

The specificity of innovative activity in a vertically integrated oil companies

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Abstract

© 2015 by the author(s). The importance of the petroleum sector in the domestic economy today cannot be overestimated in connection with its role as a revenue generating industry, which is especially relevant the study of specific features of innovative directions in development of the industry and improve its competitiveness and economic efficiency. The article deals with the specifics of innovative activity in a vertically integrated oil companies, consisting of its own research base, the active use of the mechanisms with foreign technology borrowing, acquisition of assets from related industries and organization of joint projects and the establishment of joint innovative companies developing innovative technologies. All this has allowed the authors to substantiate the benefits of the organizational form of the vertically integrated oil companies, including the concentration of all types of resources, the formation of personnel motivation system, reduction of transaction costs, more efficient information exchange, minimize innovative risks and several others. Management system within the vertically integrated oil companies helps to ensure an adequate level of structure management, integrating technological and management options of innovative activity. This article is intended for researchers, teachers and undergraduates studying the specificity of innovative activity in a vertically integrated oil companies, and managers of oil companies, who is developing the strategy of innovative development.

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Keywords

Foreign direct investment, Foreign technology borrowing, Innovation risks, Innovative activity, Technological innovation, Vertically integrated oil companies