# University of Stavanger

# Faculty of Social Sciences

## UiS Business School

### MØAHOV – Master's Thesis

**Undesirable events in Norwegian-Brazilian Business Relationships – An exploratory study of governance mechanisms as an underlying force**

*Identifying perceptual distances on undesirable events in Norwegian-Brazilian business dyads, and understanding their underlying forces.*

**Eirik Runestad – 1070**

**Tobias Otnes Brattebø - 1023**

# Universitetet i Stavanger

**FACULTY OF SOCIAL SCIENCES,**

**UIS BUSINESS SCHOOL**

# MASTER'S THESIS

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| AUTHOR(S) | | SUPERVISOR: |
|---|---|---|
| | | Terje I. Våland |
| Candidate number: | Name: | |
| 1070 | Eirik Runestad | |
| …………………… | ……………………………………. | |
| 1023 | Tobias Otnes Brattebø | |
| …………………… | ……………………………………. | |

## Abstract

The aim of this thesis is first and foremost to investigate and identify perceptual distances on undesired events in Norwegian-Brazilian business dyads, and to understand their underlying forces with regards to informal and formal governance mechanisms.

The data collection took place as a field study in Rio De Janeiro, Brazil. It involved Norwegian companies operating in Brazil, and their Brazilian counterparts. The thesis builds upon, and use the construct created in Prof. Terje I. Vålands dissertation from 2002. He looked at the role informal and formal governance mechanisms had, in understanding interorganizational conflicts in the oil industry. We conducted a sequential exploratory mixed method approach with an experimental design. And interviewed informants on both sides of a dyad as our main source of data. We interviewed all participants two times. The first was to uncover the undesirable events in the relationship. The second interview's purpose was to have the informants express, through a rating of the events, whether they considered the events to take place due to either lack of formal or informal mechanisms. These findings are used alongside existing theory to explain our findings.

We also scratch the surface by asking them how they consider impact (importance) of an event in relation to the governance mechanisms.

Our sample consists of three dyads. Two complex and one owner-operator relationship. The findings show, that for the complex dyads, there seems to be a mutual understanding towards the events resulting from lack of formal governance. For our less complex owner-operator dyad, we found an imbalance in the answers, where the informants had perceived the same undesirable events opposite of one another.

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# Preface

In this Master thesis, "Identifying perceptual distances on undesirable events in Norwegian-Brazilian business dyads, and understanding their underlying forces.", we investigate Norwegian and Brazilian business relationships in Rio de Janeiro, Brazil. The thesis is the result of six months filled with stress, hard work, new experiences, new knowledge and even some fun. It was written to fulfill the requirements to pass the two-year master program in business and administration at the University of Stavanger Business School. The thesis was written from January to June 2017.

The thesis is part of an ongoing research program, in which we were invited to participate by our supervisor Prof. Terje I. Våland. The research is a cooperation between the University of Stavanger Business School and Coppead Business School UFRJ. The final result should eventually lead to the PhD dissertation of Edson Muyleart, whom we collected data together with. Even though the research has been very challenging, we have received a lot of help from both Prof. Våland and Mr. Muyleart. They have been available and willing to help.

We must also thank all participating companies, both Norwegian and Brazilian, who helped us with our research. The use of their time and knowledge has been critical in collecting and interpreting our data. We also extend our gratitude towards UiS Business School, Coppead Business School, Innovation Norway and the Norwegian-Brazilian Chamber of Commerce.

Finally, we would like to thank our friends and family who helped motivating us at dark times, as well as counseling and proofreading our work.

We hope you will have a good time reading our thesis.

Eirik Runestad and Tobias Otnes Brattebø

Stavanger. 15.06.2017

## 1.0 Introduction

In a business relationship it is safe to assume that the involved actors will differently perceive situations occurring in the relationship, and that these situations can affect the relationship positively or negatively depending on the forces that drives them. Even so, any business of today needs relationships with others to survive, you need to buy and sell products and services to be profitable. The existence of relationships in turn creates the need for governance of the relationships. There always need to be something that explain what must be done, who are responsible for, and how to monitor the goal(s) of the relationship. Thus, there is an ongoing need for companies to understand the forces affecting a relationship, and the governance needed to handle the relationships. This has led to much research over the past decades on the concept of interorganizational relationships. Especially understanding conflict and challenges in business relationships seems to be of importance (Vaaland & Håkansson, 2003; Tidström, 2009; Ford, Håkansson, Snehota & Waluszewski, 2010; Mele, 2011).

A conflict or challenge originates from one or several undesirable events, consisting of everything from smaller disagreements, worse-off situations, and decline of trust, all the way to a potential divorce-breaking occurrence (Vaaland, Haugland, & Purchase, 2004). We can link these sources to different parts of the relationship, which Huang & Wilkinson (2013) refers to as dimensions. Then, including the cultural differences, based on the origins of the company, the actors in a dyad get a new external dimension they need to be aware of (Hofstede, 1983; 1984; Gesteland, 2012). Given these facts one can see the need to not only understand governance in general, but also how the events are perceived by the actors, in terms of understanding the underlying forces of the governance mechanisms in play.

Studies of the concept of governance, undesirable events and interorganizational relationships tends to focus on certain areas of interests. This is understandable because the concepts in question are different. Depending on everything from type of industry, customers, markets, and cultural conditions. In turn, some studies are broader and more generalized, working as foundations to build further research on (Williamson O. E., 1985; Ford et al., 2010). Others seek to explain specific areas of interests such as a particular setting of competition (Tidström, 2009), special phenomenon that needs clarification within a bigger context (Mele, 2011), or the above in relation to country specific attributes (Dyer & Chu, 2003). As such the common denominator seems to be that the studies limit themselves in specific areas of interests, to avoid going to broad and risk losing its transferability, or become too complex to derive at a final purpose of the study.

Our area of research is Brazil, with Norwegian companies operating in Brazil, and their Brazilian dyadic partners. With the unit of analysis being the events. To our knowledge, a similar study does not exist, and the topic remains an unexplored area within the overarching context of interorganizational relationships. There exist some studies that deals with a similar type of problem that we are exploring (Våland, 2002; Dyer & Chu, 2003; Homburg, Cannon, Krohmer, & Kiedaisch, 2009), however neither of them test specifically for Norwegian-Brazilian business relations. Among these, we model our research after the work of Våland (2002).

The apparent lack of studies between Norwegian-Brazilian business in general, shows the need to properly assess and understand how to improve relations between the two countries. Thereby, considering perceptual distances on undesirable events in terms of governance mechanisms make for a good place to start. A study on undesirable events and the underlying forces of governance mechanisms should be of interest as a contribution to the science of interorganizational relations in general. It should also be of value for Norwegian companies considering establishing themselves in Brazil.

The intent of this exploratory study on site in Rio De Janeiro is understanding how both sides in a Norwegian-Brazilian business dyad perceive the undesirable events taking place, and to understand their underlying forces. The first phase will be a qualitative part, where we, through in-depth interviews on-site from participants on both sides of the dyad uncover the events. The data collected here is then used to have informants answer two research questions that relate to the undesirable events underlying forces. The main question focuses on governance mechanisms and how the lack of either formal or informal mechanisms are perceived differently or alike in relation to the events. The second question, more a sub question, is how impact/importance are perceived to relate with the level of formal and informal governance mechanisms associated with the events. That data, in addition to use of existing theory, is used to try and understand how these underlying forces of governance mechanisms affect the events.

## 1.1 Business in Brazil

Since the 19th century Norway and Brazil has been doing business with one another. It began with their coffee for our Bacalhau (cod fish) (Innovation Norway, 2013). This is a relationship that has kept growing and flourishing, especially within the Oil & Gas and Maritime sectors. Today, more than 100 Norwegian companies are established in the country, and Norway is the 5th largest foreign investor in Brazil (Innovation Norway, 2013). Brazil is one of the largest in offshore oil & gas production in the world (U.S. Energy Information Administration, 2015). Whereas Norway, with more than 40 years of experience in offshore oil & gas activity, possess some cutting-edge knowledge and technology in those areas (Government.no, 2016).

However, conducting business in Brazil, is not the easiest thing to do. As we learned during our research pre-hand, and from experiences during our stay. There are many areas that can easily frustrate, and create rather big challenges for doing business in the country. Gesteland (2012) theoretically exemplifies these cultural challenges, such as the difference in communicative styles and an uneven perception of time. Innovation Norway (2013) also emphasizes that the local market is extremely complex. Especially areas such as geographical distances, tax, legal, trust and local content can prove exceedingly difficult to comprehend for a company from Norway. An example from one of our informants was: "*A project in Brazil, can fall or succeed on a proper tax strategy*", or as an MBA students told us "*In Brazil no one trust anyone until the opposite has been proven*". Factors such as these means it is not easy to get a good footing in the country, especially if you have little to no network or knowledge about business relations there in the first place. In addition, you have corruption which although to our knowledge declining since the Lava Jato incident (Operation Carwash), is still a force to be aware of.

We will provide a more detailed description of the field context in chapter 3.2.

## 1.2 Research problem

In addition to providing a better picture of the Norwegian-Brazilian business relationships, our master thesis is part of an ongoing project. The data collected for this thesis will also be used in the dissertation from a PhD candidate at Coppead UFRJ Business School in Rio. This suggest that there is not only a theoretical interest towards Norwegian-Brazilian business relationships, but also a practical one. The reason is simple. The relationship can be stated as the foundation of any business, without it, the business cannot operate (Ford, Gadde, Håkansson, & Snehota, 2012 )

In collaboration with the ongoing research project on interorganizational relationships, we present the following research problem:

***Identifying perceptual distances on undesirable events in Norwegian-Brazilian business dyads, and understanding their underlying forces.***

Within this research problem lies the *underlying forces*. In order to study these underlying forces, we will look at the governance mechanisms of the relationships. We will also "scratch the surface" in terms of impact/importance of the events in terms of the already mentioned forces. As such we have one main research question (Q1), and a sub question (q2), which are:

1) Q1: How do the informants from the dyads perceive these events' underlying causes in terms of formal or informal governance mechanisms?
2) q2: How do the informants perceive the impact (importance) of the events in relation to the governance mechanisms?

Q1 is our primary research question. It is the findings we obtain here that will help us to answer our research problem and best explain Norwegian-Brazilian business relationships. Our q2 is treated more as a side question, due to our construct not being properly suitable for testing the level of importance. Such a creation is a complex endeavor and simply beyond the scope of this master thesis. Albeit this research has provided us with an opportunity to find smaller indications in terms of impact/importance, which is what we look for in q2.

The following model shows the process of answering the research problem, using our two research questions from start to finish. In sorts this can be called the conceptual framework.

*Model 1.0 Conceptual Framework*
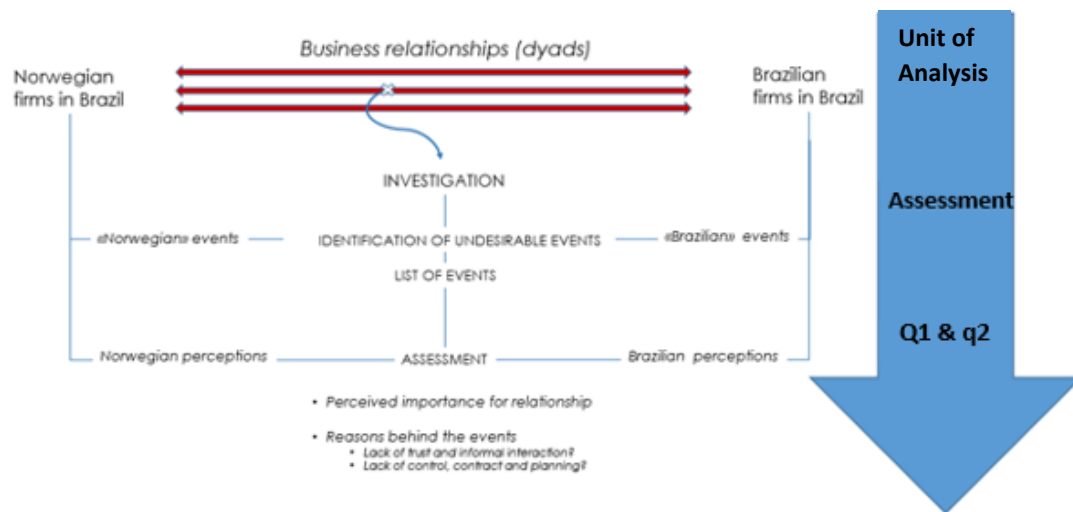


This framework outlines the process of the thesis, in gathering the events, identifying them and presenting a compiled list of events to informants. Obtaining the informant's perceptual understanding of the events. Within the dyads, issues such as trust and informal interaction, besides the lack of the formal mechanisms such as contracts and planning becomes apparent. These are explored, and we try to understand these underlying forces in the dyads utilizing existing theory to best explain the events as part of the relationships itself.

## 1.3 The research team

The research team consisted of five members total. Four students from the UIS Business School, who traveled from Norway, where one was born and raised in Brazil. In Brazil, we met the fifth member, a PhD candidate from Coppead Business School, who acted as the team leader. The team consisted of different genders, and were diverse in terms of both experience, age and cultural background. The research period consisted of 32 days, and were exclusively conducted in the city of Rio de Janeiro, Brazil. To read more about the research team see appendix 3.

## 1.4 The dyads

This thesis draw information gathered from three (3) separate dyads, all connected to the Oil & Gas Industry. These dyads involve different types of projects, and are also different in terms of the purpose of the relationships. Below we present two models displaying our dyads. Two out of three dyads originated from the same Norwegian company, involving two different complex ongoing projects. The third dyad is not related to the previous two, and present itself as a distinctively different type of relationship, as it is an owner-operator dyad.

Our dyads present valuable insight into the relationship between Norwegian companies operating in Brazil, with local offices and their Brazilian counterparts. The information gathered will be useful in addressing areas of interest in a potential Norwegian-Brazilian business interaction. Especially considering how they should approach each other, and what to expect from the other part when building a potential relationship.

*Model 1.1 Complex projects dyads and Model 1.2 Owner-operator dyad*
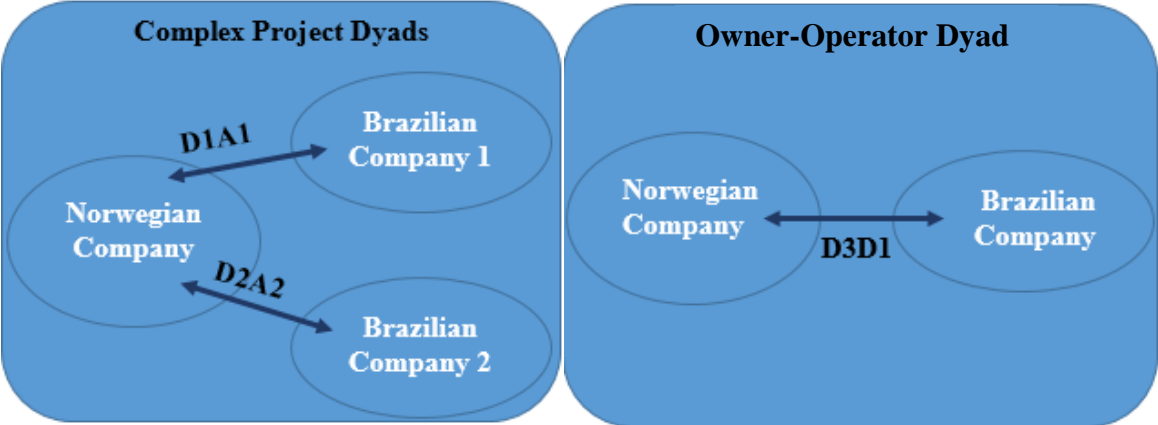
## 2.0 Literature review

In this chapter, we will go through the theory we needed to provide a foundation to analyze and understand the underlying forces of governance mechanisms in the dyads. In any master thesis, we understand that the theoretical part is needed for the reader to understand the grounds we analyze and understand the mechanisms from. This chapter as such contains existing theory, knowledge and arguments in areas like business relationships, conflict and governance.

## 2.1 Business relationships

As far as we know there exists at least 4 well renowned, and accepted theories towards understanding interorganizational relations. Each have their own advantages and disadvantages, depending on which you use. The table below shows these theories.

*Table 2.0 Business relationship theory*

| Theory | Sources of origin |
|---|---|
| Transaction Cost Theory | (Williamson O. E., 1985) |
| Agent-Principal Theory | (Eisenhardt, 1989) (Emerson, 1962) |
| Relational Contract Theory | (Macaulay, 1963) (Mooi & Gilliland, 2013) (McLaughlin, McLaughlin, & Elaydi, 2014) |
| Industrial Network Approach | (Håkansson & Snehota, 1995) (Våland, 2002) |

Each of these have different approaches on how to view a business relationship, and what to look for in governing the relationship. They also have different focus in terms of the dyads. Some of these concentrates on the B2B relation between two actors, acknowledging that there is an industrial sphere for which the organizations must operate in. While others focus on the bigger industrial atmosphere, and derive relationships between two companies as a necessity of the industrial environment in order to create value.

Fortunately, the above theories share similarities and consistency in terms of a couple important aspect. First off, no business can exist as an isolated phenomenon, they have to evolve alongside others. Secondly, all relationships between two companies are usually part of a bigger network consisting of many dyads, and organizational networks, which in turn

belongs to an industrial atmosphere. Studies such as, the IMP interaction model (Håkansson & Snehota, 1995), dynamics of industrial networks (Georgieva, Easton, Brooks, & Wilkinson, 2008), the natural progression of the TCA approach (Williamson O. E., 2010), the past and future of marketing theory (Wilkinson & Young, 2013) and practices of business networking (Ford & Mouzas, 2013),  among many others, shows this to have well-grounded empirical footing.

Within the boundaries of these theories, our focus is on the dyadic relation between two actors taking part in a bigger industrial environment. By this we mean that the relationship will be influenced by externalities. Therefore, events taking place inside the dyad could arise because of externalities, but the dyad itself might not be able to deal with it due to internal lack of governance mechanisms. In fact, Våland (2002) shows that nearly half of the conflicts in a dyad where related to outside parties.

We feel it is safe to argue that any company doing business in the market today, have to rely on other companies to reach their goals. Companies planning on a long-term scale, should understand the importance of building and maintaining a good relationship (Ford et al., 2012), both between individual dyads, and the larger network. To further support this, Schurr, Hedaa & Geersbro (2008) speaks of the entropy that any business relationship will experience if left unchecked and not renewed by inducing resources (commitment & energy) into the relationship. This shows that the need to properly understand the importance of the relationship, and to maintain it is of the utmost importance. Within this comes the governance of the relationship. Therefore, in order for us to properly assess the governance mechanisms in play as underlying forces, we must first acknowledge the complexity and the content of the relationships. Challenges occurring, due to lack of governance mechanisms are only one part of the relationship, but it does provide indications of how the overall relationship is proceeding.

Using the above interorganizational approaches makes for a stable and well-grounded platform to examine our governance mechanisms in relation to the overall business relationships. We can derive relationships to be understood as a complex process that takes place between all business actors when dealing with marketing and purchase, conforming with Ford & Mouzas (2013) and Huang & Wilkinson (2013). Therefore, we argue that to understand the source of challenges in terms of governance mechanisms, one must acknowledge that they are in turn part of a bigger set of dimensions, all forming the outcome of a relationship.

### 2.1.1 Dimensions in a relationship

Huang & Wilkinson (2013) derived a model based on the earlier work of Iacobucci & Hibbard (1999). This model gives an overview of multiple dimensions affecting the outcome of a business relationship between two companies

*Model 2.0 Business relationship dimensions*
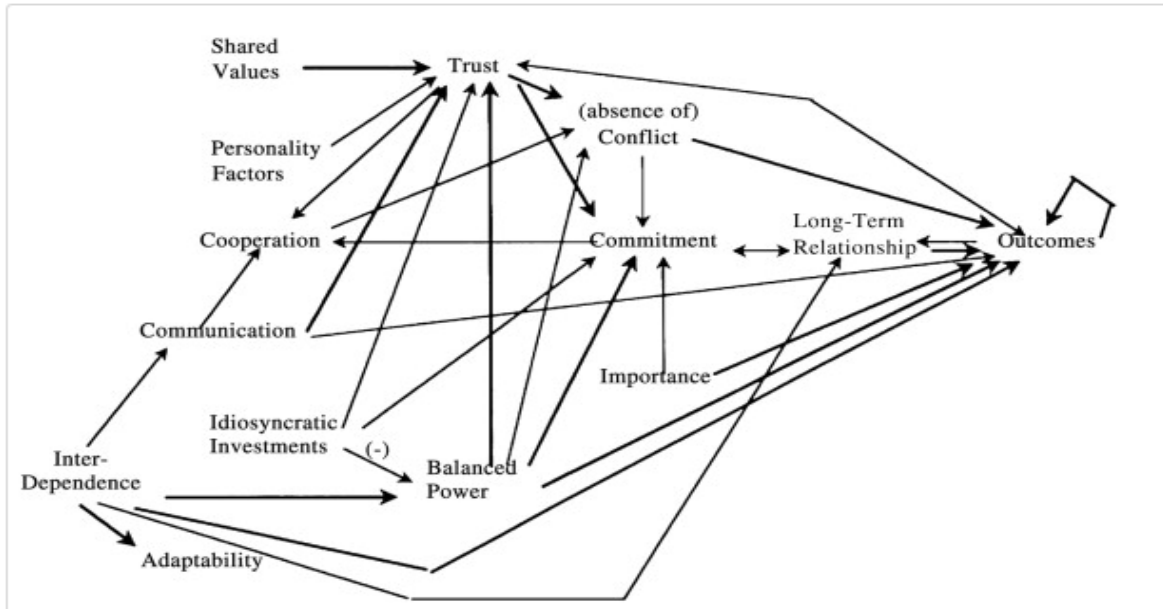


Existing theory already suggest multiple areas where events can occur in a business relationship. They can easily occur due to power-balance interactions (Emerson, 1962), specificity of the investments/assets (idiosyncratic investments) and the governance of these (Mooi & Ghosh, 2010). Adaptability both formal and informal wise in terms of contracting (Weber & Mayer, 2011), and in cooperation and commitment (Mitręga, 2012; Ford & Mouzas, 2013)

As seen the business relationship can be derived as an outcome of many different relational dimensions. These relational dimensions in turn need to be governed to mitigate challenges that takes place. Given that, it is plausible to say that a relationship consists of interaction and interdependence in which the participants invariably affect one other, either directly or indirectly (Mele, 2011). Looking at the arguments of Ford et al., (2010) in terms of the dimensions, the shape of the relationship will depend on the approach the companies takes towards each other. For example, one informant told us about a highly opportunistic short-sided purchase process. They were given a price estimate for a job which reflected a price way above market value. They refused, and asked for renegotiation, which upon delivery of new price estimate showed 40% reduction from the original price. As a result, the informant

said they could not trust said company again. The arguments for not trusting that company was that they saw them as deviously opportunistic and short-minded. Obviously, the relationship ended even before it started. It makes a nice example because it explains why the model is useful to us when understanding challenges and the governance mechanisms as underlying forces.

Even though the model does not show events, activities and choices, which are made constantly over time, evolving the relationship as the IMP approach suggest (Ford et al., 2010; Ford, Gadde, Håkansson & Snehota, 2012), it is still useful for illustrative purposes. The dimensions all represent different areas for which interaction takes place in a business relationship, which in turn can lead to conflicts. These conflicts for which we present later have either already happened, or are in the process of happening. This means they can be worked on now, and avoided in the future. Hence we argue the model properly show the dimensions for which they can occur.

Since conflicts or problems need at least two parts to occur, it is safe to say that they are very much a part of business relationships. Therefore, acknowledging that one needs a proper understanding of a business relationship, and its dimensions is of importance. To do this, we believe using the existing theories out there through a pragmatic approach is a sound and feasible way to pursue the relations. All under the assumptions that they all agree that no business is an island, and that they in turn are affected by others in their industrial atmosphere and environment.

## 2.1.2 Intercompetitor relationships

An important aspect of Business relationships is that there exist relationships that are interorganizational, but between competitors.

Being in an intercompetitor relationship means that two or more companies choose to both cooperate and compete against one another at the same time. Looking at Tidström (2009), we see that there could be potential for increased value if the competitors cooperated during for example procurement or distribution. This happens through lower costs, increased effectiveness and limited internal competition, as they increase overall growth against others.

When dealing with intercompetitor relationships, conflicts, problems and challenges can be seen as the outcome of several mismatches in the relationship dimensions. Although both actors seek to eliminate competition between them (Tidström, 2009), there will probably be a

different perception as to what one expects the outcome of the relationship to be. Tidström further found that conflicts occurring in an intercompetitor relationship will likely originate either in: The organization, as something normative or operational. Relational, as something strategic or normative, or externally, through third-parties' involvement such as suppliers, customers or political actors. She specifically mentions normative in two different settings. This word, in terms of intercompetitor conflicts is defined as different perceptions of control and individualism/togetherness on an organizational level. At the relational level it is used as a product of how one company's tradition is, their established way of operating, thinking and making decisions. Unlike both operational and strategic causes, she writes of normative causes as something more related towards change-management (Jacobsen, 2009), therefore making it more long-term and potentially more difficult to change.

Assuming the above carries some transferability into our thesis, it means that in this type of relationship the events we uncover could likely originate as a product of normative views. For us that implies the relationship, from the very start, could suffer from lack of informal mechanisms such as trust, and likely have an emphasize on proper formal mechanisms.

## 2.2 Conflicts and undesirable events.

### 2.2.1 Defining conflict

The term "conflict" is derived from the Latin word *conflictus*, meaning clash, however, due to a multitude of different schools, disciplines and scholars it is difficult to further collectively define the term (Rahim, 2011). Luckily, for this thesis, we will discuss conflict in organizations, and will therefore disregard social conflict theory. Definitions and perceptions of conflict in organizations have evolved through the last century. Rahim proposes a joint definition where he has combined the work of previous research by March & Simon (1958), Smith (1966), Litterer (1966), Pondy (1967), Tedeschi, Schlenker & Bonoma (1973) and Baron (1990). Even though the work of these scholars is slightly different, they overlap on the following elements, which conform as a definition.

1. Conflict includes opposing interests between individuals or groups in a zero-sum situation, (one part's loss is the other part's gain)
2. Such opposed interests must be recognized for conflict to exist.
3. Conflict involves beliefs, by each side, that the other will thwart (or has already thwarted) its interests.

4. Conflict is a process; it develops out of existing relationships between individuals or groups and reflects their past interactions and the context in which these took place and;

5. Imply actions by one or both sides that do, in fact, produce thwarting of other's goals. (Rahim, 2011, p. 16)

On the other hand, Rahim (2011) stresses the fact that this definition might not hold in a non-zero-sum conflict, e.g. one parts loss is not necessarily the other parts gain. If two managers have different solutions to a problem, where both perceive their own as best, but the other's solution to possess some merit, the conflict might not involve beliefs where managers believe the other might thwart his/her interests.

Even so, using the above points he derived a final compact definition. *"Conflict is an interactive process manifested in incompatibility, disagreement or dissonance within or between social entities (individuals, groups, organizations etc)"* (Rahim, 2011, p. 16) and occurs when two social entities:

1. Is required to engage in an activity that is incongruent with his/her needs or interests

2. Holds behavioral preferences, the satisfaction of which is incompatible with another person's implementation of his/her preferences.

3. Wants some mutually desirable resource that is in short supply, such that the wants of everyone may not be satisfied fully

4. Possesses attitudes, values, skills and goals that are salient in directing one's behavior but are perceived to be exclusive of the attitudes, values, skills and goals held by others

5. Has partially exclusive behavioral preferences regarding joint actions

6. Is interdependent in the performance of functions or activities. (Rahim, 2011, pp. 16-17)

It is important to keep in mind that a conflict will only manifest itself after a certain threshold of intensity has been reached, prior to this threshold, parties will fail to recognize, or even be aware of the conflict. Incompatibilities and disagreements in themselves, are not sufficient. This threshold differs on an individual basis, which means individuals might experience being involved in a conflict sooner than others when facing similar conditions (Baron, 1990).

### 2.2.2 Classifying conflict

Rahim (2011) proposes two different methods for classifying conflicts. First, we can look at the source, which is the prior conditions of the conflict, for instance disagreements on goals or values. This classification helps us understand the nature and implications of the conflict. The other view is on which level the conflict originates from, whether it is between people or organizations.

Levels of conflict can be separated in two broad categories, intraorganizational, which are conflicts within an organization, and interorganizational, which are conflicts between one or more organizations. We will explore the interorganizational conflicts in this thesis.

### 2.2.3 Undesirable events

The fact that a conflict is an interactive process is key for this thesis. Ford et al., (2010) suggests a model for B2B (interorganizational) interaction. In the model both parties send outputs. The collision of these outputs are represented by the spiral. This is the interaction between the organizations, and through the interaction organizations receive their input. The arrows show the interpretation and assessment from A and B on the result of the interaction, and the opposite part's intentions

*Model 2.1 Business to business interaction*
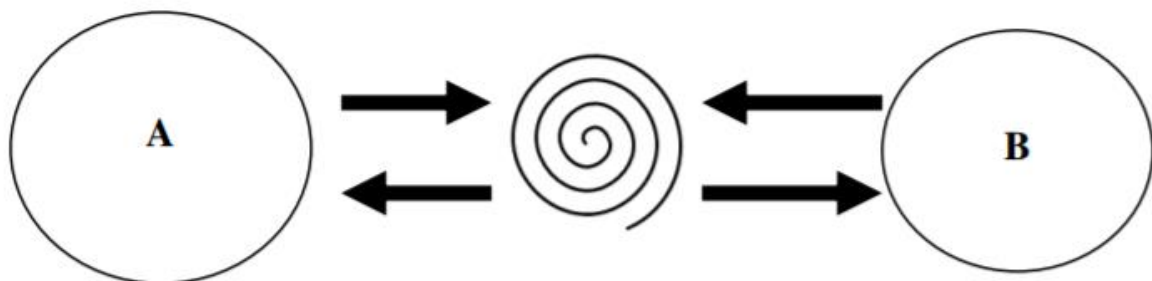


Ford et al., (2010), further emphasizes that business interaction is a continuing process of evolution, rather than a line of independent events. On the other hand, each interaction process is unique. Schurr et al., (2008) defines interaction as "the process of exchanging products, services, information, financial instruments, and socially valued experiences"

Schurr (2007) explains that these interactions make up interaction episodes, which are "distinct and separate, although, part of a larger series". According to Deutsch & Coleman (2000) a business relationship is a manifestation of connected episodes/events, and as such they drive change in the relationship. He proposes three different types of events: Generative (positive), Neutral and degenerative (negative). We will further elaborate the negative

episodes, which we call undesirable events. An undesirable event negatively affects a business relationship by decreasing cooperation, trust, mutual understanding and joint benefits (Deutsch & Coleman, 2000; Tidström, 2009). They are dissatisfying interactions due do a deviation from the expectations (Friman & Gärling, 2001)

### 2.2.4 Undesirable event categorization

We categorize these events in line with the framework proposed by Våland (2002). Where undesirable events can occur due to reasons regarding organization of work, data precision, work performance, human interaction, physical resources and manpower resources. The following table illustrates the categories, and we provide our own examples of undesirable events.

*Table 2.1 Undesirable event categories*

| Category | Undesirable events examples. |
|---|---|
| 1. Organization of work | - Strict schedule with no room for change made it hard to develop a good interorganizational relationship<br>- National holidays led to a significant delay of work.<br>- Different ways of communicating made it hard to separate between crucial tasks, and tasks that could be postponed with minimal problems. |
| 2. Data precision | - The estimated valuation in a business agreement were viewed to high by one part |
| 3. Work performance | - The completion of workers took longer time than expected due to absence of workers<br>- Completion of work took longer time due to bad planning |
| 4. Human interaction | - Managers from different cultures disagree on how to perform a certain task.<br>- Uneven expectations in the relationship led to friction.<br>- Language barriers caused miscommunication and frustration |
| 5. Physical resources | - Incompatibility in standard measurement units caused problems and extra work<br>- Unclear guidelines on how to operate equipment |
| 6. Manpower resources | - Lack of qualified personnel caused one part to employ sub-par employees.<br>- One parts requirements on x number of workers to be local put a strain on the partner |

## 2.2.5 Impact/Importance on undesirable events

It is noteworthy that it is not only the intensity/magnitude of each episode, but also how often they occur (frequency), which push stress in a relationship towards becoming a conflict (Lynch & O'Toole, 2010). We will refer to this as the importance/impact in relation to the undesirable events. Neutral events will also, in the right combination with undesirable events, escalate the conflict potential (Schurr, 2007). This fits with our previous definition of conflict being a process.

Holmlund-Rytkönen and Strandvik (2005) elaborates on the term "business relationship stress" which they define as "perceived cumulative effects of negative experiences in the business relationship" (2005, p. 12). This translates to several undesirable events causing tension and annoyance in a business relationship, weakening its strength. Such undesirable events could even cause fading and disintegrating of a relationship (Stewart, 1998; Vaaland et al., 2004). As previously stated, it is important to note the word *cumulative*, as singular events does not necessarily cause stress (Edvardsson & Strandvik, 2000). Stress will both directly and incrementally weaken a relationship over time. Decision makers remember and are affected by previous undesirable events. Undesirable events of a negative character also carry more weight than positive events in decision makers, making them even more important (Holmlund-Rytkönen & Strandvik, 2005).

Importance/Impact in a business relationship can also be perceived differently by the actors, both in content and magnitude. One part might find an event quite annoying and harmful to the relationship, while the counterpart only sees it as a minor issue, or of no importance at all. creating a gap in the relationship (Holmlund-Rytkönen & Strandvik, 2005). This can in turn cause strains on the outcome of the relationship as a whole.

Addressing importance/impact is very much related to the perception the involved parties have towards the events taking place. This makes it a hard endeavour to approach in terms of method, which further speaks towards us assessing the concept of Impact/Importance as a sub-question.

## 2.2.6 Undesirable events as both positive and negative driver of change

However, undesirable events do not necessarily have to be negative, which often is the general perception (Tidström, 2009). They can in fact foster positive outcomes such as creativity and debate. Interaction is after all the source of value creation (Lindgreen & Wynstra, 2005). Depending on the outcome of the conflict, it will be either positive or negative (Amason, 1996; Vaaland & Håkanssen, 2003; Holmlund-Rytkönen & Strandvik 2005; Tidström 2009). In a negative conflict, there is either a lose-lose or a win-lose situation where at least one party will end worse off, which threatens to weaken the relationship and negatively affect performance, e.g. destructive resolution of conflicts (Mele, 2011). On the other hand, a conflict could actually generate a win-win situation, where, for instance the cooperation required to solve the conflict lead to a closer and more functional relationship and fostering a higher degree of value creation (Behfar, Peterson, Mannix, & Trochim, 2008). This in turn can be called a constructive resolution of conflicts (Mele, 2011)

Vaaland and Håkanssen (2003) argues that the best relationships are in fact those who experience a high degree of conflicts, as long as they experience a high degree of collaboration as well. Similar to a constructive conflict resolution. Progress is driven by conflict. They propose the following model to describe the relationship between collaboration and conflict.

*Model 2.2 Degree of conflict vs degree of collaboration by Vaaland & Håkansson* (2003, p. 129)
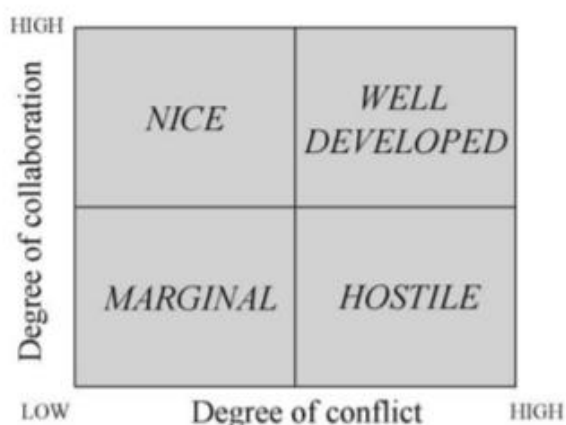


This model in interesting as it highlights the difference between a positive and negative conflict, namely, how they are solved. Low collaboration will result in a distant or hostile relationship. A highly collaborative relationship experiences the trade-off between minimizing or encouraging conflicts. Where the low degree of conflict save production costs

and speed up projects. A high degree, accepts conflict as a tool for learning and long-term improvement.

## 2.3 Governance

Since we are looking specifically into the relationship between two actors, acknowledging their existence in a bigger network of organizations, we need to address the governance used to deal with the relational dimensions that Wilkinson & Young (2013) describes. Thereby addressing governance as the relation between two parties and their behavior towards one another in matters concerning their relation. Looking at what governance is in general, one can look at the works of Bevir (2013). From this, one can sum up governance as all of processes governing undertaken by either a government, market or network. Whether it is over a family, tribe, formal or informal organizations, or for territory. And whether through laws, norms, language or power (Bevir, 2013, Chapter 1). Herein it is possible to say that the need for governance is based on whatever is pursued as an outcome in any relationship among two or more parties. Narrowing this down, we see that, depending on what you seek to achieve and look to gain from the relationship, the governance used will vary. Without governance the goals and purposes of a business relationship will likely not be possible to achieve in a cost effective orderly manner. This is further elaborated on, and derived in several approaches such as the IMP-approach (Håkansson & Snehota, 1995; Ford et al., 2010), the transaction cost approach (Williamson, 1981; 1985; 2010; Powell, 1990), the relational contract approach (Ritter, 2007; Vitasek, Nyden, Crawford & Kawamoto, 2011; McLaughlin et al., 2014), and in forms of crossover (Baker, Gibbons, & Murphy, 2002).

### 2.3.1 Defining governance mechanisms

Given the phenomenon of undesirable events in relation to formal and informal governance mechanisms, we must define what is formal and informal in terms of governance. According to Williamson's (1971; 1985; 2010) Transaction cost theory, these dimensions can be classified into certain modes. These modes are ways of achieving order in a transaction, and as such mitigate conflict and realize mutual gain (Williamson, 1971; 1979). These modes are frequently referred to as market, hierarchy and hybrid/relationships (Powell, 1990; Ritter, 2007). Within these modes there exists several mechanisms affecting the choice of mode. All depending on the type of relationship you seek (Ritter, 2007).

Våland (2002) placed these mechanisms in what can best be described as two overarching categories, named formal and informal governance mechanisms. Within these two he placed the mechanisms depending on the origin. Mechanisms such as contracts, planning and control are placed in formal, due to their nature of originating from the more tangible areas of a business relations (Mooi & Ghosh, 2010; Weber & Mayer, 2011). Whereas mechanisms such as trust, shared values and personality factors are categorized as informal due to their origin of a more personal nature, thus harder to formalize (Ritter, 2007; McLaughlin et al., 2014). It is these mechanisms that will be of interest and importance going further. To illustrate, you see the two categories, with related events, depicted in model 2.4 below.

*Model 2.3 Relating the events to formal/informal governance* (Våland, 2002)



• Fear of breaking any form of contractual paragraphs
• Clear formal criteria for sanctions
• Emphasis on procedures and routines
• Formal hierarchy with predefined responsibility interfaces
• Creativity and flexibility is not encouraged

**Formal** *governance*

**Informal** *governance*

Situational mode of governance
Contractual fundament
Relational fundament

• Contractual paragraphs are less important than the good solution
• Sanctions is not very important
• The human factor is more important than predefined procedures and routines
• Informal interaction
Creativity and flexibility is highly encouraged

The categories imply that the mechanisms related to them are different in nature. Thereby they have different purposes and a failure in either of them can cause different types problems. For example, trust is relational, and therefore an informal mechanism. Which is often formed over time as friendships grow, and common traits and values starts affecting the actors behavior towards one another (Poppo & Zenger, 2002; Mooi & Ghosh, 2010; Pierson & Shih, 2013). Potentially complementing the need for complex formal arrangements such as contracts (Poppo & Zenger, 2002). Argyres & Mayer (2007) even implies the emergence of potential trust as a factor can create competitive advantage, as a company obtains the necessary know-how of dealing with buyers and sellers in a business relationship. The formal mechanisms, such as planning, control and contracts exists so that the involved parties know what to do, when to do it, what is to be paid, and when to pay (Mooi & Ghosh, 2010; Mooi & Gilliland, 2013). In this way, formal and informal governance mechanisms work with the aim

of creating order. However, we assume an underlying interest exist for value creation. If it is not there as an underlying goal, the point of having relationships, and in turn governance, lose some of its purpose.

The next model illustrates governance taking place as a continuous element between the actors of a dyad. With the optimal outcomes being value creation and maintaining good order in the relationship.

*Model 2.4 Outcomes of business relationship*
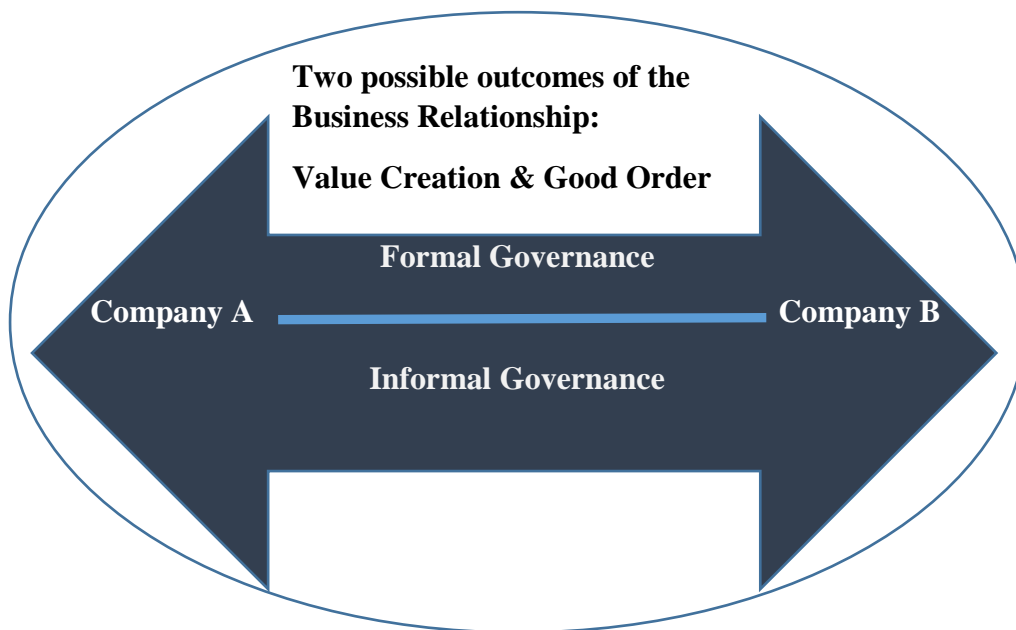


In consistency with the above, we follow an existing definition of Governance mechanisms which is: "Institutional tools, values, and ideals applied to effect good order and value creation in the business relationship" (Vaaland & Håkansson, 2003, p. 134).

### 2.3.1.1 Value creation as a part of governance mechanisms

As seen in our definition of governance mechanisms, we use the word value creation. According to Mele (2011, p. 1377), you should view a relationship as more dynamic sets of project-based interorganizational and interpersonal relationships. Within this, comes the ideas of value creation and co-value creation, surrounding the relationship. Further, one can say that value is created through interaction, and is the result of a trade-off between benefits and sacrifices (Mele, 2011). Accordingly, the interest of having value creation can be a reason for undesirable events (conflicts), as it implies that the parties somehow have to engage in a trade-off to profit. During these trade-offs, sources for undesirable events can emerge. More

so, a lack of seeking value creation, can hinder the potential for undesirable events to evolve into something fruitful and prosperous. This is consistent with Vaaland & Håkansson (2003), who acknowledge the need to consider value creation as part of a relationship.

However, Mele (2011) uses both value creation and the word value co-creation. Value co-creation can easily be understood as two parties together seeking to create value. This is a likely goal for many companies. On the other hand, some companies might want to "grab as much of the pie as possible", as in the case study by Vaaland et al., (2004). Other reasons are that we cannot guarantee our informants being a 100% genuine about their business relationships, and it gives us a constraint we cannot account for in our thesis. Consequently, we use only value creation.

### 2.3.2 Formal governance

Formal governance mechanisms are ways of making mutually agreeable acceptable behaviors such as contracts (Ferguson, Paulin & Bergeron, 2005; Weber & Mayer, 2011). Within the confinement of a contract, other formalized elements are often present, like business plans, performance plans, or similar ways of specifying a partner's role in the relationship (Gulati & Sing 1998; Poppo & Zenger, 2002; Hoetker & Mellewight, 2009). The formal mechanisms also include that of coordinating and monitoring, which act as a control of the contract and its content (Hoetker & Mellewight, 2009). Formal governance mechanisms often include incentives for following contracts, and punishment for deviating from what's agreed upon (Rahman & Kumaraswamy, 2008). Hence, formal governance mechanisms mitigate potential opportunism, forcing the opposite part to act as previously agreed upon (Williamson O. E., 1985). Given this, undesirable events derived from lack of formal governance mechanisms could have been avoided in the first place, through enforcing better formal mechanisms in the relationship. As such, undesirable events linked to the formal governance mechanisms should reflect planning deficiency or some sort of structural misfit (Våland, 2002). A lack of contract specifications or unclear procedures is a result of faulty formal governance, and is a potential cause of undesirable events. These problems might be quite costly as they show previous negotiations and planning where not good enough, leading to the development of new, more detailed, plans and procedures (Dyer & Chu, 2003). This makes it plausible to say that good planning should help partners in a business relationship to avoid undesirable events originating from formal mechanisms.

### 2.3.3 Informal governance

The other set of governance mechanisms, as we have defined them, is the informal governance. The informal governance base itself largely on the relational mechanism of trust, hereunder implied aspects such as shared values and personality traits (Huang & Wilkinson, 2013). Undesirable events that do occur with origin in the informal governance mechanisms arise from societal customs, norms and cultures. One can say that certain contracts are relational in their conception and are in many instances a reflection of social customs and norms (McLaughlin, McLaughlin, & Elaydi, 2014)

Since the mechanisms of informal governance largely emanates from social customs and norms, it must embrace attributes as shared values, personal connections, mutuality, solidarity, ability to resolve conflict, flexibility and interest (Vaaland & Håkansson, 2003; McLaughlin et al., 2014). The informal governance mechanisms are therefore more abstract than formal. Consequently, events associated with informal mechanisms should mean that they cannot be assessed and accounted for within the context of formal mechanisms such as a contract. Because of this, undesirable events of informal nature should originate from lack of proper informal governance. This seems to carry good grounding in existing interorganizational relationship research (Williamson, 1981; 1985; Ford et al., 2010; Mele, 2011; McLaughlin et al., 2014). Since they originate due to lack of informal mechanisms, they should also likely be solved by informal mechanisms. Thereby building a solid foundation for trust and mutual understanding of one another (Vaaland & Håkansson, 2003).

Breaking down the above:
1) Informal governance mechanisms can be understood in the way that participation in any decision-making process relating the informal mechanisms likely cannot be enforced by a formal document such as a contract (Våland, 2002), and
2) The same group of decision makers can still advocate to follow a certain set of arrangements/agreements based on informal mechanisms as there exists trust between the involved parts (Poppo & Zenger, 2002).

In the end, we can say that undesirable due to informal governance mechanisms in interorganizational situations will occur as the relationship unfold over time. When contact is initiated, the informal governance mechanism is formed as one navigate and explore the relationship. Depending on the parts and their investment in the relationship it can either lead

to a positive or a negative outcome. The development depends on the dynamics of this relationship (Ritter, 2007). Either way informal governance mechanisms can open for new opportunities and willingness to be flexible (Vaaland & Håkansson, 2003).

### 2.3.4 Zones of governance

After defining formal and informal governance mechanisms, we can further show how these elements work in a business relationship, by using a model that displays companies' perception of the origins of undesirable events. Våland (2002) made a model called the Governance grid. The model portrays a relationship's stance on the companies perceived understanding of an event. If they are in mutual zones both degree on the root of the problem, either formal or informal. While a placement in the unbalanced zones show disagreement towards the root of an event. Generally, it is beneficially to be in mutual zones, as conflicts are more easily solved when one can agree on a common starting ground. This is where the positively driven, functional conflicts are mostly found. Being in the unbalanced zones generates collaborative issues when interpreting conflicts. More easily creating dysfunctional conflicts.

For our thesis, we have modified the model to incorporate our own scale and samples.

*Model 2.5 The governance grid*
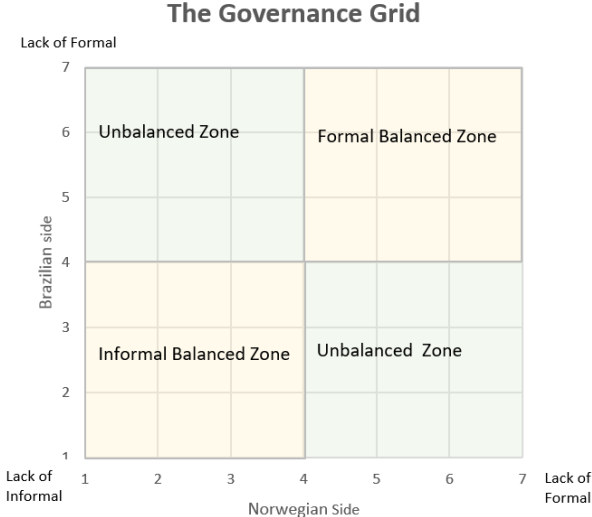
### 2.3.5 Formal & informal governance – independent or mutually exclusive?

When dealing with governance mechanisms, it is important to recognize the discussion in the scientific community on governance modes, their mechanisms and whether they are independent or mutually exclusive (Bradach & Eccles, 1989; Ritter, 2007). Governance mechanisms being mutually exclusive means one must acknowledge that one weighs more heavily than the other. We will not go in-depth on the subject, but rather try to justify the perspective we use. We base our thesis on the idea that governance mechanisms are mutually exclusive, and argue why through two different arguments.

First off, our thesis use approximately the same governance construct as Våland (2002), who defined the governance mechanisms as mutually exclusive. In his thesis, he had his participants rate events on a single Likert[1] scale from 1-5. Where events could be either associated with informal=1 or formal=5. If the governance modes were independent he would have had to use two scales, where one rated only the level of informal governance while the other only rated level of formal governance.

The second reason is the concept of complementarity. Governance modes can complement each other (Poppo & Zenger, 2002). Hoetker & Mellewight (2009) found that in relation to assets, one governance type can sometimes heavily outweigh the other. This conforms well with the idea of complementarity, that sometimes one governance mode will be more needed to have an overall better relationship. The other governance mode will still play its part in the relationship, although it will have a smaller and more passive role.

### 2.3.6 Governance across borders and cultures.

Governance mechanisms are not necessarily the same across international borders (Homburg, Cannon, Krohmer, & Kiedaisch, 2009). Different cultures mean one must apply different tools, matching governance to cultural expectations optimizes performance (Griffith & Myers, 2005). In the study by Homburg et al., (2009) they found that geographical distance and differences in communication would hinder Informal governance mechanisms such as trust. Basically, the more similar companies are, the more they can rely on informal mechanisms. Thus, transnational business relationships rely less on trust than domestic relationships. Formal mechanisms such as contracts, are by some countries considered as more important in

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[1] An approach to scaling responses in survey research

transnational relationships. Contracts minimizes problems that potentially occurs in cross-cultural communication.

Hofstede (1983, 1984) identifies five different dimensions of a country's culture. Out of which the most relevant for us, is the uncertainty avoidance, meaning how risk averse you are and how you have built institutions and beliefs to minimize the risk. Norway is an example of a neutral uncertainty country, while Brazilian culture has a high uncertainty avoidance (Hofstede, 2017). Companies in cultures which are highly uncertainty avoidant will search for possibilities to reduce uncertainty and tend to rely heavily on rules and regulations, and consequently employ formal governance mechanisms. Companies from a low uncertainty culture behave in the opposite way where informal mechanisms and trust is a more normal method (Hofstede, 1983, 1984; Homberg et al., 2009). To further elaborate on this, we can look at existing theory in terms of cross-cultural business behavior.

### 2.3.6.1 Four different cultural dimensions

Gesteland (2012) proposes four different cultural dimensions, that are different between Norwegians and Brazilians to varying degree. These dimensions are related to transnational cultural distances in a work setting, and provides a good explanation for some of the events found during our data collection.

1. Deal-focused vs. Relationship-focused

Deal-focused cultures value directness, going straight to business without small talk or personal relationship building, Norwegian business culture is deal focused. On the other hand, relationship-focused cultures such as the Brazilian, prefer to value relationship before business. It is important to have a relationship with someone before conducting business.

2. Hierarchical (formal) vs. Egalitarian (informal)

Formal cultures are formally structured and organized, with clear distinction between different levels and associated power. Informal cultures have a more decentralized structure, were position does not matter as much and open-door policies are more common. Brazilian culture is an example of the former and Norwegian the latter. Also it is important to note that Brazilians do not consider it rude or impolite to interrupt during business meetings, whereas Norwegians often do.

3.  Rigid time (monochromic) vs. fluid time (polychromic)

Monochromic cultures, such as the Norwegian, views punctuality as critical. Schedules should be concrete and agendas firm. Being late is disrespectful. However, Brazilian culture is more polychromic. Time is fluid and there is not a huge emphasis on punctuality, which grants greater flexibility, but makes deadlines harder to maintain. For our context, it is important to be aware that in major business centers such as São Paulo, they are generally better at being on time. Whereas the further North you went, the worse it got. As such this is geographically conditioned.

4.  Expressive vs reserved communication.

Brazilians are more expressive in the way they communicate (body language, spoken words and the intensity of speaking). They are often more uncomfortable with silence and it is quite normal to interrupt while others are talking. Which is not considered rude or impolite. This is in direct opposition to Norwegians. They have a more easy-going and reserved communication style. Silence is accepted and there is little conversational overlap.

Combining the cultural theory with existing interorganizational theory, we see that these cultural dimensions should influence the relational dimensions of Huang & Wilkinson (2013). The cultural standards and norms externally affect the relationship, forming the companies in terms of how they interpret, acknowledge and eventually respond to undesirable events taking place.

## 3.0 Methodology

In the following section we seek to explain and justify our choice of methods. We will then proceed to explain our research design and our data collection process. At the end, we will discuss and criticize our research method, including the reliability and validity of our research.

## 3.1 Research design

As stated in the introduction, this thesis is part of a bigger research project taking place. The project involves not only us, but another group of master students at the UiS Business School, a PhD candidate from Coppead Business School UFRJ and two professors. The result will hopefully lead to at least one PhD dissertation and ample research for the professor to publish. Hence the data collection is still in an ongoing process. Because of these circumstances, an extra need to approach the choice of method with great care was deemed necessary.

Yin (2014) suggests that it is in the research design you can set the strategies for analyzing the collected data and address eventual findings towards the research questions at hand. This is further supported by Creswell (2009) who argues research design is about formulating the plan for procedures in the research, from a broad base of assumptions to a more detailed method of data collection and analysis.

### 3.1.1 The pragmatic research

We first had to make the overall decision about which design we should use to study the specific topic. Our methodological approach originates from the work presented in the PhD dissertation of Våland in 2002, based on the emergence of conflicts in complex projects. In his original dissertation, Våland asses the role of informal versus formal governance mechanisms in understanding interorganizational conflicts in the oil industry. The study was of an explorative nature, composed of both a qualitative and quantitative part with an experimental design. This meant that we too would have an exploratory research, utilizing both methods, and including an experimental design in a field study context.

The above indicates that the approach taken with regards to methodologies would have to be mixed method. Creswell (2009) propose the *worldviews* (p.6)*, these can best be described "as a basic set of beliefs that guide action". Here we find what is referred to as pragmatism. This worldview contains what is called the mixed method approach, which is a mixture of both qualitative and quantitative tools: "Instead of focusing on methods, researchers emphasize the

research problem, and use all approaches available to understand that problem" (Creswell, 2009 p. 10).

The pragmatic research seeks to look at the what's and how's to gain a better understanding of the problem at hand, based on the intended outcome. To use the mixed method approach, we have to justify why we are using both methodical approaches.

Our research problem told us the what's and how's, and in turn gives us the main research question (Q1), and our sub question (q2)

1) Q1: How do the informants from the dyads perceive these events' underlying causes in terms of formal or informal governance mechanisms?
2) q2: How do the informants perceive the impact (importance) of the events in relation to the governance mechanisms?

First and foremost, to get the perceptual similarities or distances of the events, we need to uncover them. For this, a field study was conducted in Rio de Janeiro, with in-depth interviews on both sides of business dyads. This option strongly advocates a qualitative research method (Shields & Rangarajan, 2013). The second part of the thesis was to try and identify perceptual distances on the same undesirable events in a dyad, in relation to governance mechanisms. Thirdly, scratching the surface, we look into how impact (importance) played on those mechanisms. To solve that, we needed the participants to rate the events we received during the interviews. This strongly advocate the quantitative research method (Morgan, 2007). Fortunately, as Kelle & Erzberger (2004) states, supporting Creswell (2009), the qualitative and quantitative methods do not necessarily have to be in opposition, they can beneficially be used as complements. Finally, to the best of our knowledge we are conducting a study that is new, in the sense that it involves a sample not previously addressed in the manner we approach it. Combining the above, we argue the use of exploratory research approach with a mixed method approach is justified.

### 3.1.1.1 Sequential exploratory design.
Within the mixed methodical procedure, you find the *Sequential Exploratory Design* (Creswell, 2009, p. 209). This type of methodical approach gave us the possibility to:

1. First collect qualitative data through interviews, and derive events from the information given.
2. Take the data found in the qualitative phase, and draw quantitative data out from it.

3. Take the data from the first and second phase and interpret, analyze, and use it along with existing theory, to answer the research problem.

The following model shows both the Sequential exploratory design, and our process from start to finish.

*Model 3.0 – The Sequential exploratory design*
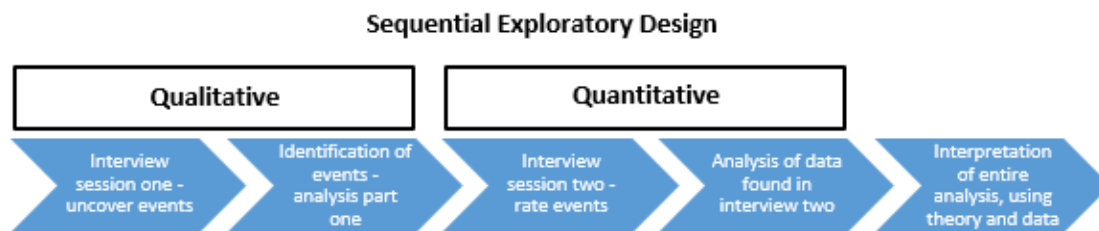


### 3.1.2 Qualitative research

Using a qualitative approach can bring many benefits, such as rich-data, which is well-grounded in terms of explanation and description as to why something is and/or happened (2009). At least from the informant's perspective. This type of data can help us as researchers gain new theoretical insight that can improve our understanding of the situation at hand (Miles & Huberman, 1994). Using the qualitative approach in terms of interviews should allow us to investigate the phenomenon of undesirable events in the sense that we uncover the what's and how's of the events. It is also beneficial in trying to uncover the perceived understanding from the informants, as to how they play on the outcome of the relation (Creswell, 2009). Furthermore, the need for being sensitive, as information given could be of interests for third-parties, speaks for the benefit of conducting interviews (Shields & Rangarajan, 2013).

### 3.1.2.1 Exploratory approach

Exploratory research is used when one conduct studies on problems that has not been studied clearly, thus establishing priorities, developing operational definitions and hopefully improve a final research design (Shields & Rangarajan, 2013). We are not exceedingly clear on what we expect to find. This prevents us from making clear hypotheses to test, which further speaks towards the exploratory nature of our thesis (Creswell, 2009). Our research problem: *Identifying perceptual distances on undesirable events in Norwegian-Brazilian business dyads, and understanding their underlying forces,* does not try to provide conclusive evidence or actual solutions to a specific problem. This advocates that our research problem is exploratory in nature.

### 3.1.3 Quantitative research and design

The quantitative research is used when one wants to compile data in a systematic and structural approach. Often with the use of closed-ended questions, predetermined approaches and numeric data (Creswell, 2009). Use of this method seeks to answer more concrete research problems. Any perceptual distances or similarities can help us identify how the factors might influence a potential outcome. The answers they provide can be used to relate the factors to our research questions, and in turn our research problem.

The design we use is experimental in the manner that it has been utilized only in the dissertation of Våland (2002). The original design makes it possible to indicate differences towards the governance mechanisms in relation to what is perceived as formal and informal underlying forces by the informants. Finally, we use this design to check for potential correlation between how they rate the governance level from which the events origin, and how they view the impact (importance) of the events.

### 3.1.4 Field study

A field study, or field research approach, is used to collect data outside of a constructed laboratory or workplace setting. This provides a good way of capturing phenomena as they occur in their natural environment (Flick, 2009). The method is generally qualitative, but can contain quantitative elements (Tedlie & Tashakkori, 2009). We travelled to Rio De Janeiro and conducted interviews between Norwegian companies and their Brazilian counterparts. Meaning that the field study approach was viewed most beneficial. This way, we did not only get face-to-face time with our informants, but could also observe them, and at the same time get a general feeling and better understanding towards the setting for which we were analyzing.

The different methods of data collection in field research are plentiful. They include both formal and informal interviews, observations and surveys (Flick, 2009). Crucial for field research are good field notes, which are divided in four categories. A brief understanding of these types is important for understanding our data collection process. First, during an interview the researcher should take quick jot notes (Emersom, Fretz, & Shaw, 2001), which are key words and short phrases. These would later be made into field notes proper, which is a more detailed description of the interview, context and the people involved (DeWalt & DeWalt, 2011). A researcher should also have methodological notes, namely ideas on how to improve the research (DeWalt & DeWalt, 2011). Lastly a researcher should write their own journals or diaries (Sanjek, 1990), which are his/her personal assessments of the research.

## 3.2 Description of field area context

In this section we present a summary of the context of our field research. An explanation of the context is important for two reasons. The first and most important one is to enhance the understanding of the atmosphere the companies worked in. The same atmosphere we had to work in when collecting data. As stated in the introduction, doing business in Brazil is no easy task. We dare say the same can be said for conducting research. The second reason is that the context illustrates why certain situations, external in origin, might influence the dyads in terms of undesirable events.

Brazil is a big country with a lot of differences. In terms of cultural behavior and acceptance, our information suggest that the north of Brazil is very different from south of Brazil. As we used the city of Rio De Janeiro as base for our data collection, this is where we will draw the findings and observations in relation to the undesirable events. Although it is worth noting that we do try to generalize as best as we can to make it applicable to other parts of Brazil. The different sections underneath try to explain what we deemed the most important externally applied cultural and social aspects.

### 3.2.1 Carioca time

Brazilians view time differently than Norwegians. They separate between British/German time, which is very precise, and Brazilian Time, where it is perfectly acceptable to be late to a meeting. Especially in Rio De Janeiro this type of behavior is known as "Carioca time", which has a great acceptance towards delays. This is obviously contingent on type of industry and the influence of international standards. As an example, one of our informants from the south of Brazil, with a lot of international experience, said that "Carioca Time" was a complete lack of respect, indicating that not all share this mentality. With this part of Brazilian mentality in mind, we tried to plan well ahead, by having a two-week extended stay. Regardless, we were still not completely done when the field study period was over.

### 3.2.2 Jetinho Brazileiro

Brazilians have a term called Jetinho Brazileiro. It refers to a way of accomplishing a goal by bending or circumventing what others expect as set rules, norms or standards. This could be a harmless thing, such as crashing a party for free food and drink. However, in some circumstances Jetinho Brazileiro leads to dangerous and expensive situations. An example could be that technicians conducted quick fixes on problems to save time. These quick fixes could potentially result in major problems further down the road, creating a snowball effect. It seemed to us that many non-managers and executives seemed to accept Jetinho Brazileiro as

an acceptable way of doing something. Instead of solving events properly at the beginning, and avoiding the development of more serious problems in the future.

### 3.2.3 Sensitivity & work mentality/culture

Brazilians are perceived as more sensitive and less direct then Norwegians. They would, in general, prefer more personal and complex business relationships. For instance, Brazilians would favor to go out on a lunch and have a good non-work-related conversation before bringing up business. Whereas Norwegians would be more to-the-point, which Brazilians could consider rude behavior. On the opposite notation, the perceived lack of to-the-point thinking, could be viewed as annoying and time consuming by the Norwegians.

Another point is the observations and information given in terms of how Norwegians worked compared to the Brazilians. It is the utmost importance here to state that we cannot assess the different efficiency output of the two different work methods. We can only comment on how some informants viewed work mentality/culture and how it could pose an issue. Norwegians typically works between 07:00-15:00 or 08:00-16:00, working exceedingly concentrated in those hours. They normally only take a 30-minute, usually in-house lunch, and quick coffee breaks. For the Brazilians, it was not uncommon to arrive around the same time. However, they did not leave work until much later. It seemed that there was a profound understanding that long outside lunches, and longer period coffee breaks was perfectly acceptable, and also needed, to work at an optimal level. It was confirmed on several occasions by informants that this misalignment had been observed as frustrating by both parties.

### 3.2.4 Operation Lava Jato and Macroeconomic downturn

In tandem with the cultural aspects, Brazil is in a complex macroeconomic and political place right now. The Lava Jato, or operation Car Wash, was a major corruption scandal in Brazil in 2014. The state-owned company Petrobras where accused of corruption. Many executives in Petrobras and politicians have later stepped down. Petrobras is by far one of the biggest player in the Brazilian Oil & Gas market. They have a lot of suppliers and a huge impact on the overall Oil & Gas industry in the country. As a result, the scandal made the market more tense and cautious. This, in combination with a low oil price, has given Brazilian industry a downturn, and additionally caused unforeseen challenges for our data collection. Potential participants became more reserved, and occupied with covering their own backs.

### 3.2.5 Tax, legal and local content demand.

Brazil is complex in terms of tax, local content and legal settings. Especially taxes, and local content are very difficult to comprehend. One informant stated that "*When even Brazilians often fail to understand the system, how can we expect foreigners to understand it*?". This of course creates a barrier against conducting efficient business. Furthermore, the complexity of the system seems to cause domestic investment and collaboration challenges depending on the area of operations in terms of headquarters, regional offices and local content demands.

## 3.3 Sample

Initially we had had a positive dialogue with ten Norwegian companies, all connected to the Oil & Gas industry to a varying degree. From these we managed to get a total of ten 1st stage interviews, counting both Norwegian companies and their dyadic counterparts. For the second-round rating interviews, we got eight interviews. This gave us a total of three dyads that were usable, whereas two of them originates out of the same Norwegian company. Each of the dyads involves a Norwegian actor operating in Brazil, and a Brazilian counterpart.

Finding potential Brazilian dyadic partners for our Norwegian companies proved exceedingly difficult. Giving a specific reason to this is not easy. It seemed to lie partly with the tension and uncertainty created from the newly Lava Jato case, the carnival season and general reservation from providing the type of information we sought.

Even though the final number of dyads was three, it did not mean that some of the first interviews were a waste of time. They provided us with a significant understanding of both a general business context in Brazil, and specifically the interaction between Norwegians and Brazilians.

The Dyads we ended up with were quite interesting as they represented two different types of relationships. Whereas two of them based themselves on what can be described as complex, where an ongoing process on delivery took place to various projects. The other was a strictly owner-operator relationship. Even though we define it as less complex than the other two in terms of ongoing projects, we are not saying it did not have its challenges, tensions or areas of improvement.

The following table show the codes given to each dyad.

Table 3.0 Codification of the dyads.

| Dyads | Data code |
|---|---|
| Dyad 1 (Complex project) | D1A1 |
| Dyad 2 (Complex project) | D2A2 |
| Dyad 3 (Owner-Operator) | D3D1 |

## 3.4 Data collection

### 3.4.1 Secondary data

In addition to our primary data, we used secondary data to broaden our understanding of the topic. Whereas primary data are gathered through surveys, observations and interviews and used for the analysis. The secondary data are gathered from other sources that do not deal directly with the research problem of a specific paper, but provides valuable insight (Yin, 2014). Examples include other research, statistics, reports and articles. We gathered the literature in the thesis through published articles from various research tools like Science Direct, Google Scholar and the Universities Brage application, which directs us to all the major journals. We also had our own personal collection of articles collected over the course of our study. We used rapports from Innovation Norway and Norwegian Brazilian Chamber of Commerce (NBCC), in conjunction with newspaper articles, to elevate our understanding of Brazil and Norwegian-Brazilian business relations. The reports were also used as a starting point for locating and contacting Norwegian businesses located in Brazil.

Finally, before travelling to Brazil, we interviewed two Norwegians with a lot of experience working in Brazil. The purpose was to achieve basic knowledge about the country, culture and how business was conducted. While these two interviews are not being used by us in the analysis, the information provided a general understanding. Preparing and improving our interview process.

### 3.4.2 Primary data - interviews

Our primary data collection is divided in two main stages, Stage 1 and Stage 2. With a third sub stage labeled *between stages* in the middle. This approach conforms with the sequential exploratory design (Creswell, 2009).

### 3.4.2.1 Stage 1.

In Stage 1 we used the interview method, which is qualitative in nature. Interviews are good for obtaining information where we cannot directly observe the phenomenon (Creswell, 2009). It is close to impossible for us to observe a business relationship over time as an outsider, and interviews enable us to acquire historical information. Since we are studying the perceived differences in a relationship, we are seeking the personal beliefs of both parties. This makes interviews well suited for the task. As we are interested in achieving free flowing conversations where we can ask follow-up questions, as well as making the informants more comfortable. We will apply the semi-structured way of interviewing (Longhurst, 2016)

Prior to the interviews the team had assembled a list of general undesirable events (appendix 2) drawn from theory. These events where divided into 6 categories as shown in 2.2.4. The participants had also received an email explaining the details on the research, what where expected of them and a description of the team (appendix 3). The email's purpose was to encourage participants to do their homework, as well as eliminate insecurity and ensuring comfortability. Most interviews were conducted face to face, however due to logistical reasons some were also done over Skype. We made sure that each interview were done independent of one another, and that the informants did not have contact with their counterparts. This is also true for the 2nd stage interviews. In the interviews, the team leader would lead the process, while the rest of the team took jot notes and provided a supporting role. The goal was to have a free-flowing conversation, but if the conversation stalled, the team leader would use the general list of events as a way of inspiring the informants. The general list of events also served as a correcting tool if the conversation side-tracked. The objective of the 1st stage interview was to identify undesirable events in the business relationship.

### 3.4.2.2 Between stages.

After every 1st stage interview, the research team would have a sit down and evaluate the answers. This evaluation would preferably and usually happen closely after the interview. The team compared and discussed their jot notes, before a single team member got the responsibility of writing down field notes. The responsible team member had access to all the

other jot notes made during the interview session to make the field notes proper (DeWalt & DeWalt, 2011). The field notes would include everything from the undesirable events provided, to general information about the relationship and the context surrounding the dyad.

Later, prior to the 2$^{nd}$ stage interviews, we would walk through the field notes proper and discuss, combine and transform the information into simplified, not to specific, and not to generalizable undesirable events. We did this with both parts of the dyad, and it served the purpose of

1. Generalizing or specifying the events to increase understandability so it can be relatable for others.
2. To downplay the chance of the event being too recognizable, and preserve anonymity, as some events were quite specific, and deemed easily recognizable, even by third parties.

Afterwards we would possess a compiled list of events. These would serve as the foundation of the questionnaire we would present in 2$^{nd}$ stage interviews. Unfortunately, in some dyads the uncovered undesirable events were not enough to get a proper set of data. To counter this, we used some of the undesirable events found in the 1$^{st}$ stage interviews with other companies, which we found to be generalizable enough for those dyadic relations. These served as supplements to gain enough data to analyze. We are aware of the potential weaknesses of this process, and will discuss this in chapter 3.5.

### 3.4.2.3 Stage 2.

The 2$^{nd}$ stage also consisted of interviews. However different from the 1$^{st}$ stage, the approach was stricter, with close-ended questions and a predetermined approach, complying with that of a quantitative approach (Creswell, 2009).We employed the pre-hand created questionnaire containing the compiled list of transformed undesirable events. The informants were asked to rate the importance/impact of each event, as well as whether the undesirable event derived from the lack of formal or informal governance. The rating was at a 1-7 Likert scale where, for Q1, a 1 indicated Extremely informal, and 7 indicated Extremely formal. For the q2 importance/impact; 1 indicated Not important, while 7 indicated Extremely important. The reason we preferred to conduct interviews, rather than emailing the questionnaire, was that it would be easier for us to make sure they understood the instructions. As elaborated on in chapter 3.5, there existed potential for misunderstandings.

## 3.5 Critique of research approach and method

Any research should always strive to minimize problems linked to validity and reliability (Creswell, 2009). As seen we have utilized what can best be described as a sequential exploratory strategy, which is legitimized by the pragmatic worldview as a mixed method procedure (Creswell, 2009).

As the name suggest a mixed method approach utilize both the qualitative and quantitative world of methods. As such the approach is not without its issues. Qualitative wise there is always the issue of thorough research (Creswell, 2009; Yin, 2014). This means that any presented research might lack depth, consist of vague data, biased views and not enough basis for generalization. Quantitative wise, there is the need for valid conceptual grounding (Malina, Nørreklit, & Selto, 2011), meaning the approach does not necessarily appear to be the best solution for understanding social phenomenon. And finally, mixing them pose the issue of transferability (Morgan, 2007), as he indirectly says that since qualitative is inductive in nature, and quantitative is deductive in nature, the transferability when using both can prove problematic. As such there exist a need to provide construct validity, external validity, internal validity, and reliability to have a good research design (Creswell, 2009). The weaknesses and measures taken against them will be presented in this part.

### 3.5.1 Validity

Validity is the measure of how well a research match its claim, how well does the measures fit with what it is supposed to measure (Yin, 2014). A valid study accurately depicts the real world. A thermometer showing three degrees higher than the real temperature is not valid. As our study is a mixed method, retaining both qualitative and quantities elements, the validity of said elements will be discussed separately. First we discuss the validity of our quantitative part in the form of construct validity and statistical result validity. Then we elaborate on the qualitative in terms of internal validity, external validity and reliability

Some might argue it is harder to accurately show validity with a qualitative approach, as it is more subjective (Creswell, 2009; Shields & Rangarajan, 2013). Golafshani (2003) states that multiple researchers have different perspectives of validity, and an exact definition is not set in stone. However, the general conclusion seems to be that the purpose of validity in a qualitative study show the quality and trustworthiness of the research. Thus, the validity of qualitative research is more about transparency, while quantitative validity deals more with the validity of theoretical constructs applied.

### 3.5.2 Construct validity

Construct validity answers the question of whether the operationalization of the construct was successful. Do the measures we use behave in the way theory say they should? (Creswell, 2009; Voorhees et al., 2015). The construct we are using have already been published and peer reviewed (Våland, 2002). Even though we have made slight alternations to the construct we do not feel these alternations are big enough to warrant further validity testing. However, we recognize that this fact, accompanied by a sub-perfect construct validity test in previous research, means that our construct validity might not hold 100% (Creswell, 2009)

#### 3.5.2.1 Convergent validity

Convergent validity measurers if constructs that should be related, actually are related. In other words, whether it is possible to obtain similar results using different methods (Voorhees et al., 2015). Våland (2002) finds a significant correlation between two sets of buyers and sellers within the same dyad using exact same conflict events. He concludes that there is a convergent validity for the governance construct, but it is not conclusive for the importance construct.

#### 3.5.2.2 Discriminant validity

Divergent validity addresses whether the variables in the construct can be separated from each other. If measurements or concepts that should not affect each other in fact do not affect each other (Voorhees et al., 2015). For us this means that there should be a distinct difference between formal and informal governance mechanisms. Våland (2002) could not establish a discriminant validity for the construct, as only applying one construct, made it impossible to perform this type of validity testing. The same limitation also applies to this thesis, and is one of the biggest challenges with regards to our results being valid. However, we do again point on the fact that this construct has survived peer review and publication in a PhD thesis, and should thus be sufficient for use in a master thesis.

### 3.5.3 Statistical conclusion validity

Statistical conclusion validity is the validity of our statistical procedure and approach, choice of analytical models, testing of assumptions problems and solutions. Basically, the term deals with drawing the right conclusions based on statistical results that are strong and valid (Creswell, 2009). In our data analysis chapter we further test and elaborate on these factors.

### 3.5.4 Internal validity

Internal validity refers to the extent of which the study shows a causal effect between the variables (Yin, 2014). In our thesis, there could be possible biases regarding the interview process and our field study context.

In-depth interview as a data collection method is not without its flaws. First and foremost, it provides information which is affected by the views of the informants. Neither are all participants equally articulate or perceptive (Creswell, 2009). They might also not be able to properly remember specific events correctly (Schurr et al., 2008).

Why should one side of the dyad explain and tell us about undesirable events when they know we will approach the other side asking the exact same thing afterwards? On top of that, the actors in the dyads would also read and grade the events found, which understandably can cause uncomfortable situations. We know pre-hand that disclosing such information can jeopardize the relation, and that there is always the chance for opportunistic "half" truths and tactical answers (Våland, 2002). The presence of the researcher could also create biased responses as informants might say what they believe the researcher wants to hear, instead of the truth. They might also become intimidated by his/her presence and the actual action of the interviewer taking notes (Emerson, et al 2001; Creswell, 2009). However, in-depth interviews are a quite popular methodical approach to get necessary data, and sometimes also the only viable source of information (Creswell, 2009). From the start, we pursued the opinions of the informants on the relationships. Asking for their subjective opinions, not trying to steer them in any specific direction. Therefore, we argue this mitigated the potential issues above, as we did not seek specific answers.

In relation to the ability to be equally articulate and perceptive, a potential problem we recognize with both 1st stage and 2nd stage interviews are that the informants needed a complete understanding of the meaning of importance, and informal vs formal governance. Although we made our best efforts to explain the terms, with both theoretical and everyday examples, we did experience them acting uncertain at times. It is also quite difficult to assess how the language barrier affected the interviews, as they were conducted in English. The above is something the team knows can have caused bias, as the informants could cling too much to the examples we made, trust too little in their own intuition, and/or answer the way they believed we wanted them. Hopefully the bias was mitigated by having them rate the events, under the context that no answer was a "wrong" answer.

In terms of the 2<sup>nd</sup> stage interview, there was one larger issue that potentially could cause bias. Namely, the concept of governance. The informants could potentially understand our Q1 question in the wrong manner. If the informant saw an event, and rated it a 7, extremely formal, we would interpret the answer as the event originating due to formal mechanisms. This further had to mean the defectiveness of that event had occurred due formal mechanisms, and that the issue could be solved by improving this defectiveness (improving formal mechanisms). However, the team saw it could potentially be misunderstood. That if the informant rated an event 7, it would mean that the defectiveness was due to formal mechanisms, but the solution was found on the opposite side of the scale. That is something we could not test or check for, and it also partially breaks with the idea of mutual exclusiveness. Even though avoiding specifying the defectiveness issue, there is a chance that we have altered perceptions when explaining the mechanisms in general terms. However, based on feedback given by the informants after the conclusion of the interviews, we had the understanding that the above did not turn out to be a real problem.

In terms of getting the informants to talk about undesirable events, the situation of us interviewing both sides created an issue of trust. As stated earlier, why should they in fact explain relational challenges to us? To counter, we chose a transparent approach. If needed we would explain to the informant about previous research claiming that undesirable events could actually strengthen the relationship (Vaaland & Håkansson, 2003). Furthermore, we would spend all the necessary time needed, to get the informants to understand that this was for scientific purposes, it would be anonymous and we were independent researchers in terms of not being commissioned by some third-party interest organization. Surprisingly, most of the informants did not worry about the above. In most cases the informants were more than willing to tell us about the events, not being afraid of the other part. Often the only restriction was that we did not ask for specific financial numbers/statements and specific classified information, which we did not need anyway.

It is quite possible the research team seemed intimidating, as we would often outnumber the participants five to one or five to two (Emerson et al., 2001). We tried to remedy this by having the team leader conduct the interview, and the other four students taking jot notes, only providing questions and comments where elaboration or further explanation was needed. Even though the action of taking jot notes can be perceived as intimidating (Emerson et al., 2001), the team made the decision to pursue that option. We saw it as the best alternative to get as much accurately, in-touch information as possible. The other available substitutes were

the methods of audio recording or putting the information to memory. We did not use these methods because we felt there were a risk in losing the "feeling" of the interview by listening to a recording, and the alternative of putting the information to memory had to high a risk of information loss and confusion.

We tried to compile the jot notes into field notes proper as early as possible. Ideally straight after the interviews, to minimize memory loss and distortion. However, there were times this was not possible and the team had to wait some time. It is difficult to evaluate if this acted as a bias towards the field notes proper. The team believes that if it indeed did create a bias, it was a small one, of little consequence. Since we had a large research team, one would always accurately remember the details. A bigger potential problem was the fact that many in the research team where of different nationalities, cultures, age, sex and experience (DeWalt & DeWalt, 2011). This could potentially affect how we interpreted the information given by the informants. However, this was also an advantage, as we all shared notes with the person in charge of field notes proper. He/she would see how each one had interpreted the different settings, statements and information given. Furthermore, after each team member was done with his interview transcription we had an extensive discussion and analysis conducted by the entire team to clarify potential faults/errors, misunderstandings or unclarities. As such we hope that the potential bias was offset.

Looking at a field study context, it is easy to see that its disadvantages lies where the advantages is. One can say it allows for in-depth knowledge and understanding of the *everyday life* of the research in question, as it is quite detailed and close on the informants (Creswell, 2009). However, this implies that the data can become quite narrow. This is true for our research. Albeit, we have not primarily done a field study research. We have conducted interviews, while working in a field area context. More so, we did not aim to create deep personal connections or gain intimacy with the informants at hand. As such we never had the need to meet them outside of the interviews sessions. Accordingly, the potential biases of a field study research should have been mitigated (Shields & Rangarajan, 2013).

### 3.5.5 External validity

External validity tells us the extent of which the research can be generalized and used in a bigger setting (Yin, 2014). Due to our methodical approach it is difficult to say if the results can be applicable to a bigger setting. It is not certain that our three business dyads actually reflect the Norwegian-Brazilian business relationship. There should however be similarities. Every business relationship is different, in terms of dependence, complexity and closeness. It

is especially difficult to generalize this research with regards to different markets within other nationalities. However, this is not the goal of the thesis either.

Undesirable events themselves are like the roar in a stadium when a highlight or key event occurs, while you are outside trying to understand the full match. You jump up to look over the fence to see what is happening, but these limited events only tell you something, it cannot explain how the whole match is turning out. What we might find cannot be used to draw definitive conclusions. Nor can we say for certain that our suggestions to improvements in our particular dyads works in a different setting, between other companies consisting of other norms, standards, and culture. As such we cannot say it is typically generalizable to the "population at large" (Shields & Rangarajan, 2013). We have, from the very beginning, of the thesis stated that we just want to explore one part of the relationship. The phenomenon of undesirable events. We do not propose to find exact answers to the relationship as a whole. Rather we seek to find indications as to how the outcome of the relationship might be, based on the many factors in the dimensions of the business relationship. Be that as it may, our efforts to improve external validity is mainly related to a thorough theoretical review and the possession of a relatively valid construct.

### 3.5.6 Reliability

The reliability of a study refers to how consistent the research method is. Has it been used by other researchers, in other similar projects (Gibbs, 2014)? And does it give the same conclusions (Creswell, 2009)? Using the thermometer example in the context of reliability: A thermometer showing three degrees higher than real temperature is reliable as long as it does so consistently. We have conducted the research in a similar, although less advanced method than previous researchers (Våland, 2002). But the results are quite different, lessening the reliability. However, to the best of our knowledge this is the first study of its kind done in the Brazilian-Norwegian business context, as well as being conducted 20 years later than the original research. An advantage to increase in the reliability is that we are part of a larger, still ongoing research project. Their results will likely help support and improve our findings, increasing our reliability. More so, each business, even each person we have interviewed are different, and could potentially give wildly different answers, independent of being Brazilian or Norwegian. Golafshani (2003) argues that reliability in qualitative studies is pointless, as there will always be a bias when utilizing a qualitative data collection method. It should be impossible to produce the exact same results as we found, using the same procedure.

According to Yin (2014) qualitative reliability can be stated through transparency. Researchers should document as many stages of the research as possible, and make this it available. We have tried following suit, providing a detailed description of our procedures and decisions during the process. We have also included as much additional information as possible in the appendix. In this way, it is possible for other researchers to properly review our work.

## 3.6 Data analysis

The purpose of the thesis is to study the perceptual distances in formal and informal governance mechanisms (GOV) between Norwegian and Brazilian companies. As well as looking into how the impact/importance (IMP) of undesirable events relate to the governance mechanisms. As of the first part, we believe it to be most beneficial to use a single sample t-test and look at company's perceptions separately. For the second part, a correlation test is sufficient. Below are a table which explains our variables.

*Table 3.1 Definition of variables*

| NGOV | Norwegian company's perception on undesirable event relating to formal or informal governance mechanisms |
|------|----------------------------------------------------------------------------------------------------------|
| BGOV | Brazilian company's perception on undesirable event relating to formal or informal governance mechanisms |
| NIMP | Norwegian company's perception on the importance of the undesirable events with regards to governance mechanisms. |
| BIMP | Brazilian company's perception on the importance of the undesirable events with regards to governance mechanism. |

Take note that we utilized a Likert scale where 1 is Extremely lack of informal mechanisms, and 7 Extremely lack of formal mechanisms. The median of 4, acted as the middle ground. As such, everything above 4.00 is indicative of formal, and everything below 4 is indicative of informal governance mechanisms.

### 3.6.1 Research question 1.

Q1: How do the informants from the dyads perceive these events' underlying causes in terms of formal or informal governance mechanisms?

We conducted a univariate single sample t-test in SPSS to compare the average level of governance (formal/informal) for each company to the median 4 in our scale, which represented neutrality. A significant deviation from this point would show that events would generally occur due to lack of either formal or informal governance mechanisms. However, to conduct a single sample t-test four assumptions must be maintained, per the Laerd SPSS guide (Laerd Statistics, 2017). All outputs are presented in the appendix 5

1. The dependent variable must be continuous (interval/ratio) (Wooldridge, 2014)

Our data is collected by getting discrete data, on a continuous Likert scale from 1-7, fulfilling the requirement.

2. The observations are independent of one another (Wooldridge, 2014)

To ensure observations being independent of one another, we interviewed each participant separately, with no interference from the other side of the dyad. They should after careful explanation of the process, not possess any incentives to refrain from cooperating.

The aim of the research is to identify challenges in business relationships. The different informants, representing their companies would benefit by "following the rules" and getting a real insight into the relations.

3. The dependent variable should be approximately normally distributed (Wooldridge, 2014).

To check for normality, we performed a Kolmogorov-Smirnoff and a Shapiro-Wilk test. The test shows that the Governance variables does not have a normal distribution. However, since we have a large sample size $n > 25$, we can apply the central limit theorem and say that we have an approximate asymptotic normal distribution, which fulfils this assumption (Wilcox, 2012)

*Table 3.2 Kolmogorov-Smirnoff and a Shapiro-Wilk test for normality Q1*

|  | Kolmogorov-Smirnov | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
|  | Statistic | df | Sig | Statistic | df | Sig |
| NGOV | 0,149 | 149 | 0,00 | 0,944 | 149 | 0,00 |
| BGOV | 0,227 | 149 | 0,00 | 0,905 | 149 | 0,00 |

4. The dependent variable should not contain any outliers (Ghosh & Vogt, 2012)

We examined boxed plots (appendix 5) of our variables to check for outliers. These plots did not reveal any outliers in the data and the assumption is maintained.

### 3.6.2 Research question 2.

q2: How do the informants perceive the impact (importance) of the events in relation to the governance mechanisms?

To solve this research question, we conducted a Pearson correlation test. This allows us to see whether there is a correlation between the importance and the formal/informal governance mechanisms of the undesirable event. For a Pearson-test to be valid we also need to follow four assumptions. Assumption 1, 3 and 4 from the previous section must be valid. As well as a new assumption 5 (Laerd Statistics, 2017). Assumption 1 handles the question of research design, and the answer will thusly be the same as in the previous section. However different data means new tests for assumption 3 and 4 while assumption 5 is brand new,

3. The dependent variable should be approximately normally distributed (Wooldridge, 2014)

We conducted the same tests as in research question 1. The results show that the IMP variables also did possess a normal distribution. Luckily this is not a problem here either, as we have a large sample size (Wooldridge, 2014)

*Table 3.3 Kolmogorov-Smirnoff and a Shapiro-Wilk test for normality q2*

|  | Kolmogorov-Smirnov | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
|  | Statistic | df | Sig | Statistic | df | Sig |
| NIMP | 0,147 | 149 | 0,00 | 0,945 | 149 | 0,00 |
| BIMP | 0,204 | 149 | 0,00 | 0,878 | 149 | 0,00 |

4. The dependent variable should not contain any outliers (Ghosh & Vogt, 2012)

We performed the same procedure as for Q1. Boxed charts are in the appendix 5. We found a single outlier in the correlation with BGOV and BIMP. By identifying the outlier and removing it, we checked if this outlier posed a serious problem. The outlier was a (1,1) in dyad number 2 (D2A2). Then comparing the results with previously conducted tests, containing the outlier. Both results proved significant with a Pearson correlation of 0,478 vs 0,559, both significant at p=0,0001. We conclude that the tests containing the outlier did not significantly affect the result, and per Weisburg (2014). We can keep it.

Our Pearson correlation tests, both with and without and outlier, are presented below

*Table 3.4 Pearson correlation with outlier*

|  | BGOV-BIMP |
|---|---|
| Pearson Correlation | 0,559 |
| Sig (2. tailed) | 0,000 |
| N | 60 |

*Table 3.5 Pearson correlation without outlier*

|  | BGOV-BIMP |
|---|---|
| Pearson Correlation | 0,478 |
| Sig (2. tailed) | 0,000 |
| N | 59 |

5. Linear relationship between variables (Myers, Well, & Lorch, 2010)

This is not an assumption that has to be met, to conduct the test. There is just no point conducting the test if it is impossible to find a linear relationship between the variables. We studied the scatter plots for each relationship before conducting the test. See appendix 5 for the scatter plots, and checked for potential correlation.

# 4.0 Empirical Findings

## 4.1 The perception of governance

Q1: How do the informants from the dyads perceive these events' underlying causes, in terms of formal or informal governance mechanisms?

The first research question (Q1), sought to find out how informants from the dyads perceived the uncovered events in terms of the underlying forces of formal or informal governance mechanisms. As described in chapter 3.6, we conducted a t-test. The complete set of outputs can be found in appendix 6

### 4.1.1 NGOV's perception

We base the mean values of the NGOV's perception upon the individual observations found in each specific dyad. For D1A1 and D2A2 the mean score was higher than the median of 4. Xs = 4.38>4 and 4.87>4. Only the latter was significantly different with p=0,121>0,05 and p=0,000>0,05. D3D1 on the other hand, had a mean score of Xs=2,96<4. Significantly lower than the median of 4 with a p=0,000<0,05

*Table 4.0 Degree of formal- versus informal governance as perceived from the Norwegian side.*

| NGOV perception of governance mechan. | N | Mean (Xs) | T-value | Sig. (2-tailed) | Std.dev |
|---|---|---|---|---|---|
| D1+D2 (Complex) | 126 | 4.61 | 4.370 | 0.000* | 1.569 |
| D1A1 (Complex) | 66 | 4.38 | 1.571 | 0.121 | 1.959 |
| D2A2 (Complex) | 60 | 4.87 | 7.225 | 0.000* | 0.929 |
| D3D1 (Operator) | 23 | 2.96 | -5.391 | 0.000* | 0.928 |

*(\*) significant at the 0,05 level*

## 4.1.2 BGOV's perception

Both D1A1 and D2A2 are significantly different from the median, with a Xs 4,59>4 & Xs 4,67>4 P=0,00<0,05, which is similar to the Norwegian side of each dyad. However, D3D1 differs from the Norwegian side by being significantly higher than median 4. Xs=5.30>4 and p=0,000<0,05.

*Table 4.1 Degree of formal- versus informal governance as perceived from the Brazilian side.*

| BGOV perception of governance mechan. | N | Mean (Xs) | T-value | Sig. (2-tailed) | Std.dev |
|---|---|---|---|---|---|
| D1+D2 (Complex) | 126 | 4.63 | 5.747 | 0.000* | 1,224 |
| D1A1 (Complex) | 66 | 4.59 | 4.840 | 0.000* | 0.992 |
| D2A2 (Complex) | 60 | 4.67 | 3.572 | 0.001* | 1.446 |
| D3D1 (Operator) | 23 | 5.30 | 8.179 | 0.000* | 0.765 |

*(*) significant at the 0,05 level*

## 4.2 Impact/importance in relation to the mechanisms

q2: How do the informants perceive the impact (importance) of the events in relation to the governance mechanisms?

Our last research question (q2) seeks to address whether there exists some relation between how the informants perceive the impact of the events, in relation to events occurring due to formal or informal governance mechanisms. To do this we conducted a Pearson Correlation test to see whether there existed any significant correlation between impact and governance. The complete set of outputs for these findings can be found in appendix 6.

### 4.2.1 NIMP perception

As seen in the table below there is no indication of correlation between impact/importance of the events and governance mechanisms on the Norwegian side (p=0.974>0,05, p=0.122>0,05 & P=0.443>0,05).

*Table 4.2 Correlation between mechanisms and impact/importance – Norwegian side*

| NIMP perception of impact/importance. | N | Pearson corr.coef | Sig. (2-tailed) |
|---|---|---|---|
| D1+D2 (Complex) | 126 | 0.106 | 0.239 |
| D1A1 (Complex) | 66 | -0.004 | 0.974 |
| D2A2 (Complex) | 60 | 0.202 | 0.122 |
| D3D1 (Operator) | 23 | 0.168 | 0.443 |

*(**) significant at the 0,01 level*

### 4.2.2 BIMP perception

On the Brazilian side, the findings in the correlation test were opposite from the Norwegian side. We have a moderate to positive high correlation for all findings, as shown by the correlation coefficients (0,800, 0,559 & 0,543). With 2x p=0.000<0,05, and p=0.007<0,05. Which shows a significant correlation between event's level of importance and the governance mechanisms associated with the event.

*Table 4.3 Correlation between mechanisms and impact/importance – Brazilian side*

| BIMP perception of impact/importance. | N | Pearson corr.coef | Sig. (2-tailed) |
|---|---|---|---|
| D1+D2 (Complex) | 126 | 0.561** | 0.000 |
| D1A1 (Complex) | 66 | 0.800** | 0.000 |
| D2A2 (Complex) | 60 | 0.559** | 0.000 |
| D3D1 (Operator) | 23 | 0.543** | 0.007 |

*(**) significant at the 0,01 level*

## 5.0 Discussion and analysis

In this section we will try to answer our research problem through the two research questions Q1 and q2, using our findings and existing theory. Since the thesis is about perceptual distances in Norwegian-Brazilian business dyads, it is natural to focus on the aspects linked to being a Norwegian company operating in Brazil in relation to its Brazilian counterparts. Therefore, we have given substantial thought towards how business behavior, cultures and norms play on the phenomenon of undesirable events, in terms of them being associated with a lack of formal, or informal governance mechanisms, and the impact they have on the relationship.

## 5.1 Research question Q1

Before discussing the research questions, we would first like to take a step back. We have to look at the results from our research questions through the lens of our research problem *Identifying perceptual distances on undesirable events in Norwegian-Brazilian business dyads, and understanding their underlying forces*. An in-depth discussion of the dyads and their individual themes solidly exemplifies and illustrates underlying forces of the relationships, thus answering our research problem. We cannot say for sure that the underlying forces and perceptual distances found in these specific dyads are generalizable for all Norwegian-Brazilian business relationships. However, they do give us a good idea on how the situation works.

> Q1: How do the informants from the dyads perceive these events' underlying causes in terms of formal or informal governance mechanisms?

As previously seen, we have three dyads, where two of them originate from the same company. Furthermore, these two were of a rather complex nature, in the sense that they involved continuous advanced ongoing projects in terms of delivery of components, often to a third party. The third dyad however, was categorized as an owner-operator dyad, meaning they also deliver some kind of product to a third party. Nonetheless, their relationship was bound around a certain amount of assets that would remain fairly constant throughout their relationship. This is not to say that the dyad did not have its challenges, but these challenges were of a different nature, and not necessarily applicable to the two other dyads. In addition, the findings as presented above, show that the complex dyads D1A1 and D2A2 both inhabit indications towards undesirable events originating due to formal mechanisms. Whereas D3D1

had unbalanced perceptions between the actors in the dyad. As such, we separate between D1A1 and D2A2 in one part, and D3D1 as the other. Answering them in turn.

To better visualize our results, we here present the governance grid with the Brazilian and Norwegian sides on the axis'. The model clearly depicts the results and show that the complex dyads had problems associated with formal governance mechanisms, while the third dyad was more unclear.

*Model 5.0. Norwegian-Brazilian governance grid results*
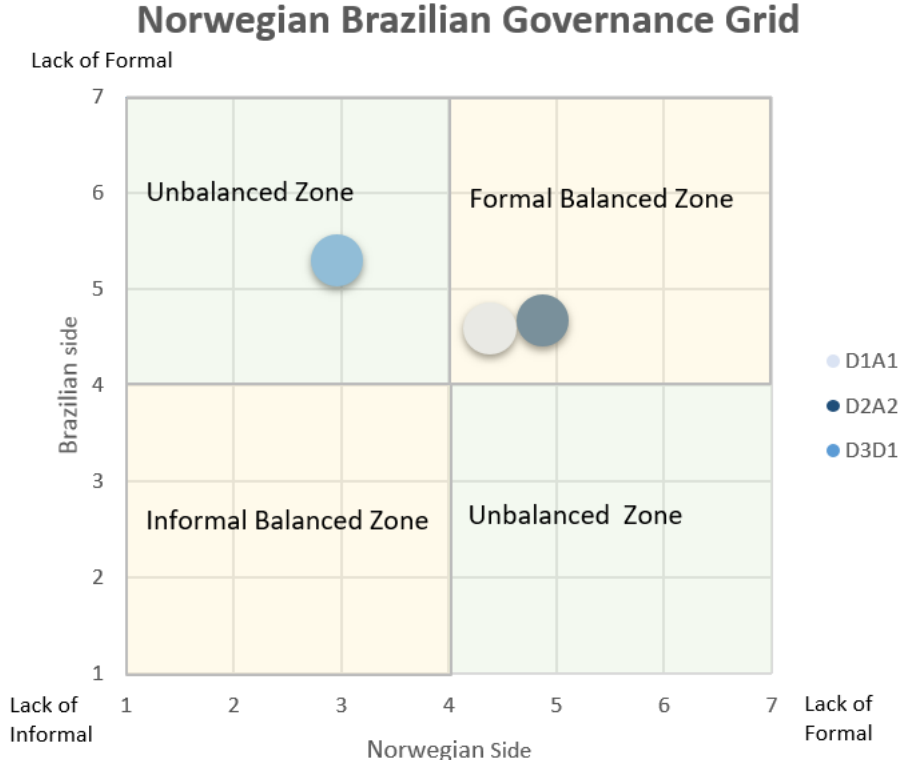


### 5.1.1 Complex project dyads (D1A1 and D2A2)

Our findings show that in our complex dyads (D1A1, D2A2), both the Norwegian companies and their Brazilian counterparts perceived undesirable events to take place due to lack of formal governance mechanisms, such as contracts, planning and control. Even though the Norwegian side of D1A1 did not show significant results, we see a tendency towards issues mostly being associated with formal mechanisms. The joint perception of undesirable events stemming from formal mechanisms, makes for a series of interesting observations.

### 5.1.1.1 Increased complexity of the relationship

The informal and formal governance mechanisms are all parts of a set of overarching modes, as referred to in theory (Pierson & Shih, 2013). Accordingly, the mechanisms that are formal in nature will be greatly influenced by the degree of idiosyncratic investments. The higher need for idiosyncratic investments, the more complex the contracts become (Mooi & Ghosh, 2010; Mooi & Gilliland, 2013). Assuming this to be true, then the more complex the relationship becomes, the more likely becomes the need for complex arrangements to govern the relationship. This in turn could indicate that in a complex relationship, undesirable events given lack of formal mechanisms, are likely to occur simply due to the complexity of relationship. Easily said, the more complex the relationship becomes, the more complex formal mechanisms are needed, which in turn make the relationship harder to comprehend and govern. Consequently, our findings are to be expected for these two dyads, as they are complex project dyads.

There was however, one important aspect that spoke against these findings. Brazilian informants would time and time again state that there was a big emphasize on contracts and other formal mechanisms in the Brazilian work culture. That Brazilians mostly acted based on the content of the contracts. If something was not in the contract, then it would not be done. This should suggest, per Argyres & Mayer (2007), that the Brazilians considered contracts a vital part of any business practice, and therefore know how to use contracts to their own best advantage. They could use know-how of formal mechanisms as a source of competitive advantage (Argyres & Mayer, 2007). In spite of the theory, our findings speak towards the opposite. Problems did actually arise due to lack of formal mechanisms.

### 5.1.1.2 Misalignment between the mechanisms

Poppo & Zenger (2002) and Argyres & Mayer (2007) writes that mechanisms of informal nature can help create trust. When shared values and personality traits have grown, and trust has been formed, chances for undesirable events of informal nature to take place will be mitigated. Relying on trust, from either part, could potentially lead them to treat informal mechanisms as more than complements to their formal counterparts (Poppo & Zenger, 2002). More so, it is possible that one or both companies have chosen the wrong type of governance for the relationship. Meaning they have adopted an informal governance structure in a setting where the better option would be the opposite, a formal governance structure (Hoetker, Mellewigt, 2009). Our understanding from both these dyads suggested that their relationship was overall very good. It was important, and had lasted for some time. The relationship

involved a big commitment between the actors, both in terms of monetary and relational investments. This is a motivator towards forming informal mechanisms (Domberger, 1998; Pierson & Shih, 2013)

When either the contracts are becoming too complex, involving recurring contractual projects, or the relationship is very good. Scientific areas such as contracting theory and relational contract theory often points towards the concept of ex-ante and ex-post costs (Domberger, 1998; Mooi & Ghosh, 2010). Mooi & Ghosh (2010) said that when the degree of idiosyncratic investments is high, one gets to focused on the ex-ante costs, and lose sight of potential lower ex-post costs. Translating this to the concept of the governance mechanisms. This is a potential cause for wanting to avoid complex formal arrangements, and rely more on informal mechanisms, which should be more cost saving. It has been pointed out in previous research that sometimes contracts might fail to capture all the aspects that could go wrong (Argyres & Mayer, 2007). If so, we argue that even though the relationship has become more complex, the formal mechanism has not followed, because of the wish to avoid higher ex-ante costs. Thus, one could say they have chosen to rely more on informal mechanisms to complement the lack of formal mechanisms. However, given our finding this seems to have somewhat failed.

Therefore, we suggest looking at the cultural business behavior to see how this approach might have failed. Hofstede (2017) and Gesteland (2012), claims Norwegians are a neutral uncertainty avoidant and trusting people. While Brazilians are uncertainty avoidant meaning, they rely more heavily on rules and regulations. Simply put, it is a matter of the Norwegian sides believing they can solve what is not written via informal mechanisms, whereas the Brazilians are hesitant to perform actions that are not specified in the contract. Consequently, it could be that formal events emerge as a result of this misalignment. Especially if one assumes there are different default perspectives to what is considered necessary content in a formalized governance structure between the companies.

### 5.1.1.3 Deal-focused versus relationship-focused

According to Gesteland (2012) Norwegians are Deal-focused, whereas the Brazilians are Relationship-focused. This suggests that there is a different weighting as to how both parties perceive the mechanisms in play with regards to the relationship. There were several examples from Brazilian informants that suggested Norwegians could be viewed as too pushy and direct, maybe even blunt in their way of speaking. Whereas some Norwegians said that Brazilians could be somewhat vague and slow to act when engaging in business. This is

further supported by both Hofstede (1984) and Gesteland (2012). We argue this indicate that when the actors engage in contractual talks, they have different understandings as to how the formal mechanisms are actually proceeding, and the impact they have on the overall relationship. The Norwegians perceive something is properly taken care of, while the Brazilians have a different perception, feeling they were pushed by Norwegians to say yes. Especially considering that Brazilians often say yes to their business relations to avoid unnecessary stress on the relationship as a whole (Gestland, 2012). Unfortunately, this can lead to stress as the actors in these dyads are in an imbalanced atmosphere, leading to sub optimal contracts. Which again would lead to problems associated with formal governance mechanisms

### 5.1.1.4 Control and planning

Depending on the outcome of a relationship, the need for different control and planning becomes apparent. When agreements have been made for control and planning, the communication and expectation in relation to the decision-making process could speak towards various misalignments.

One such situation was: "Brazilians can plan for 3 months, execute, and then solve issues as they occurred, in turn maybe spend 15 months completing the arrangement". Contradictory, the informants said Norwegians would rather plan for 10 months, and spend 5 months executing, thereby completing the project on a shorter time-period than their Brazilian counterparts. In this specific situation, the project became seriously delayed, which were an undesirable event. The cause was lack of proper control and planning, due to different perceptions as to what was considered proper control and planning in the first place. Other informants also stated Norwegians to be very thorough and patient in planning and control phases, contrary to the Brazilians, whom regularly were described as somewhat restless and impatient. Given the above, we argue that there seems to be an imbalance in what one part sees as necessary planning, control and expected thoroughness, while the other part does not understand or see the need for the same. These two different perceptions on two formal mechanisms provides a good indication as to why undesirable events associated with formal governance can occur. They simply have different perceptions on how to go about with an agenda.

### 5.1.1.5 Hierarchal & communicative perspectives

Proceeding, we have the hierarchal versus egalitarian behavior between companies. The understanding of whom it is correct to involve during e.g. planning and control arrangements can vary, given the perception the companies have towards it. Norwegians are deemed less hierarchal than their Brazilian counterpart (Gesteland, 2012), and our data acknowledges this. During meetings, Brazilians often expected and wanted clear instructions on what to do, expecting a hierarchical decision-making process. The Norwegians, were often more interested in letting everyone voice their opinion, before together coming up with a joint decision. Thereby, having a flatter decision-making process. Upon the conclusion of a meeting, Norwegians would usually feel satisfied with the planning and control arrangements, because they felt everyone had been included in the process. The Brazilians on the other hand, could feel they did not receive proper instructions, thereby being unsure of what to think, or how to proceed. Adding the Brazilians desire to please, and often say yes regardless of their real intentions (Gesteland, 2012), misunderstandings resulting from the above could potentially create undesirable events.

To illustrate we will show three concrete events found in the data collection, that are linked to communicative styles and hierarchical behavior relating planning and control. We believe that if both actors had acknowledged, and sought to understand the differences they have, in terms of hierarchical expectations and communication, these events would have been strongly mitigated.

1) *Missing product specifications on one part led to delays*
2) *Work overload due to long and redundant product specification documentation*
3) *Communication error led to wrong perception of actual cost*

Even though meetings discussing the situations leading to the above events had taken place, the Brazilian were still often uncertain on the actual outcome. Consequently, there has been miscommunication during the meetings because of different expectations. This lead to misunderstandings that manifested themselves as events later. Until both parties have worked out a satisfying decision-making process suiting both their standards and expectations, they will keep experiencing events like the above. And since planning and control phases are formal mechanisms, they will continue to view lack of formal mechanisms as the more trending source for undesirable events.

## 5.1.2 Owner-Operator Dyad (D3D1)

Where the above two dyads both seemed to agree in their perceptions, D3D1 showed a perceptual distance between the dyadic actors. Norwegians, in general considered lack of informal mechanisms as the reason for undesirable events. Whereas the Brazilians perceived the lack of formal mechanisms as the source of the events. The differences in perceptions are substantial, and put the dyad in the unbalanced zone on the governance grid. The different misalignments will be further outlined in this chapter.

### 5.1.2.1 Specificity of the dyad

The business relationship that makes up this dyad is actually the result of externally imposed Brazilian laws. In Brazil, there are certain specific rules on how to set up business in certain market segments within the bigger Oil & Gas industry. One of those rules is that until you receive the proper certificates and licenses, a company cannot operate in the specific segment of the industry. These certificates and licenses would not be issued until a company had been operational for some time. This was the situation for one part in this dyad. Consequently, a relationship was established where one company would own the assets, be liable to their obligations and pay fees. While the other, a well-established company, would operate the assets on the owner's behalf.

This meant that two companies, who we believe would likely not have engaged in such a relationship did so, in order to deliver upon agreements to a third party. The operator part stated that, they had never done anything like this, in terms of providing services as an operator on behalf of an owner until now.

When using formal mechanisms such as a contract, it is important that one knows what is needed, and how to plan and control for these needs, in order to deliver upon the agreement (Weber & Mayer, 2011). Taking the given information into consideration, we see that two companies operating in a new area of business, might lack the proper formal know-how to make a fair use of formal governance mechanisms. Thereby during formal meetings, where their relationship was the topic at hand, disagreements about the content of contracts would naturally exist.

Existing theory suggest that formal governance mechanisms often include incentives for following contracts, and punishment for deviating from what's agreed upon (Rahman & Kumaraswamy, 2008). Assuming both companies lacked a proper know-how, then the perceptions of incentives and potential punishment can differ. Hereunder, that one part sees an event taking place due to lack of formal mechanisms, whereas the other felt it was due to lack

of informal mechanisms. An example is an event that was raised in the dyad: *One part wanted to alter the contract without giving due compensation*. One side said this was largely a due to lack of formal mechanisms. The other however, stated this to be largely associated with lack of informal mechanisms.

### 5.1.2.2 Future competitors as an obstacle for informal mechanisms

The ownership-operator specificity of the dyad clearly adds depth. The owner of the assets today, purchased those assets from the ones who are now operating the assets on their behalf. More so, these two companies will become direct competitors to one another in the future. When the owner gets their licenses, the relationship will end, as such both parties know the relationship has a set length.

The above implies that this dyad, although not as complex as the other dyads in terms of production of goods/service and ongoing project deliveries, has a complex relationship status. Especially when considering their future as potential direct competitors. As McLaughlin et al., (2014) writes, one can say that certain contracts are relational in their conception and are in many instances a reflection of social customs and norms. In this situation, we have a Norwegian company, who according to Gesteland (2012) and Hofstede (1983; 1984) should be less formal, and more trusting, however also more direct. The Brazilians are accordingly opposite. We believe that being future competitors, and having different social customs and norms from start, created a basis for which proper governance mechanisms, both formal and informal were severely lacking.

An immediate mechanism appearing here is trust. As the companies eventually will become competitors, one can see that there are certain strategic issues regarding what information to share and withhold. Tidström (2009) found that in intercompetitor relationships, undesirable events emerging due to relations could originate from strategic and normative reasons. Even though they are not direct competitors today. It is plausible to argue that they plan and act for the future. For instance, withholding sensitive information could potentially create further mistrust between the actors, and increase the chance of perceptual distances on events.

An example was described by one of the informants. The owner had to rely on reports on asset maintenance and repair, provided by the operator. However, at one point they felt he need to send someone to supervise. They quickly discovered that he reports were far from accurate. They felt the operator had neglected proper maintenance and repairs as the assets where not their own. To solve it, the informant directly overruled, and involved himself in the

matter, taking a direct monitoring approach towards the event. When we had the informants from both side rate this event, we saw that the one side obviously had marked it being highly due to formal mechanisms. However, the other side had rated it as a very informal event.

This tells us that the actors involved in this dyad have clear differences as to what they consider should be solved through formal or informal mechanisms. In turn, we argue this can be blamed on the situation at hand, as they are potential future competitors. The wronged side perceived this incident as a violation of the formalized arrangements they had amongst each other. Which should be penalized (Rahman & Kumaraswamy, 2008). In turn, one can say that the other side, claiming it was informal in nature believes the event should have been dealt with through communication between supervisors on a more informal level.

Intercompetitor behavior likely acts as a major hinder for informal mechanisms. Furthermore, since the two companies have distinct social and cultural differences in terms of intra-governance, we believe the relationship had a difficult starting point. Lastly, since the relationship likely will end when the certificates and license are in place, they might not be willing to commit the needed time and resources to improve and maintain their business relationship.

### 5.1.2.3 Uncertainty avoidance and mixture of company cultures

As previously mentioned, Brazilians are highly uncertainty avoidant (Hofstede, 2017), which could explain why the Brazilians perceive the events are mainly associated with a lack of formal mechanisms. It is possible that the nature of a relationship between the two companies have incorporated a mixture of the company cultures, which will mean Brazilian companies having less formal mechanisms in place then they otherwise would have preferred and vice versa. In light of this information, a Brazilian company finding events occurring due to lack of formal mechanisms as such is not surprising, since if they have incorporated a mixture of the company cultures, they are affected by what is not traditionally their behavior. The same reasoning can be applied to the Norwegians claiming events as a result of lack of informal mechanisms. If the Norwegian company overall is behaving and acting as culture-theory suggest, incorporating a Brazilian mindset in one SBU[2], will likely cause misalignments with the rest of the organization internally. Assuming both companies have done so to conform more with the other, both will likely suffer under opposing cultural and social norms and

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[2] Strategic Business Unit

views. Especially in terms of how they are to behave in relation to formal mechanisms such as planning, control and contract, and vice versa, with trust and informal talks.

### 5.1.2.4 Different normative views

Companies' normative views of what an optimal business relationship ought to be are often misaligned (Tidström, 2009). Which was, per our informants, very much the case in this dyad. Both were run quite differently, and had different internal cultures. As the relationship was only temporary, both companies accepted the situation, and seemingly lacked the willingness to pursuit change (Jacobsen, 2009). We were however informed that they would definitely have made a better effort to align themselves if the relationship were to last longer.

Another sign of alternate normative views are how the different actors in the dyad sometimes refrained from recognizing and rating an undesirable event. Consistent with Våland (2002). One side failed to see potential problems at hand, as they did not perceive it as a problem for themselves. This share certain transferability with the study of Tidström (2009). One cannot fix problems one is not aware of. However, if left unchecked, the event will continue to exist, and negatively affect the relationship, regardless of magnitude (Vaaland & Håkansson, 2003). We argue that these reasons hinder the relationship from prospering, thus making the need for increased complex formal mechanisms necessary (Mooi & Ghosh, 2010). Which in turn can hinder the emergence of informal mechanisms (Pierson & Shih, 2013). We argue that their seemingly distinct different normative views, advocates why they seemed to have so different perspectives on the events uncovered in their relationship.

### 5.1.3 Comparison with previous research.

Since our thesis is built on the exploratory research done by Våland (2002), we had the chance to look at how our results compared to his. In the governance grid below, our findings are showed in comparison to his. As seen our results are quite different, in fact they are almost directly opposites. It is difficult to certainly conclude on why the results are so different, although we do propose two different possibilities. Namely, different contexts together with different periods in time. His findings were between buyer-sellers, meaning he looked at how lack of governance mechanisms could play on the relationship, from a buyer-seller perspective. We, on the other hand, focus on the Norwegian-Brazilian relationship, and how the lack of governance mechanisms plays on the relationship between two, according to theory, distinctly different business mentalities. However, our dyads did also involve complex projects, involving buyer-seller behavior. Therefore, we have called the grid buyer-seller,

rather than Norwegian-Brazilian to allow for a comparison. This slight difference in measuring should however not have any major implications.

*Model 5.1. Buyer-Seller governance grid: comparison with earlier research*
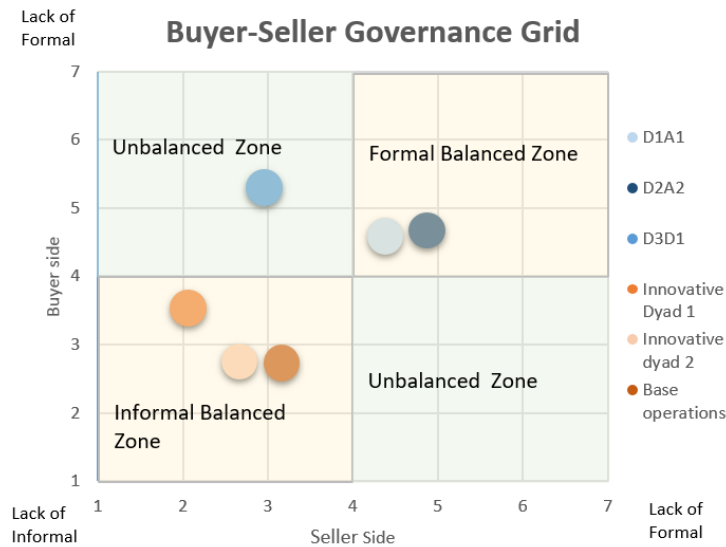


### 5.1.3.1 Different contexts

The first reason, perhaps obviously, are the different contexts from which the research took place. Vålands study involved buyers-sellers relationships, and projects mainly taking place in Norway, even though some of his dyads were with Asian companies. This, from a cultural theoretical perspective speaks towards two distinct different business cultures. However, with operations mainly out of Norway, the Norwegian companies in question were in their own backyard in terms of social and cultural behavior, norms and standards. Ours involves Norwegians companies, with offices on-site, in Brazil, operating under Brazilian law, culture, social norms and standards and with domestic Brazilian companies. More so, Brazilian companies was not involved in the study of Våland (2002). This could speak towards the differences found between our studies.

The common factor between the studies is the Norwegian side. The Norwegians seem to clearly be affected by the context in which they work in, and the partners they work with. when comparing results to Våland's (2002), we see that Norwegians might adept to the area they are operating in. This is definitely a possibility for future research to look at. How different operational contexts impact the governance mechanisms? We further look into this possibility in chapter 8.0 Future Research.

However, what if the context does not explain the different results? We propose that time could have made a big impact on the differences in the results. It is after all close to 20 years since the previous study, and a lot could have changed in business relationships around the world. A general shift in business relationships from a greater focus on informal governance mechanisms, or even a reduction in the use of formal mechanisms towards the opposite is not impossible to conceive. This too makes for an interesting starting point for further research, which is further elaborated on in chapter 8.0 Future Research.

## 5.2 Research question q2.

As pointed out earlier, this question is more of a side question, or sub-question, which allows us to scratch the surface of the topic, but not go into detail.

> q2: How do the informants perceive the impact (importance) of the events in relation to the governance mechanisms?

Our findings regarding research question two are interesting as they show a clear distinction between Norwegian and Brazilian perceptions. Where Norwegian companies do not seem to relate events' level of impact to the governance mechanisms causing it, all the Brazilian companies do. It is however important to note that correlation is not causation. We cannot definitely say that important events are due to lack of formal governance, but we can clearly see that they relate important events with a lack of formal mechanisms. Why is this so? That is not easy for us to finitely answer. A possible reason could be the uncertainty avoidant behavior of the Brazilian business culture. They are simply more accustomed to rules and regulations. As Brazilians seem to rely much more on formal mechanisms, such as contracts, they indirectly also conceive issues originating due to lack of them as having a bigger impact on the relationship, than the informal ones. Whereas Norwegians, who are more neutrally uncertainty avoidant, therefore also more trusting, might view breach of that trust, or lack thereof, as having a bigger impact on the overall relationship. Thus, explaining why no correlation was found. The Norwegians consider undesirable events given a lack of informal mechanisms, just as important (impactful), as they do events originating as a consequence of lack of formal mechanisms

Another possible reason Brazilians find events related to formal mechanisms as more important, is that building relations are more complicated and challenging for them. Brazilians, compared to Norwegians, need more time to grow a relationship and build trust,

this makes governing through informal mechanisms harder. Consequently, they likely rely more on formal mechanisms, since they are easier to create. As a foundation through existing laws and regulations already exits. This implies that Brazilians will consider formal events as having a higher impact on a relationship, as their mindset is more formal.

Våland (2002) proposes that important events are usually the ones that have the biggest financial consequences. A setting with less formal governance structure might make claiming payment harder, and making it easier to take advantage of each other. The latter point might be a reason for the different perceptions between Norwegians and Brazilians. We say this, because the Brazilian culture might be more open towards taking advantage of each other, showing opportunistic behavior. They see it more important to have proper formal governance mechanisms in place, and a breach in this is viewed as highly impacting on the relationship.

## 5.3 Connecting mechanisms and relationships

There are several potential reasons explaining the results we found. However, there is one important factor. We base our reasons and related arguments mainly on undesirable events found in the interviews. As stated in chapter 3.5.5 events are at the very best indicators, they are only one of many parts making a relationship. This also applies for the governance mechanisms, both formal and informal. They make up the overall governance of a relationship, used towards value creation and maintaining good order. They cannot tell us everything about the relationship between two companies. It is like standing outside of a football match and the audience roar. This letsby  you know something exiting is going on and you jump up to look over the fence. You see exactly what happens there and then, but it cannot explain the entirety of the match

Our uncovered events, given either lack of formal or informal mechanisms, can however be of great value when looking at areas to improve, strengthening the overall relationship. We believe investing proper time and resources towards understanding undesirable events related to any relational dimension is well worth it. Being proactive, seeking to improve the relationship, for example trying to understand formal mechanisms. Should produce information towards how they are perceived, by both parts in the dyad. This may help mitigating the potential of undesirable events, due to lack of formal mechanisms. Companies should be able to see where there are distinct differences to how those are to be enforced. As a result overall ex-ante and ex-post costs should decline, leaving a higher potential for value creation to be captured by both parts in the dyad. Furthermore, during tender processes,

having a valuable and orderly business relationships should speak towards lower costs, increasing competitiveness. Even though the events themselves are only a small part of the relationship, effectively working to comprehend and overcome them should provide valuable end-results for any business relationship.

## 6.0 Implications

The main findings of the thesis are that Brazilian-Norwegian business relationships perceive undesirable events, challenges and conflicts as mainly a result of lack of, or a failure in formal governance mechanisms. Thus, formal interaction is more important than informal in these types of relations. The findings have three implications for conducting business in Brazil.

Firstly, managers should put a larger emphasis on the formal governance mechanisms of business relationships in Brazil. Proper contracting and monitoring are more important than relational aspects for avoiding stress, challenges and conflicts in the relationship.

Knowledge of how business partners perceive undesirable events in the relationship is a vital tool for managing said relationship. A problem can only be solved when the two parties agree on the underlying cause. Thus, knowledge about business partner's perceptions will enhance the relationship, and improve it over time. Which leads us to the last implication.

Unfortunate situations, challenges and conflicts are not always dysfunctional, therefore they should not always be avoided. Functional conflicts push a business relationship towards new levels, increasing value over time and preventing stagnation. Managers should not seek out to remove conflict entirely, but rather build relational interactions and systems through formal mechanisms, to better separate dysfunctional from functional. Keeping dysfunctional conflicts to a minimum, while nourishing and flourishing on the functional ones.

## 7.0 Limitations

No study is perfect, there will always be limitations, this thesis is no exception. We recognize that there are in fact many limitations to this research, and here we will address those we deemed most important. Some of these limitations have already been mentioned in other chapters, but needs to be addressed here in specifics. Other limitations of less importance have been thoroughly discussed in chapter 3.5, Critique of research method.

A big limitation for this thesis was the limited time available when doing field research in Rio de Janeiro, Brazil. This time constraint first and foremost caused two big limitations. The first is sampling, we would have liked to have more dyads to draw data from. Even though we deem three dyads as sufficient, we would have loved to have more. A bigger sample would have provided more substantial results. Which would have allowed us to not supplement undesirable events provided by the informants with compiled events from other interviews. The second reason is the fact that we were not able to conduct all interviews face to face. Some informants where away on business trips which meant Skype interviews.

Another limitation is the lack of proper construct validation. While this subject has been discussed in chapter 3.5.2, we feel it carries such weight as it has to be mentioned here as well. Constructs which have not been properly validated should, in theory, not be used in research. Luckily the construct has previously been accepted and published. We do believe this is enough for our thesis as we are mere master students, not PhD candidates.

A third limitation is the question of whether undesirable events actually are a good way of understanding a business relationship's difficulties. By analyzing only single events, we do not see whether or not some events have synergies and/or affect each other. Some undesirable events might for example offset or neutralize each other, while yet again other events could strengthen each other. E.g. several small undesirable events reinforcing each other, creating a massive conflict.

The fourth limitation is related to the prior paragraph. Our research design and applied construct look for undesirable events to characterize relationships. Because of that, we might not get all required information about said relationship. Relationships and conflicts are dynamic, as stated earlier, we in fact only observe snapshots while the relationship itself is like a movie. One can hardly claim to fully understand the plot of a movie by only looking at photographs of highlighted important scenes.

In the theoretical chapter, we briefly talked about the ongoing discussion of governance modes as mutually exclusive or independent. Our thesis has the limitation that we only measures level of governance through a single question, thereby considering formal and informal governance mechanisms as mutually exclusive. As researchers, albeit only at a master level, we recognize this as a limitation given the ongoing discussion in the scientific community. Should it eventually be proven beyond doubt, that the mechanisms are independent, a new study involving our context would have to be done, to confirm or deny our initial findings.

Lastly, as discussed in chapter 3.5, there were several challenges when collecting data in the field. External events and cultural differences, as well as logistical complications and challenges in interviews pose a challenge for valid data. This limitation is a two-way street as the cultural differences also could bias our interpretation of the data.

Even though we admit this research is subject to quite a few limitations, we still believe the study provides a valuable contribution to business relationship theory, especially between Norwegian and Brazilian actors. This is only a master thesis and solving some of these limitations are simply beyond the scope of us. However, this research is part of a bigger research project, which eventually must deal with limitations such as the validity of the governance mechanism construct. This and more will be discussed in the next part, our future research chapter.

## 8.0 Further research

After reviewing our method, implications, limitations and results, we clearly see the potential for further research.

First and foremost, researchers considering using the same construct as this thesis should perform a throughout construct validity test. They could also develop the construct to better handle the importance/impact of events. We only looked at indications here, and further research are definitively needed to make more certain and concluding remarks on the relationship between level of governance and importance. Other researchers could also use the opportunity to look for and develop other variables which could help explain business relationships using the governance mechanisms construct. Such as culture, correlated events and third-party involvement.

As shown earlier this thesis has, using the same construct, found quite different results than previous research. Further research is needed to find out whether this is a result of the research being conducted in different contexts, or if there has been an evolution of governance mechanisms' role in business relationship through time. Thus, the same research should be applied in different contexts, it could also be interesting to see if this particular Norwegian-Brazilian context are affected by the turbulent macroeconomic conditions of the country. Conducting the same research in a calmer period could potentially provide different results.

## 9.0 Conclusion

Norway and Brazil have done business with one another since the 19th century, and especially the oil & gas industry, speaks towards a continuing relationship. As a result, there exists interest towards understanding how the Norwegian-Brazilian business relationships behave, and what makes them work. In the analysis, we looked at perceptual distances between Norwegian-Brazilian business relationships in terms of governance mechanisms. And to a lesser extent, we consider the impact (importance) of the events related to the mechanisms, as perceived by the informants.

We derived our two research questions from the research problem: *Identifying perceptual distances on undesirable events in Norwegian-Brazilian business dyads, and understanding their underlying forces.*

The first research question: *How do the informants from the dyads perceive these events' underlying causes in terms of formal or informal governance mechanisms*? Gave us the following findings.

1) That both Brazilian and Norwegian companies involved in complex relationships interpreted their undesirable events as taking place mostly due to a lack of formal governance mechanisms. This is most likely a result of a more formal Brazilian cultural context, in addition to cultural distance. This requires a more formal business approach. However, the understanding of what is considered a proper formal business approach seems to be a cause for undesirable events.

2) The last dyad, an owner-operator relationship, inhabited a big perceptual distance on the origin of undesirable events. The Brazilians blamed lack of formal governance mechanisms and the Norwegians a lack of informal. This dyad seems affected by much of the same cultural aspects as the previous two. However, it also likely suffered from differences and imbalance linked to management styles and mixed cultures, together with a potential future relationship as competitors.

The second research questions (q2): *How do the informants perceive the impact (importance) of the events in relation to the governance mechanisms?* Dealt with the relation between level of governance mechanisms and the impact (importance) of the events. No relation was found for the Norwegian side. The Brazilian side, on the other hand, had a significant relation between how formal an event was perceived and how impactful it was, in all three dyads. This

answer was a tougher nut to crack. However, the concepts of uncertainty avoidance and more formalized structure, partially explains our results.

It becomes clear that the underlying forces which fuels undesirable events and potential conflicts, mostly stems from, and can be explained by different layers of cultural differences. These cultural differences as external influencers will affect the relational dimensions for which a business relationship is made of. What is considered improper or proper behavior given the distinct cultural differences, will play on the outcome of the relationships. In terms of formal mechanisms, everything from commitment, planning, control and context will be perceived differently. Therefore, an extra awareness to thoroughly assess these differences need to be accounted for. On the informal side of the relationship, shared values, common personality traits and in turn trust will also be viewed differently. Especially in terms of how easy they are to establish. Consequently, the way the companies choose to weigh the different governance mechanisms, and how they consider them of importance, will influence the origin of the undesirable events.

For a Norwegian company to succeed in Brazil, we argue it is extremely important to spend ample time and resources understanding how the Brazilians behave and respond towards the many dimensions of a business relationship. Maybe more so here than elsewhere, due to their distinctively different cultures.

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# Appendix.

## Appendix 1. Interview Templates

This is the template/interview guide we used to transcribe the interviews. From here one can see how we loosely structured the interview.

University of Stavanger

Exploring challenges and opportunities in
Norwegian- Brazilian Business Relationships

COPPEAD
UFRJ

> Present at the interview:

1. Name of the person interviewed:

2. Company:

3. Work title:

4. Dyads they have been involved in:

| Norwegian Company | Brazilian Counterpart |
|---|---|
|  |  |
|  |  |
|  |  |

5. Events by category:

    a. Organization of work:

    b. Data precision:

    c. Work performance:

1

    d. **Human interaction:**

    e. **Physical resources:**

    f. **Manpower resources:**

    g. **Externalities:**

    h. **Uncategorized:**

6. **Other comments**

# Appendix 2. List of events presented to informants if examples was needed

The small list of events we used to give informants inspiration and direction during stage 1. Interviews.

| Category | Examples of events |
|---|---|
| 1. Organization of work | · Another informal organizations were getting involved and taking command on expense of formal organizations, causing coordination problems<br>· Different opinions on punctuality ("German time vs Brazilian time")<br>· Strict schedule with no room for change made it hard to develop a good inter-organizational relationship<br>· National holidays led to a significant delay of the work<br>· Different standpoints with respect to tax legislations and presentation of financial statements, where one company has a different perceived view of what is correct from the other company |
| 2. Data precision | · The estimated value in the agreement was viewed differently by the parts |
| 3. Work performance | · The completion of a work (project) took longer time than expected because of absence of workers<br>· The completion of a project took longer than expected because the actual time workers took to perform a task was much longer than the estimated time |
| 4. Human interaction | · Managers from different cultures disagreed on how to perform a certain task, leading to stress and uncertainty among their employees<br>· Local manager under reports negative aspects of the project<br>· Uneven expectations to what the relationship would lead to in the long run, leading to dissatisfaction because of different perception of what the other part would bring to the table.<br>· Language barriers led to a miscommunication, and frustration among the parts<br>· Communication problems due to cultural distance lead to a challenging environment, when the initial relationships were developed.<br>· Greasing the wheels to speed up a process, or signing a deal "corruption"<br>· High degree of enthusiasm hindered the ability to see things from a critical point of view |
| 5. Physical resources | · Incompatibility in standard measuring units caused problems and extra work.<br>· There were unclear guidelines for correct usage of the CAO (Computer Assisted Ordering), causing wrong placement of orders and delay on delivery.<br>· Other parts are reluctant to share valuable capability or resources, especially if they regard their partners as potential competitors |
| 6. Manpower resources | · Due to the lack of qualified professionals, the other part was forced to use under qualified personnel which did not have the skills necessary to perform a certain task, leading to further problems<br>· One partner required a certain amount of the employees to be local, reducing the freedom for the foreign partner<br>· Shortage of workforce made it necessary for too few people to perform a task |
| 7. Externalities | · Involved parties lacked the understanding of Brazilian tax laws, and caused issues towards taxation and permits involved with certain aspects of the operation<br>· Dropping oil prices and a high operation cost made it hard to keep business abroad floating<br>· The "Brazil Cost": Corruption, government inefficiency, high taxes, poor infrastructure, legal and bureaucratic complications<br>· Wrongful understanding because of governmental policy change, caused communication error among the participating partners |

# Appendix 3. E-mail to companies

When inviting companies to partake in the research we sent them an email including a project description and a description of the research team.

## Project Description

University of Stavanger — Exploring challenges and opportunities in Norwegian- Brazilian Business Relationships — COPPEAD UFRJ

**Project Summary and Objetcives**

The main goal is to enforce the success rate of business collaboration between Norwegian companies operating in Brazil and their Brazilian partners. This will be enabled by (i) increasing the understanding of business challenges as perceived from both sides (Norwegian and Brazilian partners) through a research part, and (ii) by establishing a joint seminar/program on graduate level in which a combination of business practioners and business students are included.

There are four main activities; evolving in a timeline:

1. Establishing an empirically based knowledge base on business interaction, 75 dyads in which 75 different Norwegian companies are involved.

2. Developing a business seminar/program on graduate level in Rio and Stavanger.

3. Faculty exchange connected to the business seminar/program

4. Joint master theses (one Brazilian-one Norwegian) on selected dyads in Rio.

Institutions involved are University of Stavanger–Business School, UFRJ-COPPEAD as main partners, Innovation Norway for business contact assistance, and the companies forming the 50 dyadic relationships.

Expected results: Contribution to one Brazilian PhD which is already started, 2-3 research papers during a three year period, a business seminar/program that improve the strengths and commitment in Brazilian-Norwegian inter-firm collaboration, and joint master theses in which Brazilian and Norwegian business students are brought together for mutual understanding and international employment.

## Team Description

Even though this thesis was only written by two persons it is important to note that we were in fact a large team of researchers. Also, important to note is that even though Prof. Våland was not a part of the research team he is the main force behind the research and therefore included in the team description.

Terje Våland is a Professor at the University of Stavanger Business School in Norway. In his profession, he has the pleasure of meeting young people trying to understand and explore the field of business strategy.

He also does consulting assignments within policy making and strategy, which improve his abilities to understand the practical sides of business development and competitive forces. He strongly believes that experiencing management from this side also create value for his students.

Terje is also managing director of Stavanger Helseforskning, where he provides managerial assistance to Norwegian and international projects to improve and restore health.

Edson Muylaert is a PhD student at COPPEAD Business School in Rio de Janeiro. Edson has worked internationally as a consultant and executive for global organizations in the Oil & Gas, Media & Communication, Health Insurance, and other industries. He is culturally upgraded, having lived in Brazil, USA, France, Argentina, and Angola. He is fluent in Portuguese, English, Spanish, and French.

Edson's qualifications include a PhD and an MBA at COPPEAD|UFRJ, Business Management certificate from University of California San Diego, specialization in Learning Organizations at Columbia Business School, Business Management specialization at IAG PUC-RJ, and a B.Sc. in Mechanical Engineering at ITA (Instituto Tecnológico de Aeronáutica)

Eirik Runestad is from Norway, born and raised on a tomato farm. He took his bachelor's degree at the UIS Business School, where he is also currently writing his master thesis. His previous experience is diverse, ranging from bouncer/bartender, farmhand, teacher substitute, teaching assistant and aircraft ground handler.

Eirik has also had volunteer positions, such as managing the finances of a student sports team, and being a group leader at the freshman weeks at UIS. He is also sitting at the district counsel of Storhaug in Stavanger.

Iara Balo is a graduate student in economics with specialization in strategy, leadership, and supply chain management at the University of Stavanger, Norway. During the fall semester 2016 she also got granted a scholarship for an executive MBA program at the Grainger Center for Supply Chain Management at the University of Wisconsin, USA.

She has a strong global orientation in business, having lived in Brazil, Australia, United States and Norway. Iara is fluent in Portuguese, English, Norwegian, and also has a good level of understanding of Italian and Spanish.

Her professional background includes English teacher, seminar leader, hotel and tourism development, and currently she is a banking and finance assistant.

Christoffer Bore Haaland is a Norwegian graduate student, with specialization in strategy and management at the University of Stavanger. Christoffer has served in Norway's national military service as a bugler coordinator and troop representative. After that, he entered the Business School at UiS, and finished his Bachelor's Degree in Business Administration in 2015. During his bachelor, Christoffer had one semester at the global business program at FH Johanneum, Austria.

He is well structured, effective, consensual, adventurous and goal oriented. His experience includes accounting, marketing, sales, teaching, strategy implementation and leadership. Fluent in Norwegian and English, and with a good level of speaking and understanding German.

Tobias is Thai-born, but adopted and grew up in Norway. He took his Bachelor's Degree in Business Administration at the College of Sogn & Fjordane. Before taking his Master's, he worked as a marketing consultant, then as a Sales Manager B2C at Sognenett for a period of three years. Other work experience includes customer service at the Bergen Airport Flesland, teacher substitute, and teaching assistance (Bachelor's level).

Tobias has had many volunteer positions, ranging from student politician, festival volunteer, and event-manager for the master students at UiS Business School. Formerly, he was Chairman of the board of SISOF. He currently sits at the board of SiS, an organization employing over 100 people with a yearly revenue of over 20 million USD, and also as an event-manager for the interest organization for Master students in Economics at the UiS Business School.

# Appendix 4. Transcribed Events – Raw Data

This chapter include all raw data we can show without risking compromising anonymity. We only provide data from second stage interviews, as our transcribed first stage interviews are too revealing.

**Dyad 1(D1A1) Norwegian side**

| Event nr | The event/situation | Importance (1-7) - 1 = Very low. 7 = Very High | Governance (1-7) 1 = Very informal. 7 = Very formal |
|---|---|---|---|
| a1 | Lack of proper scheduling from client/supplier cause unnecessary delays. | 1 | 7 |
| a2 | One part lacking proper maintenance routines caused unnecessary downtime | 1 | 7 |
| a3 | The importance of maintenance practices and investments are different from one part to the other part, which causes friction, and potential hazards | 2 | 4 |
| a5 | Unrealistic expectations for deliverance of service from clients | 2 | 2 |
| a6 | Client`s strong effort to lower costs, lowered their ability to do proper planning and organizing | 6 | 7 |
| a7 | The carnival season created a "no-order" period causing overcapacity | 1 | 7 |
| a8 | Communication errors, due to different ways of understanding messages given during meetings. One part would think they reached an agreement, while the other would not work because they would think nothing is decided. | 2 | 3 |
| a9 | Both parts in the dyad get the job done, only on different grounds. This stresses one of the parties. | 2 | 1 |
| a10 | Promise to deliver on time but postponded, the project was only ready at the last minute.This was stressful for one part | 7 | 7 |
| a11 | One part has a strict schedule with no room for changes, which makes it difficult for the two parts to work together | 2 | 5 |
| a12 | The common business practice of "exchanging favors" causes uncertainty on what to expect between the parts | 2 | 6 |
| a13 | Parts had different perceptions of the importance of a meeting or an appointment, which was scheduled and had to be cancelled or delayed | 2 | 7 |

| | | | |
|---|---|---|---|
| a15 | One part would wait until the last minute to tell about project complications, this created unpredicted delays. | 3 | 7 |
| a17 | Delays due to one part wanting to do things his/her own way instead of being more open minded | 4 | 7 |
| a18 | Lack of project follow-up created misunderstandings about progress. | 3 | 1 |
| b1 | Constantly changing requirements on user's needs leadings to short adjustment periodes, causing unnecessary stress on the relationship. | 1 | 2 |
| b2 | Different standards and color coding on small items can create misunderstandings and mistakes in delivery and installation, causing delay or higher costs. | 1 | 4 |
| b3 | Employees from one part are denied access to the system, to try to reduce human-factor risk | 2 | 7 |
| b4 | Highly complex contracts on one side, leads to increased in the use of lawyers, driving up cost. | 2 | 6 |
| b5 | Implementation of ERP (Enterprise Resource Planning) systems took longer than expected, causing buyers/suppliers to have to postpone work and have unexpected delays | 5 | 5 |
| b6 | One part did not include all of the specification of equipment, which led the other part to making wrong plans and calculations. | 6 | 5 |
| c1 | Work performance was hindered/lowered by lack of workers. | 5 | 2 |
| c2 | Little investment in proper training for workers on one side, raised concerns in the other side, on their ability to properly handle equipment. | 4 | 3 |
| c3 | One side chose shortcuts and improvised fixes on broken equipment creating dangerous situations. | 5 | 3 |
| c4 | One part disregarded safety procedures, creating hazardous and a dangerous environment/situation. | 4 | 6 |
| c5 | Willingness to "cover each other" when errors occur creates unnecessary investigative work and higher cost | 4 | 4 |
| c6 | One part uses the equipment until it breaks down to gain short-run profit, rather than doing continuing maintenance. | 6 | 1 |
| c8 | The lack of questioning, brainstorming, supervison and teamwork led to delayed project execution. | 3 | 2 |
| c9 | Low willingness to plan on one side of the dyad cause stress and annoyance on the other. | 1 | 2 |
| d1 | Management in one company likes to share opinion. In the other company, there is a more hierachical system, expecting clear instructions from Senior Management (Boss, higher level) | 2 | 1 |

| | | | |
|---|---|---|---|
| d2 | Language barriers created difficulty both on project-management level, and operational level. | 2 | 6 |
| d3 | Due to lack of communication, one part was not aware of restructuring, causing missing documentation | 3 | 4 |
| d4 | Different perceptions of time consumed in meetings created misunderstanding, confusion and sometimes disagreements. | 3 | 6 |
| d5 | One side keeps giving excuses for things not done and delays, instead of solving the issue. | 4 | 5 |
| d6 | The lack of clarity in communication created confusing situations. | 6 | 5 |
| d7 | Different business approaches (Direct, emotional) created tension | 3 | 2 |
| d8 | One part would often run late to meetings which created irritation and/or delays | 4 | 6 |
| d9 | The need to constantly push for proper documentation takes time and resources | 5 | 3 |
| d10 | One part`s lack of appreciation for the relationship, hinders progress/results. | 6 | 7 |
| d11 | The overestimation in one side`s ability to speak English caused confusion. | 5 | 4 |
| d13 | Different perceptions of trust make the relationship development challenging, and represent a risk for the "trusting" part | 7 | |
| d14 | One part refused to speak English in meetings, or make contracts in English. Creating potential detail misunderstandings | 3 | 5 |
| d15 | When trying to make direct contact one part had to go through formal, rigid and time consuming procedures, instead of getting a personal meeting and establishing immediate contact | 4 | 5 |
| d16 | One part exploited the other by postponing deadlines in order to get an informational advantage | 4 | 7 |
| d17 | Due to different perceptions of trust, focus of the projects wrongfully shifts more towards outsmarting the other part | 4 | 6 |
| d18 | Misperceptions of final outcomes derived from friendly behavior in business relationship which lead to different expectations | 4 | 5 |
| d19 | Different perceptions on the importance of informally developing a relationship. Which one part considers time consuming | 5 | 7 |
| d20 | Delays due to centralized decision making in partner company. | 3 | 4 |
| d21 | One part being to protective of their technology led to project delays | 4 | 4 |

| | | | |
|---|---|---|---|
| d22 | One part gave non precise answers in order to save time, while the other gave precise but time consuming answers | 3 | 5 |
| e1 | One part used improperly skilled workers | 3 | 2 |
| e2 | Frequent personnel turnover in clients/suppliers forced new development of business relationships, which is time consuming | 4 | 6 |
| e3 | One part's low productivity level due to lack of qualification, generated the need to hire more workers to get the task done | 6 | 3 |
| e4 | Very complicated for some workers to keep concentration over a long time, causing frustration on their partners | 5 | 3 |
| e5 | Partner's personnel did not have a good understanding of their own processes and goals, creating unnecessary delays | 2 | 5 |
| e6 | Clients/Suppliers were so influenced by the labor-unions (syndicates), that management decisions caused increase in cost and time. | 4 | 6 |
| A1 | One part has unalterable standards that do not go together with the counterpart. This causes friction and a challenging situation as both parties have to spend a lot of resources to align their demands. | 1 | 5 |
| B1 | End client asks for very unique requirements for an asset, causing stress on the project partners. | 1 | 4 |
| B2 | End client asked for last minute changes to assets specifications causing delay and increased cost for the project partners. | 2 | 1 |
| C1 | Key performance indicators are not interpreted as they should by the counterpart, causing unnecessary clarification measures to be taken. | 7 | 2 |
| C2 | One part wants to move along fast in order to save time, instead of slowing down and doing things in a calculated precise order. This is perceived by the counterpart as a potential future cost factor. | 7 | 3 |
| D1 | One side demand answers promptly, this causes unnecessary frustration. | 4 | 6 |
| D2 | One side takes time to give a proper answer, which is perceived by the other part as a waste of time. | 3 | 1 |
| D3 | One side likes to plan the solution before presenting the problem, to avoid new error. This is perceived as unnecessary time waste. | 3 | 5 |
| D4 | One part prefers to solve problems themselves, instead of starting by seeking help, which is considered frustrating by the other part. | 4 | 5 |

| Event nr | The event/situation | | |
|---|---|---|---|
| D5 | One part works better under a higher stress level than the other, causing need to find common ground. | 3 | 5 |
| D6 | One part likes to work in several projects/tasks simultaneously, the other part prefers to focus on one project/task | 4 | 6 |
| E1 | One part not reaching or changing the deadline causes costly contract renegotiation processes. | 4 | 3 |
| F1 | Due to improper planning, suppliers could not deliver when demand increased. | 6 | 2 |

## Dyad 1 (D1A1) Brazilian side

| Event nr | The event/situation | Importance (1-7) - 1 = Very low. 7 = Very High | Governance (1-7) 1 = Very informal. 7 = Very formal |
|---|---|---|---|
| a1 | Lack of proper scheduling from client/supplier cause unnecessary delays. | 6 | 4 |
| a2 | One part lacking proper maintenance routines caused unnecessary downtime | 6 | 5 |
| a3 | The importance of maintenance practices and investments are different from one part to the other part, which causes friction, and potential hazards | 5 | 6 |
| a5 | Unrealistic expectations for deliverance of service from clients | 5 | 5 |
| a6 | Client`s strong effort to lower costs, lowered their ability to do proper planning and organizing | 6 | 5 |
| a7 | The carnival season created a "no-order" period causing overcapacity | 2 | 4 |
| a8 | Communication errors, due to different ways of understanding messages given during meetings. One part would think they reached an agreement, while the other would not work because they would think nothing is decided. | 6 | 6 |
| a9 | Both parts in the dyad get the job done, only on different grounds. This stresses one of the parties. | 5 | 5 |
| a10 | Promise to deliver on time but postponded, the project was only ready at the last minute.This was stressful for one part | 5 | 4 |
| a11 | One part has a strict schedule with no room for changes, which makes it difficult for the two parts to work together | 5 | 4 |

| | | | |
|---|---|---|---|
| a12 | The common business practice of "exchanging favors" causes uncertainty on what to expect between the parts | | |
| a13 | Parts had different perceptions of the importance of a meeting or an appointment, which was scheduled and had to be cancelled or delayed | 3 | 4 |
| a15 | One part would wait until the last minute to tell about project complications, this created unpredicted delays. | 6 | 6 |
| a17 | Delays due to one part wanting to do things his/her own way instead of being more open minded | 6 | 5 |
| a18 | Lack of project follow-up created misunderstandings about progress. | 5 | 5 |
| b1 | Constantly changing requirements on user's needs leadings to short adjustment periodes, causing unnecessary stress on the relationship. | 5 | 5 |
| b2 | Different standards and color coding on small items can create misunderstandings and mistakes in delivery and installation, causing delay or higher costs. | 3 | 4 |
| b3 | Employees from one part are denied access to the system, to try to reduce human-factor risk | 3 | 3 |
| b4 | Highly complex contracts on one side, leads to increased in the use of lawyers, driving up cost. | 6 | 6 |
| b5 | Implementation of ERP (Enterprise Resource Planning) systems took longer than expected, causing buyers/suppliers to have to postpone work and have unexpected delays | | |
| b6 | One part did not include all of the specification of equipment, which led the other part to making wrong plans and calculations. | 6 | 6 |
| c1 | Work performance was hindered/lowered by lack of workers. | 5 | 5 |
| c2 | Little investment in proper training for workers on one side, raised concerns in the other side, on their ability to properly handle equipment. | 6 | 6 |
| c3 | One side chose shortcuts and improvised fixes on broken equipment creating dangerous situations. | 7 | 6 |
| c4 | One part disregarded safety procedures, creating hazardous and a dangerous environment/situation. | 7 | 6 |
| c5 | Willingness to "cover each other" when errors occur creates unnecessary investigative work and higher cost | 7 | 6 |

| | | | |
|---|---|---|---|
| c6 | One part uses the equipment until it breaks down to gain short-run profit, rather than doing continuing maintenance. | 6 | 6 |
| c8 | The lack of questioning, brainstorming, supervison and teamwork led to delayed project execution. | 5 | 5 |
| c9 | Low willingness to plan on one side of the dyad cause stress and annoyance on the other. | 5 | 5 |
| d1 | Management in one company likes to share opinion. In the other company, there is a more hierachical system, expecting clear instructions from Senior Management (Boss, higher level) | 4 | 4 |
| d2 | Language barriers created difficulty both on project-management level, and operational level. | 3 | 3 |
| d3 | Due to lack of communication, one part was not aware of restructuring, causing missing documentation | 4 | 5 |
| d4 | Different perceptions of time consumed in meetings created misunderstanding, confusion and sometimes disagreements. | 4 | 4 |
| d5 | One side keeps giving excuses for things not done and delays, instead of solving the issue. | 5 | 4 |
| d6 | The lack of clarity in communication created confusing situations. | 4 | 5 |
| d7 | Different business approaches (Direct, emotional) created tension | 4 | 4 |
| d8 | One part would often run late to meetings which created irritation and/or delays | 3 | 4 |
| d9 | The need to constantly push for proper documentation takes time and resources | 5 | 5 |
| d10 | One part`s lack of appreciation for the relationship, hinders progress/results. | 5 | 4 |
| d11 | The overestimation in one side`s ability to speak English caused confusion. | 2 | 3 |
| d13 | Different perceptions of trust make the relationship development challenging, and represent a risk for the "trusting" part | 5 | 4 |
| d14 | One part refused to speak English in meetings, or make contracts in English. Creating potential detail misunderstandings | 3 | 3 |
| d15 | When trying to make direct contact one part had to go through formal, rigid and time consuming procedures, instead of getting a personal meeting and establishing immediate contact | 4 | 4 |

| | | | |
|---|---|---|---|
| d16 | One part exploited the other by postponing deadlines in order to get an informational advantage | 6 | 6 |
| d17 | Due to different perceptions of trust, focus of the projects wrongfully shifts more towards outsmarting the other part | 5 | 4 |
| d18 | Misperceptions of final outcomes derived from friendly behavior in business relationship which lead to different expectations | 4 | 4 |
| d19 | Different perceptions on the importance of informally developing a relationship. Which one part considers time consuming | 4 | 4 |
| d20 | Delays due to centralized decision making in partner company. | 6 | 4 |
| d21 | One part being to protective of their technology led to project delays | 6 | 5 |
| d22 | One part gave non precise answers in order to save time, while the other gave precise but time consuming answers | 6 | 5 |
| e1 | One part used improperly skilled workers | 7 | 6 |
| e2 | Frequent personnel turnover in clients/suppliers forced new development of business relationships, which is time consuming | 4 | 4 |
| e3 | One part's low productivity level due to lack of qualification, generated the need to hire more workers to get the task done | 4 | 5 |
| e4 | Very complicated for some workers to keep concentration over a long time, causing frustration on their partners | 4 | 4 |
| e5 | Partner's personnel did not have a good understanding of their own processes and goals, creating unnecessary delays | 4 | 4 |
| e6 | Clients/Suppliers were so influenced by the labor-unions (syndicates), that management decisions caused increase in cost and time. | 4 | 4 |
| A1 | One part has unalterable standards that do not go together with the counterpart. This causes friction and a challenging situation as both parties have to spend a lot of resources to align their demands. | 6 | 6 |
| B1 | End client asks for very unique requirements for an asset, causing stress on the project partners. | 6 | 6 |

| Event nr | The event/situation | Importance | Governance |
|---|---|---|---|
| B2 | End client asked for last minute changes to assets specifications causing delay and increased cost for the project partners. | 6 | 5 |
| C1 | Key performance indicators are not interpreted as they should by the counterpart, causing unnecessary clarification measures to be taken. | 5 | 5 |
| C2 | One part wants to move along fast in order to save time, instead of slowing down and doing things in a calculated precise order. This is perceived by the counterpart as a potential future cost factor. | 6 | 5 |
| D1 | One side demand answers promptly, this causes unnecessary frustration. | 4 | 4 |
| D2 | One side takes time to give a proper answer, which is perceived by the other part as a waste of time. | 4 | 4 |
| D3 | One side likes to plan the solution before presenting the problem, to avoid new error. This is perceived as unnecessary time waste. | 4 | 3 |
| D4 | One part prefers to solve problems themselves, instead of starting by seeking help, which is considered frustrating by the other part. | 3 | 3 |
| D5 | One part works better under a higher stress level than the other, causing need to find common ground. | 3 | 2 |
| D6 | One part likes to work in several projects/tasks simultaneously, the other part prefers to focus on one project/task | 3 | 3 |
| E1 | One part not reaching or changing the deadline causes costly contract renegotiation processes. | 5 | 5 |
| F1 | Due to improper planning, suppliers could not deliver when demand increased. | 5 | 4 |

## Dyad 2 (D2A2) Norwegian Side

| Event nr | The event/situation | Importance (1-7) - 1 = Very low. 7 = Very High | Governance (1-7) 1 = Very informal. 7 = Very formal |
|---|---|---|---|
| a1 | Lack of proper schedualing from client/supplier cause unnecessary delays. | 5 | 3 |
| a2 | One part lacking proper maintenance routines caused unnecessary downtime | 4 | 4 |
| a3 | The importance of maintenance practices and investments are different from one part to the other part, which causes friction, and potential hazards | 4 | 5 |

| | | | |
|---|---|---|---|
| a4 | Unrealistic expectations for deliverance of service from clients | 6 | 5 |
| a5 | Client`s strong effort to lower costs, lowered their ability to do proper planning and organizing | 6 | 6 |
| a6 | The carnival season created a "no-order" period causing overcapacity | 2 | 2 |
| a7 | Communication errors, due to different ways of understanding messages given during meetings. One part would think they reached an agreement, while the other would not work because they would think nothing is decided. | 5 | 5 |
| a8 | Both parts in the dyad get the job done, only on different grounds. This stresses one of the parties. | 6 | 5 |
| a9 | Promise to deliver on time but postponded, the project was only ready at the last minute.This was stressful for one part | 4 | 4 |
| a10 | One part has a strict schedule with no room for changes, which makes it difficult for the two parts to work together | 6 | 6 |
| a11 | The common business practice of "exchanging favors" causes uncertainty on what to expect between the parts | 5 | 5 |
| a12 | Parts had different perceptions of the importance of a meeting or an appointment, which was scheduled and had to be cancelled or delayed | 7 | 7 |
| a13 | One part would wait until the last minute to tell about project complications, this created unpredicted delays. | 5 | 5 |
| a14 | Delays due to one part wanting to do things his/her own way instead of being more open minded | 4 | 5 |
| a15 | Lack of project follow-up created misunderstandings about progress. | 5 | 7 |
| b1 | Constantly changing requirements on user's needs leadings to short adjustment periodes, causing unnecessary stress on the relationship. | 6 | 7 |
| b2 | Different standards (e.g. color coding on small items) can create misunderstandings and mistakes in delivery and installation, causing delay or higher costs. | 3 | 4 |
| b3 | Employees from one part are denied access to the system, to try to reduce human-factor risk | 5 | 6 |
| b4 | Highly complex contracts on one side, leads to increased in the use of lawyers, driving up cost. | 5 | 5 |
| b5 | Implementation of ERP (Enterprise Resource Planning) systems took longer than expected, causing buyers/suppliers to have to postpone work and have unexpected delays | 6 | 6 |

| | | | |
|---|---|---|---|
| b6 | One part did not include all of the specification of equipment, which led the other part to making wrong plans and calculations. | 7 | 5 |
| c1 | Work performance was hindered/lowered by lack of workers. | 5 | 6 |
| c2 | Little investment in proper training for workers on one side, raised concerns in the other side, on their ability to properly handle equipment. | 4 | 4 |
| c3 | One side chose shortcuts and improvised fixes on broken equipment creating dangerous situations. | 6 | 5 |
| c4 | One part disregarded safety procedures, creating hazardous and a dangerous environment/situation. | 5 | 4 |
| c5 | Willingness to "cover each other" when errors occur creates unnecessary investigative work and higher cost | 4 | 5 |
| c6 | One part uses the equipment until it breaks down to gain short-run profit, rather than doing continuing maintenance. | 7 | 5 |
| c8 | The lack of questioning, brainstorming, supervison and teamwork led to delayed project execution. | 5 | 4 |
| c9 | Low willingness to plan on one side of the dyad cause stress and annoyance on the other. | 6 | 6 |
| d1 | Management in one company likes to share opinion. In the other company, there is a more hierachical system, expecting clear instructions from Senior Management (Boss, higher level) | 4 | 4 |
| d2 | Language barriers created difficulty both on project-management level, and operational level. | 5 | 5 |
| d3 | Due to lack of communication, one part was not aware of restructuring, causing missing documentation | 4 | 4 |
| d4 | Different perceptions of time consumed in meetings created misunderstanding, confusion and sometimes disagreements. | 5 | 6 |
| d5 | One side keeps giving excuses for things not done and delays, instead of solving the issue. | 6 | 5 |
| d6 | The lack of clarity in communication created confusing situations. | 5 | 4 |
| d7 | Different business approaches (Direct, emotional) created tension | 6 | 5 |
| d8 | One part would often run late to meetings which created irritation and/or delays | 4 | 6 |
| d9 | The need to constantly push for proper documentation takes time and resources | 5 | 4 |
| d10 | One part`s lack of appreciation for the relationship, hinders progress/results. | 5 | 5 |

| | | | |
|---|---|---|---|
| d11 | The overestimation in one side`s ability to speak English caused confusion. | 4 | 6 |
| d13 | Different perceptions of trust make the relationship development challenging, and represent a risk for the "trusting" part | 6 | 3 |
| d14 | One part refused to speak English in meetings, or make contracts in English. Creating potential detail misunderstandings | 7 | 4 |
| d15 | When trying to make direct contact one part had to go through formal, rigid and time consuming procedures, instead of getting a personal meeting and establishing immediate contact | 5 | |
| d16 | One part exploited the other by postponing deadlines in order to get an informational advantage | 4 | 5 |
| d17 | Due to different perceptions of trust, focus of the projects wrongfully shifts more towards outsmarting the other part | 3 | 5 |
| d18 | Misperceptions of final outcomes derived from friendly behavior in business relationship which lead to different expectations | 2 | 4 |
| d19 | Different perceptions on the importance of informally developing a relationship. Which one part considers time consuming | 5 | 4 |
| d20 | Delays due to centralized decision making in partner company. | 3 | 5 |
| d21 | One part being to protective of their technology led to project delays | 4 | 6 |
| d22 | One part gave non precise answers in order to save time, while the other gave precise but time consuming answers | 5 | 5 |
| e1 | One part used improperly skilled workers | 6 | 4 |
| e2 | Frequent personnel turnover in clients/suppliers forced new development of business relationships, which is time consuming | 5 | 6 |
| e3 | One part's low productivity level due to lack of qualification, generated the need to hire more workers to get the task done | 4 | 4 |
| e4 | Very complicated for some workers to keep concentration over a long time, causing frustration on their partners | 5 | 5 |
| e5 | Partner's personnel did not have a good understanding of their own processes and goals, creating unnecessary delays | 6 | 6 |

| Event nr | The event/situation | Importance | Governance |
|---|---|---|---|
| e6 | Clients/Suppliers were so influenced by the labor-unions (syndicates), that management decisions caused increase in cost and time. | 3 | 4 |
| a15 | Misconceptions regarding one part's capabilities and what the other part wanted created a production gap | 4 | 5 |
| b7 | Missing product specifications on one part led to delays | 5 | 6 |
| d23 | Communication errors between the parts resulted in delay of proper documents | 3 | 4 |
| d24 | Communication error led to wrong perception of actual cost | 6 | 5 |
| a16 | Delay in critical documentation forced one part to halt production | 5 | 4 |
| a17 | Mismatched perceptions regarding product specifications and the production process caused friction amongst the parties | 3 | 4 |
| b8 | Work overload due to long and redundant product specification documentation | 4 | 5 |
| c10 | Projects were delayed due to end-result showing inferior quality | 5 | 6 |
| c11 | Work took longer than expected in order to achieve a certain a quality level | 6 | 4 |
| c12 | Workers took time than expected to perform a task, which delayed the project | 7 | 5 |
| d25 | disagreements on final product specification compliance led to stress and time consuming debate | 3 | 6 |
| f1 | Third party changes in raw material composition made it difficult for one part to deliver desired quality | 4 | 4 |
| e7 | High profile workers would often disagree with technical workers, leading to delays and sometimes extra costs | 5 | 5 |
| e8 | One part lacked necessary knowledge to discuss the project, leading to delays | 6 | 4 |

## Dyad 2 (D2A2) Brazilian Side

| Event nr | The event/situation | Importance (1-7) - 1 = Very low. 7 = Very High | Governance (1-7) 1 = Very informal. 7 = Very formal |
|---|---|---|---|
| a1 | Lack of proper schedualing from client/supplier cause unnecessary delays. | 7 | 5 |
| a2 | One part lacking proper maintenance routines caused unnecessary downtime | NA | NA |

| | | | |
|---|---|---|---|
| a3 | The importance of maintenance practices and investments are different from one part to the other part, which causes friction, and potential hazards | NA | NA |
| a4 | Unrealistic expectations for deliverance of service from clients | 6 | 4 |
| a5 | Client`s strong effort to lower costs, lowered their ability to do proper planning and organizing | 7 | |
| a6 | The carnival season created a "no-order" period causing overcapacity | NA | NA |
| a7 | Communication errors, due to different ways of understanding messages given during meetings. One part would think they reached an agreement, while the other would not work because they would think nothing is decided. | 7 | 6 |
| a8 | Both parts in the dyad get the job done, only on different grounds. This stresses one of the parties. | NA | NA |
| a9 | Promise to deliver on time but postponded, the project was only ready at the last minute.This was stressful for one part | 7 | 6 |
| a10 | One part has a strict schedule with no room for changes, which makes it difficult for the two parts to work together | 7 | 3 |
| a11 | The common business practice of "exchanging favors" causes uncertainty on what to expect between the parts | 7 | 5 |
| a12 | Parts had different perceptions of the importance of a meeting or an appointment, which was scheduled and had to be cancelled or delayed | 7 | 6 |
| a13 | One part would wait until the last minute to tell about project complications, this created unpredicted delays. | 7 | 4 |
| a14 | Delays due to one part wanting to do things his/her own way instead of being more open minded | 5 | 2 |
| a15 | Lack of project follow-up created misunderstandings about progress. | 7 | 6 |
| b1 | Constantly changing requirements on user's needs leadings to short adjustment periodes, causing unnecessary stress on the relationship. | 6 | 5 |
| b2 | Different standards (e.g. color coding on small items) can create misunderstandings and mistakes in delivery and installation, causing delay or higher costs. | 6 | 5 |
| b3 | Employees from one part are denied access to the system, to try to reduce human-factor risk | NA | NA |

| | | | |
|---|---|---|---|
| b4 | Highly complex contracts on one side, leads to increased in the use of lawyers, driving up cost. | 5 | 2 |
| b5 | Implementation of ERP (Enterprise Resource Planning) systems took longer than expected, causing buyers/suppliers to have to postpone work and have unexpected delays | NA | NA |
| b6 | One part did not include all of the specification of equipment, which led the other part to making wrong plans and calculations. | 7 | 4 |
| c1 | Work performance was hindered/lowered by lack of workers. | NA | NA |
| c2 | Little investment in proper training for workers on one side, raised concerns in the other side, on their ability to properly handle equipment. | 4 | 4 |
| c3 | One side chose shortcuts and improvised fixes on broken equipment creating dangerous situations. | 6 | 6 |
| c4 | One part disregarded safety procedures, creating hazardous and a dangerous environment/situation. | 7 | 7 |
| c5 | Willingness to "cover each other" when errors occur creates unnecessary investigative work and higher cost | 6 | 7 |
| c6 | One part uses the equipment until it breaks down to gain short-run profit, rather than doing continuing maintenance. | 7 | 5 |
| c8 | The lack of questioning, brainstorming, supervison and teamwork led to delayed project execution. | 7 | 5 |
| c9 | Low willingness to plan on one side of the dyad cause stress and annoyance on the other. | 6 | 5 |
| d1 | Management in one company likes to share opinion. In the other company, there is a more hierachical system, expecting clear instructions from Senior Management (Boss, higher level) | 5 | 3 |
| d2 | Language barriers created difficulty both on project-management level, and operational level. | 7 | 6 |
| d3 | Due to lack of communication, one part was not aware of restructuring, causing missing documentation | 7 | 5 |
| d4 | Different perceptions of time consumed in meetings created misunderstanding, confusion and sometimes disagreements. | 4 | 1 |
| d5 | One side keeps giving excuses for things not done and delays, instead of solving the issue. | 7 | 3 |
| d6 | The lack of clarity in communication created confusing situations. | 7 | 3 |

| | | | |
|---|---|---|---|
| d7 | Different business approaches (Direct, emotional) created tension | 5 | 2 |
| d8 | One part would often run late to meetings which created irritation and/or delays | 7 | 5 |
| d9 | The need to constantly push for proper documentation takes time and resources | 7 | 5 |
| d10 | One part`s lack of appreciation for the relationship, hinders progress/results. | 6 | 5 |
| d11 | The overestimation in one side`s ability to speak English caused confusion. | 7 | 4 |
| d13 | Different perceptions of trust make the relationship development challenging, and represent a risk for the "trusting" part | 7 | 5 |
| d14 | One part refused to speak English in meetings, or make contracts in English. Creating potential detail misunderstandings | 7 | 7 |
| d15 | When trying to make direct contact one part had to go through formal, rigid and time consuming procedures, instead of getting a personal meeting and establishing immediate contact | 3 | 5 |
| d16 | One part exploited the other by postponing deadlines in order to get an informational advantage | NA | NA |
| d17 | Due to different perceptions of trust, focus of the projects wrongfully shifts more towards outsmarting the other part | 6 | 6 |
| d18 | Misperceptions of final outcomes derived from friendly behavior in business relationship which lead to different expectations | 5 | 5 |
| d19 | Different perceptions on the importance of informally developing a relationship. Which one part considers time consuming | 5 | 5 |
| d20 | Delays due to centralized decision making in partner company. | 7 | 6 |
| d21 | One part being to protective of their technology led to project delays | 7 | 5 |
| d22 | One part gave non precise answers in order to save time, while the other gave precise but time consuming answers | 5 | 3 |
| e1 | One part used improperly skilled workers | 1 | 1 |
| e2 | Frequent personnel turnover in clients/suppliers forced new development of business relationships, which is time consuming | 6 | 2 |

| | | | |
|---|---|---|---|
| e3 | One part's low productivity level due to lack of qualification, generated the need to hire more workers to get the task done | 7 | 5 |
| e4 | Very complicated for some workers to keep concentration over a long time, causing frustration on their partners | 6 | 2 |
| e5 | Partner's personnel did not have a good understanding of their own processes and goals, creating unnecessary delays | 5 | 6 |
| e6 | Clients/Suppliers were so influenced by the labor-unions (syndicates), that management decisions caused increase in cost and time. | 6 | 6 |
| a15 | Misconceptions regarding one part's capabilities and what the other part wanted created a production gap | 6 | 4 |
| b7 | Missing product specifications on one part led to delays | 7 | 5 |
| d23 | Communication errors between the parts resulted in delay of proper documents | 6 | 5 |
| d24 | Communication error led to wrong perception of actual cost | 7 | 6 |
| a16 | Delay in critical documentation forced one part to halt production | 7 | 6 |
| a17 | Mismatched perceptions regarding product specifications and the production process caused friction amongst the parties | 7 | 5 |
| b8 | Work overload due to long and redundant product specification documentation | 7 | 4 |
| c10 | Projects were delayed due to end-result showing inferior quality | 7 | 5 |
| c11 | Work took longer than expected in order to achieve a certain a quality level | 7 | 5 |
| c12 | Workers took time than expected to perform a task, which delayed the project | 7 | 5 |
| d25 | disagreements on final product specification compliance led to stress and time consuming debate | 7 | 6 |
| f1 | Third party changes in raw material composition made it difficult for one part to deliver desired quality | 7 | 6 |
| e7 | High profile workers would often disagree with technical workers, leading to delays and sometimes extra costs | 7 | 5 |

| Event nr | The event/situation | Importance (1-7) - 1 = Very low. 7 = Very High | Governance (1-7) 1 = Very informal. 7 = Very formal |
|---|---|---|---|
| e8 | One part lacked necessary knowledge to discuss the project, leading to delays | 7 | 5 |

**\*The N/A meant that the informant on this side did not rate them, giving them the grade of "Not Applicable". Based on the feedback they did not recognize the events.**

## Dyad 3 (D3D1) Norwegian side

| Event nr | The event/situation | Importance (1-7) - 1 = Very low. 7 = Very High | Governance (1-7) 1 = Very informal. 7 = Very formal |
|---|---|---|---|
| a1 | One part refusing to change critical parts of the arrangements, hindering necessary work to be properly conducted. | 6 | 5 |
| a2 | One part wanted to alter the contract without giving due compensation. | 7 | 2 |
| a3 | One parts non-negotiable HSE policies and standards were viewed as unnecessary and cost-driving by the other part. | 7 | 1 |
| a4 | The use of exclusive maintenance personnel from abroad was not understandable by the other part, causing tension and annoyance due to higher costs. | 4 | 3 |
| a5 | Certain mandatory insurances raised cost for the other part and they deemed it unnecessary. | 5 | 5 |
| a6 | Continuing pressure from one side to uncover faults on the assets, caused lots of extra work on both operational and managerial level | 6 | 4 |
| a7 | The lack of a understandable agenda during the meetings, was perceived as challenging. | 2 | 2 |
| a8 | Misalignment, on how the follow-up should be conducted in relation to inspection and documentation of work. | 4 | 2 |
| a9 | Different management styles create unnecessary situations, such as misunderstanding and miscommunication. | 6 | 2 |
| a10 | One part must do their job per certain standards, which proved hard for the other part to relate to. | 5 | 4 |
| a11 | A competitive attitude from one part's middle-management on the other causing lack of necessary trust to form. | 6 | 2 |
| a12 | Difference on using actual lead time and actual time plus a time buffer created difficulties when planning | 5 | 3 |
| a13 | Confusion regarding asset accountability in partner, created unnecessary time waste. | 5 | 4 |

| | | | |
|---|---|---|---|
| a14 | One parts extensive supervision of the other were viewed as negative, and caused unnecessary tension among the operational and low/middle-management contact points. | 6 | 4 |
| a15 | One side risked losing a contract due to the other part not applying supervisors as agreed between the parties. | 7 | 2 |
| c1 | One side was reluctant to lower costs, making the other part spend resources and time showing potential savings. | 5 | 4 |
| c2 | One part chose to trust reports and documentation, failing to send supervisors to do in-person visits. | 4 | 2 |
| c3 | The need for a situation to go all the way to executive management to be handled caused delay and discontent. | 5 | 3 |
| d1 | A delay in some documentations were drawn out of proportions, risking going to court. | 7 | 4 |
| d2 | Due to personal relationship problems between the parties, one part engaged in extreme and unnecessary contract enforcement. | 6 | 6 |
| d3 | Due to language barriers, finding the right words in a meeting can be tiresome, leading to a higher chance of misunderstandings. | 4 | 2 |
| e1 | Apparent lack of quality in the other parts personnel, caused lower overall quality on the job done. | 7 | 3 |
| e2 | Different perceptions on cost control regarding available manpower led to friction. | 5 | 3 |
| e3 | Partner had too many managers when compared to the number of ground workers. | 5 | 3 |
| e4 | One part used underqualified personnel, creating extra stress on the other part. | 7 | 2 |
| e5 | One part hired local workers that are not engaged and motived to work leading to a low work pace. | 5 | 3 |

## Dyad 3 (D3D1) Brazilian Side

| Event nr | The event/situation | Importance (1-7) - 1 = Very low. 7 = Very High | Governance (1-7) 1 = Very informal. 7 = Very formal |
|---|---|---|---|
| a1 | One part refusing to change critical parts of the arrangements, hindering necessary work to be properly conducted. | 7 | 6 |
| a2 | One part wanted to alter the contract without giving due compensation. | 7 | 6 |
| a3 | One parts non-negotiable HSE policies and standards were viewed as unnecessary and cost-driving by the other part. | N/A | N/A |
| a4 | The use of exclusive maintenance personnel from abroad was not understandable by the other part, causing tension and annoyance due to higher costs. | 7 | 6 |
| a5 | Certain mandatory insurances raised cost for the other part and they deemed it unnecessary. | N/A | N/A |
| a6 | Continuing pressure from one side to uncover faults on the assets, caused lots of extra work on both operational and managerial level | 7 | 5 |
| a7 | The lack of a understandable agenda during the meetings, was perceived as challenging. | 5 | 4 |
| a8 | Misalignment, on how the follow-up should be conducted in relation to inspection and documentation of work. | 5 | 5 |
| a9 | Different management styles create unnecessary situations, such as misunderstanding and miscommunication. | 5 | 4 |
| a10 | One part must do their job per certain standards, which proved hard for the other part to relate to. | 5 | 5 |
| a11 | A competitive attitude from one part's middle-management on the other causing lack of necessary trust to form. | 6 | 5 |
| a12 | Difference on using actual lead time and actual time plus a time buffer created difficulties when planning | 6 | 6 |
| a13 | Confusion regarding asset accountability in partner, created unnecessary time waste. | 6 | 7 |
| a14 | One parts extensive supervision of the other were viewed as negative, and caused unnecessary tension among the operational | 5 | 6 |

| | | | |
|---|---|---|---|
| | and low/middle-management contact points. | | |
| a15 | One side risked losing a contract due to the other part not applying supervisors as agreed between the parties. | 7 | 6 |
| c1 | One side was reluctant to lower costs, making the other part spend resources and time showing potential savings. | 6 | 6 |
| c2 | One part chose to trust reports and documentation, failing to send supervisors to do in-person visits. | 6 | 5 |
| c3 | The need for a situation to go all the way to executive management to be handled caused delay and discontent. | 6 | 5 |
| d1 | A delay in some documentations were drawn out of proportions, risking going to court. | 6 | 6 |
| d2 | Due to personal relationship problems between the parties, one part engaged in extreme and unnecessary contract enforcement. | N/A | N/A |
| d3 | Due to language barriers, finding the right words in a meeting can be tiresome, leading to a higher chance of misunderstandings. | 5 | 4 |
| e1 | Apparent lack of quality in the other parts personnel, caused lower overall quality on the job done. | 6 | 5 |
| e2 | Different perceptions on cost control regarding available manpower led to friction. | 5 | 5 |
| e3 | Partner had too many managers when compared to the number of ground workers. | 5 | 5 |
| e4 | One part used underqualified personnel, creating extra stress on the other part. | 6 | 5 |
| e5 | One part hired local workers that are not engaged and motived to work leading to a low work pace. | 6 | 5 |

**\*The N/A meant that the informant on this side did not rate them, giving them the grade of "Not Applicable". Based on the feedback they did not recognize the events.**

# Appendix 5. Statistical Test Outputs

The statistical results obtained from SPSS. The first part deals with the testing of our assumptions and the latter shows the results themselves

## Testing assumptions
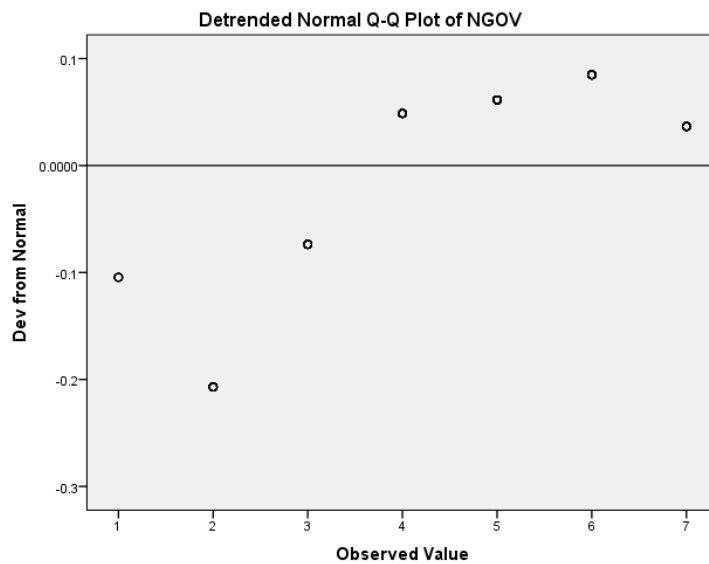
### *Testing for normality*

**NGov**

**Case Processing Summary**

| | Cases | | | | | |
|---|---|---|---|---|---|---|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| NGOV | 149 | 90.3% | 16 | 9.7% | 165 | 100.0% |

**Tests of Normality**

| | Kolmogorov-Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| NGOV | .146 | 149 | .000 | .944 | 149 | .000 |

a. Lilliefors Significance Correction



Detrended Normal Q-Q Plot of NGOV

Normal Q-Q Plot of NGOV
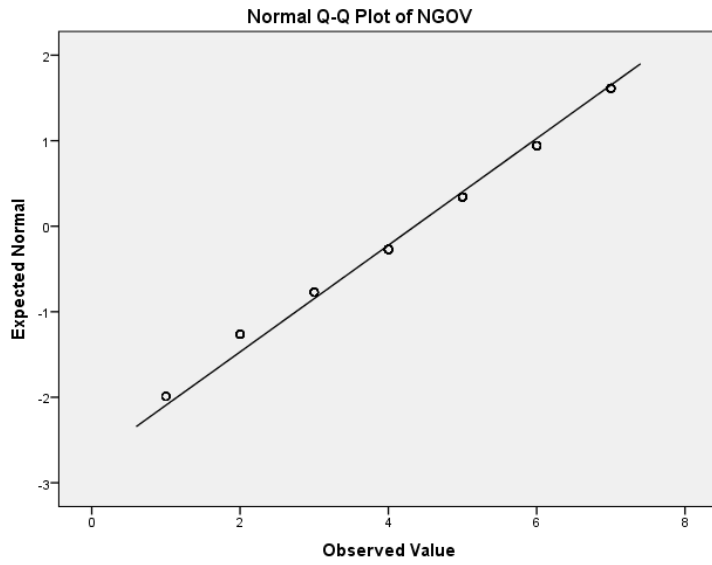
## BGov

**Case Processing Summary**

| | Cases | | | | | |
|---|---|---|---|---|---|---|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| BGOV | 149 | 90.3% | 16 | 9.7% | 165 | 100.0% |

**Tests of Normality**

| | Kolmogorov-Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| BGOV | .227 | 149 | .000 | .905 | 149 | .000 |

a. Lilliefors Significance Correction



Detrended Normal Q-Q Plot of BGOV

Normal Q-Q Plot of BGOV
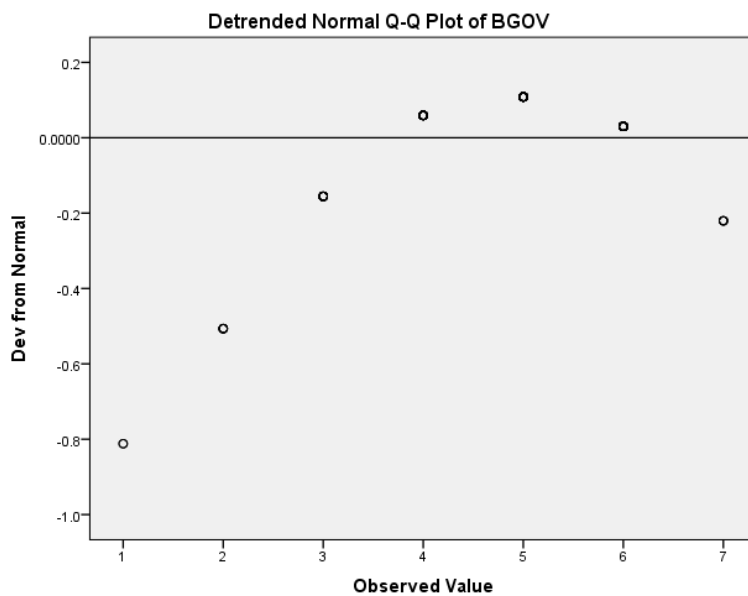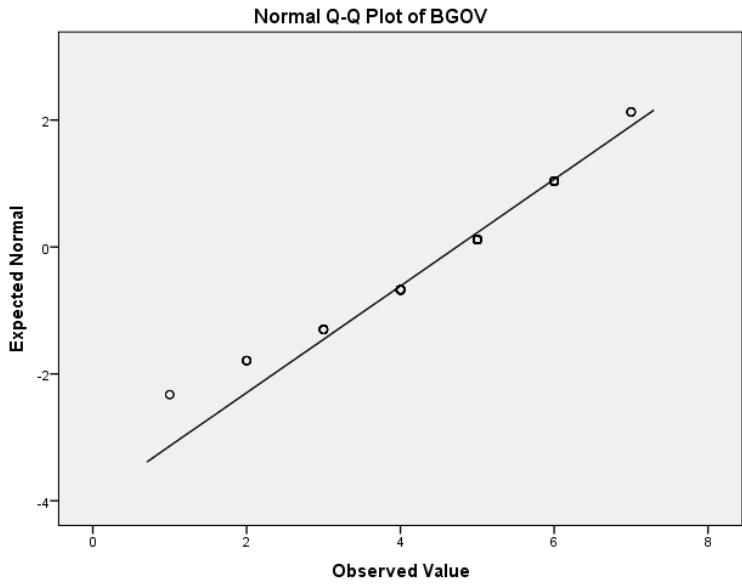
## NIMP

### Case Processing Summary

| | Cases | | | | | |
|---|---|---|---|---|---|---|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| NIMP | 149 | 90.3% | 16 | 9.7% | 165 | 100.0% |

### Tests of Normality

| | Kolmogorov-Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| NIMP | .147 | 149 | .000 | .945 | 149 | .000 |

a. Lilliefors Significance Correction



Detrended Normal Q-Q Plot of NIMP

Normal Q-Q Plot of NIMP
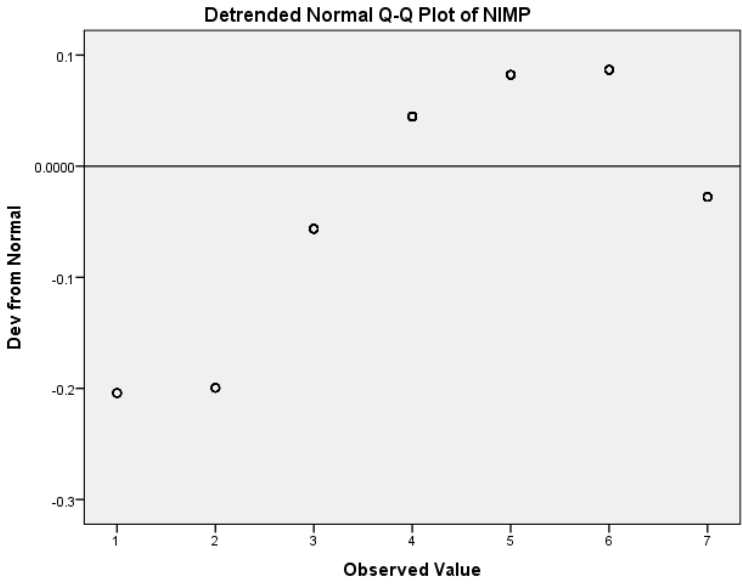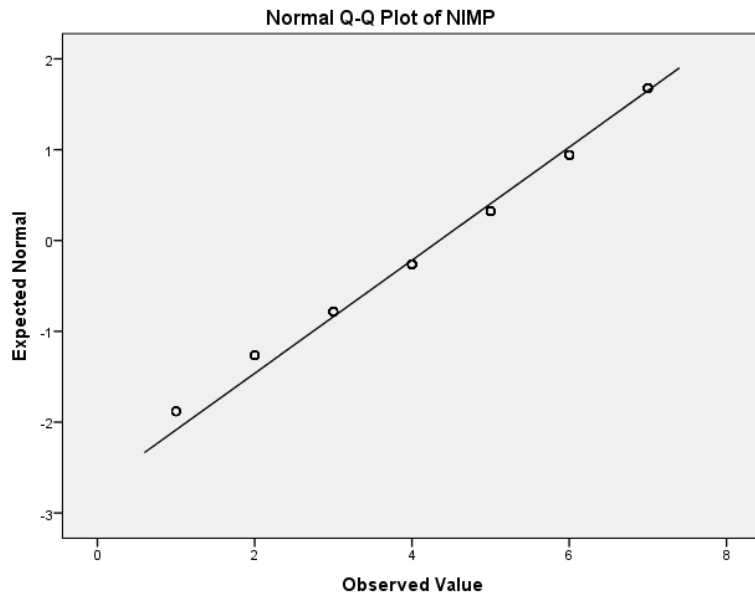
## BIMP (With Outliers)

**Case Processing Summary**

| | Cases | | | | | |
|---|---|---|---|---|---|---|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| BIMP | 149 | 90.3% | 16 | 9.7% | 165 | 100.0% |

**Tests of Normality**

| | Kolmogorov-Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| BIMP | .204 | 149 | .000 | .878 | 149 | .000 |

a. Lilliefors Significance Correction



Detrended Normal Q-Q Plot of BIMP

Normal Q-Q Plot of BIMP
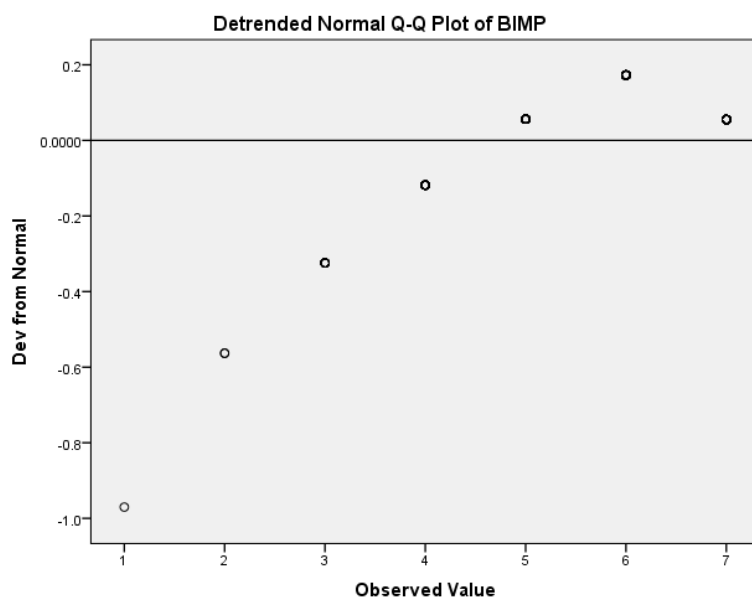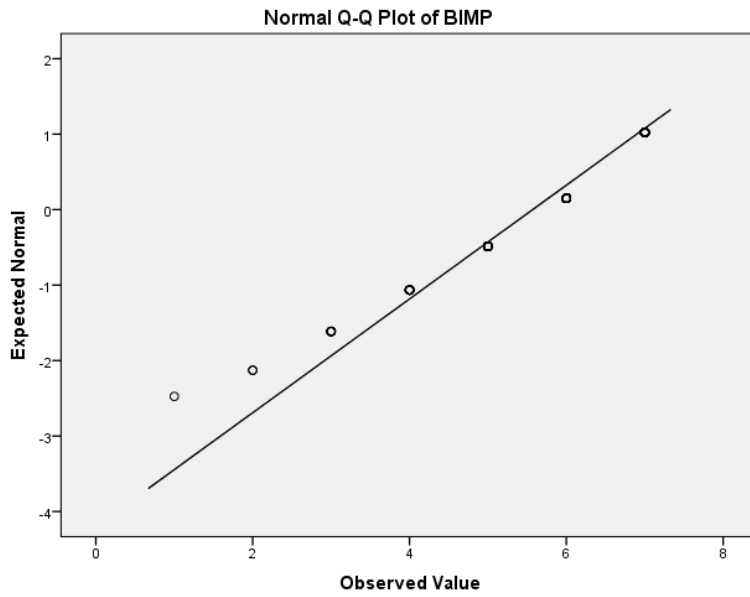
## BIMP (Without Outliers)

**Case Processing Summary**

| | Cases | | | | | |
|---|---|---|---|---|---|---|
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| BIMP | 148 | 89.7% | 17 | 10.3% | 165 | 100.0% |

**Tests of Normality**

| | Kolmogorov-Smirnov[a] | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| BIMP | .204 | 148 | .000 | .879 | 148 | .000 |

a. Lilliefors Significance Correction


Detrended Normal Q-Q Plot of BIMP

Normal Q-Q Plot of BIMP
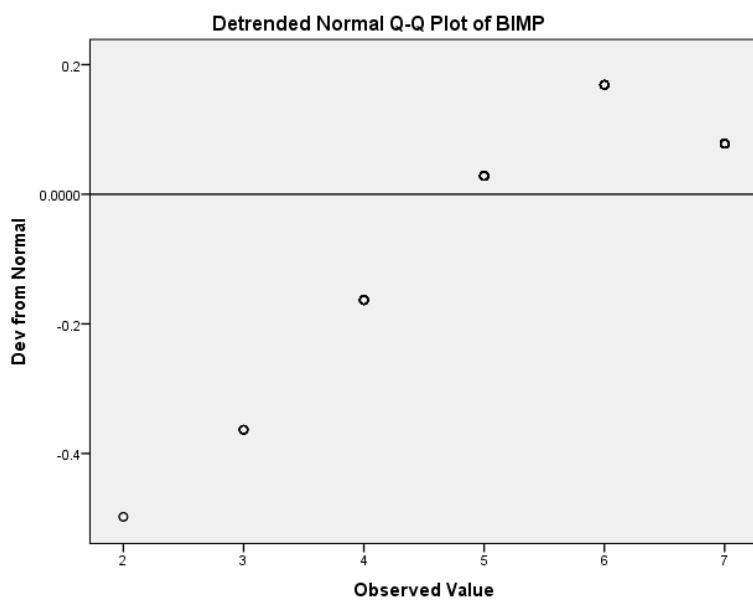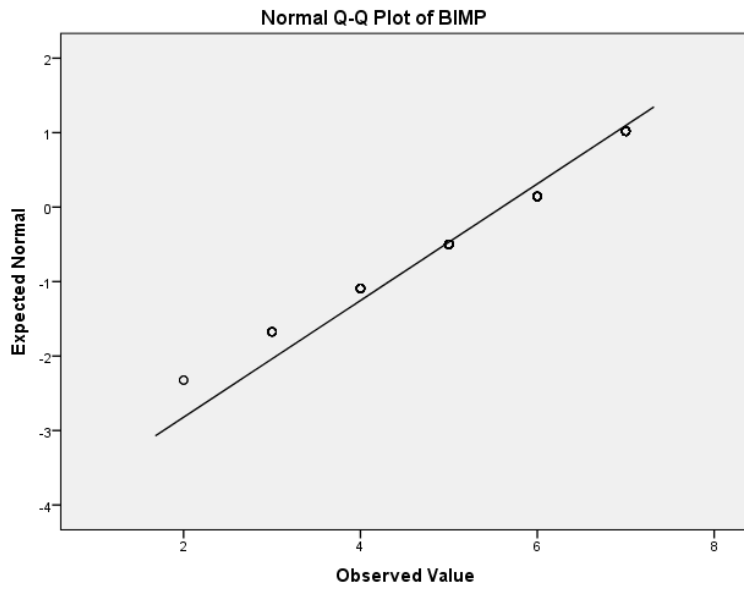
*Test for Outliers*
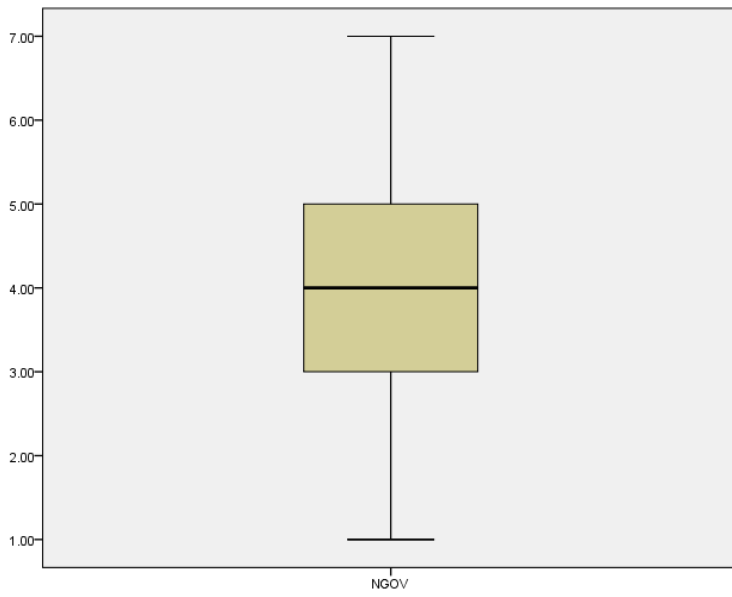
**NGov**

**BGov**
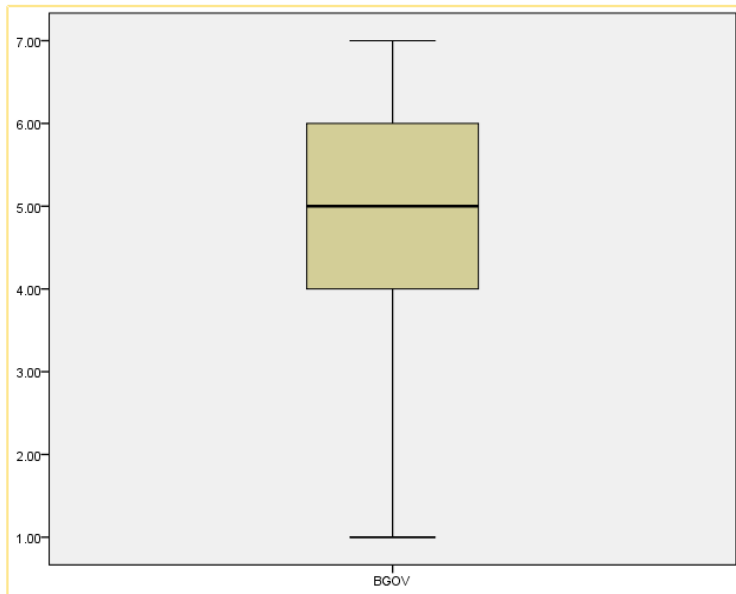


**NIMP**
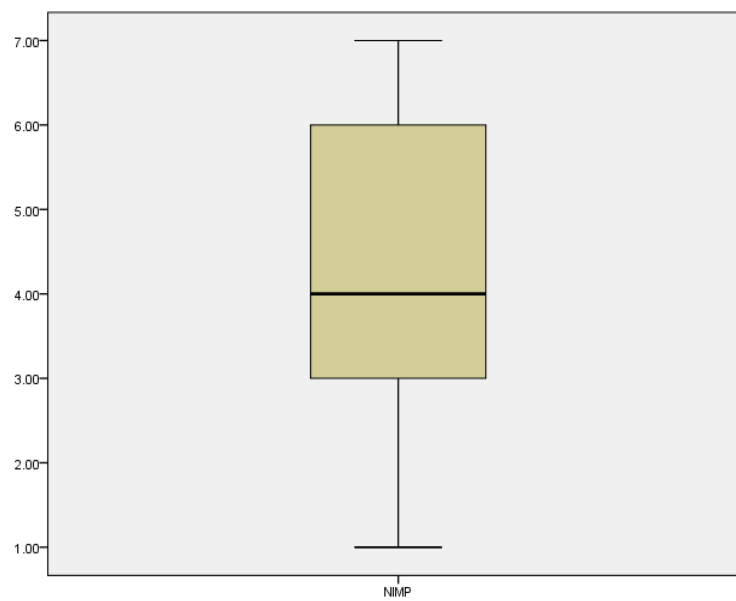
## BIMP - With outlier
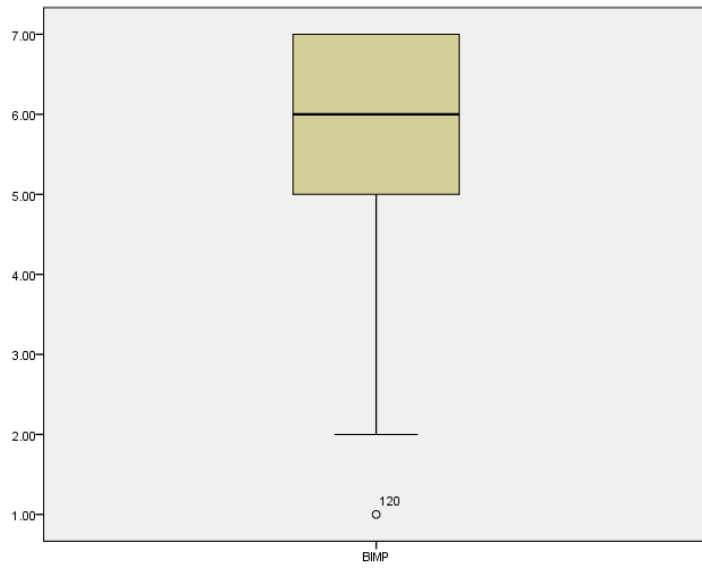


## BIMP - Without outlier

*Correlation Scatter Plots*

**Dyad 1 – NGOV-NIMP**
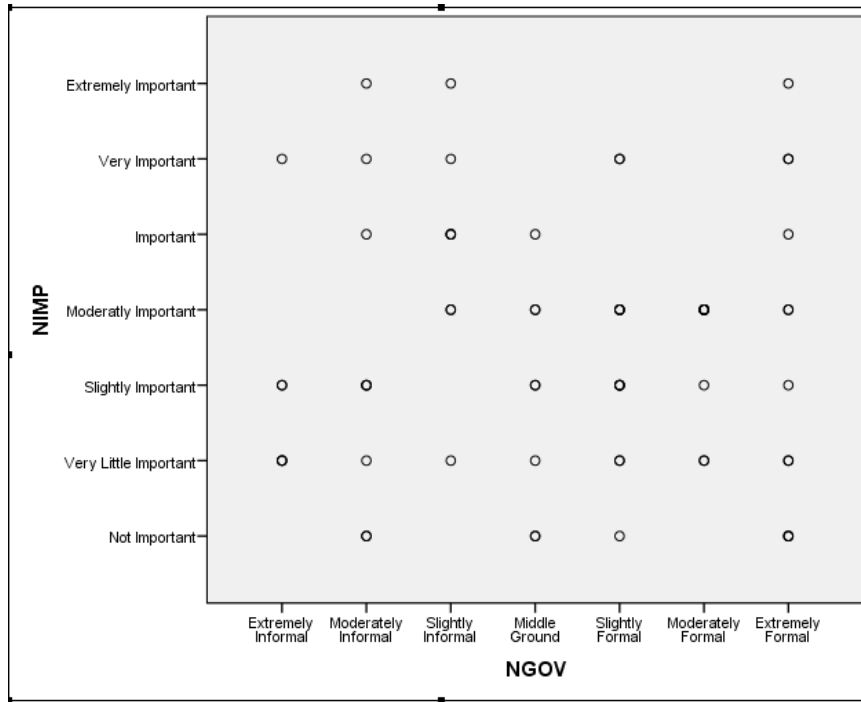


**Dyad 1 – BGOV-BIMP**
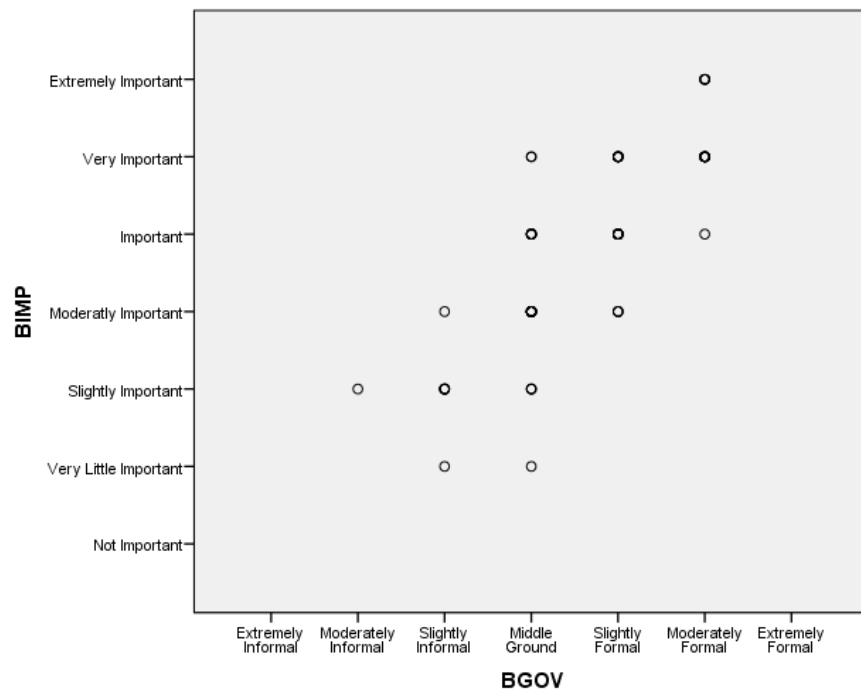
**Dyad 2 – NGOV-NIMP**
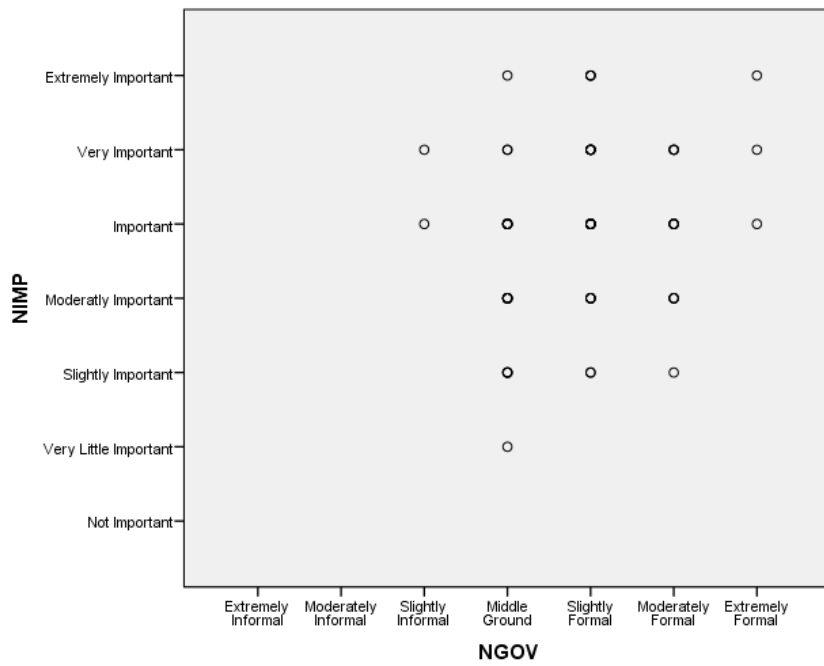


**Dyad 2 – BGOV-BIMP**
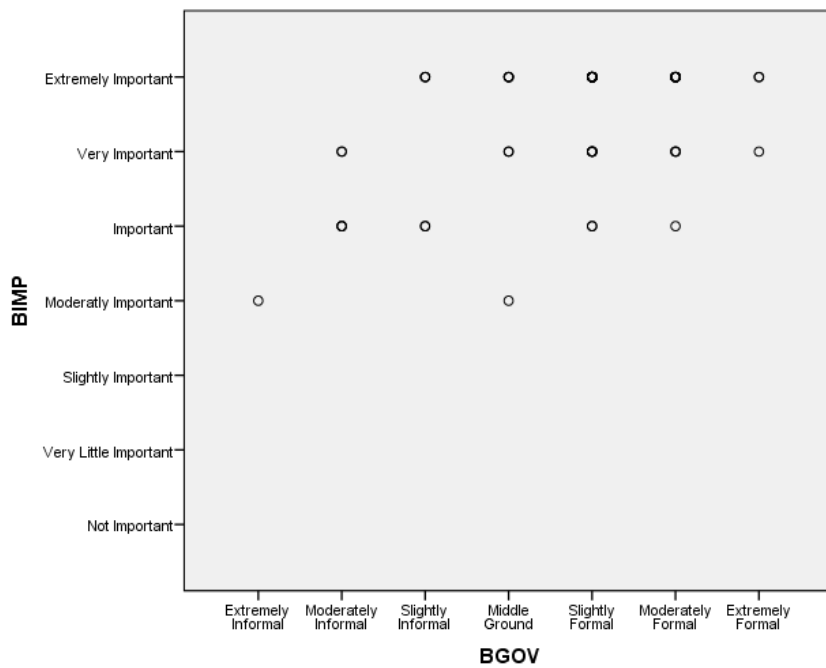
## Dyad 3 – NGOV-NIMP
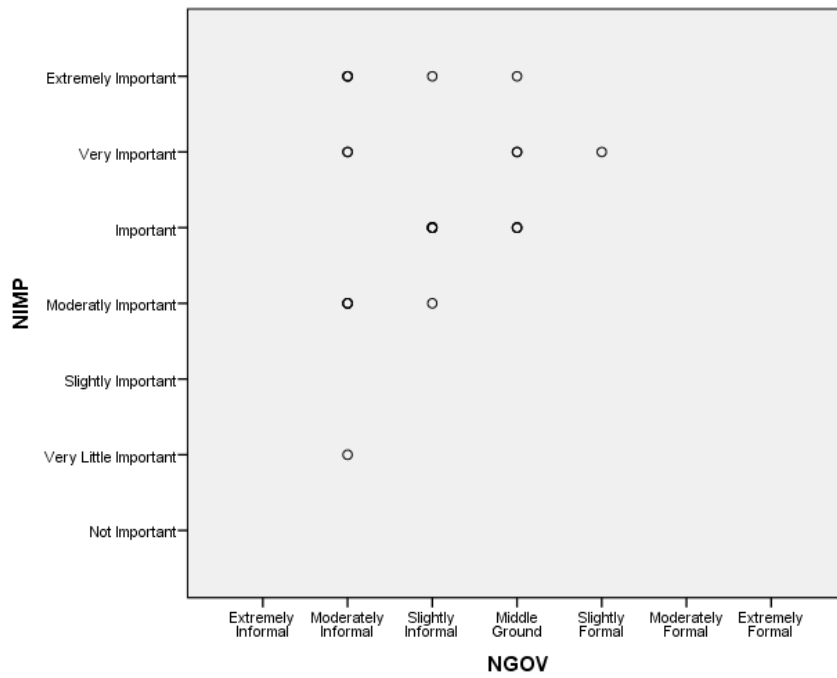


## Dyad 3 – BGOV-BIMP
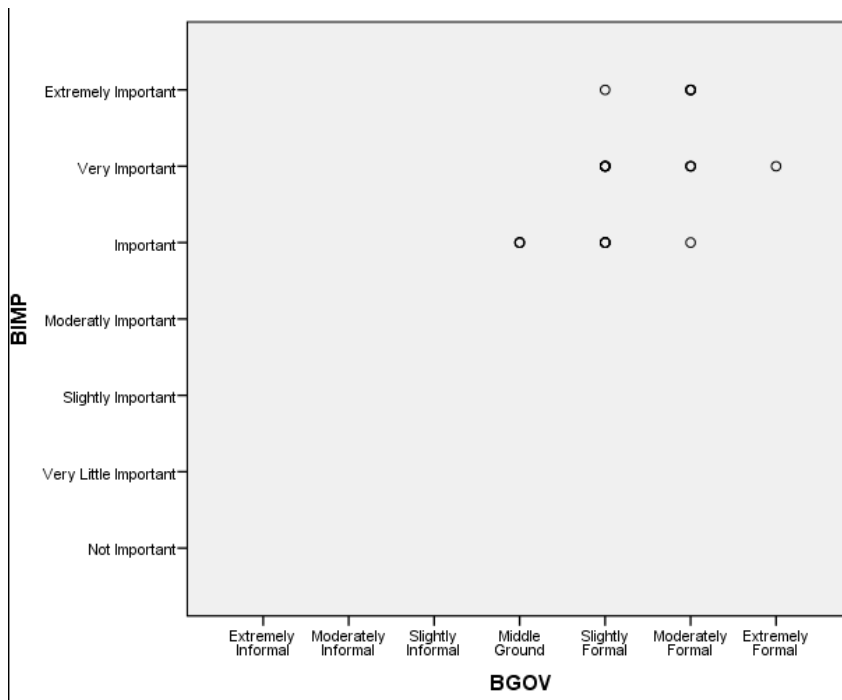
**Appendix 6. Test Results – findings**

**Answer Q1 – Dyad 1**

## T-Test Dyad 1 BGOV Side

[DataSet1] F:\Material for Master Analysis\Data Dyad 1.sav

**One-Sample Statistics**

| | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| BGOV | 66 | 4.59 | .992 | .122 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| BGOV | 4.840 | 65 | .000 | .591 | .35 | .83 |

## T-Test Dyad 1 NGOV Side

[DataSet1] F:\Material for Master Analysis\Data Dyad 1.sav

**One-Sample Statistics**

| | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| NGOV | 66 | 4.38 | 1.959 | .241 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| NGOV | 1.571 | 65 | .121 | .379 | -.10 | .86 |

122

**Answer Q1 – Dyad 2**

# T-Test Dyad 2 BGOV

[DataSet1] F:\Material for Master Analysis\Data Dyad 2.sav

**One-Sample Statistics**

|  | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| BGOV | 60 | 4.67 | 1.446 | .187 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| BGOV | 3.572 | 59 | .001 | .667 | .29 | 1.04 |

# T-Test Dyad 2 NGOV

[DataSet1] F:\Material for Master Analysis\Data Dyad 2.sav

**One-Sample Statistics**

|  | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| NGOV | 60 | 4.87 | .929 | .120 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| NGOV | 7.225 | 59 | .000 | .867 | .63 | 1.11 |

**Answer Q1 – Dyad 1 + 2**

# T-Test BGOV Dyad 1+2

[DataSet3] F:\Material for Master Analysis\Data Dyad 1+2 Combined.sav

**One-Sample Statistics**

|  | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| BGOV | 126 | 4.6270 | 1.22464 | .10910 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | Mean Difference | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | | Lower | Upper |
| BGOV | 5.747 | 125 | .000 | .62698 | .4111 | .8429 |

# T-Test NGOV Dyad 1+2

[DataSet3] F:\Material for Master Analysis\Data Dyad 1+2 Combined.sav

**One-Sample Statistics**

|  | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| NGOV | 126 | 4.6111 | 1.56957 | .13983 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | Mean Difference | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | | Lower | Upper |
| NGOV | 4.370 | 125 | .000 | .61111 | .3344 | .8878 |

**Answer Q1 – Dyad 3**

# T-Test Dyad 3 BGOV

[DataSet1] F:\Material for Master Analysis\Data Dyad 3.sav

**One-Sample Statistics**

|  | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| BGOV | 23 | 5.30 | .765 | .159 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| BGOV | 8.179 | 22 | .000 | 1.304 | .97 | 1.64 |

# T-Test Dyad 3 NGOV

[DataSet1] F:\Material for Master Analysis\Data Dyad 3.sav

**One-Sample Statistics**

|  | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| NGOV | 23 | 2.96 | .928 | .194 |

**One-Sample Test**

| | Test Value = 4 | | | | | |
|---|---|---|---|---|---|---|
| | | | | | 95% Confidence Interval of the Difference | |
| | t | df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| NGOV | -5.391 | 22 | .000 | -1.043 | -1.44 | -.64 |

**Answer Q2 – Dyad 1**

# Correlations Pearson NGOV-NIMP

[DataSet1] F:\Material for Master Analysis\Data Dyad 1.sav

**Correlations**

|      |                     | NGOV | NIMP |
|------|---------------------|------|------|
| NGOV | Pearson Correlation | 1    | -.004 |
|      | Sig. (2-tailed)     |      | .974 |
|      | N                   | 66   | 66   |
| NIMP | Pearson Correlation | -.004 | 1   |
|      | Sig. (2-tailed)     | .974 |      |
|      | N                   | 66   | 67   |

# Correlations Pearson BGOV-BIMP

[DataSet1] F:\Material for Master Analysis\Data Dyad 1.sav

**Correlations**

|      |                     | BGOV | BIMP |
|------|---------------------|------|------|
| BGOV | Pearson Correlation | 1    | .800** |
|      | Sig. (2-tailed)     |      | .000 |
|      | N                   | 66   | 66   |
| BIMP | Pearson Correlation | .800** | 1   |
|      | Sig. (2-tailed)     | .000 |      |
|      | N                   | 66   | 67   |

**. Correlation is significant at the 0.01 level (2-tailed).

**Answer Q2 – Dyad 2**

## Correlations Dyad 2 NGOV-NIMP

[DataSet1] F:\Material for Master Analysis\Data Dyad 2.sav

**Correlations**

|      |                     | NGOV | NIMP |
|------|---------------------|------|------|
| NGOV | Pearson Correlation | 1    | .202 |
|      | Sig. (2-tailed)     |      | .122 |
|      | N                   | 60   | 60   |
| NIMP | Pearson Correlation | .202 | 1    |
|      | Sig. (2-tailed)     | .122 |      |
|      | N                   | 60   | 60   |

## Correlations Dyad 2 BGOV-BIMP

[DataSet1] F:\Material for Master Analysis\Data Dyad 2.sav

**Correlations**

|      |                     | BGOV    | BIMP    |
|------|---------------------|---------|---------|
| BGOV | Pearson Correlation | 1       | .559**  |
|      | Sig. (2-tailed)     |         | .000    |
|      | N                   | 60      | 60      |
| BIMP | Pearson Correlation | .559**  | 1       |
|      | Sig. (2-tailed)     | .000    |         |
|      | N                   | 60      | 60      |

**. Correlation is significant at the 0.01 level (2-tailed).

**Answer Q2 – Dyad 1+2**

## Correlations - NGOV-NIMP Dyade 1+2

[DataSet3] F:\Material for Master Analysis\Data Dyad 1+2 Combined.sav

**Correlations**

|      |                     | NGOV | NIMP |
|------|---------------------|------|------|
| NGOV | Pearson Correlation | 1    | .106 |
|      | Sig. (2-tailed)     |      | .239 |
|      | N                   | 126  | 126  |
| NIMP | Pearson Correlation | .106 | 1    |
|      | Sig. (2-tailed)     | .239 |      |
|      | N                   | 126  | 126  |

## Correlations - BGOV-BIMP Dyade 1+2

[DataSet3] F:\Material for Master Analysis\Data Dyad 1+2 Combined.sav

**Correlations**

|      |                     | BGOV     | BIMP     |
|------|---------------------|----------|----------|
| BGOV | Pearson Correlation | 1        | .561$^{**}$ |
|      | Sig. (2-tailed)     |          | .000     |
|      | N                   | 126      | 126      |
| BIMP | Pearson Correlation | .561$^{**}$ | 1        |
|      | Sig. (2-tailed)     | .000     |          |
|      | N                   | 126      | 126      |

**. Correlation is significant at the 0.01 level (2-tailed).

**Answer Q2 – Dyad 3**

# Correlations Dyad 3 NGOV-NIMP

[DataSet1] F:\Material for Master Analysis\Data Dyad 3.sav

**Correlations**

|  |  | NGOV | NIMP |
|---|---|---|---|
| NGOV | Pearson Correlation | 1 | .168 |
|  | Sig. (2-tailed) |  | .443 |
|  | N | 23 | 23 |
| NIMP | Pearson Correlation | .168 | 1 |
|  | Sig. (2-tailed) | .443 |  |
|  | N | 23 | 23 |

# Correlations Dyad 3 BGOV-BIMP

[DataSet1] F:\Material for Master Analysis\Data Dyad 3.sav

**Correlations**

|  |  | BGOV | BIMP |
|---|---|---|---|
| BGOV | Pearson Correlation | 1 | .543$^{**}$ |
|  | Sig. (2-tailed) |  | .007 |
|  | N | 23 | 23 |
| BIMP | Pearson Correlation | .543$^{**}$ | 1 |
|  | Sig. (2-tailed) | .007 |  |
|  | N | 23 | 23 |

**. Correlation is significant at the 0.01 level (2-tailed).