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## Parallel communication in the Arctic

-How Statoil and Shell tackle simultaneous communication with different stakeholders in the circumpolar region

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### Abstract

Today, a war of words is all it takes to make or break a business. Oil companies are no exception, and are feeling the pressure when non-governmental organizations are turning the tide of public opinion against them. As lucrative and big companies, one would think they have the capability and the communications know-how to have an advantage over organizations mostly made up of volunteers, but communication is intricate and complex. Crane and Livesey (2003) argue that understanding what dialogue is and what purposes and results it actually has is poorly understood, thus I have organized a case study of how Statoil and Shell tackle dialogues with several stakeholders at the same time in the Arctic region, a phenomenon which I am calling "parallel communication." In this study I will be looking at some theories and stakeholder communications models and see whether or not these insights are relevant to my case study through key informant interviews with six communications experts from Statoil and Shell working in the circumpolar region, and content analysis of Statoil presentations to stakeholders and Shell's strategies for stakeholder engagement. The aim of this paper was to examine the trends from the experiences of my informants, and the manner in which they present themselves with their texts, and create a new model for parallel communication that may shed light on how dialogue is conducted in this case study, and hopefully contribute to communications and stakeholder engagement literature with what is hopefully a practical and effective model for communications processes. Central findings are that customization, although not blatant, is a prevalent strategy used by the companies. A source of repeated frustration for my informants was a lack of internal symbiosis which can sometimes affect stakeholder engagements negatively. My informants are also locked in a battle of narratives with the environmental movement, a battle which they are having difficulties with. My study finds that my informants tend to want to identify "special publics" with which to engage in dialogue with, although seeing their difficulties with public opinion, perhaps it would be fruitful to widen the scope of stakeholders and include the general public.

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## Introduction

In the last few decades, there has been an increase in pressure for companies to have relations with their stakeholders, both for ethical reasons (Freeman, 1984; Evan and Freeman, 1998; Donaldson and Preston, 1995) and for the achievement of strategic and economic objectives (Jones, 1995; Frooman, 1999; Maignan et al., 1999). As a result of this, it has become usual for a firm to have their own public relations and communications teams to represent them and their goals, and often actively engage even their critics in dialogue. In fact, "multinational corporations such as Shell, Levi Strauss, and Nike have joined the ranks of "progressive" niche companies such as The Body Shop to argue vigorously that they have listened and responded to their various internal and external stakeholders, including their critics." (Crane, Livesey 2003:2) What Crane and Livesy are referring to in their paper in relation to Shell, are the measures Shell had taken several years ago where they created an online forum, called "Tell Shell," (Shell Sustainability report 2003<sup>1</sup>) in which individuals could voice either their positive feedback or critique towards the company and where these posts could possibly receive a response from Shell. "With "Tell Shell," the company set a benchmark. This consisted of an invitation to the general public to express its views and the company committed itself to reproducing these views uncensored. Messages could be sent by normal mail, e-mail or posted on Shell's web forum. The quintessence of this feedback has been published in Shell's sustainability reports. The mail Shell gets is nothing if not forthright. It is often candid to the point of being offensive, sometimes downright naïve- and thus a plausible cross-section of public opinion." (Gazdar 2007:216) Gazdar goes on to cite entries both praising the company's willingness in "real listening" to their customers, and several messages critiquing their main activity. Gazdar also praises Shell for its "bravery and openness" in publishing critique of their company and responding to these messages.

These developments have birthed new relationship dynamics and issues, for both firms and non-governmental organizations, these having evolved into more complex and sophisticated communications relations and systems. (Crane, Livesey 2003)

In fact, oil companies have their own difficulties in terms of both government acceptance for licensing agreements, and in public opinion, especially in the Arctic. 56% of the populations from 23 countries believe the use of fossil fuel is problematic (Ipsos online international

<sup>&</sup>lt;sup>1</sup> http://reports.shell.com/sustainability-report/2011/servicepages/previous/files/shell\_report\_2003.pdf

research 2012<sup>2</sup>) and public opinion against drilling in the Arctic is steadily rising. (Heininen in Daiss in the Energytribune 2013<sup>3</sup>). This has, and can continue to, lead to PR campaign battles for and against oil company activity in the Arctic. There also are scholars who believe that Statoil and other oil companies which cite maturity and competence on the matter, is simply propaganda, and that they do not have the capabilities to handle Arctic drilling. (Ibid)

These interactions that international oil companies such as Statoil and Shell have, suggest that they must approach and address several different publics and stakeholders at the same time, all with different interests. In fact, both Statoil and Shell identify their many different stakeholders, seemingly openly, on their websites and their publicly accessible documents through said websites. According to Trevino and Nelson (2007: 216), a stakeholder is any individual or group that has one or more stakes in an organization, or is any individual or group who has an interest in what a business does or can be affected by- or have an effect upon the business. Shell differentiates between internal and external stakeholders, where internal is defined by those stakeholders that represent- and is a part of- Shell, while external are those stakeholders that are not a part of Shell, but have a vested interest in their activity. The internal stakeholders are the shareholders, employees and suppliers of Shell. The external stakeholders are customers, local communities and interest groups related to Shell's business, such as governments, business communities, other oil companies, the media and nongovernmental organizations, or NGOs. (Shell Case study on Business Insider<sup>4</sup>) As for Statoil, their direct identification of their stakeholders lie in their annual reports, (Statoil annual reports<sup>5</sup>) including in their latest report from 2014.

These reports identify stakeholders as being governments, local communities and their local governments, civil society and international organizations, which includes the media, NGOs, international organizations, academics and research centers, and industry associations, employees and unions, investors and shareholders, business partners and suppliers and customers. Thus Statoil and Shell both identify the same kind of stakeholders, and several at that. In addition, they both recognize the importance of engaging the general public, which Gazdar's suggests, through using Shell's "Tell Shell" as an example of this, can be bolster the company image. That they have so many publics to address, all with different perspectives and

<sup>&</sup>lt;sup>2</sup> <u>https://www.ipsos-mori.com/DownloadPublication/1461\_ipsos-sri-after-fukushima-march-2012.pdf</u>

<sup>&</sup>lt;sup>3</sup> <u>http://www.energytribune.com/78735/a-deal-with-the-devil-arctic-drilling-war-of-attrition-begins-part-two#sthash.QAInLlcw.dpbs</u>

<sup>&</sup>lt;sup>4</sup> <u>http://businesscasestudies.co.uk/shell/balancing-stakeholder-needs/introduction.html#axzz3k5wyuWj6</u>

<sup>&</sup>lt;sup>5</sup> http://www.statoil.com/en/EnvironmentSociety/Sustainability/Pages/EngagementDialogue.aspx

interests, simultaneously, or what I would call "parallel communication," can possibly be problematic. Is it possible that having "parallel dialogue" with different individuals and groups result in "janus-faced," or two-faced communication? Several consulting firms insist stakeholder engagement to contain "consistent messaging" (Madrid, Boreal strategy 2013<sup>6</sup>, Lose in Grosvenor 2015<sup>7</sup>, EU Communications Strategy 2013<sup>8</sup>, Girvetz in Sustainable Brands 2013<sup>9</sup>) so as to avoid a double standard, and a situation in which the different stakeholders, who differ in interests, might find out about the company's two-faced behavior, and consequently suffer loss of face because of it. However, this practice of keeping messages consistent may be tricky, due to differing interests of stakeholders. I would call this issue a "triangulation" issue. The concept of triangulation is borrowed from navigational and land surveying techniques that determine a single point in space with the convergence of measurements taken from two other distinct points. In this paper, the single point is successful business and symbiosis between the international company and all their stakeholders. Does the existence of parallel communication denote impossible triangulation of interests? Can dialogue with one individual or group have ramifications on the dialogue with another? Figure 1 illustrates when stakeholder interests do not coincide.

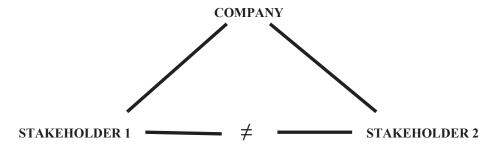


Figure 1: When triangulation of interests and communication does not coincide.

In fact, Crane and Livesey (2003) suggest that there is, at least on a theoretical level in the emerging trends on stakeholder and communications theory, a lack of understanding on

<sup>&</sup>lt;sup>6</sup> http://www.boreal-is.com/2013/03/stakeholders-how-to-improve-interaction-2/

<sup>&</sup>lt;sup>7</sup> http://resources.grosvenor.com.au/key-to-effective-stakeholder-engagement/

<sup>&</sup>lt;sup>8</sup> http://www.interact-eu.net/comm\_strategy/comm\_strategy/355/5205

<sup>&</sup>lt;sup>9</sup> <u>http://www.sustainablebrands.com/news\_and\_views/communications/speaking-and-listening-key-effective-stakeholder-communications</u>

stakeholder dialogue, and that there is a very real possibility for stakeholder dialogue to lead to issues of cacophony, identity fragmentation, and organizational paralysis.

In the introductory section, I will summate key aspects of Arctic geopolitics and nations' positioning in the area, the environmental movement as well as the role local communities play in the circumpolar region. This so as to better understand the context in which my interviewees must act and communicate. The second chapter will discuss some modern stakeholder engagement theories, as well as the basics in human communication. These insights will be the basis for my questions towards my informants and the framework for my content analysis. This is to see if these insights crop up my informants experiences, and whether these concepts are useful or not. The next chapter will discuss my methodology, which will be a method including both key informant interviews of public relations managers both from Statoil and Shell, and content analysis on Klaus Krippendorff's analytical constructs and techniques (2004), after which I will analyse my data basing myself on my background information and the theoretical concepts and models presented. I will then discuss my findings in the consecutive chapter, findings of which will be the basis for my own alternative stakeholder engagement model, which will include both internal and external actors in an iterative, active behavioural loop, until finally I will draw my conclusions.

My research question will be:

# Parallel communication in the Arctic: how Statoil and Shell tackle simultaneous communication with different stakeholders in the circumpolar region.

## 1.2 The Arctic context

Few humans live in the Arctic, much less have total hegemony over its fate as no country owns the geographic North Pole or the region of the Arctic Ocean surrounding it. This makes discussions on ownership and policymaking in the region difficult to adhere to for companies wishing to bring their businesses to the circumpolar region. There are many stakeholders and aspects they need to refer to, and I will discuss them in this section as a background for the issues facing my interviewees.

#### 1.2.1 Arctic geopolitics: the current players and their claims

In this section, I will be summarizing some key elements on territorial disputes and geopolitical positioning in the Arctic. Human activity in the area is a long one, and the international affairs are an intricate and complicated topic to describe as one could write an entire book on the subject, so I will do what I can to stick to the most relevant aspects of the subject matter at hand.

As of today, there are six Arctic countries surrounding the border of the Arctic Ocean-Canada, the United States, Denmark via Greenland, Iceland, Norway and Russia- whom are limited to a 200 nautical mile (370 km; 230 mi) economic zone around their coasts. In addition, there are two more countries that make up the Arctic states due to their latitudinal placements, but that do not border the Arctic Ocean, those being Finland and Sweden.

It is these eight countries that have the geographic potential to make continental shelf claims to regions of the Arctic. The warming of the Arctic climate has transformed this region into a territorial treasure trove, with each of these five nations claiming to be the finder. The resolution of these claims will not just shape the future of the Arctic territorially, but also environmentally and ecologically. (Arcticcouncil.org 2008,<sup>10</sup> Huebert 2006<sup>11</sup>) These are also the countries that make up the Arctic Council. Established in 1996, they have the responsibility of addressing the concerns and challenges faced by Arctic governments and the people of the Arctic, as well as to safeguard the Arctic environment. Six indigenous councils are also permanent participants and there are 12 non-circumpolar countries as observers, including the UK, China, India and other European countries. (CIA The World Factbook<sup>12</sup>)

In addition to this, several countries expressed their willingness to develop deposits on the Arctic shelf. Among them were India, China, South Korea, Brazil, Germany and Japan - countries that cannot be called circumpolar. The reason for the increased interest was due to the oil and gas reserves in the Arctic, but also claimed interests in the future possibility of a northern shipping route due to warming climates, and developing a better understanding of how climate may impact their own states. Many of them also have their own research centres established in polar territories, such as China's research station in Norway's northern

<sup>&</sup>lt;sup>10</sup> <u>http://www.arcticcouncil.org/article/2008/3/an\_arctic\_war\_is\_getting\_closer</u>.

<sup>&</sup>lt;sup>11</sup> http://www.cdfai.org/PDF/Northern%20Interests%20and%20Canadian%20Foreign%20Policy.pdf

<sup>&</sup>lt;sup>12</sup> https://www.cia.gov/library/publications/the-world-factbook/appendix/appendix-b.html

Svalbard Islands, which has been building an 8,000 tonne icebreaker, representing another level of claim to Arctic interests. (Gordon Foundation press release 2012<sup>13</sup>)

The Arctic Council's aim to encourage cooperation has proven its value, according to the Canadian-based Gordon Foundation, as it has resolved territorial and other disputes. "Council members, for example, have negotiated an agreement on search and rescue operations with another to deal with responses to oil spills under development. Boundary issues are being successfully managed under the United Nations Convention on the Law of the Sea." (Ibid)

In the same breath as talk of cooperation in the Gordon Foundation press statements, are also calls for Canada to be an Arctic leader. "With rapidly growing global interest in Arctic resources, transportation and science, Canada will become Council chair at a strategic time. It has a golden opportunity to show leadership and shape the Arctic agenda." (English in Gordon Foundation 2012) In fact, the race to claim the Arctic is the elephant in the room of Arctic development and policymaking. Competition for the North Pole has only become fiercer in the last few years as sovereignty would mean ownership of one of the greatest potential resources of our time. In 2008, American scientists scrutinized maps of the rock formations across all 8.2 million square miles of the Arctic and estimated that some 90 billion barrels of undiscovered oil are in the region- more than in Libya and Nigeria combined. This is in addition to the roughly 240 billion barrels of reserves already proven to be there. (McCormick in Foreign Policy 2014<sup>14</sup>) "The US currently estimates that the Arctic sea bed could contain 15% of the earth's remaining oil, along with 30% of the planet's natural gas and 20% of its liquefied natural gas. Whichever country is able to successfully claim the Arctic would have the right to extract these resources." (Bender in Business Insider 2014<sup>15</sup>) Not only this, but they would also have hegemony over mining of minerals in the area, as well as the Northern Sea Route, which would be a more practical and speedier alternative to the Suez Canal for many ships wanting to travel between Europe and Asia. (Ibid.)

All Arctic Council members have been actively involved in the development of the region's resources and research in the Arctic, and have invested in military operations in the area to ensure claims of sovreignty (McCormick in Foreign Policy 2014) However, Canada may be considered a significant Arctic state, as 40% of its territory is located in the Arctic, a

<sup>&</sup>lt;sup>13</sup> <u>http://gordonfoundation.ca/press-release/438</u>

<sup>&</sup>lt;sup>14</sup> <u>http://foreignpolicy.com/2014/05/07/arctic-sovereignty-a-short-history/</u>

<sup>&</sup>lt;sup>15</sup> http://www.businessinsider.com/denmark-just-claimed-the-north-pole-2014-12

whopping 3.4 million km<sup>2</sup>. The vast hydrocarbon reserves in the region have led to differences between Canada and Denmark, as both countries lay claim to Hans Island located between the islands of Greenland and Ellesmere. The USA, Canada and Russia also intend to defend their interests in this region located at a junction between shelves. (Mackrael in theglobeandmail 2012<sup>16</sup>) The Hans Island dispute is the only land-based dispute in the Arctic. "Both sides have maintained a sense of humour throughout. As a Danish diplomat wryly observed, "When Danish military go there, they leave a bottle of schnapps. And when [Canadian] military forces come there, they leave a bottle of Canadian Club and a sign saying, 'Welcome to Canada.'""(Byers in typepad 2014<sup>17</sup>) As it is a disagreement between friends rather than foes, there is a possibility of resolving ownership in new and creative ways as opposed to traditional posturing, such as a condominium agreement (Ibid.), something which could pave the way for future policymaking in the Arctic both for nations and business alike.

Russia is also a powerhouse in terms of sheer amount of coastline facing the North Pole. On December 20, 2001, Russia was the first nation to submit its extended continental shelf claim.<sup>18</sup> In 2002 the UN neither accepted, nor rejected the Russian proposal, recommending additional research. Though Norway and the U.S. were not as subtle, as Norway declared a "maritime dispute," while the U.S. described Russia's proposal as containing "major flaws."<sup>19</sup>

In 2007, to further press upon their claims, Russia sent two submersibles more than two miles beneath the surface of the Arctic Ocean and placed, for the first time, a titanium Russian flag on the North Pole seabed. "This isn't the 15th century," Canada's foreign minister said of the mission. "You can't go around the world and just plant flags and say, 'We're claiming this territory." (McCormick in Foreign Policy 2014) This action was accompanied in the same year by the statement made by Victor Posyolov, a Russian official with Russia's Agency for Management of Mineral Resources: "With a high degree of likelihood, Russia will be able to increase its continental shelf by 1.2 million square kilometers [460,000 square miles] with potential hydrocarbon reserves of not less than 9,000 to 10,000 billion tonnes of conventional

<sup>&</sup>lt;sup>16</sup> <u>http://www.theglobeandmail.com/news/national/canada-denmark-closer-to-settling-border-dispute/article5831571/?page=all</u>

<sup>&</sup>lt;sup>17</sup> <u>http://byers.typepad.com/arctic/2014/03/creative-thinking-on-sovereignty.html#more</u>

<sup>&</sup>lt;sup>18</sup> UN Press Release: <u>http://www.un.org/depts/los/clcs\_new/submissions\_files/submission\_rus.htm</u>
<sup>19</sup> United States of America: Notification Regarding the Submission Made by the Russian Federation to the Commission on the Limits of the Continental Shelf, supra note 136, at 2.

fuel beyond the 200-mile (320 km) [322 kilometer] economic zone in the Arctic Ocean." (Lovett in National Geographic 2007<sup>20</sup>)

News hit in December 2014 that Denmark has also claimed the North Pole, citing scientific data showing that Greenland, which is an autonomous country within Denmark, sits atop a continental shelf connected to a ridge beneath the Arctic Circle. (Bender in Business Insider 2014) For Norway, their Svalbard archipelago counts as their «trump card», as under the Convention on the Law of the Sea of 1982 Norway can count on the 200-mile area of water surrounding this archipelago and the continental shelf. In recent years, Norway has been actively expanding its presence around Svalbard and tightening control over the fishing activity of other countries. Between Russia and Norway, there are differences in the regulation of economic activity in the economic zones of Russia, Norway and the fishery protection zone of Svalbard. For each of these zones there are separate fishing rules primarily concerning the technical measures of fishing regulation. Despite active posturing by the different arctic nations, they do make efforts on collaboration. (Gibbs in The New York Times 2010)

However, there are also political elements around the world that can affect the collaboration efforts of oil companies. For example, sanctions were imposed on Russia by the United States and the European Union in 2014 which included sanctions in Russia's oil sector. They were imposed first in response to the annexation of Crimea, and later expanded with the evolution of the Ukraine conflict. This forced American-based ExxonMobil to suspend partnership with the Russian-based company Rosneft. "The US oil giant ExxonMobil earlier suspended partnership with Rosneft on the shelf of the Kara Sea in the Russian Arctic over US sectoral sanctions against Moscow over the Ukraine crisis." (The Arctic Monitor 2014<sup>21</sup>) Non-Arctic concerns, then, can and will inflict on Arctic affairs by virtue of relevant countries' extended interest and relationships with the rest of the globe.

There are also claims made by governments based on historical ventures made by their ancestors in the Arctic. In relation to ventures taken by non-polar communities, Arctic activity has existed for over ten centuries, by the Vikings and the Norse, the Dutch, the Elizabethan English, the trappers of Quebec, tax-collecting Cossacks, Yukon miners and Bolshevik

<sup>&</sup>lt;sup>20</sup> <u>http://news.nationalgeographic.com/news/2007/09/070921-arctic-russia.html</u>

<sup>&</sup>lt;sup>21</sup> <u>http://thearcticmonitor.org/2014/11/18/russian-energy-giants-gazprom-rosneft-to-get-new-licenses-on-arctic-shelf-minister/</u>

commissars. Whaling and hunting have been- and are still- popular activities conducted by many countries. (Vaughan 1994, McGhee 2007) McGhee describes several ventures made by non-polar communities, which I will list here. Frobisher's gold mines were the New World's first corporate mining fraud. After an initial voyage to Baffin Island in 1576 and 1577, the lure of gold and a speculative hype brought a small fleet in 1578, which spent a month on what is now Qallunaat Island, quarrying 1200 tons of worthless rock. McGhee in his book The Last Imaginary Place, suggests that it played a key role in creating English claims on North America. (Ibid) The race to the east was also a driving force for fleets and expeditions to discover a northern passage through the ice along Canada's northern coastline, most of which have been unsuccessful due to difficulty of navigating through thick sheet-ice by foot, sled or ship. Eventually traversing the northern passage, famously called "the northwestern passage," was accomplished through modern travelling methods. McGhee also touches on the creation of "exploration" as a goal independent of economic and political concerns, and the literary boom that accompanied it, as reasons given for occupation by various countries of the Arctic region. (McGhee 2007) These details of increasing competition over the Arctic are to impress upon the reader the incredible delicacy of the context in which my interviewees have to act and communicate. The Arctic Council insists upon cooperation, something which allows international businesses to have a foothold for their activities in the region.

There is also the issue of state-owned, versus privately owned companies in the region and how their status may affect their engagements here. A difference between Statoil and Shell, is that Statoil is largely a state-owned company. As of June 2015, the Government of Norway is the largest shareholder in Statoil with 67% of the shares, while the rest is public stock. The ownership interest is managed by the Norwegian Ministry of Petroleum and Energy.<sup>22</sup>

According to Meyer et al. in their study "Overcoming distrust: How state-owned enterprises (SOEs) adapt their foreign entries to institutional pressures abroad," state-owned enterprises are subject to more complex institutional pressures in host countries than private firms. These pressures can arise from a combination of ideological conflicts, perceived national security threats, and claims of unfair competitive advantage due to support from their home country government. The authors researched a data-set that included the foreign subsidiaries of around 300 listed Chinese multi-national companies (MNCs) in 56 countries. They found that, compared to POEs, SOEs prefer to use acquisitions to enter foreign countries however they

<sup>&</sup>lt;sup>22</sup> http://www.statoil.com/en/investorcentre/share/shareholders/pages/stateownership.aspx

pursue this strategy much less often when entering markets with strong technological or institutional development, due to greater institutional pressures in those markets. They also found that SOEs can build their legitimacy abroad by starting an entirely new venture in a foreign country , or by taking lower equity stakes in the subsidiaries they are acquiring. (Meyer et al. 2014: 45) Christiansen also found that SOEs are expected to behave with higher standards than POEs, and that the respective governments of the studied countries of Hungary, Israel, Netherlands, New Zealand and Norway put their owned- or partly owned-companies in high scrutiny. "State-owned enterprises are often expected to operate at higher standards of corporate social responsibility than their private counterparts, but – apart from the SOEs of some emerging economies which are expected to engage in corporate philanthropy – this is normally not a decisive factor behind their state ownership. It does, however, give rise to important additional issues regarding their priorities." (Christiansen 2013:8) This higher standard that SEOs are placed under, may also be due to their high-profile shareholder being their government, and the PR and image of the government may inflict on the PR and image of the company and vice versa.

Norway is a small country which has been featured relatively little in international media. When there is a discussion of threat in relation to the state of Norway, it is often Norway that is the one facing threat as opposed to being one themselves. (Pettersen in Barentsobserver 2015<sup>23</sup>, theLocal.no 2015<sup>24</sup>, theNordicPage 2015<sup>25</sup>) In light of the Russian military exercises that were implemented across Norwegian borders, the Norwegian government has preemptively pledging more military spending in response to the perceived aggressiveness of Russia since the annexation of Crimea since last year. Jacob Børresen, a former Navy commander, told NRK that "Russia's actions in Ukraine and the annexation of Crimea has shown the challenges of being a small neighbouring country to a superpower with global ambitions." (TheLocal.no 2015<sup>26</sup>)

In the opposite spectrum, Meyer et al. (2014) discuss the difficulties Chinese SEOs have when engaging in ventures abroad due to misgivings towards the home country and how poorly understood Chinese businesses are abroad and discuss how important it is to build trust actively with host countries and stakeholders. Norway may not have as much of an issue with

<sup>&</sup>lt;sup>23</sup> http://www.norwaypost.no/index.php/news/latest-news/30282

<sup>&</sup>lt;sup>24</sup> http://www.thelocal.no/20150112/terror-threat-against-denmark-and-norway-reported

<sup>&</sup>lt;sup>25</sup> http://www.tnp.no/norway/economy/5042-china-currency-move-and-oil-price-threaten-norway-dream

<sup>&</sup>lt;sup>26</sup> http://www.thelocal.no/20150424/norway-increases-combat-power-in-the-north

this, seeing as the country as a whole is seen in a generally positive light, (Regjeringen.no 2015<sup>27</sup>) which may represent a strength for the companies. "Norway has a positive international image. International relations are based on trust, and the fact that we have a good image helps to make Norwegian companies and organisations attractive partners. It also means that other countries listen to our views on international issues, perhaps more so than you would expect, given the size of our country,' said Minister of Foreign Affairs Børge Brende." (Ibid)

#### 1.2.2. The environmental movement and indigenous peoples

As discussed, countries, especially those established as Arctic countries, have a vested interest in ownership of Arctic regions for economic reasons. They are not the only ones though, as someone has to extract any lucrative oil and gas that may exist in these areas, and for that there are oil companies interested in the potential their activity here could bring them. Both Statoil and Shell have acquired licenses for these activities, and are currently engaged in exploration and developing of arctic technology. (Statoil Annual Sustainability Report 2012<sup>28</sup>, Clements in Express 2015<sup>29</sup>)

Statoil has been affected by corruption and controversial events that have been highly criticized in the media and by different groups (NTBH in DagensNæringsliv 2014,<sup>30</sup> Lothe in Bellona 2011<sup>31</sup>, Savethearctic.org<sup>32</sup>) and among public opinion. Although a 60-75% of the Norwegian people seem satisfied with Statoil, (Forsvarets Innbyggerunderundersøkelse 2012<sup>33</sup>), the company has been pressured into halting projects by various groups and individuals. (Mon I NRK 2012<sup>34</sup>) They and Shell aren't without their critics, as we have seen that public opinion on oil companies in the Arctic, and on oil companies in general, is decreasing. As mentioned, NGOs like Greenpeace have been big actors in an environmental movement the world over, and are against oil and gas and the companies producing them based on research mounting for global warming, and concerns that arctic drilling would be a

- <sup>30</sup> http://www.dn.no/nyheter/energi/2014/04/30/statoilsjefen-slr-tilbake-mot-utsirakritikk
- <sup>31</sup> http://bellona.no/nyheter/olje-og-gass/2011-05-opprop-mot-tjaeresand

<sup>&</sup>lt;sup>27</sup> https://www.regieringen.no/en/topics/foreign-affairs/public-diplomacy-and-international-culturalcooperatio/norgesprofilering/norges-omdomme-er-solid-og-stabilt/id2343395/

<sup>&</sup>lt;sup>28</sup> http://www.statoil.com/annualreport2012/en/sustainability/casestudies/pages/arcticexploration.aspx

<sup>&</sup>lt;sup>29</sup> http://www.express.co.uk/finance/city/576645/Shell-licence-to-drill-in-the-arctic

<sup>&</sup>lt;sup>32</sup> <u>https://www.savethearctic.org</u>

 <sup>&</sup>lt;sup>33</sup> <u>Http://forsvaret.no/aktuelt/publisert/Documents/Forsvarets%20Innbyggerunders%C3%B8kelse%202012.pdf</u>
 <sup>34</sup> <u>http://www.nrk.no/norge/\_-vil-tvinge-statoil-ut-av-oljesand-1.8079518</u>

greater catalyst to this development. For example, scientists have warned that we need to keep these reserves in the ground to keep global warming in check. (Carrington in The Guardian 2015<sup>35</sup>) They are both heavily against Shell and Statoil's activities in the Arctic, as there are fears their activity will lead to an irreparable change in global climate due to gashouse emissions, (JulietteH in Greenpeace 2012<sup>36</sup>) which can lead to further degradation of Arctic ice, which is an important reservoir for the world's fresh water. According to a paper in Nature, sea ice in the Arctic is declining at a pace and scale not seen for over a thousand years. (Kinnard et al. 2011) It's not just NGOs but also public officials agree with NGO concerns and strongly suggest a downgrade to Arctic drilling activity. (House of Commons Environmental Audit Committee Protecting the Arctic Second Report of Session 2012–13<sup>37</sup>)

Shell is also set to tow an oilrig from the port of Seattle to the Chukchi Sea off Alaska's northwest coast, and the mayor of the city, Ed Murray, has been urging the dock to bar them from leaving to make a statement on how oil companies have a negative effect on the environment. (Clements in express 2015) The risk of an oil spill has also been found to be significant, as the U.S.A.'s own Interior Department's analysis found that there is a 75% chance of a major oil spill if development moves forward in the Chukchi Sea, for example.<sup>38</sup>

The scientific community is also cautious in relation to arctic drilling. Professor Rick Steiner from Oasis Earth Sustainability Consultancy wrote this assessment of what he says are the inherent and unavoidable risks of Arctic exploration. "Put simply oil drilling in the Arctic Ocean cannot be done safely – there will be chronic degradation, there will be spills. So the policy question is whether we wish to expose the Arctic Ocean and its people to such risk. And, perhaps a larger issue is that all of the carbon produced from the Arctic seabed will

<sup>&</sup>lt;sup>35</sup> http://bellona.no/nyheter/olje-og-gass/2011-05-opprop-mot-tjaeresand, <u>http://www.nrk.no/norge/\_-vil-tvinge-statoil-ut-av-oljesand-1.8079518</u>

<sup>&</sup>lt;sup>36</sup> <u>http://www.greenpeace.org/international/en/news/Blogs/makingwaves/10-reasons-why-arctic-drilling-is-arcelly-st/blog/39225/</u>

<sup>&</sup>lt;sup>37</sup> http://www.publications.parliament.uk/pa/cm201213/cmselect/cmenvaud/171/171.pdf

<sup>&</sup>lt;sup>38</sup> NGOs and the public also has their misgivings towards companies like Statoil and Shell when they have been a part of accidents before. "And, the biggest risk of all is trusting Shell in our ocean. As we all remember, Shell's mishaps in 2012 culminated with the Kulluk, its drilling rig, running aground near Sitkalidak Island, Alaska. And, just last week, Vice reported that in April the Coast Guard held the Noble Discoverer in Honolulu for a day until engineers could repair the device that separates oil from the water in the ship's bilges. This is the same ship whose operators pled guilty to eight felonies after Shell's last failed season in the Arctic. You might also remember that the Noble Discoverer had 16 safety and environmental violations and slipped an anchor, nearly running aground, and caught fire at one point."

<sup>(</sup>http://www.theguardian.com/commentisfree/2015/may/13/arctic-drilling-for-extreme-oil-is-risky-and-letting-shell-do-the-work-is-reckless)

ultimately be emitted into the global atmosphere and oceans, further compounding climate change that is already devastating the Arctic ecosystem." (Steiner for OasisEarth 2015<sup>39</sup>)

Prior to the formation of our current geopolitical climate, as well as the discovery that the Arctic region may be a potential enormous resource for hydrocarbons (US Congressional Hearing. "Strategic Importance of the Arctic in US Policy." Page 15<sup>40</sup>), there has been relatively little interest in developing ownership and activity rights in the area. First human habitation in the larger Arctic region seems to have begun in 28000 BC in northern Russia as well as in northwestern North America, although there is very little knowledge about these early Arctic peoples. Scandinavian cultures have inhabited the Scandinavian coasts since 12500 years ago (Fuglestvedt 2009), while Inuit and other arctic cultures, whom make up most of the Arctic's human population up until now, have inhabited the polar territories for anything from 2000 to over 10000 years ago (Arctic Studies Center<sup>41</sup>, Vaughan 1994, Hansen 2004; Olsen 1994), though they had never organized an extensive political organization of their own. In fact, some of the first political actions Inuit peoples took was in 1958, voting against "the Atomic Energy Commission requesting some 1600 square miles of land near Point Hope to create a deep-water port using an atomic explosion many times more powerful than that at Hiroshima." (Jones in Countriesandcultures<sup>42</sup>) The success of this action taken against the AEC had since become the catalyst for First Nation peoples to take a more active role in actions and decision-making within the region made by outside forces as well as the countries currently vying for sovereignty rights in the region. (Ibid) Historically, huntingincluding sealing, fishing- including whaling- and herding of reindeer, have been the main human activities in the region, and are still a part of the partly traditional lifestyles of Arctic tribes today, lifestyles for the most part being a choice (Vaughan 1994), and therefore any activity in the region needs to be mindful of these communities' interests.

So despite a long history of settlement, exploration and various exploitations conducted by many human groups in polar territories, PR and communication work cannot simply refer itself to existing nation states and international business stakeholders, which is also why both

<sup>&</sup>lt;sup>39</sup> https://docs.google.com/document/d/1ieDcovN6zRVPwN7EZ0Ho7EkMe2XndPVzTeR4DY5UNAs/edit

<sup>40</sup> http://www.voltairenet.org/IMG/pdf/Strategic Importance of the Arctic.pdf

<sup>&</sup>lt;sup>41</sup> http://arcticmatters.blogspot.no/2010/01/early-human-habitation-in-arctic.html

<sup>&</sup>lt;sup>42</sup> http://www.everyculture.com/multi/Ha-La/Inuit.html

Statoil and Shell include "local communities" as part of their stakeholders that need dedicated engagement.

Nuttall in The Arctic: Environment, People, Policy, describes the issues of indigenous peoples confronted by the ever-expanding modern industrial world. Nuttall supports his argument by invoking Giddens' (Giddens 1990) version of modernity with its double-edged offer: on the one hand, greater economic opportunities and security are possible in the global village; on the other hand, modernity degrades the environment and encapsulates Arctic peoples within the administrative structure of modern states. Nuttall further states that "…the case for indigenous peoples being in a position to protect the Arctic depends on them demonstrating that they do belong to environmentalist cultures, in which conservation ethics are fundamental" (Nuttall, Callaghan 2000:407).

Nuttall's concluding section in his paper on the Arctic is concerned with human impact on the Arctic environment. He discusses global climatic change, ozone depletion and UV-B radiation, industrial pollution, international co-operation, and indigenous peoples' organizations. In the final chapter, Nuttall focuses on matters involving indigenous organizations and environmental co-operation. He states: "In many parts of the Arctic, indigenous resource management is one of the most significant areas of public policy concern to have emerged since the last 1970s and early 1980s." (Nuttall, Callaghan 2000:623).

This concern reveals a connection between the well-being of the Arctic environment and Arctic peoples that Nuttall wishes to underline. This simple relationship of people to the land is the key to understanding their concerns over what they see as "uncontrolled" resource development by outsiders, resulting in damage to the habitat followed by a decline in wildlife. Not surprisingly, this long-standing relationship explains why indigenous peoples, in various ways, seek control over resource development through land-claim settlements, comanagement arrangements, and alliances with the environmental movement. This special relationship has been used as a political lever to influence policymakers in circumpolar nation-states. (Nuttall, M.; Callaghan, T. (2000) The Arctic: Environment, People, Policy. Amsterdam: Harwood Academic Publishers.) In fact, damage to the environment, as well as noise pollution resulting in disruption of wildlife habitat and migration periods to wildlife which is essential to local communities' livelihoods, are also an issue for oil companies. (Beilinson 2012 in Popularmechanics<sup>43</sup>)

Both Statoil and Shell respond to these concerns by expressing that they take these concerns seriously, and take measures to be environmentally friendly and an asset to local communities through economic and business support, described on their websites and their sustainability reports. We can see that companies such as Statoil and Shell are operating under tensions of national competition, environmental disputes and indigenous interests. The companies have their own interests, namely to develop and extract crude oil and gas from these regions, which means they, too, are in an international play vying for presence in the area.

My interviewees are thus working within a context that not only have environmental issues as a concern, but also intricate and sensitive relationships between nation states interested in sovereignty and economic development within the polar territories, as well as keeping the interests of the more traditional arctic communities in mind. These relationships between nation states also go well beyond the Arctic. So there are many elements and interests to take into consideration when approaching talks in and about this region, and thus Statoil and Shell must tread lightly when expressing themselves, and why parallel communication can be an issue for companies such as Shell and Statoil, and why my thesis question is:

Parallel communication in the Arctic: how Statoil and Shell tackle simultaneous communication with different stakeholders in the circumpolar region.

The following chapter will go over some of the modern stakeholder engagement theories, as well as the basics in human communication.

# 2. Communication and stakeholder models

What happens when triangulation is difficult to achieve? The company has two very different stakeholders, whether that be on an ideological, cultural, social, political, or a strictly business level, and the firm is interested in being successful in their interactions with both, hence there is an interest in developing successful *parallel communication*.

<sup>&</sup>lt;sup>43</sup> http://www.popularmechanics.com/science/energy/a7938/everything-you-need-to-know-ab

There has been a lack of theories available discussing this exact concept, with even processes of stakeholder dialogue yet being poorly understood. (Crane, Livesey 2003) However, there have been many attempts at tackling discussing dialogue with several stakeholders and I will go through a few of the proposed conceptualizations. Because there is a lack of theories on this concept, I am interested in proposing my own parallel communications model to contribute to the literature in this field. To do this, as well as have theoretical concepts and strategies to base myself on for my data analysis, while going through the different theories and models I will point out if they need further elaborations for the thesis subject matter, and what a new theoretical model in parallel communication may look like based on both the models and theories discussed in this chapter, as well as on the results of the analysis. This model will be presented in chapter 6, after I have analysed my data and discussed its findings.

The stakeholder models I have chosen, are models used in both research and in practice, and the theories are well-known communications theories. I want to map out the known strategies and see if there is anything missing that can create room for a new model in the field. This is also the reason why I have chosen to look at several models and theories instead of just one. I believe that, in some situations, one should use more than one theory so as to "triangulate" towards the right path and to help explain the same phenomenon from different perspectives. One theory, or model, may explain only a part of a phenomenon but can be useful in understanding the whole. As we will see, several of the stakeholder models base themselves on the fundamental building blocks of communication theory such as Hall's encoding/decoding model, and so the latter is useful to explain in this chapter also.

I will first take a step back and look at human behaviour and our communication practices. This is because interaction between firms and their stakeholders are essentially interactions between humans, and to understand the more complex dynamics, it can be helpful to look at the basics as a contextualisation for parallel communication. I will describe previous stakeholder models, after which I will articulate the contingency theory of accommodation as a possible toolbox for parallel communication, and finally articulate issues of globalization that can affect international companies such as Statoil and Shell.

#### 2.1 Stakeholder communication models

The presupposition in studies of human behaviour is that people behave differently based on different situations, and I would argue that this phenomenon is not limited to interpersonal relationships between individuals, but also between organizations and institutions as they are 1) made up of humans and 2) various authors support social theories as an efficient perspective for public relations, such as Goffman's of dramaturgical theory wherein individuals put up different acts towards different people and groups. (Ihlen et al. 2009)

Cognitive-affective personality system deals specifically with this process. It is a theory developed by psychologists Mischel and Shoda (1995), which postulates that behaviour is predicted based on a comprehensive understanding of the person, the situation and the interaction between person and situation, thus indicating that human dialogue is highly adaptable and situational instead of being consistently consistent.

British sociologist Stuart Hall proposed a model of mass communication which highlighted the importance of active interpretation within relevant codes. Hall rejected textual determinism, noting that 'decodings do not follow inevitably from encodings' (Hall 1980: 136). In contrast to the earlier models of communication, Hall gave a significant role to the 'decoder' as well as to the 'encoder'. This because the encoder does not have hegemony over the meaning of their message, as it can be interpreted by the decoder differently than what the encoder intended. This is a result of the decoder and encoder's social differences, which can be from any level, be it cultural, political, class-based, demography-based, education-based and so on, as well as from personal experiences. The less background shared by encoder and decoder, the more likely the message will be interpreted differently. Both Statoil and Shell could experience difficulties with this phenomenon as they are engaging many stakeholders from different backgrounds on many different kinds of levels, thus their messages may not be interpreted as they would wish.

This section will now be a journey through the development of stakeholder communication models. I include the evolution of the models to illustrate why there has been an evolution, and to discuss the concepts each model discusses, as later models incorporate concepts from previous ones, and different concepts the models focus upon are important to stakeholder engagement.

Crane and Livesey (2003) have found that one-way communication models require intense efforts in organization and may as well be illusory since they suggest that firms can control particular meanings among and within stakeholder groups. They also realized that whilst more interactive models of stakeholder dialogue can offer benefits, they can also represent risk, such as eliciting mistrust if communication is done superficially, and if adopted genuinely, may result in cacophony and contradiction, which in turn can produce inaction or fragmentation within the organization itself.

In the stakeholder model described by Crane and Livesey, each stakeholder has its own set of claims and goals which can be a source of conflict of interest for the firm, what I have described as a failed triangulation. So far I have discussed issues of external communication as a triangulation problem, in which international companies may have issues for successful interaction with several differing external stakeholders like other organizations and governments. However, Statoil and Shell, as well as any other organization, have stakeholders which are internal. These include employees and shareholders, and they can have just as much influence on successful engagements with another stakeholder as an external one, as Crane and Livesey mention in their paper.

A number of frameworks and models have been proposed in communications literature. The literature has generally stressed the need for companies to understand the relative power and influence of the different stakeholders, as well as their interest in a particular issue (Hill and Jones, 1992; Frooman, 1999; Meznar and Nigh, 1995). More complex conceptualizations have begun to emerge, in which they recognize that stakeholders can and do interact with one another as well, such as Rowley's network model (1997) and Crane's differentiated stakeholder model (1998). The first understands that stakeholders have their own set of stakeholders, such as a firm's employees having other social relationships like community and family that also have a vested interest in the employee's relationship with the firm, which creates a sort of networked stake-sharing. The latter model acknowledges that even if a stakeholder group may claim to have the same interests, it is ultimately unlikely that they are completely identical. Crane in this study recognizes that whether the firm deals with several stakeholders or only one, they may be dealing with different individuals or groups within the stakeholder group, and the firm itself may have only engaged this stakeholder, or stakeholders, with only a part of their team. This may be problematic for compatibility and coordination purposes.

Inspired by Hall's essential encoding/decoding model, stakeholder communication began shifting their focus instead on how the message has been understood, and therefore audience "feedback" would be used to refine the sender's message. Both receiving the message, as well as receiving the feedback, may go through "noise" or obstacles resulting from the parties' backgrounds and the contexts in which the messages are sent through (Ruben and Stewart 1998), something that still may result in misunderstandings between the parties. This represents an issue that is compounded for communications managers for international companies because they have the deal with vastly different backgrounds, more so than between people of the same country, as there are more cultural and linguistic obstacles in their stakeholder engagements. In Statoil and Shell's case, they must travel to the many different communities around the world, and have to adapt to their regulations and their customs to do business. To not be well versed in party backgrounds may result in unnecessary misunderstandings.

A debate which exists in the public relations research, is whether to standardize the company's communication or to customize. It is a big dilemma for marketing strategies, of which communication is a part of (Rocha, Silva 2011, Hussain, Khan 2013) and is represented in the next stakeholder communications models which will be described. The standardised would have firms adopt a uniform message strategy with stakeholders that emphasises a core set of corporate values, a distinct and unique organizational "voice" and a coherent message or "story," explaining and justifying organizational actions. "The purpose of this is to maintain a strong and consistent brand image across the firm's interactions with its multiple constituencies such that interpretations of the firm are controlled and directed towards a specific identity that the firm hopes to project. A standardised approach may also help to prevent accusations of hypocrisy should the firm be seen to be rolling out different stories to different audiences. Increasingly then, the integration of communications is being advocated as an appropriate response to diverse and conflicting demand." (Crane and Livesey 2003: 10) Thus Crane and Livesey describe how Shell revised communication on its general business principles to reflect a growing commitment to environmental responsibility and human rights concerns, but that it need not be mutually exclusive to their business profit. However, it could be seen as the opposite mechanism, where they better their "communication" to protect their profits. The authors recognized that controlling meaning of the messages was virtually impossible, seeing as different departments may communicate different things to different stakeholders as we have seen in previous stakeholder communications concepts. "It is

virtually impossible for any one participant to seize control of communication and meaning within the complex web of stakeholder relations. Shell has been unable to "sell" its profits and principles message in Nigeria, where environmental and human rights activists continue to challenge the corporate image." (Wheeler et al., 2000 in Crane and Livesey 2003: 11)

Tailor-made messages, the opposite of standardization, are an answer to these issues of different stakeholders with different interests. Here a firm may relate different messages about the same thing to different stakeholders to assure a stronger bond. "The benefit of a customised approach for the corporation is that it may facilitate improved stakeholder understanding of the corporation's position and behaviour; and since (in theory at least) stakeholders are being spoken to in something approximating their own voice, it may also enhance their empathy and trust for the corporation." (Crane and Livesey 2003: 11) Yet the problem still remains about suffering potential consequences for hypocrisy. Both the debate between marketing researchers inclusive of communication, and Crane and Livesey, advocate for a mixture of both standardization and adaptation in the company communications strategy. "The key to succeed in the international market is to use the mix of standardization and adaptation strategy and try to create the balance between the two." (Hussain, Khan 2013: 353)

Either way it is clear that one needs to tread lightly with one-way communication, as meaning cannot be controlled by the sender, as the Hall's encoding/decoding model used in stakeholder communications models suggests. As such, Grunig and colleagues have argued consistently that symmetrical forms of communication, or two-way communication, are superior because they are more ethical, as well as achieve public relations goals more effectively. (Grunig and Grunig, 1992)

Thus Crane and Livesey argue that understanding what dialogue is and what purposes and results it actually has is poorly understood. In their paper they thus distinguish between dialogue as two-way communication designed for asymmetrical persuasive and instrumental purposes, and "genuine" or "true" two-way symmetric practice, (Crane and Livesey 2003) although they recognize that these two forms of dialogue may represent points on a continuum.

Crane and Livesey name genuine dialogue as representing the latter, while monologic dialogue represents the former. It may seem that "monologic dialogue" is a contradiction in

terms, but what Crane and Livesey essentially explain, is that some companies "fake" forms of dialogue. They give examples where some will speak "at" their publics and never truly engage them under the guise of dialogue. For Monologic, Shell and their use of an interactive forum to discuss both stakeolder and publics' opinions, whether negative or positive, was given as an example. Crane and Livesy say that this forum ended up being a form for monologue because the stakeholders in the dialogue did not appear to have any stake than airing their views. Gazdar, on the other hand, praised Shell for its bravery and openness for the "Tell Shell" project (Gazdar, 2007), while Crane and Livesey explain that this has led to no tangible or conceptual changes in real life and is purely an "on the surface" implementation.

"From a corporate image perspective, the fact that the communication takes place, and that Shell airs its stakeholders' views, negative and positive, is probably as significant as the content of the discussion itself. Where dialogue is engaged for instrumental and rhetorical purposes, it is susceptible to the problems of discursive control that we discussed above in relation to one-way communication in multi-stakeholder environments. If it is perceived as an attempt at manipulation, co-optation, or control, it puts at risk organizational attempts to demonstrate sincerity and consistency." (Crane, Livesey 2003:16) In other words, when there is dialogue for the purposes of forwarding one's own rhetoric, the communication is susceptible to being seen as attempt at manipulation over the other party, something which denotes untrustworthy behaviour. Also, the act of choosing who to include in a panel or in a dialogue can be tricky, as both the public and the stakeholder may infer affiliations through the act of including some, while excluding others, even in the event that such dialogue is simply "symbolic," meaning without practical implications. "Moreover, the choice of partners, even where the purposes for dialogue are symbolic, has political ramifications for the participating parties that influences image and credibility. Including some stakeholders in a dialogue inevitably leads to excluding others, who may turn critical." (Ibid)

Genuine dialogue, on the other hand, representations are always negotiated. Practitioners of genuine dialogue are advised to be a partner, not a teacher. To understand genuine dialogue, one can look at communication, not as simply an exchange of communication, but as the constant change of meaning itself. It is negotiation of meaning and co-creation of shared realities, meaning that the consensus on meaning has not yet been taken, such that communication can actually change the outcome of a process. (Ibid) This can have issues

when it comes to branding purposes and coherency in business identity and message. Despite this, change doesn't necessarily have to be a bad thing for a company. A company who is willing to adapt to market changes and attitude changes in society, is a company who may have more opportunities to survive for longer than a rigid business.

With a lot of dialoguing among such diverse and divided groups, one drawback Crane and Livesey recognize, is a high potential for cacophony. Hence, whilst the promotion of dialogue partly rests on its ability to aid in informing and educating stakeholders, it may also serve to confuse and obfuscate understanding. (Ibid) While cacophony may not be detected on the micro-level, such as in individual dialogues, it may be a part of a greater problem in the great scheme of things on the macro-level, as several individual dialogues together may be incompatible and thus result in cacophony and confusion throughout across external and internal stakeholders. Creating confusion in and of itself can be a form of master suppression technique in a discussion. The techniques, identified by psychologist Ingjald Nissen, are ways to indirectly suppress and humiliate opponents. (Nissen 1945) This can be an effective tool for debates, such as in a political debate between candidates, or even an oil company debating with critical NGOs. Stakeholder engagement strategies tend to not so subversive, as their goals often will advocate for understanding and listening, and reaching an agreement with stakeholders that will ultimately benefit the organization. The concepts described are important to keep in mind, however does not give practical suggestions on how to tackle issues in parallel communication, something I am hoping to do with my model in chapter 6 after the analysis and discussion of my data.

#### 2.2 Contingency Theory of Accommodation

Contingency theory of accommodation is the attempt to bridge standardization and customization practice, something both marketing research and Crane and Livesey say is key to success for an organization.

Contingency theory of accommodation is a public relations theory created in response to the excellence theory, which is a two-way symmetrical communication model with a normative nature. CTA concerns itself with what the most effective method is at any given time wholly dependent on various contingency factors in the strategies organizations use when dealing with their external publics, especially in terms of conflict. This theory avoids standardization

and a static approach. It covers consensus-building at suitable points in the advocacyaccommodation continuum (Cameron 1997; Cameron et al. 2001, Cancel et al. 1997 and Cancel et al. 1999). This means that the theory does not cover an event where consensus does not occur, or where the parties have not yet reached a clear agreement on meaning. The theory hopes that it has enough variables for the communications practitioner to consider, that it should be difficult for them to approach stakeholders and an engagement and project situation incorrectly. This theory, again, does not give practical examples on behaviour or procedure, but rather offers a sort of analysis checklist for the communicator that will then determine how accommodating the practitioner should be, and how much advocacy they should use.

In a study conducted by Cancel, Mitrook and Cameron (1999) with interviews of public relations professionals as the basis for providing grounding and refinement for the theory, found that there was a continuum from pure accommodation to pure advocacy and for a matrix of variables affecting this. Accommodation refers to the behaviour of completely adjusting oneself's communicational behaviour to the requisite roles that participants are assigned in a given context. Advocacy puts one in a position of "standing for" your side, or advocating a particular action, position or set of principles. In other words, one is trying to persuade and argue for the position one is advocating. 86 predisposing and situational variables were identified which define where public relations practitioners will position themselves on the continuum. The study found that public relations practitioners are quite flexible in terms of how the practice their craft, and move fluidly between pure advocacy and pure accommodation, making procedures to be extremely situational.

The list of 86 variables is divided into categories and their variable sets: external and internal. The external set is composed of threats; industry environment; general political, social environment and external culture; characteristics of external public; the issue under question, while the internal set is composed of the characteristics of the organization; characteristics of the public relations department; characteristics of top management (dominant coalition); internal threats; the individual characteristics of the public relations practitioner, managers; characteristics of organization-public relationships. The whole list of variables will be placed in the appendix in tables 1 and 2.

In a case study of the Orlando Magic NBA franchise by Mitrook, Parish and Seltzer (2008), the researchers wanted to understand media relations, community relations and foundations

efforts in support of a new or renovated arena through analysis of the campaign and interviews with relevant actors in the debate. CTA was used to see how either accommodation or advocacy was used when the franchise was in direct conflict with one or several of its publics. During the time frame of the study, they found that Orlando Magic NBA was just as fluid on the continuum as the individuals interviewed in Cancel et al.'s study almost ten years prior.

By extension, such a theory can be a useful tool and perspective when discussing parallel communication. CTA postulates that public relations practitioners will move fluidly along the accommodation-advocacy continuum, stances being situational in practice. When dealing with different publics at the same time, psychological and social theories state that behaviour and communication will be situational for transaction success. Again, this theory does not describe work procedure, but rather gives several variables to take into consideration when deciding where on the accommodation-contingency continuum the practitioner should be in any engagement.

In my interviews I will discuss the various variables with the interviewees and see which variables they consider in their specific business context. The key variables I will be looking for in the texts, will be references to: environmental concerns, business exposure and openness, physical placement of communications department, company image towards employees and shareholders, level of trust between the company and its publics, technical issues such as technological challenges and safety and security, economy, politics, culture, and expressions for cooperation or competition with other oil companies. In other words, does Shell and Statoil talk about politics? Do they discuss culture, environmental concerns, or do they stick to technical issues and concerns? Do they write about mistrust by, and issues with, the public or do they allude to being open with their procedures? In other words, do they include other voices? This can allude to whether the companies' are indeed open, and whether they represent genuine or monologic dialogue. Is the tendency to stick to discussing technical risk, or do they also consider non-technical risk? By determining which subjects are presented, I can make inferences on how much adaptation there is towards the Arctic, based on which themes are present. If the tendency is to talk about very localized issues, there is adaptation as many local issues can be unique.

#### 2.3 Globalization, glocalization and timeless time as communications issue

The intricate relationships between nation states, smaller communities and firms discussed in the introductory chapter cannot be said to exist in a bubble any longer, and are now all interconnected on different societal levels, as well as pan-globally. As already stated, countries and companies' cooperation can be affected based on what happens outside of the Arctic, but this is also an indication of processes of globalization and glocalization.

Globalization is a phenomenon that has become a big buzz word in the information age. Defined as "the world wide diffusion of practices, expansion of relations across continents, organization of social life on a global scale, and growth of a shared global consciousness," (Ritzer i Eagle 2013:113) many see this as a new phenomenon that has been brought about by new technology, efficient transportation, a very open international market, as well as an explosive development of mass media and information sharing that has brought that which is far away, closer to the individual. There are many perspectives researches from diverse fields have taken on the subject. While some claims say that globalization should be called imperialization or westernization, where they see this process as a process of homogenization, there has been evidence of a vitalization of local identities. In fact, Clifford would argue that globalization is a capitalist process of production of differences through interconnectedness, essentially being a paradox where globalization encourages the development of localization, the mechanism whereby local aspects are forwarded both in terms of identity and economy.

One popular perspective of the issue of globalization is Roland Robertson's glocalization theory, which describes the integration of the local with the global. This means that there exists a mutual effect. "As new ideas are imported from the West to developing countries, those countries' cultures are changed, but they are not erased or homogenized. Rather, the addition of new material simply adds greater diversity to the social milieu." (Eagle 2013: 116) Robertson argues that the current population of youngsters live glocally: they move simultaneously both in the local community and in the virtual, global village which is available through the media. (Robertson 1995)

One of the main agents of globalization is almost always stated to be the virtual world. Where the evolution of transportation has made it easier for the masses to move through the physical space with a speed never seen previously, the virtual allows for immediate communication and information gathering. Castells talks about how communication technologies can be used to manage time as a resource - to speed it up, slow it down, customize our experience of time - rather than as a constraint to which we are subject. This illustrates what Castells calls "timeless time." "Timeless time refers to the desequencing of social action, either by the compression of time or by the random ordering of the moments of the sequence." (Castells et al. 2007:171) Harvey talks of a time-space compression society, a phenomenon that has been evolving for centuries in our human history through the development of technologies, accelerating with the saturation of the virtual world. Sequence of time becomes lost when an individual's activity and commentary online is not a vaguely remembered or forgotten memory from the past anymore, as it can all be easily accessed and dug up. Communication and behavior become timeless, all moments in life, relevant at any time.

As for space, the virtual supports glocalization whereby an individual can communicate with others from around the world, whether for leisure or business, as well as stay on top of global news while simultaneously being an active member of their local community, which is something the virtual tool can make easier as well due to time and space constraints being virtually negated. Castells' perspective in his analysis of the network society (2000) identify ways in which individuals now circulate ideas, information, meanings and noise through cultural and social networks as opposed to a one-way transmission of messages. When news or trends manage to break out from local constraints, people from all over the world can have the same debates and interests, allowing for the development of a global consciousness and conversation. Not only that, but culture circulates further and faster than before. NGOs are particularly good at using social media in their favour to spread their campaigns and enter the minds of the public quickly. (Owyang in Forbes 2010<sup>44</sup>, Vinke in Between-us<sup>45</sup>) this swift and thorough use of social media has proven successful in garnering more support from the public.

Wolf postulates that nation states are far more diverse than what their narrative of bounded states of "one territory, one people" would suggest, especially since the relatively recent past with the rise of mass transportation systems and circulation of culture and ideas in the virtual world. The bounded states narrative seems to be a popular one, perhaps due to its simplicity,

<sup>&</sup>lt;sup>44</sup> http://www.forbes.com/2010/07/19/greenpeace-bp-nestle-twitter-facebook-forbes-cmo-network-jeremiahowyang.html

<sup>&</sup>lt;sup>45</sup> <u>http://www.between-us.com/659/greenpeace-takes-campaign-new-level.htm</u>

the human "us and them" mentality, making political control easier, as well as its commodification through the modern capitalist system.

Before Wolf, scientists entertained the idea that different people lived in different cultures, but the reality is that the sharing of culture and ideas have been happening since trade began. Wolf postulates that supposedly distinct cultures are actually connected in a global system, and he forwards the idea that identity is created through a dilectic relationship: whatever happens in one culture, happens or responds to a global history. Cultural differences don't make sense without hinging it inside a global context. Thus the virtual is an arena for networks, and so forwards these relationships through its accentuating of international connectedness. What happens in one part of the world, can affect business in another, such as when sanctions inflicted on Russia in 2014 affected the established cooperation between ExxonMobil and Rosneft.

Aiwha Ong's article "Cyberpublics and Diaspora Politics Among Transnational Chinese" (2003) studies a specific event in Indonesia in which its citizens with Chinese roots were discriminated against. The Chinese in Indonesia have been in a diaspora for centuries, to the point where they don't even consider themselves to be in a diaspora anymore. With the rise of the modern neoliberalist economic thinking, the Indonesian government was inspired to imitate the trend wherein they'd remove all subsidies and go into a process of deregulation of the market. This meant a heightened cost of living and many lost their jobs. Indonesia in lieu of this reform went into hardship and blamed the citizens with Chinese roots and their businesses so as to avoid blame themselves. This resulted in other Indonesians burning down Chinese shops. This event hit the news all over the world and Chinese in San Francisco watching CNN as the burning of shops happened conjured a pan-Chinese identity through cyberspace where Chinese heritage was the groups selling point on solidarity. The outrage from this group forced the Indonesia government to make reforms while those with Chinese heritage in Indonesia weren't necessarily interested in this pan-Chinese movement, nor necessarily identified as Chinese first. <sup>46</sup>

<sup>&</sup>lt;sup>46</sup> In Ong's article, this brought up interesting thoughts where identity, politics and economy are extremely related. This article illustrates that even diaspora peoples of the local communities in which Shell and Statoil may operate, alone can affect government policy as both their voices and their connection to their places of origin are easily accessible through cyberspace. The virtual is capable of taking the place of physical presence and even exposes and underlines aspects of reality, of conflicts and other interpersonal relationships, to be represented and articulated online.

As I have discussed, the world has always been interconnected, but cyberspace has enabled this process in a much more efficient way, as well as being a tool for enforcing and confirming the local. The virtual facilitates organization between groups, from identity building to revolutions such as in the Arab Spring of 2011, as well as organizing business. It facilitates production of content for those without resources and makes distribution of information, content and trading efficient with a global reach giving power to those in the public and NGOs, who otherwise don't have policymaking roles. Cyberspace is a global platform for communication and can spread warnings or news from one corner of the earth to another in an instant, which also means that environmental NGOs such as Greenpeace and Friends of the Earth can quickly notice if Statoil and Shell conduct janus-faced communication. What is clear is that my interviewees have many stakeholders existing on a vast array of differing levels, yet all potentially interrelated, with which to interact with in a complex socio and geo-political setting.

These insights can be quite useful as aspects to seriously consider when engaging stakeholders. However, these various theories and communication models miss out on giving practical advice for those actively engaged in parallel communication, which is something I would like to provide insight on through my model, which will be articulated and illustrated in its own coming chapter.

In the next chapter I will be going over my choices in methodology and the processes and issues with my project. I will be using key informant interviews of relevant communications actors from Statoil and Shell, as well as content analysis of texts created by the corporations.

## 3. The case and its methodology

This case study uses a combination of key informant interviews of corporate public and government relations managers in the Arctic projects for Statoil and Shell based on Tjora's methods (2010), and content analysis based on their public external communications documents towards Arctic stakeholders, which includes the companies' both internal and external stakeholders, as previously discussed in the introductory chapter. Statoil and Shell's communication with Arctic stakeholders was selected for the study due to the public nature of the issues and the willingness of the organizations to participate, giving an insight into what sort of efforts were taken for successful cooperation through communication.

In this chapter I will discuss the methodological issues that arise in connection with data collection and analysis throughout the chapter and its sections. I will first go through the recruitment process and the lifespan of this project, then I will describe how the interviews were conducted and with whom, and then summarize the interview guide, all based on Tjora's (2011) definitions. Then I will articulate content analysis based on Krippendorff's (2004) descriptions, describe which documents were selected for analysis and which research questions and variables were chosen to help with CA analysis.

The data collection was based off the theories and models from the previous chapter, as they are prevalent insights into stakeholder engagement. These have helped me develop questions for the interview guide so that I could understand if these insights were used by the companies or not, and if they could be of use to these companies. Understanding how the two enterprises tackle stakeholder engagement both on a personal empirical level through interviews, as well as the strategies used for physical tools such as documents and presentations can help me develop a practical model for communications practices. These methods have influenced the research results because the informants have helped shed light on practical issues they face every day, and looking at their documents have helped me understand their practical strategies as well. All of this has helped me develop my own communications model for effective parallel communication based on the analysis results.

Through the qualitative approach of the texts and interviews, the analysis will be objective and systematic, and only material that are directly accessible will be recorded and evaluated. (Østbye et al. 2007) This material is available for future testing in the appendix.

#### 3.1 The recruitment process

A family member of mine had worked in Statoil up to 2014 and was involved in technical aspects one of Statoil's Arctic projects. This family member had suggested to me to write a thesis about how Statoil could tackle NGOs back in 2013, as Statoil had had many issues with them for many years. Seeing as I am a media, communications and information technology student, the idea was an appropriate suggestion. I took contact with one of the communications managers of Statoil after my family member no longer worked for the company, after which I was forwarded to the relevant communications manager for Statoil's Arctic project stationed in Norway, presented my idea, and was told I could receive some interviews, as well as some documents for analysis.

When I first contacted Statoil, this paper began as an idea on studying how Statoil handles communication with different stakeholders in their Arctic project, and if there was an ideal way in which to handle business, public and government relations. As I have discussed in the introductory section, there are many interested parties vying for activity rights in the area, which have elicited many concerns, both for human rights and the environment, especially against oil companies, and there have been many interesting communications and relations dynamics that have cropped up from this modern context, including impressions and relations management tactics.

Thus I began my recruitment process by contacting a communications employee of Statoil that resided in Norway in the summer of 2014, to see if they could be interested in giving me some materials and interviews so that I could develop this research. I was forwarded to a communications manager for the Arctic project, who also resided in Norway, and acquiesced to give a little time, contacts and materials for my project. The research question thus developed with the intentions of studying how Statoil handles issues of parallel communication in the context of their Arctic project, specifically taking into consideration interactions with stakeholders from the U.S.A and Russia, with interest in, and the possibility of, developing a comparative analysis with Shell. The interest for this lied in receiving more data from different companies so as to reach a better understanding of communication strategies implemented by oil companies towards the circumpolar region, as opposed to just one organization's experiences. This in turn allows for the possibility of comparing the two companies and see if one is more successful than the other, if one has more issues than the other, and which issues they may be can help determine what is needed for a new, helpful and practical stakeholder engagement model, which I will be attempting to develop after analysis of data.

The main issues with my data collection have been due to inherently being dependent upon receiving data from corporate employees who took time out of their schedules to offer me materials. This means that it has been necessary to be accommodating to the time my subjects were willing to give, and when I was to receive relevant data and materials. Due to these individuals' hectic workdays, as well as unexpected issues cropping up for their business, data collection was fragmented and slow in coming in. If there were questions that they could not answer on their own, they needed to double check with colleagues and thus getting the green light for either usage of documents or the handling of other confidentiality issues, often took time. Receiving the arctic campaign manager for Shell, Paul Hagel's, contact from Statoil, I

set off the process of engaging a company I had not had previous contact with before, which was its own slow process. At this point, prerequisites for interview subjects had to be changed from a focus on U.S.A. and Russia, to expand to the general Arctic context for comparison purposes, as Shell had received unexpected challenges from Greenpeace hijacking one of their oil rigs in the Pacific, and from being protested against for their activities in Seattle (Mullen in CNN 2015,<sup>47</sup> BuisinessInsider 2015,<sup>48</sup> Whelan in Motherjones 2015<sup>49</sup>).

So both which interview subjects were included in the study, and when some of them were able to give their time for the interviews, had to be changed unexpectedly. Also, some important data was given late in May of 2015, namely essential documents for analysis as well as an interview given at this time, as the interviewee in question was otherwise busy. Thus, a change in perspective had to be made so that Statoil and Shell's communication in the Arctic in general became this paper's focus, seeing as I have interviewees operating from USA, Russia, Norway, Holland and Greenland. All of the individuals have different backgrounds as well as perspectives and experiences from and towards different Arctic nations, as well as in global communication. This does not change the paper's main focus and research question, however the perspective and comparison basis had to be revised and expanded upon to include more Arctic nations, thus this paper has taken on a wider international scope.

I received interview subjects' contacts from each of the firms' Arctic project managers and organized a time for interview with each of them. These are the basis for my key informant interview analysis. I also discussed with, and received external communications materials by Statoil and Shell from the project managers, which represent their presentations towards public Arctic stakeholders. I also picked out articles created by the firms which are published on their official websites, and which can be read online, addressing the international audiences about their Arctic activities. These materials are the basis for my text analysis.

The setbacks did not end there, however. The last issue with my materials were whether or not Shell could allow their communications strategy to be published. There exists the option to not publish a master's thesis and keep the paper confidential; however, this author would like to publish their attempt at a communications model in the chance that I may contribute in

<sup>&</sup>lt;sup>47</sup> http://edition.cnn.com/2015/04/07/us/greenpeace-shell-oil-rig/

<sup>&</sup>lt;sup>48</sup> http://www.businessinsider.com/afp-shell-takes-legal-action-over-greenpeace-protest-on-rig-2015-4

<sup>&</sup>lt;sup>49</sup> http://www.motherjones.com/blue-marble/2015/05/kayaktavistsv-take-over-seattles-elliott-bay-prote

some way in the communications field. Thus this paper's due date was set back so as to wait for confirmation from the company. The green light was finally given the last week of July after several follow-up requests. Due to these setbacks, the amount of expected texts had to be reduced and instead of doing a comparative study in text analysis, I studied the texts based on their compatibility as different sides of the same communications strategy process that represents the informants' communication in practice.

# 3.2 Key informant interviews

The reason I chose to include in key informant interviews, was so as to contextualize my findings in the content analysis, as well as shedding light into themes and issues for the communications managers that cannot be understood through the texts they create.

Key informant interviews are qualitative interviews with people who know what is going on in the community, in this case international communications management for oil companies in the circumpolar region. The purpose of key informant interviews is to collect information from people who have first-hand knowledge about the community. These experts in their specific fields, with their particular knowledge and understanding, can provide insight on the nature of problems and give recommendations for solutions. (Mountain States Group, Inc 1999).

I have six interviewees in total, four from Statoil and two from Shell, all having an important role in their respective companies' Arctic communications teams located in different countries. For Statoil, two are placed in Russia, one in Norway overseeing the Arctic project, and one in the United States, while for Shell one is placed in the Netherlands overseeing their Arctic project while the other is mainly placed in Greenland. While the sample number is relatively low and thus cannot be representative of corporate communication as a whole, the in-depth nature of the interviews given from high-level communications representatives located in various countries in relation to each of the company's Arctic activity, can cast light on what it is like to work with communication for an oil and gas company in the Arctic. The interviewees are a window into the inner workings of both internal and external communications from a corporate standpoint and can express which issues they encounter on a daily basis.

"Methods such as interviews are elicitation methods. They allow interlocutors to speak retrospectively about their practices and beliefs as well as speculate about the future." (Boellstorff in Horst and Miller 2012:54) The elicitation methods in isolation can be of great help in understanding the context of communication in their Arctic projects as one can explore the difficulties the individuals face daily with their craft, which in turn can reflect issues of janus-faced communication in the international corporate world today.

Informant interviews should create a free conversation, and interviewees spoke a lot about their experiences and gave many examples, flowing from one facet of their work to another as if in genuine dialogue. The atmosphere in the conversations were relaxed and most of them had been able to set off time to allow for ample room for discussions. "As a rule, we can say that we should informant interviews when studying opinions, attitudes and experiences. We are, in other words, looking for the lifeworld of the informants, or the world as seen from the standpoint of the informants.» (Tjora 2010:91) Tjora names corporate changes as being an interesting context in which to use in-depth interviews to gauge employee experiences and opinions on their workplace to gain a better understanding of these places.

Interviews were conducted with members of the Public and government relations teams in Statoil and Shell based in different Arctic countries. Their communications responsibilities together cover the Arctic region.

I have code-named the interviewees that wished to remain anonymous and randomly selected the names based on the first letters of the alphabet, those simply being A, B, C, and D. Paul Hagel, Arctic campaign manager for Shell, and Jesper Brieghel, public and government relations manager for Greenland, Iceland and Denmark for Shell, were willing to allow their names to be used. As each communications team for each company in the different companies are rather small, I will keep the gender of the individuals who wish to be anonymous, anonymous as well, so as the lower the likelihood of recognisability another notch.

A challenge that I face with the interviewees for this paper, is that they all have important communications roles within their company, thus information that could have had an effect on my analysis may have been left out due to it being of a sensitive and confidential nature. The interviewees have the option to remain anonymous, but represent their companies all the same and can then be influenced into being careful with their expressions and how much they let on.

#### 3.2.1 Telephone interviews

Telephone and face-to-face interviews are common for key informant interviews. (Mountain States Group, Inc 1999) I took contact with each interviewee, who's names have been given to me by their managers that I had interviewed and had contact with prior, by mail wherein we had email communication detailing my project, what kind of questions they would be receiving for preparation purposes, and agreeing upon a time and date for interview. Every interviewee was given the option on how the interview was to be done, where, and at what time. However, due to the fact that most interviewees where abroad, and those who were in Norway were still far away from where I was writing this paper, every interview was conducted by telephone out of practicality, and as per the interviewees' requests.

Every interviewee was asked if they were comfortable with being recorded. Every interviewee except for D accepted that I record the interview, thus, in the interview with D, we agreed that I could take notes while they answered questions. Each interview was almost two hours long, except for D's interview, which could only be almost half an hour long due to the interviewee's lack of time. The questions picked out for D from the interview guide were thus those that could represent this project the best, with much less detail and follow up questions than the guide has otherwise, so the interview was more concise and thematic. Despite the difference in amount of time given, D was able to give insightful answers into communications practices, just like his peers.

"We lose, then, the possibility to use body language, for example nodding towards the informant to encourage them to continue speaking." (Tjora 2010: 122) To make up for this, I would make noises such as «mhm» or remain silent to either encourage the interviewee to continue, or to allow them time to think about their answers. Tjora also mentions strategies for successful telephone interviews citing Fritz Pettersen, such as to ensure the interviewer has understood the interviewees correctly with repetition of what has been said. Even if this might seem tedious, it was still a method I used rather extensively. Pettersen is also cited as phoning the interview subjects beforehand on which subjects to prepare for, something I did through emails. Still citing Pettersen, telephone interview situation by seeing the recorders, and the subjects could be comfortably anywhere they chose to be for the duration of the interview. (Ibid)

Tjora also says that sensitive themes may also be offered up more freely through phone as the conversation can be perceived as more comforting, rather than having to face a relative stranger in a physical interview confrontation. However, Tjora discusses some negative points with telephone interviews that did not apply to my case. He describes these interviews as tending to conform to a more stringent regime, where the conversations will tend to be shorter because those involved will tend to stick to the interview guide questions more. While many of my interviewees preferred to have physical meetings with their stakeholders, they are still able communicators that are used to having dialogues on the phone. This as well as their corporations giving us the option to use such tools as conference calling, greatly reduced issues of timing. In fact, most of my interviews were almost two hours long and they flowed as if in a genuine conversation. The interview guide became just that: a guide, and not a stringent plan, as is always advisable. Follow-up questions were also made when interviewees gave insights that the guide did not necessarily cover to delve deeper into those facets as well. While face-to-face interviews are preferred, if these are not possible, telephone interviews can work just as well if conducted properly as stated. (Ibid)

Due to the interviewees' busy schedules and issues with slow-moving processes of receiving both final consent and contacts and dialoguing, interviews began the 7<sup>th</sup> of April and ended the 19<sup>th</sup> of May. Most interviews were conducted in April.

Half of the interviews were conducted in Norwegian while the other half was conducted in English. The languages were chosen in accordance with which language was the best common denominator between interviewer and interviewee.

#### 3.2.2 Interview guide

The interview guide was created in accordance with conventions of dividing questions by themes, namely warm up questions, reflection, and rounding up. The first are questions to ease the interviewee into the interview with questions such as what their profession is and where they live, the second are grand questions, preferably already divided into logical themes, that allow the interviewee to go in-depth about their experiences, while the third is to ease out of the interview situation with questions such as what will happen next. (Tjora 2010) Despite this, conversations often flowed from one theme to another, which I allowed so as to give the interviewees the opportunity to talk about their experiences as if in a usual conversation. The interview guide revolved around questions on experiences at work in terms

of communicating to different countries simultaneously, which aspects are most important to keep in mind when communicating, and how communications documents and presentation documents are used to convey their messages.

The guide was also based on insights from stakeholder model insights from the previous chapter, as well as the key variables from CTA and how globalization affects my informants' work. The guide is attached in the appendix, both in English and in Norwegian, as both versions had been used.

The key variables I will be looking for in my interviews, will be references to: environmental concerns, business exposure and openness, physical placement of communications department, company image towards employees and shareholders, level of trust between the company and its publics, technical issues such as technological challenges and safety and security, economy, adjectives such as responsibility and experience, politics, culture, and expressions for cooperation or competition with other oil companies. These are variables that represent both internal and external environment factors, as well as the subgroups from each, which was described in the previous chapter. I am using CTA variables, as well as concepts from the stakeholder communications models, to determine what subjects are important to include when engaging stakeholders according to my informants. The whole list of variables is included in the appendix in tables 1 and 2.

# 3.3 Governance documents and presentations

I will be using the content analysis method. Content analysis is a systematic method used to merge elements, mainly text, into content categories. This method, used mostly in qualitative research, follow explicit rules for coding, and enables large quantities to be categorized with relative ease. Content analysis offers a quick, broad overview of the data sets. As such, it can be used to support, and be confirmed by, other, more detailed methods of text analysis. (McQuail 2010:362)

A challenge with this method is that the researcher can impose their own understanding and meaning system on the data material. «Even when care is taken to avoid this, any such category system must be selective and potentially distorting. The outcome of content analysis is itself a new text, the meaning of which may, or even must, diverge from the original source

material.» (McQuail 2010:363) It is also difficult to capture complex thematic issues through searching by keyword, so to mitigate these problems I will contextualize findings to explain the content in general. I'm not going to use discourse analysis since I will focus on getting a larger picture of the situation. In my analysis I will be focusing on how one prominent firm handles parallel communication, therefore generalizability is not the primary goal of this study, but can be an interesting future study in which this analysis may be compared to several other international firms and how they handle the challenge.

The sampled texts were given to me by their respective companies. Several materials were said to be coming my way, and these were the results. They are few and thus cannot be said to be generalizable either, but they can give empirical insight into communications strategies as with the key informant interviews I described above.

I have two presentations created by Statoil and presented at different venues. I consider them to be the same text as they derive from the same document. As a complementary text, I have used Shell's "Influence approach," which is not a presentation, but a guideline for communications workers on how to communicate to stakeholders- of which presentations are a part of. As they are not the exact same type of text, questions can certainly be raised on the validity of discussing the two together, however I would argue that this is entirely possible as they are two sides of the same coin. This is because internal guidelines for external communication are a common staple for any business, (BusinessInsider,<sup>50</sup> Lewis in Chron, <sup>51</sup>Cohn in Forbes 2014<sup>52</sup>)

And so it stands to reason that these guidelines are the building blocks of external presentations as well, and so the same overarching themes and strategies should shine through. It also represents more clearly what the tendencies of Shell's communication are, than the results of the guidelines. Both the presentations and the strategy guideline will be included in the appendix.

The sampling process of the texts were made based on what external communication the companies have implemented this year revolving around the Arctic. There are likely many presentations and guidelines for communication that the companies have created outside of

 $<sup>^{50}</sup>$  http://businesscasestudies.co.uk/enterprise-rent-a-car/communication-strategies-to-engage-a-variety-of-stakeholders/introduction.html#axzz3kJPxDM1X

<sup>&</sup>lt;sup>51</sup> http://smallbusiness.chron.com/disadvantages-providing-much-communication-strategy-33339.html

 $<sup>^{52}\</sup> http://www.forbes.com/sites/chuckcohn/2014/10/24/strategies-to-strengthen-communication-within the strengthen-communication and the strengthen-communication$ 

these texts that I have not been made privy to, and this does limit the scope of my analysis. However, as I have stated, I am not looking to generalize, but rather receive a glimpse of a vast ocean through the experiences and activities of a few.

Prior urges researchers to analyse documents as having active roles as opposed to passive, and study them in their entirety. This includes their function as props, allies, rule-makers, calculators, decision-makers, experts and illustrators. "Even when focusing on content, documents have to be studied as components in networks of action rather than as independent and inert "things" that can be approached "unobtrusively."" (Prior in Silverman 2011: 98)

Since I am not looking at a general narrative, but a chosen discourse by an international company, the way in which I will resolve this issue is through the comparison of various presentations given and governance documents directed towards their various stakeholders to see if there are any differences in narrative. I will also compare interviews with relevant communications practitioners to confirm and delve deeper into the context of the documents. "Content analysis [...] has to address prior questions concerning why available texts came into being, what they mean and to whom, how they mediate between antecedent and consequent conditions, and, ultimately, whether they enable the analysts to select valid answers to questions concerning the contexts." (Krippendorff 2004: 82) Thus the logic of content analysis designs are justified not only through traditional methods of data processing, but also through the context the texts exist in.

The documents handed to me by the companies are from 2014 and allowed for publication, thus anyone may review my work on these documents and I dealt with my biases by sticking to Krippendorff's definitions. How I chose the qualifications for the texts is based on stakeholder engagement, and how Statoil and Shell do so with several simultaneously. Thus the criteria for the choice of documents are that:

- They must revolve around Arctic projects
- They must be communication towards stakeholders

#### 3.3.1 Developing categories for analysis

I will be implementing a "problem-driven content analysis," which is "motivated by epistemic questions about currently inaccessible phenomena, events, or processes that the analyst believe texts are able to answer. Analysts start from research questions and proceed to find analytical paths from the choice of suitable texts to their answers." (Krippendorff 2004: 340) As such, I have a research question that I am looking to answer, that being how parallel communication is dealt with in my case study, and would like to see how the firms' communication through texts in relation to stakeholder engagement tackle this. Per rule of thumb, I will be basing my content analysis on Klaus Krippendorff's analytical constructs and techniques (2004) to anchor my process into a standardized method. To do this I will present a hypothesis that I wish to test through content analysis with research questions. Krippendorff's constructs are ways in which to find out how the sampled texts answers the research questions. The object of my study is the communications strategies implemented by Shell and Statoil, including discourse about the northern regions against their critics. My hypotheses based on previous chapters are:

H1: The texts adapt communication and information based on the venue and the audience.

H2: Statoil and Shell do not self-criticize.

H3: For adaptation purposes, the companies talk about various subjects from politics to have more effective communication towards audiences or stakeholders.

The questions I have devised to test my hypotheses, are the following:

- 1. Does the company present different strategies for different stakeholders?
- 2. Do Statoil and Shell express self-criticism to stakeholders?
- 3. Which subjects do the companies write about? What do they leave out?

To answer these questions, I need to implement a framework for analytical constructs. "We call the model of the relationship between textual matter and the empirical domain of the desired inferences an analytical construct. Analytical constructs connect the data of a content analysis to the answers it hopes to provide.[...] While all texts lend themselves to numerous kinds of inferences, content analysts need to be explicit about the logical basis of the

inferences that would answer their research questions: the analytical constructs they adopt." (Krippendorff 240: 105) Titscher et al. (2000) put it like this:

"The core and central tool of any content analysis is its system of categories: every unit of analysis must be coded, that is to say, allocated to one or more categories. Categories are understood as the more or less operational definitions of variables." (Titscher et al. 2000:58)

The Statoil documents are presentations with speaker notes, while the Shell document is a guide to strategic stakeholder communication approach. I have analysed the speaker notes and guide by diving up the narrative into concepts. For example, one sentence reads like this: "We need to factor in the challenges of working in darkness half the year," is one variable, and I had coded that to "technical issues." If sentences are repeated to summarize, I do not count them as I do not want to count two of the same subject matter. The two variable groups for the first question are in tables 3 and 4 in the appendix, the variable group for question 2 is in table 5 in the appendix, and finally the variable group for the third and last question is in table 6 in the appendix. The first table simply recounts the instances in which localization is implemented in the texts, while in the other tables I have calculated the total instances of variables in their categories, then calculated the percentage for each variable of the total of that category. I did this for each text as well. This to see how often the variables show up in relation to other variables of that category. This was an exercise to see which variables get most focus in the texts. Again the scope of this research is limited, but can give a glimpse into what companies actually express.

To answer the first question, I will base myself upon insight from stakeholder engagement models from the previous chapter, where I will be looking for evidence of either a standardization or adaptation of strategies and communication to the different stakeholders. As we have seen, some models prefer the former, others prefer the latter, and other still, suggest having a mixture of both. I want to see if the texts suggest the companies take on either one or the other strategy. To do this, I will look for descriptions of procedure for stakeholder engagements and their presentations that may differ from stakeholder to stakeholder. If activities and language differs from stakeholder group to stakeholder are thus are treated differently.

For this question I will also look at instances of emotional content, opinion and pure information. The first two are categories under subjective information, while the latter is

under objective information. Objective information are references to studies, for example, while subjective content can be references to emotions such as saying "I adore seals," or subjective opinions which can look something like this: "We are responsible; they are concise and direct." This exercise can shed light on the communications strategies on how to the point the companies' spokespersons are encouraged to be.

To answer the second question, I will look at how concepts are valued from positive through neutral to negative, linguistic assertions of connections in association or disassociation, and unalterable concepts and meanings in value such as "good" or "bad" (Krippendorff 2004:177) Here I want to look at how the companies present themselves, so do they refer to themselves? If yes, are they positive or negative adjectives describing themselves and their activities? For example, anyone with at least a moderate knowledge of English will understand the adjectives "responsible" or "experienced" are considered to be positive traits.

To answer the third question, I will be looking for instances of the same key variables from CTA discussed in the previous section for interviews to determine what themes are deemed relevant in presentation information to stakeholders in text format. The key variables I will be looking for in the texts, will be references to: environmental concerns, business exposure and openness, physical placement of communications department, company image towards employees and shareholders, level of trust between the company and its publics, technical issues such as technological challenges and safety and security, economy, adjectives such as responsibility and experience, politics, culture, and expressions for cooperation or competition with other oil companies. In other words, does Shell and Statoil write about politics? Do they discuss culture, environmental concerns, or do they stick to technical issues and concerns? Do they write about mistrust by, and issues with, the public or do they allude to being open with their procedures? In other words, do they include other voices? This can allude to whether the companies' are indeed open, and whether they represent genuine or monologic dialogue. Is the tendency to stick to discussing technical risk, or do they also consider non-technical risk? By determining which subjects are presented, I can make inferences on how much adaptation there is towards the Arctic, based on which themes are present. If the tendency is to talk about very localized issues, there is adaptation as many local issues can be unique.

## 3.4 Validity, reliability, transparency, reflexivity

This case study and its qualitative methods provides limited opportunities for generalization, but the method's strength is that it takes into account the investigated phenomena of situational complexities. (Tjora 2011) Interviewing communications practitioners, whom are involved in their respective companies' stakeholder engagement in the circumpolar region allows me to study issues, opinions, attitudes and experiences in a "slice of life" manner. However, as the presenter of data, I must acknowledge the quality criteria and the ethical problems that could arise through the use of this data. Much of the trouble in anonymous interviews such as what most if mine are, stem from interpreting the data incorrectly through personal bias and shortsightedness of another individual's outlook and behavior. In connection to processing the information given, the interviewer cannot allow the informant's information to be buried under personal views. (Ibid) Also important to keep in mind are the quality criteria for qualitative research relevant to this case study: reliability, validity , transparency and reflexivity. I will go through these criteria based on Tjora's interpretations. (2011)

Reliability presents the question of whether or not the researcher has things in common with the informant. According to the interpretive tradition, which the qualitative research is based upon, it is impossible to avoid personal interpretation coloring the information even though a neutral and objective observer is preferred. This is why it is important to make sure to always give a tangible reason for any interpretations given. (Ibid) In my paper, I continuously give background and a reason for what I write. I do not myself have experience as a communications manager in an oil company, much less within Statoil and Shell, so I may not be able to have as much of an understanding of my interviewees' experiences, and as mentioned previously anonymity, as well as the fact that these interviewees represent their companies, there is the question of how reliable the information can be. Nonetheless, I have attempted to simply be the mic for the informants and trusting that the interviews have managed to scratch beneath the surface. As for the documents chosen, these are not documents with sensitive material and thus the enterprises choose what they want to present to stakeholders, and this is the point of the content analysis: to scrutinize how they communicate through documents.

Validity implies that a researcher should be open about how they go about their research so as to be accessible for testing to other researchers, and that the research itself be relevant and

works within the field's rules. (Ibid) My research is based upon Tjora's and Krippendorff's own qualitative research rules and I have not deviated, thus it is easy to test and its relevance considered. I believe that the interviews drew interesting information, and allowed a peek beneath the surface of international stakeholder engagement issues.

Transparency dictates that the researcher give the reader such a good insight into how they went about their investigation, that they can decide themselves whether the researcher is credible or not. (Ibid) I have explained what I have done and how I went about doing it, and can stand to scrutiny for the reader. As for the documents chosen, these are not documents with sensitive material. They are examples of communications implementation and strategy, which can be accessible to the readers for review, both in the appendix, as well as online.

Reflexivity states that the researcher must be able to recognize their own interpretations of the data so as to be conscious of their own hand in the processing of data. (Ibid) In my paper, what I have done was transfer the information given to me by my informants, and compared their perspective to previous research and theories developed. I made sure to pose questions so as to clarify my informants' standpoints so that no opinion was left to guesswork, and left no ambiguity to be considered. Content analysis is a bit of a different matter here, because I am essentially making inferences on texts without consulting the authors or other researchers for consensus in meaning. I work around this issue, as other researchers have done, by using a framework by Krippendorff, from which the meaning of text can be more objectively analyzed rather than purely subjective inferences.

# 4. Analysis

In this chapter, I will analyze the data from my key informant interviews of corporate public and government relations managers in the Arctic projects for Statoil and Shell based on Tjora's methods (2010), and consecutively, the content analysis based on their public external communications documents towards Arctic stakeholders, which includes both internal and external stakeholders previously discussed. The interviews are delve into what the informants want to say, while the texts represent what they actually say in practice.

#### 4.1. Interviews

The interviews were very long and very in-depth, so I have thus picked out illustrative and thematic quotes that represent different aspects of parallel communication. What was interesting is that the interviewees all had vastly similar experiences and mentioned much of the same concepts and themes. While this may not be counterintuitive due to their companies' very similar contexts and interests in the Arctic, their working structure, down to how interviewees are allowed to communicate, are nearly identical. Thus, many of the quotes used were also expressed by other interviewees in much the same manner and with much the same experiences, only in their own specific and localized way. The way I have divided u this chapter in themes is based on issues the interviewees themselves have discussed.

# 4.1.1. Contingency Theory of Accommodation variables

In this section, I will be going through the various variables from CTA described in previous chapters to determine whether Statoil and Shell use these variables when engaging stakeholders, and if they even need to. It is interesting that the interviewees didn't look at either advocacy or accommodation as being more important than the other and agree across the board that it depends. D, operating in the States, was very clear about the sorts of issues that are important to include when preparing for contact with stakeholders, not least of which is what the opposition is about in relation to resource extraction or its value.

When asked about whether they opt for contingency, accommodation or move fluidly between the two, most interviewees agree that it is highly situational, and all agree that certain variables are wholly irrelevant to their context. D would suggest that not all the minutiae of the business's economic situation, for example, is important when communicating with audiences. D mentions some characteristics of external publics, and what sort of threat they can represent as important to consider.

"There is no need to know the budget or if there was a 50 percent increase in budget or more about the business. What I'm looking at is if there is public conflict. Are they sitting back, taking reactive or proactive approach? First, one should assess public conflict and to which degree. Who is operating in same area? Who owns resource, and how much issue or noise it can cause," describes D as a list to tick off when appraising a new issue or stakeholder.

Is politics an important talking point, or at least an aspect to consider when communicating with stakeholders? According to CTA, this is one of the variables that should at least be considered when engaging stakeholders. Interviewees had a resounding "no" across the board to the question of politics. It was the most irrelevant variable to them. "No politics used. Truth is truth delivered regardless," states D. Every other interviewee supports this view and do not see how it can benefit anyone to get entangled in politics in this context. "I think it's always important for us to stay out of the local politics as much as we possibly can; we have negotiations with the government and of course we listen to all the stake holders from all the different parties but ultimately we deal with whatever government is in seat," says Brighel. However, if specific political measures are taken that can be an issue for the companies, those events are addressed in the event that they can affect activities in the Arctic.

Hagel states that keeping the political interests of stakeholders in the back of one's mind is important for communication, seeing as it helps to better target them with appeals in their interests.

"Everybody is political; everybody resides in the politician spectrum...you know either right wing or left wing. And think it's us who are trying to work in the industry, trying to remain as centrist as you can. [...] I think it's absolutely vital that you are able to understand those political motivations before you start asking them to do things." (Hagel)

However, he underlines again that it is still inappropriate to speak outright about politics as such.

"I don't think so, that probably wouldn't be appropriate but you know, listen you come into these relationships- when I come into a community I am not there just to make friends, I have a business I am trying to run, my starting point is we've looked around the world we see merit in putting together an exploration project in your community; how do you feel about that? It's about bringing people along the journey with you. I think you've got to understand where peoples political interest lie, but I don't think it would be appropriate for us to take a side for example, or play for a certain base. For example; Shell...you are not allowed to give donations. We have very strict rules about giving donations, and working with elective officials, we need to make sure everything is documented and transparent and open. [...] Oil and gas activities are not a left or right wing proposal. For us, it would be counterintuitive to take a political stand in the communities. Our stand would be either or, it's just good to keep in mind that some companies have government relations teams, full of Republicans others have Democrats so you just need to be able to separate politics from your specific programs. Because you are always dealing with different people, if you are favoring one party that could also have an impact negatively with people who aren't in support of that particular party. You have to be very careful and mindful of those things." (Hagel)

Culture and other non-technical risks are also important, and are taken into consideration when approaching communities for activity opportunities in the area. Interviewees have to sit through cultural awareness courses when entering a new country for any project, which talk about such cultural norms as not walking across invisible personal spaces of houses in Greenland settlements, as it is offensive. B says that the way in which countries share information is essentially different, and that is why cultural information is important to keep in mind. «There is vast information sharing in Norway, less in some other countries. Thus, it is important to keep cultural information in mind when you are working in a new country with different information sharing.» Hagel describes how company employees have to be good at adapting to local customs to fit in and be accepted. Showing interest in what is happening in the local community is essential, even for corporate companies.

"Yes I mean, things that are happening to the community are relevant we need to be able to engage in those issues just like anybody else. Yes, I would say they are. So for example; when you go to the North Slope of Alaska to do a public consultation or hold a town hall and tell them about the most recent developments, in often cases they have in the backdrop they are celebrating their own local heritage and local culture and sometimes they have they feast and they expect you to eat Bowhead whale, those are the things you need to consider before going into these communities because you can't be as sanctimonious, you need to change, you need to jump in and work with them, celebrate their culture with them if you want to have a relationship with them. People are different, like I said, people come from a million different backgrounds, every conversation is different, you need to be able to maneuver elegantly across many different cultures, you need to be grounded their specific culture and heritage, you need understand what's going on in the community, you need to understand how the local sports teams are doing, all things you need to consider I think." describes Hagel. Hagel gives an example on how Shell plots non-technical risk in a matrix to determine what the issues may be in preparation for tackling the different stakeholders. Non-technical risk could be language barriers, safety for employees, and pre-existing livelihoods they may be encroaching on and all can be a hindrance to a project.

"We spend a lot of time examining risk, you know so we divide risk into broad categories; non-technical risk and technical risk. Technical risk is something Shell is very good at, It's everything below the ground. So all the technical requirements to do our jobs; for example drilling a well. The non-technical risk is a really difficult one, where we spend a lot of our time. Non-technical risk is increasing responsible for stopping oil and gas projects globally not just for Shell of course but in the industry. So it covers every aspect of culture, you know non-technical risks are people. And it's through those; you can't engineer out non-technical risk. So when we go and do these risk assessments, we look at all those different aspects where there is concerns for people be it culture, environmental issues, obviously in the arctic you need to start taking into account climate change issues and you take each of those risk and you need to chart them on a matrix; For example places like Greenland or Canada; before you would undertake a project there you would spend two or three days in a workshop examining the non-technical risks, things that would help or hinder moving forward with an oil and gas exploration project. So in Greenland for example you would have different technical and nontechnical risks, so what would be a non-technical risk in Greenland would be the language barrier, they don't speak a lot of English. And that also have implication on the safety aspect, how do you make sure everyone is working safely if everyone can't speak English, you need to think about local context, you need to think about jobs, you need to think about how the local people interpret your project, maybe they are support of it but maybe they are not; why are they not in support of it, maybe where you are planning your project is on a trapping area or hunting ground and they use that area for recreational hunting or subsistence hunting to feed their families. So you would look at a standard matrix and on a horizontal access you would have impact to the project and on the vertical access you would have likelihood of occurrence and you would have four boxes, and you would plot these risks based on cost, impact on your project and the likelihood of occurrence."

Government regulations and industry climate can also affect their work.

"Indeed, yes. Government regulations are quite important, often times it's the individuals who are living the regulations, so the government tells you know what activities you need to undertake to get a permit and so it's vital importance. The government sets out the rules and you need to be able to communicate those rules to your constituency or to your community where you are planning to do a project, and even after the development and production phase you need to continue to adhere to very stringent regulations and communicate those regulations and make sure that they are followed in all cases," says Hagel.

D also underlines the importance of differentiating between communications practices in the corporate world, and other communications, as some workers come from a political background and attempt to transition into the corporate world expecting to operate in the same way, as if they are trying to get someone elected, and D says this is simply not going to work. Trying to appeal to stakeholders and audiences in the corporate world cannot be done in the same way as when trying to have people support a person or a policy.

"I've seen a lot of political types moving into the corporate world and think that it's all about getting someone elected, but that's not it at all. You're trying to advance and shape perceptions on, perhaps, the role of fossil fuel, which are, uh, not the most favorable things in the world, but are powering the world's energy needs, or using innovative production techniques like fracking. We're not trying to get anyone elected there, and that's where public policy types do work on communications campaigns to get certain people elected or certain policies in place and want to get public support for those things. They have a hard time making the transition to corporate communication, which have completely different goals."

D describes the best tactic to knowing how to approach stakeholders and which themes should be focused upon in dialogue, is through audience research. "It's through regular opinion polling of your target audience, quantitatively and qualitatively. The latter you use focus groups, you talk to eight or ten," says D.

As for internal environment factors, Statoil interviewees described their organization as being low in hierarchy structure and rather heterogeneous, while Hagel describes Shell as being highly hierarchical and homogenous. Yet he describes a rather varied group of individuals with different ideas on how to approach issues for the company, which "always" creates issues between departments, indicating a varied and complicated interplay between colleagues. "We all report to different people in the organization and communication is done almost always through the idea of different businesses and functions so you also have to be mindful of that. We all try to use similar business tools processes and procedures to achieve business outcomes but ultimately how those business processes are utilized is sometimes less up to translation. When you have a company that operates across 70 different countries there is many different perspectives on how to meet the world energy needs for example. We are not all Canadians, we are not all Americans we are not all from Russia or Greenland or the Arctic and so they are also different cultures, different languages, have different views about different outcomes, so it's very difficult sometimes to understand. There are a lot of different things in play, I think we are a censuses driven organization and we are also a talk down organization, and so there are specific mandates. We also have an open culture where there is a lot of feedback that happens throughout the whole process and there is the ability to challenge that is also in our cultural DNA, the ability to challenge leadership on decisions that are made. So you give a bit of dog's breakfast when it comes to how things are- the plans that are agreed to on the ground when it relates to stakeholder outreach. That's the benefit when working with Shell, we are census driven but we are also a top down driven in terms of hierarchy."

Brieghel describes the working environment in Shell as having several people to whom he reports to, but says that employees in the Arctic team are dispersed but well-integrated. The slight variation in answers seem to stem in very specific ways the interviewees interpret what the key words of homogenous, heterogeneous and hierarchical structure means. Ultimately, the companies work in a very similar fashion, from management to communication practices.

#### 4.1.2. Standardized vs. customized

When discussing standardized versus customized communication, interviewees agree that the message needs to remain consistent. A says that "det er ikke noe "one size fits all" der man kan bare kopiere det man gjør I ett land og overføre det tile en annen, man skal alltid tilpasse seg til det lokale samfunnet, men samtidig skal man ha det samme grunnlaget." At the same time, A defends micro-localized communication differences as a strength as they are dependent on knowing how to communicate to stakeholders to get the point across for one, and for the other not to make insensitive cultural faux pas that can threaten the company's

image and activity possibilities. «In some countries it is important to give gifts, in other countries, seniority is important, for someone else, what order you do things is important. It may also involve formal or casual dress. You must come in appropriate clothing, and it is about understanding that.» Thus they say it is important to have communicators who are well-versed and sensitive to the local community's culture and lingual minutiae. B repeated several times the importance of having one narrative and one message, and was of the opinion that is was very important to have local employees being delegated with local issues and communication, because it is they who have local knowledge which can make the most out of their situations. B also felt that communicating with many different stakeholders was not so difficult, seeing as there is only one message revolving around being the voice of Statoil. «There is never a personal opinion when one always represent Statoil."

D explained that communications managers do not have full liberty on what and how to communicate. "I am really limited in to how to phrase and position myself," says D, a communications manager for Statoil. However, he further goes on to say that there is a tailoring process in terms of adjusting language and visuals used based on the audience.

"You can never do wrong in using the lowest common denominator, crafting right words, simplified meanings and images that accurately reflect the audience," meaning that when taking into account those with less knowledge about what the firm is presenting, it would ensure that every stakeholder follows what is said and is clear on the information given. D continues, saying that repetition is also important for complicated information. Thus there seems to be a general standardization for simplification purposes, but there are tweaks made to the appropriate audiences.

While it is important to consider all the angles, it is also important to know when not to include certain variables and question oneself on what is and isn't relevant.

"Well it really depends on the topic. I've done work with global consumer product companies and if you are promoting a certain brand of laundry detergent that gets clothes clean and make the smell fresh, you will probably deliver that same message globally, because that's what your consumer research shows the consumers are seeking. If you are trying to shape perceptions on anti-littering and getting people not to litter the environment, that would be completely dependent upon the social morays and cultures of that country. It is completely dependent upon the subject, what it is you are trying to achieve from a communications objective." (D) Both A and Hagel have had experiences with different stakeholders from different countries having different focuses that the they try to address. A says they have experienced Russian stakeholders having technical and technological concerns, Norwegians as being preoccupied with job creation in their local communities and Alaskans as being concerned for their social and cultural integrity. A underlines that these are very general and broad perceptions they have appraised as all these concerns have been uttered in all the different countries. This slight distribution on focus can help communicators pre-emptively prepare for certain themes in more depth. Hagel also describes how different stakeholders have different focuses, thereby the need to shift focus in presentations and dialogue.

"I think a good example is, when we are talking to the local community about our plans to explore in the arctic. We still have to have those same discussions with parliament in the European Union, so we go to Brussels and have the same conversations but they are not interested in the same things, an elected official in Brussels who let's say is an elected official for Denmark, would have a completely different set of interest. At the end of the day we still want him to know that we are still putting forth a sustainable prudent exploration plan but he is motivated by different things, he wants to be re-elected for example so everybody has different interest and different motivations and so in telling your story you need to cater your story to these different target audiences but it's important that the key aspects, your elevator speech doesn't change, what information I decide to share with you, what information I hold back based on your interest, your motivation and your constituencies are all the things that are needed to be taken into account," says Hagel.

Brieghel affirms the rigidity and availability of templates and limitation made by Shell, but that employees do have some leeway in localization processes, in the same way that Statoil does.

"Well, Shell is infamous for having processes and templates for everything. I think there are a number of guides and templates we can use to structure our communications but it has to be adapted to the local context. We do have the option to step out of those procedures to engage properly with the stakeholders. If what you were referring to was things like anti-bribery and corruptions rules or things like that; of course those things are very rigorously enforced. Even if you buy someone a cup of coffee, it has to be registered and approved and everything, so we are very mindful of that. We don't have any leeway whatsoever in negotiations when it

comes to that. It's made very clear to everyone that's that not how we do business." (Brieghel)

Ultimately the interviewees expressed that they do not feel as if they differentiate so strongly between countries or between stakeholders. C states that the countries they have experience with, Canada, United States, Russia and Norway have all different ways to do things and have different concerns and "levels of maturity." The one concern that is universal, is the environmental issue, while details in authority, who the specific stakeholders and fiscal frames are is locally specific. B notes even though messages stay the same, what is universal is supporting the local community and addressing their interests. "It is the same message but focusing on relevant support to the stakeholders."

#### 4.1.3. Impressions and relations management

Describing how communications have been panning out in their field, D says, very diplomatically, that communications have been open and productive, citing understandings of the Arctic as an important oil and gas source in a world where such energy is dwindling, suggesting dialogue for them is mostly focused on these aspects. "The communications towards the Arctic have been frankly focused towards Washington D.C., and in Anchorage and in the state of Alaska. The communications have been open, wholesome and productive. There have been a growing understanding of the shortage of fossil fuels in traditional locations and the role of the Arctic is increasingly being acknowledged and recognized as being important for oil and gas production." All interviewees again mentioned that it was important to be transparent. For Statoil this rhetoric was especially strong as A described this openness as a strategy they themselves have decided to use, as opposed to regulations being placed upon them. "Det er viktig å ikke skjule noe og jobbe med åpne kort. Noen ganger kan det være mere ønskelig å ha lav profil, men vi har ønsket å bruke den strategien," says A.

The interviewees are well aware of the perceived dissonance between their business and environmental concerns. To attempt to resolve issues of credibility, various tactics are implemented to bridge the gap and dampen the negative views their businesses are often placed under in the public eye. One way to do this is to present oneself as transparent and reliable. Conducting research is a way to show transparency, dependability and credibility- as long as it is unbiased research, which can be an issue for companies as they have a vested interest in their businesses. "We are seen more cynically than academics. We can fund a study, but us presenting it would be seen as problematic because we have a profit motive, and audiences will then say that the research is less robust that what it appears," says D. Hagel describes how issues often have to be resolved in person to establish a rapport, to achieve a more personal relationship with stakeholders.

"It reminds me more of a Canadian examples, when I was working on an oil sands project, we had a couple aboriginal reservations very close to our project, there is no easy answer, sometimes you need hundreds, sometimes thousands of different mitigation to accommodate people that live nearby your projects, we (Shell) anyway would often adhere to a UN, United Nations theory around fair, free and informed consent; so that's something we take very seriously, to follow the principals from that UN definition [...]We have to have action plans for how we mitigate everything. So for example; in one of our operations we had local people were complaining of a smell, and we could never identify what the smell was but if you lived in the area and you're smelling it every day, it impacts your quality of life so what do you do? So obviously you hold a public consultation, there are also regulations that stipulate how industrial activity needs to be carried out in unison with local populations. An example would be public consultation; so meeting a regulatory requirement, meet with local people often around the supper table, door knocking, you know building relationships and trying to address their concerns."

Hagel further notes that more and more companies are giving stakeholders, shareholder roles in their projects to establish a relationship.

D describes another way to do this is not just about content, but also in the way in which it is presented, such as a memorable campaign to stick in people's minds. The role of the messenger is also very important as it can help foster an image of the company in a more positive light, as well as support their claims if the messenger is perceived as credible.

"You will never really move the needle with anyone, because it's all about, frankly, trying to influence or shape their beliefs about a particular issue or topic or subject, but you have to use credible sources. So credible sources and credible messengers. Because in an environment with so much competing information, all of the good research shows that people go to who they trust the most, and who they like the most. So I think they key is you have to have payed message delivery and non-payed message delivery targeted to your target audience with

sufficient volume in order to achieve some sort of memorability. Absent that, you will never really know whether your communications campaigning is doing any good or not." (D)

In fact, Brighel also says that presentation is important, above the very content of the massage even. "To some extent there are some cultural differences on a national scale, you would behave a little differently in Denmark than you would in Greenland. In Greenland people are a little more informal, and people are somewhat more direct, and the conversation is a little different. But I think the basic messaging and the content of the conversation does not change much. From one culture to another I think it's more a question of being mindful that your stakeholders have different entry points in the conversation, and different levels of knowledge about the industry, that's really the big divider rather than the cultural aspect. But If you do decide to show up in one of the small settlement in Greenland in a full business suit and your tie right around your neck with the big shiny cufflinks then nobody is going to listen to what you have to say, there is of course a modification of the communication but I think it's not really that the content changes, it's just very much that the format changes." (Brieghel)

A also states this it is important not to oversell their message either, lest the leave the community disappointed and upset. "We must be clear with them that there is the possibility that we may pull out of the region if we do not find oil and gas, because if that happens, then there will be no jobs there anymore," explains A.

B says that a long-sighted project, despite its costs, will reap great rewards in the long run. B cites the period of time when development of Arctic projects and technologies was very low in Russia, but Statoil remained present in the country despite this and kept attempting to find oil and keep up stakeholder relations. This in the long run resulted in receiving credit for being trustworthy and credible in the region. "Long-term presence is smart and gave returns," says B. They also the interviewee that repeated how important it is to build stakeholders over time. Other interviewees have mentioned this as well, but B explains that communications workers and stakeholders build relationships, and once the foundations have been laid, they will refer to one another in the future, as a relationship of trust has been built. C, like B, thinks it is important to be in contact with the "right" people to move development of their company along, but chose to discuss the importance of being proper with stakeholders as opposed to the importance of localized knowledge. C means to say that having physical meetings with important people, for example, is a meaningful representation of the company. "Man kan ikke sitte å Skype med en minister, for eksempel," C comments.

#### 4.1.4. Monologic or genuine dialogue

All interviewees have mentioned listening as an important part of the communications process. Some of the interviewees described this as starting with a blank arc with every new engagement, but everyone was in accordance with that they needed to be wary of assumptions in their line of work.

"First we try to understand the community and the stakeholders we are approaching's point of view, and then decide which course of action to take. Hopefully we can make the issues go away altogether, but in some cases, there are no good solutions. I am involved in community meetings with native Alaskans, and the concerns lie with activities with hunting and fishing activities. The fears are that our activities in the area could cause wales to swim away or caribou to not migrate. We would conduct research and publish it to scientists and stakeholders to mitigate problems and hopefully resolve them," says D.

"Spending more time listening than talking, with the resources available at Shell, we also have a lot of sophisticated monitoring. We monitor quite a few global media outlets, and news wires. You know, it's also about consuming a lot of news, it's about attending conferences, finding subject matter experts, you know and a lot of times...it involves ground truthing, and what I mean about ground truthing is actually, after you gather a lot of this evidence, quantifiable empirical evidence...you know to actually go into some of these locations where these people live and work. And you need to have interviews, and you need to have discussions and engagements, and I think it's through that, that culmination of different activities, that you really begin to understand what the challenges and what the opportunities are. The more you listen the less you talk, the more you begin to understand and inform you conversation, so I think rapport starts with listening." says Hagel.

# 4.1.5. Use of documents in external communication

It would seem that, amongst the interviewees, the documents used are simply a tool to help them explain and support their message. They are an important medium with which to present goals and brands, and conduct memorable campaigns through. "They are just communications tools, they are used to help us communicate and engage with people that we view as stakeholders," says A.

Audio, visual and textual formats are used as a tool to further express to audiences the companies' brands, what their official goals are, and otherwise what they wish to present. D lists them using several channels to present themselves, in and that repetition is also important if you want to be remembered by the audiences. "Simply repetition: rule of thumb is seven times before people remember. Tactically, we can take a wide variety of videos, documents and slide shows to present ourselves. We use all channels available for communication, such as social media, ads, the media, aiding research and educational forms," says D.

Hagel describes a very specific step-by-step approach that Shell has developed to influence and approach stakeholders. It is a risk assessment of sorts in document form that I have analyzed in the content analysis section prior. This document is used actively by communications members in the company to plan out their engagements as it is general enough to be used as a template across cultural, political and technical boundaries.

"We typically use an approach called the influence approach at Shell, steps and considerations to conducting stakeholder engagements and it's kind of six key aspects to the influence approach." Hagel describes this document as being typically used in Shell as a template for communication purposes. Both Shell and Statoil also have different production teams working on different kinds of content. This means that there are some that create documents for presentations, others create multimedia content for their respective companies and others write reports targeting their stakeholders, such as their annual reports. Hagel describes these different teams as each being their own "centers of excellence."

"We have a center of excellence that actually produces the documents and we have another center of excellence that just produces films another one that just produces PowerPoint presentations and focuses on effective presentations. We have centers of excellence step up internally that actually produces this work in accordance with the external communications." (Hagel) Statoil ad Shell are aware and have mentioned the issues with these presentations as being monologic, and recognize that genuine dialogue is necessary for communication. Essentially, interviewees also agree that different backgrounds are important to address in document form as well, although not as much as in proper dialogue. "You can't focus on just the culture or just focus on one aspect. Ignoring the others can put your relationship at jeopardy. It's about having a broad breath of knowledge and understanding about where do they come from, what do they do? How big their families are? Which sports teams do they support? It's what we all do as human beings, when we are building relationships and showing interest in someone else. You cannot select one to exclusion of the other. If you want a message to resonate with another individual, you need to think about all the different things we've discussed; their culture, their religion, their political motivations. But if you want to be successful you also need to think about the five senses." (Hagel)

What Hagel means by five senses is that it is important to also stimulate hearing, smell, touch and taste, not just visual, so one way Hagel has done this for Shell's oil sands project was to bring officials to the activity sites for personal inspection during presentations. However in some places, such as Greenland, they are so conventionally informal that presentations and documents are rarely used. Thus even the usage of documents can be limited if the culture calls for it.

Interviewee A states that Statoil spend a lot of time developing local communities so that their activities in the region is seen as lucrative for everyone involved. This is everything from funding education to supporting local flower shops. The company invests in the local community's growth, although A specifies that this is not their main goal, and that most of these local investments go through local authorities who usually do redirect investments by Statoil towards local businesses and schools. "It is like a foundation in our decisions, so we hope that our activities create positive impacts to the communities we operate in. No, it is all about respect, it is about understanding and learning about those we work with and towards. So I try to see this in a way that we start with a blank sheet of paper and try to learn about those we work with and then take it from there. So it is not part of our working methods really, but we simply strive to educate, to learn and to understand. These are important elements. We are very occupied with cooperation and finding common solutions," says A.

B says that in their experience, documents and presentations are great tools mostly for showing how the company has bettered themselves, through statistics and other such quantitative methods, especially after negative situations have happened to the company in the past. This can insinuate that the documents can be a tool for proof of the company's qualifications to the audience.

#### 4.1.6. Assumptions on the audience and follow-ups

One of the greatest challenges when addressing stakeholders according to D, is making wrongheaded assumptions on the audience's knowledge. "It happens all the time," he states. "You can make assumptions that are not often correct. Most of the time [the assumptions are] inaccurate." When the employee gets feedback, they often realize that there has almost always been a dissonance in how they have approached their audience, and often have to spend time and effort into rectifying their mistakes. A concurs that this does happen often, and can result in credibility issues. Thus D says it is important to include the lowest common denominator information, especially in terms of explaining technical aspects, so that everyone understands what the presenter is on about and are on the same page, because D describes many follow-up dialogues as revealing that the audience did, in fact, not understand the technical aspects. Brieghel tailor-makes communication towards the individuals with less technical knowledge and less education in general however they don't assume that any of their audiences have a high technical knowledge either, thus Statoil and Shell operate rather similarly here as well.

"At least in Greenland, you have a concentration in the bigger cities with people with longer education, when you go to the coast, the education levels are lower, and they don't have much experience with the oil and gas industry. And so there are some cultural barrier and some knowledge barrier that you need to be mindful of. And I think, at least in Baffin Bay we've done quite well with that, in the sense that we prioritize to tailor communication for those communities. However, we wouldn't assume that for instance that they had any preconception of what seismic service would be like that or what it looks like, what it does. The limitations it has, and so we develop some quite visual materials to explain that." (Brieghel)

As an attempt to fix these issues, D says that Statoil invests in quality research. "We do high quality research with confirmed standards globally."

D also mentions that communications workers can often forget to follow-up on dialogue with stakeholders, something which puts relations at risk. "There is little to no follow-up. It can be as simple as an employee forgetting to give follow-up information to their engaged stakeholder, resulting in dissonance," says D.

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#### 4.1.7. Incompatibility between internal and external communication

Another issue D brought up was the issue of incompatibility with other employees' external communication to both the same stakeholders, as well as other stakeholder who have a relationship with one another, resulting in less favorable inclinations towards the firm by the stakeholders. This can be as simple as an employee forgetting to have a replacement employee give promised follow-up information to their engaged stakeholder. Hagel has also seen how internal incompatibility can be an issue for business success, and is recognized as problematic both by Statoil and Shell employees. In addition, this issue of continuity is something that crops up very often.

"Continuity. You may not achieve one business outcome; you may risk one at the risk of not achieving another. [...] Oh yes, hundreds of times. I'm sure thousands of times. Every place is a little bit different, I think the most important thing related to this particular risk when you are talking specifically about parallel communication is around commitments; so what happens when you are making commitments to local communities about potential new developments and one organization or one set of business leaders or one side of the organization make a commitment to stakeholders and doesn't follow through with that commitment or it may not be perceived as a commitment then the failure of that commitment being achieved impacts on the other side if they are not talking, so it could be like a small example where you are meeting with a local community, you are in the North Slope of Alaska, you are in a public consultation meeting and you tell someone in the audience you are going to get back to them and nobody gets back to that person, and there is no follow up. And then the next year you come back to that same community and you hope to have a strong meaningful discussion and this person say you were here last year and you made some commitments to me and nobody followed up with me, and the individual says that wasn't me that wasn't my failing that was someone who was here last year because they have moved because at Shell we often replace people, we move them around we are a global organization. That's a big risk when you think about successful parallel communications tactics is that in such a fluid environment in such a global environment; people that don't follow through with their commitments they jeopardize future business outcomes for people who come back to that same region in hope to achieve their business plans and can't do so because others were behaving badly in previous roles."

Hagel and D describe the need for cataloguing and having a commitment register when such commitments are made, as a way to try and rectify this phenomenon, although it seems it keeps happening, thus representing yet another threat factor for the companies. The commitments are expected to be remembered intuitively.

Also illustrative of this point is Brighel's experience in a country with a very small population where anyone you speak to randomly can result in risks for a multinational company.

"Especially in a place like Greenland which is a vast country but you have only have 56 000 people and even though they are disperse all over the country; they are well connected may it be by phone lines or facebook and everything. So if you say something to one person or make a comment in a taxi coming from the airport; that guy could very well be the cousin of the Prime Minister and then there is a different message there and you create confusion. It's just very important that we are internally aligned before we have any eternal engagements." (Brieghel)

Brieghel also has experience with handover processes being a big challenge for the company, as a great amount of knowledge and practices have to be handed down. Brieghel himself did not want to expand upon any concrete examples revolving around incompatibility of messages given to stakeholders.

"One of the challenges in this industry is the fact there is a lot of rotation and that means that for a 5 year licenses period or 10 year licenses period, people are bound to be changed out in that sense, there is a big handover in insight, knowledge and understanding and relationship that happens in order for that to work. One of the key risks for us is that handover process is not managed correctly." (Brieghel)

# 4.1.8. Quick engagements and follow-ups

D describes that a large issue in the corporate world is to internally organize a great degree of preparation and a form of preemptive strikes for each issue, as well as taking up communications contact and campaigns in a cycle. Information needs to be followed up continuously, and each issue, as well as each stakeholder, needs the same amount of care and attention.

"All the research shows that for any big issue, there are three broad audience categories. Persuadables are always the largest audience, about 80%, 10% will always support you while the other 10% hates you. In energy we have waited too long to influence the persuadables, and people are moving into either the foe camp, or the friend camp, and once they move into those areas, it is very difficult to change their views. The cost to change their views goes up dramatically. I think there are a number of challenges, the biggest one in a corporate environment is convincing corporate leaders that perceptions on any topic tend to be formed rather quickly, and you have to have a sufficiently large volume of communications activity at the beginning of any issue cycle in order to sufficiently influence and shape perceptions of the majority of your target audience. Most people start out by throwing a little bit of money at a communications campaign, and that is exactly the wrong spending curve. The correct spending curve is very sharp and goes up, and then reduce the spending over time. Most people have a gradual increase in spending over time [...] that is exactly the wrong shape, the curve should look like a very sharp mountain," explains D.

Whenever a new issue arises, it is important to be quick on the uptake and engage audiences quickly.

#### 4.1.9. Media and globalization

"What happens in Alaska, doesn't stay in Alaska," says Hagel, and this can really be illustrative of my subject matter's entire context. Corporate dialogue does not exist in a vacuum, at least not anymore. Statoil is also aware of the globalization trends and the increasing availability of information to anyone with an internet connection, also because news mediums have increasingly received and sent presented news with farther reach.

"Because there is interconnectedness about all of these audiences as well, they may not have a direct relationship but it may be seven degree of separation relationship. You just need to be mindful of the interconnectedness of this whole process," says Hagel. In the following anecdote, Brieghel noted that Shell had received questions due to issues the company has had in Nigeria. This essentially means that communications managers of a company, especially a high-profile, international company such as Shell, has to be ready to communicate about issues that they might not even have had any personal experience with because information travels far and wide, and is easily accessible in the modern age.

"I'm very mindful of that, we live in an age where the difference in distance between Moscow and Washington to use your own example is just a tweet. Anything we say in one context will be shared and will be understood in another context, it's a dangerous game to be differentiate from the message. [...] We want to listen and engage but yes, that's my basic position on that. We need to be consistent. Some of the challenges that Shell has had in Nigeria had people from Greenland asking questions. And that only underlines that we are living in a very integrated, global community where you can't have too strong of a preconception about what matters to people. And that makes it even more important that you have an integrated communications function that has the sufficient network to make sure they can access that information and connect to the right people so I know who exactly I should call in Nigeria to get answers to those questions or even know where to find that information. " (Brieghel)

Hagel argues that oil companies are locked in a battle with international non-government organizations on narratives, and that the oil and gas companies are losing out due to a lack achieving resonance with the public through memorable campaigning and extensive use of the media. The fact that he uses the metaphor of battle means that there is a concern for the outcome of said battle. If one narrative "wins," this could mean dramatic change in public opinion, which in turn can develop into political reforms. The environmental movement has already forced oil companies to address the issues of environment in their activities, fund research for risk assessment for wildlife and the environment, fund research on alternative "wins," this could spell a serious blow to their entire activity in the Arctic. That he considers himself an actor in a battle is telling, as it shows that communicating with the general public, whom are described as "irrelevant" by many of my informants, and changing their attitudes are actually very important, if not essential for business. This shows that the general public should likely be considered a stakeholder.

"What I mean by that is the entire world is watching the arctic right now, it's almost the battle of two narratives so on the one hand you have the narrative being put forth by largely the INGO community, which is the arctic is a pristine wilderness, which shouldn't be touched. It is the last special place on earth and it's experiencing climate change in a distinct way than any other place on the planet that we need to come together, we need to stop oil and gas activity; including and not limited to mining, extraction, commercial fishery. We need to stop all of that activity because this is the last place on the planet which we can save so that's Greenpeace's tag line. Then you have the industry and government offering another narrative, but I would say we are not being successful, so I think one of the failings of the industry society as a whole is to put forth their narrative, because often the INGOs true tactic like you know, rig boardings and editorial media relations and have very sophisticated communication tools, they are able to get people's attention in a more meaningful way. That also has long term impacts on projects we are proposing in the area; Shell does some of its exploration plans there but you know if you come to Europe for example and you ask a room of a hundred people how many of them support drilling in the Arctic, very few hands would go up. Right now from a public policy prospective; in this December in Paris, the conference of the parties will strike their 21st agreement to replace the Kyoto protocol. They will be seeking an agreement on climate change and so in concert with that event there will likely be a more significant call to stop fossil fuel industries from moving into the arctic."

Hagel further explains that this the backdrop for a lot of work that Shell is doing at the moment, in preparation for this event. One main activity is that of supporting developing communities like in Alaska, which he says wishes to have more opportunities given to future generations through a growing economy by supporting them. He says that INGOs are good at resonating with the public whereas Shell has been cultivating their "special publics," and yet their most successful campaigns, by his own admission, have been with communities. B also states that they target certain stakeholders to engage with, simply because important decisions and bureaucracy processes become quicker. «Who the decision-makers are in large companies for example. If you are talking to the right person, there will be a faster decision-making process.»

D even actively creates content and operates with the explicit assumption that it can be transmitted to a global audience at any time. "Well of course, I mean the world is global in its news application and uh people have all sources of information available to them, so you can't just localize any communication. When we go out and conduct our community meetings we assume they will be available to a global audience. So all messaging and content is created with this in mind." Corporate communication is not isolated from all other factors, and therefore localization techniques in communication are limited. Not only is communication affected, but also politics outside the Arctic can affect activities within the Arctic. "Sanctions in one country could affect our businesses in another country. Without going so far in detail, it is an element in our risk assessment,» says A.

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## 4.1.10. Issues with general public opinion

The interviewees have had troubles trying to bridge a narrative between being oil and gas companies with an economic motive, with being environmentally responsible. As D explained, they have been slow in reaching out to the general public, and Hagel describes how Shell has been good at engaging "special publics" as opposed to the general publics, which the INGOs have been very good at. This can represent an issue for oil and gas companies in the future, because if the general public moves towards barring the fuel companies from the Arctic, they can influence public policy and regulations politically, and thus hinder these companies from further activities. Hagel describes how rhetoric has been used more effectively by INGOs than Shell and other oil companies have.

"Well, some people use it more effectively than others and I think the INGOs are probably the best at it. It's just about having a story resonate with your target audience and using words and lines that matter, I don't have many examples where we are being effective but you know, we do spend a lot of time with governments and people we call special publics, so we do spend a lot of time having very meaningful conversations with people we consider opinion leaders. That's typically have been our approach, I favor a lot of my communications toward elective officials, senior regulators, top tier media, I don't worry much about some of the when we think about media we think about a very shortlist of global outlets like the New York Times or Bloomberg or the economist or very influential media outlets. We also seek out scientists and academics and share our plans, one of the most effective things we've done is seek out collaborations with local communities and it is true those collaborations as well that we are able to use more powerful rhetoric that helps us get our messages to resonate. But they must be based in truth so that's where I think we differ from the INGOs, often times their rhetoric are not always bound to the rules or facts and I think it's difficult when you are a large international oil and gas company, we are publically traded on numerous different stock exchanges through the world we have rules around closure, so everything we say, we are held to a completely different standard compared to the small INGO that has nothing to lose and are looking for funding for the next few years. We don't have the luxury of distorting the facts. I'm not saying that a lot of INGOs do that, the fact of the matter is that most INGOs are actually held to very high standards and operate to a high standard but increasingly we are seeing strong activists like Greenpeace which are a great example; that are not always bound by the rules, when from a legal standpoint sometimes they are using criminal activity to get

their message heard, it's all very sophisticated but we can't afford to play by those same rules."

Hagel states that INGOs resonate because they may outright distort facts and commit to criminal activity to get their message heard by the general public. He wants to express that they are held to the same standards as companies such as Shell, citing that Shell would suffer more serious consequences if they committed to lies and crime than Greenpeace would. B says that when dealing with NGOs, it is important to not to use emotions and emotional arguments as NGOs do and stick to facts.

#### 4.2. Content analysis

In this section, I will analyze the texts discussed in the previous chapter. I will first summarize the texts, and then answer the research questions I had created for the texts. I want to see how communication tools in the form of text documents are used by Statoil and Shell. To study this, I have devised the following questions to be answered through content analysis:

- 1. Does the company express different strategies for different stakeholders?
- 2. How do they present themselves to stakeholders?
- 3. Which subjects do the companies write about? What do they leave out?

The Shell document is a typically used approach called the "Influence approach" at Shell. Rather than a localized document, it is a general approach to communication used in the Arctic. This document is a template with steps and considerations to conducting stakeholder engagements. The Statoil documents are notes for various presentations, together representing how they generally choose to present themselves in the Arctic context. I will first describe the documents and then analyze them.

Shell's influence approach document contains seven key aspects. The beginning step is to monitor social media and the world wide web for any mentions of Shell and track and understand how people perceive and think about the organization. The second area is about clarifying the desired business outcome, if there is a consensus on the desired business

outcome focus on the influence approach; planning and seeking out purposeful engagements, it's about understanding business objectives. Looking at what you are trying to achieve the most meaningful stakeholder out reach. The third approach is about research and identification about stakeholders, in this phase, you have the information you need, what else you need to know, where are the research experts and resources which could help fill that information gap. Fourth is about analyzing and prioritizing, it's about ranking and classifying influences on stakeholders. Alongside that step you want to look at your issues and opportunities to understand what the most effective method to achieve your desired outcome. And number five is about the strategic value approach, it's about knowing what opportunities and leaders are out there that could generate understanding and shared creation to again deliver the desired business outcome based on what are shared among yourself and the target audiences, its looking at what you both believe, culture, success, business outcome and so on. It is interesting to note how this consensus building can be seen as a clear representation of addressing issues of the encoding/decoding model (Hall 1980) It's also about the assessment of what the long term mutual bits are, for future leverage if there is one. And then the sixth one is about implementing and actually engaging, so once you've done all the work: how do you activate the outreach itself, it's planning activities, it's looking for communications engagements, and also keeping in mind the mitigations for risks. The last step is about measuring and reporting, looking at key outcomes and assessments of the key performance indicators. This is a clear tool for communications practitioners to take the right steps and considerations for their engagements and dialogues with stakeholders.

The Statoil documents are presentations and speeches created and presented by managers in Statoil have held on the subject of the Arctic during the past year. They were all used as a tool to present their messages towards stakeholders. Runi M. Hansen, Statoil country manager for Greenland and the Faroes and executive vice president in Statoil ASA Tim Dodson, created the documents "Arctic futures symposium" and "Statoil's collaborative approach to the Arctic" respectively. The latter was presented at the Arctic Futures Symposium in October of 2014 in Brussels, while the former was presented at the World Petroleum Congress in Moscow in June of 2014, both to an audience of many different kinds of international stakeholders, both external and internal. Thus they do not represent communication to only one kind of stakeholder, but both towards many different kinds. Nonetheless, these two presentations may be of comparative value to one another as they are presented by different speakers in different national venues, which is interesting as they may result in adaptation

techniques. These presentations are examples of Statoil's general presentation towards many different international stakeholders about their Arctic plans. The Arctic Futures Symposium is annually held in Brussels, and invites Arctic stakeholders from far and wide to participate, congregate and have discussions on plans and ideas revolving around the development of the circumpolar region. The World Petroleum Congress has the same goals in facilitating communications between stakeholders, but on a broader scope encompassing all of the petroleum business, not just the Arctic. However, the sampled presentation is purely about Statoil's endeavors in the Arctic Futures Symposium is a forum that brings together a wide variety of Arctic stakeholders.<sup>753</sup>

Runi Hansen and Tim Dodson each have their own speaker notes on which I have and accompanying notes to use during their expositions. These presentations varied by four panels with different information, but not contradictory, and where Dodson's had statistics which were added to up Statoil's quality and competency, although the general framework of the presentations remained the same: mostly technical issues addresses as opposed to non-technical risk, wherein competition are appealed to as collaboration possibilities, and environment is mentioned as an aspect that could present a challenge to the company, although it is not focused upon in favor of underlining the world's current energy needs.

The sample documents are all eventually used as tools to help the employee present a message (Prior in Silverman 2011), despite Shell's being kept internal while Statoil's were made to take along to the presentation stage of the engagement process. These are not documents handed out to the public, but are allowed to be seen by the public. The annual reports can be found online, while the presentations and Shell's influence approach will be included in the appendix.

#### 4.2.1. Adaptation to local actors and area

In this section I will discuss how much adaptation is used in the texts to determine if different audiences and stakeholders receive different information. All the texts indicate that they do. In Shell's guide, it is clear that the communications worker has to do thorough background

<sup>53</sup> http://www.arcticfutures.org/

check and consider all aspects of a stakeholder before direct engagement so that when it is time to engage, the adaptation in communication is ideal towards that stakeholder. In Statoil's presentations, their introductions changed to be as localized as possible towards both the venue and the audience, and focus was shifted based on these facts, variables of which I will discuss in the coming sections.

#### 4.2.2. Presentation of self

In this section I will look at how the companies present themselves towards the audience. All sample texts had zero negative assertions or adjectives associated with their company. In relation to how concepts are valued from positive through neutral to negative, Statoil's presentations were littered with suggestions. Suggestions towards needing policy in their favor, and that there are many kinds of projects to invest in through Statoil in the Arctic, all of which have a very slow progress, but is worth the patience, as they have the potential to be successful and lucrative. This was for example, implied by the example slide in the Brussels presentation on how the Snøhvit project took 26 years from discovery to development. Shell's influence approach contained positive adjectives pertaining to the success of the interlocutor who wishes to influence. This document is a support system for the interlocutor, but is also not an imposed system.

In relations to linguistic assertions of connections in association or disassociation. Statoil's presentations insinuated they wanted, and needed, license to operate in the Arctic if they were to continue development without stating it outright. The words were used but in the context of what "challenges" were in store for them. In Shell's case, they associated the thorough implementation of the steps, which mostly dealt with how to adapt communication to different stakeholders, for success in the workplace. In relations to unalterable concepts and meanings in value such as "good" or "bad," Statoil's presentations did not refer to anything as specifically "bad." The most negative words used were "challenge." They never refer to themselves in a negative light or in a negative context, but rather in a positive light proposing that they are "well positioned in Arctic and sub-Arctic areas." The presentation is rather tame and mild with usage of words, expressions and content matter. Shell's influence approach uses a lot of positive adjectives to describe how this template can make practitioners of it into good communicators with a lot of influencing power.

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#### 4.2.3. Frequency of subjects mentioned

Here I will be taking a closer look at how many times the document has instances of the same key variables from CTA discussed in the previous chapters to determine what themes are deemed relevant in presentation information to stakeholders in text format, which then is to transform into spoken communication towards stakeholders.

The most prevalent variable in both of Statoil's presentations were technical issues, which spanned everything from practical transportation to health and safety issues for employees. Almost half of all subject matters articulated were on technical issues. In Moscow the second most prevalent subject was cooperation, while in Brussels it was economy, closely followed by politics. These results indicate that Statoil adapted their communication on the basis of venue and who the audiences were. In Moscow, the stakeholders were for the most part made up of the petroleum business, while in Brussels the audience was slightly more varied. This indicates that it was a conscious choice to focus on cooperation in petroleum projects in the Arctic for the presentation towards other petroleum enterprises, while the prevalence of economic and political subjects in Brussels indicates an appeal towards lawmakers in governments and local communities to work together with oil companies and allowing them to continue their work in the circumpolar region.

They mention environmental concerns briefly in the form of "Arctic challenges" but don't go into much detail here. What Statoil does is simply, and vaguely, say that they are committed to produce zero carbon emissions. They address environmental concerns by mentioning them, without actually addressing the concerns in the same way they do technical risk. Competition, culture, physical placement of communications departments and company image towards internal stakeholders were nonexistent. While internal stakeholders were also a part of the audiences, the presentations did not talk about the company's image in relation to any one particular stakeholder group.

Other relevant industries were implied being appealed to by Statoil through its text "collaboration is key to manage cost and risk," not just towards Statoil stakeholders. There is never a reference to industry competition in the Arctic in the presentations themselves.

Shell's influence approach doesn't mention most of the key variables from the CTA, although there is a small line about internal processes needing to coincide when wanting to engage the external world from the corporation. The most prevalent variable in this group with almost 90% was company image towards employees and shareholders, because this guide was based on procedures from successful communications workers in Shell, and there are many instances that state that if the employee uses this guide, they, too, will be successful. Of course the results would be vastly different between this text and the presentations as they are on two different parts of the stakeholder engagement process. However, all variables that resulted in 0%, which was most of the variables, are all variables that can represent different aspects of a stakeholder and an area, and as this is a guide for engagement, there are no specific examples of stakeholders given. As we have seen above, the guide revolves around paying close attention to the different stakeholders and their specific contexts, thus explaining that if there were to be a presentations based off of the teachings of this guide, that they would likely adapt their communication, at least a little, based on the stakeholders they are speaking to,

Shell's document explains steps in which to engage and follow up on stakeholders, however this is a teaching tool and thus is spoken at the reader as opposed to being interactive or engaging in the mutual creation of meaning, and there is no reference to dialogue in Statoil's presentations either, including no other voices but their own, indicating that these communications are strictly monologic.

In the next chapter, I will be discussing my findings from the interviews and the content analysis, after which I will explain and present my model based on these findings.

# 5. Discussion of findings

In this chapter, I will be discussing the findings made in the analysis chapter and connecting the extracted themes to the communications theories discussed earlier. Later, I will be presenting my own communications model tailored towards parallel communication based upon the findings in this paper, and explain its facets. The model will attempt to bridge stakeholder approach and impressions and relations management with issues of assumptions made by speakers of the audience, incompatibility between internal and external communications, as well as conceptualizing a reminder on follow-up work based on the importance of stakeholder relations in a context of increasing globalization trends.

#### 5.1. Documents

Shell uses a specific six-step document to help the communicator through identification and engagement process of stakeholders. This document is supposed to be a step-by-step guide for communications workers to approaching and engaging meaningful stakeholders and it includes everything from encoding/decoding issues to risk assessment and mitigation. Through this document they hope to dampen help issues of parallel communication as well, saying that parallel communication happens fluidly and naturally, although the model focuses on one stakeholder at a time. It is interesting to note how this consensus building can be seen as a clear representation of addressing issues of the encoding/decoding model (Hall 1980) wherein the interlocutor needs to assess which differences and similarities they and their dialogue partner share, and can consider them as risk factors to engaging in dialogue. The documents by Shell and Statoil are entirely monologic, speaking at the reader and listener with a clear one-way message rather than room being left for a dialogue in which to create meaning mutually. The documents are used entirely as tools to help the interlocutor make their rhetoric towards stakeholders, and are used as a frame of reference for what to say and how to act. They represent a rather standardized practice and that the internal influence approach document for Shell suggests all communications be done in a similar fashion- but with tweaks for localization, and Statoil's presentations- plus notes- presented by two entirely different individuals and contain almost the same information to the point of having much the same panels, is indicative of a standardized practice of communication and message in Statoil and Shell for their Arctic projects- at least in terms of document creation.

#### 5.2. Listening and genuine dialogue

Most of the interviewees mentioned the importance of listening when approaching and engaging stakeholders. This indicates that Statoil and Shell take steps to have a genuine dialogue, as opposed to monologic, and as Crane and Livesey found (2003), this tactic is much more effective. In fact, there is a movement in the academic business world for taking chapters from hostage negotiation techniques into business and corporate discussions and negotiations, as much of the same principles apply on fundamental human levels. In an interview, Chris Voss, the former FBI leader in international kidnapping negotiator and

professor in business negotiation at McDonough School of Business, states that negotiators make several mistakes in an engagement, not least of which is listening to the other side and empathizing. Even if an individual may believe their point of view to be completely logical, it would still not be enough to simply present this view, as people are inherently irrational. They also tend to think about their own arguments while the other is speaking. "If your first objective in the negotiation, instead of making your argument, is to hear the other side out, that's the only way you can quiet the voice in the other guy's mind. But most people don't do that. They don't walk into a negotiation wanting to hear what the other side has to say. They walk into a negotiation wanting to make an argument. They don't pay attention to emotions and they don't listen." (Voss in Bakadesuyo 2013<sup>54</sup>) However, as far as what was articulated by my informants in the previous chapter, they say they indulge in genuine dialogue, but they are concerned with what arguments they shall refute and who can be won over to their side, something that resembles traditional propaganda.

Although it is difficult not to indulge in monologic dialogues when preparing presentations and public documents, the interviewees seem to be aware of this issue. D in particular is actively pushing cyclic reappraisal of all the issues, and that investing in dialogues with stakeholders very quickly is essential for capturing attention and having the opportunity to change perceptions in the campaigner's favor in time.

Crane and Livesey (2003) suggests genuine dialogue as more favorable for a company for credibility and adaptability purposes. The negotiation of meaning and co-creation of shared realities can have issues when it comes to branding purposes and coherency in business identity and message. Despite this, change doesn't necessarily have to be a bad thing for a company, and the coherency can remain intact in a company as long as the employees are kept sufficiently kept up to date and informed of the changes periodically.

Something to keep in mind is that what we are dealing with is a very specific corporate context and climate, that of oil and gas corporations in the Arctic context. The interviews have suggested that one communicates in a very specific way here and it cannot be interchangeable with other sorts of communications. This suggests a customization of communication in relation to the specific context of the paper.

<sup>&</sup>lt;sup>54</sup> http://www.bakadesuyo.com/2013/01/interview-negotiation-secrets-learn-top-fbi-hostage-negotiator/

#### 5.3. Variables of contingency theory of accommodation

Variables in CTA are, for the most part, considered. This because some variables are not relevant at all in this context. Several of the external environment factors were mentioned during the interviews. The whole table of variables are in the appendix. The variable from CTA of level of trust between companies and their publics, which include issues and controversies. Can be seen as external threats to the company, and are a very important factor and all its variables are considered and addressed, namely company perception and what the opposition is about resource extraction or its value. The variable of cooperation was focused upon much more than competition. But even competition was important, if not expressed outright, because it flows into who their competitors are and why their activity in the region is important, so measures are made through the sampled texts for example, to discuss why their technical abilities are competent, and point towards research to back up their claims.

Not making assumptions on your stakeholders, were important to a degree for the level of trust between company and their publics. Whether or not they had counsellors, their level of commitment, size and number of members, the level of media coverage of them or the issues, and relative power of the audience or the company seems to be important in the way in which the companies' representatives refer to them and their specific issues. Interviewees refer to how there are many problematic representatives making too many assumptions on audience knowledge, and therefore often leave without being on the same page as their stakeholders because they have either underestimated, or overestimated their audience. D suggests that it is better to keep communications to the lowest common denominator towards more explanation and detail, seeing as they are a heavily technical company, and it is better to make sure that everyone understands their activities.

The issue under question seems to be treated the same, despite size, stakes and complexity. For oil and gas companies in the Arctic, issues of technical, moral or organizational can all be equally as serious and sensitive.

As for general political, social environment, and culture, all interviewees were in agreement that it was important to show interest in the local community and help build an economy for that community in exchange for their activity in the area, but also that absolutely no political involvement was acceptable. Political parties come and go, and politics are not what interests technical companies such as Statoil and Shell. To the interviewees, politics is irrelevant. They agreed that linguistic traits needed to be tweaked depending on which country the stakeholders came from so as to avoid misunderstandings because of cultural ignorance or language barriers, and interest in the community's issues was important as these issues tend to be localized, but that politics was something that they did not address at all. Thus while it is important to consider all the angles, it is also important to know when not to include certain variables and question oneself on what is and isn't relevant. At the same time, perhaps they haven't yet been confronted by a "green" government, and thus have not felt forced to change their discourse on a political level. In Statoil's presentation, it seemed as if they were tentatively scratching the surface of these issues in an effort to push political support for their activities in the Arctic.

As for internal environment factors, many variables were also mentioned and were even a catalyst for whether or not external communication was successful. Statoil and Shell's international organizational structure is based on a matrix. Matrix management is an organizational structure that facilitates the horizontal flow of skills and information. It is typically used in the management of large projects or product development processes, drawing employees from different disciplines for assignment to a team without removing them from their respective positions.

Employees in a matrix organization typically report on day-to-day performance to the project or product manager whose authority flows horizontally across departmental boundaries. They also continue to report on their overall performance to the head of their department whose authority flows downwards, or vertically, within his or her department. In addition to a multiple command and control structure, a matrix organization necessitates new support mechanisms, organizational culture, and behavior patterns. Developed at the US National Aeronautics & Space Administration (NASA) in association with its suppliers, this structure gets its name from its resemblance to a table (matrix) where every element is included in a row as well as a column. (http://www.businessdictionary.com/definition/matrixorganization.html ,http://history.nasa.gov/orgcharts/evol\_org.pdf)

As a business management model, if employed properly, can be effective for internal symbiosis between employees. This symbiosis, as we have seen, is an integral part of a communication management and applications process for effective communication towards stakeholders, thus both Statoil and Shell have a good business model basis from which to operate from. There needs to be effective internal cooperation if external cooperation to be as effective as possible as well.

This matrix structure represents little hierarchy and groups communicating with one another both horizontally and vertically. Each employee does have a certain degree of independence in their approach and techniques, although they are given guidelines describing what they are, or aren't allowed to express or offer the audience. It would seem that such a matrix model with a certain degree of independence for the employees should be a successful model. Despite this, both Shell and Statoil interviewees have expressed issues of internal symbiosis which affects the individual's effectiveness in external communication. Therefore, the matrix structure influences the way in which they work and how they communicate, but also issues in internal communications can affect employees dialogues with their targeted stakeholders.

The theory of contingency suggests that any organizational-publics communication should at any point in time be focused instead on consensus-building at a suitable point along the advocacy-accommodation continuum. Both companies consider reaching a consensus with stakeholders as important and use dialogue, research as a support tool, interest in local issues and appealing to audiences with their competency as a means to achieve it.

#### 5.4. Internal issues

A greater issue, as several interviewees noted, was of an internal nature. In fact, issues for the communications workers have been a lack of internal symbiosis when communicating externally. This means that stakeholders communicate with one another as well, and if a co-worker's information is vastly different from another, this can be a risk factor for the company. This represents the issues of cacophony that Livesey and Crane (2003) have found problematic in corporate dialogues with more than one stakeholder at any one time, which is often- if not always- the case for international corporations such as Statoil and Shell. This also is in line with issues of message compatibility which can lead to loss of face, as described in Goffman's dramaturgical theory (Goffman 1959). Oil and gas companies know this issue very well. On the one hand, they are providing the world with a product of which there is a very clear demand for in the market. On the other hand, they are also seen in a negative light by many audiences around the world because they are seen as destroying the environment.

(Macalister in TheGuardian 2015<sup>55</sup>) Statoil and Shell argue they are transparent and invest in some renewable energy sources, but often their businesses and the increasing concern on global warming doesn't often translate as compatible to general audiences and activists, and are more often seen as a problematic, temporary necessity, something the companies, as a concession, don't necessarily deny. In the globalized society we live in, stakeholders can also catch wind of dialogues between colleagues in the companies with other stakeholders around the world. This can mar the company's image and while a certain amount of customization is in order for purposes of avoiding misunderstandings, tending towards standardization in the message and goals, instead of janus-faced communication, seem appropriate here, and to achieve this, internal symbiosis is necessary. Following up on stakeholders and keeping an active dialogue going is thus essential.

#### 5.5. Challenges in external communication

Don't assume stakeholder knowledge, D says. Look at each new stakeholder with fresh eyes. This is also important when considering issues with the encoding/decoding (Hall 1980) model, where the receiver may interpret messages differently from what the messenger intended due to various personal background differences, so it is important to keep to common denominators, at least in the context of oil and gas. When taking into account those with less knowledge about what the firm is presenting, it would ensure that every stakeholder follows what is said and is clear on the information given. However, this may present a different sort of risk, which is that a stakeholder may find the presentation or dialogue patronizing if they see themselves as having a high degree of technical knowledge on whatever is being discussed.

This evokes the complex dynamics conceptualized by Rowley's network model (1997) and Crane's differentiated stakeholder model. (1998) While employees could and should be allowed to tackle their responsibilities with their own personal methods, they represent the same entity, and as such, lack of internal symbiosis can lead to missed opportunities and unnecessary friction towards stakeholders. This does indeed indicate an existing cacophony due to engagements to several stakeholders, as well as issues with of symbiosis due to different individuals from the firm communicating with different individuals from stakeholder

<sup>&</sup>lt;sup>55</sup> <u>http://www.theguardian.com/environment/2015/may/17/shell-accused-of-strategy-risking-catastrophic-</u> <u>climate-change</u>

groups, as explained by Crane and Livesey (2003). Even individuals can receive consequences, and be criticized, for perceived expressed contradictions, (Goffman, E. (1959): The presentation of self in everyday life. Garden City, N.Y.:Doubleday) and this can be mirrored in firm-stakeholder relations

Being quick in taking contact with audiences and stakeholders is also important because, as interviewees noted, attitudes towards something develop through time and thus it is important to reach out early for every issue. At the moment, the general public hear all the time that there is an incompatibility between oil companies and the importance of environmental health. (http://www.theguardian.com/environment/2015/apr/27/shell-lobbied-to-undermine-eu-renewables-targets-documents-reveal)

Hagel explained that INGOs are good at resonating with the public whereas Shell has been cultivating their "special publics," and yet their most successful campaigns, by his own admission, have been with communities. Hagel expresses that their companies are in a battle of narratives for the Arctic, and worry that INGOs can change public opinion to the point of changing global perception on oil and gas companies in the Arctic, which could lead to reforms that bar them from having their activities in the region. This suggests that Shell is spending more time communicating with the elite public, rather than investing in engaging the general public, which is ultimately what can affect their activities in the long run, again, by his own admission. This could indicate a thought process wherein Shell might consider the average person as for the most part irrelevant to their activities, but the results of the interviews, as well as an increasing negative view on oil and gas extraction from the Arctic represented in activism and the news, shows otherwise.

Hagel says that INGOs resonate because they may outright distort facts and commit to criminal activity to get their message heard by the general public. Whether this is true or not is not the issue in this paper, although the frustrations expressed are interesting. While it may be true that organizations who use such excessive tactics may receive short term gain, it still represents a risk to commit to such acts, and thus is ultimately not lucrative for an organization. One does not need to have a moral compass to know that the difference between wrong and right can give serious consequences to a business. Secrets are difficult to keep under wraps and criminal activity and lying represent risks to a business. As D said, sometimes there is no good solution, which is what risk assessment is all about.

#### 5.6. What is said, matters

It is important to remember also the effects of globalization on international businesses. "What happens in Alaska, doesn't stay in Alaska," says Hagel, and this can really be illustrative of the paper's case study. Corporate dialogue does not exist in a vacuum anymore. Statoil and Shell are both aware of the globalization trends and the increasing availability of information to anyone with an internet connection, also because news mediums have increasingly received and sent presented news with farther reach. Brieghel noted that Shell had received questions due to issues the company has had in Nigeria. This essentially means that communications managers of a company, especially a high-profile, international company such as Shell, has to be ready to communicate about issues that they might not even have had any personal experience with because information travels far and wide, and is easily accessible in the modern age. Also, informants noted that part of the battle of narratives that I discussed in the previous section, takes place on social media, and that NGOs have been very good at using the Internet to its favor. Statoil and Shell cultivate "special publics," but if they want to resonate with the general public, then they cannot ignore them as stakeholders.

D and other informers actively create content and operates with the explicit assumption that it can be transmitted to a global audience at any time. Corporate communication is not isolated from all other factors, and therefore localization techniques in communication are limited. Not only is communication affected, but also politics outside the Arctic can affect activities within the Arctic.

# 6. Parallel communications model system

In research on Contingency theory of Accommodation, it has been noted that more research is welcome, with the possibility of identifying additional contingent variables and testing the validity of variables presented in the previous studies as main interest for future studies. We have seen some conceptualizations of stakeholder models on the complex relationships between firms and their stakeholders. We have also gone through issues and challenges that my interviewees have faced in their work. Keeping these things in mind, I propose a scientific model as a conceptualization of a system for parallel communication. The models and insights discussed in chapter 2 were relevant to my informants' experiences and how their texts are

created and presented, but do not have enough practical value for communications practitioners. As Crane and Livesey said, parallel communication is a poorly understood process (2003) and hopefully my model can contribute to this literature and develop some insight into practical parallel communication.

There must be an overarching, identical message on identified goals and talking points to keep consistent throughout departments of the firm to account for the potential backlash in hypocrisy criticism, but there can be enough room to customize the message through social minutiae and detail, enough to make a connection with a specific stakeholder.

My suggested model will be based on, but not limited to models discussed on stakeholder approach and relationship management, the agile development model and bridge this external communication with internal communications management integration. As we have seen, the issues are not only about external parallel communication, but also an internal parallel communication that adds cacophony and confusion. A clear work model is needed to help bridge the two complex flows of communication together in the workplace. This model does not necessarily exclude other models, such as stakeholder approach. Rather, it attempts to address issues of routine in handling several stakeholder relations at the same time whilst bridging external and internal communication lines.

My model also takes inspiration from agile development, as requirements for good communication from this business strategy are relevant. I will take a moment to describe what agile development is, and then jump into the different phases of the model.

"Agile development principles insist that the customer takes control and constantly participates in the developmental process in a collaborative partnership, which is based on daily interaction between the developers and the customers." (Highsmith in Kautz, 2011) Agility in information systems underline a constant readiness of this system's development method to proactively or reactively create change and learn from that change, while contributing to perceived customer value, whether by economy, quality, simplicity or all of the above. (Conboy in Kautz, 2011) Kautz has confirmed in his study that the more inclusive the company was with all its staff and clients, and with good communication and clear goals, the better the workplace became and the more effective it was. (Kautz, 2011) Sørensen would also argue that the problem with laws and the agreements are that they give too general guidelines, so it would be useful to create practical guidelines. (Sørensen, 1998) I am using the agile development iteration and practices as inspiration because many- if not most- activities, decisions and routines in the workplace are seen as natural and intuitive, but in fact, these very details in the practical landscape of the workplace are often the biggest issues in workplace symbiosis. The very practices that are seen as intuitive are often forgotten. Hagel says that with a step-by-step model on planning and approaching a stakeholder, one can plan several engagements at once and parallel communication becomes fluid and natural. D, however, says that many communications mistakes and threats arise due to internal lack of symbiosis as well as forgetting simple things such as following-up on your audiences- something considered as intuitive practice. We are all only human, and it is human to forget and to make mistakes, that is why agile development has been so successful in many different kinds of businesses, not least of which due to its follow-up cycles both internally and externally. Following-up on stakeholders was an issue that cropped up many times amongst interviewees, and both C, B and Hagel explicitly states that repetition was key for successful communication with audiences.

6.1. The model and its steps

I will now explain the different steps of the model, step by step.

1. The analysis

Analysis step defines talking points and practices and identifies proper channels to use to engage stakeholders and publics. Due to the interrelatedness of stakeholders due to time and space compression, globalization and glocalization, as well as the general public's opinion representing a threat to oil and gas companies as a potential catalyst for environmental reforms, it is always essential that stakeholders include the general, global public. They cannot be considered irrelevant audiences at any point, but as stakeholders in their own right.

2. Implementation

Implementation is when you take the first steps to engaging your dialogue partners, or stakeholders. Documentation of progress begins here, and is maintained for the duration of that stakeholder's involvement with either the organization, or the issues that the organization needs to address.

#### 3. Review and feedback

Review and feedback is the step wherein any changes in trends or atmosphere, progression of issue or relationships that may change the relationship dynamics need to be recorded and are thus the catalyst for change in practices and positions.

#### 4. Next iteration

The next iteration is a step symbolic of a renewal in follow-ups and reappraisal of company message, goals and stakeholder relationship status. If changes have happened during the cycle, these changes need to be brought to the attention to the greater organization and changes in greater practices need to be considered. At the very least, teams should be made aware of each other's progress.

Each iteration is one communication channel towards one stakeholder, and the message of one communication channel should coincide with the message of another, therefore, an internal communication line should be open between employees for overall compatibility, or at least for the benefit of an employee's awareness in future engagements. This can be exemplified in diagram 1. An internal communication line should constantly ask the question of whether the group or firm's message coincides, and if the stakeholder's feedback of dealings with the group are satisfied. If the answer to these questions are negative, changes need to be made and incorporated into the iteration of dialogue processes. Each external communication line is a dialogue process between the employee and a stakeholder, which includes follow-ups and feedback of stakeholders that, if negative, needs to be added to the internal system as part of potential changes in relationship and engagement dynamics.

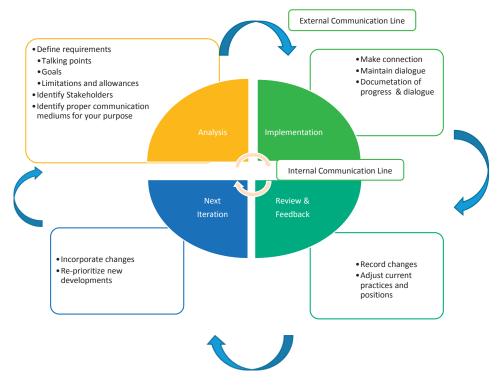


Figure 2: Parallel Communication model system

Diagram 1 is a complementary illustration to Figure 2. It goes into more detail on what internal communications lines could look like. Look at each communication line as a channel, and the group or firm's communications reality as an electronics store with several television screens on at the same time but each on different stations. Each channel to various stakeholders can be open at any time, ad infinitum.

This is not a one-way communications model, but supports the symmetrical conceptualization of a dialogue and a model which can resemble a matrix. Each employee would keep a record of dialogue and agreements for each of their engaged stakeholders, and go through the steps indicated in the previous diagram iteratively and in a parallel fashion. External communication lines can be added on ad infinitum.

The purpose of this proposed model is to be capable of keeping several lines of dialogue open at the same time without incompatibilities, not just for one employee handling different stakeholders, but also between colleagues. Detailed documentation would also allow for one employee to hand over the torch to another, whether on sick leave or for permanent employee changes.

Some employees don't need to know what their colleagues do in order to execute their own responsibilities. However, knowing what your colleague has told or hasn't told stakeholders they engage with, can be the difference between success and a faux pas.

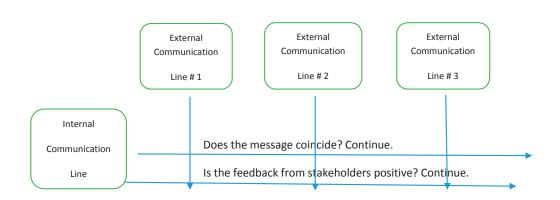


Diagram 1: Parallel Communication Channels with internal testing

It is not intended to suggest that every bit of information needs to be shared, but that colleagues keep each other updated on their progress in stakeholder management not just in their own local department, but across the world, and this is because, as we have seen, lack of knowledge on stakeholder engagement in one country, affects stakeholder engagement in another.

# 7. Conclusion

The analysis, based on theories and previous models, had some interesting results. The models and insights discussed in chapter 2 were relevant to my informants' experiences and how their texts are created and presented, but do not have enough practical value for communications practitioners. As Crane and Livesey said, parallel communication is a poorly understood process (2003) and hopefully my model can contribute to this literature. Overall, Statoil and Shell tackle engaging several stakeholders at the same time with general standardization and slight localization. The informants say they want to avoid politics and many other non-technical risks as they aren't considered very relevant to their business. However, both through the interviews, as well as evidence from the sampled texts, engaging political and social figures are considered important, as the companies recognize these figures as powerful actors that can make or break a project. The difficulty with an organization is that it wants to express itself with one voice, as if it were one consistent individual. If the message, attitudes and behaviour is to be consistent, the communications workers in the organization should be up to date with one another's dialogues so as to best simulate this one-voice agenda. The parallel communications model aims to understand processes of communication better, and help a group to simulate an individual.

The greatest issues among my informants' experiences are human errors in forgetting followups, and lack of internal communication which interferes with external communication. Documents are simply used as a tool rather than a way to engage audiences in having a mutual relationship, and they are very technical, barely mentioning non-technical risks such as environment and the stakeholders themselves. All interviewees were very similar in their practices and experiences, something likely a representation of their similar specific roles in a very specific context of oil and gas companies' communications teams operating in the circumpolar region. The greatest challenges were the incompatibility between internal and external communication, as this was articulated as by my informants as the main source of frustration and risk for them. Thus it became an important point and tried incorporating into my model amongst other findings in the analyses. Another challenge was the losing battle in which oil companies seem to find themselves in against NGOs such as Greenpeace. Informants have noted that NGOs are more creative and quicker to express themselves when new situations arise. An informant had said that NGOs often use emotions when debating and discussing Arctic policies with them, and that Statoil encourages their communications managers to respond without emotion. Perhaps emotion is a part of why NGOs are receiving a lot of public attention, and how public opinion seems to often gravitate towards NGOs. This could be an interesting study on its own.

Seeing as external and internal communication seems to be organized and applied rather similarly between Statoil and Shell, further study could include how stakeholders perceive very similar groups, if and why they might prefer one over the other, and what this preference is based on, whether they are for purely practical reasons, such as placement or economic advantage, or more subtle reasons, such as shared background.

What could also be interesting is to conduct further research on the proposed model in chapter 7, both by developing it further and testing its effectiveness in the workplace and receive feedback for revising. This study has been contained to one context and one type of business working environment, thus more research on parallel communication in other realities could help us understand the nature of janus-faced discourse between groups of people further, and how best to tackle issues of organizing dialogue and agreeing on meaning.

As a drug dealer, Palmo, states in Miami Vice, episode 16 of season 4 called "Honour Among Thieves?": "First, though I'm well respected in the business, the decision isn't mine alone. I have Colombians, Cubans, Haitians, Mexicans, Canadians, a various assortment of native born Americans to deal with a variety of cultural backgrounds Mr. Burnett, each, with its own way of doing business. Each, very sensitive. They must all feel included."

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# 9. Appendix

## 9.1. Contingency Variables of Accommodation

**Table 1:** Contingency Theory of Accommodation variable. External environmental factors. (

 Cancel et al. 1997)

Threats	Industry environment	General political, social environment, and culture	Characteristics of the external public	Issue under question
Litigation, Government regulation, Potentially damaging publicity, Scarring of company's reputation in business community and in the general public, Legitimizing activists' claims	Dynamic or static, Number of competitors/level of competition, Richness or leanness of resources in the environment	Degree of political support of business, Degree of social support of business	Size and/or number of members, Degree of source credibility/powerful members or connections, Past successes or failures of groups to evoke change, Amount of advocacy practiced by organization, Level of commitment/involvement of members, Whether the group has public relations counsellors or not, Public's perception of group: reasonable or radical, Level of media coverage the public has received in past, Whether representatives of the public know or like representatives of the organization, Whether representatives of the organization know or like representatives from the public, Public's willingness to dilute its cause/request/claim,	Size, Stakes, Complexity

		Moves and countermoves, Relative power of organization, Relative power of public	

**Table 2:** Contingency Variables of Accommodation. Internal environmental factors. (Cancel et al. 1997)

Characteristics of organization	Characterist ics of the public relations department	Characterist ics of top management	Internal threats	Individual characteristi cs of PR practitioners , managers	Characterist ics of organization -public relationshis
Open or closed culture, Dispersed widely geographically or centralized, Level of technology the corporation uses to produce its product or service/complexity of products and/or services, Homogeneity or heterogeneity of employees, Age of the corporation/value placed on tradition, Speed of growth in the knowledge level the corporation uses, Economic stability of the organization, Existence or nonexistence of	Total number of practitioners and number with college degrees, Type of past training of employees, Location of public relations department in corporate hierarchy, Representatio n in the dominant coalition, Experience level of public relations practitioners in dealing with conflict,	Political values: conservative or liberal/open or closed to change, Management style: domineering or laid back, General altruism level, Support and understandin g of public relations	Economic consideratio ns (potential loss vs. potential gain from implementi ng various strategies), Marring of employees' or stockholder s' perception of the company, Marring of the personal reputations of the company decision makers	Professional training in public relations, marketing, journalism, engineering, and so on, Personal ethics, Tolerance or ability to deal with uncertainty, Comfort level with conflict or dissonance, Comfort level with change, Ability to recognize potential and existing problems,	Level of trust between organization and external public, Dependency of parties involved, Ideological barriers between organization and public

:	Cananal	Estant to	
issues management	General	Extent to	
personnel or	communicati	which their	
program,	on	perception of	
Corporation's past	competency	reality is	
experiences with	of	open to	
conflicting outside	department,	innovation,	
organizations:	Autonomy of	Extent to	
positive or	department,	which they	
negative,	Physical	can grasp	
Distribution of	placement of	others'	
decision-making	department in	worldviews,	
power,	corporate	Personality,	
Formalization:	building,	Communicati	
Number of rules or	Staff trained	on	
codes defining and	in research	competency,	
limiting the job	methods,	Cognitive	
descriptions of	Amount of	complexity,	
employees,	funding	Predispositio	
Stratification/hierar	available for	n toward	
chy of positions,	dealing with	negotiation,	
Existence or	external	Predispositio	
influence of	publics,	n toward	
corporation legal	Amount of	altruism,	
department,	time allowed	How they	
Business exposure,	to use dealing	receive,	
Corporate culture,	with external	process, and	
corporate cantare,	publics,	use	
	Gender	information	
	population of	and	
	staff,	influence,	
	Potential of	Whether they	
		know or are	
	department to	familiar with	
	practice		
	various	external	
	models of	public or	
	public	their	
	relations	representativ	
		e, Whether	
		they like	
		external	
		public or	
		their	

		representativ e, Gender	

## 9.2. Content Analysis tables

## Table 3: Articulated differences in stakeholder approach towards different stakeholders

Variable	Shell's "Influence Approach"	Statoil presentation Russia	Statoil presentation Brussels
Direct references to local actors and areas	4	5	1

### Table 4: Content of stakeholder communication

Variable	Shell's "Influence Approach"	Statoil presentation Russia	Statoil presentation Brussels
Emotional content	0 (0%)	2 (3,9%)	0 (0%)
Opinion	4 (20%)	11 (18%)	6 (10,34%)
Pure information	16 (80%)	48 (78,7%)	52 (89,7%)
Total	61 (100%)	61 (100%)	58 (100%)

### Table 5: Presentaion of self

Variable	Shell's "Influence	Statoil presentation	Statoil presentation
	Approach"	Russia	Brussels

Positive assertions of self	8 (100%)	3 (100%)	4 (100%)
Negative assertions of self	0 (0%)	0 (0%)	0 (0%)
Total	8 (100%)	3 (100%)	4 (100%)

## Table 6: Frequency of subjects mentioned

Variable	Shell's "Influence	Statoil presentation	Statoil presentation
	Approach"	Russia	Brussels
environmental concerns	0 (0%)	4 (12,5%)	2 (5,41%)
business exposure and openness	0 (0%)	1 (3,1%)	1 (2,7%)
physical placement of communications department	0 (0%)	0 (0%)	0 (0%)
company image towards employees and shareholders	8 (88,9%)	0 (0%)	0 (0%)
level of trust between the company and the public	0 (0%)	1 (3,1%)	1 (2,7%)
technical issues such as technological challenges and safety and security	0 (0%)	12 (37,5%)	15 (40,5%)
economy	0 (0%)	4 (12,5%)	7 (18,92%)
politics	0 (0%)	2 (6,3%)	6 (16,2%)
culture	0 (0%)	0 (0%)	0 (0%)
expressions for cooperation with other oil companies	1 (11,1%)	8 (25%)	5 (13,5%)

Expressions of competition with other oil companies	0 (0%)	0 (0%)	0 (0%)
Total	9 (100%)	32 (100%)	37 (100%)

#### 9.3. Interview Guides

9.3.1. English guide

#### **INTERVIEW GUIDE**

#### A) Starting questions

- What professional role do you have?
- What are your responsibilities?

B) International communication & cooperation

#### 1 Information gathering

- How do you gather information on your potential clients and partners?
- Do you ever fall back on stereotypes?
- Are you and your department briefed on or study local culture and customs? Why or why not?
- What is included in risk assessment when communicating with countries, clients and partners in the arctic project context? (societal, environmental, technological, safety and security outcomes; commercial, financial, economic results; social, cultural & political reputation impacts)
- What are the biggest challenges with communicating with different stakeholders at the same time?
- 2 Advocacy vs accommodation
- Do you have a specific process to follow (a standardization) when faced with communication and negotiations, or is it highly situational? Describe a typical event.
- How does local culture and customs influence your choices in communication?
- Politics, politicians and government regulations?
- It seems as if politics is ignored in external communication

- Is this done on purpose?
- Is this successful?
- Has it ever been necessary to talk about politics? Please explain.
- Local communities?
- Local media?
  - Describe your firm's culture (characteristics of organization, department) ex:
    - o dispersed geographically or centralized
    - o homogeneity or heterogeneity of employees
    - $\circ$  hierarchy structure
    - o issues between departments?

How do these characteristics affect the way in which you communicate with relevant actors.

- Must you adapt to the local environment you are approaching? Or do you feel there is a mutual process of standardizing business procedures and understanding? Please explain.
- Has the corporation had past experience with conflicting outside organizations? (positive and/or negative?)
- Do you notice any differences in how you present yourself to different clients and partners from different countries?
- Do you notice any differences in communication given to clients and partners from different countries?
- 3 Negotiating and communicating
  - What are the essentials when addressing a client/partner?
  - When communicating with stakeholders from different countries, to what extent must you deal with their respective governments?
  - Who are the actors you must communicate with in relation to the Arctic project? (government, oil companies, shipwrights, environmentalists, media etc)
  - Describe how your physical placement helps or impedes your ability to mediate with local actors and the Arctic issue.
  - Have there ever been misunderstandings? Explain the situation.
  - Tell me about a time when you had to be very careful in communicating delicate information. What was the possible risk involved and how did you go about it?
  - When you or your company's credibility is compromised, what steps do you take to rectify the situation?
  - How transparent are your goals and how open are you with the firm's practices when dealing with clients and partners? How do you balance transparency and objectivity?
  - Is there any mention to stakeholders about other stakeholders you are in dealings with? What happens if stakeholders want to know about your other operations? Can you give me an example of such a time?

#### C) Action

- How do you approach and interact with your clients/partners?
- Which precautions does the company take to ensure cooperation and success?
- Give me some examples of actions taken by the firm in local communities of clients and partners as well as in the Arctic.

D) Use of governance and presentation documents

- How are the documents produced?
- How are the documents used and consumed?
- Why have these documents been produced? What purpose do they serve?
- How well would you say they represent you and your firm?
- Do you speak about these documents to clients and partners?
- Does the content in the documents and presentations affect interaction and topics with clients and partners? (as in: do you stray from the content in documents when in interaction with clients and partners)
- E) Rounding off
  - What are the biggest opportunities facing the company with the Arctic project in USA/Russia/general?
  - What are the biggest challenges?
  - Anything else you would like to add?

9.3.2. Norwegian guide

#### INTERVJUGUIDE

#### A) Oppvarmingsspørsmål

- Hvilken profesjonell rolle har du?
- Hva slags ansvar har du?

#### B) Internasjonal kommunikasjon & kooperasjon

#### 1 Informasjonsinnhenting

- Hvordan samler du informasjon om dine potensielle kunder og samarbeidspartnere?
- Blir stereotyper noen gang tatt I betraktning?
- Er du og din avdeling blitt orientert om, eller måttet studere lokal kultur og kutymer? Hvorfor eller hvorfor ikke?
- Hva er inkludert I risikovurderingen når du kommuniserer med kunder og partnere frau like land I det arktiske prosjektet sin sammenheng? (Samfunn, miljø, teknologi, sikkerhet, kommersielle bekymringer, finans, økonomiske resultater, sosiale, kulturelle og politiske omdømmekonsekvenser osv.)

#### 2 Advocacy vs accommodation

- Har du en spesiell prosess du må følge (en standardisering) når du skal kommunisere og forhandle, eller er det situasjonsavhengig? Beskriv en typisk hendelse.
- Hvordan påvirker lokal kultur og kutymer måten du kommuniserer på?
- Politikk, politikere og offentlig regulering?
- Det virker som om politikk blir skyvet bort I ekstern kommunikasjonen deres.
  - Er dette bevisst?
  - Lykkes dere?
  - Har det aldrig vært nødvendig å snake om politikk? Vennligst forklar.
- Lokalsamfunn?
- Lokale medier?
- Beskriv firmaets kultur (kjennetegn ved firmaet, avdeling) eks:
  - Spredt geografisk eller heterogenitet blant ansatte
  - o Homogenitet or heterogenitet blant ansatte
  - o Hierarkisk struktur
  - Problemer mellom avdelinger?

Hvarodan kan disse egenskapene påvirke måten du kommuniserer på med relevante aktører.

- Er du nødt å tilpasse deg til det lokale miljøet du henvender deg til? Eller føler du det er en gjensidig prosess av standardiserte prosedyrer og forståelse? Vennligst forklar.
- Har selskapet hatt tidligere erfaring med andre motstridende organisasjoner? (Positiv og / eller negativ?)
- Legger du merke til eventuelle forskjeller i hvordan du presenterer deg selv til forskjellige kunder og partnere fra ulike land?
- Har du lagt merke til noen forskjeller i kommunikasjon som gis til kunder og partnere fra ulike land?

#### 3 Forhandling og kommunikasjon

- Hva er det viktigste når du adresserer en klient / partner?
- Når man kommuniserer med stakeholdere fra ulike land, i hvilken grad må du forhandle med deres respektive regjeringer?
- Hvem er aktørene du må kommunisere med i forhold det til Arktiske prosjektet? (Regjeringen, oljeselskaper, skipsbyggere, miljøvernere, media etc.)
- Beskriv hvordan din fysiske plassering hjelper eller hindrer din evne til å megle med lokale aktører og det Arktiske saken.
- Har det noen gang vært misforståelser? Forklar situasjonen.
- Har det vært en tid da en klient eller partner konfronterte deg om en annen kunde eller partner? Skapte dette problemer og uenighet? Hvordan fikk du megle i konflikten?
- Fortell meg om en gang da du måtte være svært forsiktig i å kommunisere delikat informasjon. Hva var det mulige risikoen involvert og hvordan løste du dette på?
- Når du eller din bedrifts troverdighet er svekket, hvilke skritt tar du for å rette på situasjonen?
- Hvor gjennomsiktige er dine mål og hvordan åpen er du med foretakets praksis når du arbeider med kunder og samarbeidspartnere? Hvordan balanserer du åpenhet og objektivitet?
- Er det noen omtale til stakeholdere om andre stakeholdere du er i kontakt med? Hva skjer hvis stakeholderne ønsker å vite om dine andre virksomheter? Kan du gi meg et eksempel på et slikt tidspunkt?

#### C) Handling/ aksjon

- Appellerer du til potensielle kunder og partnere med organisasjonens konkurransefortrinn?
- Hvordan kommer du I kontakt med og kommuniserer med kundene / samarbeidspartnere?
- Hvilke forholdsregler tar selskapet for å sikre samarbeid og suksess?
- Gi meg noen eksempler på handlinger utført av firmaet i lokalsamfunnene i kunder og partnere, samt i Arktis.

#### D) Bruk av styrings- og presentasjonsdokumenter

- Hvordan er dokumentene produsert?
- Hvordan er de dokumentene brukt?
- Hvorfor har disse dokumentene blitt produsert? Hvilket formål har de?
- Hvor godt vil du si at de representerer deg og din bedrift?

- Snakker du om disse dokumentene til kunder og samarbeidspartnere?
- Har innholdet i dokumentene og presentasjonene påvirket samhandlingen og diskusjonene med kunder og partnere? (F.eks.: ser du bort fra innholdet i dokumentene når du interagerer (samhandler med kunder og partnere)

#### E) Avrundingsspørsmål

- Hva er de største mulighetene overfor selskapet med det Arktiske prosjektet i USA / Russland / generelt?
- Hva er de største utfordringene?
- Noe annet du vil legge til?

#### 9.4. Content Analysis Texts

- 1. "Statoil's Collaborative approach to the Arctic" presented in Moscow in June 2014 at the World Petroleum Congress in Moscow by executive vice president in Statoil ASA Tim Dodson.
- 2. "Arctic futures symposium" presented at the Arctic Futures Symposium in October of 2014 in Brussels by Runi M. Hansen, Statoil country manager for Greenland and the Faroes.
- 3. Shell's "Influence approach" document.



Ladies and gentlemen,

Thank you for inviting me here to the World Petroleum Congress in Moscow. I have been to Moscow many times over the last few years and it is always a pleasure to come back.

We've seen a number of important milestones in the Arctic lately. Statoil has made large oil discoveries in the Norwegian Barents Sea and in the sub-Arctic waters of Newfoundland in Canada. Here in Russia Rosneft has partnered up with major oil and gas companies for the development of the Russian Shelf – and I am pleased that Statoil is one of those partners.

Today I'd like to give my reflections on what is needed to succeed with developing Arctic oil and gas resources. At the top of that list is collaboration.



But first I want to clear up a common misunderstanding. It is important to note that **there is more than one Arctic environment.** In Statoil we divide the Arctic into three different operational areas or categories:

#### First we have the Workable Arctic.

- Workable arctic is <u>typically</u> areas with little or no sea ice and/or limited icebergs, or alternatively very shallow areas where ice resistant platforms are feasible.
- This means we have solutions that can be carried out based on today's energy. There are remaining challenges and technology needs, but these can likely be solved within the short to medium term and without radical innovation.
- Statoil assets in the workable Arctic include the opened part of the Norwegian Barents Sea and offshore Newfoundland. The Okhotsk Sea would also fall into this category.

#### Next we have stretch Arctic.

- Stretch Arctic is typically areas with significant ice that inhibits operations from floating structures, or very cold and remote areas that are ice bound for much of the year.
- This means that we can visualise how exploration and development is likely to take place, but we are some way from finalising key technologies or capabilities needed for <u>commercial</u> feasibility. Solutions will need significant focus and investment to be available in the medium to long term.
- North-West Greenland is a good example of this category.

#### Finally, we have the extreme Arctic.

- Extreme Arctic is typically areas with near continuous heavy ice coverage from the Arctic Ocean, likely containing old or glacial ice
- This is where solutions are hard to visualize and need long term focus and investment in technology.
- In our portfolio East Greenland would fit into this category.
- Dividing the Artic in three categories helps us explaining to stakeholders the diversity of the Arctic and also supports us in risk identification and management.



You might question why an industry like ours still is willing to take on this large task of exploring and developing Arctic resources.

- It is quite simple: The world needs more energy
- The industry struggles to replace existing production and makes fewer and smaller discoveries. So far this year the industry has discovered 6,2 billion barrels of oil equivalents according to IHS. Which is roughly a third of what has been produced so far this year.
- This is a trend and it is not sustainable.
- That is why Statoil is looking towards the Arctic
- The Arctic, in addition to the Middle East and Russia, is one of very few remaining areas with the potential to make huge discoveries

#### The large resource potential is the driver for our positioning in the Arctic.

Having a **portfolio of assets** in different stages of maturity enables us to leverage experiences from our current operations and implement them in future projects. Building step by step gives us a robust foundation and increases the probability of success.

I can talk all day about the prospectivity and potential of the Arctic, but let us not forget that there are challenges too.



Even after having worked for 40 years in harsh environments we see that we have to be especially vigilant when moving into new Arctic areas.

#### Climatic conditions are probably the most visible challenge.

- Ice, snow, cold and darkness all contribute to an environment that can be both hostile and beautiful at the same time
- Understanding this and implementing appropriate mitigating actions is key to our work

The next challenge, Health and Safety, is mainly about protecting our people.

- To have the right rigs, equipment and clothing is essential to allow our people to perform.
- Also, we need to factor in the challenges of working in darkness half the year.

As with everywhere else we aim for zero harm to the environment.

- In the Arctic this is really put to the test
- Therefore, we must use fit-for-purpose solutions to protect the environment

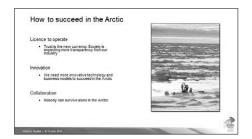
Finally I'd like to focus on remoteness.

- This is a key challenge and a major cost driver
- Being far and sometimes very far from infrastructure, means that we have to bring all the equipment we need with us
- Many times, we have to start from scratch

Therefore, we need an **overall strategy** on how to explore and develop our Arctic basins in a safe, sustainable and cost-effective manner. The core element in this strategy is the so called **stepwise approach**.

# We will always take the experiences and learnings from previous operations and implement in future activity. And we will not move faster than technology will allow us to do.

So, what else does it take to succeed in the Arctic?



Now different parts of the Arctic are open for energy development.

- But we in industry must not mistake legal permissions for permanent access.
- In a new frontier, access must be earned again and again.

In the early phases of our operations—seismic and exploration—we must **establish trust between communities**, **governments**, **and industry**.

- Trust can only be built on a bedrock of openness, dialogue and responsibility
- And on a commitment to zero harm and sustainability.

**Another success factor is innovation**. To unlock the full potential of the Arctic, but also to make Arctic projects commercially viable and globally competitive, we need new technology and innovative business models. This is because the cost level of the Arctic is higher than anywhere else in the world, also ultra-deep water.

**Key to this is more collaboration**. We need to work with other oil companies and suppliers to develop Arctic solutions. Above all, close collaboration with governments and local communities is needed to jointly move our projects forward.



Collaboration is a nice word to use, but it isn't worth much unless you put it into practice. Let me now share with you three concrete examples of collaboration.

## First is the Arctic Response Technology Joint Industry Programme.

- Here ten major oil companies have joined forces to further build on existing research and improve the technologies and methodologies for Arctic oil spill response
- The goal of the JIP is to advance Arctic oil spill response strategies and equipment as well as to increase understanding of potential impacts of oil on the Arctic marine environment
- We get more out of our money by joining up in a programme like this, and we are also able to tap into the most skilled people that each company has available

## Second is our own CAT-I rig concept

- To operate in the Arctic we need to develop a rig for robust and cost efficient operations
- The CAT-I rig is being designed from the ground to fit the needs of Arctic operations.
- We have brought together leading suppliers and by collaborating with them from the start we know that the solutions are fit-for-purpose and based on Statoil's needs. Also, we ensure that we develop a cost effective solution.
- The addition of a new category of rig like CAT-I will add capacity in a market with growing demand for rigs capable of drilling in Arctic conditions
- Also, CAT-I is designed to minimize the environmental footprint as it minimizes zero harmful emissions to sea and has an additional BOP stack on board.

## My third example illustrates new ways of working.

In 2011 Norway and Russia agreed on the border in the Barents Sea. This opened up new areas for exploration and in 2013 the Norwegian government officially opened the Barents Sea south-east for petroleum activity.

- To acquire high-quality data in an efficient and low impact way Statoil was asked to be the operator for the seismic acquisition in the area.
- 33 companies have so far joined the programme and we are well into the acquisition work already
- A key benefit of this joint acquisition is the reduced impact on fisheries in the area
- An added benefit is significantly reduced costs to all participants

I have now given you three examples of how Statoil concretely works on collaborative measures in the Arctic. The lesson learned is that this type of collaboration can also be done in other areas.



To sum up:

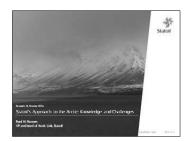
- 1. There is not just one Arctic. The Arctic is very diverse in terms of challenges and opportunities and we have to plan accordingly.
- 2. In the Arctic no-one can survive alone. Collaboration will be essential to succeed in unlocking the potential, managing the risks and creating good value propositions.
- 3. We need to get and maintain our **licence to operate**. Our licence to operate is built on trust and above ground risks are more relevant than ever before.

7

Thank you for your attention and I look forward to participating in the panel discussions.

## **Arctic Futures Symposium**

Brussels 14 October 2014 Runi M. Hansen



Ladies and gentlemen,

Thank you for inviting me to talk about Statoil's activities in the Arctic and how we look at the future prospects for our industry in this region.

It good to see so many stakeholders gathered here and showing an interest in the Arctic – especially since we are in Brussels, in the middle of Europe, one of the key markets for the energy we produce.



It's been an interesting few years for our industry. Many deals have been done, new areas have been opened and discoveries have been made.

- The whole industry is positioning itself for the future
- We are dealing with complex regulatory and stakeholder concerns
- A technology push is happening to enable us to develop Arctic resources, safely and economically
- There is pressure from shareholders to increase returns
- And the geopolitical landscape is changing

We see that development in the Arctic is going slower than I think most of us would have thought only a short time ago. And this might be a good thing.

Despite this slowdown in activity in parts of the Arctic we're far from being at a standstill:

- New nations were given observer status in the Arctic Council truly showing the global interest in the Arctic
- Climate change and reports of melting polar ice continue to fill the media and the political debate
- This has, and will have, an impact on our industry as governments provide the framework under which we operate



Before I talk in more detail about what Statoil are doing I want to clear up a common misunderstanding.

It is important to note that **there is more than one Arctic environment.** In Statoil we divide the Arctic into three different operational areas or categories:

## First we have the Workable Arctic.

- Workable arctic is <u>typically</u> areas with little or no sea ice and/or limited icebergs, or alternatively very shallow areas where ice resistant platforms are feasible.
- This means we have solutions that can be carried out based on today's energy. There are remaining challenges and technology needs, but these can likely be solved within the short to medium term and without radical innovation.
- Statoil assets in the workable Arctic include the opened part of the Norwegian Barents Sea and offshore Newfoundland. The Okhotsk Sea would also fall into this category.

## Next we have stretch Arctic.

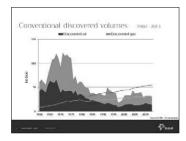
- Stretch Arctic is typically areas with significant ice that inhibits operations from floating structures, or very cold and remote areas that are ice bound for much of the year.
- This means that we can visualise how exploration and development is likely to take place, but we are some way from finalising key technologies or capabilities needed for <u>commercial</u> feasibility. Solutions will need significant focus and investment to be available in the medium to long term.
- North-West Greenland is a good example of this category.

## Finally, we have the extreme Arctic.

• Extreme Arctic is typically areas with near continuous heavy ice coverage from the Arctic Ocean, likely containing old or glacial ice

- This is where solutions are hard to visualize and need long term focus and investment in technology.
- In our portfolio East Greenland would fit into this category.

Dividing the Artic in three categories helps us explaining to stakeholders the diversity of the Arctic and also supports us in risk identification and management.



With this in mind and the challenges we face in the Arctic you might ask why an industry like ours still is willing to take on this large task?

The answer is two-fold:

Statoil is working across the Arctic because we believe its resources will be a critical source of energy for a growing world.

- Economic growth and rising standards of living will result in a more than 30 per cent increase in global energy demand over the next 30 years
- Bringing millions of people out of poverty is a massive task and energy is one of the elements needed
- In order to replace existing production and meet increases in future demand, the world will need an "all of the above" energy strategy—one that includes the Arctic offshore resources.

## But it's not only a question of filling an increasing demand.

- Most of the fields that will produce in 2030 and 2040 have not yet been discovered
- In fact we have been producing more oil than we have discovered every year since the early 1980s, and this year looks to be the worst one since the 1950s
- It's is a huge task for our industry to fill the gap that is certain to appear.

# And the reason why we look to the Arctic to fill this gap is because we see great resource potential in the region.

- Preliminary studies suggest that the Arctic offshore contains 22% of conventional yet-to-find oil and gas resources.
- And yet, the Arctic continental shelf contains some of the least explored basins on earth

• Why then are we willing to take on this challenge and develop Arctic resources?

It is quite simple: The world needs more energy

The industry struggles to replace existing production and makes fewer and smaller discoveries. Half way through 2014 the industry had discovered 6,2 billion barrels of oil equivalents according to IHS. Which is roughly a third of what has been produced so far this year.

- This is a trend and it is not sustainable.
- That is why Statoil is looking towards the Arctic

## The large resource potential is the driver for our positioning in the Arctic.

- Having a **portfolio of assets** in different stages of maturity enables us to leverage experiences from our current operations and implement them in future projects. Building step by step gives us a robust foundation and increases the probability of success.
- I can talk all day about the prospectivity and potential of the Arctic, but let us not forget that there are challenges too.



Even after having worked for 40 years in harsh environments we see that we have to be especially vigilant when moving into new Arctic areas.

## Climatic conditions are probably the most visible challenge.

- Ice, snow, cold and darkness all contribute to an environment that can be both hostile and beautiful at the same time
- Understanding this and implementing appropriate mitigating actions is key to our work

The next challenge, Health and Safety, is mainly about protecting our people.

- To have the right rigs, equipment and clothing is essential to allow our people to perform.
- Also, we need to factor in the challenges of working in darkness half the year.

As with everywhere else we aim for zero harm to the environment.

• In the Arctic this is really put to the test

• Therefore, we must use fit-for-purpose solutions to protect the environment

Finally I'd like to focus on remoteness.

- This is a key challenge and a major cost driver
- Being far and sometimes very far from infrastructure, means that we have to bring all the equipment we need with us
- Many times, we have to start from scratch

Therefore, we need an **overall strategy** on how to explore and develop our Arctic basins in a safe, sustainable and cost-effective manner. The core element in this strategy is the so called **stepwise approach**.

We will always take the experiences and learnings from previous operations and implement in future activity. And we will not move faster than technology will allow us to do.



On average Arctic projects take over 20 years from discovery to production. This means our planning has to be very long-term, and that we are depended on predictable markets.

When we say this is a marathon, we truly mean it. The discoveries we make today can take a very long time to get into production. And will produce for decades beyond that. Our time horizon is therefore many decades into the future. Policy and strategic choices made by regulators and governments also has to reflect this.

One way of enabling development is collaboration. Collaboration is a nice word to use, but it isn't worth much unless you put it into practice. Let me now share with you three concrete examples.



First is the Arctic Response Technology Joint Industry Programme.

- Here ten major oil companies have joined forces to further build on existing research and improve the technologies and methodologies for Arctic oil spill response
- The goal of the JIP is to advance Arctic oil spill response strategies and equipment as well as to increase understanding of potential impacts of oil on the Arctic marine environment
- We get more out of our money by joining up in a programme like this, and we are also able to tap into the most skilled people that each company has available

## Second is our own experience from the Snøhvit project in northern Norway

- Snøhvit is the first LNG, and northernmost, production plant in Europe
- Snøhvit annually stores a volume of carbon dioxide equivalent to the emissions of 280,000 vehicles
- It is also a project that shows how our industry can provide jobs and activity to revitalize a community
- In fact Statoil contributes over 19 million euros to Hammerfest country every year in taxes. This is money that the people of Hammerfest see the benefit from.

## My third example illustrates new ways of working.

- In 2011 Norway and Russia agreed on the border in the Barents Sea. This opened up new areas for exploration and in 2013 the Norwegian government officially opened the Barents Sea southeast for petroleum activity.
- To acquire high-quality data in an efficient and low impact way Statoil was asked to be the operator for the seismic acquisition in the area.
- 33 companies have so far joined the programme and we finished the acquisition two weeks ago
- A key benefit of this joint acquisition is the reduced impact on fisheries in the area
- An added benefit is significantly reduced costs to all participants

I have now given you three examples of how Statoil concretely works on collaborative measures in the Arctic, with partners, suppliers and communities.



To sum up:

**There is not just one Arctic.** The Arctic is very diverse in terms of challenges and opportunities and we have to plan accordingly.

**Collaboration** will be essential to succeed in unlocking the potential, managing the risks and creating good value propositions.

We need to get and maintain our **licence to operate**. Our licence to operate is built on trust and above ground risks are more relevant than ever before.

Thank you very much for listening.



## Influence Approach

One Pager

## What is the Influence Approach?

The Influence Approach outlines a framework which includes the key steps and considerations in conducting purposeful influencing and stakeholder engagement. It helps us to structure, accelerate thinking, and drive consistency in planning, advising on, delivering and measuring stakeholder engagement, communications and influence initiatives to achieve desired business outcomes. It has been developed by a collaborative group of Shell colleagues based upon both internal and external best practices of what we do when we do our jobs well.

The benefit is the better we are at influencing and being influenced, the more our stakeholders will perceive us to be relevant, resonant and reasonable. Through this we can increase our value delivery to the business: in the forms of positive and distinct reputation and brand, a protected license to operate, accelerated opportunities, and fewer conditions for approval/risk of deferment and Net Present Value erosion.

#### When and how will you use the Influence Approache

The framework outlined here is robust, simple and easy to use. It can be applied in multiple situations, the level of depth to which supporting tools are employed and loops revisited can however differ.

### The Influence approach:

- Is not prescriptive, but a simple iterative strategic structure
- Drives an efficient and thorough approach
- Sign posts to operational tools, techniques and practical examples both well
- established and emerging, such as in the social media space
- Increases competencies, professionalism and insights on stakeholder engagement
- Provides a structured basis to collaborate with peers, hence contributing to clarity regarding what and when we can expect from each other.

The key is the discipline to go through the steps of the Influence Approach. Even those of us who view the framework as common sense or Communications 101 are often surprised by what comes out of forcing ourselves to slow down and methodically discuss each step.



### The 7 Ste

The 7 steps of the framework are to be followed in an *iterative*, *systematic*, and *continuous* manner.

### Sense, Monitor & Network

Sense, Monitor, track and understand what people say and think regarding Shell's business and related areas. Use existing networks, social media tools, and desk research. Translate information into intelligence that can be shared with others.

Clarify Desired Business Outcomes

Ensure common understanding and consensus of the desired business outcomes and value at stake amongst key players.

### Research & Identify

Drill down, get, and organise information we have and don't have. Develop, source and organise information and identify information gaps.

### Analyse & Prioritise

Analyse, score/classify/rank the needs, drivers and level of influence and interrelationships of stakeholders to identify priority individuals/organisations; note these are dynamic and may not only include usual suspects.

## Strategic Value Approach

Understand opportunities for shared value to determine engagement strategies. Identify messages, questions, levers, options for change/flexibility, and best channels or approaches to influence or be influenced.

## Implement & Engage

Determine how and when to engage purposefully with influencers or stakeholders or not, and do it. Ensure engagement involves listening and follow up. Be open to new ways to engage and implement.

## Measure & Report

Measure and record the outcomes of your actions and share insights for improvement and/or reference.

### Interested in more information? Please visit:

<u>Influence Approach Portal (</u>sww.shell.com/cx/influenceapproach) <u>Open the supporting interactive Handbook</u> or contact Shayna Rector -Bleeker