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Risk perception in the internationalization of the food sector

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ABSTRACT

The internationalization process of Brazilian organizations is gradually progressing. In international activities, the risk present in the domestic market increases due to the particular characteristics of the market in which the organization desires to introduce a product or service. Although under normal conditions it could said that it is necessary to analyze all the risks that could affect the organization, bounded rationality does not allow the manager to process all the information, be it through lack of knowledge or analytical capacity. Thus, the aim of this article is to understand the perceived risks associated with the internationalization of companies in the food sector. The guiding approach is a multiple case study, with semi-structured interviews, observation and document analysis. The results show diversity among organizations with regard to the concept of risk, differences between the kinds of risks considered and the influence of this perception on organizational practices. The contributions of the study include the construction of evidence coherent with the behavior theory of internationalization, which is more than a commercial and economic process, constituting a complex construction of reality influenced by the perception and attitudes of the managers involved.

1. INTRODUCTION

Interest in internationalization has grown over the years as the phenomenon is a challenge for governments, institutions and organizations (Guedes; Faria, 2010). The challenge partly stems from the differences between the national context such as culture, language and legislation and specific political and economic scenarios of the target country of the internationalization operation (Milliman; Glinow; Nathan, 1991). Another element that increases the complexity of international operations is risk. Besides the risks in the national context, there are also risks of war and epidemics and risks in international finance and politics (Welch; Welch, 2004).

The internationalization of Brazilian firms has grown, highlighting the need for studies on the theme. According to the Ministry of Development, Industry and Foreign Trade (2017), Brazil saw an increase of 12% in the number of exporting companies in 2016 compared with the previous year, with a total of 19,419 organizations. A further sign of intensified internationalization is the increase in foreign direct investment, which tripled from 1995 to 2010, rising to one hundred and eighty-one billion dollars in 2010 (Rocha, 2014). Furthermore, in Paraná State, where the organizations under study have their headquarters, the phenomenon is significant. The state had exports of fourteen billion, nine hundred million dollars in 2015. It was the third largest exporter in the agribusiness sector, and the leading exporter of chicken meat (MDIC, 2017).

Despite the impressive number of organizations involved in internationalization in Brazil, there is little understanding in the literature regarding how risks affect the internationalization process (Liesch; Welch; Buckley, 2011). The review conducted by

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Polo, Peixe and Galegale (2013), analyzing international production on risk from 2000 to 2012, points out that studies focus on highly specific and mostly financial risks. The analysis of Brazilian production conducted by Botinha et al. (2012) indicates that research on risk focuses on environmental issues, credit, investments and businesses. Therefore, it could be said that studies on the risks involved in internationalization processes will shed greater light on this field, given that only one study on risk and internationalization was published in a Brazilian international business journal (Internext) from 1999 to 2013 and that there is a need to conduct further studies on these topics (Ribeiro, 2014).

Risk is an important factor at several levels of international activity, especially in situations in which companies enter new markets or change their strategy (Liesch; Welch; Buckley, 2011). Although studies have identified the kinds of risks involved in internationalization, there is little understanding of the risks actually considered by managers (Liesch; Welch; BucklEY, 2011). To these authors, the constructs used by managers to analyze and weigh risks in internationalization processes have yet to be explored.

With this scenario, the aim of this academic production is to understand the perceived risks associated with the internationalization process in companies from the food sector. Theoretical and practical justifications are associated with this goal. From a theoretical viewpoint, the knowledge produced bridges a gap in the literature on internationalization and can aid the development of the field. The practical justification is the possibility that organizations can directly use the new knowledge to improve the education processes of their managers, which would help to improve risk management.

This article is made up of a further four sections following this introduction. The next section is the referential framework, containing the theoretical arguments behind the study. The following part is the methodology, containing the characterization of the study and a description of the material practices of the researcher. The last two segments contain a description and analysis of the results and the conclusions.

2. THEORETICAL FRAMEWORK

In this section, reviews on currents of research into internationalization and risks and their perception in internationalization processes are presented. This framework is necessary to understand the fundamental aspects of the present study.

2.1 Currents of research on internationalization

The theories on internationalization can be split into two main streams, the economic approach and the behavioral approach. In the economic approach, the emphasis is on national and international macro and micro economic variables that influence the internationalization process. The most widely diffused theories in this stream are: i) internalization (Coase, 1937); ii) market power (Hymer, 1960); iii) product life cycle in the international market (Vernon, 1966); and iv) the eclectic paradigm (Dunning, 1979). Underlying this line of thought is the idea of the fully rational economic man, who acts to maximize results (Hemais; Hilal, 2004).

The second approach, known as the behavioral approach or Uppsala model, emphasizes non-economic elements to explain internationalization processes, such as their incremental nature and psychic distance. The study conducted by Johanson and Wiedersheim-Paul (1975) on four Swedish companies that would gradually become large multinationals can be considered as the initial framework of the current and the understanding of internationalization as an incremental process. To Hemais and Hilal (2004, p. 29), internationalization is "the consequence of a process of incremental adjustments between changing conditions and the shape of the environment". This understanding of a gradually implemented process is also found in the work of Forsgren, Hagstrom and Peter (2007), characterizing internationalization as a process of incremental alterations in the face of change.

The concept of psychic distance can already be found in another seminal work in this stream, in which Johanson and Vahlne (1977) point out that the choice of external market includes the evaluation of economic factors, such as size, but also behavioral elements such as psychic distance from the internal market. Psychic distance may be considered as a set of factors that hinder the flow of information between the countries in which an organization operates, including language, education, business practices, culture, political systems and industrial development. Moreover, geographical distance may also act as an obstacle to this information flow, increasing psychic distance (Ambos; Hakanson, 2014). Psychic distance can be reduced by choosing culturally similar countries (Forsgren; Hagstrom; Peter, 2007) or investing in resources to overcome the difficulties involved (Blomstermo; Sharma; Sallis, 2006). Furthermore, the organizational network (Nordman; Tolstoy; 2014), which can aid communication and improve knowledge of the target market (Hakanson, 2014), emerges as a possible form of support in the internationalization process. Nevertheless, in situations of possible high gains, growing marginal costs linked to surmounting this distance may have little impact (Ellis, 2008; Malhotra; Sivakumar; Zhu, 2009).

The bibliometric study of Brazilian academic production from 2009 to 2013 highlighted that the behavioral theory that originated in Uppsala remains the most recurrent in national studies (Ferreira; Neto; Gomes, 2014). To Engelman, Zen and Fracasso (2015), the Uppsala approach enabled a change in the lens through which the internationalization process was analyzed, allowing the inclusion of non-economic factors such as perceptions, attitudes and the expectations of managers. As seen in the work of Welch and Paavilainen-Mäntymäki (2014), although the Uppsala model does not clarify every aspect inherent to internationalization, a significant part is explained by it. Vahlne and Johanson (2014) also point out that the general trust in neo-classical assumptions has hindered progress when it comes to understanding markets and companies, thus highlighting the importance of studies that employ the Uppsala behavioral approach. Consequently, the behavioral theory of internationalization remains a point of reference for understanding the dynamic nature of this process.

Moreover, internationalization can lead to risks not faced in the domestic market (Fleury; Fleury, 2011). Risk will be examined in the following section, as it constitutes an element of the internationalization process.

2.2 Risks and their perception in internationalization processes

Risk is a prominent characteristic of contemporary organizations and their environments, and it is now as important as organizational wealth (Tsoukas, 1999), resulting in the need for managers to become involved in risk management (Power, 2007; Maguire; Hardy, 2013). Organizations are steeped in risk and it is inherent to them to produce, evaluate and manage risks (Hardy; Maguire, 2015).

There are diverse concepts regarding risk. To March and Shapira (1987, p. 1404), “risk is commonly conceived as reflecting variation in the distribution of possible outcomes, probabilities and their subjective values”. In this sense, the idea is clearly that a risky alternative is one with great variance. Therefore, risk is one of the attributes that, along with the expected return on a plausible alternative, is used to calculate alternative gambles that might be taken (Pratt, 1964; Arrow, 1965).

With a different view and a traditional definition broken down into two elements, Knight (1921) was one of the precursors of the concept of risk. The author claims that, although uncertainty is part of the familiar definition of risk, there are differences between the terms that must be identified. To Knight (1921), risk is susceptible to quantification and statistically determined in terms of probability. Uncertainty is included in cases without quantification, and statistical probability gives way to subjective probabilities. In other words, risk is linked to stable scenarios and situations that allow more accurate forecasts, and uncertainty is associated with imponderable outcomes.

A similar view is proposed by Williamson (1985), in the theory of transaction cost economics, associating uncertainty with ambiguity. The author stresses that this is the product of the bounded rationality of human beings when it comes to addressing all possible contingencies in a decision. However, Galesne, Fensterseifer and Lamb (1999) argue that the terms risk and uncertainty go hand in hand. To these authors, risk does not exist without uncertainty. In the literature on organizations, the concepts of risk and uncertainty are often treated as synonyms (Alvarez; Barney, 2005; Liesch; Welch; Buckley, 2011).

Risks and their perception have been addressed in several kinds of research, including risk management in financial negotiations (Leaver; Reader, 2016), predictors of risk perception in climate change and organizational political preference (Mumpower; Liu; Vedlitz, 2016), or even personality related to the risky behavior of drivers (Chraif et al., 2016). Specifically regarding internationalization processes, risk has been considered a central element. A point in question is the claim by Bonaccorsi (1992, p. 627), who points out that in the literature review there is a "perception of risk as the key construct for explaining export behavior".

In the internationalization process, various sources of risk can affect an organization. Even exploring opportunities may become risky (Johanson; Vahlne, 2009), as managers might make decisions that are not favorable to the organization. Furthermore, determining a mode of entry, as it involves different degrees of commitment of organizational resources (Sharma; Erramili, 2004), implies different levels of risk. Negotiations with buyers are also a cause for concern as payment is not guaranteed (Mcdougall, 1989). Likewise, other aspects of negotiation, such as economic conditions, prices and exchange rates, mean risks (Welch, Welch, 2004). Issues of organizational size and maturity sometimes lead to risks. To Dib (2008), the smaller the firm, the greater its flexibility and propensity to face international risks. Mello, Rocha and Maculan (2009) claim that younger firms tend to take greater risks in international markets.

Cavusgil, Knight and Riesenberger (2010) propose a classification for risks in internationalization processes. The seven categories identified include a number of concerns and represent a wide range of variables to be monitored in risk management during internationalization. Details of the four categories are shown in Table 1.

opportunities has a negative impact on the number of countries and extension of international activities of an organization. Thus, the risks involved in the internationalization process and the managers' perception of them can determine whether an organization will participate in international operations and how (Eduardsen; Marinova, 2016).

Sometimes, the explanation for such different perceptions, even in common external situations, is found in the background of individuals, for example, their international experience (Maccrimmon; Wehrung, 1990). This view is coherent with the proposals of March and Shapira (1987), who claim that personal differences in the perception of uncertainty and risk assessments by managers directly affect their decisions, reflecting the impact of personal feelings, experience and context.

Evidence of this association between behavioral elements and risk in internationalization processes can also be found in the literature on international entrepreneurship. To Garud and Rappa (1994), personal experience and networks of entrepreneurs and/or decision makers help to understand international entrepreneurship. For both individuals and companies, aspects such as successes and failures in the past, problems and bad experiences affect how any new activity is viewed. Historical issues in the formation of perceptions on uncertainty and risk assessment, embedded in habits and ways of seeing the world, provide a reference framework for how new situations are assessed and actions taken (Garud; Rappa, 1994).

Tab. 1
Principal categories and constructs of risk.

Risk Category	Constructs that may be found in the category
Currency (financial)	Monetary exposure; Evaluation of assets; Foreign taxation; Price inflation and transfer.
Commercial	Operational problems; Entry times; Competitive intensity; Poorly implemented strategy; Weak partner.
Cross-cultural	Cultural differences; Negotiation styles; Decision-making process styles; Ethical practices.
Country risk	Government intervention and protectionism; Bureaucracy, obstacles and corruption; Unfavorable legislation; Social and political instability.

Source: Cavusgil, Knight and Riesenberger (2010)

In the behavioral stream of studies on internationalization, the individual and relationship networks are valued in the perception of risk management. To George et al. (2006), perception and individual assessment are the arbiters of the meaning and importance of information on foreign businesses that are culturally and politically different from the country of origin. Another sign is identified by George, Wiklund and Zahra (2005), who claim that perception directed more towards risk detection than

Moreover, the position of the manager, when analyzed as a behavioral element, can influence decision-making. In organizations that are managed by their owners, generic decisions (heuristics) are used, with more bias in decision-making, relying on past experiences and subjective criteria such as intuition. However, hired managers show more rational behavior patterns (Shepherd; Williams; Patzelt, 2015).

Individual perception can govern risk propensity or aversion (Maccrimmon; Wehrung, 1990; Farmer, 1993; Fu, 1993). In internationalization, risk perceptions contribute to the direction and pace of expansion, with apt behavior for internationalization, such as direct exports through a trading company or joint venture (Liesch; Welch; Buckley, 2011; Eduardsen; MarinovA, 2016).

Risks can be faced through a milder lens and thus be perceived as opportunities (Gephart et al., 2009). In this sense, the manager of an organization should recognize plausible risk situations, anticipating them and gathering resources to take potential advantage of the situation. Thus, a risk that once had a negative impact on the organization, when identified and quantified, becomes a variable that enables a competitive advantage (Slywotzky; Drzik, 2007).

In short, it can be said that risks are a central element in internationalization processes and that perception of the risks involved affects how the organization will operate in the international arena. Therefore, understanding the origin of different perceptions of risk remains a promising field of research (Janney; Dess, 2006) and can help to understand the behavior of organizations during internationalization.

3. METHODOLOGY

The present study is based on a nominalist ontology (Burrel; Morgan, 1979) and is classified as a qualitative study. The methodology was the multiple case study, as this research strategy is compatible with efforts to gain a better understanding of a phenomenon in its context (Triviños, 1987).

The criteria for choosing the cases were: organizations belonging to the same sector, in the first two ranges of annual export values (over fifty million dollars and between ten and fifty million dollars) as determined by the Ministry of Development, Industry and Foreign Trade (2015), and being among the 25 exporters with the highest values of annual exports in their municipality. Following these criteria, which seek to cross the findings among the three organizations, three companies were chosen from the food sector in Medianeira and Foz do Iguaçu, municipalities of Paraná State.

Considering that risk perception is inherent to managers, the interviewees were the managers responsible for exports, with different educational backgrounds: Manager A (Company Alpha) and Manager B (Company Beta) have completed postgraduate programs, while Manager G (Company Gamma) only holds an undergraduate degree. The data collection techniques were interviews, observation and document analysis. At least three interviews were conducted with the export manager of each organization. The interview script was made up of topics on defining risk, defining uncertainty, categories of risks commonly used for analysis in internationalization processes, analysis of target countries for exports, the workings of the export process, contact with and study of the new country and risk management. The interviews lasted an average of forty minutes. They were recorded and transcribed onto 89 pages for content analysis.

Observation took place over a period of 10 days at each organization. During this observation, the researchers kept field diaries, highlighting the most important aspects in order to understand the main risk constructs. The organizations also made available documents such as orders, reports, and data on the ranking of export volumes per country and documents showing monthly rises or falls in exports. The diverse forms of data collection allowed the triangulation of data and a deeper understanding of the organization in question. The direct or indirect use of qualitative data can provide a better understanding of the phenomenon (De Freitas, 2011).

The analysis of the collected data followed the principles of content analysis proposed by Bardin (1977). The definition of categories followed the closed model (Láville; Dionne, 1999), consisting of the researcher deciding a priori the categories supported from a theoretical viewpoint. To Bardin (1977), the resulting qualitative data must follow three steps in the construction of the analysis: pre-analysis, exploration of the material and analysis and interpretation of the results.

In the first step, a database was organized, with the data in chronological order. Some initial ideas were systematized. The second stage began with the encoding of the material, in accordance with the already created categories. In this way, the raw data were transformed into analysis units. Lastly, the final analysis of the data showed how all the content was worked on to answer the research question. To ensure confidentiality, the real names of those involved and the organizations have been omitted and represented by the pseudonyms Alpha, Beta and Gamma.

Regarding the validity of the study, Stake (1995) points out that triangulation ensures accuracy and explanations of the phenomenon under study, thus increasing validity. This validity was also sought through a rich and detailed description of the phenomenon. Concerning reliability, triangulation and reflexivity were used several times during the research process. The results will be presented and discussed in detail in the following section.

4. PRESENTATION AND DISCUSSION OF RESULTS

In this section, the results of the study will be presented and a discussion regarding the literature of the field will be conducted to form the basis of the conclusions. As is normal in multiple case studies, the vast quantity of data generated was organized into themes, represented by the subsections: i) characterization of the social units of analysis; ii) description of the internationalization process; iii) perceived concepts and categories of risk in the social units of analysis; and iv) relationship between risk categories and organizational actions.

4.1 Characterization of the social units of analysis

The three food sector companies selected for this study use regular exports to previously determined countries as their channel of internationalization. To understand the cases in question, a brief description of the social units of analysis follows.

Organization Alpha operates in the frozen and refrigerated food sector and is located in the west of Paraná State. It has over nine thousand employees and thirty-one units in Paraná, Mato Grosso do Sul, Santa Catarina and Paraguay. Although it was founded over fifty years ago, it was only in 2001 that the company entered the international market. It exports to Europe, China, Chile, Japan, South Africa, Saudi Arabia, Aruba, Canada, Croatia, Cuba, the United Arab Emirates and Lebanon. Revenues from its exports in 2016 were over fifty million dollars, making it the largest exporter, in terms of annual value, in the city. Furthermore, the organization exports directly through the Port of Paranaguá.

Company Beta operates on the border with Argentina and Paraguay out of the municipality of Foz do Iguaçu. Its legal status is that of a private limited company and it exports foodstuffs such as candy, lollipops and chewing gum. It has operated internationally since 2007, initially exporting to Paraguay and Argentina. However, due to the economic crisis in Argentina and the default of mid-July 2014, the second default after that of 2001, the organization suspended its activities with that country. Registered as a trade company, its exports leave the country through the dry port of Foz do Iguaçu. Currently, it also exports foodstuffs of partner companies. It is the seventh largest exporter in the city (in terms of annual exported value), and its annual revenue is estimated at between one and ten million dollars (MDIC, 2017).

Company Gamma exports its products to Paraguay. It ceased to supply only the internal market in 1997, thus expanding its set of customers. It provides export and import services, with the former being the most representative in the company's set of activities, making it a specialist in this sector. With the internationalization of food, such as seed oils, it is guaranteed revenues from annual sales of one to ten million dollars. It is the 24th largest exporter in the city (in terms of annual export values). It exports its products from the dry port of Foz do Iguaçu.

4.2 Description of the internationalization process

Regarding the early internationalization activities of the three organizations, the managers explained how the research, analysis and choice of companies for their products were developed and implemented. According to the manager of Alpha, the principal motivation behind the move was financial. Thus, the decisions made by Company Alpha concerning internationalization were based on the revelations of the study by Malhotra, Sivakumar and Zhu (2009), in other words, the attractiveness of large economies. Therefore, Japan, the third largest economy in the world (IPRI, 2017), was the first country to import Alpha's products. Prior to exporting, Alpha was issued with a specific license for the Japanese market from the Ministry of Agriculture to operate in this eastern land. Besides the financial motivation, Manager A said that the organization welcomed an employee from its partner company in Japan to teach the Brazilian workers how to remove bones and cut meat in compliance with Japanese standards. This direct contact helped to reduce psychic distance through the knowledge acquired regarding the standards and workings of this external market. This confirms the proposals concerning organizational networks of Nordman and Tolstoy (2014).

In another facet of decision-making, Company Beta decided to export to Paraguay and Argentina due to their “geographical proximity and easy communication”, in other words, because of the smaller psychic distance, as discussed by Ambos and Hakanson (2014). Paraguay, the first country to receive exports from the organization, has direct access to the Friendship Bridge and Foz do Iguaçu in Brazil. Furthermore, the languages of the two countries are similar and this mitigates the psychic distance. Manager B, who is also a partner-owner of the business, chose Paraguay because of “commercial experience gained before the company was founded”. This is in keeping with the conclusions in relation to the background of individuals that have a moderating effect on risk perception, as addressed by MacCrimmon and Wehrung (1990).

Following the same principles of Company Beta, Manager G told of how the internationalization of Company Gamma occurred. According to him, “not taking advantage of the geographical proximity of the two countries would be a shortsighted attitude”. In this sense, psychic distance, according to Johanson and Vahlne (1990) and Ambos and Hakanson (2014), is smaller between Brazil and Paraguay in comparison with other countries, both culturally and in terms of geographical distance. Furthermore, Manager G, who is also a partner-owner of the business, had previously worked for another exporting company that had commercial relations with Paraguay, providing him with learning on that country that was used to found Company Gamma.

With this data, it can be affirmed that the internationalization process and choice of target market are affected by objective conditions such as company size and the amount of resources it possesses to overcome the adversities that stem from psychic distance (FORSGREN; HAGSTROM; PETER, 2007). Thus, as in the case of the internationalization of Company Alpha, larger firms can face the obstacles of psychic distance through the greater availability of resources (BLOMSTERMO; SHARMA; SALLIS, 2006). On the other hand, the report points out the importance of behavioral factors, such as prior international experience of the decision maker, as proposed by MacCrimmon and Wehrung (1990).

4.3 Perceived concepts and categories of risk in the social units of analysis

According to Manager A, risks are all the internal and external events that somehow compromise the business of the organization, affecting the projected result. This definition of risk, when analyzed, is in agreement with the definition proposed by March and Shapira (1987), as shown in the theoretical framework.

To Manager B, risks are variables in which “there is a possibility of domination”. The resulting variability can be analyzed and the substantiation of this influence can be measured in advance. This is in keeping with the theoretical logic of Knight (1921) regarding the difference between risk and uncertainty.

Introducing another definition, Manager G believes that risks are uncertainties pertaining to activities and, in the long run, the organization and what it planned to achieve. He added that uncertainties can originate in the market in which the organization operates. Therefore, he understands the relationship between risk and uncertainty as proposed by Galesne, Fensterseifer and Lamb (1999).

As the definitions of risk in the eyes of these managers are directly or indirectly linked to the term uncertainty, each was asked what they understand by uncertainty or uncertain situations. Their replies followed the logic of the definition of risk for each manager, and through comparisons with the theoretical framework, similarities were perceived between the definitions of the managers and the authors in the field.

Manager A believes that uncertainty is inherent to the unstable environment. Uncertainty is found in planning, with gaps in the constructed scenarios, as it is difficult to map every possible variable and their real impact on activities, actions and organizational results.

Also in keeping with the concepts of Knight (1921), Manager B believes that uncertainty is related to the decision-making process. When it comes to making decisions, there are known variables and others that depend, for instance, on other organizational actors. Therefore, some situations that were foreseen may not come to pass and, consequently, it is necessary to create scenarios with wide-ranging uncertainties. According to the manager, “*uncertainties are not foreseeable factors, let alone their impact*”.

Along these same lines regarding descriptions of risks, Manager G claims that uncertainty and risk are intertwined. He believes they "*are concepts that cannot be separated and are closely related*". Thus, when addressed, one is related to the other. The relationship observed between the definition of risk and uncertainty of each manager and the definitions in the literature are summarized in Table 2.

Tab. 2
Relationship between personal definition of risk and authors

Company	Author
Company Alpha	"Threat" - March and Shapira (1987)
Company Beta	"Measurable" - Knight (1921)
Company Gamma	"Uncertainty" - Galesne, Fensterseifer and Lamb (1999)

Source: Prepared by the authors (2017)

Also in relation to risk, when asked about their perception of intensity in business operations, the managers in charge of the internationalization process in the three organizations pointed out that the risk they face in the international context is within a parameter of normality. According to Manager G, "*if you are out in the rain, you are going to get wet*".

Using as a parameter the risk categories presented by Barreto (2004) and Neto (2004), it is clear that the organizations perceive different risk categories. At Company Alpha, the categories normally used for evaluation are monetary risks, commercial risks and country risk, be it for administrative obstacles or social and political instability.

The evaluation of monetary risks is closely related to the economic situation and workings of the target country and the means of entry into the internationalization process. According to Manager A, and confirmed by the reports made available, over 90% of her exports are made directly. However, in situations where for some reason the economic scenario of the target country is unstable, she opts for trades, as their financial aspect is more solid and there is less risk of not being paid.

Commercial risk is found in circumstances of introducing and developing the brand in the international market. The means of introducing the brand, either in a regular or oscillating form, can influence how it is perceived in the new market, as it is in the internal market, which consumes the same cuts of meat as well as packaged and tinned food, frozen vegetables, preserves and pasta.

Unique to the country in question, country risk is configured with regard to what is or not allowed to enter the host country, with the loss of products as a burden to bear. Furthermore, risks of social and political instability (wars) are also present, highlighting the importance of monitoring scenarios to avoid greater trouble and losses. According to Manager A, the latter two risk constructs, i.e., market and war, are the most prominent. Therefore, she adopts a measure of precaution in each export to a new country in her portfolio. This manager's procedures are corroborated by observations. Before any exports are made, an employee responsible for Company Alpha studies the workings in the other country, such as the forms of storage and distribution, and constantly monitors its legislation with regard to foreign trade, consumption, the country's internal production and any barriers that might arise. An attempt is made to weigh the risk involved in each deal to avoid or minimize it.

For Company Beta, the most important risk categories are those of commercial risks, identified in its documents and observation of its preventive actions. According to Manager B, the riskiest situations involve errors of quantity, weight or in documents. Mistakes such as these usually lead to fines, as well as the possibility of losing the cargo, depending on the case, resulting in a financial burden for the organization. Examples of these mistakes are, respectively, weight of cargo (heavier or lighter), excess or shortfall in quantity of products and incorrect descriptions of products in export documents. Country risk in Company Beta's operations to Argentina reached its peak in July 2014. However, as the company decided to suspend its exports to that country until the scenario had changed, this risk, with concomitant financial risks, was no longer a constant threat, at least with regard to operations to that country.

In the case of Company Gamma, the most important category is monetary risk. Although the company has operated in the market for several years and invested in maintaining partnerships with its long-term customers, the manager does not consider the organization exempt from occasionally having to deal with its customers' failure to meet their financial commitments. According to Manager G, the most common reasons for this are other companies being excessively in debt with Gamma or declarations of bankruptcy. As for acting in bad faith, few such cases are recorded Company Gamma in this respect, as the company tends to form long-term partnerships. The risk categories analyzed by each organization are summarized in Table 3.

Tab. 3
Main risk categories analyzed

Company	Categories
Company Alpha	Monetary risk, Commercial risk and Country risk
Company Beta	Commercial risk, Country risk
Company Gamma	Monetary risk

Source: Prepared by the authors (2017)

The diverse concepts of what constitutes a risk and the perceived risk categories in the internationalization process are in keeping with George et al. (2006). Moreover, as identified in the literature by Shepherd, Williams and Patzelt (2015), it can be inferred that there is a difference in perception and decision between owner-managers and hired managers. It is plausible that owner-managers make decisions based on subjective elements, frequently supported by personal perceptions and experiences. Meanwhile, in organizations with professional managers, such as Company Alpha, more bureaucratic and rational processes are developed that highlight measurable risks and decision-making from an economic and financial viewpoint, based on the classification of probability and potential profitability. In the cases in question, it is clear that individual perception and evaluation affect how information is interpreted and risks categorized in international operations.

4.3 Relationship between risk categories and organizational actions

Regarding organizational actions to prevent and minimize risks, it was observed, and corroborated in reports, that before Company Alpha enters a new market it evaluates which similar products are available for export and which are consumed in the target country. Likewise, the quality control sector verifies the licensing required for international activities and checks whether the statute of Company Alpha meets the legislative requirements of the country, providing reports and offering a sketch of the packaging to ensure that the company has everything required to negotiate with a potential partner. In addition to the initial study of the characteristics of the target country, Company Alpha monitors the entire process, including the documentation and daily location of the refrigerated container in which products are transported.

Focusing on the operational side, after studies of the tax barriers and legislation of the target country, the risk evaluation at Company Beta becomes more tangible, with acceptable levels. Nevertheless, risks involving documents persist, especially in matters related to the categorization of products, which can lead to problems at ports, with considerable financial implications. With a view to mitigating the possibility of documental errors, Company Beta offers special courses and seminars to dispatchers.

At Company Gamma, risk management is based on monitoring international economic scenarios, in other words, gauging whether internal production is growing and demand for exported products diminishing. Another example is analyzing whether the volume purchased by the partner is falling, which could be a warning regarding the partner's current financial situation.

In all three companies, there is a relationship between the conception of risk and organizational actions. Risk management in these companies is

Tab. 4
Analyzed risks and organizational actions

Company	Risk Category	Organizational Actions
Alfa	Monetary risk, commercial risk and country risk	In addition to a complete study of the characteristics of the target country, Company Alpha monitors the entire process, including the documentation and daily location of the refrigerated container used to transport its products.
Beta	Commercial risk, Country risk	As well as monitoring the risks themselves, the organization offers specialized seminars and courses to dispatchers to minimize the risks of documental errors.
Gamma	Monetary risk	Monitoring international economic scenarios, i.e., gauging whether internal production is growing and demand for exported products diminishing, for instance, and whether the volume purchased by the partner is lower, which might serve as a warning regarding the partner's current financial situation.

Source: Prepared by the authors (2017) based on the manager's perception of the risks that threaten the organization. Therefore, individual perception and comprehension of risks can, as theorized by March and Shapira (1987), affect organizational decisions. This nexus between analyzed risks and actions taken is summarized in Table 4.

For each risk category perceived in the organization, strategic organizational actions are taken to minimize the risk. This is in keeping with the proposals of behavioral theory in internationalization, pointing out that the understanding of the concept and perceived categories of risk has an impact on the internationalization process and can serve as a way to understand export behavior.

5. CONCLUSIONS

The internationalization process is an increasingly widespread practice in Brazil and implies a resurgence of the risks experienced by organizations. To understand the concepts and categories of risks associated with internationalization in the three companies under study, a multiple case study was conducted, collecting information through interviews with the export managers, observation and document analysis.

The analysis of the export managers' perception of the internationalization process indicated coherence with the theoretical production of the Uppsala model, which forecasts that a greater psychic distance from the target market means that it will be less attractive and implies greater dependence on organizational resources. In the companies in question, only the larger one with more resources sought a market with a greater psychic distance. The smaller ones invested in countries with more psychic proximity.

Concerning the conception of risk, the managers referred to different concepts and categories. Although they all considered the financial risk dimension, in the cases in question different risk categories were valued. To eliminate or minimize these risks, the companies disseminated and promoted risk management based on analyzing and monitoring organizational operations and world scenarios. Evidence was found of coherence between the perceived risk category and organizational preventive actions.

A contribution of the results of this study is the evidence that reinforces the importance of the behavioral model when analyzing and understanding internationalization processes. The results indicate that the cognitive constructs of those involved in organizational practices are a relevant dimension when it comes to gaining a better understanding of internationalization. Another contribution is that the findings reinforce the need for organizational investments in training and broadening the experience of decision makers involved in internationalization. As their perception and organization of information with regard to risk affect organizational practices, the actions of managers with less perceptive scope concerning this issue could be ineffective.

As a suggestion for further research, future studies could gauge the relationship between the use of certain risk categories and the choice of target country. Studies that take the bounded rationality of individuals into account and how the cognition of those involved affects and is affected by organizational practices could contribute to a better understanding of risks in internationalization processes.

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Percepção de riscos na internacionalização do setor alimentício

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RESUMO

O processo de internacionalização de organizações brasileiras está em ascensão gradativa. Em atividades internacionais os riscos, já presentes no mercado doméstico, são incrementados em função das características peculiares do mercado em que se deseja inserir um produto ou serviço. Ainda que em termos ideais seja possível afirmar que é necessário analisar todos os riscos que podem acometer a organização, a racionalidade limitada não permite ao gestor da organização processar todas as informações, seja por falta de conhecimento ou capacidade analítica. Sendo assim, o objetivo proposto para este artigo é compreender quais são os riscos percebidos associados ao processo de internacionalização em empresas do setor alimentício. A abordagem condutora da investigação é estudo de casos múltiplos, alicerçados em entrevistas semiestruturadas, observação e análise documental. Os resultados indicam diversidades no conceito de riscos entre as organizações; diferenças entre os tipos de riscos considerados e influência desta percepção sobre as práticas organizacionais. Como contribuição é possível apontar a construção de evidências coerentes com a teoria comportamental de internacionalização, onde mais do que um processo comercial e econômico, tal ação constitui-se como uma construção complexa da realidade, influenciada pela percepção e atitudes dos gestores envolvidos.

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