Master Thesis EN310E Master of Science in Energy Management

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Perspectives on a long-term stakeholder dialogue

Lessons learned from the Snøhvit project – Statoil and the Fishermen's Association

ABSTRACT

The point of departure for my research is to conduct a case study of Statoil's stakeholder approach from the establishment of the Snøhvit project until the current situation in Nordland VI, VII and Troms II. This research is based on the communication process that evolved between Statoil and the Fishermen's Association from the initial contact regarding the Snøhvit¹ project up to a pending situation for coexistence on waters off Lofoten Islands. Anyone who has followed the media focus on the topic of coexistence in the waters off the Lofoten Islands will understand that this is a major challenge to an oil company's stakeholder approach. The Fishermen's Association represents a major stakeholder and claims its rights and respect from the oil industry based on its long-lasting history of operating in these waters without interference. A passionate debate has evolved ranging from the view of the fisheries' rights to these marine resources to the fear of negative environmental impact due to oil activity in these waters. The pending political decision, based on the fisheries' position, the authorities' advice, NGOs and general public opinion, may finally lead to an opening for oil activity in these waters in the near future. My curiosity regarding the fisheries' different attitudes for coexistence to different waters encouraged me to conduct a qualitative research to interpret meanings and different constructions of my respondents experiences, thus reveal aspects of Statoil's stakeholder approach.

As demonstrated in my findings, Statoil's interaction with different social networks managed to externalize knowledge and understanding that modified attitudes in this key stakeholder, which internalized this as trustworthy. Derived from my findings, it emerged that Statoil was collaborating with the Fishermen's Association based on deliberate strategies, where its purpose was solely to develop conditions for good establishment and coexistence in the Barents Sea. My findings demonstrated that Statoil's social interaction with the Fishermen's Association corresponds with its stated obligations. The management team from Statoil managed to develop a long and continuous dialogue with this stakeholder during the establishment of the Snøhvit project, all the way to the end.

Derived from my findings it appears that Statoil have considered their perspective on their stakeholder approach. My findings indicate that a long-term dialogue with local stakeholders should be considered beyond a one-by-one project, which could ease their access to more sensitive fields.

¹ The Snowwhite gas field in the waters off Hammerfest is called "Snøhvit".

ACKNOWLEDGEMENTS

This thesis is the final stage on my academic journey to a Master of Science in Energy Management at Bodø Graduate School of Business.

The problem statement in my thesis is linked to corporate communication and an oil company's stakeholder approach to the fisheries industry.

Since I live in northern Norway I found it natural to look into the ongoing debate on the coexistence between the oil industry and fisheries in the waters off Lofoten, Vesterålen and Senja. I wanted to investigate why the Fishermen's Association has a different approach to coexistence in different waters and through this attempt to reveal aspects of Statoil's stakeholder approach.

I want to thank Statoil and the Fishermen's Association who gave me a thorough understanding of their collaboration process in the establishment of the Snøhvit project and an update on the status of coexistence in the waters off Lofoten. I hope that my findings and conclusions may contribute to a better understanding of a contemporary theme. I would also like to thank my supervisor Jan-Oddvar Sørnes for helpful and detailed guidance throughout this process, and thanks go to Jan Terje Henriksen for his good advice, and to the other professors I encountered throughout this masters programme.

I want to thank my fellow students in Bodø and in Moscow at MGIMO University. I wish you all a successful journey!

See you all!

SAMMENDRAG

Formålet med denne forskningsoppgaven var å identifisere aspekter ved Statoils tilnærming til sine eksterne interessegrupper gjennom kommunikasjonsprosessen de hadde med Fiskarlaget ved Snøhvit etableringen og dagens situasjon i Nordland VI, VII og Troms II. Alle som følger medias oppmerksomhet vedrørende en kommende sameksistens i havområdene utenfor Lofoten, Vesterålen og Senja kan nok forstå utfordringen oljeindustrien møter i sitt arbeid med eksterne interessenter. På bakgrunn av fiskernes lange tradisjon med fri tilgang til havets ressurser i disse havområdene, representerer Fiskerlaget en sterk interessent som krever rettigheter og respekt fra oljeindustrien. En til tider intens debatt har pågått gjennom media, hvor ulike synspunkter om fiskernes rettigheter til uforstyrret tilgang til havets ressurser - til frykten for miljømessige skader ved oljevirksomhet i dette området. En endelig politisk beslutning på spørsmålet om sameksistens er nært forestående og vil bli vurdert ut fra fiskernes standpunkter, myndighetenes anbefalinger, miljøorganisasjoner og den øvrige oponion. Det kan se ut som at fiskeri interessene har ulike holdninger til sameksistens til ulike havområder, noe jeg fant meget interessant. Gjennom min kvalitative forskningsmetode, som tillater forskeren å tolke empiriske funn, fikk jeg en inngående forståelse av prosessen og kunne dermed analysere aspekter ved Statoils interessent tilnærming.

Som det fremgår av mine funn så har Statoil vært i nær kontakt med ulike sosiale nettverk for å formidle deres kunnskap og modifisere holdninger til samesksitens med fiskeri interessene. Det fremgår av mine funn at Fiskarlaget oppfattet Statoils informasjon, i forbindelse med Snøhvit utbyggingen, som troverdig. Videre fremkommer det av mine funn at Statoil kan ha hatt en klar strategi i sitt samarbeidet med Fiskarlaget, hvor formålet var ene og alene å skape gode forutsetninger for etableringen av Snøhvit og videre sameksistens i Barentshavet. Mine funn demonsterer at Statoils samarbeid med Fiskarlaget var i tråd med offentlig uttalte forpliktelser. Ledelsen i Statoil klarte å bygge opp til en tett og vedvarende dialog med Fiskarlaget gjennom Snøhvit samarbeidet, hele veien frem til ferdigstillelse av prosjektet.

Mine funn viser at Statoil har vurdert sitt perspektiv på tilnærming til ekstern interessegrupper. Videre er det indikasjoner på at Statoil skulle vurdert en uavbrutt dialog med Fiskarlaget etter dette ene prosjektet, for å derigjennom å gjøre prosessen vedrørende ny sameksistens i mer omdiskuterte havområder litt lettere.

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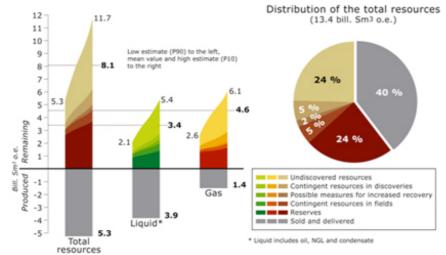
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² The Snowwhite gas field in waters off Hammerfest is called "Snøhvit"

1. INTRODUCTION

1.1. Background

The oil and gas industry is the largest and most important industry in Norway. Since the start of operations on the Norwegian continental shelf in 1966 the industry has been marked by growth and an increase in production up until 2001. The situation after 2001 has been different. Norway experienced peak oil production in 2001 at 3,1 mbo/d and has been facing a major decrease in production since then, to 1,9 mbo/d in 2009. In 2008, the oil industry accounted for 26% of GDP, 50% of total exports and 34% of government revenue. Investments in 2008 amounted to approximately 130 billion NOK, or 23% of the country's total investments (Ministry of Petroleum and Energy, Facts 2009).





The petroleum resource account as of Dec. 31, 2009 (Norwegian Petroleum Directorate)

The Ministry of Petroleum and Energy, the Petroleum Directorate and Statoil are seriously concerned about this decrease in production and need to open new prospective areas to regain adequate production to keep this big industry running. Oil production is falling even more steeply than expected in 2008. And the fact is that only a few new fields are on track to be developed. The Government's aim is to facilitate the profitable production of oil and gas in the long perspective. Parliamentary approval gave broad support towards realizing the long-term scenario for the petroleum industry.³ Realization of the long-term scenario requires that all profitable petroleum resources on the shelf should be produced. In this regard the Ministry

³ Report to the Storting No. 38 (2001 - 2002)

of Petroleum and Energy, and the Ministry of Fisheries and Coastal Affairs established a working group in 2003 which had to consider and evaluate coexistence between the fisheries and petroleum industries in the waters off the Lofoten Islands and Vesterålen. The purpose was to examine the possibilities of coexistence within a framework of sustainable development in the sensitive fishing area from Lofoten up to the Barents Sea. This complex problem and challenges of coexistence are in parts stated in a Report of Coexistence by the government, (OED, 2006).⁴

Through the Report to the Storting⁵ No. 8 (2005-2006) the government made a plan for the "Integrated management of the marine environment of the Barents Sea and the Sea Areas off the Lofoten Islands". By this, all oil activity in the sensitive fishing area off Lofoten (Nordland VI, VII and Troms II) was under moratorium until the next revision of the plan in 2010. The debate concerning the coexistence between fisheries and oil companies in waters off the Lofoten Islands has been addressed for a long time in the media and especially so since the date when these waters were temporarily closed to oil activity.

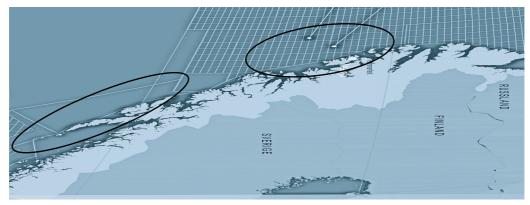


Figure 1.2: An illustration of the Continental shelf with current coexistence north of the Snøhvit field and the issue of new coexistence in waters off the Lofoten Islands (Nordland VI, VII and Troms II) - (Petroleum Safety Authority Norway, 2010)

Attention has been drawn to this by environmental non-government organizations (E-NGOs), such as "Bellona" and "Nature and Youth", which are at the forefront of spreading "worst case" scenarios, and will not accept any negative environmental impact of any kind, and are of course against any oil companies being allowed to operate in these sensitive areas

⁴ The Norwegian Ministry of Fisheries and Coastal Affairs; Coexistence between the oil-industry and fishery, is it possible? (14.09.2007)

⁵ Regjeringen.no

whatsoever. According to the Norwegian Petroleum Directorate's annual report (2003), the aim is to prevent any emission, either to the sea or air in this area.

While the fishing industry and oil companies have long traditions of coexistence in less sensitive waters on the Norwegian shelf, there is no experience in such a sensitive fishing area as these waters. Despite a passionate debate concerning the marine value represented by these waters and the fear of negative environmental impact if the oil industry enters this area, it is still possible that these waters may be opened to oil activities in the near future.

1.2. My choice of research topic

The Arctic Dialogue- & Sea Study Tour,⁶ March 2009, inspired me to look for further insight into a company's strategy for accessing sensitive fields such as the waters off Lofoten. I had the opportunity to conduct research within Statoil and the Fishermen's Association, focusing on changing attitudes and communication, and concerning the challenges an oil company faces in accessing these prospective waters. I was inspired to look for changes in attitude from the Fishermen's Association, concerning their experience from the Snøhvit⁷ development in Hammerfest and a possible new approach concerning coexistence in waters off the Lofoten Islands.

The main problem seems to be the challenge of coexistence with the fishing industry that claims a long tradition and success in these waters, and a penetrating oil industry that will be operating within a fairly "short period of time" and may cause some impact on the environment and fisheries.

Oil companies that are attracted to this area may have considered their strategies concerning communication with stakeholders in regard to their corporate social responsibility, which specifically attracted my attention to go in depth to understand what kind of emerging consequences this has had on an oil company's stakeholder approach. The local, regional and national considerations which Statoil has to take into account may have changed the way they are acting due to these closed prospective waters.

⁶ The Arctic Dialogue- & Sea Study Tour by the High North Center for Business, Bodø University College; An Arctic Development Informational dialogue, with the aim of improving communication and understanding among key stakeholders.

⁷ The Snowwhite gas field in waters off Hammerfest is called "Snøhvit"

The starting point for this thesis will be to analyze the communication process which took place between Statoil and the Fishermen's Association from the development of the Snøhvit field to the forthcoming challenge of coexistence in the waters off Lofoten, Vesterålen and Senja. Maybe the outcome of this communication process will expedite coexistence in these waters.

On the one hand Statoil's reputation depends on putting much effort into the communication process with the Fishermen's Association, and I am interested in how an oil company communicates with this important stakeholder. On the other hand it is of great interest to investigate how attitudes have changed, from the establishment of the Snøhvit project in waters off Hammerfest, to a possible coexistence in waters off the Lofoten Islands.

My research question is:

Lessons learned from the Snøhvit project – how may this improve Statoil's stakeholder approach to ease access to new fields for coexistence with the fisheries?

The content of my research question relates to the communication process between Statoil and the Fishermen's Association. I consider Statoil as the main player, as they gained access to the waters off Hammerfest, and there are those who want to facilitate their access to new waters in northern Norway. Where Statoil is defined as the main player, I choose to consider the Fishermen's Association as the stakeholder.

My focus will be to display how this communication process has evolved from the initial contact until today, and thereby identify gaps in Statoil's stakeholder approach.

Based on the complexity of my research question, there will be certain explanatory factors that are more relevant than others in triangulating views on this issue and at the same time which help me to reveal some aspects of Statoil's stakeholder approach. In this regard, I limit my scope to three relevant explanatory factors, which are:

(1) social context, (2) relationship and (3) expectation

1.3. Arguments for the choice of research

The choice of research topic corresponds to any oil company's communication strategy for gaining access in sensitive fields. The waters off Lofoten, Vesterålen and Senja have for more than 1,000 years been the centre of great cod fisheries, especially in winter times when the cod migrates from the Barents Sea and gathers in Lofoten to spawn.

Through this research I want to investigate how the communication process between Statoil and the Fishermen's Association has evolved from the initial contact until today, and identify aspects of Statoil's stakeholder approach. It will provide local knowledge on how Statoil is improving its stakeholder communication. Secondly, it may reveal some aspects of how a key stakeholder has changed its attitude towards coexistence from the Snøhvit field to a possible new coexistence in waters off Lofoten, Vesterålen and Senja. To reach a point of conclusion, I have to go through some stages of examining the lessons learned.

For this reason, it will be interesting to conduct research on how the Fishermen's Association perceives and interprets this communication, to better understand Statoil's communication strategy for easing their access to these waters. To make an analysis where the emphasis is on interpretation of the communication, in particular between Statoil and the Fishermen's Association, is interesting and important for more than one reason. According to all the media coverage of stakeholders' interests concerning coexistence in waters off the Lofoten Islands, Vesterålen and Senja, it will be interesting and relevant to obtain a more nuanced picture of what actually affects this process.

I am aware that my findings may be of public interest when it comes to the experiences of those parties concerning collaboration and communication. Due to this, I find it relevant and particularly interesting to develop a deep understanding of this complex problem and hopefully make a contribution to regional competence within this theme.

This thesis may contribute to a better understanding of these parties' interests, which may help to avoid conflicts between the oil industry and the fishing industry in forthcoming collaboration on coexistence. Finally, I hope to contribute with new local knowledge about how Statoil conducts its stakeholder communication and how it affects a key stakeholder such as the Fishermen's Association. The figure illustrates how my chosen explanatory factors have an impact on each other and secondly how these together affect perception and interpretation of communication.

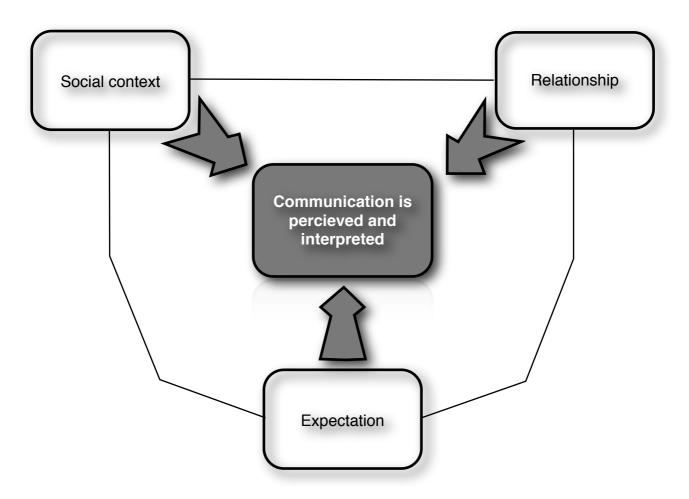


Figure 1.3: This figure illustrates the causality that exists between the explanatory factors and communication

These explanatory factors will form the basis of the analysis of how they one by one affect this particular communication process. As is shown in the figure, there is a correlation in the model between these three factors. The reason for analyzing these as distinct from each other, when they are in fact strongly linked together, is that it will provide a more transparent approach and helps me with the dimension of triangulation of views on an issue.

Main rationale for my choice of explanatory factors

- (1) Social context (affected by network). I assume that the communication process between these parties can be related to the social context in which these organizations interact using different networks. My respondents have some parts of their social network within their own organization and other parts within this particular interorganizational collaboration. The communication process may be affected by an asymmetric possession of power between different social networks which can influence other networks to change their attitudes. Thus, the explanatory factor *social context* may affect their communication.
- (2) Relationship (affected by personal trust and experience). I assume that the understanding of communication can be related to the relationship my respondents have with each other within these organizations and through the positions of these organizations in society in general. It is essential to have confidence in each other for collaboration between organizations to succeed and the communication of these respondents can be affected by an asymmetric possession of power that may exist. My respondents developed expectations of each other through participation in the establishment of the Snøhvit project and learned some lessons from this coexistence. Thus, the explanatory factor *relationship* may affect their communication.
- (3) Expectation (affected by overall experience). I assume that the Fishermen's Associations developed expectations towards Statoil based on their overall experience with the oil industry. Social interaction and general media coverage of the oil industry's efforts to facilitate their access to new sensitive waters for coexistence may have affected my respondents' attitudes and expectations about Statoil. Thus, the explanatory factor *expectation* may affect their communication.

1.4. Overview of chapters

In Chapter Two, I introduce the context of my thesis, which contains brief information about Statoil, the development of the Snøhvit field in Hammerfest and the Norwegian Fishermen's Association. Finally, I introduce the prospective area off Lofoten and Vesterålen to briefly provide an understanding of the phenomenon, challenges and experiences concerning cooperation and coexistence within these regions.

In Chapter Three, Review of Literature, I will introduce theories which are the foundation of this thesis, relevant to the initial questions. In addition, I add theories in relation to the selected explanatory factors. Here I present a broad perspective on the theory, moving to a more specific relation to the task constraints, this being due to my use of an inductive approach.

In Chapter Four, Method, I will explain my chosen research design and what possibilities and limitations have to be taken into account. It justifies my choice of methodology, selection of informants, my approach to question formulations in the interview guide, sources of error and my research paradigm.

Chapter Five, Findings, is the central part of my thesis, in which I will present my findings considered relevant to understanding how information is communicated between these two parties.

Chapter Six, Conclusion and Contribution, presents my conclusions from my findings, contributions and suggestions for further research.

2. THE OIL INDUSTRY ENTERS THE NORTH OF NORWAY

The government considers the area from the waters off Lofoten to the high north of the Barents Sea as the most important strategic area of investment in the future. Sustainable management of all fish and petroleum resources in these areas is at stake, and it is essential to ensure coexistence between the environment, fisheries' interests, safe maritime transport and petroleum activities. The government's strategy includes the protection of the settlement and industrial development in the north of Norway.

Lofoten, Vesterålen and Senja are perhaps the most important spawning areas for cod in Norway and perhaps even the world. The areas Nordland VI, VII and Troms II are closed for oil operations and will not be considered open until the revised management plan is completed this year (2010). Nevertheless, the Storting imposed the Norwegian Petroleum Directorate to collect seismic data to make a qualified assessment of the structures beneath the seabed in this area during the summer of 2007 - 2009.

2.1. Statoil and the Snøhvit field ⁸

The Norwegian State Oil Company, Statoil, was formed in 1972, and has been the major player on the Norwegian continental shelf in this period. Today Statoil is an international energy company with more than 35 years' experience of oil and gas production on the Norwegian continental shelf. Their headquarters is in Stavanger and they have 29,000 employees worldwide.

The plan for development and operation (PDO) of Statoil's Snøhvit field in the Barents Sea was approved by the Storting on 7 March 2002. The plan for development and operation of the associated land-based gas liquefaction terminal



Illustration (source: Statoil.com)

at Melkøya, near Hammerfest in the county of Finnmark, was also approved by legislators. Production of liquefied natural gas (LNG) at Melkøya commenced in 2007.

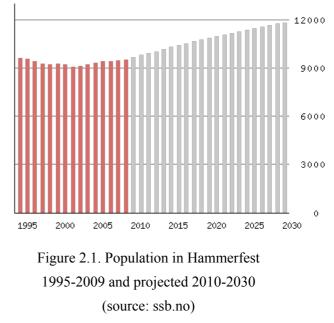
⁸ Source: Statoil ASA's website (statoil.com). The Snowhite field is assosiated with the land-based gas liquefaction plant at Melkøya, near Hammerfest.

Statoil considered the Norwegian Fishermen's Association as a key stakeholder in this project from approval until operation, and even today. My interest is focused on whether there were any major disagreements and success stories concerning coexistence in the waters off Hammerfest.

These waters have been of great interest and importance for the fishing industry for centuries. Prior to the Snøhvit project in Hammerfest⁹ this community was facing economic challenges and a decreasing population. They were even concerned about future generations and young people who in some way were forced to leave the city due to lack of opportunities for education and employment. Today this situation is totally different and the Mayor of Hammerfest puts it like this:

"The Municipal revenue from the Snøhvit development gives us the opportunity to improve our service to the residents. We are expanding and renovating schools and kindergartens, and implementing a series of individual projects in the cultural area. Not least, this applies to the entry of the cultural house in the Findus Quarter. I think this will give the region a cultural boost." (Hammerfest.no 10.03.2010)

The fishing industry is still an important industry in Hammerfest, but through the Snøhvit project the petroleum industry has arrived in Hammerfest, Finnmark and the Barents Sea. This provides exciting jobs, significant spillover effects and great potential for development not only for Hammerfest, but for the entire region. It is the Mayor of Hammerfest's experience that the fishing industry and the petroleum industry "go hand in hand" and make



Hammerfest a more robust community. As is shown in Figure 2.1, a constant growth in population is projected for the twenty years ahead, from the year 2009 until 2030.

⁹ Source: hammerfest.no - website

2.2. The Norwegian Fishermen's Association ¹⁰

The Norwegian Fishermen's Association was formed in Bodø in 1926, and is both a crew- and employer organization for Norwegian professional fishermen, with the aim of protecting all fishermen's collective interests.



Illustration photo

This organization includes all kinds of fishermen and fishing boat owners, and is thus a union for, using the terms of other industries, both workers and employers. In Norway, all professional fishermen are considered as self-employed persons, which has implications both in terms of tax and welfare schemes. The organization is a politically independent organization which is based on voluntary membership and on the basis of its members' influence on political issues in close cooperation with central and local authorities.

This organization has, since the beginning of Norway's oil history, appeared as its members' negotiating partner in all communications regarding coexistence with the oil industry. It was at an early stage noted that coexistence with the oil industry and their seismic activity was a growing challenge in the North Sea. The areas of conflict between seismic research and fisheries increased proportionally with activity, which "forced" the fishing industry to withdraw, and the Barents Sea became the area for fisheries in autumn and winter, and the Norwegian Sea in spring and summertime.

Their members have both negative and positive experiences of the oil industry on the Norwegian continental shelf. When looking at submissions¹¹ made by the Fishermen's Association to the Storting concerning development and operation of recent oil and gas installations, their requirements are made clear. Essentially, these requirements are zero discharges into the sea, avoidance of environmental degradation and minimizing disruption to their activities in the short and long term.

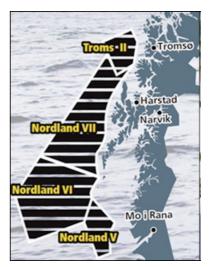
¹⁰ Source: The Norwegian Fishermen's Association website (fiskarlaget.no)

¹¹ Source: Regjeringen.no Snowhite LNG: St.prp. nr. 35 (2001-2002). Petroleumsactivities: St.prp. nr. 38 (2003-2004). Ormen Lange and Langeled: St.prp. nr. 41 (2003-2004). Goliat field: St.prp. nr. 64 (2008-2009).

2.3. Coexistence in Nordland VI, VII and Troms II – under threat

The debate concerning coexistence between fisheries and the oil industry in the waters off Lofoten, Vesterålen and Senja has been documented in the media for some years¹². Attention has been drawn to this by Environmental Non-Government Organizations (E-NGOs) such as "Bellona" and "Nature and Youth", who are at the forefront of creating "worst case" scenarios, and will not accept any negative environmental impact, and are of course against any oil companies being allowed to operate in these sensitive waters whatsoever.¹³

Oil drilling in the northern parts of the Norwegian Sea and the Barents Sea is a controversial topic. The question of whether and to what extent oil operations in waters off Lofoten are compatible with sustainable fisheries and aquaculture industries is at stake¹⁴. This is mostly because any oil production in the field is perceived to be in conflict with national and local fishing interests. Lofoten, Vesterålen and the Westfjord are the main spawning areas for the Norwegian-Arctic cod, and those with fishing interests fear that a major oil spill could have a profoundly negative impact on fish resources within this area.



Illustrations photo Photo: SCANPIX

This conflict reached its first peak in 2001 when Norsk-Hydro obtained a licence to carry out exploration drilling in waters off Røst, in Nordland VI. The licence was suspended by the government at the end of August 2001. This was mainly caused by pressure from environmental non-government organizations such as Bellona, Nature and Youth and the Green Warriors of Norway, and to some extent the fisheries organizations. After this suspension, the oil companies Statoil and Shell asked the authorities to delay further licences in waters off the Lofoten Islands. They asked the authorities for an evaluation of the environmental aspects of oil exploration in these areas and time to solve the conflict between the oil industry and the fisheries.

¹² LOFOTPOSTEN.NO, NRK.NO, TU.NO

¹³ Nature and Youth rejects coexistence <u>http://www.tu.no/nyheter/article238859.ece</u>

¹⁴ Institute of Marine Research (IMR.NO)

The continental shelf in waters off Lofoten, Vesterålen and Senja is narrow, especially outside Andøya, and the Fishermen's Association argues that coexistence with seismic activity and platform installations is not possible. They argue that offshore platforms require large restricted areas and there is a risk of oil-spill with negative impact both on the environment and the fishing industry.

The oil industry considers the waters off the Lofoten Islands to be the most likely prospective area, which has been the object of an intensive stakeholder dialogue in recent times. The main issues which have been addressed through the media by stakeholders and NGOs for this area concern environmental protection, settlement and industrial development, fishery traditions and the Norwegian economy as a whole to extract the "black gold" to create value and interest for the coming generations.

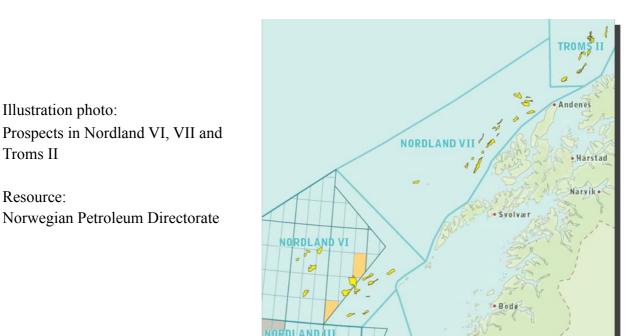
The same areas are the most important spawning areas for the Norwegian-Arctos cod – the biggest concentration of cod in the world. The fishing industry has been the basis of existence for the majority of people in the Lofoten and Vesterålen area for centuries. The annual cod fishery (cod-fishing) is assumed to be the most important thing for this industry in Lofoten and Vesterålen. Cod is an important export product, and cod fishing has become a tourist attraction in recent years. Settlement is not justified by the fishing industry to the same extent and there is an increasing demand for new activity to change a negative trend.

During the summers of 2007, 2008 and 2009, the Norwegian Petroleum Directorates¹⁵ acquired 2D and 3D-seismic reports of the area which had not previously been opened for petroleum activities. This data contributed towards increased understanding of the geology in complex areas. NPD published their report in mid-April 2010, and the estimated recoverable amount of oil equivalent in the area is 1.3 billion barrels.

NPD has evaluated 50 prospects in the Nordland VI, Nordland VII and Troms II areas. The reviews have been conducted on the basis of seismic data and completed with data from drilling and discoveries in nearby areas.

¹⁵ NORWEGIAN PETROLEUM DIRECTORATE (NPD.NO) <u>http://www.npd.no/en/</u>

"Nordland VI appears to be the most likely prospective area for petroleum resources. Nordland VII and Troms II have a total expected resource estimate which is about the same as that expected in Nordland VI. The resource estimate for oil is larger than for gas in Nordland VI and VII. In Troms II, gas appears to be the most likely possibility." (Norwegian Petroleum Directorate, npd.no, 16.04.2010)



The amount of resources cannot be determined accurately, because it is uncertain that all the geological parameters are included in the estimation. The seismic data show that the prospect in Nordland VI is located relatively close to shore, and relatively far south in the area. Likelihood of discovery is considered to vary from three to 25 per cent.

Summary

In this chapter I have introduced my context, which consists of two major stakeholders in terms of coexistence and the oil industry wanting access to sensitive waters. The communication process between Statoil and the Fishermen's Association in this particular issue has developed from the establishment of the Snøhvit field. Statoil has learned some lessons about local stakeholder communication through this establishment in the Barents Sea.

New experiences and local knowledge concerning cooperation and claims by the Fishermen's Association may have challenged their stakeholder approach towards accessing new sensitive waters off the Lofoten Islands, Vesterålen and Senja. Public opinion seems to support the fisheries' heritage and their claims for zero discharges into sea, avoiding environmental degradation and minimizing disruption for this industry. On the other hand, the oil industry intends to access new areas as long as the Norwegian government supports this development. This increasing establishment seems to be supported by the majority of politicians and their voters within this region.

I will in the next chapter present theories which are relevant and adequate for my research.

3. REVIEW OF LITERATURE

In this chapter I will present the theoretical foundation for this thesis. In the first part, I will present central theoretical elements related to communication and dissemination of information within and between organizations. Further, I will present central theories on the theme of corporate communication and look at formal and informal communication networks within and across organizations. All together, this will establish existing theories for my particular research and based on my empirical observations I will use this existing knowledge as a guideline to analyze my findings.

3.1. The communication process

Communication can be explained as a process, as shown in Figure 3.1 below, where communication is a resource that provides results (Jacobsen and Thorsvik, 2004). According to the figure you can see that communication is a dynamic process. When we communicate with each other we usually try to convey something to each other. This may be facts, feelings, intentions, or we want someone to do something. Communication can be defined as follows:

"With communication we understand the transport and communication of energy and information over or through a boundary between two or more systems" (Grenness, 1999:12).

Communication is thus a process in which a message is communicated "from someone and to someone". Transmission of messages can be made between one or more individuals, groups, institutions, organizations or different communities. We would normally use communication to get others to understand our true meaning, so that they can understand the world as we understand it. Communication can also be ambiguous and cause confusion, which may be caused by different motives and interests. Since communication works on several levels simultaneously, it happens that different levels reinforce, or are in conflict with, each other, which may create a "double" communication. This is a common phenomenon which is also prevalent within organizations (Grenness, 1999). The following figure shows that the communication process involves two parties, the sender and the receiver.

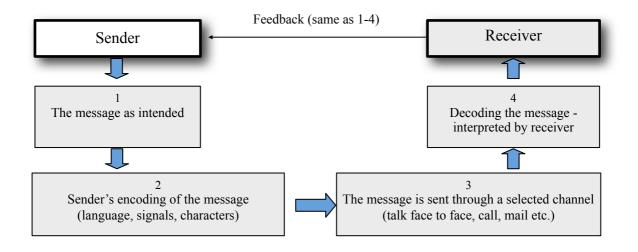


Figure 3.1: Communication process

3.1.1. Dissemination of a message

Communication must be understood as a process in which individuals or groups provide information, attitudes, ideas and feelings to one another (Jacobsen and Thorsvik, 2004). The central elements of the communication process are as follows:

A message transmitted from the sender to the receiver must be encoded and transmitted in a channel. In this respect, it is not the message being sent, but the symbols (verbal and/or non-verbal signals). The condition for selection of the channel is the symbols to be transmitted, and vice versa when the use of the channel is given. When it comes to formal communication up and down organizations or if transfer of rich information is required, the choice of channel is often given. For this reason, it will be crucial with face-to-face contact between the sender and receiver to transfer non-verbal symbols (such as body language). When a message is received by a receiver it has to be decoded. This means, the receiver must interpret the symbols in the message, and on that basis understand what the sender wishes to convey. The definition of "effective communication" is that the recipient's interpretation matches well with the intentions of the sender. But it is not a given that this is the case within a communication process, and in that way the feedback opportunity embedded in the model is important. This is subject to a two-way communication where the receiver cooperates with the sender, and thus the recipient also becomes a sender by use of feedback (Jacobsen and Thorsvik, 2004).

Communication can be both a one-way and a two-way process. Two-way communication is not possible in all contexts. For example, mass communication through the media is a one-way process, since the recipient seldom takes the opportunity to influence the situation through, for example, letters to the editor (Erlien, 2006).

3.1.2. Coding and perception of signals

When a person sends a message to another person, much of the interpretation is controlled by their relationship. In all communication processes, there is a hierarchical structure that has to do with trust, the relationship between them, their values, power, history, etc. This is the main cause for the same message sometimes being interpreted entirely differently by different people who simultaneously hear the same message (Johannessen and Olaisen, 1994). This means that our understanding differs because of different basic perceptions and interpretations.

There are two or more players in a communication process: the sender (the person or persons who are sending a message) and receiver (the person or persons receiving and decoding / interpreting the message) (Jacobsen and Thorsvik, 2004). A message must be encoded by the sender to reach the recipient. This means that the sender must formulate the message and choose the symbols to carry the meaning. In the actual coding process the sender has a genuine opportunity to decide what he/she wants to be understood and how this should be presented. These codes must be adapted to both the receiver and the channel that the sender wishes to use, so the recipient can understand the message as the sender wishes. The choice of language, symbols and phrases are codes which the sender has to adapt to the receiver.

Communication, knowledge and information are linked together in a system where the items have a particular relationship with each other. The relationship between communication and information is that the minimum unit of communication is a message (Johannessen and Olaisen, 1994). Grenness refines the definition of information to only apply to the signals that create an actual change, and that they make an actual difference for people in their interactions with each other (Grenness, 1999).

Moreover, Johannessen and Olaisen's theory of fundamental communication commented that a message can be divided into three parts. Where the first part is the information section, the other is a relational part and the last is the hierarchy part (Johannessen and Olaisen, 1994). In order to understand the message fully, it is important to be conscious of all these three parts which a message contains.

According to Johannessen and Olaisen, a message contains one part of the information, which is what you want to communicate with the message to a recipient. But the message also contains a hierarchy- and a relational part. This says something about the status and rank that the sender has in society, and the relationship we have with the person to whom we provide information or receive information from (Johannessen and Olaisen, 1994).

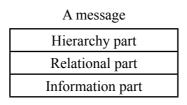


Figure 3.1.1: A message divided into three parts

When a person is decoding (interpreting) a message and that person makes it clear how he or she has understood the message, then we can have two outcomes: the sender can challenge the validity of the interpretation, or he / she accepts the interpretation. The sender can thus always regain control in every situation by contesting the validity of the interpretation. This allows the sender to contest the validity and confuse the recipient. The sender may take advantage of the situation, which then becomes detrimental to a good communication process. When a person sends a message and a receiver interprets this, much of the interpretation is caused by the relational part between them (Johannesen and Olaisen, 1994).

Experience of interaction determines whether trust or mistrust is achieved. Rational actors may act on inadequate information, which can provide irrational solutions on a collective level. This may lead rational actors with different interests and goals, and lack of information about each other's intentions and strategies, to select the solutions that are worse for both parties. This point is central to game theory (Jacobsen and Thorsvik, 2004). As an example, it

would not create a good reputation for the oil industry or trust from their stakeholders if Statoil promised that all oil operations in waters off the Lofoten Islands would be sub-sea solutions and an onshore terminal, just to expedite their access, if their intentions were in fact to use offshore platforms.

3.1.3. Power – and interpretation of communication

I will elaborate on the theoretical basis of asymmetrical power relations. Power in a relationship can be defined in many different ways (Østerud, 1996). A possible interpretation of power is given by Lukes (1974) who argues that power is when A gets B to wish for, and actively seek, goals that are in A's interest regardless of whether it is in B's interest or the best outcome. Those (A) who have the ability to get others (B) to seek a goal which is in their (A's) own interest are in possession of power. This power can be used to produce, reproduce and legitimize a particular understanding of reality. This understanding of power means that the existence of consensus does not exclude that power being used, because the consensus may be a result of false consciousness (Mumby, 1988).

Power of alliances and networks is a form of power that is based on people's need to identify with others, and through their networks and alliances can be powerful (Jacobsen and Thorsvik, 2004). The community may also be involved in the organization's actions, which in some cases can be a major power, especially in relation to the media. If interest groups or organizations have presented their views through the media or other mass information channels it can have a big impact which is not easy to handle (Erlien, 2006).

In contexts where there is asymmetric possession of power, some individuals or groups influence and define an understanding of the reality in which certain meanings are prominent and others hidden. This occurs when some individuals or groups have certain conditions, such as control over information channels and/or control of important knowledge. This enables them to communicate and define their understanding of the reality as the prevailing one. Those who possess power can constrain interpretations of the social reality by portraying certain interpretations as being the only way, and can mask objections (Rognes, 2008). In

addition, they may present things as neutral and unproblematic (Deetz and Kerstin, 1983). Through the possession of this form of power, some individuals are able to get other groups to take up their interests as their own, and eventually cause others to identify with these interests as if they were their own (Mumby, 1988). Those with the possession of power have the ability to produce ideas about what will serve the outcome best. Based on the understanding presented here, one can say that power is both a product of the activities of the organization and the process by which activity is institutionalized. This is because power is both a medium and an outcome of the process.

If we look at the production of meaning in relation to communication conveyed in connection with coexistence, this will lead to an interpretation of information which can be related to a particular understanding of reality. Despite the reality which many take as granted and unambiguous, this can actually be understood in many different ways (Alvesson, 1995). When people in organizations do construct a social reality, that reality is shaped, influenced and limited by the dominant organizational ideology. These ideologies serve to create a particular social reality or one that excludes others (Deetz and Kerstin, 1983). The organization's understanding of reality affects the social player or "forces" them to understand and thereby to convey the world in a specific way (Mumby, 1988). It means that a certain understanding of reality is produced and reproduced.

In this context it should be noted that some individuals in an organization cannot manipulate the framework of understanding of reality as it suits them. The understanding and symbols which make the framework for organizational members' understanding is a result of a prolonged interaction process in which some people have greater opportunity than others to set standards of understanding. As indicated, it must be noted that those with power do not always succeed in influencing other individuals' or groups' understanding of reality.

3.2. Corporate communication

According to Erlien, communication within organizations not only aims to provide information, but also strengthens the social interaction. Informal communication creates a social environment that provides group identity, self-respect and motivation, which is important for all social communicies. The definition of communication, both within the organizational literature and communication literature in general is that information is "something that reduces uncertainty". Information is a source of power and hence the knowledge which provides people with the opportunity to put their own interests ahead of those of others (Erlien, 2003).

This understanding of information has its basis in the recipient. It is the information that recipients interpret in the message which is the starting point. Interpretation of a message is intended to reduce the subjective uncertainty of the recipient. Indeed, it is not always the case that the subjective uncertainty is reduced with more information as long as the recipients feel that the information is unevenly distributed. According to Jacobsen and Thorsvik (2004), this relationship of information asymmetry can be divided into two forms. One form is called hidden information, and the other is called hidden action. The first shows that some are more informed than others about what is happening regarding relevant events and situations. The second form shows that the participants have agreed on what to do, then actually do something else. What triggers these kinds of hidden agenda is precisely the feeling of lack of information and leads to opportunistic behaviour. The parties may fail to say something that others can benefit from, and instead wait for a way to promote their own interests. This behaviour is not uncommon in organizations. It can be motivated by a need to promote one's own organizational interests, at the expense of others (Jacobsen and Thorsvik, 2004). There is a big difference between communication in the private sector and in the public sector. The public sector is subject to political control with demands for transparency and public disclosure, which affects internal communication. Communication problems or lack of information may have its origins in conflicts of interest or based on a struggle of power (Erlien, 2006).

Corporate communication in my thesis has its focus on inter-organizational communication, which includes public relations, corporate advertising and so forth. According to Brønn and

Wiig, any organizations who want to succeed in their corporate communication, first of all have to organize things properly internally, and after this process it is possible to carry out an effective corporate communication (Brønn and Wiig, 2002). It is all about managing the overall communication in a good way, and by that gaining competitive advantage for the organization. Organizations are broadly defined as tools that people use to accomplish whatever they desire or value. The reality is a lot more complex and involves first of all people, who are individuals who can be characterized as the fundamental unit within organizations. A basic function for any organization is to coordinate these people to focus their effort on achieving desired objectives. In this way, organizations are social entities with the whole range of characteristics of all human personalities. Nevertheless, any organization with distinct stakeholders in society. My approach to create understanding on this topic will be to study organizations as social systems, not as objective technical systems, because a social system approach is relevant in explaining how information is transmitted and interpreted (Brønn and Wiig, 2002).

In those situations where an organization has to collaborate with another organization to enter new markets or expedite access to coexistence in closed waters, it might be a good solution to interact and cooperate with this actor. Strategically, it has proved to be beneficial to enter a partnership where the parties interact and thus avoid uncertainty and conflict. Communication management is an act of specialists, especially related to communication with public relations. It is thus essential that the person who fronts the organization's interests should develop and maintain relationships with stakeholders in a good way. Often this function is handled by one person with a managerial position and who acts as the company's spokesperson towards groups and individuals within and stakeholders outside of the organization. On the other hand, the personal and social network for this person, which will be an essential contributor of new information, is of strategic importance to link the organization to stakeholders and the general public. Through participation in meetings, formal seminars and informal socializing, this person maintains contact with people, establishing new contacts and exchanging information and establishing trust (Jacobsen and Thorsvik, 2004). This may be comparable to what happens between Statoil and the Fishermen's Association where there are designated people responsible for interaction between these two organizations. Eisenberg, Goodall and Trethewey argue that while it is clear that there are potential benefits associated with social interaction in inter-organizational communication networks, it may be difficult to manage the processes (Eisenberg, Goodall and Trethewey, 2007).

Formal and informal communication

Within organizations there are two main forms of communication. First there is formal communication, the type which follows a formal structure, as represented by the organizational chart. Second is informal communication, which represents the informal social structure. Organizations provide information both to the public and to their employees in multiple ways. Managers provide formal information, with associated instructions, procedures and practices to the organization. Moreover, the formal vertical communication used by managers is to provide feedback and to keep people informed about the organization's ideology and strategies (Jacobsen and Thorsvik, 2004). Although communication down the line is important, it does not mean that the information is interpreted as intended. Information that passes different levels in the organization until it reaches the recipient can be distorted on its way. Horizontal communication submits relevant information between colleagues in the same hierarchical level within the organization, which also allows them to solve problems more effectively.

New ideas are usually tested under informal communication in the individual networks (Jacobsen and Thorsvik, 2004). This form of communication fills many important functions, such as communicating relevant information between colleagues, which also gives them the ability to solve problems more effectively (Erlien, 2006). Often this takes place between colleagues who are experiencing the same situation (Kaufmann and Kaufmann, 2003).

As an example, when the General Assembly of the Fishermen's Association announced that they were against all oil operations in waters off Lofoten, Vesterålen and Senja, this was a formal decision based on a formal election within the organization. However, if individuals within the organization were to discuss the basis for this decision and argue that it should be reconsidered due to the overall benefits and new technological solutions, these new ideas would then be tested under informal conditions, which may lead the organization to a new decision. In the next part I will introduce theories central to stakeholder dialogue and after this I will present theories relating to my explanatory factors, which are described in this context.

Approaches to stakeholder dialogue

Organizations who want to be successful in the current and future environment have to take multiple stakeholder groups into account. To achieve a complete list of stakeholders that exists in the environment of an organization, the traditional picture has to be changed. The new approach to stakeholders must include the full range of stakeholders who may be affected and those who are affected by an organization's business. This is to be found in the definition of a stakeholder:

"...any group or individual who can affect or is affected by the achievement of an organization's purpose..."

(Brønn and Wiig, 2002:108)

Organizations that take their stakeholders seriously need to monitor and scan the environment to spot potential or actual issues and forthcoming events. This is so-called environmental scanning used to detect and pre-consider possible issues that may affect the organization in the long term. This is an especially helpful tool in promoting, maintaining and improving the organization's image and thereby protects its reputation in society and the respect it commands. The key rationale for this purpose is the emergence of gaps in legitimacy between the organization's actions and what their markets, public, and audiences prefer that they do. This corporate responsibility entails meeting or exceeding standards held by key stakeholders (Brønn and Wiig, 2002).

Within negotiations it is essential to prepare and handle the communication process well. This is due to the interaction which is a big challenge if the parties have different mental images of the negotiation situation, different objectives and if they sometimes hide information. By mental images we mean how a person perceives himself, his counterpart, the relationship between the parties and solution capabilities (Rognes, 2008).

3.1. Social context – as a factor

(affected by network)

This section contains theories which explain how social context affects understanding of reality, which in turn can be related to my respondents' understanding of communication. Social context refers here to the social context in which individuals

interact. Focus will primarily be addressed to the social network, which is an important part of an individual's social context.

Social context

affects Communication

Social context - and interpretation of communication

A social network can be defined as a set of links or contacts (persons, organizations, etc.) that are linked together in a set of social relations (friendship, membership, etc.) of a special kind (Nohria, 1992). A network comprises all the direct formal and informal relationships that a person has to other individuals.¹⁶ In addition to this, the network contains their indirect relationships. These are relationships with individuals who do not have a personal contact, but have indirect connection through their direct relationships. The network that a person is a part of is the result of a social interaction process, where the social interaction shapes and defines the network structure over time (Nohria, 1992). A member within an organization will have many different relationships in their networks: family, friends, colleagues both within and across units, organizations and union members. All these relationships are important in relation to the exchange and dissemination of information and knowledge, but it will vary as to what kind of information is transmitted between the various relationships.

Schiefloe (1998) distinguishes between three ways of using the network concept. I will only make use of the first one. This approach can be described as an individual's personal network. This is a particular person's relationships with other people. The personal network consists of

¹⁶ Some network theorists include only the informal relationships in the definition of a social network (cf. Schiefloe, 1998). In this paper I will include both the formal and the informal relationships, because the distinction between formal and informal is not clear. I argue that the formal and informal relationships interact with each other. In this context I have chosen to use the term 'social network' within a larger category to include all the individual relationships.

all the relationships an individual has built through social interaction over time. This is a relationship people bring with them even if they move from one place to another. The personal network is continually changing. New relationships arise, while relationships with other individuals may be impaired. An individual's personal network can consist of both direct and indirect relationships, and relationships with different content and meaning. In this way, you can have close and peripheral, positive and negative relationships, with people within each network. What kind of personal relationships an individual has is important because different people possess different knowledge, information and resources (Schiefloe, 1998).

Social interaction with various network relations affects each actor's understanding. Nohria (1992:7) argues that "*networks constrain actions*". This can be explained by the social interaction where an actor takes part, affecting the understanding of reality (Brønn and Wiig, 2002).

This may be related to a process in which the subjective reality is externalized by some individual, and this fact is internalized by others through social interaction (Berger and Luckmann, 1996). For example, knowledge and attitudes are conveyed in different situations of interaction. Parts of this knowledge and these attitudes will be adopted (internalized) by others involved in the interaction process, and thereby serve as the basis for their understanding of reality. Erickson (1988:99) says related to this: "*Attitudes are made, maintained, or modified primarily through interpersonal processes. Since these processes have little effect among strangers, they occur largely within the boundaries of social networks*". Individual network relations will in varying degrees and in different ways affect the individuals' production of sense through the interaction whereby the individual participates. Erickson (1988) argues for example that close relationships are more important than peripheral ones, in terms of how social relationships affect the individual's understanding. At the same time, negative relationships, in contrast to positive ones, easily lead to disagreements.

People with close relationships to one another achieve a common understanding through "comparing" themselves with each other (Erickson 1988). That means, in situations where

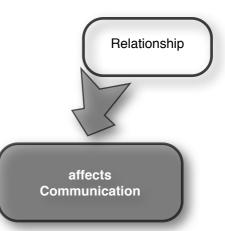
uncertainty prevails (e.g., if the oil industry wants to access sensitive waters), people are seeking implicitly or explicitly to confirm and to develop their understanding of the actual situation. This is done by individuals' communication about specific problems with their close relationships. Through communication individuals negotiate and by this get a better understanding of the current theme. This is an understanding that justifies the individual's own views and thereby reduces the individual uncertainties (Erickson, 1988). In some contexts, people are trying to find other relationships that they believe have an understanding that is similar to their own in the current situation and expect that these people will bring the most relevant information. In other contexts, the individual will get the information through daily interaction, without conscious advice. Through this interaction a process takes place, where the individual perception of reality is formed (Brønn and Wiig, 2002).

In the communication process outlined above, we must be aware of three factors. First, the communication process includes all forms of exchange of opinions. It relates to both the discussions in which individuals consciously exchange views regarding the current situation and random comments related to the same situation. Both through discussion, comments and other forms of signals, attitudes and opinions are conveyed that may affect the individual's understanding. Second, each individual only keeps track of and has knowledge of a limited number of alternative actions. At the same time, individuals may have incomplete and erroneous perceptions about the current situation. The information they collect and embrace may not be true or rational in the other's assessment of the situation. Third, a common understanding through communication does not have to be the result of negotiations in symmetrical relations. The understanding may also be a result of negotiations in asymmetric relations (cf. section 3.1.3. power – and interpretation of communication) in which some individuals can dominate and thereby to some extent control the outcome of the communication between two parties.

3.2. Relationship – as a factor

(affected by personal trust and experience)

This section contains theories which explain how relationship affects the understanding of reality. I will be focusing on individuals' trust, experience and expectations to show how these constrain the



collaboration process. These theories will help me highlight how relationship affects this communication process.

Relationship - and interpretation of communication

The relationship and the expectations humans have regarding one another may affect the recipient's understanding of a message. An example: if you receive a message of peace and friendship from a person you assume has questionable intentions, the likelihood is high that you will attach to the message a different meaning than if you receive the same message from someone you know or who in your experience tells the truth (Shocley-Zalabak, 1991). In this section I will focus on trust in a relationship between sender and receiver. This is primarily because trust captures many important and interesting dimensions of a relationship between two individuals. Asymmetric possession of power may also be a factor which influences and defines some individuals' understanding of reality. Trust is, for example, according to Lewicki and Bunker (1996) explained as the fundamental in any relationship. Thus, trust between individuals is essential to succeed in an inter-organizational collaboration.

Trust can be defined as an individual's positive expectations (vice versa if one does not achieve trust) of other's motives in a situation where you are facing risk (Lewicki and Bunker 1996). The confidence person A has in person B is thus based on the expectations which A has of B. The expectation of others that an individual bases his confidence on is related to the expectation that the person we interact with is reliable, competent, open and takes responsibility in relation to the actual situation (Mishra, 1996). In a situation of interaction between person A and B, A's trust in B is based on the expectation that B is trustworthy, competent, open and takes responsibility in relation. If we, however,

have expectations that this is not the case, A does not have confidence in B. Expectations, transparency, reliability, competence and responsibility, are used in many contexts as a measurable dimension of an individual's confidence (Mishra, 1996).

As an elaboration on what has been said about expectations above, Barber (1983) outlines three types of general expectations that underlie the individual's confidence in a given situation. The first type of expectation is related to the preservation and fulfilment of the natural and moral social order. This means that a person has the expectation that others have a performance role that matches the individual's understanding of what is natural and moral behaviour. The second is an individual's expectation of a technically competent performance role from those involved in social interaction, while the third is the individual's expectation that participants in social interaction will exercise their trust obligations and responsibilities in certain ways, and in certain situations put the interests of others before their own. This implies that individuals expect that the various tasks are performed in a certain way in relation to the context in which they are performed.

The confidence (and expectations) one person has of another person is the result of a social interaction process (Creed and Miles, 1996). Trust is by this an individual assessment that must be considered in the context of the individual's social environment and the social interactions where an individual participates. It means that attitudes in her/his environment, and experience with the other person, affect the expectations he/she has of the current situation. Trust is by this a result of individual consideration based on certain expectations, where expectations must be considered in light of the individual's socially constructed understanding of reality (Berger and Luckmann, 1996). Which dimensions are to be considered as important will thereby vary based on the various people's reviews, related to individual pre-understanding and on the context in which they are considered. It is natural to assume that trust can be characterized by emotional and rational expectations. The expectations an individual has of other people or of a particular situation do not have to be rationally based on an observer's evaluation (Elliot, 1997).

Lewicki and Bunker (1996) and Sheppard and Tuchinsky (1996) outline three levels of trust between people. These can be viewed in the context of the relationships that exist between individuals. I will later use these three levels to look at how the quality of the relationships between people can affect their expectations of each other.

The first level is described as calculation-based trust. The distance between individual A and individual B is great with calculation-based trust. Individual A's expectation of B is thereby calculated on the basis of uncertainty and random estimates. This can, for example, be about rumours or random experiences.

The second level is referred to as knowledge-based trust. This means that individual A, through social interaction with B, over time builds expectations of individual B's actions. Individual A is thereby able to predict B's actions on the basis of knowledge of B's patterns of action. The knowledge A has of B provides a foundation for A's expectations.

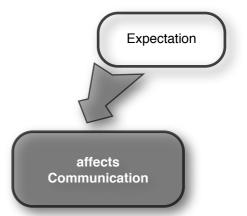
The third level of trust is identification-based trust. This form of trust means that the various parties have a common understanding of reality. It means that they have common values and a collective identity. This means that these parties are familiar and understand each other's reviews and patterns of behaviour in different situations. The common understanding is a result of social interaction between social actors with close relationships over time.

Within all three levels of trust, participants can have both positive and negative expectations. Nevertheless, a majority find positive relationships among individuals with identificationbased trust. The confidence between individuals may vary, but is more or less stable. The identification-based trust is the most stable, because it is based on knowledge and common understanding. There is therefore a need for more fundamental changes to reduce the trust someone has in others when it is identification-based, than when it is calculation-based.

3.3. Expectation – as a factor

(affected by overall experience)

This section contains theories which explain how an overall experience affects individuals' interpretation of communication. I will be focusing on how social



interaction affects a stakeholder's attitude and the overall expectations which in turn will affect the communication process ahead.

Experience – and interpretation of communication

Individuals gain experience through participation in social reality. These experiences are later the basis for individuals' expectations of similar situations, from where these experiences come (Berger and Luckmann, 1996). This can be linked to behavioural theory (Moe, 1994). Behavioural theory assumes that people are looking for certain situations because there are expectations of benefits. Conversely, people distance themselves from other situations because of a fear of punishment. This theory gives a very simplified picture of reality and of the individual's choice of action, as there are several factors that affect how individuals make their choices. If we link basic principles of this theory to the interpretive theory, we can make the following reasoning: the individual's expectation of a particular situation is partly a result of experience of a similar situation. This can be explained through the experience of a situation providing knowledge of the situation. This gives the individual experience that can be used to understand similar situations in the future. It should be noted, when I assume that experience of similar situations affects our understanding, that a new situation does not have to be identical in order to link this particular situation with another situation. There may be elements or aspects of a previous situation which explain how the individual interprets a new situation. How experience affects an individual's understanding can be illustrated with a constructed example: the management of an oil company experiences that when they use mass media to carry out various messages to promote their business they end up with bad feedback and are accused of making too glamorous an image. They will then probably stop this kind of promotion, which is based on an expectation that this feedback may continue and even negatively impact their business. Thus, experience constrains expectations, and with this

kind of experience, the organizational members construct expectation categories to interpret various phenomena, which may affect their interpretation in other comparable situations.

Based on the abovementioned theories I argue that the Fishermen's Association's overall experience with the oil industry may affect my respondents' expectations of this particular communication process. Thus, the overall experience with the oil industry may also affect my respondents' expectations as to how the oil industry acts in facilitating their access to sensitive waters.

Figure 3.5.1 below illustrates how the overall experience of the oil industry affects expectation, and thus affects communication.

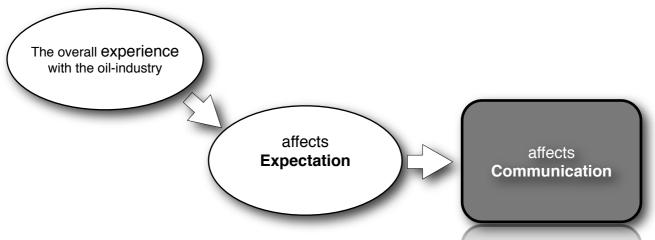


Figure 3.5.1: Experience constrains expectation and affects communication

Summary

In this chapter I have presented the theoretical foundation for this thesis. This includes central theoretical elements related to communication and dissemination of information within and between organizations, corporate communication, formal and informal communication networks within and across organizations. All together, these theories will serve as guidelines to analyze my findings. The purpose is to discuss the relationships between data and theory, in other words, what is the theoretical explanation of my findings.

In the next chapter I will present the methodology for my research.

4. METHOD

According to Dalland, method is first and foremost a procedure to be used as a tool to solve problems and thus develop new knowledge (Dalland, 2004). Within the qualitative method there are many approaches; I argue that a qualitative approach will bring me the opportunity to obtain the respondent's understanding (Johannessen et al., 2004).

4.1. Research paradigm

To focus only on hard data and examine its full complexity, and posit that the world exists externally, is the key principle embedded within the "Positivist" position, but this is not my position. Consequently, my position is that reality is socially constructed and determined by people – interacting with the empirical world. Applying a qualitative approach promotes deep understanding by listening to experience and observing the intentions of people, and I argue that this will bring me valuable insight and ideas from my limited number of respondents. According to Easterby-Smith et al. (2008), this is the position of social constructionism; this approach is referred to as an interpretive method, and a position focusing on "*the ways that people make sense of the world especially through sharing their experiences with others through the medium of language*" (Easterby-Smith et al., 2008:58).

My point of departure was to conduct a brief first interview with a respondent within Statoil to provide me with some bullet points and research questions regarding strategic development in the last couple of decades. After analyzing the transcription of this initial interview I developed relevant questions for my second session of interviews. My conviction is that conducting in-depth interviews of two informants within Statoil and three respondents within the Fishermen's Association will bring me rich and valuable data to contribute to new local knowledge. The essence embedded in my inductive approach is that I make an analysis of empirical data, such as applying explanations supported by existing research and theories. Thus I get support from empirical data, in the sense that the analysis is not driven or directly influenced by theoretical models and explanations. In this way, my research paradigm will always be inspired and influenced by my theoretical knowledge, which is also correct as long as I stay faithful to this inductive approach.

I argue that, rather than gather facts about how often certain patterns occur, I prefer to interpret meanings and different constructions of experience. By focusing on what these respondents are thinking and feeling, the attention will be focused on how they communicate, and by interpretation explain how they communicate, interact and develop experiences (Easterby-Smith, 2002).

4.2. Methodological reflections

The purpose of this section is to argue and discuss the chosen method, sampling, data collection, analysis, and issues related to validity and reliability.

I decided to conduct my research as a case study of corporate communication between Statoil and the Fishermen's Association. The reason for using this case study approach is that my research is to conduct a study in a process which took place over a period of time and that my research question implies a "How" and "Why" question. Along with this, my explanatory strategy led to the use of theories of case study as a tool to conduct my research (Yin, 2003).

Regarding my initial contact with Statoil, I was introduced to the manager of field development from Kristiansund up in the high north of the Barents Sea. The initial contact was to ask whether it could be possible to do an investigation within Statoil concerning communication related to access in sensitive waters. This was the initial aim, to achieve knowledge and understanding related to what I found to be an interesting topic. My first respondent was not selected by accident or to provide representative results, but was strategically selected as a suitable and adequate key respondent. The method of sampling was based upon how easily I could access this key respondent; this way of sampling is called *convenience sampling*.

My next step was to identify one more key respondent who was closely engaged in Statoil's strategy of stakeholder communication in the Snøhvit project and in the communication process to get access to the waters off Lofoten. This selection developed as "snowball

sampling", as the first one suggested others who could be identified as key respondents within Statoil.

After conducting these two interviews with respondents within Statoil, I contacted two key respondents within the Fishermen's Association. These informants again put me in contact with a third respondent with more regional knowledge and experience of coexistence with the oil industry. According to Johannessen et al. (2004) the sampling should be purposeful, and the selection should be comprehended strategically. The continuation of the first interview was to analyze the transcription and compare statements which could be categorized in relationship and with relevance to my research question.

The process of gathering information and theories was needed within various perspectives of communication, and some specific theories concerned stakeholders and corporate communication. Throughout the process a deeper and deeper understanding is needed; at the same time I have to maintain some distance from all my respondents. Theory and all kinds of information which support my research have to be gathered to develop a strong academic interview guide which contains accessible ideas.

I did not get access to any internal documents and other statements within either Statoil or the Fishermen's Association which could have been advantageous in providing a more nuanced insight to their strategic approach toward communication and coexistence. Regarding the sample size, I argue that in this specific case study, my key respondents provided me with significant information and brought me a deep understanding to make it possible to answer my problem statement.

Regarding the role of researcher, I was aware of the consequences of using a qualitative method, supported by the constant comparative method, of inquiring into my complex problem; part of the analysis will be fundamentally an act of categorization and interpretation. The constant comparative method has its origin in social science research, and it was a valuable method to use in my research as well. According to Corbin and Strauss (2008), the constant comparative method is an analytical tool to compare incident with incident. By looking for incidents, I could compare each of these for similarities and differences, and

incidents that are found to be conceptually similar were grouped together with my explanatory factors. Corbin and Strauss (2008) suggest adding each group in a higher level of descriptive concept, which means making informative and descriptive categories that provide a high level of information. Again, this method of analysis is very much an act of reflection and interpretation by the researcher, which is supported by Locke (2001) within the interpretive paradigm.

4.3. Method selection

My approach was to conduct an initial semi-structured interview with one central respondent within Statoil, to review the area concerning strategy and communication in seeking access to new sensitive fields. My expectation in conducting an initial interview was that this would bring me greater opportunity to find a research question that was relevant in time and relevant to the industry. Equipped with a tape-recorder and a set of standby questions I entered this interview session with a vision of gaining a deeper insight into the possible connections between closed waters and emerging strategies towards stakeholder communication. Of course, I was aware that a short interview would bring me only a brief understanding of applied strategies. The main objective was to catch what the respondent considered as important and his views on the processes emerged during the journey.

This interview provided me with empirical primary data and proposals for research questions related to lessons learned and forthcoming challenges in accessing new fields. While I was analyzing and comparing forthcoming events and expressions I made findings concerning their stakeholder communication. Statoil are putting much effort into their communication with stakeholders and they know that it is a challenge to change people's attitudes towards their business.

In this regard I found that social context and experience could be used to explain the lessons learned and how they focus on improving their stakeholder approach. At this stage I decided on my research question and opted to go further in conducting semi-structured interviews with both the Fishermen's Association and Statoil. My intention was to conduct in-depth interviews with key respondents who were engaged in this particular stakeholder communication. In this investigation the objective is to reveal different aspects of stakeholder communication, thus my choice of method is a tool to provide insight, knowledge and understanding of the various relationships in the social reality (Garsjø, 2003).

My intention is to conduct interviews to access a thorough understanding of the communication processes between Statoil and the Fishermen's Association. From this position, the objective is to gather empirical primary data that reveals aspects of Statoil's stakeholder approach, and through this research to contribute to local knowledge on this theme.

4.1. Data collection

In my position, a way to achieve knowledge is through semi-structured open interviews of the people involved, and through their explanations to achieve the respondents' understanding of reality (Johannessen et al., 2004). According to Dalland, who emphasizes that the researcher needs to employ nuanced descriptions, and to help the respondents express themselves adequately, it is often necessary to ask supplementary questions (Dalland, 2000). By using a qualitative method the aim is to create understanding and relationships (Dalland, 2004).

To be sure that these requirements are achieved I had to be critical of my questions during the preparation of my interview guides. This means that I am asking myself questions such as: "Are the key aspects of the research question included?" and "Are there some aspects of the complex problem that could not be illustrated through these questions I ask?" Dalland argues that if data is to provide high reliability it is important to assume that the answers are relevant to the questions (Dalland, 2004). Schiefloe argues that one of the benefits of open interviews is that you can make adjustments along the way; if the respondent touches upon interesting topics, then you can ask the respondent to elaborate more closely on their views (Schiefloe, 2003). I was asking clarifying questions to reduce confusion and sources of error, which contributed and increased the reliability of my empirical data. According to Garsjø, it is our

subjective perception of communicated questions which is a substantial source of error, which can be applied to my research design (Garsjø, 2003).

The arrangement of the time and place of these interviews was made with each respondent by telephone. They had the option to decide date, time and duration. The interviews were conducted during the working day, in the individuals' workplace, except for the informant who was interviewed by telephone. I had permission to tape-record all interviews, this being in order to focus completely on my task as interviewer to communicate face-to-face with the informant. To create the best atmosphere I emphasized I wanted to achieve an informal dialogue about trivial matters in the introduction. This was also taken into account in designing the interview guide, so that the most descriptive and elaborate answers concerning personal relationships could appear at the end of my interview session. In addition, I was conscious that my body language should not alienate the respondent from the beginning.

All informants had between 15 and 30 years' experience within their organization. I found it natural to choose these respondents as they were well-informed and had participated in the development of the Snøhvit project and are participating in the dialogue concerning new coexistence in waters off the Lofoten Islands. Their knowledge and experience brought me deep understanding of the situation. I am aware that what the respondents expressed during these interviews may not be fully representative of their organization, as they have stated their own opinions of how they perceive and interpret their communication.

I did not take notes during the interview. Each interview lasted between one and two hours. At the completion of the final interview of a respondent from the Fishermen's Association (telephone interview), the tape recorder had by accident not been switched on. This meant that I had to reconstruct the answers in a document. I do not think this made any impact on my investigation as this respondent basically confirmed what the other respondents had been saying. He provided me, however, with information on where to get access to additional history about coexistence on the Norwegian continental shelf.

4.2. Analysis from empirical data

According to Locke (2001) and Yin (2003), the method of analysis embedded in my design is very much an act of reflection and interpretation of the researcher by relating this paradigm to paradigms of constructionism which are distinguished in their position towards "...*an interest in understanding the world of lived experience from the point of view of those who lived it.*" (Locke, 2001:8). This means, their concerns are addressed with a subjective reality with the aim of creating meaning out of events or causally linked variables. Thus, social reality has emerged through shared experience and communication over time, and could provide a "*shared reality*" and by that process, be taken for granted.

On the other hand, as the aim of interpretive methods is to provide knowledge, meaning is composed through situated interaction and interpreted by the researcher (individually), and therefore it does not make sense to standardize any results. Another dimension within analysis is the triangulation of views upon an issue. This dimension is taken into account with my three explanatory factors, as they will be analyzed distinctly from each other. This dimension is a contribution to and an enforcement of credibility and reliability of research (Easterby-Smith et al., 2008).

To analyze my data I used an inductive approach, which means that theories are gathered according to what seems necessary from the empirical data, collected from subjective observations of reality. The part of the analysis drawn from empirical data unfolded from the minute I started the process of transcribing my first interview. From this initial analyzing process, with my first interview, I found through my theory review that my research could be coded in categorizes as; social context and experience.

After being collected all my interviews, this empirical data had to be coded through a scrutinizing process, and then systemized and categorized into my explanatory factors. It means, categorizing my respondents statements and figure out what appeared as cause and effect. Through this process of re-read the data transcripts of all interviews and then conceptualizing them by a scrutinizing process, it had to be systemized and categorized into my factors, and at this stage a kind of desperation occurred.

The qualitative method supports use of interpretation, which means that I have to reflect on what is embedded in the empirical data, and often this process develops through a kind of desperation, as it could seem to be impossible to make sense of so much rich data. This is supported by Easterby-Smith, et al. (2008:178), who say *«Evaluation and critique become more evident as the data is evaluated in the light of previous research, academic texts, and common-sense explanations»*. Their suggestion to researchers is to ask themselves questions like: Does it challenge existing knowledge? Does it support existing knowledge? Does these answers add something to previously unanswered questions? If something is different, how could it be explained?

All my notes and unrecorded information which supported the familiarization and analyzing process where used to make sense of my empirical data. Through this process it emerged a new category; relationship. My final decision was to systemize my empirical data into three categorizes which were; social context, relationship and expectation. As my three explanatory factors emerged from this process, I systemized everything that I found could bring explanations to my research question. This process of how an analyzing process unfolds, corresponds with theory by (Corbin & Strauss, 2008).

Through the process of re-reading my data transcripts and my review of theories, it became more and more evident what appeared as main findings and to what explanatory factor these findings belonged. This process was about composing meaning of events or causally linked variables to what appeared as main findings related to my research question.

4.3. Ethical aspects of my study

This part contains a discussion of the ethical aspects of the chosen method, sampling, data collection, analysis, and issues related to validity and reliability.

It is necessary to consider several ethical aspects throughout the research process. To illustrate, one could mention the academically gifted Norwegian researcher who provided

research materials with remarkable results that then proved to be fabricated after being published, and hence were of no validity. This was a defeat for the academic world and institutions around the world when these results proved to be wrong, due to the fact that results from all research must go through strict censorship in order to be published. Hence it is important to apply ethical codes and practices in various respects, such as protecting the interests of my respondents and the organization I was investigating, or to avoid promoting advantage for one party to the detriment of another. Another aspect of ethical dilemmas occurs when the researcher comes across illegal or unethical behaviour within organizations (Easterby-Smith et al., 2008). Ethical codes are at stake at these days; when notions like sanctions are promoted as a solution, it is not easy to distinguish what is ethical bias and what is not. For most, the ethical dilemmas concerning the researcher are small-scale, incremental and ambiguous.

There are two major ethical relations that have to be addressed. The first is consideration within the research process, and the second concerns access being given to sensitive information within organizations which affects protection of privacy, as the researcher has a responsibility not to abuse the results when they contain secrets or sensitive privacy information. In this situation, considerable judgment is required. This is supported by Easterby-Smith et al., (2008:135), as ethical dilemmas arise when the researcher makes use of data obtained by research. This means that the researcher has an "*...ethical responsibility to not publicize or circulate any information that is likely to harm the interests of individual informants, particularly the less powerful ones.*" When conducting a research project within the management profession, there is a common adage in business that "time is money" and when you as a researcher are given access it is important to stick with the schedule and not betray the confidence of the respondent. On the other hand, the utilization of the researcher could be at stake if managers within the investigated organization try to affect the results to support specific decisions.

4.4. Strengths and weaknesses with the chosen design

This part emphasizes strengths and weaknesses within the chosen design and method of sampling, data collection, analysis, and issues related to validity and reliability.

The qualitative method could unfold in many different ways, and has its inherent strengths and weaknesses. This is the main method to achieve understanding through close and direct interaction and communication of the researcher with individuals or groups. Thus, the approach aims to discover perceptions and opinions through language and make use of indepth interviews which allow asking the respondent to elaborate his answers to clarify any confusion. Case studies within the field of communication and management are extensively used with the philosophical position of constructionist epistemology, and authors who advocate this emphasize the advantages gained through the chance to see how changes have emerged in a period, to develop deep understanding through communication, and by that, to contribute to the evolution of new theories. The disadvantage within the philosophical position of social constructionism is vulnerability toward generalizations, which eliminates its credibility for some policy makers. Furthermore, the process of gathering data is time consuming as well as the analyzing and interpretation of data being very difficult, but this depends to some extent on the researcher's intimate and tacit knowledge (Easterby-Smith et al., 2008).

As mentioned above, the qualitative method has its strengths associated with the researcher's ability to achieve the respondent's understanding of an issue, but Easterby-Smith et al., (2008) point out a major weakness of constructionist research, that is, that there may be substantial variation of perceptions and truth between different individuals and this is affected by their historical and cultural context. Garsjø (2003), points to another weakness, which is the information's ability to influence the situation, and thus the form of such interviews often unravels. A prerequisite for research is to be objective, but even this is a challenge, and one must be aware of one's own subjectivity during the research process. Research shows that it is not possible to be completely objective, and Garsjø states that total objectivity does not seem to be achievable. Subjectivity will "more or less" always be inherent, and will dominate our perceptions (Garsjø, 2003). With this in mind, almost everything we say, think and do, will be influenced by our subjective opinions.

By conducting case studies, which produce huge piles of data, a major weakness is that this allows the researcher to make any interpretation he or she likes. This is why many people, policy makers especially, give low credibility to research based on subjective opinions (Easterby-Smith et al., 2008).

When it comes to other factors regarding the reliability of measurement, the sample size can be a weakness because there are probabilities of variations in their perceptions of truth, as there are between other individuals or groups. I argue, since there is no comparable research with this particular complex study, that a sample of four or five key respondents gives adequate reliability. When it comes to categorizing factors, establishing relationships and measures, and then deciding what appears as cause and effect, at this moment there could be multiple reasons to question the reliability. My approach to define factors and in this regard establish relationships, is to think abstractly and then let my empirical raw data and interpretation of this guide my analysis.

Finally, the main method of expressing meanings and understanding within a qualitative approach is through nuanced written words. This appears to be a challenge and hence a likely weakness inherent in my choice of design.

Summary

In this chapter I have presented my methodology which is based on a qualitative approach. My position is that interaction with the empirical world by listening to experienced and observed meaning promotes a deep understanding and produces the most reliable facts about my respondents' understanding of reality. I have also highlighted the strengths and weaknesses inherent in my research approach and issues concerning sampling, data collection, analysis, and issues related to validity and reliability. Altogether, these theories helped me to conduct a reliable academic research.

In the next chapter I will present my findings that emerged from the empirical data.

5. FINDINGS

In this chapter I present the findings that emerged from my empirical data. My findings are discussed with theories on my selected explanatory factors: social context, relationship and expectation. The central elements of my findings are put in narrative accounts to show my respondents' voices.

I decided to shorten the reference in the narrative accounts for the Fishermen's Association to be (FA).

My area of research covers sensitive organizational strategies, which not are easy to identify as long as there is not mutual interest for publication of this relevant topic. Especially in this case, where an ongoing process of looking for new areas for coexistence between these organizations is at stake, it is hard to get open access to information. This expectation proved to be true when none of my respondents from Statoil could offer me complete information with access to documents where these issues had been discussed internally within these organizations. Anyway, as will be demonstrated, my findings brought me considerable and valuable insight into this issue which may contribute to new local knowledge of my subject. The basis for my findings is the particular communication process that took place between Statoil and the Fishermen's Association, in the period from 1995 until the present situation of moratoria at Nordland VI, VII and Troms II. This means that the period runs from the initial contact between these parties where the collaboration process of Snøhvit started, through to the implementation process until completion in 2007. Further on, their positions in the matter of coexistence in waters off Lofoten, Vesterålen and Senja, where especially the Fishermen's Association seems to have a more strict attitude and expectation, affects their views on new communication processes. These parties' statements are based both on personal perceptions and on the basis of their organization's point of view.

5.1. Findings – Social context

In this section I will present findings on how social context affects understanding of reality, which in turn can be related to how my respondents interpret their communication process. The respondents have one part of their social network within their respective organizations and another part associated with the inter-organizational collaboration.

Embedded in my definition of social context, which applies social network, the communication process between these parties can be related to the social context where these organizations interact in different networks.

Social context

affects

Communication

Findings – social context affects communication

Some of my respondents held, and still hold, positions within their organizations where they interact daily through public communication. They participate in meetings, both internally within their organizations and representing their organization in the inter-organizational communication process between these two organizations (Statoil and the Fishermen's Association). My respondents used to discuss their views and thoughts about challenges and possibilities of coexistence with their colleagues within the organization and in their interaction through inter-organizational communication.

To illustrate how interpretation of reality can be related to the social context where an individual interacts, I will use the example of how one of my respondents changed their attitude concerning coexistence in the Barents Sea. According to this respondent, it had been a commonly held view for 20 years that it was not possible to coexist with the oil industry in the Barents Sea. He expressed his previous perception of coexistence as follows:

"...fishermen have a tradition of using these waters. I used to say that we have a long-lasting tradition, from the first settlement along the coast here, where they then began to harvest the marine resources. It gives us some rights..." (FA)

Social interaction with various network relations may have caused this position. It can be related to his interaction in the fisheries sphere and other social networks where this understanding of reality was adopted and internalized. With the requirements from the fisheries for no environmental interference in the Barents Sea, it was not considered possible to coexist with the oil industry in these waters. On the other hand, the oil industry has been on the Norwegian continental shelf for four decades and has developed environmentally friendly technologies and solutions which enable them to extract oil and gas without any offshore platforms. Development of new technologies took place through inter-organizational collaboration to invent sub-sea installations which made it possible to move all functions of an offshore platform onshore, to a land-based terminal. In this way, the fisheries affected the oil industry in technological developments through social interaction which nowadays makes it possible to coexist in the Barents Sea. This development has been a process in the context of social interaction between individuals within inter-organizational networks. Requirements from the fisheries, based on their social networks and the desire from the oil industry to coexist with the fisheries in sensitive waters have made this happen by the exchange and dissemination of information and knowledge. Thus, the reasoning why my respondent's attitude had changed before the approval of the Snøhvit field may have been caused by social interaction with the oil industry and Statoil over time. Ideas and knowledge have been exchanged and the oil industry especially has externalized their understanding in an interaction process, which may have been adopted (internalized) by the fisheries in this process. Anyway, the social networks in the fisheries sphere nowadays seem to be open to collaboration and coexistence in these waters in the Barents Sea.

One of the respondents from Statoil told me about their approach to how they interact in an inter-organizational communication such as this. What he considered as most important was to meet stakeholders, individuals and groups face-to-face, not only once but several times, and through this to develop a confident dialogue. When it comes to making use of media he argues that in general there is no room for long explanations in newspapers or magazines to illustrate how social interaction with individuals or groups may affect stakeholder communication and through this process develop relationships. As this respondent put it:

"...but if you meet people at a conference, in a meeting, you know – several times, then you get the opportunity to explain and you learn to know people. [...] In this way we get to know all the requirements and needs that exists." (Statoil)

This quotation above indicates that the respondent feels confident enough to interact in different social networks and through this externalize their organization's view and develop close relationships with their stakeholders. He relates experience of similar situations and based on this he argues that it is important to explain their technologies and reviews to stakeholders. He argue that it is not that difficult to get this input, as the people within the fisheries are willing to speak up and are straightforward in their position as a stakeholder. This is linked to my theories of social networking, and individuals and organizations conveying knowledge and information in formal and informal personal relationships. When individuals, as in this case, interact in formal settings some relationships develop through more informal settings to closer relationships and sometimes may even end in friendship.

When the respondent within the Fishermen's Association told me about the interorganizational communication process, he highlighted why they could support the establishment of this project. Due to the commitment made by Statoil to meet the fisheries' requirements and their being treated with respect, he made it possible to support their access in these waters, and he argued as follows:

"We could support the establishment of the Snøhvit project because this was a gas project, and secondly that all sub-sea installations should not make any impact on fisheries. [...] Actually they managed to carry out some technological developments to satisfy our requirements." (FA)

This statement underpins the statement made by the respondent from Statoil, that it is important to collaborate in social networks to convey ideas to individuals within the social network and to fishermen. Through this stakeholder interaction process, they could find solutions and modify attitudes within the fisheries sphere, which finally satisfied the fisheries' requirements for coexistence. Through an interaction process in different social networks it appears obvious that the oil industry and Statoil exerted an influence which seems to have affected the Fishermen's Association's understanding of reality. In this sense, my respondent and his social networks within the fisheries sphere adopted a new approach for coexistence in these waters.

To illustrate how social interaction with individuals and groups develops opinions and understanding of reality, I will use one of my respondent's expressions about the fisheries' attitudes to the oil industry.

"...they are big and heavy, and might have support from the Norwegian people in a way. Yes, as I see it in the newspapers and in the media in general, when it comes to this debate, probably they have the people with them in that area too. I think, like in Vesterålen, if there was a referendum, I'm not sure where it would end. I guess it would have been a yes to oil operations" (FA).

This underpins the view that my respondent sees Statoil as one of the participants in the social network to the oil industry. He elaborated on this theme and includes the whole oil industry in this network, including the Ministry of Petroleum & Energy and the Norwegian Petroleum Directorate. This quote demonstrates how my respondent, by participation in social interaction, has developed an understanding of some local social networks and indicates that people in general from Vesterålen do have a positive attitude to oil activity outside Lofoten. He does not say that he belongs to this group, but refers to this as an opinion which is rooted in a social network of people within these areas. What could have caused this understanding may be referred to as Statoil's networking activities which demonstrate how they actively try to develop attitudes and opinions about their business in general. Experience and interaction with Statoil and the oil industry generally could have given this respondent knowledge about what Statoil are doing to disseminate information.

To illustrate what Statoil did to develop attitudes and opinions about their business, I will use an expression from my respondent in Statoil:

"Yes, we were travelling around to participate in annual meetings of political parties, participate in meetings with the Fishermen's Association, talking with politicians, you know. Plus all the other things we were doing to bring up relevant information. [...].It is about the long-term dialogue that we had". (Statoil)

This statement underpins my respondent's (from the Fishermen's Association) earlier statements, where he experiences that social interaction by Statoil affects attitudes in different

social networks, as in his example of Vesterålen. Statoil's respondent confirms that this is their way of interaction; by meeting both political parties and the fisheries groups and other stakeholders, they influence attitudes in different social networks.

Summary

In this section I have presented how social context affects communication. My main findings may be summarized as follows: my respondents from both organizations have parts of their social network within their own organization and other parts within this particular interorganizational collaboration. Statoil's respondents highlight the importance of social interaction with their stakeholders to convey understanding and knowledge, which is demonstrated in the way they interacted with the Fishermen's Association to modify attitudes about coexistence in the Barents Sea. Respondents from the Fishermen's Association explained how this process changed their attitude from not considering coexistence in the Barents Sea to supporting the establishment of the Snøhvit project. This demonstrates how Statoil interacts with their stakeholders to make, maintain or modify attitudes about their business through an interpersonal communication process. My respondents developed personal relationships in this inter-organizational communication process and these relationships continued after finishing the Snøhvit project.

5.2. Findings – Relationship

In this section I will present findings of how relationships in this inter-organizational collaboration affect my respondents' communication. In this matter, I focus on how possession Communication of power, confidence and personal experience affects their relationship.

Embedded in my definition of relationship, which applies personal trust and experience, I will highlight how this communication process can be related to the relationship my respondents within these organizations have with each other and through these organizations what their position is in society in general. The communication of these respondents can be affected by an asymmetric possession of power.

Findings – relationship affects communication

Statoil's approach to the Fishermen's Association was to meet them, exchange and disseminate information and knowledge, and develop trust through their dialogues. Statoil considered it essential to develop a good relationship with local managers in the Fishermen's Association in order to find the best solutions for their coexistence with the fisheries in waters off Hammerfest. Statoil was aware that the fisheries could not support anything other than a gas development in the Snøhvit field at that time. The Snøhvit field contained some oil, but did not find it worthwhile pursuing this for various reasons. This decision was taken at an early stage and was not included in their application to the authorities. Statements by the Fishermen's Association and positions in the fisheries sphere in general were crucial in Statoil's decision to only apply for gas.

To illustrate Statoil's stakeholder approach in this particular project, I will use an expression of one of my respondents from Statoil which outlines how their interaction with the Fishermen's Association occurred. He argues that it is important to exchange and disseminate information and knowledge. As this respondent put it:

"... Through a broad and constructive dialogue over a long period of time, we managed to find good solutions which took care of their interests and at the same time brought us

Relationship

affects

solutions we could live with. It is all about communication to develop an understanding of each other's perspectives and interests, simply like that." (Statoil)

This respondent underlined the importance of building close relationships and developing trust with a key stakeholder such as the Fishermen's Association. As indicated in this quote, he emphasized that this was the only procedure to achieve solutions to gain their support for this establishment.

There was an oil and gas conference in Harstad in 1995, prior to the approval¹⁷ of Snøhvit, where Statoil and the Fishermen's Association had initial contact. A relationship developed between two of my respondents in the Fishermen's Association and one of my respondents in Statoil. As both parties represent the regional management within each organization in the north of Norway, they agreed to start an inter-organizational collaboration process toward coexistence in waters off Hammerfest.

"...we had good contact with [the manager from Statoil] throughout the period, partly from Troms and partly through our local Department in Hammerfest which was deeply involved in this, especially after the PDO approval by the Storting." (FA)

This quotation indicates that the respondent appreciated the contact and their communication process with Statoil, both before the approval of Snøhvit and during its establishment. What he meant by "good contact" was elaborated on in various aspects. He highlighted their informal communication in different aspects and referred to social events, informal meetings, phone calls and even social trips initiated by Statoil's team on this project.

As mentioned above, Statoil considered the Fishermen's Association to be a key stakeholder and put much effort into this communication process concerning coexistence in waters off Hammerfest. My respondent from Statoil explained how this communication process added new knowledge to Statoil's stakeholder approach and outlined some lessons learned.

¹⁷ The plan for installation and operation (PIO) of Statoil's Snow-white field in the Barents Sea was approved by the Storting on 7 March 2002.

"...we learned what it means to have a continuous dialogue with someone, to develop trust by meeting people several times. It is important for us to get this trusting dialogue, which enables us to bring them the input we need..." (Statoil)

My respondent argued that this communication process brought them some lessons concerning what it takes and how important it is to get in a closer relationship with this stakeholder in this particular issue. Through this process, it seems the management team in Statoil has fulfilled the Fishermen's Association's expectations of role performance and technical competence and does not always put their self-interests first.

To illustrate how the personal relationship evolved, I will use a statement of one of my respondents from the Fishermen's Association.

"...I have been in contact with him since, even after this project. Then there are others who came into this position later on. It does not seem as they have been briefed on the prehistory, and after this the communication and dialogue has faltered." (FA)

As it developed and appears, it is quite obvious that these persons may have developed a close relationship in this inter-organizational collaboration project. It seems as though both of them felt that this was a good relationship and it has developed expectations after the project. My respondent from the Fishermen's Association does not feel that confidence in those who held these positions concerning the transfer of history to those who came later into these positions. In this way he now feels more distance from the management within Statoil. As my respondent does not feel that close to those new people, he seems to feel more distance from Statoil's management in general.

Going forward, there appears to be a shift in his attitude when it comes to expectations for the forthcoming communication process about new coexistence, caused by Statoil's faded contact after the completion of the Snøhvit project.

"...well, they show up if we want them to do something or ask them to share information, but the close contact we had earlier is sort of faded away. I think, yes, in other words, it is clear that there is a self-interest here, when they want to talk." (FA)

My respondent expresses that he experiences something negative in Statoil's stakeholder approach, which is related to their performance and the continuation of a long-term dialogue. He argues that they performed well when they needed support for coexistence, but it fades as soon as they have got what they want. This appears as a shift from a relationship based on confidence to some kind of mistrust, as he indicates that this stakeholder approach is not sustainable.

Statoil has already started its process for a new coexistence in waters off the Lofoten Islands, which focuses on including all their stakeholders. In this regard they have established what they call the High North Initiative.

"...[the leader of this Initiative] her task is to coordinate much of what we are doing about these things internally, and then try to bring out our united message externally, to promote our business..." (Statoil)

As it appears in this statement, the High North Initiative is established to convey their ideology to all their stakeholders and by that to construct a unified understanding of the social reality. This may underpin the complexity they realize is inherent in implementing a good communication process, which concerns influencing their stakeholders to internalize Statoil's understanding of reality as the correct way and gain advantages to ease their access to sensitive waters.

Summary

In this section I have presented how relationship affects communication. My main findings may be summarized as follows: both parties have experienced a close social interaction process and based on this it appears that they felt confidence in each other. Respondents from the Fishermen's Association highlight how they, through this communication process, developed a close relationship with the management team from Statoil. It seems as if my respondent from the Fishermen's Association internalized Statoil's understanding of reality

and conveyed this understanding further into their relationships in the fisheries sphere. Respondents from Statoil mainly focused on their stakeholder approach and the lessons learned about the importance of a long-term stakeholder dialogue to develop trust to achieve good solutions for both parties. My respondent from the Fishermen's Association experienced something negative in Statoil's stakeholder approach, in terms of a too short perspective in a "long-term dialogue". This appears to be a shift in my respondent's confidence in Statoil as their contact faded after finishing the Snøhvit project. The establishment of Statoil's High North Initiative may be attributed to experience and lessons learned from the Snøhvit project.

5.3. Findings - Expectation

In this section I will present findings of how an overall experience with the oil industry influences my respondents in a way that affects this particular communication process. My respondents may have developed experience through social interaction which may constrain their expectations

of the oil industry, to basically facilitate their access to new

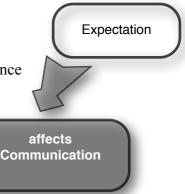
sensitive fields for coexistence. It is essential to have confidence in each other to succeed in collaboration between organizations and these respondents' communication can be affected by an asymmetric possession of power.

Findings – expectation affects communication

To illustrate how one of my respondents from Statoil explained their approach to inquire into individuals' and groups' understanding of reality, I will use his statement on this issue.

"...there is no room for long explanations through media. This is a general problem. Media wants big headlines, a tough picture and a footnote. [...] It is a challenge; it is certain risk in our business, but also a benefit [...] We experienced that newspapers as a channel were closed, because our presentation contained more than two sentences. This forced us to establish alternative channels." (Statoil)

This quote to a large extent confirms that Statoil considers the media to be an inappropriate channel to reach their stakeholders with detailed information. Because of the uncertainty that exists when you let the media present your message to the people and Statoil's various interest groups, they had to make use of other channels to inquire into social interaction to control the presentation and the outcome. My respondent referred to issues that occur when their stakeholders use the media as a channel to criticize their oil and gas activities, and argue that it is difficult to use the same channel to answer to these allegations. Mass media as channel for information and debates have certain advantages and other disadvantages. He outlines the oil industry's risks, and explains that if the risk must be considered to probability, then the risk is small. Furthermore he mentioned when different groups or environmental NGOs use



different newspapers to present a bad image of our industry, they argue that we are causing a major risk to the environment. In these cases too it is difficult to meet these allegations through the same channels, and he argues that Statoil has to convey their message of mission, knowledge and understanding of reality through alternative channels. In this case, he is at the core of my selected theories which underpins the fact that Statoil through experience has developed expectations which affect their communication with their stakeholders.

One of my respondents makes a link to the oil industry's tendency to portray themselves as excellent in their announcements in national newspapers, and highlights that this is challenging his expectations of the oil industry in regard to their seriousness and attitudes. As my respondent put it:

"I have seen some full page ads from the oil industry; truly, it is on the edge of fairness as they portray themselves. It's like they have no qualms about the environmental safety factors. They present it far more glamorously than realistically. [...] And I find it weird with this tendentious presentation of excellence." (FA)

My respondent argues that it cannot be an appropriate stakeholder approach or bring them any advantages to use this kind of announcement to affect stakeholders' attitudes in a positive way. He elaborates on this by saying that they want to appear powerful and environmentally conscious at the same time. They want to create an image that they care about people's welfare and will bring happiness and prosperity to Norway, if they only get permission to continue their activities in the north and in waters off the Lofoten Islands. This media-based commercial presentation does not create positive expectations in my respondent towards the forthcoming collaboration for new coexistence. Actually, it is to the contrary according to him, this brings him a new experience which affects attitudes towards and expectations of further communication.

One of my respondents from the Fishermen's Association continued on this topic about how the oil industry's connection with the Ministry of Petroleum and the Norwegian Petroleum Directorate affects his attitudes. To illustrate how this challenges my respondent's expectation of what the oil industry can do with their possession of power, he points out how the oil industry and the authorities cooperate by the following statement:

"...Statoil have strong backing from the Ministry of Petroleum and Energy and from major political parties. They basically do what they want. There is a lot of money in this business, so they feel safe, but they have been instructed to minimize the media turbulence lately, because they have realized that all negative coverage primarily affects only them." (FA)

My respondent expects that Statoil has connections with the authorities and to different systems of power which enable them to solve or decide on whatever is needed. This quote illustrates what my respondent from Statoil explained earlier, that it is hard to answer criticism concerning their business through the mass media, and mainly all negative publicity affects them. This indicates that my respondent from the Fishermen's Association has found that the ongoing debate in the media, that NGOs and others easily influence the debate with convenient and unrealistic solutions. The NGOs' goal is to stop all oil activities on the Norwegian continental shelf. This is however not my respondent's attitude, he thinks the media debates where various NGOs are involved often present coexistence in either black or white. This shows that the media debate that takes place creates attitudes and expectations, which, he argues, do affect their collaboration and communication about new areas for coexistence.

When it comes to how these parties see themselves and their organizations' positions related to people's perception of their importance in society, it appears to be an asymmetric possession of power between these two organizations. One respondent in the Fishermen's Association said that the Ministry of Petroleum and Energy are regarded by the government as more important than the Ministry of Fisheries and Coastal Affairs. This, he said, is due to the fact that governmental revenues from the oil industry are higher than from the fishing industry. He said that it may be rooted in people's opinion too, that oil and gas activity in the north of Norway will bring a new spirit to people in this area. The establishment of the Snøhvit field, which was supported by politicians and the Petroleum Directorate, was met by enthusiasm from the people in this area. To illustrate how the asymmetric possession of power seemed to affect the fisheries' expectation and finally the communication process with Statoil,

I will use his expression about their attitudes to the oil industry in general, as the oil industry possesses too much power in his point of view:

"...we expected it would come no matter what we said. In a way, we made the best out of the situation." (FA)

He elaborated on this theme and justified his view through his experience, that this asymmetric possession of power had caused the fisheries to have no chance to stop this establishment in waters off Hammerfest. They felt in a way that they had to adopt Statoil's knowledge and do their best to find good solutions. Based on this experience, some negative attitudes emerged in the fishery sphere, but he personally became favourable early on towards this establishment.

To illustrate how the asymmetric power between these organizations affected the Fishermen's Association's expectation, I will use the comment from the other respondent from the Fishermen's Association concerning their attitudes to new collaboration with Statoil:

"...we are straightforward in our requirements.[...] our minimum requirement to participate in a dialogue about coexistence in Nordland VI, VII and Troms II, is solely dependent on how seriously they meet our statements and requirements." (FA)

He argues that they want more influence and will put more effort into this process of communication, in new areas of coexistence. His experience from collaboration processes with the oil industry has brought him knowledge of how Statoil and the oil industry in general through their possession of power have affected his attitudes on how to deal with the oil industry in the future.

One respondent from Statoil pointed to what they saw as the actual challenge, and what they acknowledge as the real problem. This applies to the water space conflict, which he said should be properly resolved through a constructive dialogue where opportunities should be used as guidelines to solve this issue.

"The intense area conflict is a challenge, caused mainly by our seismic surveys in coexistence with fishery [...] we know about this problem. The requirements from the Fishermen's Association are clearly communicated to us and we have to find a good model for cooperation and coexistence with the fishery." (Statoil)

Statoil seems to realize the effort required to access the sensitive waters off Lofoten, Vesterålen and Senja. They seem to have understood their challenge and what kind of processes have to take place to obtain a solution which takes both parties' interests into account. This illustrates that lessons were learned from Hammerfest which may have affected their expectations of a new communication process with the Fishermen's Association.

Summary

In this section I have presented my how expectation affects communication. My main findings may be summarized as follows: It emerges from my findings that Statoil's managers have expectations about the media being an inappropriate channel to convey reliable information to its stakeholders, which affects their approach to how they communicate with their stakeholders. Statoil seems not to consider meeting any allegations from stakeholders through the media and argues that they have to convey their messages through alternative channels. My respondents from Statoil are concerned about how to meet allegations and find solutions for coexistence, while the Fishermen's Association's respondents highlight how the oil industry portrays itself as excellent in its announcements through the media, and states that this way is too glamorous. And he adds that too glamorous announcements strike back at Statoil. Obviously, the media can be interpreted as a mutually inappropriate channel to convey any reliable information. Respondents from the Fishermen's Association seem to acknowledge that the oil industry's possession of power enables them to influence and decide on too much. This seems to provoke a stricter approach to Statoil, as they ask for respect from the oil industry when they meet to discuss the possibilities for new coexistence in more sensitive waters. It appears as if Statoil's managers want to meet these remarks through an open dialogue concentrated on solutions which make it possible to coexist in waters off the Lofoten Islands

In the following section I will link my findings back to the theory and make a theoretical explanation for my findings.

5.4. Discussion of main findings

The point of departure for this thesis was to provide an analysis of how the particular communication process between Statoil and the Fishermen's Association had evolved to explain how the fisheries show different attitudes towards coexistence in different waters. This concerned the lessons learned and what attitudes had changed from the initial contact about the Snøhvit project to the forthcoming challenges for coexistence in waters off Lofoten, Vesterålen and Senja. The other part was to reveal some aspects of Statoil's stakeholder approach, and through this to identify gaps for improvement. Equipped with my empirical data, selected theories, explanatory factors and an inductive approach, supported by a constant comparative method to evaluate findings considering previous research, academic texts, and commonsense explanations, the process of analysis could start.

Based on my interpretive method, which assumes that social interaction provides the foundation for the individuals' understanding of reality (Locke, 2001; Yin, 2003; Johannessen et al., 2004; Easterby-Smith et al., 2008), this corresponds with the way my respondents' understanding of reality is the basis for their interpretation of this communication process. I applied three relevant explanatory factors to this particular context in order to approach my respondents' understanding of the reality. These explanatory factors are social context, relationships and expectation. My findings demonstrate that these explanatory factors are relevant and important in understanding and explaining my problem statement.

My findings demonstrate that the respondents from the Fishermen's Association were offering the most interpretive descriptions of the overall inter-organizational communication process, while the respondents from Statoil were mostly concerned about how to promote their business and the lessons learned from their social interaction with their stakeholders. Maybe this was based on some fear of "stepping on some toes" on a hot issue, which is not an unreasonable explanation, but this is just guesswork and is not rooted in my findings.

Theoretical explanation as to how social context affects communication

My findings concerning Statoil's social interaction in different social networks with the aim of externalizing their organization's view and developing close relationships with their stakeholders correspond with the theories of Schiefloe (1998) and Berger and Luckmann (1996). This is because through interpersonal long-term communication processes there emerged a personal relationship between these organizations where Statoil was able to modify my respondents' attitudes from the Fishermen's Association from not considering coexistence in the Barents Sea to supporting the establishment of the Snøhvit project. Derived from my empirical data this seems to be caused by the social interaction with the oil industry and Statoil over time. From the theory of social networking we know that close relationships are more important than peripheral ones, in terms of how social relationships and the individual's own sense affect the individual's understanding. The relationship that emerged between my respondents from these two organizations became a close relationship throughout this communication process. This means, in the case when uncertainty prevailed, as when the oil industry wanted to access the Barents Sea, it seems as my respondents confirmed and developed their understanding of the actual situation through the communication process. This particular relationship appears to be very important to one respondent from the Fishermen's Association. It seems that this process helped him to make sense of Statoil's conveyed knowledge and understanding. As indicated, this contact faded out after Statoil had finished the Snøhvit project, which caused the respondent from the Fishermen's Association to seemingly change his attitudes to the management at Statoil. The link, which may hold this relationship together, could be caused by different possession of knowledge, information and resources. Another link could be drawn to theories by Nohria (1992), because Statoil's interaction with various network relations could be the reason why my respondents from the Fishermen's Association changed their attitudes and understanding of the possibility of coexistence with the oil industry in the Barents Sea. This finding underpins Nohria's (1992) statement that "network constrains actions". It seems that my respondents from Statoil managed to develop personal relationships in this inter-organizational communication process and these relationships, as demonstrated in my findings, became so close that they continued after finishing the establishment of the Snøhvit project. This corresponds with the theory of Erickson (1988) that closer relationships negotiate with each other to develop and compare

their understanding and more easily find a common understanding. And to theory by Schiefloe (1998), as this relationship was brought with them after this project.

This is a very simplified explanation of this respondent's reality, as there will always be several factors that affect how individuals make their choices. My findings may be linked to theories by Mumby (1988) and Rognes (2008) as my respondent from the Fishermen's Association indicated that Statoil's possession of power may affect my respondent when he indicates that Statoil, which is a big and heavy player, managed to gain support among some local social networks in the area of Vesterålen to access waters off Lofoten, Vesterålen and Senja. It appears that, when Statoil managed to gain support from local stakeholders in Vesterålen and other areas, my respondent seemed to be affected by this by adopting a more positive approach to the communication process with Statoil, about new coexistence in these waters.

To examine whether Statoil has performed well in relation to their objectives in this social context, I researched Statoil's website and found their statement concerning social responsibility,¹⁸ which they put thus:

"In addition to a systematic and thorough mapping of relevant context factors, the planning process also relies on extensive dialogue and engagement with all significant stakeholders from politicians to local communities and NGOs" (Statoil.com).

This statement corresponds with theory by Brønn and Wiig (2002), where Statoil has a country-specific business plan which includes the risk and opportunity profile of the area, local needs and expectations. Statoil's official statement on this issue underpins that they are seriously concerned about all their stakeholders. This statement demonstrates how they apply a multiple stakeholder approach by including all their stakeholders, politicians and NGOs. By comparing the official statement with statements of my respondents from Statoil of how they interacted with this particular stakeholder, it appears that Statoil has fulfilled its obligation. My respondents from the Fishermen's Association seems to be affected of Statoil's possession of power in the way Statoil are capable to convey knowledge and understanding to different social networks and develop positive attitudes to their business. This finding corresponds with

¹⁸ Statoil.com

theory by Lukes (1974), where Statoil seem to succeed in their social interaction manage to change attitudes in networks to actively support establishment of new waters of coexistence. Statoil has designated people responsible for participate in annual meetings of political parties, formal seminars and informal socializing with local managers from the Fishermen's Association. These persons maintains contact with their stakeholders, establishing new contacts to exchange information and establishing trust, a finding that corresponds with theory by Jacobsen and Thorsvik (2004).

Theoretical explanation as to how relationship affects communication

It emerged from my findings that Statoil's communication gained trust as the process between these organizations has strengthened the social interaction, which affects their relationship and communication. Derived from my empirical data, it appears that my respondent from Statoil managed to develop trust in the relationship with my respondents from the Fishermen's Association through continuous dialogue until the completion of the Snøhvit project. This finding corresponds with the theory of Creed and Miles (1996) that confidence is the result of a social interaction process over time. This links to the theory of Lewicki and Bunker (1996), because confidence is essential in this relationship to enable Statoil's managers to reduce the risk factors associated with oil activities as long as my respondents from the Fishermen's Association found it risky to coexist with them in the Barents Sea. Derived from my findings, it appears that these respondents' experiences of Statoil's performance role and technical expertise matches the theory by Barber (1983), because of their understanding of a natural and moral behaviour during the process when Statoil exercised its trust obligations to meet requests by developing new technology. Through this close interpersonal communication process which corresponds with the theory by Mishra (1996), my respondents from the Fishermen's Association found Statoil's managers to be reliable, competent, open and taking responsibility to meet the fisheries' requirements. Statoil's respondents highlighted this "long term dialogue" with the Fishermen's Association as essential to find good solutions for coexistence. As is shown in my findings, Statoil's respondents think they performed well until the end.

My respondent from the Fishermen's Association experienced something negative in Statoil's stakeholder approach, in terms of a too short perspective in their "long term dialogue". My findings indicate that respondents from the Fishermen's Association do not think that Statoil's stakeholder approach is sustainable. They highlighted that Statoil performed well to get their support for coexistence in waters off Hammerfest, but the contact faded when the project was finished. The fact that Statoil developed a close interpersonal relationship during the establishment of Snøhvit, which enabled them to get the fisheries' support, does not seem to correspond with these respondents' interpretation of a close relationship. This finding corresponds with the theory by Mishra (1996), because it appears to be a shift of confidence in the management in Statoil, to which attention should be paid, as this distance affects their

expectations when it comes to new collaboration and communication on new coexistence. As my respondents from the Fishermen's Association highlighted their close relationships with Statoil's managers, my findings could be linked to the theory by Barber (1983) because this faded contact does not fulfil these respondents' expectations of Statoil's managers when it now seems as if this relationship was constructed solely to gain their support. According to Elliot (1997), this shift in confidence may be explained as Statoil's managers' intention was to develop close relationships with these local managers solely to meet their requirements, which not appears to be a rational approach based on this stakeholder's evaluation.

To examine whether Statoil performed in accordance with their statement concerning communication with stakeholders, I use their own statement concerning stakeholder dialogue,¹⁹ which is included in their social responsibility. They put it like this:

"Social responsibility is integrated into Statoil's business processes through open dialogue with stakeholders affected by our operations." (Statoil.com)

This statement corresponds with theory by Brønn and Wiig (2002), where Statoil's goal is to inform their stakeholders through interaction and an open dialogue about their operations and plans as well as to learn about stakeholders' interests and experiences with their business. In this way they apply a multiple stakeholder approach. By comparing this statement with the interpretation of my respondents from the Fishermen's Association of a long-term dialogue, it appears that Statoil has fulfilled its obligation. According to Rognes (2008), there may be different objectives in developing close relations. Statoil's statement concerning their objectives with a stakeholder dialogue is thus difficult to misunderstand as it excludes no agenda. On the other hand, according to theories by Brønn and Wiig (2002), Statoil should pre-consider possible issues that may affect the organization in the long term. From this point of view, they should have detected this issue and decided whether to meet this remark or not.

The establishment of Statoil's High North Initiative may be attributed to experiences and lessons learned from the Snøhvit project. It could work as a continuation of this communication process which faded after finishing the Snøhvit project. The establishment of the High North Initiative demonstrates the complexity they realize is inherent in

¹⁹ Statoil.com

implementing a good communication process with their stakeholders. It concerns influencing their stakeholders to internalize their understanding and knowledge, which corresponds to theories by Jacobsen and Thorsvik (2004) and Erlien (2006) because they have to promote their own interests and gain advantages in order to ease their access to sensitive waters. Respondents from the Fishermen's Association have noticed Statoil's initiative and one respondent comments on this as follows:

"...we have noticed that Statoil has established this High North Initiative. I think they will promote their business as well. [...] Everything depends on how seriously they meet all requirements..." (FA)

This statement correspond with theory by Berger and Luckmann, (1996), as both parties have experienced a close social interaction process and based on this, they express confidence in each other. Experience with the management from Statoil from the Snøhvit project seem to affect the expectations of respondents from the Fishermen's Association that Statoil may be capable to meet main requirements in waters off the Lofoten Islands, as on waters off Hammerfest. This finding seem to correspond with the theory of Eisenberg, Goodall and Trethewey (2007), concerning the difficulties associated with interaction in interorganizational communication networks, to manage the process of maintaining established attitudes and confidence. The statement above demonstrates this theory in the way my respondent from the Fishermen's Association meet Statoil's High North Initiative with stringent requirements for a new collaboration process.

Theoretical explanation as to how expectation affects communication

My findings demonstrate how Statoil's action affects my respondents from the Fishermen's Association concerning expectations of the oil industry in general. One of my respondents elaborated on how experiences from the collaboration process in Hammerfest have brought him knowledge of how Statoil and the oil industry in general possesses power, which affects his attitude and expectations regarding new communication processes. The theory by Berger and Luckmann (1996) corresponds with my findings that most of these respondents' expectations emerge from the social interaction process with daily news in the media and from their different networks. This finding links to the theory from Erlien (2006), because Statoil's announcements through the media seem to affect respondents' (from the Fishermen's Association) expectations towards a new communication process with Statoil. According to the interpretive theory by Easterby-Smith et al. (2008) and linked to basic principles of behavioural theory by Moe (1994), an explanation of how my respondents from the Fishermen's Association have expectations of the oil industry's ability to portray themselves as excellent, is partly a result of experience with a similar situation in other cases. As an example, when one respondent elaborated on the issue of Statoil's possession of power he pointed to their position within the political sphere, the Ministry of Petroleum and Energy and the amount of money the oil industry contributes to the Treasury. This finding demonstrates the difficulties associated with Statoil's challenge to maintain a positive attitude to their industry from this stakeholder, which correspond with theory by Eisenberg, Goodall and Trethewey (2007).

Derived from my findings it appears that "Statoil's possession of power" did not emerge from any particular situation or explanation where any possession of power was executed in these parties' relationships. Actually, corresponding with the theory by Rognes (2008) it emerged that "Statoil's possession of power" was used as an image of the oil industry in general. This factor of power is expressed to have a negative impact on their expectations, but without a direct link to their own experience. This could imply that parts of my respondents' assessments about Statoil, and the overall oil industry, are based on uncertain indirect information. To examine whether Statoil has performed in accordance with their statements concerning stakeholders' expectations, I use their statement concerning their social responsibility and social interaction which is included in their mission,²⁰ and is expressed thus:

"Our mission is to deliver energy to the world – and our obligation to do this in the right way. [...] How we do it is just as important as what we do." (Statoil.com)

Their intention is to do all this in a socially responsible manner. They say they are committed to the principle of doing no harm, and their social risk management mainly concerns reducing harmful impacts on the communities affected by their operations and their business. This underpins the realization that they are in the spotlight of the attention of the media and of different stakeholders, concerned about the environmental effects of this business. These findings correspond with the theory of Brønn and Wiig (2002), where Statoil's statement concerning how to meet stakeholders' expectations appears to be demonstrated in their focus on and establishment of the High North Initiative. This may be a helpful tool for promoting, maintaining and improving their image and thereby protecting respect for Statoil and its reputation in society.

²⁰ Statoil.com

6. CONCLUSION AND CONTRIBUTION

6.1. Conclusion

My problem statement: Lessons learned from the Snøhvit project – how may this improve Statoil's stakeholder approach to ease access to new fields for coexistence with the fisheries?

Through an interpersonal close relationship with the local management of the Fishermen's Association, it appears that Statoil fulfilled its trust obligations and found solutions to meet their requirements to gain their support for coexistence in waters off Hammerfest. This interorganizational communication process lasted for years and interpersonal relationships appeared at the preparation and emerged throughout the establishment of the Snøhvit project, but faded after it was finished. This faded contact seems to cause a shift in confidence and attitudes toward Statoil's stakeholder approach. A new attitude are emerging which negatively affect their expectations to Statoil and blame them to apply a too short perspective in a long-term dialogue. The faded confidence also seems to affect my respondents in the Fishermen's Association, and blames the oil industry to portray itself as too excellent, which negatively affects attitudes towards new communication processes with Statoil. These emerging attitudes seems to be noticed by Statoil as they invites to an open dialogue with its stakeholders through the new establishment of the High North Initiative. This establishment may be attributed to experiences and lessons learned from the Snøhvit project, which might work as a continuation of a communication process which brought them success in the Snøhvit project.

Derived from my findings, it appears that Statoil have considered main aspects and perspectives in their stakeholder approach, and met its stated obligations. Anyway, my findings indicate that their stakeholder dialogue with local stakeholder relations might been conducted beyond the Snøhvit project and not been interrupted pending for new waters to access.

The Fishermen's Association represent a major stakeholder in all waters, and a long-term stakeholder dialogue might be considered beyond one-by-one project, which could ease their access to more sensitive fields. This might be an issue addressed to Statoil's country-specific business plan, to its stakeholder obligations, concerning local needs and expectations.

6.2. Contribution

My findings demonstrates that there is a correlation in-between my chosen explanatory factors, where each and all of them affects my respondents perception and interpretation of communication. It appears to be hard to distinguish or separate these factor to solely rely on one or two of these to provide a reliable perspective in my research. Altogether, these explanatory factors gave me credibility, reliability and the opportunity to triangulate upon views on this particular issue. Theories related to these factors helped me to reveal aspects of Statoil's stakeholder approach and explain main findings to make a conclusion.

According to Whetten (1989), a theoretical contribution emerge if you are improving existing knowledge with new models, which could be used to explain certain issues in a new way. I cannot find that my defined explanatory factors (social context, relationship, expectation) have been used to triangulate views of communication between stakeholders, and if this finding is correct, then my thesis is a theoretical contribution.

Some practical contributions should be emphasized:

I argue that this thesis is a contribution to a contemporary social issue, because the amount of local research are limited concerning lessons learned from a collaboration process toward coexistence between Statoil and the Fishermen's Association. My findings may be used as a contribution to local knowledge concerning the importance to fulfill its trust obligations, by finding solutions that meet requirements, to gain a stakeholders' support. My findings may represent a contribution to local knowledge about the importance to detect local needs and expectations that may emerge after a long-term stakeholder dialogue.

Suggestions for further research:

- Interviewing the top management team and a larger number of regional managers, both within Statoil and in the fisheries sphere, with the aim of confirming and refining my findings.
- Statoil's benefits from the establishment of the High North Initiative do it bring benefits to its stakeholders.
- Comparing my findings with other oil companies' stakeholder approaches, in order to reveal how they conduct a long-term dialogue with fisheries as a stakeholder.

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5. ATTACHMENTS

Appendix I - Interview guide - Statoil

Appendix II - Interview guide - the Fishermen's Association

Appendix I - Interview guide

Introduction to this interview | Statoil

- 1. I hope you allow me to tape-record this interview then I don't have to take notes and it will ease my attention in our communication.
- 2. All your information will appear as anonymous to you as person and this tape will be destroyed after transcription.
- 3. I will ask you open questions and you may elaborate your answers as you like. I may ask follow up questions to avoid any confusions.
- 4. Questions?

Interview guide - Statoil

Personal information

May you tell me a brief history of yours positions in the oil industry?

• Previous and current positions in Statoil

Statoil's communication with the Fishermen's Association associated with the Snøhvit project

- 1. How was the contact between Statoil and the Fishermen's Association established?
 - Who was considered key stakeholders
 - Local stakeholders
 - Formal or informal contact
- 2. How would you describe media's attention?
 - How did you use media as an information channel
- 3. How did Statoil work to get the project approved by the government?
 - Was it important to demonstrate your attention to stakeholders
- 4. How did Statoil prepare for resistance for this establishment.
 - How did you prepare any respond.
 - Dedicated people working with Statoil's strategies.
 - How was it organized
 - How did it evolve
- 5. How would you describe the collaboration process with the Fishermen's Association?
 - How influence on attitudes
 - Cooperative
 - Possession of power

Statoil's communication with the Fishermen's Association associated with new coexistence in waters off Lofoten Islands

- 6. Is there progress in the communication process?
 - Good dialogue
 - Possession of power
 - What issues are in focus
- 7. What have you learned of the Snowhite project as you can carry on here?
 - Experiences
 - Have attitudes toward coexistence changed
 - Is there dedicated persons in Statoil who works with this issue.
 - What strategies do you have
 - How is this organized
 - How evolve this work
- 8. Prospects to continuation of dialogue, influence new coexistence?

Appendix II - Interview guide

Introduction to this interview | the Fishermen's Association

- 1. I hope you allow me to tape-record this interview then I don't have to take notes and it will ease my attention in our communication.
- 2. All your information will appear as anonymous to you as person and this tape will be destroyed after transcription.
- 3. I will ask you open questions and you may elaborate your answers as you like. I may ask follow up questions to avoid any confusions.
- 4. Questions?

Interview guide - the Fishermen's Association

Personal information

May you tell me a brief history of yours positions in the Fishermen's Association?

• Previous and current positions.

Statoil's communication with the Fishermen's Association associated with the Snøhvit project

- 1. How was the contact between Statoil and the Fishermen's Association established?
 - Who do you think was considered as the most important stakeholders
 - Formal or informal contact
- 2. What do you think about media's attention related to coexistence in waters off Hammerfest?
 - How did you use media as an information channel
 - Do you think Statoil use media to convey information of their business
- 3. How do you think Statoil worked to get the project approved by the government?
 - Do you think it was important to demonstrate their attention to stakeholders
- 4. How did your organization prepare for this establishment.
 - Resistance.
 - Dedicated people working with strategies.
 - How was it organized
 - How did it evolve
- 5. How would you describe the collaboration process with Statoil?
 - How influence on attitudes
 - Cooperative
 - Possession of power

Statoil's communication with the Fishermen's Association associated with new coexistence in waters off Lofoten Islands

- 6. Is there progress in the communication process?
 - Good dialogue
 - Possession of power
 - What issues are in focus
- 7. What have you learned of the Snowhite project as you can carry on here?
 - Have attitudes toward coexistence changed
 - Is there dedicated persons in the Fishermen's Association who works with this issue.
 - What strategies do you have
 - How is this organized
 - How evolve this work
- 8. Prospects to continuation of dialogue, influence new coexistence?