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U. Forseth and R. Rosness

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Dialogue in asymmetrical power relations – Modern safety regulation?

U. Forseth  
Department of Sociology and Political Science, Norwegian University of Science and Technology (NTNU), Trondheim, Norway

R. Rosness  
SINTEF Technology and Society, Trondheim, Norway

ABSTRACT: The purpose of this paper is to explore power, sensemaking and identity construction within a regulatory regime in the petroleum industry that emphasises dialogue and trust as a desired and prioritised mode of working. Based on a qualitative study, the analysis documents that dialogue becomes an arena for sensemaking among unequals, and that the regulator employs the process of identity construction as a means to promote regulatory compliance.

1 INTRODUCTION

Exploration and production of oil and gas are complex, costly and potentially hazardous and pose risks to health, safety and environment (HSE). It is important to safeguard that operations are carried out in a safe way throughout the whole petroleum industry life cycle, from exploration, drilling through development and operation to cessation and removal (Lindøe et al. 2014). Accidents, such as the capsizing of the Alexander Kielland flotel in 1980, which caused the death of 123 workers, and the blowout and fire on the Deepwater Horizon drilling rig in the Gulf of Mexico in 2010, which killed 11 people and caused the worst recorded spills, are reminders of the risks involved and the fatal and devastating consequences when things go wrong. A regulatory regime that investigates and addresses specific problems and stimulates the players to improve performance and prevent accidents, is important in ensuring offshore safety.

Power is embedded in the task of regulatory bodies, and regulatory regimes often follow a model of control and command, where they conduct inspections and issue sanctions in cases of non-compliance to rules (Hood et al. 2001; Hopkins & Hale 2002). The Norwegian regulatory regime in the petroleum industry has received international attention due to its specific characteristics (Hart 2007; Thurber et al. 2011): The regulatory authorities often use “soft” forms of reactions in case of violations. Besides, they claim that dialogue and trust between stakeholders are crucial, and tripartite collaboration between employers, employees and government is flagged up as a cornerstone for a high safety level (Bang & Thuestad 2014; Forseth & Rosness 2015).

Dialogue, trust and tripartism are also pivotal in the “Norwegian Model” in working life and welfare state in general (Bungum et al. 2015).

2 CONTEXT

When the oil adventure started in the 1970s, Norway had little experience but the government set down some important principles emphasizing national control with all activities on the Norwegian continental shelf (NCS) (White paper 76, 1970 – 71). Initially the regulations of safety and the working environment were mostly based on adapting prescriptive regulations, checklist-oriented inspections and government-based approval (Bang & Thuestad 2015: 244-46). The Ekofisk Bravo blowout in 1977 and particularly the investigation after the Alexander Kielland disaster in 1980 focused attention on weaknesses with the traditional regulatory approach, and had major political and administrative consequences. From 1985, there was a paradigm shift and a new regulatory regime was introduced; a system of government-enforced self-regulation or internal control with risk assessments and principle based requirements as basic elements. A goal-setting and risk based approach was introduced, where the operators became the party principally responsible for interpreting the goal-based requirements and monitoring their own compliance with the regulations.

According to their website, The Petroleum Safety Authority (PSA) supervises all players in the Norwegian oil and gas industry (“Role and area of responsibility”, www.psa.no). The PSA’s supervisory responsibility embraces oil and gas activities on the whole NCS, at eight facilities on land, and with as-
associates pipeline systems. It covers operators, licensees, contractors and vessel owners, and the whole petroleum-industry life cycle from exploration drilling, development and operation to cessation and removal.

The petroleum industry is powerful, and oil and gas resources are an important part of the global energy system. The interplay between power and sensemaking became salient in a period around the year 2000 (Rosness & Forseth 2014), when a controversy among stakeholders concerning the safety level on the NCS threatened to disintegrate the established tripartite collaboration on HSE. Union representatives claimed that HSE conditions had deteriorated due to cost cutting, whereas industry representatives claimed that HSE conditions had never been better. After the intervention of the political and regulatory authorities, a more cooperative climate and a convergence of sensemaking gradually emerged from mid-2000. The tripartite collaboration was revitalised and tripartite arenas were established such as Safety Forum and Regulatory Forum. A major research project was initiated to help build a common perception of the risk level in the industry.

We have argued that the capacity and willingness to enrol new actors, such as regulatory and political authorities and mass media, was a prerequisite for the revitalisation of tripartite collaboration. The patterns observed seem compatible with Weick's (1993) proposal of a mutual influence between sensemaking processes and organisation. In the initial phase, disintegration of collaboration reinforced and was reinforced by the failure to reach a shared understanding. In the revitalisation phase, the new collaborative arenas facilitated joint sensemaking, whereas collaboration was facilitated by enrolling the research community to help build a common perception of the risk level. The ability to engage in a conflict when HSE was under pressure, and the capacity to subsequently join forces and revitalise collaboration were equally important aspects of the robustness of the regulatory regime. A process of sensemaking through “boxing and dancing” supported HSE improvements (Rosness & Forseth 2014).

3 SENSEMAKING AND CRITICAL SENSEMAKING

Sensemaking is a perspective associated with research that is interpretive, social constructionist, processual and phenomenological. Karl E. Weick introduced the term ‘sensemaking’ to organisation studies and his seminal paper on ‘Enacted sensemaking in crisis situations’ (1988) influenced crisis management and sensemaking research. Sensemaking is a lens to comprehend and theorize how people appropriate and enact their ‘realities’ (Brown et al. 2015, Maitlis & Christianson 2014, Weick 1993). There is no single agreed definition of the concept, but there is a growing consensus that sensemaking refers to those processes by which people seek to understand and give meaning to situations or events that are ambiguous, equivocal or confusing issues or events (Brown et al. 2015:266, Colville et al. 2012). An important aspect of sensemaking is understanding how different people assign different meanings to the same event. In addition to the ongoing nature of sensemaking, seven interrelated characteristics are involved: identity construction, retrospection, focus on and by extracted cues, plausibility rather than accuracy, enactive of the environment and social (Weick 1995; Mills et al. 2010:185). Sensemaking has attracted attention and become widely used in a variety of areas. Maitlis and Sonenshein (2010:552), in their review of the sensemaking literature, expand the analysis beyond merely looking at sensemaking and crisis to sensemaking in times of turbulent context and organizational change. These are also situations characterized of ambiguity, confusion and disorientation and may violate expectations (Maitlis & Christianson 2014, Weick 1988).

In times of transition and uncertainty, power and sensemaking become salient (Weick & Sutcliffe 2007). Power is a key concept within the social sciences and there exist a range of frameworks. As authors such as Clegg (1993) and Gabriel (2000) emphasise, narratives provide us with insights into the nature of organizations, power relations within them, and the experience and sensemaking of their members. The accounts that dominate in organizations and the practices that become accepted are a result of negotiations that take place in structures where some voices are privileged over others (Maitlis & Sonenshein 2010). The sensemaking literature, however, has given inadequate attention to power and political processes even if power provides a context for sensemaking (Maitlis & Christianson 2014). It is not until recently that it has been unpacked in this strand of literature how other groups of employees, such as middle managers and employees, make sense of changes that differ from top-level management. In order to grasp who gives sense and who cedes sense under what conditions, it is important to explore narratives from different stakeholders. In this paper, we pay particular attention to how the use of dialogue as a regulatory strategy unfolds in a context of power asymmetries related to the regulatory role.

The sensemaking perspective has been criticized for an under focus on issues such as power and context, and Mills et al. (2010:182) propose a heuristic that takes into account missing elements while operationalizing (critical) sensemaking as an analytical tool for understanding organizational events. In their outline of a critical sensemaking approach Mills et al. (2010) seek to get a better grip on how sensemaking is related to power relations in the broader social context. They emphasise the centrality of identity
construction, i.e. how people answer questions such as “who are we?” and “how do we do things?” Mills et al. (2010) suggest that “individuals with more power in organizations may also exert more power on the sensemaking of organizational members”. We propose that the notion of identity construction and the idea of exerting power on others’ sensemaking may also be applied to interactions between organizations, such as between regulatory authorities and regulated enterprises. This opens for the possibility that the regulatory authorities may offer an industry as a whole and each of its companies an attractive identity that they can maintain and strengthen by complying with the regulations and cooperating with the regulatory authorities.

There is a limited body of work on sensemaking and institutions (Maitlis & Christanson 2014: 108). We are interested in (1) the sensemaking processes that take place within the context of a dialogue based regime and the encounters between regulator and the regulated, and (2) how the stakeholders make sense of these processes of sensgiving and sensemaking, e.g. the various views on how the dialogues actually function and how they ideally should function:

1. How do the regulatory authorities give and make sense of dialogue based regulation?
2. How do different stakeholders in the petroleum industry make and take sense of dialogue based regulation?
3. How do different stakeholders talk about the interplay of power and sensemaking in encounters between the regulator and the regulated?
4. To what extent and how do the regulatory authorities use the process of identity construction as a means to promote regulatory compliance?

4 DATA MATERIAL AND METHOD

In the analysis, we have adopted an inductive, interpretative research methodology. Several sets of data material form the empirical basis of our analysis. First, we draw on a strategic selection of texts and excerpts from publications from the PSA Norway and their website ptit.no. Second, we got access to data sets from an expert committee on inspection strategies and HSE regulation appointed by the Norwegian Ministry of Labour and Social Affairs (Engen et al. 2013, 2015). We re-analysed the raw data from focus group interviews gleaned from a strategic sample of stakeholders from government, major operators, new licensees, drilling entrepreneurs and suppliers. The data collection was carried out from March to June 2013, and a follow up interview was accomplished in May and June 2014. The focus groups consisted of a strategic choice of informants: officers from five different divisions at the PSA, two groups of managers and an individual interview with the Director-General, and authority coordinators, operations managers, safety representatives and shop stewards in the enterprises. The topics discussed included: 1) Recent changes and future challenges for HSE work, 2) regulatory strategies and practices, and 3) supervisory policy instruments. Third, we did a follow-up focus group interview at the PSA with four senior principal officers in April 2016. Our focus group interview was narrower in scope with four main topics: the voices of the regulator in accidents reports (Rosness et al. 2017), supervision (Dahl et al. 2017), dialogue based inspection and impacts of the recession. An overview of the focus group interviews is presented in table 1.

Table 1. Cases, focus groups and interviews.

<table>
<thead>
<tr>
<th>Categories and organizations</th>
<th>Focus groups</th>
<th>Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>The PSA and Social Affairs</td>
<td>9</td>
<td>32</td>
</tr>
<tr>
<td>Major operators</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td>New licensees</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Drilling entrepreneurs</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Suppliers</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Sum 2013</td>
<td>33</td>
<td>89</td>
</tr>
<tr>
<td>Additional interviews PSA 2014</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Our interviews PSA 2016</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>37</td>
<td>105</td>
</tr>
</tbody>
</table>

Finally, we draw on a portfolio of joint research projects on regulation of HSE in the oil and gas industry funded by The Research Council of Norway (no. 183251, 233971).

The analysis consisted of multiple readings of documentation and interview transcripts. The process was very ‘hands on’ with regard to grasping local narratives. Inspired by the literature on sensemaking, we generated themes recurring across categories of informants, first tracking sensemaking, sensgiving and sensetaking. Later, we went back to the data material searching for processes of identity construction. A selection of quotes is presented verbatim to make the sensemaking of the actors come alive for the reader, and present enough raw data to make the analysis a convincing read.

For reasons of anonymity, we do not reveal the names of the companies except for the public institutions. We try to be as accurate as possible when it comes to displaying positions and still retain the anonymity of the interviewees and the companies. The analysis is delimited to the relationship between government (the Ministry of Labour and Social Affairs and the PSA) and major operators due to space limitations.
5 MAKING SENSE OF DIALOGUE BASED REGULATION

The Norwegian regulatory regime in the petroleum industry may seem as a puzzle, because it stands out as open and with “soft” forms of reactions in case of violation. Informants from the Ministry underscored that this regime differs from a traditional control and command model, the PSA has a very broad definition of regulation and that everything they do is labelled supervision. The informants were impressed with how the Norwegian regulatory regime within the petroleum sector seems to work and what it has achieved:

The PSA has a distinct role in the industry. Everybody knows who they are, and what kind of work they do. Seemingly, they seem to have a tremendous impact in many areas. At the same time, in the press and other[sources], stories are popping up that are not so good, reports on aging installations where there are big problems. There have been some accidents.. (I3, Ministry)

This ambivalence was also related to other factors: the entry of new small players on the shelf and risks associated with search and exploration of new areas north in Norway with harsher environments. Cues and stories about incidents and near misses made the informants start asking questions about changing conditions and emerging risks:

To put it bluntly, if there is an accident on the Norwegian shelf – would the regulatory practice of talking a lot to those “up there” stand the test? (I3, Ministry)

As we interpret it, this informant alluded to the dialogue based practice of the PSA in contrast to more inspections and formal sanctions. Their viewpoints on the regulatory regime were summed up in phrases such as: Impressed, but a little worried. (I2, Ministry). In doubt... (I3, Ministry). Because if something were to happen, the consequences are dramatic: “there is much money, much drama, and serious consequences”. (I1, Ministry). Overall, the informants concluded that that seemingly, the Norwegian regulatory regime is solid, trustworthy and works well, but raised questions whether the infrequent use of formal sanctions is sufficient in light of changing circumstances and emerging risks.

6 MAKING AND GIVING SENSE OF DIALOGUE BASED REGULATION

The PSA Norway describes themselves as an «independent government regulator with responsibility for safety, emergency preparedness and the working environment in the Norwegian petroleum industry», according to their website (“Supervision”, www.psa.no). The supervisory regime builds on the view that a regulator cannot “inspect” quality into the petroleum sector. In colloquial terms, the PSA is both guide dog and watchdog for the industry (“About us”). The PSA also underscores that they pursue risk-based regulation, but that it is the «companies' own responsibility to monitor that they comply with laws and regulations». There is an interesting tension about power and responsibility here, and we will come back to that later in this section. The statement also carries implications concerning the identity of the players in the petroleum industry, because it presumes that they are capable of monitoring their own compliance with laws and regulations and that they are motivated to comply.

In the Norwegian regulatory regime offshore, the PSA advocates a broad definition of what they do: Supervision embraces much more than inspections of offshore facilities and land-based plants. This term refers to all contact between us as the regulator and the regulated object [our underlining]. (“Supervision”, www.psa.no)

This citation can be seen as a legitimation of their strategies and activities. It also illustrates that the Norwegian regulatory regime transcends a traditional control and command model of regulation by underscoring the importance of dialogue and interaction. The encounters between regulator and the regulated take on many different forms, and the supervisory activities include (“Supervision”):

- meetings with the companies
- acquiring data about accidents and incidents
- considering company development plans
- applications for consent to conduct various activities, and
- investigating accidents.

A general principle in their interaction with companies is that both management and workers’ representatives (union officials and safety representatives) shall be present at meetings. Accidents investigation reports, reports from inspections and correspondence from the PSA to the players are publicly open and published on the PSA website. This policy is in accordance with the principle of free access to public records, but is also implies that the PSA can have an influence on the reputation of the regulated companies, and thus on their identity. We were told that PSA employees are very careful not to abuse this power, and that accident investigation reports are therefore submitted to a rigorous quality control procedure.

The PSA characterises dialogue as a prioritised mode of working in an article that was published both as part of the annual report "Safety – status and signals 2008-2009" and as a separate article at the PSA web site (PSA 2009):

Dialogue is a key element in contacts between the PSA and the many different players on the NCS. Pursued continuously, such conversations help to
ensure regulatory compliance. This approach holds a key place in the PSA’s supervisory strategy as a desired and prioritised mode of working. The discussions are respected by everyone concerned, and established as a basis for supervising that petroleum activities comply with the regulations.

Besides, dialogue is also presented as a form of reaction to violations:

As a form of reaction to violations, dialogue is utilised primarily for minor breaches of the rules or when the position is likely to be regularised in the near future. More formal and statutory responses available to the PSA ... include orders, halting activities and coercive fines. The PSA assesses in each case which sanction will best return the relevant activity to compliance with the regulations. ... Sanctions can be escalated, with stronger reactions utilised if the initial response fails to have the desired effect.

This introduces power asymmetry into the PSA’s conception of dialogue. The PSA may impose sanctions on the other part if it does not find the outcome of dialogue adequate. Dialogue becomes an arena for sensemaking among unequals. The use of dialogue as preferred means of reaction gives the companies an opportunity to defend their identity as willing and capable to improve when violations are detected. A failure to improve would not only lead to stronger formal sanctions from the PSA, it could also threaten the identity of a company as a serious player. In some cases, the reputation of the whole industry could be at stake.

The PSA prefers to use the concept of system-based orientation instead of compliance (with notation to individual actions). Dialogue is the most widely used tool, and the PSA seldom issues fines and sanctions according to their homepage and our interview data. The regulator regards it as the best tool for influencing the regulated companies. Besides, it gives the companies a possibility to give feedback to the authorities, and it contributes to increased learning for both regulated and the regulator. Underlying this perspective is a general trust in the companies and their will to improve safety. This was emphasized in our focus group at the PSA: We have trust in the companies, but it is not blind or naïve (I2, PSA). Principal officers at the PSA elaborated on their way of dialoguing and summarized it as formalized, restricted and ritualized and they underscored that the dialogue is never informal. No one gives away everything about themselves. It is a ritual where both parties have their specific roles to play. And there are some limitations to this interaction (I2, PSA).

This illustrates that the PSA has a specific interpretation of the term dialogue and that it is ritualized in practice, where both parties engage in impression management without revealing everything about themselves. Thus, the term dialogue within this context, deviates from a traditional interpretation of informal interaction between two (equal) parties.

Another informant followed up by explaining why this kind of dialogue is important: The aim of dialogue is to ensure better compliance or else we could have relied on control (I4, PSA). The informants elaborated on this statement by explaining that a narrow focus on individuals contributes very little to risk reduction. What is essential in order to improve safety was summarized in these words: It is all about structural [aspects], planning of work operations, organizational aspects, MTO [man, technology, organization] issues (I1, PSA). This shows that one raison d’être for the dialogue based regime, is the pursuit of systemic factors and their impacts on safety. In an analysis of a strategic selection of accidents reports (Rosness, Dahl & Forseth 2017), we found that event sequences descriptions were mostly “de-individualized”, i.e. individuals did not figure as grammatical subjects. Nonconformities were framed as deficiencies of the safety management system rather than individual violations.

The PSA may impose sanctions on the other part if it does not find the outcome of dialogue adequate and discover irregularities or violations.

As a form of reaction to violations, dialogue is utilised primarily for minor breaches of the rules or when the position is likely to be regularised in the near future. More formal and statutory responses available to the PSA ... include orders, halting activities and coercive fines. The PSA assesses in each case which sanction will best return the relevant activity to compliance with the regulations. ... Sanctions can be escalated, with stronger reactions utilised if the initial response fails to have the desired effect. (“Safety – status and signals 2008-2009” and as a separate article at the PSA home page, 2009).

Sanctions can be escalated if the dialogue does not contribute to improvements. One of our informants framed it this way: We employ everything from smile to pistol – the whole scale (I3). The regulated companies can exert power and resistance by postponing, withholding information, delaying implementation of measures or refusing to deliver internal documents.

In addition to conducting inspections, the PSA follows up cooperation between workers and management at the individual workplace, and promotes tripartite collaboration between employers, employees and authorities. Two important arenas have been established for such tripartite collaboration in the petroleum sector – the Regulatory and Safety Fora. In these arenas, the parties can join forces in a constructive collaboration on improvements, including for safety and the working environment – an asset all the parties say they want to preserve and develop (“the-norwegian-model”, www.psa.no). For the PSA,
tripartite collaboration is another cornerstone in their regulatory regime and important in making the Norwegian oil and gas industry a pioneer industry as regards HSE, both on a national and international level.

In the next section, we will explore how stakeholders from operators interpret and make sense of dialogue based regulation and the interaction with the PSA.

7 MAKING AND TAKING SENSE OF DIALOGUE BASED REGULATION

The informants from the operators were positive to the importance of dialogue in the regulatory regime, and some emphasised that this gave the companies ample opportunity to amend and correct issues and in this way, avoid a sanction and publicity in the media. Others claimed that the widespread use of dialogue and soft use of instruments, were responsible for weakening the power of the PSA. The encounter between the regulator and the regulated are based on mutual trust. One representative underscored on behalf of the workers that the PSA always announces a visit to an installation beforehand, and this affects how they make their preparation in-house:

For every time there is going to be an encounter with the PSA, it is just like having ten mothers’ in law come visiting, you clean up in every corner – it does not reflect every day [operations]. (I3, Safety representative, Operator)

It is interesting how the safety representative used “ten mothers’ in law” as a metaphor for the PSA, and how he underscored that they “clean up in every corner” in advance. As a result of window-dressing, the representatives from the regulator get to see a polished façade. Shop stewards were concerned about lack of time and resources at the PSA to fulfil their mission. They also told stories on how, in response to sanctions from the PSA, their enterprise had exercised pressure by challenging rules, bypassing the PSA and sending lawyers to talk with people from the Ministry of Labour and Social Affairs.

A manager was critical to the way of doing dialogue because it is “more about talking to rather than with each other”. He elaborated on this statement:

...We see that we can improve the dialogical aspect of these dialogue meetings. ...there tends to be a lot of power point presentations from both sides rather than a dialogue to understand each other’s point of view. (II, Operations Manager, Operator)

From his point of view this kind of power point interaction could end up as impression management rather than increase understanding. He also claimed that the PSA sometimes went too far in their exercise of power, such as asking for investigations without an order. He told a story about how the PSA had wanted to get access to the Board and the Board of Directors in order to get more detailed information. This request had been declined and one reason was unwillingness to share commercial details. This is clearly an example of resistance on behalf of the regulated. On the other hand, they had on occasions accepted to do investigations when the PSA asked for it, even without an order, just to get peace. Another Operations Manager commented on the content of the dialogue:

«...To have an informal dialogue where we really can talk openly about our challenges without risking that it comes back as a regulatory activity from the PSA – is used against us. (I3, Operations Manager, Operator)

He underscored the informal side of a dialogue in contrast to the formalized dialogue advocated by the PSA. He went on to voice critical comments regarding how the dialogue functions in practice and desired a dialogue without risk of sanctions. This is an example of differences in sensemaking and sensetaking of dialogue based regulation. Besides, it illustrates that the dialogue is embedded in power relations, and both parties enact their role accordingly. Informants from the PSA also emphasised that there is a difference between supervision which is the most formalized encounter, and other meetings where there is more of an exchange of viewpoints between regulated and the regulator. Our informants in the focus group, however, drew the conclusion that the PSA never involves in an informal dialogue, there is always a formal interface. This division does not seem to be totally clear for the regulated as illustrated in the quotes.

Tripartite collaboration between companies, unions and the authorities is one important aspect of the dialogue based regime. Both managers and employees in our sample said that the PSA facilitates well for tripartite collaboration through arenas where different stakeholders can come together and share their viewpoints. One manager was concerned about what he felt was a drive and pressure towards consensus:

Some think that if we disagree, these arenas do not work... I mean that disagreement is a proof of the opposite because we have different roles to play. Maybe there is too little discussion and that there should be more of it instead of striving for consensus. (I3, Operations Manager, Operator)

In general, the informants were positive towards (tripartite) collaboration between the stakeholders. Tripartite arenas, however, can also end up as nodes of power (Clegg 1989) where some viewpoints are taken for granted or gain hegemony, and some participants experience a pressure towards consensus. In line with our previous arguing (Rosness & Forseth 2014, Forseth & Rosness 2015) – more “boxing and dancing” among the participants can be a resource for improvements and increased safety level.
8 DISCUSSION

The PSA preaches and practices dialogue, but the dialogue takes place in a context of asymmetric power relations, where the regulator can impose formal and informal sanctions on the regulated if it does not find the outcome of dialogue adequate. Dialogue becomes an arena for sensemaking among unequals. Some regulated players seem to accept this asymmetry without reservations, whereas some operators employ juridical arguments to bound the space of manoeuvre for the regulator. We noted ambiguity and divergent views of different stakeholders concerning how the dialogue based regime works and how robust it is. The infrequent use of formal sanctions is controversial, and some stakeholders advocated more execution of power through inspections. This viewpoint undermines the philosophy of the current regulatory model with emphasis on systemic factors, self-regulation and dialogue. We also found divergent views concerning how much tension and conflict such a regime can handle.

Our analysis illustrates that the PSA employs control over the identity of themselves and others in a systematic way as a means of power. They offer the petroleum industry and each company an identity as a serious player with the ability for self-regulation and learning. Besides, we noted that they offer and demand from the major operators that they play a special role as role-model and driving force. The PSA is also conscious about their own identity and dissociates from a command and control role that is not compatible with the identity they want to offer the industry and the players. The way the regulatory regime functions today, seems to be based on the PSA using the control over the identities of the companies as a more effective source of power than formal sanctions such as orders or coercive fines.

Ambiguous HSE issues can be resolved within a context of various forms of dialogue and collaboration characterised by ambiguities and asymmetric power relations. The PSA and the regulatory regime are currently under pressure: The Norwegian petroleum industry has been dominated by Statoil and major international operators, but new minor players have entered the NCS. There is also a pressure toward harmonizing national and international rules and standards. The Norwegian government has opened up for oil exploration in harsher environment further north, but there is currently a controversy regarding inclusion of new areas. Besides, the fall in oil prices led to a recession in the industry and downsizing in companies. These changes could challenge the current dialogue based regulatory regime. However, the experience from the controversies around year 2000 suggests that this model thrives on tensions and ambiguities, and “boxing and dancing” among stakeholders (Rosness & Forseth 2014).

The sensemaking perspective and the methodological entry of combining public documents and interviews with different stakeholders in focus groups, have enabled us to map how informants give sense, make sense and take sense of the Norwegian model of regulation of HSE in the petroleum industry. Early accounts of organisational sensemaking emphasised ambiguity and uncertainty as occasions for sensemaking (Weick 1995). Controlling others’ identity as a means of power, provides a key to interpret modern safety regulation and understand an unorthodox regulatory regime.

9 CONCLUSION

Our study has focused on principles and practices of dialogue based regulation and encounters between regulator and regulated. The philosophy of the Norwegian regulatory regime in the oil and gas industry, how it works and what keeps it together, are influenced by the mind-set of the Norwegian model in working life and welfare state. The analysis shows that the informants were in favour of this kind of dialogue based regulatory regime, but there were clearly tensions and ambiguities. The stakeholders gave sense, made sense and took sense of dialogue based regulation and the encounter between regulator and regulated in different ways. Dialogue becomes an arena for sensemaking among unequals. The regulator can execute power and impose sanctions. More importantly, our analysis has shown that the PSA employs the process of identity construction as a means to promote regulatory compliance. The regulated companies, however, can exert power and resistance by withholding information, delaying implementation of measures or refusing to deliver internal documents.

The way the regulatory regime functions today, seems to be based on a premise that the PSA can use the control over the identity of the companies as a more potent power base than formal sanctions. It is, however, a question to be debated how this regime will work under changed framework conditions, e.g. the fall in oil prices and the recession, the pressure toward harmonizing rules and standards, or with the influx of new players on the Norwegian shelf. From a formal point of view, the regulator can apply stronger sanctions. This may also cause the regime to change its character, and give up on the opportunity to play on identity in the same way as today. Regarding future research, it would be interesting to analyse additional sources of communication from the regulator to the industry, such as letters and investigation reports. To compare and contrast the sensemaking and sensetaking of other players, such as new licensees, drilling entrepreneurs and suppliers, would be another option.
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