

## The Peculiarities of Mission Forming in Russia's Oil and Gas Companies

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**Abstract:** In the article, authors substantiate the important role of mission in increasing the performance of companies. Besides, the authors note the ways of its usage in company management. They give both generalized and detailed classification of missions that commercial organizations have, depending on their contents. The authors state that many different factors influence the formation of a mission, at that they emphasize the importance of taking into account sectoral conditions and factors. Basic components that can be included in a mission were systematized by studying many approaches to mission formation. The componential and typological analysis of Russian oil and gas companies were conducted according to the generated list of mission components. The authors enumerated the main peculiarities of industry and business in oil and gas sector. They found out that mission content depends on the size of an oil-and-gas company, its market position, foreign equity etc. Besides, they devised the guidance on how to include certain components into the missions of oil and gas companies and formulated the possibilities of considering sectoral characteristics of companies while planning a mission.

**Key words:** Mission • Assignment • Orientation • Politics • Oil and gas companies • Sectoral characteristics  
• Mission components

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### INTRODUCTION

It is difficult to overestimate the role of mission in increasing the performance of companies nowadays. It helps to reduce the uncertainty of notions about a company among all groups of subjects connected with it somehow. It is a part of corporate culture [1, 2, 3]. It promotes unity in a company creating a corporate spirit. It helps personnel to identify themselves with their company. Besides, it is conducive to forming and consolidation of a certain image of a company among external entities. Mission gives the opportunity to manage an organization more effectively. It can become a basis for company's goals providing a general approach to resource allocation in a company. It creates foundations for resource management evaluation. It helps an employee to extend the sense and content of his work. It enables to use a more wide range of motivation methods [4, 5].

The classification of missions is based on whether one or another piece of information about a company is absent or present:

- Assignment mission contains data about company's business lines, customer categories, markets, company's survival and growth, technologies used and other characteristic of a company.
- Political mission is a concentration of basic financial and strategic goals of company's development.
- Orientational mission specifies company's behaviour and the values its management adheres to.
- Subdivision mission is worked out for key functional and supplying departments. This mission decides a narrower circle of issues [6].

More general classification looks like this:

- In a broad sense, mission is a philosophy and assignment of a company without strict connection to product range, group of customers, etc. Mission content reveals itself through values, beliefs, principles that form the basis for company's activity and through its intentions. In this approach, they focus on creating opportunities for wide product

Table 1: Certain components presence in the missions of oil-and-gas companies

Possible mission components															
Missions	1. Assign- ment mission	1.1. Rating position	1.2. Products, works, services	1.3. Groups of target consumers	1.4. Markets	1.5. Concern for survival, growth and profitability	1.6. Tech- nology	1.7. Compe- titiveness	2. Political mission	2.1. Financial goals	2.2. Strategic goals	2.3. Orientational mission	2.4. Theoretic values	2.5. Economic values	2.6. Social values
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
OJSC NK Rosneft aims at innovational, environmentally safe and economically effective satisfaction of people's need in energy resources. Thanks to the unique resource portfolio, high technology level and team of professionals devoted to their work, the company ensures stable business growth and increase in income of shareholders. We believe our activity to promote social stability, prosperity and progress of regions. NK Rosneft aspires to consolidation of its position among world's leading energy companies and to taking up leading positions by operational and financial indications and by shareholder value [5].															
			+			+		+			+			+	+
We were created to make energy of natural resources work for the benefit of mankind. Besides, we are aimed at favouring long-term economic growth, social stability, prosperity and progress in regions. We would like to ensure environment protection, rational use of natural resources, stable and long-term business growth. We plan to be conductive to LUKOIL transformation into the world's leading energy company. We want to be a reliable supplier of petroleum resources on the global energy consumption market [4].															
			+	+		+					+			+	+
«TNK-VR» operates on the basis of its impeccable reputation appreciating the contribution of employees into strong and successful organization. The company is aimed at profitability and efficient growth accompanied by improvements in labour protection, industrial safety and environment protection [11].															
OJSC Surgutneftegas is a fast-growth energy company that focuses on using the cutting-edge high technologies. The company strives for balance between the achievement of industrial goals and ensuring environmental safety and between optimal social conditions for employees and taking part in social and economic development of regions [9].															
OJSC Gazprom Neft is one of Russia's leading vertically integrated petroleum companies. Its business is based on a belief that stable and effective development of business is inseparably connected with national economic competitiveness, social wellbeing and conservation of natural resources [3].															
OJSC Slavneft is in the top ten of the biggest petroleum companies of Russia. Vertically integrated structure of the holding company enables to provide the complete production cycle: from exploration and extraction of hydrocarbon reserves to their refining. Maximum industrial safety, concern for employees' wellbeing and solving social problems in presence regions remain the basic values in company's work [8].															
OJSC RussNeft is one of the best Russia's petroleum companies. It includes a row of oil-producing and oil-refining enterprises. The holding company has a vertically integrated structure. It conducts a vigorous activity in the territory of Russian Federation. It aspires to favouring the economic development of regions and prosperity of their inhabitants by considerable tax payments into for local budget, job creation and new manufacturing entities in regions [7].															
OJSC Tatneft affirmed its status of an internationally-recognized and financially stable company. It is one of the biggest vertically integrated Russia's producers of oil, gas, refined products and petrochemicals. This company provides a high level of corporate social responsibility [10].															
OJSC Gazprom believe that its mission is to ensure the maximum efficient and balanced gas supply for consumers living in Russian Federation and to execute long-term gas export contracts with high reliability [2].															
OJSC NOVATEK is Russia's leading independent natural gas producer after Gazprom. It conducts exploration, production, refining, transportation and selling of gas and liquid hydrocarbons favouring the improvement of social and economic situation in regions. At the same time it minimizes man-caused environmental stress [6].															

(service) range, simultaneous coverage of many market sectors and groups of customers, flexible maneuvering in business management.

- Narrowly speaking, mission is a statement showing company's reasons for existence that differ this company from similar ones. Here they produce a limited range of goods in specific market sectors for certain groups of customers. Strategic methods of business are restricted too [7, 8].

At the same time, many factors and conditions, first of all sectoral ones, can influence the type and the content of a mission [9, 10]. It seems to be interesting to analyze what missions do Russian oil and gas companies have. Such analysis can reveal the most important components of sectoral companies include in their missions and the peculiarities of these components [11].

One can take into consideration the results of this investigation while formulating (modifying) missions of oil and gas companies in future.

The authors worked out an analytical form that contains the list of possible mission components for a company (Table 1). This form helps to conduct a componential and typological analysis and to increase the visualization of received results by systematizing appropriate general theoretic propositions. The investigation conducted with the help of this form allows us to make a conclusion that the features of production, goods and business behaviour exerting a decisive impact upon missions of oil-and-gas companies [12, 13].

The most influential peculiarities of oil and gas industry are: 1) high capital intensity; 2) strong negative environmental impact; 3) very uneven distribution on the territory of a country. The main features of sectoral

products: 1) wide industrial and private application of products; 2) strategic importance of products. The features of oil and gas business result from the above mentioned peculiarities: 1) due to high capital intensity, the most adoptable form of business legal structure is open joint-stock company; 2) high capital intensity and uneven distribution predetermine a limited number of big oil companies; 3) oil and gas companies are under control of the government, due to negative environmental impact, strategic importance of products and the scale of business [14].

It is notable that companies belonging to a certain industrial sector have different approaches to mission formulation. It seems to be interesting that the biggest ones, obtaining leading rating positions, do not use this advantage while setting the objects of their missions. At the same time, middle-level companies usually point out the fact of being in top ten. Besides, almost none of oil and gas companies include all essential elements in their missions: characteristics of a product (work, service), target consumers and markets. This can be possibly explained by factors mentioned above and the renown of these companies. In addition, we would like to note that when there is a big foreign equity in a company the formulations are “fuzzy” and social and environmental components are explicitly stated [15, 16].

In consideration of the above mentioned factors we can make a list of recommended components for formulating a mission of an oil and gas company and state sectoral peculiarities of the role of these components:

- Stating the rating position. Strategic goals. If position is advantageous, it is of great sense for mission users to state the rating position of a company because there are few big companies on the market. Strategic goals of a company should be enumerated for rating improvement.
- Products, works, services, target consumers, markets. Due to the wide industrial and private consumption of company's products, their limited number and universality, the mission of oil and gas companies should be broadly defined without strict connections with the range of products, groups of customers and markets.
- Concern for survival, growth and profitability. Big oil and gas companies are created as open joint-stock companies. That's why one should note in a mission that a company is focused on a long-term growth. As a rule, this is a guarantee of stable income for owners.

- Technology and competitiveness. Big oil and gas companies' work both in the boundaries of national market and abroad being a part of the global energy supply system. Thereby, they realize that cutting-edge technology is currently the key factor of competitiveness on the global market. The innovativeness of industrial activity mentioned in mission will promote the image of leading successful member of the global market.
- Economic and social values. Due to the scale of business, strong negative environmental impact and close attention of the government, one should describe in a mission possible influence on socio-economic development and environmental safety in as regions as an essential element of missions of oil and gas companies [17, 18].

Generally speaking, missions of oil and gas companies are formulated on the basis of broad understanding of mission. They usually are combined of assignment mission and orientational mission.

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