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**MARKET AND NON-MARKET STRATEGIES FOR PARTNER RISKS MITIGATION:
THE CASE OF RUSSIAN OIL AND GAS COMPANIES EXPANSION TOWARDS
CHINA**

Submitted by: 2nd year student
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ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

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ABSTRACT

Master Student's Name	Nikulina Mariia Sergeevna
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Master Thesis Title	Market and Non-Market Strategies for Partner Risks Mitigation: The Case of Russian Oil and Gas Companies Expansion towards China
Description of the goal, tasks and main results the research	<p>The current geopolitical crisis has caused turbulence in the world oil and gas markets and unprecedented tension between Russia and Western countries. These processes have become a serious obstacle for Russian oil and gas companies, pushing them to diversify their activities on eastern markets, primarily China. However, this turned out to be a difficult and risky game for the Russian side - China is currently a strong partner that can control energy relations with its neighbor, taking advantage of Russia's weakened geopolitical status. In order to benefit from this partnership, Russian companies are faced with the need to create strategies that will help balance the interests of both sides and reduce partner risks during reorientation. This requires the integration of market and nonmarket strategies for a more comprehensive approach to partner risks mitigation</p> <p>Thus, in this paper, we aim to identify market and non-market strategies used by Russian oil and gas companies, as well as to determine their interrelationship . This study also considers the stakeholder theory approach in integrating market and nonmarket strategies. This approach is supported by a growing belief that market and nonmarket concerns should not be seen as separate entities but rather integrated into a more comprehensive stakeholder perspective, which is considered to be a more sustainable and effective long-term strategy.</p> <p>We conducted a qualitative study with representatives of oil and gas companies using in-depth interviews and the Gioia method of analysis to answer research questions. Our results showed that the integration of market and non-market strategies has a positive effect on the reduction of partner risks by Russian companies in relation to China. The results also revealed that the balance of interests of key salient stakeholders contributes to the integration of market and non-market strategies and enhances the positive effect of their application.</p>
Keywords	Russia, China, oil and gas companies, geopolitical turbulence, geopolitical risks, partner risks, nonmarket and market strategies, NMS, integrated strategy, stakeholder theory

АННОТАЦИЯ

Автор	Никулина Мария Сергеевна
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Название ВКР	Рыночные и нерыночные стратегии снижения партнерских рисков: на примере экспансии российских нефтегазовых компаний в Китай
Описание цели, задач и основных результатов исследования	<p>Текущий геополитический кризис вызвал турбулентность на мировых рынках нефти и газа, а также беспрецедентную напряженность между Россией и странами Запада. Эти процессы стали серьезным препятствием для российских нефтегазовых компаний, подталкивая их к диверсификации деятельности на восточные рынки, прежде всего Китай. Однако это оказалось сложной и рискованной игрой для российской стороны — Китай в настоящее время является сильным партнером, который может контролировать энергетические отношения со своим соседом, пользуясь ослаблением геополитического статуса России. Чтобы извлечь выгоду из этого партнерства, российские компании сталкиваются с необходимостью создания стратегий, которые помогут сбалансировать интересы обеих сторон и снизить партнерские риски при переориентации. Это требует интеграции рыночных и нерыночных стратегий для более комплексного подхода к снижению партнерских рисков.</p> <p>Таким образом, в данной работе мы стремимся выявить рыночные и нерыночные стратегии, используемые российскими нефтегазовыми компаниями, а также установить их взаимосвязь. В этом исследовании также рассматривается подход теории заинтересованных сторон к интеграции рыночных и нерыночных стратегий. Этот подход поддерживается растущей верой в то, что рыночные и нерыночные интересы не следует рассматривать как отдельные сущности, а скорее интегрировать в более всеобъемлющую точку зрения заинтересованных сторон, что считается более устойчивой и эффективной долгосрочной стратегией.</p> <p>Чтобы ответить на поставленные вопросы, мы провели качественное исследование с представителями нефтегазовых компаний, используя глубинные интервью и метод анализа Gioia.</p> <p>Наши результаты показали, что интеграция рыночных и нерыночных стратегий положительно влияет на снижение партнерских рисков российских компаний в отношении Китая. Результаты также показали, что баланс интересов ключевых значимых стейкхолдеров способствует интеграции рыночных и нерыночных стратегий и усиливает положительный эффект от их применения.</p>

Ключевые слова	Россия, Китай, нефтегазовые компании, геополитическая турбулентность, геополитические риски, партнерские риски, нерыночные и рыночные стратегии, НМС, интегрированная стратегия, теория стейкхолдеров
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1. INTRODUCTION

The geopolitical instability, more than ever, is causing crises in the world oil and gas markets that is especially noticeable for Russia and Russian companies. Since the end of February 2022, the Russian oil and gas industry has been exposed to new wave of geopolitical and sanctions risks caused by the events in Ukraine that make it difficult for Russian O&G companies to operate on the market:

- the embargo on Russian oil imports by the United States, the European Union and other importing countries may cause a decrease in production and export of Russian oil;
- exit of Western companies from Russian mining projects and the suspension of the access to modern technologies and equipment that are necessary for oil and gas production in complex fields requires looking for ways to replace Western technologies and may cause an increase in financial costs;
- additional difficulties regarding gas export development towards China in case of reduction or termination of supplies to the West: gas exports are tied to infrastructure, and therefore it is necessary to agree on new supply routes to the east and discuss other nuances;
- restriction of access to Western financial resources caused by sanctions and economic limitations may draw out an acute shortage of funds for the development of O&G projects and requires an active search for new channels for investment.

Russia's income from the oil and gas industry averages 40% (Minfin), and these trends pose a serious challenge for the industry in general and for Russian oil and gas companies in particular.

So far, taking into account oil prices that have jumped to the highs of 2014, the Russian industry has remained in a prosperous position, but Western sanctions, which reached a record number in 2022, push Russian oil and gas companies to review their strategies, as well as to reorient their activities to new markets, primarily Asian ones. This requires the search for new partners and the establishment of stable long-term relationships in order to protect their interests and reduce the risks caused by geopolitical turbulence. China in this regard is considered as one of the most promising partners for cooperation and markets for increasing energy supplies. However, the current geopolitical position of Russia carries certain partnership risks in the context of interaction with China. Under these conditions, Russian O&G companies have to actively develop new comprehensive strategies that include not only market but also nonmarket components which is designed to help Russian oil and gas companies adapt to the various challenges posed by complex geopolitical situation.

Moreover, in the context of a geopolitical turbulence, when access to markets and resources is limited, the creation of sustainable relationships and political ties with various actors in Russia and China becomes necessary for Russian O&G companies to remain competitive and survive in the global market. Thus, companies must pursue a balance of different but interrelated stakeholders, and implement strategies that take their interests into account.

Summing up all of the above, **the purpose of this study** is to identify Russian O&G companies' market and nonmarket strategies for partner risks mitigation in case of reorientation towards Chinese market.

We identified the following **research objectives**:

- Define partner risks, that were caused by the current geopolitical crisis and deterioration of relations with the West;
- Identify Russian O&G companies' market and nonmarket strategies for partner risks mitigation;
- Explore integration of market and nonmarket strategies;
- Define main stakeholders and correlate them with market / nonmarket strategies implemented by Russian oil and gas companies.

In the following theoretical background chapter, we will explore the impact of the geopolitical risks on the business environment and evaluate how geopolitical turbulence affect the activities of Russian oil and gas companies. In this regard, we will also identify partner risks that O&G companies face in the process of reorientation to the Chinese market. Next, it is necessary to examine the phenomenon of nonmarket strategies and consider how they are related to market ones. Here, an important point is to explore their complementarity and the possibility of integration, since, as noted above, the complex geopolitical environment requires a comprehensive approach in the development of strategies, which involves the consideration of both market and nonmarket components. Finally, we will consider stakeholder theory perspective in strategy development and identify its role for illuminating the integration of market and nonmarket strategies.

2. LITERATURE REVIEW

2.1 Geopolitical risks and company business process

In a globalized world, geopolitics has become an important factor influencing international business decisions, in this regard, scholars have been trying to contribute to the creation of a geopolitical paradigm of international business since the beginning of the century (As-Sabar, Liesch & Dowling , 2000). However, issues related to geopolitical instability and geopolitical risks have not often been included in the agenda of various discussions before.

Now the topic of the role and impact of geopolitical instability is extremely relevant, since such hard-to-predict crises, such as the global COVID-19 pandemic, tensions or military clashes between states, growing global terrorism, etc., have become permanent in recent years. character. Therefore, geopolitical risk (GPR), defined as the threat, realization, and escalation of adverse events associated with wars, terrorism, and any tensions among states and political actors that affect the peaceful course of international relations (Caldara & Iacoviello, 2022), attract increasing attention of scholars, governments, investors and the public.

Recent studies have focused on the effects of GPR and its consequences. Scholars found that geopolitical risks have a large impact on trade (Glick & Taylor, 2010), cause business cycle fluctuations and significant economic contractions (Cheng & Chiu, 2018), lead to a decrease in real activity, stock returns and the flow of capital from developing economies to more advanced ones (Caldara & Iacoviello, 2022) and has a significant impact on the volatility of oil prices, implying that a high GPR can lead to strong fluctuations in the oil market (Liu et al., 2019; Qian, Zeng & Li, 2022).

Thus, geopolitical risks and the changes they cause form the specific external environment that firms face and have a significant impact on their activities. Therefore, in recent years, scientists have paid more and more attention to the impact of GPR on companies and their decisions, since the link between geopolitical risk and firm-level activity is significant, economically meaningful, and persistent over time (Caldara & Iacoviello, 2022). Recent studies, for instance, show the relationship between GPR and corporate finance and investments. (Dissanayake, Mehrotra & Wu, 2018; Lee, Lee & Xiao, 2021; Khoo, Cheung & Wai, 2021). For example, Dissanayake, Mehrotra & Wu (2018) revealed in their study that firms respond to geopolitical risk by reducing capital investments, and this effect is stronger for more irreversible investments and foreign operations. In addition, the adverse effects of geopolitical risk have a stronger impact on firms in more vulnerable industries, such as precious metals, oil and defense industries, which leads to lower firm-level investments in these sectors (Caldara & Iacoviello, 2022).

However, simply taking into account geopolitical risks and their consequences can lead companies to simply act more cautious. Therefore, it becomes increasingly relevant to think about solutions to overcome these risks, especially considering the fact that geopolitical risks evolve: new ones appear and old ones change (Haraoka, 2019). In addition, the modern world is strongly integrated, and geopolitical crises cause far-reaching consequences as GPR tends to spillover from one country to another, involving an increasing number of actors (Balli et al., 2022). Thus, the researchers highlighted the importance to take into account the various participants affected by the geopolitical risk, their points of view and the relationship between them or, in the other words, the whole structure of geopolitical risk (Haraoka, 2019).

Thus, comprehensive view of geopolitical risks can provide the key to solutions and relevant strategies for mitigating various emerging and changing geopolitical risks, which, due to their complexity, must be managed by a range of adaptable strategies that may include both a market and a nonmarket component. Such a holistic approach is important for multinational firms and their interests when developing their global business strategies.

2.2 Market and nonmarket strategies

In their environment, companies face increasing competition and constantly changing market dynamics, which requires them to use a variety of strategies in order to achieve a competitive advantage. At the same time, the formulation of a successful strategy should take into account both market and nonmarket factors that together make up the business environment (Baron 1995; Aggarwal, 2001). Thus, according to Baron (1995) and Aggarwal (2001), there are two distinct environments in which companies operate - market and nonmarket - and it is important to develop and execute strategies for both of them.

Baron (1995) defined the market environment as voluntary interactions between a firm and other parties that are mediated through markets or private agreements and include economic transactions and the exchange of property. At the same time, the nonmarket environment consists of social, political and legal actors that form the interaction of the firm outside the markets. These interactions are carried out between the firm and other external stakeholders such as the public, governments, media, government agencies and other nonmarket actors (Baron 1995).

Traditionally, business literature has focused on the study of market strategies and how they affect the financial results of companies (Liu and Chen, 2015). The market strategy is aimed at companies gaining competitive advantages and success in their industry by using various strategic approaches, such as cost leadership, differentiation and value creation (Zhang, Parnell, &

Xiong, 2020). Market strategies focus directly on market actors, including competitors, customers and suppliers (Köseoglu, Parnell & Guillet, 2019).

However, today many companies are not limited to market strategies, but also apply nonmarket approaches to achieve success in their industry. This allows them to stand out from the competition and expand their capabilities outside the traditional market sphere. Thus, unlike a market strategy, a nonmarket strategy (NMS) focuses on political, legal and socio-cultural factors, and aims to increase the efficiency of a firm's activities outside the market context by managing the institutional or social context of competition (Parnell, 2018; Baron, 1995; Lux, Crook & Woehr, 2011; Zhang, Parnell & Xiong, 2020).

The incentives of companies to develop NMS are determined by various aspects at different levels. Scientists have studied these antecedents in detail and identified the following factors:

a) at the level of the firm - size, structure, dependency on government, level of diversification, age, ownership, exposure to regulation and taxation;

b) at the level of industry - the main activity, the size of a firm within an industry, the activity of competitors;

c) at institutional level - individualism/collectivism, uncertainty avoidance, corruption perception, administrative distance;

d) issue specific factors: issue salience, issue competition. (Hillman, Keim & Schuler, 2004; Bernhagen, 2020; Brown, Yaşar & Rasheed, 2017).

e) shareholders' views and attitude (Hoepner & Lin, 2022).

In a broad sense scholars distinguish two main areas in NMS research: strategic corporate social responsibility (CSR) and corporate political activity (CPA) (Mellahi et al., 2016). CSR involves actions taken by a corporation that seem to benefit society while also improving the company's performance (McWilliams, Siegel & Wright, 2006). On the other hand, CPA refers to a company's efforts to influence political institutions or actors in a way that benefits the firm (Hillman, Keim & Schuler, 2004; Lux, Crook & Woehr, 2011).

Thus, the scope of application of NMS is wide and includes a wide range of tactics and measures implemented depending on the goals of the firm: from such reactive activities as monitoring the development of legislation to ensure compliance with accepted standards (Hillman, Keim & Schuler, 2004) to a wide range of proactive activities as social and financial incentives, campaign contribution, building a good sociopolitic reputation through corporate social responsibility (CSR), cooperation of politicians and government officials into company boards,

formation and management of political divisions within the firm, lobbying, bribing (Holburn & Vanden Bergh, 2014; Hillman & Hitt, 1999; Bernhagen, 2020; Brown, 2015; Brown, Yaşar & Rasheed, 2018).

Increased attention to NMS has aroused scientific interest in the relationship between their application and the results of the firm's activities (Mellahi et al., 2016; Parnell, 2018). A positive link between NMS and firm performance is supported by several theoretical perspectives (Köseoglu, Parnell & Guillet, 2019; Parnell, 2018). According to public choice theory, companies strive to engage in mutually beneficial transactions with government entities. (Bonardi, Hillman, & Keim, 2005). The resource-based view (RBV) emphasizes the importance of external factors, such as governments and other entities, in the acquisition of strategic resources. (Wei et al., 2015). Resource dependence theory (RDT) focuses on how companies acquire the resources necessary for their continued existence and thus adapt to market and nonmarket environments (Ahammad et al., 2017). Institutional theory focuses on the impact of institutions on the way firms are structured and the strategies they adopt (Henisz & Zelner, 2012). Stakeholder theory emphasizes the importance for strategists to take into account a diverse set of entities, beyond just suppliers, customers, and competitors, that have an impact on and are impacted by their decisions. (Hillman and Keim, 2001). All these theoretical perspectives can provide insight into how implementing an efficient NMS can improve the overall performance of a company (Mellahi et al., 2016).

Empirical research has also shown a positive correlation between NMS and performance, particularly in relation to effective stakeholder management, political connections and broad nonmarket activity (Dorobantu et al., 2017; Choi & Wang, 2009; Parnell, 2018; Bernhagen, 2020; Ormrod & Müller, 2022). Bernhagen (2020) points out that CPA helps secure and increase a corporation's profitability. A positive relationship has also been found between the use of CPA and improved corporate reputation (CR) of a firm (Ormrod & Müller, 2022).

Accordingly, a company's strategy can include a variety of market and nonmarket aspects that affect the company's performance and are often interrelated. As well as market strategies, nonmarket ones can play an important role in firm development, organizational performance, and competitive advantage. However, although the nonmarket component is recognized as important in strategy development, many studies still often investigate these aspects separately from each other, despite previous studies have shown the need to integrate market and nonmarket strategies into a single comprehensive strategy (Baron, 1995; Henisz and Zelner, 2012; Wei et al., 2015).

2.2.1 Market and nonmarket strategies integration

As it was mentioned above, for the company to operate effectively, it is necessary to develop and apply both market strategy and NMS. However, earlier studies focused on each of these strategies separately, without taking into account their relationship or simply considered them as alternatives to each other. But in fact, a company's actions in one area can affect the optimal strategy in another. As noted by Baron (1995), many problems not related to the market can arise as a result of market activity, therefore NMS are designed to complement market strategies and should be included in the main motivation of the company's market strategy development. Thus, the intertwined market and nonmarket conditions faced by the company require the development of a coherent strategy combining both market and nonmarket components (Baron, 1995). In addition, the complexity of the global environment requires increased attention to the study of the interaction of business (market actor), government, NGOs and civil society (nonmarket actors) and their influence on each other (Doh & Lucea, 2013). In this regard, recent studies argue that progressive firms should develop and implement effective, integrated market and nonmarket strategies, given their complementarity (Holburn & Vanden Bergh, 2014; Choi and Wang 2009; Wei et al., 2015; Henisz & Zelner, 2012).

Thus, companies can use a market strategy to improve their market performance, but they can also implement NMS to support this goal. If firms gain nonmarket advantages due to NMS, then this can lead to an improvement in their market performance, therefore, there is a high and positive correlation between market strategy and NMS (Wei et al., 2015). The combination of market and nonmarket strategies is a potential factor of sustainable competitive advantages for companies whose effectiveness depends on the ability to influence their regulatory environment and use their economic markets (Holburn & Vanden Bergh, 2014). For example, companies can manage market competition through NMS by using their political connections in addition to market strategies (Zhang, Parnell, & Xiong, 2020). Ormrod & Müller (2022) investigated in their study that a firm's political strategies increase stakeholder trust, facilitate collaboration between organizations and NGOs, and also lead to first-mover advantage, and thereby negatively affect the reputation of competing firms. Dahan (2005) also notes that investing in nonmarket CPA allows companies to obtain political capital that can be used in combination with market strategies to achieve competitive advantages. Ahammad et al. (2017) argue that integration of market strategy and NMS is an important step in the success of cross-border mergers and acquisitions, benefiting the acquiring firm and forming a favorable business environment for it. When integrating after a merger, incorporating nonmarket strategies such as anticipating and adjusting to public policy shifts or societal demands can aid in cultivating positive relationships with nonmarket stakeholders

(Ahammad et al.,2017). In addition, nonmarket strategies can be aimed at reducing external barriers to further strengthen the impact of market mergers and acquisitions (Clougherty, 2003).

Apart from competitive strategies, studies have also drawn attention to the relationship between NMS and diversification strategies (Shirodkar et al., 2022). Shirodkar et al. (2022) note that such a popular form of CPA as domestic lobbying generally impacts firm performance negatively. However, it is possible to reduce this negative impact with the help of such market strategies as international and product diversification, especially the effect will be significant if the company is diversified along both dimensions of diversification. Thus, international and product diversification provides companies with the opportunity to develop and use broader political resources and knowledge and reduce agency costs in domestic lobbying (Shirodkar et al., 2022).

Although recent scientific research is mainly focused on the integration of market strategy and NMS, some studies have revealed a certain negative interaction between them. Thus, Sun, Mellahi, & Thun (2010) argued that political ties can expose companies to increased political risks and costs and, as a result, negatively affect market competitive opportunities and long-term activities, since in order to maintain policy and financial support from the government, firms must meet government expectations and adapt to the goals of politicians. Li, Zhou & Shao 2009 using cross-sectional survey data found that the positive impact of a product differentiation strategy on the performance of multinational enterprise (MNE) is negatively moderated by managers' ties to government officials in China. Also in a recent study, Li et al. (2022) investigated that politically connected executives have a negative effect on firm performance in the M&A process as these connections can reduce the effectiveness of corporate monitoring and allow executives to prioritize their own benefits and interests.

Thus, the understanding of the relationship and the impact of market strategies and NMS on each other remains limited, so additional research is needed to cover this problem (Mellahi et al., 2016). Various theoretical perspectives can be applied for this issue. For example, the RBV is a widely used theoretical lens in this academic discussion as several studies have suggested that a company's unique resources, which allow it to effectively integrate its activities in both market and nonmarket settings, can result in valuable synergies and competitive advantages for the company (Mellahi et al., 2016). However, focusing on other theoretical perspectives can broaden our understanding of integration and/or tension between market and nonmarket strategies. In this study for illuminating this issue, we rely on stakeholder theory, which focuses on the need identifying and understanding the various stakeholders who have an interest or stake in the company, as well as recognizing the importance of effective relationship management between them (Hillman and Keim, 2001). The stakeholder theory will thus be able to give an idea of how organizations can

navigate and balance the interests and expectations of various actors by integrating market strategy and NMS.

2.2.2 Market and nonmarket strategies: stakeholder theory perspective

The idea that companies should take into account the interests of various stakeholders has become commonplace in the management literature, both academic and professional who have studied this concept and its application in various areas of business and management. The evolution of the theory dates back to 1984, when R. Edwards Freeman first formulated the concept. Freeman (1984) argues that organizations must consider all stakeholders, not just shareholders, in order to create long-term value. Author defined a stakeholder as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman,1984).

In subsequent years, approaches for integrating stakeholder theory into strategic management began to be developed, as many recent studies confirmed the effectiveness of stakeholder theory in company strategies (Katsoulakos, T. & Katsoulacos, Y, 2007; Wicks & Harrison, 2017). A group of researchers have drawn attention to the fact that stakeholder theory can help companies achieve long-term profitability because there is a strong interdependence between creating value for stakeholders and the company's financial success (Koll, 2003; Harrison & Wicks, 2013; Post, Preston & Sachs, 2002). Moreover, adopting a stakeholder approach in strategy formulation should ultimately lead to a competitive advantage (Harrison et al., 2007; (Jones, Harrison, & Felps, 2018). In addition, stakeholders' orientation can help a company reduce and manage its risks. Ndlela (2019) in his study argues that effective risk management should take into account the interests of stakeholders and be aimed at their protection and satisfaction, which will lead to the long-term sustainability of the company.

Nowadays, the focus on nonmarket strategic dimension has developed in addition to the more traditional market dimension, which is primarily focused on market stakeholders such as business owners, customers, suppliers, and competitors. Then other nonmarket stakeholders who may have a more indirect impact on performance are also being taken into account. (Parnell, 2019). We can define nonmarket stakeholders as those who engage with a company based on non-financial considerations and evaluate its performance based on factors beyond profitability (Voinea & Van Kranenburg, 2017). According to various definitions in literature, nonmarket stakeholders encompass governments, regulatory agencies, communities, society at large, media, and non-governmental organizations (NGOs) (Voinea & Van Kranenburg, 2017). Accordingly, nonmarket stakeholder management refers to the firm's NMS, which aims to meet the requirements

of all external groups and organizations with which the firm interacts. The main challenge here is to simultaneously achieve the firm's goals and create a stable compromise and balance of interests among all stakeholders (Mahon, Heugens & Lamertz, 2004). Thus, managing a company to create value for all stakeholders can build a good reputation and help ensure long-term survival and success in the nonmarket arena depends on the satisfaction of multiple nonmarket stakeholders (Parnell, 2019).

However, while interaction with stakeholders, it is essential to understand that stakeholders can generally be unequal in their strength, power, have differences in perception from the outside (Calvano, 2008). In this regard, a group of researches has focused on the idea that companies cannot simultaneously meet all stakeholders' demands so they must understand which entities in their environments poses real power and influence and have the intention to impose their will on the firm (Kassinis & Vafeas, 2006; Mitchell, Agle & Wood, 1997). To determine which stakeholders do really count and to what extent Mitchell, Agle & Wood (1997) developed the theory of stakeholder identification and salience. Authors identified important stakeholder attributes such as power, legitimacy and urgency and determined that stakeholder salience will be positively related to the cumulative number of these attributes. When considering nonmarket stakeholders' saliency, Yin, Rothlin and Caccamo (2013) argue that governments are increasingly becoming important nonmarket stakeholders, especially regarding promotions of CSR policies and the need for firms to build relationships with them. In general, scholars note that governments, NGOs, local communities, and even the media push firms to behave ethically and responsibly in markets, so companies must adjust their strategies to meet the demands of key stakeholders who significantly influence organizational performance in the nonmarket environment (Voinea & Van Kranenburg, 2017).

Furthermore, for successful communication, it is necessary to identify factors that will facilitate cooperation between the organization and stakeholders or in other words organization–stakeholder fit which include value congruence and strategic complementarity (Bundy, Vogel & Zachary, 2018). Thus, CSR can have a positive impact on performance when it addresses issues that are important to salient stakeholders (Brammer & Millington, 2008). Additionally, Lankoski (2009) emphasized that if companies want to build goodwill and avoid stakeholder skepticism, they must receive stakeholders' recognition for their nonmarket initiatives.

Hereby, in today's business world there is a growing expectation for firms to take into account the views and needs of all stakeholders, not just market-oriented ones, and strike a balance between them while making strategic decisions. This approach is supported by a growing belief

that market and nonmarket concerns should not be seen as separate entities but rather integrated into a more comprehensive stakeholder perspective, which is considered to be a more sustainable and effective long-term strategy. Thus, if organizations are to strive to balance the interests of different but interrelated stakeholders, then it is logical to develop a single comprehensive strategic approach that integrates market and nonmarket considerations (Parnell, 2019).

3. EMPIRICAL CONTEXT

3.1 Geopolitical turbulence and Russian oil and gas companies

In recent years, the global geopolitical atmosphere has become increasingly tense. The Ukraine crisis, which began in 2014, has complicated relations between Russia and the West, exposing Russia and Russian companies to sanctions by the United States, the European Union and other allies. The sanctions were repeatedly supplemented and tightened as geopolitical tensions escalated, which has become extremely aggravated after February 2022, a new round of the Ukrainian crisis.

In this case, the imposition of sanctions was a geopolitical risk factor for Russia. The state faced the possibility of losing political influence, economic development and other threats as a result of pressure from Western countries and international organizations. And even despite the controversial results and some harmful consequences for Western countries (Nguye & Do, 2021; Crozet & Hinz, 2020; Christie, 2016), sanctions still remain the most important geopolitical instrument of the United States, the European Union and their allies, influencing Russian economy and politics (Morgan, Bapat & Krustev, 2009; Hufbauer, Schott & Elliott, 2007). This, in turn, imposes certain difficulties on the activities of Russian companies such as restrictions and prohibitions on imports, export controls, outflow of foreign direct investment (FDI), suspension of international cooperation, reputational risks (Mahlstein et al.,2022; Golikova & Kuznetsov, 2016; Timofeev, 2022).

In addition, the current geopolitical crisis is characterized by the fact that official Western government reactions are accompanied by the unprecedented suspension of the activities of many foreign companies in Russia, even in areas that are not subject to sanctions (Mahlstein et al.,2022; Timofeev, 2022). Since the beginning of a new wave of geopolitical tensions between Russia and the West in February 2022, a significant number of foreign companies that also invested in Russia have ceased their operations (Yale School of Management). Mahlstein et al. (2022) suggest that further escalation of the geopolitical crisis will exacerbate the ongoing outflow of FDI and cause the suspension of more Western companies. The authors identify the following reasons why Western companies end or suspend operations: outrage at Russian politics; social or political

pressure within their country; rule-making by the state (for example, a ban on citizens doing business in Russia or making financial transactions); increasing costs and other difficulties of doing business in Russia (Mahlstein et al.,2022). This has a rather acute and detrimental effect on Russian companies, which in recent years have become much more integrated into the world economy and global business processes through foreign direct investment, foreign trade, the establishment of international partnerships and a wide range of foreign companies operating in Russia (Golikova & Kuznetsov, 2016). Moreover, the most efficient and globalized companies are especially susceptible to these adverse changes and risks (Golikova & Kuznetsov, 2016). First of all, this concerns oil and gas companies, which are generally quite sensitive to geopolitical instability due to the strategic importance of the industry (Wood, 2011).

Thus, new geopolitical realities have created a special environment in which Russian oil and gas companies must operate, taking into account a number of serious restrictions. First, geopolitical tensions and sanctions are seriously affecting energy exports from the Russian Federation, which are the most important export commodity (Nguye & Do, 2021; Mahlstein et al.,2022). In 2021, crude oil supplied 22% of Russian exports, oil products - 14%, natural gas - 11%, and liquefied natural gas accounted for 1% (The Bank of Russia.). As of 2022, the United States has implemented a full ban on the import of fossil fuels from Russia (U.S. President, 2022), while the European Union has imposed certain restrictions on the import of Russian oil and oil products and additionally has prohibited the provision of goods, services, and technologies to Russia's oil refining sector (EU Council, 2022a). Moreover, European countries have developed a plan to reduce the EU's dependence on gas imports from Russia (European Commission, 2022).

Secondly, the geopolitical crisis led not only to the loss of the Western market, but also to the deprivation of the opportunity to use Western infrastructure. Russian oil companies, under the influence of Western consultants, abandoned their own trading divisions and service companies, which made Russian companies very dependent on Western intermediaries. Now oil companies will have to look for new traders, since it is a very significant success factor in the modern oil business (Simonov, 2022). Another serious problem for Russian oil and gas companies is the lack of modern equipment and technologies for projects implementation. (Larchenko & Kolesnikov, 2017; Henderson, 2022; Shagina, 2018; Simonov, 2022). Under U.S. and EU sanctions, the Russian energy sector has been banned from providing, exporting goods, services, or technology in support of oil exploration or production for deepwater, shale, and Arctic offshore fields (EU Council, 2014; U.S. Department of Commerce, 2014). These restrictions were extended to state and major energy companies such as Gazprom, Gazprom Neft, Lukoil, Surgutneftegaz, Rosneft and their subsidiaries. As a result, the departure of Western oilfield services companies from

Russia, especially such as Schlumberger, Baker Hughes, and Halliburton, was the most significant from an operational point of view, since they have played a decisive role in the development of the Russian oil and gas sector since 2000 (Henderson, 2022). In general, prior to the development of geopolitical tensions and subsequent restrictions, Russia's energy sector was 70% dependent on Western technologies, especially in unconventional oil and gas liquefaction projects (Shagina, 2018). At the moment, in the field of advanced technologies, Western service companies are still crucial for the Russian oil sector, because, despite the fact that some Russian companies have managed to develop domestic technologies, equipment for deep-sea exploration, exploration on the Arctic shelf and exploration of shale deposits has not been produced (Shagina, 2018). In addition, the absence of Western service companies and technologies in the gas industry will also have a significant impact, especially on the prospects for the development of Russian LNG, since Western technologies and experience have played a decisive role in this area until now (Henderson, 2022), and the rapid construction of LNG terminals in Russia is not yet foreseen (Simonov, 2022).

Thirdly, the geopolitical crisis has seriously affected joint oil and gas projects with Western companies and investments in the Russian oil and gas sector. Thus, oil and gas companies in Europe and the United States announced the abandonment of their assets and their activities in the Russian Federation in February and March 2022:

- ExxonMobil announced its withdrawal from the Sakhalin—1 oil and gas project and the termination of investments in new developments in Russia (ExxonMobil, 2022).
- The Norwegian company Equinor has announced its withdrawal from Russian projects, including a partnership with Rosneft, and stop its investments into Russia (Equinor, 2022).
- Shell announced that it will withdraw from its joint ventures with Gazprom, 50% stake in the Salym Petroleum Development project (fields in Western Siberia), 50% stake in the Gydan energy venture project (exploration in Northwestern Siberia), 27.5% stake in the Sakhalin-2 LNG plant, as well as from the Nord Stream 2 pipeline project (Shell, 2022).
- BP has announced that it is withdrawing from its stake in Rosneft and other businesses in Russia. Also, company representatives withdrew from the board of directors of Rosneft, international staff was recalled from the country (BP, 2022).
- The French TotalEnergies has announced that it supports the EU sanctions against Russia will implement them and stop its investments in new projects in Russian Federation (TotalEnergies, 2022).
- The largest Italian oil and gas company, Eni, has announced that it will withdraw from the Blue Stream gas pipeline project connecting Russia with Turkey, in which it owns 50% (Eni, 2022).

- Austrian oil and gas company OMV refused to invest in Russia, and also announced the withdrawal of a 24.99 percent stake in the Yuzhno-Russian oil and gas field (OMV, 2022).

Thus, the geopolitical crisis, which caused turbulence in the world oil and gas markets, and unprecedented tensions between Russia and Western countries have become a serious obstacle for Russian oil and gas companies. In turn, the reduction of exports to the West, the termination of projects with Western partners, the outflow of investments and the prohibition of access to Western technologies forced Russian oil and gas companies to diversify their activities and reorient to the east. The need for diversification became urgent for Russia back in 2014, and the aggravation of the Ukrainian crisis in 2022 as well as the introduction of anti-Russian sanctions further reinforced this need. Russian companies began to look for new partners. First of all, their view is focused on China as the most promising Asian market, cooperation with which is the most optimal in many respects. This is confirmed by the high level of political relations and the already existing partnership base in the oil and gas sector.

3.2 Cooperation with China in the context of geopolitical turbulence: partner risks identification

Cooperation between Russia and China in the oil and gas sector has a long-standing and constantly evolving character. Rosneft and the China National Petroleum Corporation (CNPC), as the largest national oil and gas companies in Russia and China, occupy leading positions in oil cooperation. In 2009 Rosneft entered into the first major long-term contract with CNPC for the supply of oil to China for 20 years in the amount of 15 million tons annually, starting in 2011, and the Chinese partners provided the Russian company with a loan of \$15 billion to ensure its accelerated implementation (Rosneft, 2017). In 2009, the Eastern Siberia-Pacific Ocean (ESPO) oil pipeline was put into operation, connecting Siberian fields with the Chinese market. Since 2011, oil supplies to China have also been carried out through the Skovorodino-Mohe oil pipeline, which is a branch of the ESPO. The Russian oil companies Transneft and Rosneft received the exclusive right to supply oil to China for 20 years. Moreover, in 2013, Rosneft signed a new long-term contract with CNPC (Rosneft, 2013). Already in 2016, Russia ranked first in terms of crude oil supplies to China, overtaking Saudi Arabia (Reuters, 2017).

The success of the ESPO allowed Russia and China to start implementing new projects. This became especially important after 2014, start of geopolitical tensions, anti-Russian sanctions and the beginning of a deterioration in relations with the West. Thus, after several years of

negotiations, in 2014 Gazprom and CNPC entered into a contract for the sale of Russian gas through the Power of Siberia gas pipeline for a period of 30 years. The agreement provided for the annual supply of gas to China in the amount of 38 billion cubic meters (Gazprom, 2014). In December 2019, the Power of Siberia gas pipeline was put into operation and the first ever pipeline deliveries of Russian gas to China began.

Novatek, in turn, became a key player in the Russian LNG sector and began cooperation with China in 2013: Chinese energy company, CNPC, purchased a 20% stake in Novatek's Yamal LNG project (Novatek, 2014). Later, Chinese banks provided loans to NOVATEK in the amount of \$12 billion (Reuters, 2016). These investments allowed the company to launch the Yamal LNG project ahead of schedule and avoid the consequences of Western sanctions. In 2019, two other Chinese companies, CNOOC and CNODC, also acquired 10% stake each in another Novatek LNG project, Arctic LNG-2 (Novatek, 2019).

In addition, in order to further increase the supply of Russian gas and oil to China in the coming years and strengthen cooperation, new agreements were signed in February 2022:

- CNPC and Gazprom signed a long-term Purchase and Sale Agreement for natural gas to be supplied via the Far Eastern route (Gazprom, 2022a). Also, sides discussed the project for the construction of the Soyuz Vostok gas pipeline, which will pass through the territory of Mongolia and will become a continuation of the Russian gas pipeline Power of Siberia - 2 (Gazprom, 2022b).
- An additional agreement was signed between CNPC and Rosneft on the supply of 100 million tons of oil to China via Kazakhstan over 10 years (Rosneft, 2022).

Thus, the energy cooperation between Russia and China and their companies is of a strategic nature and is actively developing in the current geopolitical crisis. Even after 2014, Russia's energy strategy has acquired new goals and priorities in relations with China, including the construction of LNG and Pipelines in the context of energy cooperation, increased confidence in Russian-Chinese energy relations, and increased participation of the China Development Bank in energy transactions (Meynkhard, 2020). This partnership opens up prospects for both sides. Russia and Russian oil and gas companies need the Chinese market and Chinese technology, as well as China is interested in Russian energy exports. In addition, the Russian side receives the necessary support in financing expensive projects, the implementation of which would be difficult without foreign investment.

However, this partnership opens up not only new opportunities for Russian oil and gas companies, but also particular risks that were largely the result of the geopolitical crisis. Scholars and experts in the field have identified most harmful potential risks of partnership with China in the context of geopolitical turbulence, which we integrate and synthesize together (see Figure 1.)

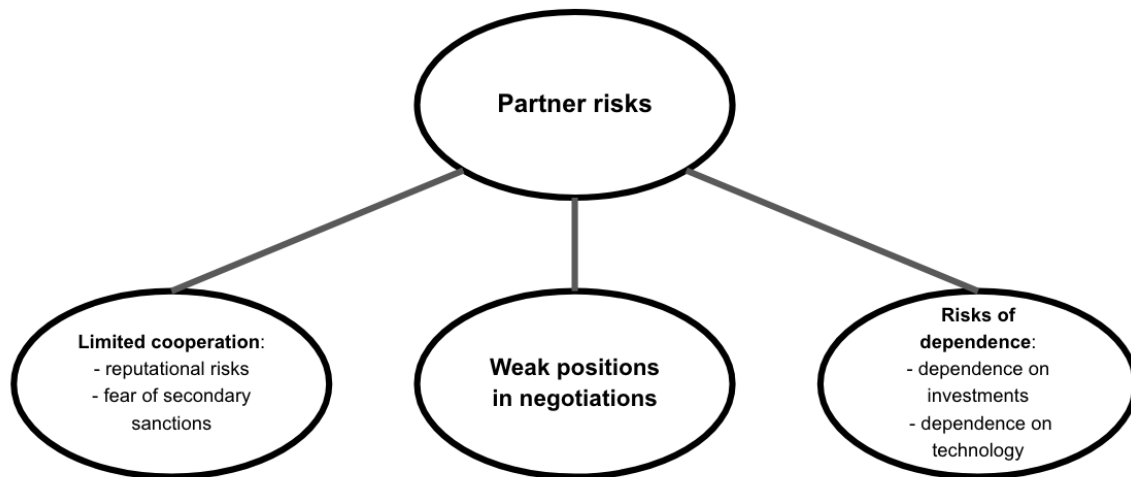


Figure 1. Structure of the partner risks
Developed by the author

Limited cooperation: reputational risks and fear of secondary sanctions.

The current geopolitical situation and Western sanctions may deter potential partners from cooperation due to huge reputational and sanctions risks, de-motivating them from developing new forms of cooperation (Timofeev, 2022; Golikova & Kuznetsov, 2016; Shaohua, Xu & Bin 2022). Timofeev, 2022 notes that China and Chinese companies will have to take into account new sanctions regimes, fearing secondary sanctions. At the political level, the Chinese government has not joined the Western sanctions, but some companies may be forced to act with caution, especially with regard to transactions in US dollars or the currencies of the initiator countries (Timofeev, 2022). Moreover, Chinese companies are afraid to become the objects of primary sanctions from the US and the EU. Western countries have consistently warned that China would face serious consequences if it provided material support to Russia, helped Russia bypass sanctions, or interfered in any other way. Since the Western market is more important for Chinese companies than the Russian one, they simply cannot ignore such warnings (Shaohua Xu & Bin 2022).

Weak positions in negotiations

In the current situation, any reasonable trading partner will seek to exploit Russia's weak position in negotiations and demand significant discounts on imports from Russia (Mahlstein et al., 2022; Simonov, 2022). In general, this trend has been observed before. Despite the fact that in 2014 China had a definite need to sign a gas deal with Gazprom, taking into account the demand for gas at that time, it was still able to agree on a fairly competitive price partly because it understood that the Russian side, due to the geopolitical crisis, was in dire need of new political and commercial allies (Henderson & Mitrova, 2016). At the moment, China is the main market for Russian oil and gas companies in the East. In this connection, Simonov (2022) notes that today the main Russian argument in the struggle for the market is the willingness to give a discount on energy resources, in addition, taking into account competition from other countries and companies as alternatives to China. Moreover, in the future, a weak position in negotiations may affect not only the terms of the price of energy resources.

Risks of dependence on investments and technologies

China has been given the opportunity to provide an alternative source of financing and oilfield service technologies, which can also be used in Chinese interests.

Dependence on investments

Western sanctions and the outflow of investments have accelerated the dependence of Russian companies on Chinese investments. For example, the Yamal LNG project would not have been implemented without \$12 billion in financing from Chinese banks, which demonstrates the growing financial dependence of Russian companies on a Chinese partner (Henderson & Mitrova, 2016).

Dependence on technology

Lacking sufficiently developed domestic technologies and lack of access to Western ones, Russian oil and gas companies have turned towards Asia, where China remains the main alternative. This makes Russian companies dependent not only on Chinese financing and energy demand, but also on their technologies, which in the long term may negatively affect Russian production (Shagina, 2018). At the same time, Chinese companies are achieving success not only in the areas where sanctions are specifically applied, but also in more traditional areas, since Western service companies have become wary of any business in Russia, and Russian companies

are seeking to diversify sources of equipment supplies (Henderson & Mitrova, 2016). In addition, China's financial support is often accompanied by a prerequisite for the use of Chinese equipment, services and management. For example, the financing of the Yamal LNG project was accompanied by statements that 80% of the equipment needed for the construction of the LNG facility would be supplied from China (Interfax, 2016). In the future, this may make Russian oil and gas companies overly dependent on Chinese technologies and prices for them (Shagina, 2018).

To conclude, there is no doubt that Russian oil and gas companies are diversifying their activities and refocusing on eastern markets, primarily China, and this process will only develop in the current geopolitical realities. In addition, China also needs Russian oil and gas, moreover Russia is an important market for Chinese investment and technology. Nevertheless, this is a difficult and risky game for the Russian side - China is currently a strong partner that can control energy relations with its neighbor, taking advantage of Russia's weakened geopolitical status. Moreover, China remembers the importance of maintaining stable relations with the West and may cooperate less actively with its northern partner. Thus, in order to benefit from this partnership, Russian companies need to create strategies that will help balance the interests of the parties and reduce partner risks during reorientation. This requires the integration of market and nonmarket strategies for a more comprehensive approach to partner risks mitigation.

4. SUMMARY

Geopolitical instability has a significant impact on companies, creating a high level of uncertainty and various risks, forcing companies to rethink their strategies and adapt to new conditions in order to ensure sustainability and continued success.

Accordingly, since 2014, Russian oil and gas companies have been gradually diversifying their activities towards eastern markets, especially China, and this process has only intensified with a new round of the geopolitical crisis after February 2022. However, it was revealed that partnership with China is fraught with risks associated with its control over energy relations due to the instability of Russia's geopolitical status. These partner risks are complex and require a balance of interests of many stakeholders, which makes it necessary to develop comprehensive strategies that combine market and nonmarket aspects.

Based on the analysis of the literature, we have developed a framework that integrates the key elements of the process of managing geopolitical turbulence and reducing partner risks for Russian oil and gas companies (Figure 2).

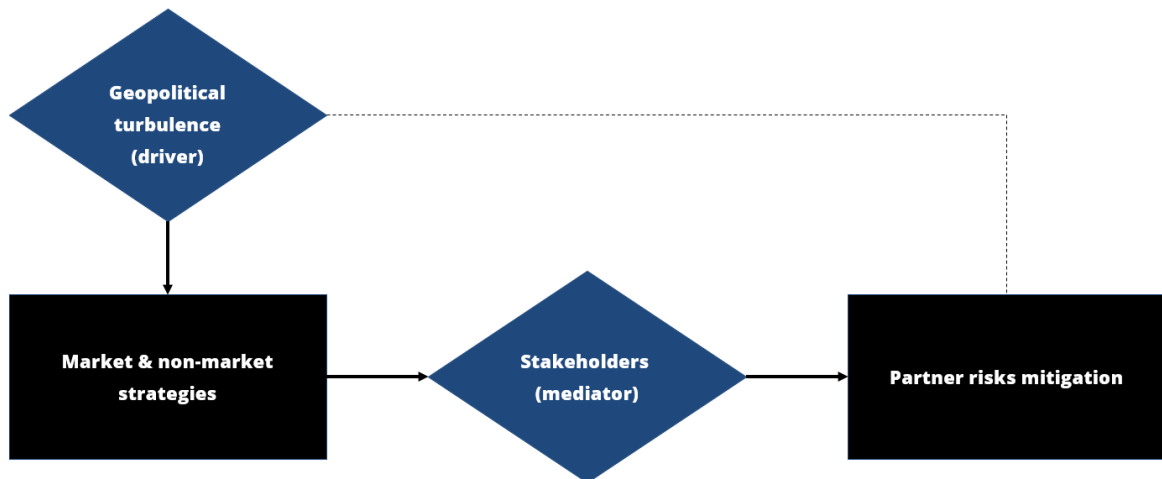


Figure 2. Key elements of managing geopolitical turbulence and partner risks mitigation
Developed by the author

In this way, geopolitical turbulence is a key driver influencing Russian oil and gas companies and their strategies. This turbulence manifests itself in the form of tension and / or rupture of relations with Western countries, economic sanctions, changes in the country's political course and other factors that significantly affect the business processes of companies, thus it is also associated with the emergence of partner risks between Russia and China.

To effectively manage partner risks that have emerged in the context of geopolitical turbulence, it is necessary to use market and nonmarket strategies. Stakeholders can play the role of mediators in this process, as stakeholder-focused and collaborative strategies help to balance the needs of all actors and thus successfully minimize partner risks.

However, we still have a research question: what strategies do Russian oil and gas companies develop and use in the current geopolitical conditions to mitigate partner risks? Research aimed at examining specific strategies for managing geopolitical risks of any kind is very limited, so the answer to this question should make some contribution to the relevant literature.

Moreover, it was found that existing research is limited in understanding the relationship and influence of market and nonmarket strategies on each other (Mellahi et al., 2016). To better understand this issue, we consider it necessary to conduct research based on stakeholder theory. This approach focuses on identifying and understanding the various stakeholders and managing the relationship between them. In this case, we need to answer the following research question: how do Russian oil and gas companies integrate market and nonmarket strategies? What role do stakeholders play in this process?

5. METHODOLOGY

This chapter describes the research design and the methodology of the study. In order to answer the research questions this study adopts a qualitative in-depth interviewing method. Rubin and Rubin (2005) have defined qualitative interviews as “conversations in which a researcher gently guides a conversational partner in an extended discussion. The researcher elicits depth and detail about the research topic by following up on answers given by the interviewee during the discussion”. Qualitative interview is co-constructed process in which both the researcher and the participant play an active role in shaping the conversation that allows to provide rich insights into the perspectives and experiences of participant (Seidman, 2006).

We have chosen this method of analysis as in-depth interviews involve conducting a detailed, one-on-one conversation with a participant to gather in-depth information about their experiences, attitudes, beliefs, and opinions. Thus, this method is useful for exploring complex phenomena that are difficult to measure quantitatively and provides rich and detailed data that can help researchers gain a deeper understanding of the research topic. In this research in-depth interview method was aimed to highlight hidden trends, identify specific aspects of the issue under study, while at the same time it allowed to get expert assessment and opinions from O&G industry representatives. The data acquired was further closely analyzed using the Gioia method (Gioia et al., 2013) to enable interpretation and action based on the findings.

5.1 Data collection

To ensure more accurate results of our qualitative research we employ multiple data sources (official company documents, reports, releases, etc.), but as it has been mentioned the heart of this study is the in-depth interviews with key informants

Thus, the first step of our research was to find relevant interviewees. The search proceeded as follows: an official request was sent to the companies that are the objects of the study in order to find relevant candidates for interviews. A description of the research and the criteria that the interviewee must meet were attached to the request. In addition, the search for candidates was carried out using a personal database of contacts, which in some cases made it possible to bypass bureaucratic difficulties.

Expected characteristics of respondents: knowledgeable middle or top managers, holding relevant positions, with access to information about the firm's reorientation activities in order to

shed light on the issues under study (what reorientation activities and strategies are already underway, what trends are observed, what main stakeholders are taken into account).

Sample of respondents: expert representatives of Industry-leading Russian oil and gas companies that are planning or already undertaking reorientation activities. The following companies were expected to participate in the study:

- Gazprom,
- Rosneft,
- Lukoil,
- Novatek.

However, we received a refusal to participate in the study from Novatek and Lukoil, which, in our opinion, was due to one or more reasons, such as:

- firstly, disclosure of strategic information may be unacceptable for representatives of companies due to restrictive non-disclosure agreements;
- secondly, we assume the following restriction: this research in a certain sense touches upon the political strategies and relations of companies with state bodies in Russia and China, which is a specific and sometimes even acute topic, the disclosure of which can also lead to various consequences for company representatives;
- finally, bureaucratic complexities and the level of prospective responses could impose difficulties in finding relevant contacts.

Thus, a total of 3 interviews were conducted, in which 2 representatives of Gazprom and one representative of Rosneft took part. It is important to note here that the study is limited in the sense that we cannot consider our findings to be comprehensive due to the limited number of companies included in the study. Therefore, we must be careful about the conclusions we draw from our findings.

Interviews process:

The interviews with respondents were conducted one-on-one via a conference call on the MS Teams platform or in Zoom. Each interview was recorded with the prior consent of the respondent. Average interview lasted during one hour.

Before the interview, we established a plan and developed a pool of sample questions that set the direction of the conversation. However, the concept of an in-depth interview allows for flexibility, for this reason in the interview process, when asking questions we focused on previous answers, as well as the following characteristics of the respondent: what company does interviewee represent, what position does interviewee occupy, is interviewee directly involved in the development and implementation of political strategies for reorientation to the Chinese market, is interviewee directly engaged in the interaction with the stakeholders.

5.2. Data analysis

5.2.1 Interview transcription

The conducted interviews were transcribed in Russian (the language of the interviews) in order to compare them with each other, as well as to correctly interpret the received data. The interview and preliminary notes were then translated into English, preserving the original meaning of the answers.

Thus, the transcription process contributed to the full understanding of the thoughts and ideas of the representatives. It also provided an opportunity to review the interview and revise its questions in order to identify inappropriate or insufficient responses. Further, to analyze the obtained data, we employed a Gioia method (Gioia et al., 2013).

5.2.2 Gioia method

The Gioia method is a qualitative data analysis method with an inductive approach. The beginning of the analysis consists of developing the first-order codes, followed by developing the second-order codes to finally develop the aggregate dimensions in order to facilitate assembly into a more structured form (Gioia et al., 2013).

First order codes

We analyzed each interview using the methodology of Gioia et al. (2013) and coding to determine how the geopolitical context affects the actions of companies and what strategies they follow when dealing with China. First, we took a close look at the transcribed interviews, as well as documents and company press releases, to gain a deeper understanding of the trends and strategies described by our respondents. Thus, to develop first-order codes, we used the texts of the transcribed interviews, supported by an additional data from documents and press releases, which led to a

large number of primary codes reflecting the content of the interview. As research progresses, we begin to look for similarities and differences between codes, thus reducing the number of meaningful categories to a manageable number and assigning labels or phrasal descriptors to these categories. Thus, we analyzed all first-order codes from three interviews to identify similarities and differences between them. First order codes were identified in such a way as to ensure consistency across all interviews.

Second-order codes

To generate second-order codes, we turned to the literature described in the theoretical background chapter in order to interpret data from first-order codes. That is, in the process of analysis, we moved to the theoretical area, exploring what concepts can help us describe and explain the observed phenomena. For example, we used the literature on market and nonmarket strategies to interpret respondents' primary codes regarding oil and gas company strategies. Thus, we have grouped first order codes into "themes" at a more abstract level, which are second order codes.

Aggregate dimensions

Once a workable set of second-order themes and concepts had been prepared, we grouped them into aggregate dimensions. To do this, we turned to the relevant literature to re-evaluate all the received second-order themes, returned to the transcribed interviews and data from additional sources to further verify the relevance of the second-order topics which then were finally grouped in aggregate dimensions.

6. DATA ANALYSIS AND RESULTS

The purpose of this section is to present the performance of data analysis using the Gioia method for the subsequent description of the obtained results of the study, presented in the form of final aggregated parameters.

6.1 Analysis with the Gioia method

First-order codes

Initially, we filtered and structured all the information obtained from the interview. Direct quotations from respondents were taken as the basis for coding and development of primary codes. Table 1 presents the result of deriving primary codes from quotations from transcribed interviews.

Table 1. *First-order codes*

Respondents' quotes	First-order concepts (codes)
<ul style="list-style-type: none"> • "Gazprom would hardly have been so actively approaching China if none of this had happened, because anyway, the West and Europe have always been the target market, target interests. And to some extent, this understanding still remains. " (G1) • "Reorientation to the Chinese market was one of the retaliatory steps to reduce cooperation with Western partners. " (R) 	<p>Active rapprochement with China is a forced necessity</p>
<ul style="list-style-type: none"> • "The Chinese market has its own peculiarities and requires adaptation of our strategy. We must take into account the specific requirements and regulations, as well as competition with other energy suppliers in this market." (G2) • "The company strives to develop flexible strategies that allow us to adapt to changing market conditions and legal norms of China. We constantly assess risks and opportunities and are ready for operational solutions if necessary." (R) 	<p>Adapting strategies to the challenges and peculiarities of working with the Chinese market</p>
<ul style="list-style-type: none"> • "We are considering the possibility of establishing strategic partnerships with Chinese companies that may be less susceptible to sanctions." (G2) • "State-owned companies are quite sensitive to the implementation of sanctions conditions, so as not to be at risk, not to get into the SDN list, but as for private companies: they are bolder in terms of prospects for cooperation." (G1) 	<p>Development of cooperation with companies less exposed to the risk of sanctions</p>
<ul style="list-style-type: none"> • "We need to diversify not only to China. It can be a significant direction, but it should not be “anchored” and be more than 50%. If we look to the East, we need to look at it broadly, not only at China." (G1) 	<p>Striving to diversify partnerships and potential development markets</p>

<ul style="list-style-type: none"> • "We are striving to diversify our partnerships by developing relations with other countries and companies, for example, in India." (R) • "An important step is to expand our cooperation in different countries. We are exploring the possibilities of long-term contracts and establishing more favorable conditions with other partners." (G2) 	
<ul style="list-style-type: none"> • "We strive to develop our own technological resources and innovative projects, invest in research and development and attract specialists with high expertise." (R) • "We are trying to reduce our dependence on external sources of technology. We conduct our own research on the development and application of new methods and technologies for oil and gas production, develop new energy technologies and renewable energy sources." (G2) 	Focus on the development of own technologies in order to reduce dependence on external sources
<ul style="list-style-type: none"> • "We are looking for opportunities to diversify our sources of investment, involving other international partners. The emphasis is on strengthening cooperation between growing markets - the countries of Southeast and Central Asia, Latin America, Africa." (R) • "Consideration of alternative markets allows us to reduce dependence on certain regions and expand sources of income." (G2) 	Consideration of alternative markets for a diversity of investment sources
<ul style="list-style-type: none"> • "It is important to look at interaction in a comprehensive manner, not only to develop cooperation in the energy sector, but also other issues need to be involved and thus balance the interests of both sides." (G1) • "We need some diverse directions in relations that go beyond the scope of sale and purchase, then it will be difficult for both parties to abandon these 	It is possible to ensure a balance in relations through complex interaction, and not only on energy issues

<p>relationships and cooperation during some kind of crisis.” (G2)</p>	
<ul style="list-style-type: none"> • "The company is actively developing educational programs and scientific cooperation with Chinese universities. An example is cooperation with Tsinghua University. This should help company expand human resources, exchange experience and knowledge, and strengthen the scientific and technical base." (R) 	<p>Scientific cooperation with universities, which helps to expand human resources, exchange experience and knowledge</p>
<ul style="list-style-type: none"> • "We participate in key events and forums, such as, for example, the Russian-Chinese Energy Business Forum, where we meet with the heads of major companies, representatives of government authorities and industry experts. This provides an opportunity to establish a dialogue with various representatives to discuss current and future projects, exchange experiences and establish new contacts, including informal ones." (R) • "It is important to note the holding of conferences and business meetings ... We also carry out information campaigns to raise awareness about our company and our projects among Chinese partners." (G2) 	<p>Participation in special events and forums in order to establish contacts with various stakeholders and exchange experience</p>
<ul style="list-style-type: none"> • "...now collaborating with CNPC on low-carbon development." (R) 	<p>Cooperation with Chinese companies in the field of sustainable development</p>
<ul style="list-style-type: none"> • "The Vostok Oil project is of strategic importance for ensuring the energy security of the region and strengthening partnership relations with China by significantly increasing supplies. This allows us strengthen our position as a reliable partner." (R) • "Last year, gas supplies through the Power of Siberia gas pipeline regularly exceeded the daily norm, at the request of the Chinese side. This speaks of 	<p>Strengthening energy cooperation makes it possible to strengthen relations and the position of a reliable partner</p>

<p>Gazprom as a responsible supplier and reliable partner." (G2)</p>	
<ul style="list-style-type: none"> • “Some projects in China and some agreements with other companies are being implemented not only to develop business and maximize profits, but to earn a reputation in order to gain support, and only then think about profit.” (G1) • “We are trying to establish and maintain trusting relationships with Chinese partners, demonstrating transparency and compliance with international norms and standards, and are also actively working at the level of business contacts in order to continue to maintain and develop our cooperation.” (R) 	<p>The importance of developing trust and maintaining reputation in business relations with Chinese companies</p>
<ul style="list-style-type: none"> • “Of course, there are friendly ties [between Gazprom representatives and political representatives].” (G1) • “V.V. Putin trusts Alexei Borisovich [Miller] in his decisions.” (G2) 	<p>The presence of certain links between Russian companies and political actors</p>
<ul style="list-style-type: none"> • “Everything that Gazprom does is like a kind of projection of what is being done at the state level.” (G1) • “Gazprom adjusts the program [of action] accordingly, based on what the state needs.” (G2) 	<p>Companies' strategies are largely tied to the political course of the country</p>
<ul style="list-style-type: none"> • “We also need a single vector so that Russian companies that have opportunities, established international connections, access to decision-makers in other countries, interact with each other, and not compete and divide markets. This requires a strong hand of the state.” (G1) 	<p>The state needs to ensure a single vector of interaction between Russian oil and gas companies</p>
<ul style="list-style-type: none"> • “Local authorities in Russia and China play an important role in facilitating business contacts and creating a favorable environment for cooperation. It turns out that the Russian government is the coordinator in the process of cooperation with 	<p>The authorities of Russia and China play an important role in the process of creating an environment for successful cooperation between companies</p>

<p>China, ensuring the formation and support of intergovernmental agreements.” (R)</p> <ul style="list-style-type: none"> • “All agreements with individual countries on the protection of investments, on the settlement of various disputes related to the implementation of projects, the creation of exclusive conditions - all this is possible through the signing of intergovernmental agreements. Accordingly, this should be done at the state level.” (G1) 	
<ul style="list-style-type: none"> • "Now there is an understanding of the need to diversify supplies, not only pipeline gas, but also LNG." (G1) • "We are making efforts to competently use both pipeline gas and LNG supplies, somehow balance it." (G2) 	<p>Diversification of energy resources supplied to China</p>
<ul style="list-style-type: none"> • “Collaboration with CNOOC could give us access to their experience and technology. We have potential areas for joint work, in particular, cooperation in the field of exploration and production of hydrocarbons and LNG.” (G2) • “China may also be of interest in terms of the problem that Gazprom has with LNG carriers. There are a number of Chinese companies that produce the necessary vessels and with which we can cooperate.” (G1) • “The Chinese can be interesting and useful in terms of cooperation in third countries: we can cooperate with them in terms of technology, sharing investments, services, providing support, and in terms of determining the sales market. There is a profitable opportunity for interaction here." (G1) • “Gazprom is not currently developing fields in China. But perhaps this will change, because there are many different benefits for Gazprom here.” (G1) 	<p>There are many potential and profitable areas of cooperation between Russian and Chinese oil and gas companies that are worth developing.</p>

<ul style="list-style-type: none"> • “With CNPC, we share experience in the field of technology and geological exploration. We are also negotiating long-term energy supplies to China. Cooperation between Gazprom and CNPC is of a strategic nature and is being consistently developed.” (G2) • “We are actively developing partnerships with Chinese companies, mainly CNPC, but there are also other companies. For example, we are cooperating with Sinopec within the management of Udmurtneft. This contributes to the development of relations between our companies.” (R) 	<p>Partnership with Chinese companies is actively expanding and promotes mutually beneficial conditions for further deepening cooperation</p>
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*G1 - Gazprom, 1st interviewee
G2 - Gazprom, 2nd interviewee
R – Rosneft interviewee

Second-order codes

Further, we transformed the first-order codes into broader "themes" - into second-order codes, as described in the methodology, which provides an overview of the concepts under investigation from a more abstract point of view (table 2).

Table 2. *Second-order codes*

First-order concepts (codes)	Second-order themes (codes)
Active rapprochement with China is a forced necessity	Flexibility in strategic planning
Adapting strategies to the challenges and peculiarities of working with the Chinese market	
Development of cooperation with companies less exposed to the risk of sanctions	
Striving to diversify partnerships and potential development markets	Reducing dependence on one partner
Focus on the development of own technologies in order to reduce dependence on external sources	

Consideration of alternative markets for a diversity of investment sources	
It is possible to ensure a balance in relations through complex interaction, and not only on energy issues	Nonmarket interaction
Scientific cooperation with universities, which helps to expand human resources, exchange experience and knowledge	
Participation in special events and forums in order to establish contacts with various stakeholders and exchange experience	
Cooperation with Chinese companies in the field of sustainable development	
Strengthening energy cooperation makes it possible to strengthen relations and the position of a reliable partner	Striving to strengthen partner trust and reputation
The importance of developing trust and maintaining reputation in business relations with Chinese companies	
The presence of certain links between Russian companies and political actors	The influence of political forces on strategy implementation
Companies' strategies are largely tied to the political course of the country	
The state needs to ensure a single vector of interaction between Russian oil and gas companies	
The authorities of Russia and China play an important role in the process of creating an environment for successful cooperation between companies	
Diversification of energy resources supplied to China	Multifaceted market partnership potential
There are many potential and profitable areas of cooperation between Russian and Chinese oil and gas companies that are worth developing.	

Partnership with Chinese companies is actively expanding and promotes mutually beneficial conditions for further deepening cooperation	
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Aggregate dimensions

Moving forward in the coding process, second-order codes (themes) are combined and transformed into more abstract aggregate dimensions, which are considered to be the results of the study (Table 3).

Table 3. *Aggregate dimensions*

Second-order themes (codes)	Aggregate dimensions
Flexibility in strategic planning	Comprehensive integrated strategic approach
Reducing dependence on one partner	
Nonmarket interaction	
Multifaceted market partnership potential	
Striving to strengthen partner trust and reputation	Consideration and balance of interests in strategy development
The influence of political forces on strategy implementation	

When we have a complete set of 1st order codes and 2nd order themes and aggregated dimensions, we have a basis for building a data structure. Therefore, the structure of the complete Gioia analysis and the results is presented in Figure 3

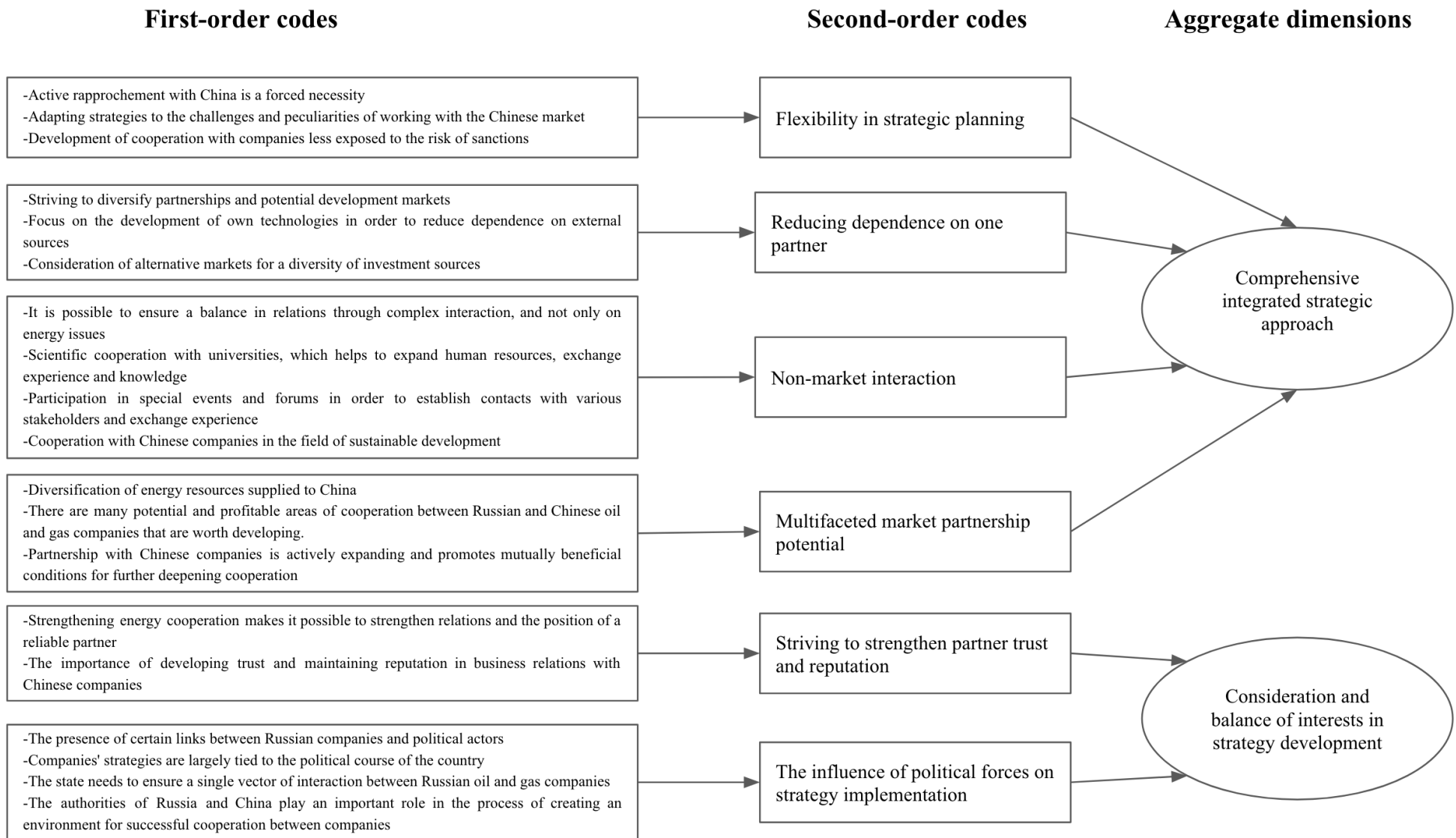


Figure 3. Gioia analysis data structure.

6.2 Results

6.2.1 Comprehensive integrated strategic approach

After developing and categorizing the codes, the first aggregated dimension obtained is the Comprehensive integrated strategic approach. The interviewed representatives of companies in their responses confirm that in the process of reorientation to the Chinese market, companies use complex and flexible strategies covering different ways of risk management and including both market and nonmarket components. Subsequent second-order codes contributed to the understanding of this definition.

Flexibility in strategic planning

We noticed among the respondents a general tendency to emphasize that the active rapprochement with China observed at the moment is rather not a desire, but a necessary step dictated by the geopolitical situation. Despite the fact, that partnership between two countries and their companies was developing earlier, the geopolitical instability that intensified in 2022, actually made the strengthening of the partnership a forced measure

"Reorientation to the Chinese market was one of the retaliatory steps to reduce cooperation with Western partners. " (R)

"...the West and Europe have always been the target market, target interests. And to some extent, this understanding still remains. " (G1)

In this regard, the interviewees note that oil and gas companies constantly assess emerging challenges and difficulties. As seen below, companies systematically analyze potential risks in order to be able to actively react and adapt their strategy based on the current market situation.

"The company strives to develop flexible strategies... We constantly assess risks and opportunities and are ready for operational solutions if necessary." (R)

An example of such flexibility is the fact that in cooperation they take into account potential opportunities and limitations of Chinese companies and tend to deepen their relations with those partners who are less exposed to risks (for ex. related to secondary sanctions), thus, are more open to partnership

"We are considering the possibility of establishing strategic partnerships with Chinese companies that may be less susceptible to sanctions." (G2)

Reducing dependence on one partner

All interviewees noted that in addition to developing strategies to ensure the successful development of partnership with China, Russian oil and gas companies are looking at reorientation much more broadly. They attract other countries and companies from Southeast and East Asia, North Africa, CIS countries, etc. to cooperate, thereby diversifying the portfolio of their partners, trying not to focus only on China

"An important step is to expand our cooperation in different countries. We are exploring the possibilities of long-term contracts and establishing more favorable conditions with other partners." (G2)

Furthermore, this approach allows companies to reduce dependence on Chinese financing and expand sources of income.

"We are looking for opportunities to diversify our sources of investment, involving other international partners." (R)

In addition to the above, it is important to note that Russian companies make efforts to ensure their own independence at least on the issue of technology, which at this stage is given great attention.

"We strive to develop our own technological resources and innovative projects, invest in research and development and attract specialists with high expertise." (R)

Nonmarket interaction

An important result of our research was the identification of nonmarket strategies of Russian oil and gas companies in the context of partnership with China

Interviewees in their responses emphasized the importance and desire of companies to go beyond market cooperation with China.

"We need some diverse directions in relations that go beyond just the scope of sale and purchase." (G2)

And at the moment this approach is implemented in several directions:

- A strategy for the development of scientific cooperation, mainly with Chinese universities, aimed at "expanding human resources, exchange experience and knowledge, and strengthening the scientific and technical base." (R)

- Cooperation between Russian and Chinese companies in the field of low-carbon development, which corresponds to the principles of corporate social responsibility
- Participation in various events, conferences and forums, which allows companies to establish new contacts, develop friendly ties with various stakeholders

“This provides an opportunity to establish a dialogue with various representatives to discuss current and future projects, exchange experiences and establish new contacts, including informal ones.” (R)

Multifaceted market partnership potential

In addition to all of the above, respondents stressed the great potential of market cooperation, which Russian companies plan to actively implement with their Chinese counterparts.

Here we can mention a lot of existing and potential mutually beneficial projects that are designed to deepen cooperation and bring partnerships to a new strategic level.

For example, cooperation on various issues related to LNG (from development to transportation), potential cooperation in third countries "in terms of technology, sharing investments, in terms of services, providing support, and determining the sales market" (G1), an impressive number of existing and negotiated projects with Chinese companies.

6.2.2 Consideration and balance of interests in strategy development

In the context of the interview, the leitmotif of the discussion of the main aspects of reorientation was not only the development of a comprehensive strategy integrating many aspects, but also ensuring a balance of interests of various actors. Here respondents mentioned most significant, salient stakeholders, the satisfaction of whose interests and enlisting their support is directly proportional to the success of reorientation to China and overcoming partner risks.

Striving to strengthen partner trust and reputation

This theme emphasizes the need for Russian companies to act not for the benefit of their interests, but for the benefit of partnerships. This implies the implementation of steps towards Chinese partner companies that will ensure their trust and confidence in the reliability of cooperation, which is much more important than profit for the development of the relationship, at least at the beginning.

“Some projects in China and some agreements with other companies are being implemented not only to develop business and maximize profits, but to earn a reputation in order to gain support, and only then think about profit.” (G1)

In this regard, respondents noted the desire of Russian companies to cooperate "to the maximum", satisfying the requests and desires of Chinese partners.

"Last year, gas supplies through the Power of Siberia gas pipeline regularly exceeded the daily norm, at the request of the Chinese side. This speaks of Gazprom as a responsible supplier and reliable partner." (G2)

The influence of political forces on strategy implementation

Another significant factor influencing and guiding the development and implementation of the strategy of Russian oil and gas companies in China is political influence. Interviewees have repeatedly noted the importance of intergovernmental relations between Russia and China in the process of reorientation.

“Local authorities in Russia and China play an important role in facilitating business contacts and creating a favorable environment for cooperation.” (R)

Thus, government-level relationships play a vital role in the success of the strategic energy partnership.

For Russian companies, the support of Russian authorities is particularly important here, playing the role of *"coordinator in the process of cooperation with China, ensuring the formation and support of intergovernmental agreements."* (R)

In this regard, respondents mentioned political ties between representatives of companies and politicians, as well as some linking of strategies with the political course of the country, what signifies the importance of taking into account the interests of the government as a key stakeholder in the process of reorientation

“Everything that Gazprom does is like a kind of projection of what is being done at the state level.” (G1)

“We adjust the program [of action], based on what the state needs.” (G2)

7. DISCUSSION AND CONCLUSIONS

In this paper, we aimed to identify and investigate the relationship between market and non-market strategies that Russian oil and gas companies apply in order to reduce partner risks in relations with China and, thus, successfully reorient themselves to the Chinese market, mitigating the consequences of geopolitical turbulence.

Our research has shown that the complex structure of geopolitical tensions is the driver for companies to develop a comprehensive integrated strategic approach, which correlates with the statement of Caldara & Iacoviello (2022), that the link between geopolitical risk and corporate activity is significant, meaningful, and persistent over time. Faced with market uncertainty and the need to reorient their activities to the Eastern direction, Russian oil and gas companies are striving to develop a flexible and multifaceted strategy aimed at both strengthening cooperation with China and reducing dependence on one market by diversifying their development directions and actively searching for potential long-term partners in other regions of Asia, Africa, Latin America, America, etc. However, in our research, we also found that the approach of Russian oil and gas companies to strategic planning is not limited to the market environment.

Earlier, scholars have repeatedly noted that existing research is limited in understanding the relationship and influence of market and non-market strategies on each other (Mellahi et al., 2016). Aggregate dimension of comprehensive integrated strategic approach is aligned with our expectations of positive interrelationship between market strategies and MNS and thus helps to fill this gap. In the conditions of geopolitical turbulence, Russian oil and gas companies are widely looking at the prospects of cooperation with China, taking into account all the risks in both the market and non-market environment, proving that progressive firms should develop and implement effective, integrated market and nonmarket strategies, given their complementarity (Holburn & Vanden Bergh, 2014; Choi and Wang 2009; Wei et al., 2015; Henisz & Zelner, 2012).

Russian oil and gas companies develop strategies of scientific cooperation development with Chinese universities, expanding human resources, exchange experience and knowledge, and strengthening the scientific and technical base; cooperate with Chinese companies in the field of low-carbon development, which corresponds to the principles of corporate social responsibility and participate in various events, conferences and forums, which allows them to informally discuss current and future projects, exchange experiences and establish new contacts, including informal ones. In addition to market initiatives, non-market cooperation helps Russian companies deepen partnerships with market and non-market stakeholders in China and provide space for long-term mutually beneficial cooperation. Thus, our research confirms the concept of Baron's integrated strategy (1995), arguing that the integration of market and non-market strategies positively affects

the management of partner risks associated with China by Russian oil and gas companies, helps to ensure the image of a reliable strategic partner and, thus, contributes to the effective management of challenges of geopolitical turbulence.

Another interesting finding of our research is that while developing their strategies, Russian oil and gas companies consider and balance interests of the most significant, or in other words salient stakeholders, which include Chinese partner companies, local authorities in Russia and China. It was found that satisfaction of their interests and enlisting their support is directly related to the successful implementation of strategies and overcoming partner risks, which is consistent with the stakeholder theory which focuses on the need identifying and understanding the various stakeholders who have an interest in the company, as well as recognizing the importance of effective relationship management between them (Hillman and Keim, 2001).

Interacting with Chinese partner companies, Russian oil and gas companies, through active cooperation in the market environment, strive to satisfy their requests and interests in order to ensure their trust and confidence in the reliability of cooperation, which can be much more important than simply maximizing profit, since the image and reputation of a reliable partner ensures the reduction of risks such as, for example, limited cooperation due to the fear of secondary sanctions. Also, when developing their strategies, Russian oil and gas companies take into account the interests of local authorities in Russia and China as they “play an important role in facilitating business contacts and creating a favorable environment for cooperation.” (R)

Especially important is the cooperation of Russian companies with the Russian government, which plays the role of the coordinator in the process of cooperation with China. Therefore, national oil & gas companies are closely linked to politics, and their activities are usually tied to the “national purpose” and serve political and economic goals other than maximizing the firm's profits, which explains their existence and resilience in a wide variety of political, social and economic conditions (The World Bank, 2011).

Thus, salient stakeholders act as mediators contributing to the successful implementation of strategies of Russian companies to reduce partner risks and manage geopolitical turbulence. In addition, they play an important role in understanding the integration of market strategies and NMS as if organizations strive to balance the interests of different market and nonmarket stakeholders, then it is logical to develop a single comprehensive strategic approach that integrates market and nonmarket considerations (Parnell, 2019). Accordingly, this study also suggests that stakeholder theory is a suitable theoretical perspective to address gaps in research on the integration of market and non-market strategies, which can be studied in future studies.

THEORETICAL IMPLICATIONS

Our research makes the following theoretical contributions. First, it expands existing literature on the impact and implications of geopolitical risks on firms' decisions and strategies. Recent studies have mostly focused on the macroeconomic effects of GPR and its consequences. Scholars found that geopolitical risks have a large impact on trade (Glick & Taylor, 2010), cause business cycle fluctuations and significant economic contractions (Cheng & Chiu, 2018), leading to a decrease in real activity, stock returns and the flow of capital from developing economies to more advanced ones (Caldara & Iacoviello, 2022) and has a significant impact on the volatility of oil prices (Liu et al., 2019; Qian, Zeng & Li, 2022). However, the literature regarding firm actions and decisions in a turbulent geopolitical environment is still limited. Thus, our study fills this gap by examining the driving role of GPR and geopolitical turbulence on company decisions to apply a comprehensive strategic approach and integrate both market and nonmarket strategies.

Second, our research complements the literature on integrating market strategies and NMS. Although recent studies are mainly focused on the need for the integration of market strategy and NMS (Baron, 1995; Holburn & Vanden Bergh, 2014; Wei et al., 2015; Hennisz & Zelner, 2012), some studies have revealed a certain negative interaction between them (Sun, Mellahi, & Thun, 2010; Li, Zhou & Shao, 2009; Li et al., 2022). Thus, the understanding of the relationship and the impact of market strategies and NMS on each other remains limited (Mellahi et al., 2016). Our study fills the research gap that is existent in this particular field of research, arguing that the integration of market and nonmarket strategies has a positive effect on reducing partner risks and contributes to the effective management of the challenges in turbulent geopolitical environment.

Finally, to address shortcomings in integrated market and nonmarket strategy research, we rely on the stakeholder theory perspective in our study. In previous studies of strategy integration, scholars have relied mainly on the resource-based view (RBV), which has emerged as the main theoretical perspective for illuminating the integration of market and non-market strategies (Ahammad et al., 2017). At the same time, there are no studies examining the integration of market and nonmarket strategies through the prism of stakeholder theory. Thus, our study expands the theoretical approach in the study of the integration of market strategies and NMS, going beyond the RBV perspective.

MANAGERIAL IMPLICATIONS

We suggest several managerial implications. The finding that the integration of nonmarket and market strategies is positively associated with the reduction of partner risks has important implications for business strategy. Managers should strive not only to interact in the market

environment and pursue profit maximization, but also to apply an integrated approach, developing nonmarket strategies aimed at interacting with various stakeholders in order to obtain non-profit benefits. Such a holistic approach helps not only to reduce risks but also to achieve a strategic advantage of the company. This is especially relevant when the environment is constantly changing in conditions of geopolitical instability.

This study also reveals the importance of stakeholders in integrating the two components of strategies and their implementation. Managers should strive to balance the interests of different market and non-market stakeholders by developing a single comprehensive strategic approach that integrates market and nonmarket considerations.

LIMITATIONS OF THE STUDY

Our study is largely limited due to a small sample of respondents, and, accordingly, an insufficient number of companies that participated in the research. Thus, as we noted earlier, our the research is limited in the sense that we can't consider our findings to be comprehensive due to the limited number of companies included in the study. Finding and attracting respondents from oil and gas companies proved to be a difficult task. We have received a number of refusals, for the reasons described in the methodology chapter. That is why such companies as Novatek and Lukoil are not represented in our study, but their participation could significantly expand our understanding of the ongoing processes and, accordingly, the findings.

It is also worth considering here that Rosneft and Gazprom, represented in the study, are closely related to state authorities, unlike Lukoil and Novatek. Thus, the research results, which include not only companies with state participation, could change our perception of the role of the government in the process of reorientation, and, accordingly, lead to slightly different results.

Also, our study is limited in the sense that it is narrowly applicable, since it examines a specific situation that applies exclusively to Russia, at least to other jurisdictions under sanctions, facing similar circumstances and challenges.

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