Chapter 17
Integrated Operations from a Change Management Perspective

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ABSTRACT
The purpose of this study is to investigate the factors that have been prominent in driving or restraining the implementation of Integrated Operations (IO) within the Norwegian oil industry - from a change management perspective. The authors focus on trends in implementing Integrated Operations across companies on the Norwegian Continental Shelf. The research is a cross-sectional case study, based on interviews with 15 respondents and the use of relevant documents. Findings are presented in a modified version of Lewin's Force Field Analysis. The authors have found multiple forces that have affected the implementation of Integrated Operations to various extents. This chapter focuses on three of them: Understanding the rationale of IO; Establishing support for change; and Technological solutions. Findings based on data gathered across multiple organizations in the Norwegian oil industry should yield a great potential for improving the future development and implementation of Integrated Operations.
INTRODUCTION

Since oil first was found and extracted on the Norwegian Continental Shelf (NCS) in the early 1970s, this industry has served as the main contributor to the rise of Norwegian economy and welfare. Numbers presented by Statistics Norway in 2009 stated that 47 000 persons were employed in the Norwegian oil and gas industry. In addition, in 2010 the industry was attributed 22% of Norway’s total GDP, demonstrating its central position in the Norwegian economy.

As with companies in any other industry, the operators on the NCS compete for profits and competitive advantage. By the turn of the millennium, a new way of organising work that is heavily based on utilisation of new technology was introduced in the industry. By taking advantage of real-time data, multidisciplinary teams and increased decision accuracy, Integrated Operations (IO) has been expected to enhance the effectiveness and efficiency of work processes in the sector (OLF 2007). However, since this is a new way of organising work, there is a certain risk that issues will arise in relation to the implementation.

The purpose of our study was to investigate how IO and its work processes have been implemented within organisations operating on the NCS. Different IO-related initiatives have been introduced in the industry over the past ten years, and, as a consequence, we wish to assess the implementation during this period of time. To do so, we want to map out the different driving and restraining forces effecting change. We will look into the major IO initiatives that have been undertaken within the industry, what the intended effects have been, and to what extent the overall implementation has been successful. As an analysing tool, we have utilised a modified version of Kurt Lewin’s Force field analysis (Buchanan & Huczynski 2010; Burns 2009; Cummings & Worley 2009; Green 2007). By combining this tool with the central aspects of IO implementation, we want to get an overview of how change has been managed. Further, by mapping out these forces, we will attempt to gain a deeper understanding of how IO-related initiatives have been implemented with regards to employee commitment and potential resistance to change, since these concepts have been shown to have a significant influence on the outcome of change (Buchanan & Huczynski 2010; Ford, Ford & D’Amelio 2008; Beer & Nohira 2000; Piderit 2000).

The oil industry’s great significance for the Norwegian economy underlines the need for a study that assesses potential success criteria for the IO implementation. Our research evaluates the implementation across company boundaries, and we hope that our findings will yield some value for the Norwegian oil industry as a whole. In a more general perspective, we also hope that this study can be of some contribution to the large base of change management literature since it involves research on employee commitment and resistance to change.

CHANGE MANAGEMENT THEORY

In a constantly evolving world, the need for organisations to anticipate change and reconfigure themselves is more important than ever (Lawler & Worley 2009). Buchanan & Huczynski (2010) propose that the evolving cycle of repeated change can be explained by three basic factors. First is the intense competition and stock market turbulence in the private sector along with consumerism and government pressure in the public sector. Second, the pace of technological innovations plays a major part, and third, increased knowledge-intensity, as organisation design affects information flows. Beer and Nohria (2000) estimate that about two-thirds of change projects fail, a fact that is supported by Whittington and Mayer’s (2002) research claiming that outcomes of major organisational change often are disappointing. Evidently, to achieve successful change in an organisation, there will be a fundamental need