Discussion case *Statoil IT Step A*
Copyright© 1998-2000 Espen Andersen

Statoil's IT Step – distributing the technology

In late July 1996, Einar Eng was sitting in his office overlooking the Forus plain outside Stavanger, oil capital of Norway and headquarters of Statoil. Statoil is the Norwegian State's oil company, with 15,000 employees, international presence, activities in all aspects of upstream and downstream oil exploration, production and distribution (mainly in the North Sea), and projected 1996 revenues of $15 billion. Einar Eng was wondering about a recommendation he was to give to the steering committee for the IT Step, a major initiative by top management to increase employees' knowledge of information technology and their ability to use that technology to personal and business advantage in the future. With high employee costs, decreasing birth rates and an already tight labor market, Statoil was seeing that it would in the future have to rely on increased productivity through technology and innovation, rather than cost leadership, as its main competitive advantage.

Prompted by a Union suggestion that the company subsidize home PC's, a group of top managers within the company had determined that Statoil should take an active role in developing the IT and business skills of its employees. The IT Step initiative – the distribution of a state-of-the-art multimedia home PC with free Internet connection (through ISDN where possible) and a printer – was proposed, and enthusiastically agreed to by CEO Harald Norvik. In order to simplify administration (particularly of ownership issues) and increase the acceptance rate, it was quickly determined that Statoil should foot the bill for the whole computer, and that only employees (no contractors) should receive the offer. The questions now facing Einar Eng, who was responsible for the program's implementation, was

- what kind of employees should be offered the IT Step?
- what should Statoil ask in return of its employees for offering the IT Step?

Both questions were tricky. The question of the return to Statoil would depend very much on how the individual recipient would see the PC – purely as a tax-free benefit, as an investment from Statoil in the employee's competence, or as an effort to increase productivity and simplified organizational routines. The question of who should get the IT Step offer depended on the same issues, but would also have to take into account how relations between employee groups and the organization would be affected. To aid his contemplation, Einar Eng created a form with some alternatives and decided ask a group of knowledgeable people to get the benefit of their judgment.