the analytical model of the paper, where the analyses will be measured up against each other. The theory chapter, chapter three, present the theoretical framework, and how this relates to the petroleum sector in Norway and the U.S. It revolves around the different aspects of relationship commitment and business culture and how these factors influence the business relationship. The theory provides an anchorage for the rest of the thesis, as well as the foundation for the analysis.

The methodical anchorage is described in chapter four. The paper is built on the comprehensive quantitative data collection. It will review the data collection and the analysis, and the methodical challenges and solutions will be presented throughout the chapter. In

chapter four, an overview of the empirical data from the data collection is presented. The data will be presented in the form of words, where the qualitative data is integrated in order to create a groundwork.

Further, the thesis research question and the sub-questions are answered in chapter five, where the findings are discussed up against the relevant literature from chapter two. Previous research is utilized as the basis for comparison. The conclusions are drawn in chapter six, which is the final and closing chapter. Additionally, there will be given suggestions for further research based on knowledge found in the research.

2 Analytical model

This dissertation aims to analyze relationship commitment and business culture and illustrate its role and importance in creating and maintaining business relationships between Norwegian and American companies in the petroleum sector.

The commitment aspect of the research question will include the themes of affective commitment and calculative commitment – where a sub-research question will study whether Americans and Norwegians tend to be inclined towards an affective form of commitment or a calculative form of commitment. Theory from the research area tend to show an American inclination towards the calculative form of commitment, while the Norwegian business culture leans towards an affective form.

In terms of culture, Norway and the U.S. share many similarities due to their geographic positioning in the western world. However, the American culture is known for having significantly higher scores in Hofstede’s national/business culture dimensions, than Norway – especially within the masculinity-, individualism- and power distance dimensions. Thus, one may assume that there would be challenges establishing and maintaining business relationships between these intrinsically different countries.

Theory concerning business relationships points to the fact that there are two main approaches to doing business. There is a transaction-based approach, where the actors regard each other as vehicles for sale or business. Within a relationship-based approach the actors try to attain a long-term relationship for continued business. Most relational and transaction-based approaches will vary based on the company’s needs, achievements and future outlook.

For the review of the research questions and the associated sub-questions, there will be conducted interviews with highly experienced Norwegian leaders living and working in Norwegian companies in Houston, TX. These interviewees will be able to give a unique insight into the relationships with U.S. companies, and what their opinion on what impacts the relationships in terms of commitment and culture. The degree of which these factors are emphasized are crucial information to retrieve in the interviews. After conducting the

interviews, the aim is to further understand how these factors influence the business relationships – and how the relationship between the two countries (in a business context) is regarded by the interviewees. The analysis will first investigate how the culture and commitment is experienced from Norwegian employees in the petroleum industry. Subsequently it reviews what role the culture and commitment have on the transaction- or relationship-based factors in the relationships. As a security measure, the interviews will be measured against each other in order to find out whether the research can be labeled as valid or not.

In order to answer the problem question, analyses of business culture and relationship commitment will be measured towards the overall business relationship – and the relationship-based or transaction-based approach. The research question is visualized through the following analytical model:

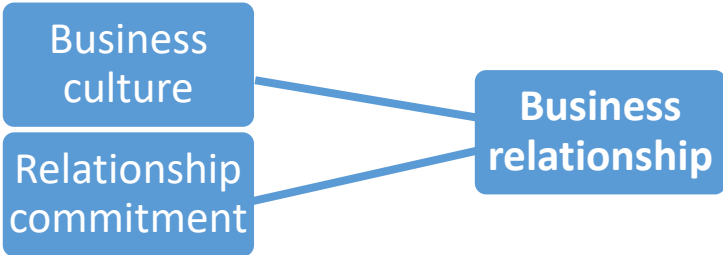


Figure 2 – Analytical model

3 Theory

The purpose of this chapter is to create an overview of the subject theory based on existing literature within the topic of the dissertation, where the rest of the research will be rooted. The theoretical background is the fundament of the analysis of the collected data. Its purpose is to define and illuminate the theoretical framework of the study, thus enabling the reader to develop an understanding of the presented phenomenon. First, the themes of business relationships, and thereunder transaction- and relationship-based factors will be presented. Subsequently, theories regarding relationship commitment and business culture will be described. Conclusively, there is a short summary of the theory and how it relates to the research question.

3.1 Globalization

Development in technology and shipping industries has allowed the globalization and internationalization-processes to increase exponentially in the last few centuries. Though trade across country borders have been present for centuries, today's interconnected system has linked international actors and made them dependent on each other. To an extent, one can say that there has been a shift from a local to a global world (of trade). The accelerator behind is primarily the business-to-business (B2B) market. The globalization process has allowed firms to source goods and services from locations around the globe to capitalize on national differences in the cost and quality of factors of production like land, labor, energy and capital (Yüksel, 2012).

One of the main drivers behind globalization are the declining barriers to the free flow of goods, services and capital. On a global average, tariffs are down and there is a more favorable environment for foreign direct investment, which in turn facilitates global production. For firms, this means that there are lower barriers for trade and investment. In addition, the post-industrial economy's rapid development of technology progress, have contributed greatly to the globalization process as a general, and to the acceleration over the last few years in particular (Yüksel, 2012). Lower transportation costs, together with low cost of global communication networks and information processing means that the world is more interconnected than ever and allows the "free" trade of goods and services across country borders.

The economic interdependence presupposes that the partakers in an economic network must be in a trading system to obtain the products they cannot produce efficiently themselves. The interdependent economy has both its upsides and downsides for businesses as well as states. First, increased trade and cross-border investment means lower prices for goods and services, greater economic growth as well as higher consumer income which in turn creates more jobs. However, these processes may contribute to local job losses and environmental degradation, in addition to cultural imperialism of global media and multinational enterprises. To some extent one can see that falling barriers contribute to the losses of manufacturing jobs in advanced countries. However, one could also argue that the benefit of globalization allows countries to specialize in what they do most efficiently – and thus all countries will benefit from this.

3.2 *Buyer-seller relationship*

Dwyer, Schurr and Oh emphasized the importance of the ongoing relationship between buyers and sellers in their article *Developing Buyer-Seller Relationships* (1987). The preceding research on the relationships focused mainly on the exchanges as discrete events, not as ongoing relationships (Dwyer, Schurr, & Oh, 1987). Central in this research is the exchange relationship between the parties involved (Kotler, 1972). A framework developed by Frazier (1983) introduces four key benefits of the exchange. First, the exchange serves as a principal event between the involved parties. Second, the exchange stipulates a central frame of reference for identifying the social network of individuals and institutions that take part in its foundation and implementation. Third, it allows the examination of the properties that will transfer ownership. Lastly, and most important, as a critical event in the marketplace, it allows the study of precursor conditions and procedures for buyer-seller exchange.

The buyer-seller relationship takes various forms as stated by Arndt (1979). He “noted the tendency of organizational exchange was restricted by long-term associations, contractual relations and joint ownership” (Dwyer, Schurr, & Oh, 1987, s. 11). Arndt labelled this phenomenon as “domesticated markets” and argued the fact that “transactions are planned and administered instead of being conducted on an ad-hoc basis” (Arndt, 1979, s. 70). He further accentuated the eminence of exchange relationships in business and institutional markets, and Dwyer, Schurr & Oh (1987) further theorized that this may also apply to consumer markets.

The contrast between discrete and relational exchange is emphasized by looking at concepts from modern contract law. Contract law's conception of discrete exchange is a venerated fiction, where one can propose issues and problem areas where it appears sensible either to oversee or underline relational dimensions (Dwyer, Schurr, & Oh, 1987). A "discrete transaction is the foundation of which concepts of relationship are built" (Dwyer, Schurr, & Oh, 1987, s. 12). They are characterized by narrow content and limited communications. To ensure a discrete transaction, the identity of the parties in the transaction must be disregarded or relations may occur. The key indicator of a relational exchange is that it transpires over time, and each transaction is then beheld in terms of its past and estimated future (Dwyer, Schurr, & Oh, 1987). Assumptions for future collaborations may be backed by implicit and explicit expectations, trust and planning. Participants in the exchange may also be expected to engage in a social exchange, where complex personal, noneconomic factors are present.

A relational exchange may contribute to product differentiation and create a higher cost of switching supplier for the customer. It may also contribute to a competitive advantage (Dwyer, Schurr, & Oh, 1987). Levitt (1984, s. 111) states that a "sale merely consummates the courtship. Then the marriage begins. How good the marriage is depends on how well the relationship is managed by the seller". This "marriage" is like a restrictive trade agreement in many cases, where the two parties agree to only trade with each other. At least until the balance of trade becomes disadvantageous in terms of broader market conditions (McCall, 1966).

All the factors mentioned above are the basis for the relationship development process model presented by Dwyer, Schurr & Oh (1987) which progress through five general sections described as: awareness, exploration, expansion, commitment and dissolution. The primary phase, awareness, refers to the initial recognition of one party that another party is a feasible exchange partner. Often, there is a situational proximity that facilitates the parties' awareness of each other. Phase two, exploration, is the "search and trial phase" (Dwyer, Schurr, & Oh, 1987, s. 16) in the relational exchange. In this phase, the impending partners contemplate requirements, benefits and encumbers, as well as the possibility of exchange. The phase is compartmentalized by five sub-phases: attraction, communication and bargaining,

development and exercise of power, norm development, and lastly, expectation development (Scanzoni, 1979). Phase three in Dwyer, Schurr & Oh's framework (1987) is expansion. It refers to the constant development of benefits attained by the exchange partners and to their cumulative interdependence. The five sub-phases in phase two also operate in phase three. However, the crucial difference is the fact that the rudiments of trust and satisfaction that was established in the exploration phase, is now leading to increased risk taking within the dyad (Dwyer, Schurr, & Oh, 1987). Consequently, there is an increased range and depth of mutual dependence. The fourth phase of the model is the commitment phase. At this level of the model, the buyer-seller interdependence has reached a level of satisfaction from the exchange partners that precludes other similar exchange partners who could provide similar benefits. The fifth and concluding phase of the model is the dissolution phase. Withdrawal or disengagement as a possibility is implied throughout the framework, as not every relationship reaches the exploration nor the commitment phase. The termination of a relationship is often a cause of psychological and emotional stress for both parties (Dwyer, Schurr, & Oh, 1987).

Heide and Miner (1992) researched the effects of anticipated interaction and frequency on buyer-seller cooperation. They found that when cooperation between buyers and sellers is modeled in an iterated games framework – one can expect to see extendedness or open-ended interaction. One can also expect to see interaction frequency that is associated with high-level of cooperation. The extendedness of a relationship was defined as “a relationship as the degree to which the parties anticipate that it will continue into the future with an indeterminate end point” (Heide & Miner, 1992, s. 268). If a party intensely expects the continuation of the relationship, they will participate in positive cooperative behavior. Heide & Miner (1992) also found, to a certain extent, that the expectancy of future interactions gives each party an incentive to cooperate rather than defect in the present. Even though this is applied to the Prisoner's Dilemma framework – both Miner and Heine (1992) meant that this could be transferred to a real-life buyer seller relationship. Axelrod (1984) believed that once the extendedness was controlled, the interaction frequency would have a positive effect on relationship.

3.3 Buyer-seller relationships in business markets

In the global world of business, there is an increased pressure to improve efficiency and effectiveness in the marketing and procurement efforts (Cannon & Perreault Jr., 1999). Market researchers have found that “factors such as trust and commitment influence the behavior in relationships and the effect of relationship characteristics on key performance outcomes” (Cannon & Perreault Jr., 1999, p. 440). The characteristics of the relationship between buyers and sellers occur in a variety of different ways, ranging from very transaction-based to more relation-based relationships. Traits like formal contracts, trusting agreements, open/closed communication are all examples of features that influence the relationship.

Cannon & Perreault Jr, (1999) found that there are four market and situational determinants of the buyer-seller relationships; (1) availability of alternatives, (2) supply market dynamism, (3) importance of supply and (4) complexity of supply. These factors in turn create buyer-seller relationships based on these key relationship connectors. The types of buyer-seller relationships vary from: (1) Information exchange, (2) operational linkages, (3) legal bonds, (4) cooperative norms, (5) adaption by sellers, and finally (6) adaption by buyers.

The information exchange between the actors are critical for being able to understand the outcomes of their mutual behaviors in a holistic manner (Cannon & Perreault Jr., 1999). Clopton (1984) discoveries that openness in information sharing leads to mutually optimal outcomes. Further, when information is impacted, market failure is more prevalent, and the exchange of trusted information is distinctive of relational exchange. The underlying idea of the information exchange is closely connected to the concept of communication (Cannon & Perreault Jr., 1999). Operational linkages is defined as what “capture the degree to which the systems, procedures, and routines of the buying and selling organizations have been linked to facilitate operations” (Cannon & Perreault Jr., *Buyer-Seller Relationships in Business Markets*, 1999, p. 442). With operational linkages, the firms’ activities and processes enables the flow of services, information and goods between the services (Cannon & Perreault Jr., 1999). However, these linkages may save money in a long-standing partnership, Stern and Reve (1980) points to the fact that they may contribute to high switching costs and dependence on the other actor.

Legal bonds refer to the detailed and contractually binding agreements that stipulate the duties and guidelines of both actors in the business relationship (Cannon & Perreault Jr., 1999). These legal bonds go beyond the basic obligations and protections that regulates commercial exchange whether the actors sign a formal document or not. The reasoning behind this is that many businesses prefer to operate with “handshake” agreements, and not always utilize the formal detailed contacts that are common business practice (Macaulay, 1963). Cooperative norms reflect the “expectations the two actors have concerning their partnership and working together to achieve mutual and individual goals jointly” (Cannon & Perreault Jr., 1999, p. 443). This concept does not stipulate that the parties will acquiesce to the other one’s needs, conversely, that they will behave in a manner that suggests they understand that they must cooperate for success (Anderson & Narus, 1990).

The relationship-specific adaptations by the sellers and buyers are the investments in adaptations to products, procedures or processes specific to the needs or capabilities to the other actor (Cannon & Perreault Jr., 1999). The adaptive behavior is outlined to focus on the individual behavior specific to the other actor in the relationship. The pattern of adaption reflects significant qualities of the relationship. By their nature, relationship-specific adaptations have limited value beyond a particular relationship, to the extent of their value creation and contribution to switching costs (Cannon & Perreault Jr., 1999). Thus, these adaptations reflect an aspect of calculative commitment in business relationship (Anderson & Weitz, 1992).

3.3.1 Long-term orientation in buyer-seller relationships

Understanding the time orientation of your customers is important in order to tailor the marketing tools to the customers’ needs. Ganesan (1994) believes that there are two factors, mutual dependence and the trust between the partners, which work as functions of the long-term orientation in the buyer-seller relationship. Both dependence and trust are related to “environmental uncertainty, transaction-specific investments, reputation, and satisfaction in a buyer seller relationship” (Ganesan, Determinants of Long-Term Orientation in Buyer-Seller Relationships, 1994, p. 1). Ganesan (1994) discovered that dependence and trust play significant roles in shaping the long-term orientation of both buyers and vendors. Further, Ganesan’s study (1994) found that both differences and similarities exist across the buyers

and vendors concerning the effects of different variables on long-term orientation, trust and dependence.

The importance of transaction-specific investments have often been brought forward as a factor that creates long-term orientation – however, studies show that this is not enough to create a long-term relationship, trust is also an essential ingredient (Ganesan, 1994). Factors like environmental- diversity and volatility affects the retailer’s dependence on vendor, which in turn affect the retailer’s long-term orientation. The same goes for the transaction-specific investments by the retailers and the perception of specific investments by vendor. Factors like the reputation of the vendor and the retailers experience with vendor, including satisfaction with previous outcomes affects the vendor’s credibility and trust, and in turn the retailer’s long term-orientation.

3.4 Transaction-based and relationship-based factors

In an exchange situation, there is a distinction between a relational and a transactional approach. The way researchers look on relationship between the organizations are divided in to two main approaches: transaction-based approach and relationship-based. Jackson (1985) argued that a successful business relationship encompasses doing a large number of things right, over time in a consistent matter. Further she states: “it takes coordination on the part of the seller of resources and tools to meet the customer’s future as well as its immediate needs” (Jackson, 1985, s. 128). Day (2000) refers the marketing spectrum where the collaborative exchanges is at one end, and the other has the transactional exchange as illustrated in figure 3 below. In a pure transaction-based exchange, no further participation by either actor is necessary nor desirable. The reasoning behind this is the fact that the transaction-based method is often utilized during the sale of standardized products, where the price is the main focus – not the relationship. Collaborative exchange, or relation-based exchanges, are more prevalent when the product or service is complex and customizable. In these cases, the exchange of information and knowledge is customary in order to form a closer relationship.

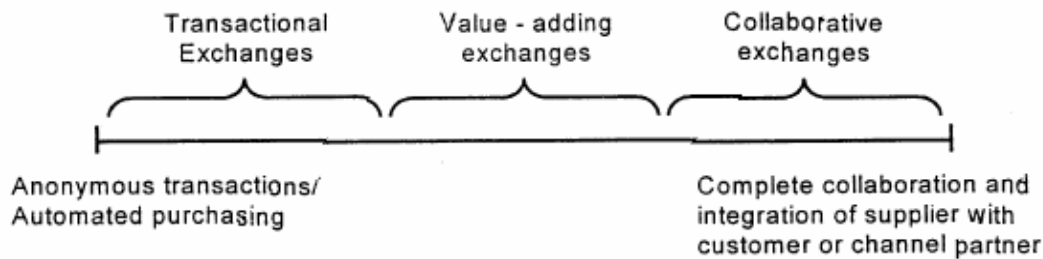


Figure 3 – Exchange categories (Day, 2000, s. 25)

3.4.1 Relationship-based factors

Grönroos (1990) defined the relationship between a buyer and a seller as a process where you identify, maintain, enhance, and by necessity also terminate relationships with stakeholders and customers, at a profit. This enables the objectives of all the involved partners, which is done by the mutual offering and fulfilment of promises. Grönroos (1990) definition is quite broad and argues that the relationships involve the relations to other stakeholder – not only the supplier – customer relations.

3.4.2 Relationship commitment in business-to-business relationships

Dwyer, Schurr and Oh (1987) found that commitment between the buyers and the sellers in business relationship is a crucial factor in the relationship development and continuity. Relationship commitment benefits the actors in the relationship as it contributes to “reducing uncertainty, increasing exchange efficiency and satisfaction, and enhancing performance and profitability” (Ganesan, Brown, Mariadoss, & Ho, 2010, s. 361). Relationship marketing literature separates between affective and calculative forms of commitment. The affective form of commitment “reflect the social and psychological attachment to an exchange partner based on feelings of identification, loyalty, and affiliation” (Ganesan, Brown, Mariadoss, & Ho, 2010, s. 362). The characteristics of this form of commitment includes sentiments of loyalty and dependability that signifies one actor’s positive feelings towards its exchange partner. Conversely, the calculative form of commitment based on a realization of the benefits of staying as well as the costs of leaving. This form of commitment is grounded in economic concerns and rationality, like e.g. switching costs. Affective commitment however has their roots the emotions and grows from social exchange (Ganesan, Brown, Mariadoss, & Ho, 2010).

Opportunism and unethical behavior pose threats to business relationships. These behaviors occur often and jeopardize long-term relationships. Opportunism is defined as a transgression of the norms of a specific business relationship through behaviors such as “evading obligations, taking advantage of contractual loopholes, and extracting unfair concessions when market conditions allow” (Ganesan, Brown, Mariadoss, & Ho, 2010, s. 362). Unethical behavior, on the other hand, can be directed to the relationship itself or the exogenous issues, and are defined as violations of societal norms. Historically, the business press has included lot of opportunism, with examples of cutting out “middlemen”, and adding new distributors in protected areas. On the part of unethical behavior, examples include spreading false rumors, selling coercively, and selling substandard products.

Buyers make tangible or intangible investments that are specifically custom-made to the existing relationship and have difficulties to reorganize without a substantial loss in value when the calculative commitment is high (Ganesan, Brown, Mariadoss, & Ho, 2010). Within the concept of calculative commitment, the buyers are committed to a supply relationship through traits like switching costs. Such buyers are more likely to assimilate supplier behaviors that vary from the normative standard as they have few options to remain in the relationship, and thus, they will be motivated to maintain cognitive consistency (Ganesan, Brown, Mariadoss, & Ho, 2010). Because of this, at moderate levels of supplier misbehavior there is an expectation that it will cause assimilation effects of calculative commitment (Ganesan, Brown, Mariadoss, & Ho, 2010).

On the other side, we have the affective commitment that involves identification, affiliation, obligation and loyalty (Ganesan, Brown, Mariadoss, & Ho, 2010). It is regarded as a “warmer” form of commitment than calculative commitment, which is more rational and “cold”. Within affirmative commitment, the individuals representing the different entities develop personal relationships that strengthen and adds to their formal roles. Buyers that are affectively committed are more likely to interpret ambiguous supplier behaviors in a manner consistent with the positive tone of the relationship, thus creating assimilation effects when there is minor misbehavior on the seller’s part (Ganesan, Brown, Mariadoss, & Ho, 2010). However, it is worth noting that affective commitment may lead to an attitude of

noncommitment as people in these relationships often are inclined to give other suppliers the benefit of the doubt when they suspect misbehavior. However, if the buyer perceives opportunism, it is regarded as a rather large betrayal of the friendship as well as the business relationship, and thus will lead to negative sanctions (Ganesan, Brown, Mariadoss, & Ho, 2010). Additionally, damage of the flow of social reciprocity may be regarded as irreparable and lead to dissolution of the relationship.

Generally, the buyer commitment to create relationships works as a buffer against misbehavior such as opportunism and unethical behavior. However, if such misbehavior occurs, the buyers will most likely assimilate normative standards of behavior, thus creating buffering effects (Ganesan, Brown, Mariadoss, & Ho, 2010). When the misbehavior becomes severe, there are differences in ways to handle it between the calculative and affirmative forms of commitment. Within the calculative commitment form, it neither buffers nor amplifies effects of misbehavior. On the other hand, with the affirmative form of commitment, it amplifies buyers switching intention due to severe opportunism.

3.5 Commitment-trust theory

Morgan and Hunt (1994) theorizes that the global dynamics of business and marketing have resulted in a somewhat paradoxical nature, that is; in order to be an effective competitor in the global economy, one must also be a trusted cooperator in some network. This new reality of relationship marketing is caused by the introduction of relational marketing, symbiotic marketing, strategic alliances and internal marketing. This development, as well as the increasing globalization has challenged the traditional view towards business relationships. Though many factors contribute to the success of business relationships, research has shown that commitment and trust are important factors that must be inherently present (Morgan & Hunt, 1994). Trust and commitment are key factors as they contribute to preserving relationship investments by cooperation, resist short-term alternatives in favor of expected long-term benefits of staying with existing partners, view potentially high-risk actions as being prudent because of their beliefs that their partners will not ask opportunistically (Morgan & Hunt, 1994).

Morgan & Hunt proposed a key mediating variable (KMV) model that focus on one of the actors in the relational exchange and their relationship to trust and commitment. It is based on the hypothesis that commitment and trust are mediating variables in between five antecedents; opportunistic behavior, communication, shared values and relationship termination costs. On the other side of the mediating variables, we have the five outcomes; decision-making uncertainty, functional conflict, propensity to leave, and acquiescence (Morgan & Hunt, 1994).

The results of their study found that the success of business relationships requires cooperative behavior. Further, they discovered that their KMV model affirmed that relationship commitment and trust are important variables in business relationships, but simultaneously these variables are key for mediating within the relationships. The fact that commitment and trust are key mediating was echoed by Aurier and N'Goala (2009). They emphasized the importance of relationship maintenance and development as key priorities for a good business relationship. In order to develop and maintain relationships, both trust and commitment must be the object of specific and complementary strategies. Trust enhances the breadth and depth of the relationship. Additionally, trust plays a critical part as an indirect precursor of relationship duration through relationship commitment (Aurier & N'Goala, 2009). Commitment in relationships enhances customer retention and prevents customers from developing multiple relationships and appears as the main forerunner for relationship maintenance. Thus, this is the of the most crucial factors in establishing a long-term perspective in business relationships (Aurier & N'Goala, 2009).

3.6 Hofstede's dimensions

Geert Hofstede defined culture as “the collective programming of the mind that distinguishes the members of one group or category of people from others” (Pieper, 1990, s. 25). In this paper, the term culture will both be used for countries (national culture) and organizations (organizational culture).

Culture is always a common phenomenon, though it may also be connected to different collectives. Within each collective there is a variety of individuals who all have individual

and common characteristics. The variation between one culture to another is like a shift of a bell curve (Hofstede, 2011). Hofstede created the cultural dimension's theory, where there are six dimensions that are used to measure cross-cultural communication. These six dimensions can also be used to describe society's effect on culture and its common values – and in turn how the values relate to behavior utilizing a factor analysis.

In his book, *Culture's Consequences: International Differences in Work-Related Values* (Hofstede, 1980), Hofstede presented the four initial dimensions of culture: power distance, uncertainty avoidance, individualism vs. collectivism, and masculinity vs. femininity. In 2007, Minkov and Hofstede argued for an addition to the framework, and a fifth dimension was added: long-term vs. short-term orientation (Hofstede's Fifth Dimension, 2012). In 2010 Hofstede, Hofstede & Minkov added the sixth and, for the time-being, last dimension: indulgence vs. restraint. Each country is positioned relative to other countries based on their score on each dimension. The dimensions are statistically distinct and occur in all possible patterns – though some are more common than others (Hofstede, 2011).

Power distance is defined as “the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally” (Hofstede, 2011, s. 9). This dimension represents inequality and suggests that the inequality level in a society is endorsed by the followers as well as the leaders. In societies where the power distance is high, there is a general accept for hierarchical structures where everyone has a place and there is no need for justification of the system. Conversely, in societies with low power distance there is a common strive to equalize the distribution of power, and a demand for justification for power inequality (Hofstede Insights, 2017).

The next dimension in the framework is individualism versus collectivism. This refers to the degree to which members of the society is integrated into groups (Hofstede, 1980). In individualist cultures, the ties between the societal members are loose. Members are generally expected to look after themselves and their immediate family. Such societies prefer loosely-knit social frameworks (Hofstede Insights, 2017). On the collectivist side, individuals are born into robust, unified in-groups (like extended families) that protect them in exchange for

unquestioning loyalty. In these societies, individuals oppose other in-groups than their own (Hofstede, 1980). People's self-image is often defined in terms of "we" in collectivist cultures.

Masculinity versus femininity refers to the distribution of values between the genders as a societal characteristic. Hofstede found in his IBM studies that traditional "men's values" often contain assertive and competitive traditions, where women's values often contain modesty and care for others. Typical "masculine" societies prefer achievement, assertiveness, material rewards and competition (Hofstede Insights, 2017), whereas "feminine" societies have a preference for cooperation, quality of life, care for others and modestly. Such societies are often more consensus-oriented (Hofstede Insights, 2017).

Uncertainty avoidance is the fourth original dimension in Hofstede's framework. It deals with society's acceptance of ambiguity. It denotes to what extent a culture programs its members to feel comfortable or uncomfortable in situations that are unstructured. An unstructured situation is characterized by being unknown, surprising, novel and different from the norm. Cultures that avoid uncertainty tries to diminish "the possibility of such situation by strict behavioral rules, laws and norms, disapproval of deviant opinions and a belief in the absolute truth" (Hofstede, 2011, s. 10). Cultures that are open to uncertainty have a more relaxed attitude where practice is held higher than principles.

Long-term orientation versus short-term orientation was the fifth addition to the model (Minkov & Hofstede, 2012) and connects the link to the past with the current, as well as future actions and challenges. Societies that have short-term orientations regards adaption and contingent pragmatic problem-solving essential. Conversely, if there is a long-term orientation in the country, that indicates that traditions are kept and honored, and that qualities like steadfastness are valued (Hofstede, 2011).

The final dimension is the indulgence versus restraint measure. Indulgence refers to a "society that allows relatively free gratification of basic and human drives related to enjoying life and having fun" (Hofstede, 2011, s. 15). Restraint, however, refers to societies that constrains

gratification of needs and regulates through social norms and customs (Hofstede Insights, 2017).

3.6.1 USA

The U.S. has a score of 40 (of 100) on power distance, and a high score on the individualism dimension 90. This combination reflects the American premise of “justice and liberty for all” – where it lies within the society and government an explicit emphasis on equal rights for all (Hofstede Insights, 2017). American organizations have established hierarchies for convenience, where superiors are accessible, and managers rely on both their teams and individuals for expertise. The communication within organizations is direct and informal, and to a certain extent, participative. Looking after yourself without much government intervention is one of the corner-stones in this loose-knit type of society. This is also reflected in the business-world, where workers are expected to display initiative and self-reliance. Within this type of exchange-based world, employees are often hired and promoted based upon merit.

With a score of 62, one can classify the U.S. as a “masculine” country, which is displayed in the typical American behavioral patterns. This fits the bill, as it has a high individualist drive. Americans tend to talk freely about success and display their achievements. The can-do mentality helps with their drive to acquire monetary rewards and thus attain higher status based on their possessions. There is a belief that conflict might bring out the best in people, as being the winner is the end-goal – and consequently there is a large amount of polarization and court cases compared to many other countries, e.g. Norway.

On the uncertainty avoidance dimension, the U.S. scores below average with a score of 46 (Hofstede Insights, 2017). This means that there is a reasonable degree of acceptance for innovative products, new ideas and trying different things, relating to both business practice and technology. Americans tend to be tolerable to outsiders and allow freedom of expression. The United States scores normative on the fifth dimension, long-term versus short-term orientation, with a low score of 26 – which indicates that the culture is not very pragmatic (Hofstede Insights, 2017). Typical Americans have strong ideas about what is “good” and

“bad” which is reflected in the high degree of polarization of cases like euthanasia, weapons, government, and abortion. Businesses often measure performance on a short-term basis where quarterly results are presented. This heightens the strive for quick results within the business context (Hofstede Insights, 2017). Lastly, the indulgence-dimension gives the U.S. a score of 68, which is quite high. The “work hard, play hard” mentality is prevalent in the country, as well as the wish to showcase expensive possessions (Hofstede Insights, 2017).

3.6.2 Norway

In power distance, Norway scores quite low (31 of 100), which means the following characteristics are typical for the culture: being independent, having equal rights, accessible superiors, coaching leaders, facilitating managements that empowers employees, as well as having hierarchies for convenience only. Power is decentralized, and control is disliked. All members in a team expect to be consulted – and attitude towards managers is informal. There is direct type of communication, that is participative and consensus oriented (Hofstede Insights, 2017).

With a score of 69 on individualism versus collectivism, Norway can be considered an individualist society. The “self” is regarded as important and personal, where individual opinions are expressed and valued (Hofstede Insights, 2017). There are clear lines between work and personal life – where an individual’s right to privacy is regarded as important. The relationship between an employer and an employee is based on a contract and the managers focus on managing the individuals. Communication and feedback is quite direct (Hofstede Insights, 2017).

Norway is the second most feminine country in the world with a score of 8. In practice, this means that values such as leveling with others, independent cooperation, consensus and rooting for the underdog is held high and encouraged (Hofstede Insights, 2017). There is a common appreciation for humility, and status is not shown nor rewarded. Incentives like flexibility and free time are preferential. Managers are supportive, and one can achieve decision making through involvement (Hofstede Insights, 2017). The Norwegian culture is more normative than pragmatic with a score of 35 on the long-term orientation dimension. There is a rather large respect for traditions, as well as a focus on achieving quick results. Further, there is a strong concern of establishing an absolute truth, and there is a relatively

small propensity to save for the future (Hofstede Insights, 2017). Both in uncertainty avoidance and indulgence, Norway has a score of 50 and 55 respectively, and thus they do not indicate any preference on either of the dimensions and remains inconclusive on both dimensions (Hofstede Insights, 2017).

3.6.3 The effect of culture in long-term orientation of buyer-supplier relationships

Research has shown that the benefits of buyer-seller relationships increase when the actors exhibit a long-term orientation (Cannon, Doney, Mullen, & Petersen, 2010). The trust between the buyer and the supplier affects the long-term orientation of the relationship. Further, marketing research show that commitment, trust and long-term orientation are key precursors to an effective and successful buyer-seller relationship. Cannon et al. (2010) suggest that the relative effects of trust and performance on the relationship's long-term orientation is moderated by culture – and thereunder Hofstede's individualism/collectivism dimension. They further propose that the cultural differences may present challenges to the relationships and the resulting level of the performance of the business bond (Cannon, Doney, Mullen, & Petersen, 2010).

As we expect there is a positive relationship between the future business opportunities and the supplier performance, one expects the buyer's favorable evaluation of the supplier's performance to contribute to the buyer's long-term orientation towards that supplier. In individualistic countries, like the U.S. the primary objective of a business deal is to achieve the aims (Cannon, Doney, Mullen, & Petersen, 2010). In countries that are similarly individualistic like the U.S. the relationship between the buyer and supplier is often less important than the successful implementation of the job (Schuster & Copeland, 1999). Consistent with Hofstede's framework for business cultures, countries that has a high emphasis on individualism often rewards self-orientation, individual initiative and accomplishment (Hofstede, 1980). When rewards are closely linked to performance, many buyers enter into relationships that “pay off”, and a transaction-based form of business relationship will usually be preferred (Cannon, Doney, Mullen, & Petersen, 2010). Showing commitment of partners with individual orientation is primarily based on the task achievement. However, in collectivist societies, the “people” criteria is held higher than the “performance” criteria – and thus the business exchange relationships are primarily social

rather than instrumental (Cannon, Doney, Mullen, & Petersen, 2010), i.e. they are relationship-based instead of transaction-based. The buyers place higher priority on developing and maintaining relationships than they place on quick profits and short-term advantage if they disrupt the relationships.

Cannon, Doney, Mullen & Petersen's study (1999) found that understanding cultural norms and values might help buyers and seller to attain higher performance and improve the success of the relationship. Further, they found that trust and performance are significant considerations in the formation and conservation of a successful relationship in individualist cultures (Cannon, Doney, Mullen, & Petersen, 2010). However, due to the differences in the individualist performance/trust system and the collectivist heavy trust-laden system there might be difficulties if they cannot understand each other's cultural values. A collectivist culture expects partners from individualist cultures to participate in trust-building activities (Cannon, Doney, Mullen, & Petersen, 2010). This is imperative to achieve a long-term orientation with a collectivist partner. Cross-cultural adaption is important for the buyer and supplier in order to create a likelihood of a successful cross-culture buyer-seller relationship.

3.7 Cultural competence

The development of globalization and e-commerce has increased the need for cultural knowledge (Grosse, 2011). In order to succeed in markets abroad, managers and organizations must have an intrinsic "openness to other cultures that facilitates international dealings and decisions" (Rhinesmith, 1996, s. 13). As businesses continue to expand internationally, managers must possess the cultural competence to succeed with customers and local employees. A study by Grosse (2000) reported that 80 percent of 63 large and mid-size companies send employees abroad, and 45 percent plan to send additional personnel overseas. Grosse (2011, s. 308) found a fundamental set of "cultural information, knowledge, attitudes, and communication skills that are vital to business". The author further found that understanding the business cultures in each country is vital, as norms and values may differ greatly in many cases. Being able to identify certain essentials of cultural understanding is a key to doing business abroad (Grosse, 2011).

3.7.1 American cultural competence

According to Grosse 2011 study (Global managers' perceptions of cultural competence), American managers and employees often behave pragmatic – which may be confused with coldness when trying to establish a professional relationship. Further, Americans tend to “focus on the bottom line and rely heavily on facts for their business decisions” (Grosse, 2011, s. 308). This is echoed by Brake, Walker and Walker (Walker, Walker, Brake, & Schmitz, 2003) that stress that Americans are “doers” who believe that actions and results speaks louder than words. Wanning (2008) found that Americans tend to emphasize results, believe in progress, and have an inherent action-dependent self-image that drives the workforces to work hard. Americans tend to be more competitive and willing to take risks than most of their counterparts (Grosse, 2011) – this was also found by Hofstede Insights in their Country Comparison (2017). These traits are often brought forward in situations like negotiations and discussions, as Americans tend to view these situations as opportunities. Grosse (2011) observed within the U.S. business market, employees often compete with each other for senior positions. This is a reflection of the individualistic mindset in U.S. business – where accomplishment and individual initiative are held high (Hofstede Insights, 2017). This is visible in the interpersonal relationships between Americans and foreigners – Americans do not necessarily mix their personal and professional lives. One of the respondents in Grosse's study stated “American businesspeople make a complete separation between job relations and personal relations” (2011).

3.7.2 Norwegian cultural competence

Norwegian business culture is often seen together with countries like Sweden, Denmark, Finland and The Netherlands. The differences in Norwegian and American cultural competence and way of behaving in a business cultural way are greater than their similarities. One of the key understandings when talking about Norwegian business culture is the importance of the Norwegian business model, often referred to as “The Nordic Model”. The Nordic Model is based upon typical democratic values. One of those are how managers and employees are seen as a conjoined group, taking decisions in plenary sessions aiming for effective and democratic decision taking. The idea is that information and reflections from a group with a width of rationality is better than that from single individuals. “The Norwegian manager is less authoritarian, more participative, delegates and coaches more than foreign managers” (Bru, 2013, s. 14). Bru also points to the fact that these characteristics coincide

with the political ideologies and values behind the forming of the Norwegian Welfare State. The Nordic Model, with its tripartite cooperation between the state, employers and the employee, is based on mutual trust, with the aim of reaching a common goal together (Bru, 2013). This is a part of the understanding that the Norwegian management model is characterized by: “equality, justice, individualism and freedom, at the same time solidarity and community, as well as trust” (Bru, 2013, s. 18)

3.8 Advantageous and disadvantageous effects of relationship commitment

In the article by Ganesan, Brown, Mariadoss, and Ho (2010) they further explore both the advantageous and the disadvantageous properties of commitment between organizational buyers and sellers. These advantageous effects are referred to as “buffering effects”, whereas the disadvantageous are denoted to as “amplification effects” (Ganesan, Brown, Mariadoss, & Ho, 2010). The article found that systematic buffering (assimilation) and amplifying (contrast) effects of commitment pose threats to relationships when there is significant supplier misbehavior, i.e. opportunism and unethical behavior (Ganesan, Brown, Mariadoss, & Ho, 2010). “If commitment buffers existing relationships against opportunism or unethical behavior, it is likely to do so only to a limited degree” (Ganesan, Brown, Mariadoss, & Ho, 2010, s. 362). Though commitment may trigger mild instances of misconduct, that may be assimilated to normative behavior, buffering effects may apply. However, as soon as the misconduct appears to be conspicuous, buffering effects will likely diminish and cease to bind the buyer to the incumbent. Ganesan, Brown, Mariadoss and Ho (2010) theorizes that with serious misconduct by sellers, the buffering effects on both affective and calculative commitment are likely to attenuate.

Buyer commitment is of the highest value to the incumbent supplier when the relationship is perceived as strained or challenged. Opportunism and unethical behavior are two of the most frequent types of misbehavior and threaten long-term commitment (Ganesan, Brown, Mariadoss, & Ho, 2010). Actions such as cutting out channel members, increasing penetration in protected markets are typical examples of opportunism. Spreading false rumors, failing to uphold industry and professional standards, selling coercively, and selling substandard products are examples of unethical behavior. If the buyer deems the incumbent (seller’s) behavior as close or “assimilated” to a normative behavior, it will likely result in buffering

effects. However, if the behavior is deemed as discrepant from normative behavior, there is a large chance it will end in buyer switching intentions. Such effects, known as contrast effects, “result in amplification of relational threats posed by supplier misbehavior” (Ganesan, Brown, Mariadoss, & Ho, 2010, s. 363).

In relationships with calculative commitment, the buyer is likely to stay in the relationship with modest levels of misconduct from the incumbent, as they often have tangible or intangible investments in the existing relationship, and thus will be motivated to maintain cognitive consistency (Ganesan, Brown, Mariadoss, & Ho, 2010). As the misbehavior becomes more conspicuous, the buyer will find it increasingly difficult to assimilate the behavior to a normative standard.

The study found that under most conditions, “buyer commitment to supply relationships works to buffer incumbent suppliers against mild indecencies of unethical behavior and opportunism” (Ganesan, Brown, Mariadoss, & Ho, 2010, s. 372). In cases of mild misbehavior, buyers are inclined to assimilate them to normative standards of behavior, which in turn results in buffering effects. However, under cases of severe misbehavior, the types of commitment are crucial for the outcome of the situation. While calculative commitment neither buffers nor amplifies the effects of misbehavior, affective commitment will amplify the buyers switching intentions in response to severe opportunism (Ganesan, Brown, Mariadoss, & Ho, 2010). The silver lining is that relationship commitment is worthy of cultivation and beneficial, however it is highly likely that it will backfire if there is abuse of trust. Ganesan, Brown, Mariadoss & Ho (2010) stated in their article that “opportunism is the catalyst that transforms the relational buffer of affective commitment into leverage for challengers wanting to overturn a relationship”.

3.9 Differing and mediating roles of trust and relationship commitment

Aurier and N'Goala's (2010) observed that trust is one of the key instruments within relationship development and maintenance, as well as one of the main ingredients in customer lifetime value. They found that trust enhances both the depth and the breadth of a relationship. To retain the trust and commitment within the relationships, the companies should create specific and complimentary strategies within the firm (Aurier & N'Goala, 2010). By creating

such strategies, one can ensure that the customer does not feel exploited nor manipulated in cases of price increase or change of terms of the contracts.

4 Methodology

This chapter will elucidate the implementation of the study. The first part of the chapter will describe the philosophical approach, and the combination of methods that are used. Further, the data collection and analysis will be accounted for. Ethical choices and problems that have arisen during the period will be discussed, and finally the strengths and weaknesses of the choice of method will be debated.

The primary objective is to provide information about how the research is conducted and which methods and techniques are utilized to fulfil the requirements of the dissertation. The choice of study, the scientific standpoint, choice of research design and method are assessed against the reliability, validity and transferability of the study.

A research process will according to Johannessen, Christoffersen and Tufte (2011) usually entail four main phases; preparation, data collection, data analysis and reporting. The preparation phase starts with an idea or an area to explore further. After deciding the theme and problem topic, the next stage will explore whom and what to research. Later, one must decide on a suitable approach to be used in the study. Usually, the problem topic will be crucial for which approach that should be used. The reasoning behind this is the fact that the approach must be suitable to enlighten and answer the problem topic and question.

The design of the research will enable the author to use the correct means to examine the chosen topic. By finding a suitable method of what data and how it should be gathered, one will solidify the study and its results. The research design should also take into consideration how the data will be collected and analyzed in order to provide answers towards the problem question (Easterby-Smith, Thorpe, & Jackson, 2012).

4.1 Philosophical stance

Ontology concerns itself with the nature of reality and its existence (Easterby-Smith, Thorpe, & Jackson, 2012). Further, it deals with how humans interpret the reality that surround us (Easterby-Smith, Thorpe, & Jackson, 2012). The ontological point of view of this dissertation will lean towards relativism, as the themes of the dissertation are highly subjective and will

differ between individuals, markets and regions. With a relativistic stance, one believes that there are several truths, and that they will depend on the researcher, or observer. The choice of ontology brings the research towards a pragmatic approach. Pragmatism does not view the world as an absolute unit, nor does it commit to an absolute unit or reality (Cresswell, 2009). Cresswell (2009) elaborated that one can utilize several perspectives to illuminate a phenomena.

Epistemology is the science behind learning and recognition. It theorizes that knowledge enables researchers to enquire into the nature of the world (Easterby-Smith, Thorpe, & Jackson, 2012). In other terms, it deals with how one can study and gather information about the world we live in (Johannessen, Christoffersen, & Tufte, 2011), or how one can find information about it. Epistemology is often divided into two directions; social constructivism and positivism. Continued from the ontological stance, with the pragmatic approach, this dissertation will lean towards a social constructionist approach to gather information.

4.2 Choice of research design

Methodology is defined as a combination of techniques where their main function is to research a specific situation (Easterby-Smith, Thorpe, & Jackson, 2012). The research design is a form of epistemology: social constructionism. A social constructionistic approach will be used during data gathering and analysis.

The study will utilize a qualitative approach, which is an approach that is used when the research question is exploratory, i.e. it is used to answer questions like “Why” and “How” a phenomenon occurs (Johannessen, Christoffersen, & Tufte, 2011). The methodology choice is determined by the characteristics of the research question. The data collection within qualitative methods are usually collected through in-depth participant observation and interviews (Minichiello, Aroni, Timewell, & Alexander, 1990). Johannessen, Christoffersen and Tufte (2011) points to popular research designs within a qualitative method, that are: grounded theory, ethnographic design, phenomenology and case studies.

This dissertation will utilize the case study research design – as Yin (2017) states it is a preferred design to answer “how” phenomena behave the way they do. Case studies are preferable when the focus of the study is contemporary (as opposed to historical) and when the researcher has little to no control over the events (Yin, 2017). Additionally, case studies permit the researcher to retain the rounded and momentous features of the actual events in its real-world context. By utilizing this method, it will add to the understanding of the group and individual (Yin, 2017) regarding the commitment, culture and relationship phenomena. The data from the qualitative method will be detailed in order to answer the research question in a proper way.

4.3 Choice of research strategy

There are three main approaches to research strategy: deductive, inductive and abduction. A deductive approach often starts with some underlying assumptions about the phenomenon under study. From that point on, the researcher will collect data in order to see whether the assumptions are valid or if they have to be rejected from the previous theory (Jacobsen, 2005). In simple terms, a deductive approach will attempt to verify theory against practice. An inductive strategy, on the other hand, requires the researcher to “work backwards”, i.e. that they first gather the empirical data then create theory based on the data. This method of gathering data, then systemize it requires an open mind from the researcher (Jacobsen, 2005). In other words, with an inductive approach the practice will form a starting point for the theory.

One of the most prominent accusations against deductive methods assume that the approach will only fulfil personal prophecies, as researcher find what they are looking for. As the method is quite restricted in the terms of what data they gather, it will limit the amount and scope of the information that is gathered (Jacobsen, 2005).

Jacobsen (2005) believes that one of the basic preconditions to a pragmatic approach is that the research question will determine whether an inductive or a deductive approach is appropriate. Though, in some cases another method might be suitable: an abductive approach. Jacobsen (2005) describes the abductive method as a crossover between an inductive and

deductive method, as it is used when you search for probable descriptions and explanations. It can be viewed as a continuous interaction between empiricism and theory, where both actors are regarded as equals. Throughout the process of creating this dissertation, the research question has been refined and adapted as the information and theory gathering has been adapted. Thus, the research in this thesis have utilized an abductive method.

The interview guide for the respondents started with a deductive and closed approach, however, it became clear during the creation of the interview guide that a semi-structured interview form would be appropriate – and thus utilize an inductive approach in the interpretation of the gathered data.

4.4 Case study design

Case study, as a research design, is known for investigating one or few cases in depth. The method is characterized by extracting large amounts of information from the informants through a detailed and comprehensive data collection. When utilizing a case study research design, Yin (2017) references five critical components that needs to be present: problem topic/question, theoretical assumptions, units of analysis, a logical link between the data and the assumptions, and finally criteria to interpret the findings.

Yin (2017) created a framework of four types of designs of case studies, portrayed in the 2x2 matrix shown in figure 4 on the next page. Based on the argument that there is no lower or upper limit of how many cases one can study, Yin (2017) argued that it is necessary to penetrate the design situation and thus utilize one of the four designs of the framework in order to create a holistic study context.

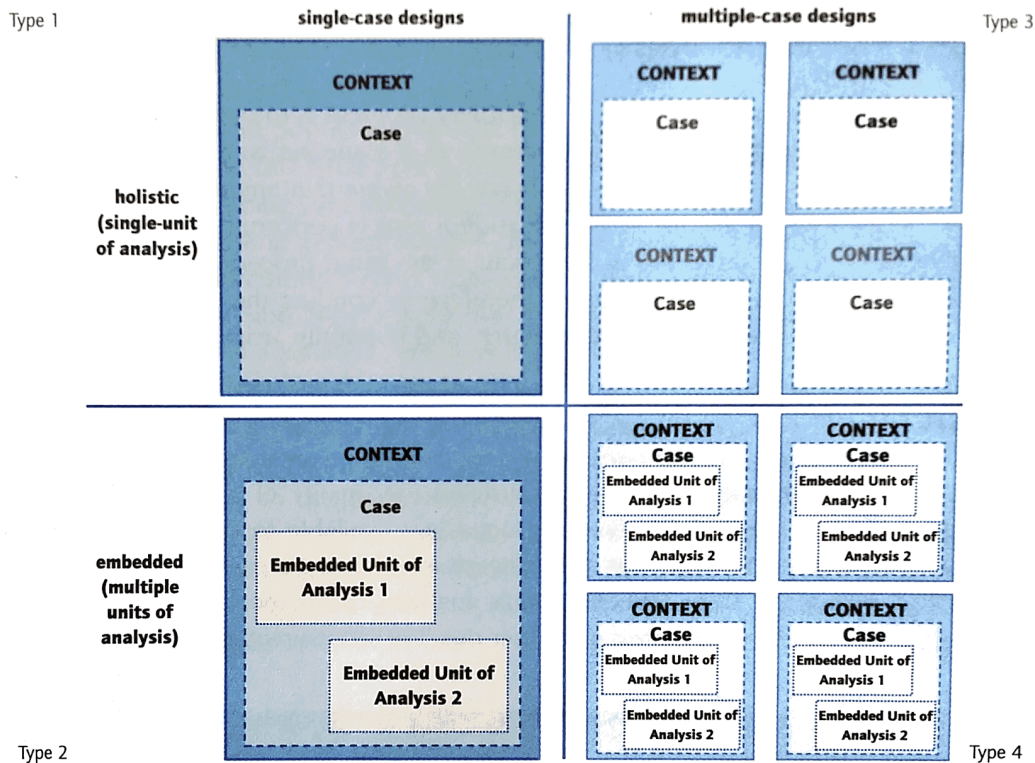


Figure 4 - Basic types of Case study Designs (Yin, 2017)

Yin’s matrix displays four categories of case design that requires a contextual condition analysis in relation to the case itself. The speckled lines within each category define the boundaries between the case and its context. As this study aims to study the business relationships, and thereunder relationship commitment and business culture within the petroleum industry, it encompasses many factors such as cultural bonds. Whether one should utilize a single-case or a multiple-case design, depends on whether you plan to use one or multiple units of analysis. The other stance one must take before choosing a case study design is whether one should use a single-unit or multiple units of analysis. Both of these choices give us four different options – a holistic single-case design (also known as Type One), an embedded single-case design (Type Two), a holistic multiple-case design (Type Three) and finally you have the embedded multiple-case design (Type Four) (Yin, 2017)

Current research often tends to utilize single-case designs when studying non-typical phenomena. Flyvbjerg (2006) notices that this strategy may be very successful when used properly, e.g. extreme or atypical cases, as they may reveal more information as they trigger more actors and basic tools in the examined setting. Yin (2017) affirms that a single-case

study may contribute to theory building and knowledge as they confirm, challenge and extend theory – as well as helping to refocus future investigations in the research field.

Single-case studies includes units of analysis at numerous levels when attention is paid to subunits, creating an embedded case study design. An embedded design is utilized as a device to concentrate the case-study in order to create opportunities for an all-embracing examination. However, Yin (2017) emphasizes that a crucial aspect is to focus on the larger units of analysis – not only the subunit levels that are explored.

Based on the information above regarding cases and case study research the following choices were created by the intention of creating an appropriate research development for the dissertation. As there are several units of analysis, the case study will use an embedded approach. Further, utilizing a single-case approach will allow the study to analyze the subunits that concerns business culture and relationship commitment within the context of business relationships. The primary objective is to understand the role and importance of commitment and culture of business relationship within the oil- and energy industry, which further cements why a single-case study should be the preferred method.

4.5 Data collection

The pragmatic approach of the qualitative data collection has produced data from the conducted interviews in the form of information and experiences from the informants. The informants have provided their interpretations of their situation in the form of words (Jacobsen, 2005). The collection of the data was conducted in the period of 01.05.18-14.05.18. The interviews were the most important source of data collection, as they provided depth, experience and insight into the topic of interest.

4.5.1 Theoretical background

In qualitative data-collection, the purpose is providing proof for the phenomena that is being investigated. Thus, the data that is collected is the base layer for the findings of the study (Polkinghorne, 2005) Extracting significant and important data in order to illustrate the evidence for the findings is the main job for the researcher (Polkinghorne, 2005). The data collection can be completed by utilizing either primary or secondary sources.

Hox and Boeije (2005) has defined primary data as data that is firsthand collected for a detailed research problem, utilizing techniques that is a correct fit for the problem. Such data can be collected in a number of ways, like surveys, interviews, field observation, experiments etc. It is often more time- and resource consuming compared to secondary data collection. Secondary data collection, however, is data that is created by other researchers for purposes that may differ significantly from your field – though, being available for reuse by the research community. Onkvisit and Shaw (2004) recommend combining both primary and secondary data, as it helps to create a holistic view of a phenomenon. Furthermore, primary data should be used when one is trying to prove or reject findings in a study or an existing data collection. Secondary data on the other hand should add to the value of the primary data if a researcher chooses to combine them.

In Case Study Research Design and Methods by Yin (2017) he points to six common sources of evidence: direct observation, participant-observation, archival records, documents, physical artifacts and interviews. However, case study research is not limited to these approaches – other forms of data-collection are also “allowed”. Every method of data collection has its advantages and disadvantages, and so, no method has a complete advantage over the other. Consequently, deciding which method, one should use in a study comes down to what you are studying and what method that would complement the study. Yin believes that in order to create a good case study it is imperative to use a large number of suitable sources. These need to be identified by the researcher and determined by the problem topic. By following the data collection principles, one will capitalize on data from your sources. Yin (2017) points to these examples as ways to utilize your sources in the best possible way: applying various sources, i.e. collecting data from at least two different sources; creating a database from the case study, that is, a formal collection of the collected data; preservation of the source material and chain of proof; and finally exercising restraint and safety measures when collecting data from online sources. By integrating these sources into the day-to-day creation of your case study – the study will become more reliable and of higher quality.

4.5.2 *Qualitative data collection*

The aim of the research was to explore the phenomenon that are business relationships and uncover the role and importance of business culture and relationship commitment. Interviews were conducted on an individual basis, as it is a common method of data collection – and that

it would enable the interviewees to stay honest and feel confident in the confidentiality of their responses. The interviews were the most important source of data collection, as they provided depth, experience and insight into the topic of interest.

4.5.3 Units of analysis/data sources

While conducting a qualitative methodology, it is essential to find key personnel in the target group one wishes to research further, that may provide knowledge and insight regarding the topic in question (Johannessen, Christoffersen, & Tufte, 2011). Due to the costs and time limit a researcher must be aware that one should use few units of analysis, and thus the data sources should be reliable and trustworthy (Jacobsen, 2005). Another aspect to consider is the lack of time and resources companies have available for participating in interviews when trying to find potential data sources. The case selection process is integral for the research as it lays the groundwork for achieving the researcher's goals in regard to the problem topic, as well as it creates research competence (Flyvbjerg, 2006).

A convenience selection was utilized as the task of mapping all potential Norwegian informants in the Houston was deemed difficult. Thus, friends and colleagues were asked whether they knew anyone that could be appropriate for the interviews. Johannessen, Christoffersen and Tufte (2011) states that this method may not be expedient, as the researcher will use the most "handy" informants that are easy to get a hold of. However, it was reflected upon that it might also be to the dissertation's advantage, as one is acquainted with the informants on a personal level. This may enable them to feel comfortable to share information about their success, failures and how they perceive the differences between the Norwegian and U.S. businesses.

Patton (1990) suggests using purposeful sampling, which is a strategic selection of informants. The initial thought behind this method, is that the researcher reflects upon what target group they wish to collect data from. Then, the following phase will be the picking of informants that have the fitting characteristics. In the initial phase of data collection, this method was utilized in order to create an overview of possible relevant informants. Building on the foundation of the purposeful sampling, the selection was further sharpened by using a criteria-based selection, and partially a convenience selection. A criteria-based selection

simply decides whether an informant is appropriate or not by evaluating their fulfilment of key criteria.

A strategic and criteria based selection was utilized after finding a target audience that was suitable for the study. The next step was the recruitment of the informants. Johannessen, Christoffersen and Tufte (2011) points to the snowball method as an alternative to enlist potential information sources. Using this method was highly fruitful, as friends and colleagues had inputs and suggestions for potential candidates, based upon the criteria that was laid out. After creating an overview of the potential informants, the informants were approached in person in an informal setting and asked whether they had the opportunity to participate in the study.

Approaching the informants face-to-face creates an advantage as the candidate is prompted to answer immediately. Further, it makes it easier for the researcher to clarify potential misunderstandings regarding the data collection (Johannessen, Christoffersen, & Tufte, 2011). It also enables the researcher to provide in-depth information about how and when the data collection will proceed. A key aspect to consider when approaching potential interviewees is the chemistry between the researcher and the informant (Johannessen, Christoffersen, & Tufte, 2011). Effects of this can be both positive and negative; however, the researcher should aim to stay as neutral as possible to avoid distortion of the data gathering. On the other hand, it may be time-consuming, cost-inefficient and one risks the “interview-effect”, where the distortion of the response is a result of the reaction to social settings and the personality of the interviewer.

Theory regarding samples sizes suggest that the researcher should conduct interviews until they are not receiving new information. When researching a topic like business relationships, that is dynamic and always in motion, one will never get the same answers – however, a choice was made to limit the interviews as it could become difficult to recruit more people and to conduct the interviews with the limited time of the dissertation process.

Considering the factors previously discussed, a set of criteria for selection of potential data sources was established. Potential informants had to hold the following qualifications:

- Work in a Norwegian oil- and energy company based the U.S.
- Have previous experience working in the oil- and energy industry in Norway.
- Have a Norwegian citizenship.
- Hold a position in the company that requires outward contact and business relations with American companies.

The chosen informants (that collectively are known as the population) had direct knowledge to the phenomena of the study. Additionally, “expert-interviews” were conducted with informants that work in the public sector and have longstanding knowledge about the research themes. In order to protect the informant’s privacy, an agreement was made to anonymize their name and title. However, in order to strengthen the credibility of the study, I asked the interviewees whether I could use the name of their company in the thesis which some of them agreed to.

Considering that there is not a set answer regarding the number of informants in a study, a decision was made to talk to five informants, where three of them fit into the criteria above and two experts, in order to gain a holistic understanding about the topic

Informants:

- NorSap employee. NorSap is one of Scandinavia’s leading producers of boating and rig equipment, and their products are supplied worldwide. They work within the service and supply industry, and service the market with made-to-order products that are customer specific.
- Employee of a Norwegian firm that sold digital products to the oil and energy industry. The informant requested to keep the name of the firm and himself anonymous.
- Employee of a large, global Norwegian oil and energy company. The informant requested to keep the name of the firm and himself anonymous.

Experts:

- Employee from Innovation Norway. Innovation Norway is the Government's instrument for development and innovation of Norwegian enterprises and industry. Their aim is to create value by stimulating to profitable business development for Norwegian businesses in the U.S., and also foreign businesses that could contribute to value creation in Norway.
- Employee from Ministry of Foreign Affairs working at the General Consulate in Houston. The Norwegian Ministry of Foreign Affairs is a Norwegian ministry that is responsible for the country's foreign policy. Their mission is to deal with matters concerning international relations, international organizations, foreign trade and cultural cooperation with other countries, and foreign aid.

All informants were highly experienced in their respective fields with several years of service in the U.S. All except one informant had also experience from other foreign markets. The Expert informants were considered as valuable as the other informants as they had gained experience from a vast number of U.S. and Norwegian petroleum sector companies over several years.

4.5.4 The interviews

Jacobsen (2005) argues that individual interviews are best suited when there are few units of analysis, and the researcher is interested in how the individual interpret and adds meaning to the phenomena in question. The interview form enables the author to collect large chunks of data in a relatively short amount of time. However, an interview is a demanding process, as it requires immense attention and concentration throughout the process. Kvale and Brinkmann (2009) argue that interviews are the most widespread knowledge producing practice among the human and social sciences. They can be conducted in a variety of ways, ranging from formal structural interviews like surveys to semi- and unstructured interviews, where the conversation and topics that arise will shape the data collection. These statements fit with the objective of the qualitative data collection, as the aim was to collect information from the individuals that could contribute to the research and could be used to make further assumptions and statements about the topic of the paper. Kvale and Brinkmann (2009) differentiates between four main methods of individual interviews: email, chat, telephone and face-to-face.

Davidshofer and Murphy (2005) describe two factors that influence the data collection: the factors that contribute to consistency and the factors that breaks down the consistency. The factors that contribute include stable characteristics among the informants, and that the interviews occur in similar environments. On the other hand, you have the factors that breaks down the consistency which include: temporary general characteristics of the individual, like health, motivation etc., the fluctuations of their memory, or their own personal interest in the interview setting. Additionally, other aspects of the data collection situation or random factors may influence the outcome of the situation, and thus the collected data as well.

Interviews were conducted face-to-face in most of the cases, however, the busy schedule of the interviewees and the interviewer required one of the interviews to occur through phone and Skype video chat. It was preferable to attempt to do face-to-face interviews with all of the informants, as it helps to create trust and flow in the conversation. Additionally, the physical aspect of the meeting allows the researcher to analyze the body language and mannerisms, and thus provides more data that are supplementary. However, because one of the planned informants were unable to participate as the interview dates drew near, another potential informant was approached. As the potential informant was abroad at the time of the interview period, it was decided that the interview would occur via phone and Skype. During the creation of the empiricism chapter, emails were sent to some of the informants in order to clarify certain statements they made during the interview. As a research process often endures changes throughout its course – this study ended up utilizing face-to-face meetings, Skype teleconferences, email exchange and telephones conversations as measures of communication.

4.5.5 Structure of the interview

Johannesen, Christoffersen and Tufte (2011) states that qualitative interviews are into divided into three different categories: structured, semi-structured, and unstructured. The structured form of interviews allows for standardized questions and answers, however Jacobsen (2005) claims that this might damage the study, as it moves away from the ideals of qualitative research. As the aim of the study was to gather explorative data, the structured interview form was quickly rejected. In order to have some control over how the interview developed, it was found that a semi-structured interview form was preferable in this study. An advantage of the semi-structured approach is that it lends itself better to confidentiality as the interviewees may respond in a more personal manner. Easterby-Smith, Thorpe and Jackson (2012) refers to this

method as the preferred one when researchers attempt to discover new phenomena. Bernard (1988) states that a semi structured interview is the preferable method, especially if there is a chance that you will only meet the interview object at one occasion.

In order to ensure that the informants would talk about the same topics, an interview guide was created and based on the theoretical foundation of the thesis. According to Johannessen, Christoffersen and Tufte (2011) an interview guide is a list concerning the themes and general questions that should be reviewed throughout the interview. The interview guide was created with the intention of covering the research topic, including details on the themes that posed key questions. The questions, themes and the order (of questions) were created with the intention of asking them sequentially. However, as the interview context often relies on the interview object and the dynamic nature of the conversation – some of the interviews ended up having different sequencing of the questions. The same questions were asked all informants in order to be able to cross analyze the answers. The informants were allowed freedom to express their points of view on their own premise, which was regarded as a key factor as the study aims to understand the informants' evaluations and choices. The interview guide was paper based. However, because of the dynamic nature of interviews there may be a need for open questions and discussion that may deviate from the guide – one should therefore record and transcribe the interview to obtain an optimal background for the analysis. Thus, audio recordings were utilized under the duration of the interviews. The informants were questioned whether it was okay to record the interview and was assured that all data would be handled confidentially and deleted when the thesis was delivered.

4.6 Transcription and data reduction

Before the researcher decides which approach to utilize, the researcher must choose how they want to read the qualitative data that has been gathered. The reasoning is that it will impact how the data should be organized and divided (Johannessen, Christoffersen, & Tufte, 2011). Many qualitative studies collect audio- or visual data that often is transcribed to a written form for further analysis. Transcription involves close observation of data through multiple takes, which is the first step in data analysis. It is often regarded as an easy and straightforward technical task; however, it implicitly includes an evaluation of what level of detail that should be encompassed in the study. In this thesis five interviews were conducted

with five informants in various settings. There were also follow-up conversations either in person, on the phone or via e-mail. Each of the initial interviews lasted approximately thirty minutes. The audio recordings were transcribed. During this process it was further evaluated which information that would be fruitful for this study. These data were then developed through data reduction.

4.7 Analysis of the data

This paragraph will account for the choice of analytical methods. It will go into detail about the process of data reduction, coding and the analysis itself.

4.7.1 Data reduction

Data reduction is a form of analysis that sharpen, sort, focus and organizes data in such a way that “final” conclusions can be drawn and then become verified (Johannessen, Christoffersen, & Tufte, 2011). In this study, it was chosen to reduce the qualitative data material with a cross-section-based data reduction and a categorical separation of data. The cross-selection-based data reduction (also known as cross-case analysis) involves grouping similar answers from the informants from the interviews and observations (Johannessen, Christoffersen, & Tufte, 2011). Through this, the similarities and dissimilarities between the informants were categorized through inductive coding. The interpretive reading strategy, where the researcher utilizes what they believe the data represents and entails, or what the researcher believes they may extract data from (Johannessen, Christoffersen, & Tufte, 2011) were used in this study. The transcription and data reduction provided good and transparent data, which helped identify significant links relevant for the problem topic.

4.7.2 Validity and reliability

Easterby-Smith, Thorpe and Jackson (2012) states that the objective of a study is to attain results that are not everyday theories or general assumptions where the researcher attributes and appropriates characteristics to phenomena and humans. Based on this, it is important to communicate the definitions of the validity, reliability and generalizability. According to Easterby-Smith, Thorpe and Jackson (2012) these concepts have different meanings within the different epistemologies. Thus, the criteria of which we rate the research on will differ. As

the pragmatic approach of this paper is within the social constructionist, the credibility of the paper will be measured against the criteria within the social constructionism. This chapter will account for the validity and reliability of the paper.

Johannesen, Christoffersen and Tufte (2011) point to the validity as a requirement of quality, even though it does not need to be perceived as something absolute. The validity of a study measures whether the study was able to measure the intended phenomena (Zikmund, 2000). Dahlum (2018) states that validity concerns itself with the degree of the results of an attempt or a study one can draw valid conclusions concerning the topic that was intended to research. If the collected data were showing signs of large gaps and no causality, it would be natural to consider whether the study itself is valid. According to Johannesen, Christoffersen and Tufte (2011) there are different forms of validity; construct-, internal-, and external validity.

The concept of construct validity explores the relationship between the phenomenon in question and the specific data collected. Examples of this include questions like; are the data acceptable, i.e. valid? Further, are they representative of the phenomenon in question. The operationalization of the variables is first and foremost based upon common sense, which is known as face validity in the research community. Additionally, it includes the theory and previous research (Johannesen, Christoffersen, & Tufte, 2011) related to business relationships, commitment and culture. The focus on the theory and previous research has been held high by the author as the paper is written individually, and therefore is a creation of one mindset. The fact that the dissertation is created individually, can make it a bit more difficult for the author to review whether the correct routines have been followed – therefore, there has been a high focus throughout the research period to hold high research standards and follow ethical practices. Based on this, the author believes that the indicators and the variables chosen for this thesis are suitable for this study and phenomenon. Related to this is the concept of inter-subjectivity, where colleagues and informant have provided feedback that the concepts explained from the paper and the interview guide seemed meaningful and inherent to the research (Jacobsen, 2005). From a constructionist point of view, the concept validity is reflected by the diversity of the paper, as the informants all are from different sub-industries within the petroleum industry, and that the expert interviews contribute with considerable experience and an additional perspective.

Johannesen, Christoffersen and Tufte (2011) defines internal validity as “the concept of proving causation in the study”. Being able to validate correlation within a study is highly vital, as covariance is not necessarily the same as correlation. In order to assure the internal validity of the thesis, one must systematically minimize the chance of bias or error. Jacobsen (2005) points to three requirements that needs to be in place to validate causation: (1) that the cause precedes the effect in time, (2) that the cause and effect are related, that is the covariation, and (3) that there are no other reasonable alternative explanations for the covariation that is observed. This can be difficult to measure in this study, as it aims to explore the “role and importance” of elements of business relationships, and thus inhabiting an underlying assumption that the phenomena of culture and commitment are intrinsically present in a business relationship.

External validity, however, measures the degree to which it is warranted to generalize results to other contexts. As stated in the limitations, this study aims to study the petroleum industry as the sector have some characteristics that cannot be generalized to other sectors. It also requires a heterogeneous population to be quite similar in order for the generalization to be feasible. Another consideration is that the study will be valid for Norwegian – U.S. business relations and cannot necessarily apply to other nations.

The reliability of the paper concerns the trustworthiness of the gathered data. Johannesen, Christoffersen and Tufte (2011) defines reliability as the precision of the study’s data, what data that are utilized, the way the data is collected and how they are processed. The method the study is conducted, as well as the data collection and the analysis may alter the results if they are not conducted properly (Jacobsen, 2005). In qualitative research, there are many factors that influence the study, and thereunder the data collection process. The setting of an interview, and the fact that they have to provide informative answers, can often influence the interviewees in a negative manner. It has been shown previously that this type of setting may contribute to unwanted stimuli in the form of the informant behaves unnaturally – which in turn can affect the answers and the reliability of the study. To attempt to combat this effect, the author attempted to steer away from leading or aggressive questions, while at the same time staying interested and attentive. One cannot neglect the context of the interviews, as

different contexts makes people behave differently (Jacobsen, 2005). Most of the interviews were conducted at the workplace of the informants, as it is an environment where they feel comfortable, and thus can create a better atmosphere for the interview. However, due to scheduling difficulties and follow-up questioning, some interviews were held via Skype, and some follow-up emails were exchanged. All of the interviews and follow-up communication transcribed was saved as soon as possible after the interactions in order to register the data correctly. One common method to ensure high reliability is to conduct new tests on the same informants at a later point in time (Johannessen, Christoffersen, & Tufte, 2011)– and if the data indicates the same factors, it points to high reliability. This was not prioritized due to the time constraint of the study and the difficulty of creating the same environment for new interviews.

4.7.3 Primary- and secondary data and literature review

The basis of this study is in the primary data collected through the interviews. Secondary data was also utilized in the form of studies from the articles referenced in the theory chapter of the paper. The process of the literature review has been an ongoing process which started with a systematic process where theories and relevant rapports were selected by certain set criteria. At a later point in the study an abductive approach was used, where more theory was added.

4.8 Research ethics

Ethics deals with the guidelines, rules and principles for judging whether actions are good or bad. Research ethics concerns itself with the same principles within research. Problems and ethical issues often occur while researching humans, as it may affect them in manners that are unfair or uncomfortable. In this study, the data collection aspect involved external actors, i.e. the informants.

Concrete examples of measures that were utilized to prevent any damage to the informants and the study included letting all the informants know that they have every privilege and right to withdraw from the study at any point in time. An introduction to the topic, as well as the intention and goals of the thesis was given to the informant, verbally, prior to the interview to

prepare them for the process. The information about the anonymizing and keeping all data confidential to ensure privacy to the informant was given prior to starting the interviews.

Finally, the integrity of the researcher was also held to high standard. As all research should be open, all answers and data were collected even though they did not necessarily fit with the rest of the data.

4.9 Strengths and weaknesses with this study

As the author is quite new to creating and implementing studies, sticking to one method seemed like a smart choice, as attempting to do too many things at once can be difficult when you are quite unexperienced. Easterby-Smith, Thorpe and Jackson (2012) points to the fact that using several research methods may contribute increased credibility, as the researcher can use the data to crosscheck the results. However, it is also worth noting that using one design may create analyses that go deeper as it allows the researcher to have the entire focus on the method.

4.9.1 Limitations

The thesis is limited to study business relationships, and thereunder relationship commitment and business culture within the petroleum industry, in the context of Norwegian and American trade. Furthermore, the study does not consider external influencing factors that can be difficult to adjust for, like political and global economic factors.

Choosing varied cases in company size, business area within the sector, genders and age has been important to secure the validity of the case – however, it may not be representative for the entire industry, but rather give an insight in how the problem topic is answered within these cases. Case studies often create their own limitations, as the choice of cases often tend to be subjective and thus, the author's interests, contacts or time limit may influence it. In this case, it was limited to a "narrow" group of people that reside in Houston, work within the petroleum industry and has a Norwegian citizenship.

The selection of interviewees is limited to five people, and consequently this is not a statistical analysis. Thus, this dissertation has utilized case study approach to research the influence of the given factors and highlighted commonalities. Using a limited selection allowed evaluation of every interview in close detail. However, as it is a small selection of informants, it is difficult to argue that these individuals are representative of an entire industry. The petroleum industry is very broad, with sub-industries that range from software, to drilling to Human resources and marketing, thus it is difficult to generalize all of these sub-sectors. Further, it must be acknowledged that the individuals may have different understanding of the terms in question, how they actually influence the relationship and whether their view is representative for the entire business.

Due to the limited number of informants the findings in this study should be not be seen as firm conclusions suitable for real life application without caution. However, the population is well suited for supporting the task of preparing a thesis.

5 Findings

This chapter will present the findings from the conducted interviews. The data represents key indicators concerning commitment, culture and business relationships between Norwegian and American petroleum companies. The gathered data will be compared and measured up against each other. There are cases where the data does not match – thus, I have tried to use the rest of the data to explain these phenomena, where necessary. The findings are analyzed with the research in mind.

How does commitment and business culture influence business relationships between Norwegian and U.S. petroleum sector companies?

Based on this, these related sub-questions were created:

- Does the Norwegian petroleum industry systematically value commitment in their business relation with the American petroleum industry?
- Does the Norwegian petroleum industry systematically value business culture in their business relation with the American petroleum industry?

- How does the Norwegian perception of American petroleum businesses fit with the business culture diagrams from Hofstede?
- Which business culture factors does the Norwegian petroleum industry find most important when dealing with U.S. companies?

The findings chapter will cover the four sub-research questions in turn. First, the two questions concerning how Norwegian companies' value commitment and business culture will be reviewed. Views from the informants will be presented and reviewed against existing theories. The question regarding the Norwegian perception of the American petroleum business, and how it fits into Hofstede's business culture will then be reviewed. As the petroleum industry is known for being multinational, a review of Hofstede's dimensions will be made from a Norwegian point of view. Sub-question four, regarding what business factors Norwegian companies find most important while dealing with U.S. companies will be reviewed. This part will examine the cultural factors that Norwegians have found to be crucial when doing business with American petroleum companies.

5.1 Value of commitment on business relationship

The following research sub-question is discussed in this paragraph:

- Does the Norwegian petroleum industry systematically value commitment in their business relation with the American petroleum industry?

When speaking to the informants about how they initiate a relationship with new partners, the networking arena was mentioned as one of the most important places to be for newly established or small-to-medium companies. The networking arena, together with introductions from other connections, were touted by the interviewees as the preferred way for companies to create new connections. Especially the networking arena was an instrumental part of building relationships and creating rapport. Americans' value their networks and consider it a crucial aspect of business as they believe it creates value for themselves as well as their company, stated one informant. Americans' openness to meet potential business partners is reflected in their large participation in networking events and considerable time spent creating and maintaining relationship. Three of the informants said

that networking events were an important part of their everyday work, as they provide a meeting place for potential contacts.

Three of the informants noted that the Americans had quite different approaches to networking. Examples of typical networking-events that were mentioned were seminars, presentations, parties (in conjunction with business events, e.g. trade shows). They all noted that the networking was a bit more “strategic” among their American counterparts. Whereas most of the informants were familiar with the networking arena, the determinedness and aims of the Americans surprised them. Two of the informants said they would usually chat to a person in their proximity or a semi-acquaintance at those sorts of events back in Norway. Two of the informants stated that they would try to meet some new faces each time, however, not necessarily anyone “important”. These two informants also stated they had a relatively easy time “converting” to, what they described as the typical American format of networking. From the interviews, it was gathered that Norwegians find that Americans definitely put more emphasis on networking and are more direct in who they are interested in meeting and what they want out of it. One informant said that they had experienced that a person they were chatting with would abruptly excuse themselves to go talk to another important figure that came into the room. Most of the informants echoed the fact that they experienced networking arenas as more strategic, and that the Americans acted like they had a goal for the event. The informants said that they had all become more conscious of networking events and arenas, as that is a way to connect with future important contacts.

Though these networking events often work as relatively casual forums for building relations – they do require a considerable effort to establish a relationship. All informants were clear that though the initial meetings at networking events etc. would be beneficial in order to create a connection – it also required care and attention to further develop these bonds. Important clues like sending an email the day after the initial meeting, follow-up phone calls and lunches were emphasized as things that could make or break a potential relationship. One informant said that “if you miss sending that “hello”-email you promised, and the other part does not hear from you quickly, they will disregard you in the future, as you have shown that you are not reliable.

Two of the informants referred to the six-month rule from the initial meetings to the point where it becomes a “real” business relationship. In this six-month period, the buyer must send an email or call the seller to “touch base” and arrange meetings to get to know each other better. Examples of meetings informants mentioned included lunches and dinners to make it more informal than traditional business meetings. Aspects like these are a part of the informal “formalities” that Americans expect from potential partners. A recurring theme from the interviews, was that there are a lot of unwritten rules and codes that are expected to be followed, that are difficult to understand for outsiders, i.e. not Americans.

When asked about when the business part of the relationship would commence, two of the informants stated that it would require a “vetting” stage, where the participants would get to know each other and their businesses better before it moved on to a contract stage. The informants perceived this phase as quite comprehensive, compared to what they compared to in Norway. One informant said that “that is just the way it is in the U.S., they require more insight and reassurance of the business”. After the initial meeting and the vetting period, the contract agreements would commence. It appeared in the interviews that there were quite a lot of differences between the countries in the way contracts would form. One informant stated “in Norway, there are a lot of standardized contracts, where, if something unexpected happens, you make a call and find a solution for it. In the U.S., almost every possible scenario is covered in the contract – and you never go outside the contract for anything”. This was echoed by another informant that said the process around the creation of the contract was quite different than what they were used to. “The negotiations and all the additional precautions that are included in the contract are much tougher and more specific than we are accustomed to in Norway, in my opinion”. It was derived from the interviews that the Americans would fully hedge their bets, and make sure that they were not liable for any issues that could possibly arise. One informant continued “Americans are very concerned with liability, and the fact that they want to distance themselves from it in all cases”. Liability, and limited areas of responsibility were mentioned as aspects that made contract negotiations and creating deals more challenging. However, two informants said that though there are difficulties drafting contracts with the Americans, it is always an adjustment of working with people in another country due to laws, customs (as in mores) and other nation-specific idiosyncrasies.

One informant believed that in Norway, employees generally have a bit wider mandates and more flexibility to contribute to value creation. Conversely, this was not the case in the U.S. according to the informants, who said that their American partners often had a limited area of responsibility, and that the decision-making would be higher up in the hierarchies than in their Norwegian business counterparts. This would often lead to confusion, and two of them stated that they felt deceived at some points, until they understood the American business hierarchies. An example from one informant was a story of an oil company that they had collaborated with had one of their tanker-ships for service to change the batteries. However, when the ship was returned and supposed to go back into service – the batteries were flat, and they had to be recharged at the service company. When asked why they did not initially charge the batteries, the service center simply said they were not asked to do so, and therefore cannot be blamed for any delays or damages. The informant continued that this would generally not be the case in Norway, as a simple phone call to the customer would be made – or the service company would just go ahead and charge the batteries.

The former example highlights the importance of communication in a business relationship. One of the informants said that in general “Americans need to be told what to do – and they will do it. But they will not go beyond that task, even if they see something else that needs to be done”. The other informants echoed that explicit and clear communication is inherently important in the business relationship with the Americans. This also goes for contracts and verbal deals, as they are the very specified and will explicitly state what each partner is obligated and liable to do. Two of the informants stated that the contract and its content is very specified for each deal, whereas they are more used to “standard” contracts back home in Norway.

Three of the informants emphasized that the concept of trust is different in the U.S. in terms of that there is an intrinsic “disbelief” in everyone. Compared to Norway, where four of the informants stated that they believe that people in general are trustworthy, and one informant pointed out that he believes there is a truth to the phrase “everyone is innocent (i.e. honest and trustworthy) until proven guilty”. This was echoed by the two remaining informants, where they stated that the industry is smaller in Norway, thus it is easier to gather information concerning a potential partner, as you might have heard of them earlier, or you know someone

who has done business with the potential partner. All informants agreed that it was more challenging to build rapport and do business with unknown partners in the U.S. than in Norway, due to the “due diligence” process that occurs before they can do business. One informant stated that he felt that the American society in general does not operate in the same trust-based culture that he was accustomed to in Norway, and that this really translates into the business culture. He gave examples from everyday life, where you would not necessarily stop for someone in a car accident, as it might be a ruse to rob you. The informant mentioned that he sees this mindset integrated in the business culture, as their American counterparts assures and take precautions at every step to proceed without possible future damages, liabilities or similar. Interestingly, one informant believed that there did not have to be a “personal” kind of trust, where you believe the other part will act in your best interest, but rather a “gentlemanly” type of trust, where you are certain that your partner will uphold their part of the agreement or contract.

Another informant said that their impression was that Americans place a larger value on their time, and how they spend their time. For example, leaving work to speak at a conference is considered a larger cost, than it would be in Norway, and represents a gesture of goodwill for Americans. The informant followed with the notion that there had to be a mutual level of favors for each other – and that the Americans would be more inclined to say no if they felt that they did not gain value from the relationship. While the informant noted that the same to some extent could be the case in Norway, she experienced it to be “harsher” and more direct in the U.S.

When prompted about whether it was difficult to create long-lasting relationships, most of the informants said that they felt that it was harder than they were used to in Norway. One informant believed creating relationships was more difficult than necessary because he did not have adequately cultural training on how to overcome common obstacles and how to “blend in” with the Americans. This was brought up by yet another informant, that it would have been nice to have some cultural training, concerning expectations, small unwritten codes, and how to act in different business situations. It was gathered from the interviews, that though many had significant experience in doing business abroad, it became increasingly difficult when you were based out of your home country and were doing business on foreign “turf”.

“The feeling that you are on someone else’s turf, could sometimes lead you to feeling like an underdog” said one informant. He explained that the different “alpha”-mentality in the U.S. also contributed to feeling like an underdog sometimes.

Other aspects that were mentioned when asked about difficulty of creating relationships were that the market in the U.S., and especially in the Houston area, as the area has so many different vendors. The high concentration of companies within the same business creates competition and difficulty to get noticed as a small or medium firm. Another comment from one of the informants suggested that there is tough competition among the smaller firms to get noticed by the big companies like Schlumberger, Exxon, Shell, BP or Equinor. The power imbalance between small companies and these conglomerates would often affect the level of trust, as small companies often would go far to please the large business, as it adds authority to their resumes to have worked with them, said one informant. Interestingly, one informant stated that Norway is regarded as a leading nation within the petroleum industry in terms of technology and safety, which in turn can open some doors as the Americans have a preconceived idea that the product is going to be of high quality. This was something many of the informants appreciated and considered an advantage.

There were different answers among the informants on whether they were able to achieve commitment at all, due to the nature of their product or services. One of the interviewees said that they inherently focus on creating long-term customers, due to the customization of their products. Other informants said that their products are more standardized, and though they attempt to create long-lasting bonds for re-purchase, they are not as dependent on it as some of their peers. An interesting discovery in the study was that many of the informants said the relationship was important for “getting access” to the partner business and may open opportunities, however, it did not guarantee a contract or a business deal as the businesses are very transaction-driven. All of the informants stated, in various ways, that the Americans’ top priority is creating the best possible deal for themselves – and that business relationship can get you “through the door” as a potential contractor/partner, it will not guarantee you a deal as the best offer will be preferable for the U.S. company. One informant stated that “though we have a very positive history, and a good relationship with trust, I know that I have to deliver the best product at the best price, if I cannot deliver that – I know I will not get the next

contract”. The same informant said that he believes this type of commitment can be a spring board to a “preferred list” that ultimately becomes one of the top contenders for contracts, however, the sellers must be extremely cautious not to seem deceptive as that is a sure way to be disregarded forever.

Continuing on the subject of attaining commitment, an interviewee noted that it is usually easier to connect with someone from the same country as oneself, especially in small countries. Then you usually have the same background, references, and common national values. Additionally, the aspect of language was brought forward by two interviewees. Though Norwegians generally are quite proficient, there are small subtexts that one can miss, and there are different codes and rules connected to the way we phrase things that can be okay in one country, and very wrong in another.

Some of the informants had developed long-lasting relationships with buyers, and believed they had a certain degree of commitment. They were clear on the fact that it almost always was calculative commitment. “The idea of buddy-relationships where you do business with your friends and give each other good deals on the basis of friendship is something I haven’t seen here in Houston” said one interviewee.

5.2 Value of business culture in business relationship

The following research sub-question is discussed in this paragraph:

- Does the Norwegian petroleum industry systematically value business culture in their business relation with the American petroleum industry?

When asked about their shared values with their American business partners, all of the respondents said that had some underlying common aims with their American partners such as independence, equal rights and progress. It was derived from the interviews that the Norwegians themselves valued aspects like: cooperation, consensus, informality and humility. Further, there was a general consensus that their experience of Americans displayed some

conflicting values such as materialism, competition, different attitudes to work and leisure, and a strong achievement orientation.

When discussing whether they were accustomed to an achievement orientation or not, most informants argued that that way of business is quite strong in the U.S., but also that some of the traits are important in Norway as well. Traits that were mentioned as commonalities between the countries included responsibility, high standards, constant learning and positivity. One informant believed the main difference was the leadership, and that his experience of it was that there is stricter leadership in the U.S., whereas in Norway there is a softer approach where the individual has more freedom, and in turn accountability. Another informant noted that in the petroleum industry, both Norway and the U.S. place high importance on safety and quality, and that he believes there are many commonalities due to these two main objectives.

The informants all believed that independence was an important factor for both nations, four believed that there was more independence within Norwegian companies, and that there were looser restrictions to what an employee had a mandate to do. One of the interviewees stated that he believed he had a “looser collar”, and that he was left to execute a task the way he felt was best, whereas his American counterparts would often have a set way to do a similar task. Another informant stated that independence was a major factor that both cultures valued, however, that they had different interpretations of it. She believed that Norwegians have more expectations to be left to their own and handle tasks the way they deem best, without strict guidelines from their superiors. It was derived from the interviews that the Norwegian perception of the Americans have a lower degree of autonomy, and that they are more boxed in, in terms of executing their jobs in certain ways.

One aspect that was mentioned throughout most of the interviews was the concept of liability, and how the Americans tend to make sure they are not liable for damages, faults or other issues that may arise. Though the informants had some different interpretations and beliefs concerning independence, they agreed that this was an important factor among their Norwegian and American peers, though they perform it in different ways.

Concerning meetings and creating agreements and contracts, the informants all agreed that whilst there were many similarities, the Americans had a couple of “quirks” that they had to become accustomed to. One informant said that their American counterparts to a larger extent needed to hedge their bets, in terms of ensuring that they have the proper allowances and mandates to make decisions from their superiors. Another informant said that she had experienced the same thing, often in meetings and contract discussions, and she had the impression that unless you were a member of the management, you had a very limited mandate to make or alter agreements without permission from your immediate superiors.

When prompted about equality and equal rights, the opinions were split among the interviewees. Two of the informants felt that the Americans had a more progressive attitude towards equality and would always hire the most competent person for the job, no matter gender, sexual orientation, or ethnic origin. Another informant stated that when a person in an American company is hired for a position, they are automatically considered the best person for the job, both internally and externally. On the other side, one informant believed that Norway used an equally important approach with affirmative action, where e.g. the board of the company should have gender quotas, or that a company should strive to be inclusive and diverse when hiring and creating teams. Nevertheless, all informants believed that equal rights were cornerstones of both cultures, though it was executed in dissimilar ways.

Progress was considered a common goal by all of the informants. All but one agreed that both countries were rather short term oriented and were working towards goals that were reached within a rather short timeline, i.e. within a year. The Norwegians believed that both countries had deadlines and requirements, either to their managers or stockholders, that they were responsible to accomplish. Three of the informants stressed that cooperation was an integral part of their companies and their jobs. Two other informants said that they valued cooperation, at that it was a large part of how they worked professionally – and that they felt that it provided good results. The final informant stated that it was a part of the root of their being, and that the community in the workplace, with their coworkers and partners were very important. All agreed that cooperation was an important part of most Norwegian businesses, and that they all had experiences that this was something that all of their employers valued, both currently and in previous companies.

The concept of cooperation among the Norwegian companies led to a conversation about consensus within the organization. All informants agreed that consensus was another important concept within Norwegian companies. The idea that employees should be heard, acknowledged, and to find a solution that “works for all” is important in businesses, both in small and large enterprises. The interviews reflected these topics, and the informants had different accounts of how it was important to find a mutual agreement within the firms, and to respect and acknowledge ideas and insights. One informant stated that the idea of consensus is not only limited to Norwegian business culture – it is very much inherent in the national culture, and people generally aim to find mutual grounds, rather than the most “powerful” or “important” to decide.

From the interviews, it was gathered that consensus was tightly knit together with the idea of community and cooperation. One informant believed that this might have a connection with the general agreement in Norway that people have the same value, and that every person in the hierarchy is an important tool to success. He also attributes this to the flat structure in Norwegian companies. The flat structure in companies was something all the informants stressed as one of the major differences between the U.S. and Norway. The fact that Norway utilizes a model with a rather flat business structure, whereas the U.S. executes a stricter hierarchical model was considered a universal fact among the informants.

Informality is another key aspect of the Norwegian business culture. Two informants pointed to the way people address each other and colleagues, usually on a first-name basis. Other things that were pointed out was the “open-door policy”, even at top management, casual dress codes and informal ways of communication. Humility and staying grounded are two other factors that are intrinsic within Norwegian business culture. One informant said that this caused a clash when he started working towards American partners, as he experienced the Americans are “braggy” and to some extent conceited. One person mentioned the “Law of Jante” code of conduct which denotes the condescending attitude towards ambition, success and individuality. However, the rest of the informants said that they, in a way, expected the Americans to act as they do – as that is the general perception they had about American business culture before they arrived to the U.S. Two of the informants said that they believed

themselves to fit into this culture, as they were a bit “un-Norwegian” and leaned towards the American side. Though, one of them noted that in general, Norwegians tended to be more reserved and under-selling themselves whereas their American counterparts would do the opposite.

All of the informants informed that they all felt a degree of compulsion to comply to these American standards. One informant reasoned that they felt that they were visitors in the U.S., and thus felt like they had to conform to the American standards. Another informant disclosed that he tried to focus on the common values and felt that his “Norwegian” values did not always fit into the American business environment.

When asked about the degree of importance they put on business culture, all informants said that they either put medium, high or extra high importance on it after living in another country. “Whenever you do business in another country, you will always be an outsider, and to walk in and expect them to convert to your methods is not only stupid, it also shows very little understanding of business across borders” said one informant. Another informant stated that “being able to understand some of the top layers of the business culture is integral to whether you can make or break it in the U.S. Of course your product is important as well, but if you don’t understand the relationship building or the way contract negotiations go – you won’t make it for long”. The other informants echoed similar statements and put emphasis on taking the time to learn and adapt to a similar, but dissimilar culture and its mores and rules. Interestingly, all but one of the informants said that they had not received any cultural training before they were deployed. The one who had received a course, said that it was “a bit superficial, and made the similarities between Norwegians and Americans very prominent, and almost ignored the (large) differences”.

Two of the informants said they wished there had been either briefs or a course before they began their new jobs in Houston. Both explained that they were experienced leaders in Norway and had on many occasions done business with companies based all over the world. Derived from the conversations, it did not seem that the head offices back in Norway placed a high emphasis on cultural training, and that this was missed to an extent by the informants.

One informant noted that it was integral for him to integrate himself into American business environments, and to steer away from the Norwegian crowd. He believed that him being able to immerse himself in the American culture allowed him to see some aspects that are not clear when he was attending what he referred to as “Norwegian events” (i.e. events held by Norwegian American Chamber of Commerce). Other informants noted that exchanging ideas and questions with other people in similar situations often were of help, as well as “allying” themselves with a couple of Americans in order to get some informal tips on how to best succeed culturally.

Most of the informants said that they were prepared for there to be some cultural differences, and that they had to adjust certain aspects of their business conduct. However, approximately half of the informants said that the differences were more significant than initially expected. One informant said it took him a good six months to understand the importance Americans place on formalities. He also revealed that he misjudged informal interest in his product to be serious interest, and was often left disappointed when it did not work out to become a deal. Two of the informants said that their deployment to the U.S. had made them place larger focus on how to succeed and overcome the obstacle of cultural differences in the future. One of them recognized how he had wasted time trying to approach businesses the way he was used to from Norway, but with limited luck. This changed dramatically when he adapted to the American way of business.

When asked about how they value culture as an aspect of business compared to before their departure to the U.S., all of the informants said that it had changed (in different extents) to placing a larger emphasis on the topic. The informants shared sentiments in the like of “I didn’t place much emphasis on it before, unless I was doing business with a non-western business. However, this experience has made me realize that there are subtle, but sizeable cultural differences that needs to be managed”. Though many of the informants said that they had to spend some time “getting into” the American culture, none of them said that this is one of the key aspects they are focusing on in terms of business development. “We still try to focus on product-, technology- and business development first, as without this we would not have a product worthy of creating a cultural strategy”. From some of the explanations given by the informants it seemed like they were quite positive to adapt to the American business

culture, however, it did not seem as they put a lot of thought into it – rather that they just tried to blend in and adapt gradually. One informant said that “I didn’t necessarily think that I had to change my business culture specifically, it was more that I realized that I got better results when I adapted and acted the way the Americans do – there was no specific strategy concerning culture, it was more a “learn as you go” scenario”. The “learn as you go” method seemed to be the most utilized by the informants. None of the informants mentioned books or courses as reference material for adapting their business culture, other than the single informant that had an orientation about the U.S. before he left Norway. Interestingly, one informant said that they would like to bring home some of the insights from their experience working in the U.S. so that the organization can learn from their experiences overseas.

5.3 Norwegian perception of American petroleum businesses vs Hofstede diagrams

The following research sub-question is discussed in this paragraph:

- How does the Norwegian perception of American petroleum businesses fit with the business culture diagrams from Hofstede?

5.3.1 Individualism

All the informants agreed at least partly that the American business culture was highly individualistic. One informant stated that “the U.S. is almost like the poster child for individualism and focus on the individual”. Another said that “the primary focus for Americans is on achieving their own objectives”. The notion that their American counterparts will “have their own back first” was a topic that was present in almost all of the interviews. One informant theorized that this might be because there is a high level of competitiveness, lower level of trust, and that makes the Americans more inclined to cover their own bases first, before they would do anything for someone else. Sometimes the individualism would approach extreme levels, as one interviewee said: “they won’t necessarily salvage a problem that will go wrong, if it won’t have any negative consequences for them – they may even consider it a good thing because their superior might be fired for it and that may lead to a better position for them”. This was one of the most extreme cases that the interviewee had seen, and he believed those attitudes could probably be experienced in Norway as well. Nonetheless, he believed that no one would explicitly state such attitudes in Norway – and that it is socially acceptable to be more individualistic and borderline selfish in the U.S. due to

their “you make your own fortune”-attitude. One informant said that though their American business partners will make individualistic decisions, i.e. decisions that will be of gain for the individual, this is not necessarily the case in their personal lives, where they might be more devoted to groups.

The interviewees also experienced many business culture similarities with the Americans. One of them is the “let’s get down to business”-attitude, where the tasks in question will be more important than further relationship building and relationship maintenance. Three informants stated that the common focus on results made it important for both cultures to focus on the task in hand before they spent time socializing etc. One mentioned that both the Americans and the Norwegians were happy to celebrate or do a social event as long as their tasks were executed and finalized. Another topic that was mentioned from one interviewee, was the fact that communication-wise, “what you see is what you get”, that is, the Americans are direct and there is usually no need to read between the lines of what is stated. There was a consensus among the informants that this was very similar for both Norwegians and Americans. Though it was noted by one interviewee that Norwegians could be “too direct” sometimes, especially concerning bad news and problems. Most informants agreed that in terms of hiring, promotions and decisions are mainly based upon merit or evidence of success, rather than on social status or family connections. One informant mentioned that it occurs in both countries that people are awarded promotions or positions due to their personal ties or status, however, those were the exceptions and generally not the rule.

One informant highlighted the fact that Norwegians tend to have higher expectations concerning paid vacation, sick leave, and other employee benefits. Another informant believed that Norwegians are more accustomed to the employer taking care of their employees, especially in difficult situations such as health problems or other personal issues. Most of the informants agreed that this was different in the U.S. where benefits are highly appreciated, though not expected.

5.3.2 Power distance

All the informants recounted different versions of the fact that the hierarchies are much stricter in the U.S. than in Norway. Three informants pointed out that they perceived the power structures in Norway as very flat, while the other two said the Norwegian hierarchies are much more relaxed and informal. The structure in the work place in the U.S. differs from Norway in many ways, which many of the informants found surprising. One informant pointed to the subtle differences, like the fact that you are supposed to wait until the boss arrives to a meeting before you sit down. The informants claim that the U.S. managers and leader have large amounts of authority, and their choices and opinions will usually not be questioned by their subordinates. While all informants said that the decision-making process is more “democratic” in Norway, where many people, independent of their title and position, are often involved. One informant pointed to the fact that he was used to challenge his boss in Norway, however when he questioned an American partner the same way, they specifically told him that such a thing was unacceptable in the U.S.

Another aspect regarding the power distance and structure is the differences in areas of responsibility. The informants all told different versions of the fact that the employees in Norway usually had larger areas of responsibility, and more freedom in their positions. In one of the interviews, the informant explained that Norway has a culture where you are “allowed” to do mistakes as long as you learn from them and try to make it right the next time. However, in the U.S. you have smaller responsibilities, and therefore are inherently responsible for your area. Another informant believed that the different attitudes towards responsibility reflected differences in the legal systems. In the U.S. you are often liable if something goes wrong and lawsuits occur quite frequently. Further, in these cases where an employee in the U.S. has stepped out of his area of responsibility, they might be fired or deemed liable for potential damages. Conversely, the informant stated that in Norway the collectivistic attitude within a firm often embraces the employee who has made an error.

In regard to the power distance, most of the informants told different accounts of the deceptively formal informality. While almost every informant thought the business relationships were informal and casual initially, they were all surprised to find that there are many underlying expectations in a relationship, which usually remains unsaid. Examples from

the informants include etiquette in the work place, where one of the informants had become aware that Americans never sit down before their leader had arrived, and that the boss were to sit down first, and always at the end of the table. Another example includes the expectations throughout and after a networking event.

5.3.3 Masculinity

Two of the informants affirmed some form of the saying that “you can become whatever you want as long as you work hard enough for it” and described it typical for the American business culture. The notion that working hard and making the right decisions, will pay off is intrinsic within the American culture, including the oil and energy industry.

The masculinity in the American business culture is also prevalent in the stakeholders and the stakeholders’ expectations of the business. One informant stated that his experience with the American firms versus the Norwegian ones, was that in the U.S. there was a higher expectancy on employees and management to deliver results to the stakeholders and provide returns at the end of the year. Whereas, he had experienced that the Norwegian firms in the same industry had held back the surplus in order to spend the money on research, development, or employee remuneration. One informant used a Norwegian firm he worked for as an example. The owner had never taken out any dividends as he wanted to let the firm grow. The informant believed this illustrated some of the distinct differences between the business culture in the two countries. He further elaborated that from his perspective in the U.S. “there is always someone who is at the top, and who you are held accountable to. You have to deliver results to the management and dividend to the shareholders – and if you don’t, that reflects poorly on your performance”. Another informant said that it seemed like the U.S. are more achievement oriented, in terms of having to perform at your top level all the time.

The perceived masculinity is also reflected in their attitude to failure, where three informants said that they believed there is a larger margin for error in Norway, and you can be “allowed” to fail if you learn from the mistakes and try to find a remedy for it. When asked about the differences in the approach to failure, all the informants believed that there is a lower level of accepting failure in the U.S. Two of the informants mentioned anecdotes where they had

heard or seen qualified and talented people lose their jobs over relatively insignificant errors. Some informants also mentioned the fact that the labor laws in Norway vs the U.S. are quite different, and that they believed Norway's laws protects the workers to a larger extent than the U.S. However, one of the informants specified that there are large differences between working in Norwegian state-owned companies such as, Equinor, and private businesses with respect to terms of dismissal. The public sector, especially in Norway, have stricter regulations in terms of laying off employees. Other things that were mentioned in line with the labor laws, included such factors: as the volatility of the oil and energy business, the large influx of workers from all over the world that have the necessary qualifications, and that the labor market in the U.S. favors employers over employees.

Competitiveness, strength and power are all traits that the Norwegians believed their American counterparts inhabited to a large extent. Showing strength and power in business relations were relatively prevalent according to one informant. He said that this especially shines through in contract negotiations and other meetings where you are trying to find common ground. Two of the informants mentioned contract negotiations as challenging the first time they were exposed to it, and very different in the two countries. Both believed Norwegians were willing to give away some aspects of the agreement in order to be deemed as fair and in return get some goodwill, whereas the American style of negotiating is very direct and uncompromising. One of the two said that the Americans were aggressive and assertive in their negotiations. He found it difficult to combine this attitude with his desire to find a fair agreement for all parties involved". Another informant reflected on the fact that Norwegians doing business in the U.S. may be considered "a bit naïve".

When asked about masculine traits that the Americans inhabited, materialism and self-centeredness were amongst the most frequently mentioned. "It seems like the Americans have a much larger "treat yourself" culture, and that flaunting wealth is more publicly accepted over here". This was echoed by three other informants, who said talking about money and wealth is more accepted, which they thought differed quite strongly from Norway. Another informant mentioned an example of a restaurant in downtown Houston, where certain parking spots needs to be reserved for their richer customers, as they will only stop by if their expensive car can be parked in a prime spot where everyone can see it and observe who walks

out of it. One informant believed this was tied in to the “ego”-culture in the U.S. Two of the informants said they perceived the Americans as self-centered, and that their focus was to ensure they came out well in every situation.

5.3.4 Long-term orientation

Through the conversations with the interviewees it was derived that the Americans had a strong perspective on short-term goals. The interviewees highlighted that the Americans placed large emphasis on aspects like quarterly and yearly results and periodic reports. One informant said they often had experienced their American peers trying to “close” a deal ahead of the quarterly report, so that it would count towards their quota (or similar type of measurement). Derived from the conversations with the informants, business deals were often seen as very lucrative and positive if they could provide instant gratification. Two of the informants said that they believed Americans will favor a good deal before a good relationship, as there is an immediate gratification in the good deal, compared to the relationship.

“Though Americans are very respectful and courteous of their managers and people with important positions, there is still a belief in the American culture that everyone is born the same” said one informant. The informants were all in agreement when they said Americans themselves believed that most people with important roles or titles are just “regular” people who worked their way up the system.

Saving face is a concept that is quite prevalent in the American business culture according to the informants. Being able to be clear they’re not in the fault is important to Americans. Two of the informants linked this to the liability aspect in American business culture, as well as the overall perception of the individual and business. One informant told a story of how important it is within the American business culture to appear as you are successful and that you have no apparent faults. She referred to how she knew that many workers who had been fired from their company, would rather be referred to as retired or as an independent consultant – rather than to admit that they are temporarily unemployed.

5.3.5 Indulgence

The topic of indulgence was not emphasized through the interview guide, however, throughout the interviews, some statements that touches on the topic were discussed. Two of the informants believed that most Americans pledge to the “work hard, play hard” mentality. Three of the informants said that they notice that Americans are very good at separating between work and free time, i.e. that they are good at spending their free time having fun and rewarding themselves for the hard work. As one informant noted “there is very much separation between the weekdays and the weekends. Everyone works hard and put in the hours during the week, but in the weekends most people will treat themselves doing what they prefer”. He continued that “back home, we are more accustomed to going to dinners in the weekdays, and doing social things we enjoy throughout the week, instead of saving it until the weekend.

Another aspect of indulgence is happiness in the workplace. Three of the informants said that they had the understanding that Americans are more likely to leave a job if they are not feeling fulfilled or happy with their position. Though, one person noted that this was also dependent on the conjuncture of the petroleum industry – a person who is mildly dissatisfied with their job is not very likely to quit if there are uncertain times ahead. Other ways the Americans showed indulgence included their focus on freedom of speech and personal control. Though some of the informants noted that this was not as imperative in their business lives, it came through in their personal lives that Americans believed in being free with their rights and opinions.

5.3.6 Uncertainty avoidance

Three of the informants said that they experienced their American peers as unafraid and tolerant of uncertain situations. One informant said that he felt that the Americans were good at handling unexpected situations and could adapt to new environments with positivity. However, he noted that this was not necessarily true in the context of negotiations and when discussing issues that needed “go-ahead” from higher up in the hierarchy. The “laissez-faire” attitude they can exude is more fitting for social situations, as they are great at small talk and

general politeness, however, with large changes to things they deem as very serious or of high importance, they are less optimistic.

One informant believed some of the background for their mix of positivity sometimes being reluctant to uncertainty, could be the dynamic of the petroleum industry itself. He described the industry as “conservative, yet innovation-driven” and further told that the industry is known for being adaptive and technology focused while still being quite masculine (in terms of a high men-to-female ratio working in the industry).

Another topic that was brought up was attitude to rules and how strict they were. The respondents had mixed opinions on this topic, as some believed the Americans followed strict guidelines within their positions and had limited areas of responsibility, whereas other informants believed that Americans had an adaptive mindset and were innovative in finding solutions that could work within the guidelines of rules. One informant said the attitude for adhering to rules varied within the different American companies and the individual company culture.

5.4 Business culture factors considered most important when dealing with U.S. companies

The following research sub-question is discussed in this paragraph:

- What business culture factors that Norwegian petroleum industry firms find most important when dealing with U.S. companies

When asked about what aspects of business culture they found most important in the American business culture, individualism, masculinity and power distance were quickly identified by four of the informants. The two remaining informants identified uncertainty avoidance together with masculinity and power distance, and indulgence together with masculinity and individualism as the most important factors.

When asked why they thought these were important, most of the informants said that these were the dimensions that they experienced to be quite different than their preconceived ideas of what it was going to look like. One informant said that he believed these dimensions were the most important due to the fact that they differed quite significantly from his “normal” behavior, and thus he had to place extra emphasis to adjust his behavior to be better suited for the U.S. market.

Four of the informants said the power distance was the most surprising dimension, as most of them believed the American structure to be more “relaxed” than what they experienced first-hand following their arrival in the U.S. One of the informants stated: “it was very interesting to see how important they found power structures, as they can strike you as very informal and low key in certain business settings”. Another informant said: “it is strange to see a country, like the U.S., that is so focused on “all are created equal”, but still adhering to these strict hierarchies”.

Individualism was another aspect the informants found more challenging than expected. One informant said that “the approach where you tend to set yourself ahead of your team for a possible reward was surprising. I believed they would have bigger tendencies towards a collective focus”. Situations where individuals would focus on their own liability, instead of what was best for the community/business was surprising to some of the informants.

Most of the informants felt that the Americans were highly masculine in their culture, referring to the focus on status and materialistic goods that was placed high emphasis on. The competitiveness and aggressiveness in business meetings and negotiations were examples of other things the interviewees mentioned as quite different than what they were accustomed to. Again, these were things that many of the informants were not prepared for. Some of the informants believed that this was an integral part of the culture, and being aware of it, and know how to combat it, i.e. act in a way that you don’t get taken advantage of, was considered crucial.

6 Discussion

The purpose of the study is to map the role and importance of commitment and business culture in business relationships between U.S. and Norwegian petroleum sector companies. To answer this the sub-questions presented in the previous chapter will be answered individually, which will be the basis on which the problem questioned will be answered later in the chapter.

6.1 Value of commitment on business relationship

The following research sub-question is discussed in this paragraph:

- Does the Norwegian petroleum industry systematically value commitment in their business relation with the American petroleum industry?

Dwyer, Shurr and Oh (1987) stated that there is an importance of having an ongoing relationship between buyers and sellers, and that there needed to be a common focus on an ongoing relationship instead of viewing the exchanges as discrete events. This was something all the informants were accustomed to from business in Norway, and they were prepared to build a relationship with their American counterparts. However, it was derived from the interviewees that some of the informants had not quite understood the American “requirement” of how deep the relationship should be, or that the Americans required more trust to be present before they begin the official business transactions. Two of the informants mentioned a “six-month rule” where it would require half a year for a business relationship to develop properly. This was something that not all the informants were aware of, nor used to when doing business in Norway. To some of the informants it seemed excessive, as they were used to an immediate “let’s get down to business” approach.

In regard to Frazier’s framework (1983) he stipulated the benefits of a business exchange as four events: the principal event, the frame of reference, the exchange of the properties, and the evaluation of the deal between the partners. Whereas the informants were quite used to the process of: meeting, finding a common frame of reference, making the exchange and reviewing the deal after, it was a general consensus that this procedure was more time-consuming in the U.S. compared to in Norway. The informants said the second phase of finding a common frame of reference took a significantly more time, as this was the period in

which they would build trust and try to create a relationship with one of the American company representatives. Another aspect that was quite different in the U.S. was the actual exchange itself. The process around the contract creation and negotiations were more formal and stricter than most informants were used to. One informant highlighted the fact that Americans tend to have very specialized and detailed contracts, whereas back home they would be more standardized.

Even though the Norwegians attempted to assimilate and “convert” to the American type of doing business (with their American partners), they did not all necessarily feel that they were able to attain what Arndt (1979) labelled as “domesticated markets”. Informants from the smaller firms believed their relationships with the Americans were mainly on an ad-hoc basis. Others believed they had planned and administered transactions with Americans, though that they were always subject to new approvals, and were dependent upon being able to provide the best product in terms of technology, quality and price at all times. It was derived from the interviews that in case of long-lasting relationship, these had started out as discrete exchanges, and over time developed to a relationship. Interestingly, none of the informants had experienced that the Americans had a relationship-focus from the start, i.e. none of the Americans attempted to form a relational exchange. Dwyer, Schurr and Oh (1987) stated that a relational exchange may contribute to a competitive advantage. The Norwegian were hoping and working towards creating relational exchanges, however, they felt that it was highly unattainable in the beginning of the relationship. Two of the informants believed they had been able to create a form of relational exchanges, as they had repeat customers who they had good relationships with and had done business for a while. However, both were clear that unless they were able to offer the best technology at the best prices each time, they would not be the selected tender.

The relationship development model by Dwyer, Schurr and Oh (1987) argues that there are five general phases that are present in business relationships. The initial phase, awareness is followed by exploration, expansion, commitment and dissolution. The informants said the awareness-phase worked differently in the U.S. than in Norway, as meeting people in person (often via networking events) were integral to form a relationship. Getting “face time” with partners was something many Americans emphasized. This also applied to the next phase:

exploration. Throughout the awareness phase, the informants said that their American counterparts required a larger number of meetings, both in formal and in informal settings. This fits well with Heide and Miner's (1992) theory that interaction frequency is connected with a higher level of cooperation. The high level of interaction seemed integral to the Americans to build rapport, and enabled them to participate in positive cooperative behavior. From the article by Dwyer, Schurr and Oh (1987), in the exploration phase the partners will discuss requirements, benefits and encumbers, as well as the possibility of an exchange. From the findings, it is clear that the informants experienced this phase as quite time consuming and all-encompassing. The requirements from U.S. firms were much stricter than the informants were accustomed to from Norway. Scancozi (1979) said that the exploration phase encompasses five sub-phases: attraction, communication and bargaining, development and exercise of power, norm development and finally expectation development. Derived from the interviews, the communication and bargaining phase was especially important in the relations with American firms, as this phase was integral to create a bond with the Americans. If this phase it not deemed satisfactory by the Americans the relationship will not develop to the next stage. The informants all communicated that they felt the Americans were quite adamant of "setting the stage" i.e. that the relationship should develop on their terms and would exert their power to ensure that things were compliant to their requirements. When, and if a relationship develop into the commitment phase. Dwyer, Schurr and Oh (1987) states that there should be a level of satisfaction between the exchange partners that precludes other similar exchange partners who could provide similar benefits. The informants all highlighted that this was a very difficult achievement, and that Americans like to keep their options more open due to the fact that the market has an abundance of companies that can provide similar products or services. None of the informants believed that they had been able to create a bond that ties the American buyer so closely to them that they will disregard other options. It seems like it is a commonality for many American businesses, that they will always keep their eyes open for something better.

Cannon and Perreault Jr. (1999) categorized buyer – seller relationships into relation-based or transaction-based relationships. In general, the informants stated that Americans tend to lean towards a transaction-based relationship. It is worth noting that the informants found it quite challenging to achieve a relation-based relationship. Throughout the interviews, it was found that Americans will go into relationships, not primarily for the relationship itself, but rather to

cash in on their value creation. Americans will generally continue in the relationship only if the switching costs are high. These insights give the impression that the American petroleum sector lean towards a calculative type of commitment, rather than the affective type, as Anderson and Weitz refer to in their study (1992).

Ganesan, Brown, Mariadoss and Ho (2010) described both advantageous and disadvantageous effects of relationship commitment. The informants recounted how they struggled with creating commitment, and several of the informants stated that they experienced the Americans to be disinclined towards commitment, and that they preferred to keep their options open, i.e. not create nor maintain calculative commitment. The Norwegians seemed more inclined to prefer the affective kind of commitment, as it aligns nicely with their ideals of cooperation, collaboration and progress. The informants were willing to make certain sacrifices along the way in order to have a long-term relationship that are beneficial to both parties. However, the informants' perception of Americans is that they are more ruthless and uncompromising, and thus are not willing to take the risk that in a committed relationship, the other part has the possibility of taking advantage of them. This suggest that the American's are highly focused on the possibility of opportunism, and to a certain extent it limits them from creating relationship commitment. The Norwegians on the other hand are more inclined to value and attempt to create relationship commitment as it fits with their ideals and values.

The commitment-trust theory by Morgan and Hunt (1994) theorizes that businesses must be trusted cooperators in a network in order to be an effective global competitor. They stated that trust and commitment are key factors that must be achieved in order to preserve a relationship. It is already established that the informants placed high emphasis on trust, and to some extent commitment. However, the factors Morgan and Hunt (1994) mention like "resisting short term alternatives" are difficult to combat for the Norwegian firms as their perception is that Americans have an intense short-term focus and will prefer instant gratification rather than possible long-term rewards. The other aspect from Morgan and Hunt's study is that inherent trust that has to be present to believe the other party will not act opportunistically. As one of the informants stated: Americans have an inherent lack of trust and disbelief in others initially, and it will take a long time before you can change that

impression. Thus, it does not seem easy for the Norwegians to attain commitment, as the key factors are most likely not to be met by both sides.

When describing trust in business relationships, all of the informants said that it was imperative to gain the Americans trust, and show yourself to be trustworthy in order to develop and continue a relationship. This fits nicely with Aurier and N'Goala's (2010) study that found that trust is a key instrument within relationship development and maintenance. Aurier and N'Goala (2010) further stated that companies should create specific and complimentary strategies within the firm to obtain relationship commitment. None of the informants had a strategic focus on creating commitment, other than trying to create good relationships, and hoping that a successful first deal will lead to more business in the future. Thus, it appears as the Norwegian companies do not have the necessary focus, nor strategy to create commitment – more so that they have a more laid-back approach and are banking on that it will happen by itself by just offering high tech, high quality products at good prices. Hopefully commitment will be created in the process. This is surprising, as the answers from the interviews clearly show that the informants over time have become aware of certain requirements to do business and create relationships, e.g. creating trust and spending time developing the relationship. However, none of the informants can point to companywide strategies to develop commitment, thus it can be concluded that this is mainly left up to the individuals.

One of the biggest obstacles Norwegians face in creating commitment is that Americans have a different approach to trust which is integral to creating business relationships with mutual commitment. Another aspect is that the Americans tend to focus on instant gratification due to their focus on short-term goals. Thus, the idea of spending large amounts of time creating bonds that may contribute to benefits in the future is not as attractive as getting good deals with different companies each time. It appears that the American companies does not necessarily focus nor attempt to create commitment, as they are on their “home turf”, and have access to many different vendors or service providers. In conclusion, it does not seem as Norwegian companies finds it possible nor expedient to create equivalent business connections, in terms of commitment, to American companies in the U.S., as they do in

Norway. The consequence of this is that the Norwegian companies must emphasize other business relation factors than commitment to create good relationships.

6.2 Value of business culture in business relationship

The following research sub-question is discussed in this paragraph:

- Does the Norwegian petroleum industry systematically value business culture in their business relation with the American petroleum industry?

As the business world is becoming increasingly globalized, and businesses have customers from all over the world, an increased need for cultural knowledge has risen. Grosse (2011) found that managers and organizations must possess the cultural competence to succeed with customers abroad.

In the mapping of American cultural competence, Grosse (2011) found that American managers and employees are characterized as pragmatic, bottom line-focused, and focus on evidence and facts before they make their decisions. The interviews supported that the Americans are very focused on the bottom line and creating results due to the short-term orientation that existed within the American business culture. Examples of high focus on deadlines and targets from company management were things that the Norwegians and Americans found common ground on. Another commonality between the business cultures of the two countries was the emphasis on facts and evidence. This was regarded by the informants as something that was implied, as the petroleum industry is highly tech-focused and place high emphasis on evidence.

It was also found that Americans focus on results, believes in progress and have an inherent action-dependent self-image that drives the workforce to work hard (Wanning, 2008). The informants said that there was a common belief and appreciation for progress among the Norwegians and the Americans. In terms of working hard, it was said in one of the interviews that the Americans have a “you can become anything you want as long as you work hard

enough” mentality, and thus many Americans were motivated to stay hardworking in order to accelerate their professional progression.

Grosse found that Americans tend to be competitive and willing to take risks, especially in situations like negotiations and discussions. Negotiations and discussions, especially in contract situations, were something the informants found to be a bit challenging initially, as the Americans showed a fiercer, and tougher negotiation approach with discussions that could verge on being aggressive. Whereas some of the informants said they would attempt to create consensus and “give and take” in negotiations, the Americans had a more ruthless negotiation style, and attempted to “win” the negotiation instead of finding good compromises. This was interconnected with the masculinity in the American business culture, where aggressiveness and “winning” competitions, i.e. contracts, was often a goal. Further, this related to the individualistic mindset Grosse (2011) highlighted, where there is a belief that you are in charge of your own fortune. The informants found the American mindset to be very individualistic, and often putting themselves before their team to an egotistical extent – especially in examples where they put their own gain before their teammates’ disadvantages.

The business culture is highly important for the development of business relationships. Focusing and adapting to the business culture was vital for most of the informants to be able to connect with the Americans. Additionally, understanding the culture can prevent you from making bad decisions, or have negative repercussions as a consequence of not understanding the business culture. For example, two informants mentioned the different emphasis put on contracts in the U.S. and Norway. Whereas contracts are often pretty standardized in Norway, and there is a general consensus of what it entails, contracts in the U.S. are very explicit and will set out the absolute frames for the deal. Knowing details like these are key when doing business with foreign partners, as it can allow you to prevent misunderstandings and conflicts. Some of the informants implied that, as a non-American in the U.S., you have a responsibility to adapt, and to an extent value business culture, as it can help overcome many unseen barriers to doing business abroad. Considering the size of the petroleum industry, and the number of suppliers that offer products that are substitutes, there is a variety of different choices for American buyers. Being able to understand how to connect with said buyers can be crucial for the development of a relationship, and thereunder a business transaction.

When the informants were asked about their focus on business culture, it became apparent that business culture and cultural understanding was not considered a large priority before arriving to the U.S. The informants mostly recounted tales of how they were unprepared for there to be major cultural differences between the U.S. and Norway. Derived from the interviews, there seemed to be a common initial misconception that the Norwegian and American business culture would be similar. However, both available theory and findings in this study have shown that there are clear differences in terms of masculinity, power distance and individualism (referencing Hofstede's cultural dimensions). One informant said that he did not particularly expect it to be such vital differences, as he had always perceived the western culture as quite all-encompassing. Two of the informants said they had wished they had had some sort of cultural training or briefings before they left for the U.S. Rhinesmith (1996) stated that organizations must have "openness to other cultures that facilitates international dealings and decisions". Though the businesses were interested in expanding their businesses abroad, they seemed to have disregarded the cultural differences within the western region. Some of the informants believed this was partly because Norwegians feel they are familiar with American culture in general as they have been exposed to the culture through media, pop culture, and history. This may lead to the misconception that they are more competent in U.S. business culture than they actually are. Being able to understand the cultural information, knowledge, attitudes and communication methods are inherently important to create good relationships, and to not put oneself in a disadvantageous situation due to misinterpretation of cultural clues.

In conclusion, information provided shows that the informants, on an individual level value business culture in their business relations with the U.S. petroleum sector. However, this appears to be as a result of experiencing difficulties understanding or adapting to the culture during the initial period in the U.S. Surprisingly, on the strategic level Norwegian oil sector companies seem to have very little awareness of the challenges posed by the significant differences in business culture and company strategies in this field. This is supported by the fact that the informants did not get dedicated training, nor other types of support on this topic from the respective companies.

6.3 Norwegian perception of American petroleum businesses vs Hofstede diagrams

The following research sub-question is discussed in this paragraph:

- How does the Norwegian perception of American petroleum businesses fit with the business culture diagrams from Hofstede?

The Hofstede business culture diagrams showed that the U.S. business culture had the following scores on the different dimensions: power distance (40), masculinity (62), individualism (91), uncertainty avoidance (46), indulgence (68) and long-term orientation (26). For reference, the Norwegian scores are: power distance (31), masculinity (8), individualism (69), uncertainty avoidance (50), indulgence (55), and long-term orientation (35).

Beginning with power distance, both Norway and the U.S. have mid-low to medium scores of respectively 31 and 40. This implies that the cultures are quite similar in not having too strict hierarchies, valuing independence and autonomy, and that the managers empowers the workers. There is a notion that all team members should be consulted, and that communication is open and free (Hofstede Insights, 2017). Whereas the American score of 40 on this dimension would imply that the American business culture utilizes hierarchies for convenience and that superiors are accessible, the informants did not find this to be the case. It was the general opinion of the informants that hierarchies were quite strict, that there was a strong culture of being respectful to their superiors, to the degree of not questioning their decisions, and they found that the American workers had smaller mandates for decision-making than themselves. Interestingly, some of the informants said that an element of the American business culture, in regard to power distance, was that they were self-reliant when they were given an area of responsibility and that they would display initiative within that framework. Additionally, the communication was perceived as quite direct and informal within the workplace.

Norway is known for having notoriously “flat” structures, where both managers and employees often are allowed virtually the same extent of input in the decision-making processes, as well as employees working independently without strict control (Hofstede

Insights, 2017). This was a good match with the informants' perception of their own business culture. It is worth mentioning that Norway is in the bottom bracket of the power distance dimension, and that this might influence the informants in the way that they perceive seemingly normative American behavior as more extreme than it actually is due to their own orientation. The insights from the informants suggest that a medium rating for the Americans within the power distance dimension would be quite fitting. Their perception of the American petroleum sector would suggest a number that is a bit higher than Hofstede Insight's score.

Masculinity is the dimension that has the biggest difference in terms of scores between Norwegians, 8, and the Americans, 62. This would suggest that the Norwegians would perceive the Americans as very masculine in their business behavior. A masculine society is driven by success, achievement and competition (Hofstede Insights, 2017). The conversations with the informants confirmed the notion that Americans are occupied with success and achievement and are often happy to express their satisfaction of it. Examples of the Americans wanting to "win" negotiations and contract discussions further confirmed that the aspect of competitiveness is inherent in the business culture. The informants perceived the Americans as self-centered (to an extent) and materialistic, and that they were preoccupied with making sure they safeguard themselves.

Norway, on the other hand, is known as a very feminine country in terms of the business culture. Appreciating the group ahead of the individual and being able to come to a consensus are things that are prevalent in the society and the business culture. Again, Norway is on a lower level than the Americans, and it may be that the reflections around the U.S. business culture is seen in the light of the Norwegian score. However, the fact that the informants found the Americans are so publicly competitive, achievement-oriented and materialistic, indicate that it is a good match with Hofstede Insight's score.

Within the individualism dimension both countries were deemed "individualist" societies. In such societies, the people self-image is defined by their own person instead of the group they belong to, as well as the importance of the "self" is important (Hofstede Insights, 2017). According to Hofstede Insights (2017) both cultures should have explicit communication, a

high regard of personal opinions and values, and the right to privacy is commonly respected. The informants echoed many of these sentiments, and one even stated that “the U.S. is almost like the poster child for individualism and focus on the individual”. Throughout the conversations with the informants it became clear that they believed the Americans had an excessive focus on their own being, where it almost became destructive to other groups or individuals as the focus on getting ahead and achieving your goals sometimes lead to behavior that was deemed opportunistic by the informants. Nonetheless, the informants also believed there were many similarities, such as focusing on the case instead of the surrounding people or other “distractions”, the drive for results and the direct way of communicating. In terms of how the Norwegian perception of the American business culture compared to Hofstede’s score, the informants found the Americans to be a bit extreme in terms of focusing on themselves – which fits neatly with Hofstede’s score of 91.

Uncertainty avoidance is the most “even” of the dimensions, with Norway’s score of 50, and the U.S.’ score of 46. By this measure, the Americans should be quite ambiguous about the future, as should the Norwegians. Throughout the interviews it was clear that the informants believed that the Americans were unafraid and tolerant of new situations, but not necessarily craving it. The notion that the petroleum industry is accustomed to large technological changes and large fluctuations might be a reason as to why the informants perceived their American counterparts as good at adapting to uncertain situations, and that they have a sense of ambiguity. Again, we find that the informants’ insight matches Hofstede’s scores.

Both Norway and the U.S. are considered indulgent societies by Hofstede’s measures. According to Hofstede Insight’s this classification is categorized by the society having a relatively weak control over their impulses (Hofstede Insights, 2017). The perception from the informants is that Americans are a bit contradictory sometimes, as they put a lot of effort into their work, however, they are also indulgent as they focus on leisure and excess when they have the opportunity. Though, the Americans place high value on the freedom of speech and opinions, thus tipping it over on the scale to an indulgent society in the eyes of the informants. However, it is worth mentioning that this was an area which the informants said was not too important in the context of business culture and expressed they had limited knowledge of. Nonetheless, the insights are again a match with Hofstede’s score.

The final dimension concerns itself with the long- or short-time orientation of the societies. Within business culture, a long-term orientation is in line with creating long-term strategies and goals, and often evaluating challenges and opportunities on a time perspective longer than 3-5 years. Whereas business cultures with a short time orientation, are more likely to focus on quarterly- and yearly results and whether a deal will provide relatively quick gratification. The informants found the Americans to have a quite clear short-term focus in terms their focus in monthly, quarterly and yearly results. Other aspect such as the favor of a good deal instantly before a good relationship in the long term are typical for the American business culture according to the informants. The informants believed their own business culture was more focused on the “larger picture”, i.e. a longer time orientation. This was also a good match with Hofstede’s scores.

In terms of the overall match between the Norwegian informants’ perception of the American business culture, compared to Hofstede’s scores, there were a few discrepancies. Additionally, the few discrepancies noted were all of small character, and it can be concluded that Hofstede’s dimensions and their scores on the respective countries are a good match for the petroleum industry. This indicates that the experienced group of informants had gained a good understanding of the American petroleum industry business culture.

6.4 Business culture factors considered most important when dealing with U.S. companies

The following research sub-question is discussed in this paragraph:

- What business culture factors that Norwegian petroleum industry firms find most important when dealing with U.S. companies

Derived from the conversations with the informants, the American cultural factors considered most important was individualism, masculinity and power distance.

The U.S. is the second most individualistic country, whereas Norway is a bit more moderate. The informants' perception is that Americans will make sure their own back is covered at all times, and not necessarily worry about yours. In settings where you are cooperating with the Americans, it is important that the Norwegians have some measures to “counter” the self-coverage of the Americans. This required the Norwegians to restructure their strategies in order to protect their own interests. A few of the informant admitted that they initially had been a bit naïve in cooperative settings, as they attempted to be flexible and cooperative in order to gain some goodwill. Being able to recognize semi-opportunistic behavior, and the difference between being flexible and giving away your bargaining chips were things that the Norwegians had to learn in the U.S.

The masculinity dimension was one of the most obvious factors for the Norwegians due to the wide difference between the two countries. The fact that Norway is considered one of the most feminine countries, whereas the U.S. is quite masculine, can seem like a breeding ground for difficulties and cultural misunderstandings. Within masculinity, the themes of competitiveness, strength and attitude of winning were things that was found to be completely different from the Norwegian business culture. Understanding that it was normal to hear Americans talk about how much money they make, or their nice cars they had etc. becomes quite normal after a while. However, it required the informants to re-set their own prejudices and biases, as that is something that is frowned upon in Norway. Further, the attitude of competitiveness, and there always having to be a winner was something that was new for the informants. However, in a masculine culture like the U.S., it will not give you any favors if you are always content by losing – that sends out a signal that you are “weak” in the American culture. That is why the informants had to readjust and try to obtain and participate in some of these American idiosyncracies.

Power distance was one of the most surprising factors for the informants, as they did not expect the cultural differences to be so great. This was connected to the preconceived ideas and notions the individuals had about the American power distance. Some of the informants believed that Americans acted quite similarly to Norwegians, as they can often seem casual and informal when you initially meet them – which can lead to some confusion when you

later meet them in a stricter work environment. As the initial assumptions did not match the informants' presumptions, the differences were perceived as more serious and comprehensive than they might be in reality.

Other factors highlighted by some of the informants were indulgence and uncertainty avoidance. These two factors that are not that influential in terms of business culture, i.e. that they don't necessarily influence the day to day business culture in the same way as the other dimensions due to their ambiguous scores. Furthermore, not all of the informants agreed that these two dimensions were important for business culture. Long term orientation was a factor that had palpable influence on business culture, however the informants did not find the differences between the U.S. and Norway to be significant, and further it did not have as high influence on the day-to-day interpersonal relationships.

Conclusively, the masculinity-, individualism- and power distance dimensions were the most important for the Norwegians due to the fact that they required significant adaptation for the Norwegians in terms of business culture. Though other dimensions also had some influence on the business culture, they were not deemed as important as the ones listed above.

7 Conclusion

Concerning the question whether Norwegian petroleum industry systematically value commitment in their business relations within the American petroleum industry, it is derived that the individuals working in the U.S. value commitment highly. However, they found it very difficult to attain commitment in the U.S. Several of the informant said that this is an aspect that they are working towards, and that they are trying to adapt to the American business culture in order to be more likely attain commitment. Commitment was considered highly desirable as it would allow them to spend more time on product and market development, rather than spending large amounts of time on discrete transactions that do not lead to a prolonged relationship. Having relationship commitment with more customers would also free up significant resources, as the “courting” process with U.S. companies often tend to be time consuming and costly. In the relatively few cases where the informants have been able to create commitment, it has always been of the calculative type, which does not provide the assurance, nor the longevity that the informants are hoping for. It is worth noting that neither of the companies in question have any clear strategies on how to create commitment with American firms. Most of the informants recounted stories of how they utilize the “learn as you go” method, and hope that commitment will arise by showing goodwill and willingness to adapt. This is a quite naïve approach, as the way the American business culture is built, on masculinity, power distance and individualism, which can be of hindrance to the affective commitment that the informants are striving for. The study has identified a need for the companies to create complementary strategies based on the underlying information concerning the American business culture, in order to attain commitment in the future – as the current approach is showing little or no success.

Regarding the Norwegian petroleum industry’s value of business culture in their business relations with the American petroleum industry, the study indicates that individuals working in the U.S. put a solid amount of focus on business culture. But interestingly, that focus started only after the informants arrived in the U.S. and realized that the cultures were not as similar as they initially expected. There seemed to be a lack of understanding on company level that the American business culture is significantly different from that in Norway. The shift towards focus on business culture was an ad-hoc reaction to an unforeseen issue for most of the informants. It became clear throughout the interview process that there was almost no cultural training, nor any explicit strategy to “combat” and adapt to the different business culture in the U.S. There is a significant step from the relatively simple task of correctly

identify business culture characteristics when prompted, to possess the knowledge necessary to effectively handle differences in business culture. Although the informants to some degree have learned to tackle challenges caused by substantial differences in American and Norwegian petroleum sector business culture, this does not mean they are able exploit the cultural dimension in order to improve chances of successful business relationship. The companies have a substantial potential to utilize known cultural research to create a strategy to penetrate the U.S. business culture. By continuing the current method, by adapting on an individual bases as new challenges are faced, the business will spend a considerable amount of time and resources that could be spent more efficiently if there was adequate cultural training and strategies towards the U.S.

In terms of how the informants' perception of business dimensions, i.e. Hofstede's dimensions, it was largely a good match. The informants referred to relevant examples that showed similarities between the cultural framework by Hofstede and the informants' perception of the American business culture. Taken as a whole the interviewees provided quite similar insights, though there were some areas with variations – which most likely can be attributed to the fact that perception is highly subjective, and how people perceive culture will depend on the individuals themselves. None of the informants express any extended experience or focus on business culture, -relationships or commitment in more than general terms. Nonetheless, they were all well aware of the topic, and base their views and opinions on their personal experiences. The discrepancies between the informants' perception and Hofstede was mainly on the dimensions of power distance and masculinity. Their responses indicated that the Americans should have even higher scores on those subjects – however, it must also be taken in consideration that in the same dimensions, Norway recorded a considerably lower score, which may influence the informants into believing that seemingly “normative” behavior is more extreme than it actually is. Finally, the combined opinions of the informants showed that masculinity, individualism and power distance, were the most important dimensions for the Norwegians, due to the nature of the dimensions, and that they differed quite largely both to what they are used to in Norway and to their preconceived idea of the American business culture.

From previous discussion it can be concluded that commitment is seldom achieved, hence commitment cannot be considered an important factor that influence business relationship between Norwegian and U.S. petroleum sector companies. Regarding business culture the study has shown that it has great importance for business relationship. However, the apparent lack of oil sector company strategies for handling and exploiting U.S. business culture was surprising and does not harmonize with its importance for business relationships.

7.1 Further research

One key finding in the study was that Norwegian oil sector businesses are seldom able to achieve commitment from their American counterparts. In the rare occasion commitment is achieved it will almost exclusively be in the form of calculative commitment. This differs significantly from the situation in the Norwegian market where byer commitment is more common, also in the form of affective commitment.

The most interesting finding in the study was the lack of oil sector company strategies for handling and exploiting U.S. business culture. It is acknowledged that this study has identified factors that justifies why it seems more challenging to establish commitment in the U.S. than home in Norway.

Combining the limited success of achieving commitment in the American oil sector with apparent neglect of the lack of company level strategies for handling and exploiting U.S. business leads to an interesting question; What could be achieved in terms of improved business relationship in general, and commitment specifically if implementing a robust strategy for mastering U.S. business culture? The value of commitment is well established and due to the potential for improving business this topic should be researched in a future study.

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Appendixes

Appendix 1 – Interview Guide

Informant data

Name/code

Age

Gender

Position

Company

Introductory questions

- What do you do at your firm?
 - o How is that connected to the oil and energy sector?
- How did you get involved into the oil and energy sector?
- How long have you been in Houston/USA?
 - o Have you been working the entire time?
 - o Have you worked in the same sector in Norway?
- How does the sector compare between the US and Norway?

Main categories

Business relationship

- Can you tell me a little bit of how a business relationship usually begin and how it develops in the U.S.?
- What does the process of meeting or approaching a potential business partner look like in the U.S?
 - o It it similar or different compared to your experiences in Norway?
- At what stage do a meeting turn into a protentional deal?
 - o Will a successful deal lead to a business relationship?
- Can you tell it about the process around a business transaction/deal?
 - o How does this process compare to Norway?
- To what degree do you value business relationships in Norway
- To what degree do you value business relationships in the U.S?

- Can you compare the process of creating business relationships in the U.S. and Norway?
 - What are the main similarities?
 - What are the main differences?

Commitment

- Is commitment something you are pursuing in your business relationships in the U.S?
 - What emphasis do you put on commitment in terms of importance?
- What does the process of creating commitment look like?
- Is commitment something you are able to achieve in the U.S.?
 - Is commitment something you have a focus on creating? And why/why not?
- What does commitment look like in the U.S. compared to Norway?
- Do you have any strategy on how to attain commitment with American business partners?
 - If yes, is this an individual plan or something that is a focus in your company?

Business culture

- What are some of the key similarities you have found between Norwegian and American business culture?
- What are some of the main differences between the countries in terms of business culture?
- How important is business culture for you personally?
- How important is business culture for your company?

Hofstede dimensions

Note: if the informants are uncertain, explain further what is meant by the different dimensions.

- What is your perception of American business culture compared to Norwegian business culture in the following dimensions?
 - Masculinity
 - Can you provide some examples of how this fit with the the U.S. business culture?
 - Can you provide some examples of how this fit with the Norwegian business culture?
 - Individualism

- Can you provide some examples of how this fit with the the U.S. business culture?
- Can you provide some examples of how this fit with the Norwegian business culture?
- Power distance
 - Can you provide some examples of how this fit with the the U.S. business culture?
 - Can you provide some examples of how this fit with the Norwegian business culture?
- Uncertainty avoidance
 - Can you provide some examples of how this fit with the the U.S. business culture?
 - Can you provide some examples of how this fit with the Norwegian business culture?
- Indulgence
 - Can you provide some examples of how this fit with the the U.S. business culture?
 - Can you provide some examples of how this fit with the Norwegian business culture?
- Long-term orientation
 - Can you provide some examples of how this fit with the the U.S. business culture?
 - Can you provide some examples of how this fit with the Norwegian business culture?