Using Qualitative Meta-Synthesis to Develop a Risk and Internationalization Framework

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Using Qualitative Meta-Synthesis to Develop a Risk and Internationalization Framework

Abstract
Risk can be perceived in the following three different ways: (1) risk as danger – when the consequences are negative; (2) risk as uncertainty – when the variables are unknown and cannot be measured; and (3) risk as opportunity – when there is a positive return. The internationalization process is when companies expand to the international market to be exposed to high risks, which can negatively influence their performance. However, internationalization can also provide an opportunity for positive returns. Therefore, to understand how risk is analyzed in the internationalization of companies, a rigorous search for case studies was carried out. Accordingly, meta-synthesis by Hoon (2013) proved to be methodologically effective. For the meta-synthesis, 24 internationalization risks were analyzed from 19 articles based on 201 interviews from 94 companies across 17 different countries. We conclude that different internationalization processes (gradual or rapid) can result in different risk perceptions, and that companies do not avoid risks, they manage them. Our theoretical contribution highlights different perceptions of risks for each internationalization process. We propose a theoretical framework derived from this first meta-synthesis on the subject in the literature.

Keywords
born global, case study, internationalization, qualitative meta-synthesis, Uppsala Model

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Using Qualitative Meta-Synthesis to Develop a Risk and Internationalization Framework

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Risk can be perceived in the following three different ways: (1) risk as danger – when the consequences are negative; (2) risk as uncertainty – when the variables are unknown and cannot be measured; and (3) risk as opportunity – when there is a positive return. The internationalization process is when companies expand to the international market to be exposed to high risks, which can negatively influence their performance. However, internationalization can also provide an opportunity for positive returns. Therefore, to understand how risk is analyzed in the internationalization of companies, a rigorous search for case studies was carried out. Accordingly, meta-synthesis by Hoon (2013) proved to be methodologically effective. For the meta-synthesis, 24 internationalization risks were analyzed from 19 articles based on 201 interviews from 94 companies across 17 different countries. We conclude that different internationalization processes (gradual or rapid) can result in different risk perceptions, and that companies do not avoid risks, they manage them. Our theoretical contribution highlights different perceptions of risks for each internationalization process. We propose a theoretical framework derived from this first meta-synthesis on the subject in the literature.

\textit{Keywords:} born global, case study, internationalization, qualitative meta-synthesis, Uppsala Model

Introduction

Several studies on the internationalization risk of companies (Floriani et al., 2017; Hanson & White, 2004; Ratten & Tajeddini, 2017) can be found in the literature. They include theoretical studies (Liesch et al., 2014), quantitative studies (Avioutskii & Tensaout, 2016; Baraldi & Ingemansson, 2016; Wadeson, 2020), qualitative studies (Argashi & Okumus, 2020; Stocker & Abib, 2019; Vahlne et al., 2017, Xu et al., 2008), and other studies in which risk is considered only as a result, not providing relevant contributions to the literature on assessing internationalization risk (Costa e Silva et al., 2018; Reis & Machado, 2020). However, no meta-synthesis describing how risk is analyzed in the internationalization of companies has been conducted, indicating a gap in the research.

To understand how risk is analyzed in the internationalization of companies, the meta-synthesis proposed by Hoon (2013) was chosen. Meta-synthesis is an exploratory, inductive, and qualitative research that aims to synthesize previous research to provide new contributions based on the search and analysis of the set of case studies found (Hoon, 2013).

Our study follows eight steps proposed by Hoon (2013) to develop a meta-synthesis. They are as follows: (1) Framing the research question and determining a conceptual framing of the topic. We studied the existing literature on internationalization risk to ask the following
research question: how is risk analyzed in the internationalization of companies? (2) Locating relevant papers and identifying relevant researches through an exhaustive literature review; (3) determining rigorous inclusion criteria for the qualitative case studies; (4) extracting and coding data, and categorizing evidence from the studies; (5) analyzing the concepts at the case-specific level; for example, in our study, the organizational level is analyzed. (6) Synthesizing on an across-study level to explore the relations and dissonance between the studies. This is one of the most fundamental steps of meta-synthesis; (7) building a theory from meta-synthesis and identifying new insights based on the studies; and finally, (8) discussing the results and limitations of the study.

Our study aims to understand how the concept of internationalization risk is treated in the existing literature at the organizational level. When companies conduct business in a foreign market, this process is considered risky (Buckley et al., 2016; Müllner, 2016). Several risks are associated with the internationalization process, such as the following: cultural distance – different lifestyles across cultures (Hofstede et al., 2010); psychic distance – language, education, and business practices as factors for the flow of information (Johanson & Vahlne, 1977, 2009); institutional distance – formal and informal rules (Quer et al., 2012); macroeconomics – economic, political, and cultural factors (Grosse & Treviño, 1996); commercial, intercultural, monetary, and country risks (Cavusgil et al., 2010); political (Giambona et al., 2017); and more. However, different internationalization processes (gradual or rapid) result in different risk perceptions.

The literature presents the following two approaches to the internationalization entry mode of companies: (1) gradual internationalization, Uppsala Model (Johanson & Vahlne, 1977, 2009), referred to as the “stages model,” which assumes that internationalization occurs in incremental stages; that is, from the simplest internationalization process (exporting) to the most complex (foreign direct investment, when opening a subsidiary overseas), and (2) rapid internationalization, which is classified as a Born Global phenomenon (Cavusgil & Knight, 2015). Under this phenomenon, companies start operations in the domestic market at the same time they begin operating in the international market with all its complexity.

For the meta-synthesis, 19 case studies articles were explored. These studies involved 201 interviews from 94 companies across 17 countries. The analysis helped in identifying 24 internationalization risks.

The theoretical contribution of this meta-synthesis is to show that, regardless of the approach (Uppsala Model or Born Global), companies undertake internationalization and are aware of the risks. We conclude that companies do not avoid risks, they manage them. We propose a theoretical risk framework for the internationalization process.

The practical contributions of this study are twofold. The first implication relates to students, professors, and researchers interested in learning the meta-synthesis qualitative method, as this study describes in detail how to carry out the steps of this method using an example of internationalization risk. The second practical contribution is for managers of international companies to better understand the possible internationalization risks that companies may face.

**Literature Review**

**Internationalization Process**

Internationalization is the movement of companies beyond the borders of their country of origin. There is a common confusion between export and internationalization; exportation is the simplest and most direct form of internationalization, and the first entry mode of the internationalization process (Cyrino & Barcellos, 2006).
According to Rocha and Almeida (2006), the internationalization process is classified into the following three stages: exportation, contractual, and Foreign Direct Investment (FDI). “Entry mode by exportation is when a company’s final or intermediaries’ products are manufactured outside the country of destination and subsequently transferred to it” (Rocha & Almeida, 2006, p. 8, our translation). This is the most common and initial form of entry mode for a company in a foreign market.

The contractual entry mode is characterized by a long-term non-equity association between an international company and institution in a foreign country (Arruda et al., 1996); that is, without investment in foreign manufacturing plants. According to Rocha and Almeida (2006), this process involves technology transfer or training between and the company and country. Therefore, this entry mode differs from exportation, mainly because it constitutes a vehicle for transferring knowledge and skills (Cyrino & Barcellos, 2006).

Foreign Direct Investment (FDI) means allocating equity capital for establishing a new company in a foreign country. It takes the following forms: (1) acquisition – representing the purchase of an existing company abroad; (2) greenfield – representing the construction of the company abroad, opposite to an acquisition, or (3) joint venture – representing partnership with other companies (Kogut & Singh, 1988) with long-term actions and not just opportunistic actions (Arruda et al., 1996). When a company cannot risk losing its specific knowledge, it prefers FDI (Blonigen, 2005). Therefore, FDI is considered an entry mode that allows more significant contact with foreign cultures (Kogut & Singh, 1988).

Gradual Internationalization: Uppsala Model

The Uppsala Model considers that the internationalization of companies occurs through the following gradual incremental steps: (1) the companies consider the international market after the saturation of domestic market; (2) the entry mode will occur from the simplest (as exportation) to the most complex entry mode (as FDI); (3) the company initially chooses to internationalize to markets that have less psychic distances from its domestic market; that is, countries whose culture, language, traditions, and lifestyles are not very different from that of the national market; and (4) after entering these closer psychic distance markets, the company acquires knowledge and experiences to internationalize to countries with greater psychic distances. This is because the costs of operating in such countries may be higher because of the psychic distances (Johanson & Vahlne, 1977).

Subsequently, the Uppsala Model considers social networking as an essential step in facilitating access to the international market. Participation in relevant social networks becomes necessary for successful internationalization because relationships offer the potential to learn and build trust and commitment. These activities can be costly for companies that are not part of the network, making access to information and partners difficult (Johanson & Vahlne, 2009). Therefore, gradual internationalization is a slower and more cautious internationalization process in which companies acquire prior knowledge before entering foreign markets. Gradual internationalization is considered to be a less risky mode of entry.

Rapid Internationalization: Born Global

Knight and Cavusgil (2004) have defined Born Global companies as small start-up companies that are technology-oriented and have operated in international markets since their establishment or soon after their inception. Similar to the Born Global concept, there also exist “new international ventures,” which are young companies that internationalize quickly, adopting exportation as the main entry mode because of limited resources (Cavusgil & Knight, 2015).
Given that the focus of Born Global companies is increasing international sales, McKinsey (1993) has shown that the domestic market for these companies is not traditionally significant (as it is with the Uppsala Model). Accordingly, the author has explained that Born Global companies internationalize quickly because they may have a small or no domestic market. The founders of Born Global companies view the international market as a single market, an extension of their domestic market (Chetty & Campbell-Hunt, 2004). They are more willing and able to accept risks and innovations (Zahra & George, 2002) than the Uppsala Model.

Our meta-synthesis examined case studies of companies using the Uppsala and Born Global models to examine how they each consider internationalization risks.

Risk and Internationalization of Companies

Rohrmann and Renn (2000) introduced risk as a multifaceted phenomenon in which “there is no commonly accepted definition for the term risk” (p. 13). Risks can be seen as a hazard, uncertainty, or opportunity (Hopkin, 2018). Hazardous risks imply negative consequences, uncertainty refers to when the variable or probabilities are unknown, and opportunistic risks entail that the companies achieve a positive return (Hopkin, 2018).

Janney and Dess (2006) have presented risk based on the following three concepts: risk as variance, risk as downside loss, and risk as an opportunity (or opportunity-cost). The “risk as variance deals with the ‘spread’ of potential outcomes, both good and bad. Both risk as downside loss and risk as opportunity focus instead on the outcomes of decisions” (Janney & Dess, 2006, p. 389).

Eduardsen and Marinova (2020) have argued that risk is associated “with the degree to which potential outcomes of a decision are consequential and include the likelihood of experiencing extreme loss” (p. 2). Commonly, many authors in the literature have related risk more with negative consequences than positive returns. In our study, we adopt the concept of Damodaran’s risk (2007), in which risks expose the companies “to potential losses but risk also provides opportunities” (p. 1).

However, the factors that differentiate the level of risk acceptance from one company to another is risk perception. It refers to “people’s judgments and evaluations of hazards they are or might be exposed to” (Rohrmann & Renn, 2000, pp. 14-15). In this case, the “affect pool” influences the risk perception (Slovic et al., 2004). Affect pool is how the individual interprets (maps) their feelings in relation to a judgment for decision-making.

We created this study based upon several meetings of the Strategy and Risk Research Group at the Federal University of Paraná - Brazil, which has been dedicated to studying risks in the internationalization of companies in recent years. Other articles have come from this group (e.g., Jhunior et al., 2022; Jhunior et al., 2021; Stocker & Abib, 2019; Stocker et al., 2022).

The first author has been studying internationalization for six years through his undergraduate studies (with internationalization being his primary focus), master's dissertation, and currently, his doctoral thesis. The second author has been studying risk and internationalization for at least six years and as an associate professor has taught a risk course and supervised several master's and doctoral students on the topic. The third author has been studying meta-synthesis for at least eight years and she is a senior professor who teaches case study methods. Therefore, the study was motivated by our interest in combining each of our knowledges to create a qualitative meta-synthesis focused on internationalizational risk.
Research Methodology

The study was performed according to the postulates of meta-synthesis proposed by Hoon (2013), defined as "an exploratory, inductive research design to synthesize primary qualitative case studies to make contributions beyond those achieved in the original studies" (p. 523). We have summarized the steps of meta-synthesis in Table 1.

Table 1
Meta-synthesis protocol summary

<table>
<thead>
<tr>
<th>Steps</th>
<th>Analytical goal</th>
<th>Strategy/Analytical Procedure</th>
<th>Outcome to Generate a Theoretical Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Framing the research question</td>
<td>Framing the meta-synthesis in the field of risk and internationalization research; specifically, in the area of the company and not the individual risk perceived, identifying the research question: how is risk analyzed in the internationalization of companies?</td>
<td>Searching national and international databases for studies on risk and internationalization to understand the relationship between the terms &quot;risk&quot; and &quot;internationalization.&quot;</td>
<td>Understanding the relationship between risk and internationalization to identify the theoretical gap (new contributions on the literature) to be addressed in the meta-synthesis. The results were: Web of Science (683); Scopus (494); Spell 14); and Sense 12). When including &quot;Case Stud&quot; the results were: Web of Science (78); Scopus (100); Spell (6), and Sense (6), leading to a final set of 143 studies.</td>
</tr>
<tr>
<td>2. Locating relevant research</td>
<td>Identifying relevant risk research based on the internationalization process of companies.</td>
<td>Searching with the keywords: &quot;risk&quot; AND &quot;international&quot; as the TOPIC (title, abstract or keywords) in the Web of Science and Scopus. A second search was in Portuguese terms &quot;risco&quot; AND &quot;internacionalização&quot; at the Spell and Sense (Brazilian data bases).</td>
<td>After reading all 143 abstracts and applying the inclusion/exclusion criteria (see Table 2), we limited our search to 39 qualitative case studies. When reading the full 30 articles applying the same inclusion/exclusion criteria the final sample was 19 (see Table 3).</td>
</tr>
<tr>
<td>3. Inclusion criteria</td>
<td>Four rigorous inclusion criteria were applied according to the research question.</td>
<td>Developed a specific inclusion/exclusion criteria list.</td>
<td>Analyze the specific contributions of each paper by visualizing them individually, as well as obtaining an overall view of the set.</td>
</tr>
<tr>
<td>4. Extracting and coding data</td>
<td>A careful reading of all sample articles was performed. We coded the characteristics and insights of each study according to the research question of the meta-synthesis.</td>
<td>Coding each article’s data as title, author, journal, year, purpose, criteria for choosing the cases, context, country of the case, contribution, how risk and internationalization are treated separately and in combination, and significant results.</td>
<td>A framework comprising the relationships between risk and internationalization.</td>
</tr>
<tr>
<td>5. Analyzing on a case-specific level</td>
<td>Identifying and analyzing, individually, the concepts of risk and internationalization of each case study.</td>
<td>Social Network shown in Figure 1.</td>
<td>Identification of the logical patterns from each case, that is, to identify the similarities and differences between the cases and find the logic behind these variations.</td>
</tr>
<tr>
<td>6. Synthesizing on an across-study level</td>
<td>Analyzing the cases and extracting information about each case and relationship between risk and internationalization.</td>
<td>Framework shown in Figure 2.</td>
<td>Identification of common aspects between risk and internationalization.</td>
</tr>
<tr>
<td>7. Building theory from meta-synthesis</td>
<td>Identifying the concepts of risk and internationalization.</td>
<td>Linking the results of all cases in the meta-synthesis</td>
<td>Legitimating the validity and reliability of the procedure and activities used, as well as the discussion of the outcomes.</td>
</tr>
<tr>
<td>8. Discussing</td>
<td>Discussion of the meta-synthesis study results and potential limitations.</td>
<td>Discussing rigor, reliability, and validity.</td>
<td></td>
</tr>
</tbody>
</table>
Step 1: Framing the Research Question

Following the first protocol step by Hoon (2013), the literature related to internationalization risk was reviewed, especially how organizations understand and manage risks. Accordingly, we did not focus on the perception of risk by individuals. We recognized that an organization’s risk is influenced by how the CEO perceives the risk; however, our focus is macroeconomic as the company analyzes the risk in internationalization. Therefore, the following research question is framed for the meta-synthesis: how is risk analyzed in the internationalization of companies?

Step 2: Location of Relevant Papers

In the second step, we searched for studies in the following four databases: Web of Science (WoS), Scopus, Spell, and Scielo. In the WoS and Scopus databases, we followed the following two search steps: (1) we searched for the keywords “risk” and “international;” and (2) included one more keyword, “case stud” as the TOPIC item. Spell and Scielo are two Brazilian databases; therefore, we used Portuguese keywords like “risco,” “internacionalização,” and “estudo de caso” on Spell (ABSTRACT item) and “estudo de caso**” on Scielo (ALL INDEXES item).

For the Web of Science database (WoS), we refined our search to include only articles and documents from the Business and Management areas. In the first step, we searched 434 studies for the keywords, “risk” and “international,” and, in the second step, we added another 78 case studies from the WoS (when the keyword “case stud” is included). For the Scopus database, we limited our search to only articles and documents from Business, Management, and Accounting areas. Accordingly, the keywords helped obtain 494 studies in the first step and 100 studies in the second. The study was conducted in two stages to visualize the total amount of publications in the field. The first stage provides an overview of the topic of risk and internationalization, while the second stage focuses on case studies in this area, which is the main focus of our study.

In the Spell database, we found 14 studies for the keyword “risco” and “internacionalização” in the first step by limiting our search to English, French, Portuguese, and Spanish languages. We did not limit our search to any specific areas; therefore, we searched for articles from the Administration, Accounting, Economics, Engineering, and Tourism areas. Scielo database yielded twelve studies limited to the Applied Social Science area. After searching the same keywords in WoS and Scopus databases, we were reduced to six studies in each Brazilian database (Spell and Scielo). A sample of 190 articles was selected to be analyzed in the next step, whereas 78 articles are from WoS, 100 from Scopus, six from Spell, and six from Scielo.

Step 3: Inclusion Criteria

The third step of the meta-synthesis involved “the appropriate inclusion of relevant qualitative case studies” (Hoon, 2013, p. 531). Therefore, we focus on the following aspects: (1) research question – only studies about risk and internationalization are selected; (2) qualitative case study – only qualitative case studies (single or multiple) were selected; (3) risk and internationalization were considered the research questions or purpose of the studies – we did not include studies where risk was the only outcome; and (4) studies in the following three languages: English, Portuguese and Spanish. The four inclusion criteria are shown in Table 2.
We read the titles, keywords, and abstracts of all 145 studies, considering the four inclusion criteria to identify the final sample for the study. However, some abstracts did not contain the research design, purpose, or other important information. Therefore, a sample of 30 articles was fully read and 19 studies were selected as the final sample after following our inclusion criteria. The 19 papers included in the final sample are shown in Table 3.

**Step 4: Extracting and Coding Data**

The fourth step is represented by extracting and coding data, “instead of the raw data of the primary studies, the proceeded insights that the research of these studies have generated constitute the ‘data’ of a meta-synthesis” (Hoon, 2013, p. 534). The data extracted from the final sample were organized into ten groups and 36 items, summarized in Appendix A that includes our data in the coding data form proposed by Hoon (2013). Table 3 presents the general information of the selected case studies as authors, title and journal of each cases. Table 4 presents the codifications of group C (theoretical framing), analyzing the concepts of internationalization risks, which identified 24 risks presented by 14 different studies/authors (the internationalization risks found through this meta-synthesis). Table 5 summarizes how the risk effect impacts the internationalization of the company and presents the codification of groups H (key findings and insights) and I (Discussion); for example, Stocker and Abib (2019) indicated that the risk factors in Born Globals differ from the risk factors of traditional small businesses due to external factors. Thus, the framework presented in Figure 2 is derived only from the insights of all these codifications, resulting in the major contribution of our meta-synthesis.
Step 5: Analyzing on a Case-Specific Level

According to Hoon (2013), the fifth step requires the exploration of each case study variable in order to analyze the relationships between them, together or separately. Analyzing on a case-specific level contributes to the construction of a theoretical model that allows for causal connections (Eisenhardt & Graebner, 2007; Miles et al., 2014). Furthermore, 17 studies classified the concept of internationalization as gradual or rapid and two studies had no classification.

The same companies on Uppsala Model also conduct business with countries that have a greater psychic distance from them. This may be because such companies have already acquired experiences in markets with less psychic distance, and expanded to markets with greater psychic distance. Alternatively, there was an opportunity in that country and the companies sought to exploit it.

Born Global companies are expected to reach international markets with a greater psychic distance from their country of origin because, to them, the international market is like the extension of the domestic market (Chetty & Campbell-Hunt, 2004). Moreover, Born Global companies have a greater capacity to accept risks (Zahra & George, 2002). However, the multiple case studies by Ma and Yang (2012) have showed that two Chinese companies realized FDI in Hong Kong, a market that is culturally very close to China. Other case study, Chinese companies doing business with Belgium, Spain, and United Kingdom (Hagen et al., 2018). The case studies by Stocker and Abib (2019) have corroborated the theory of Born Global phenomenon, in which the Brazilian companies conduct business in several different countries, like Belgium, Scandinavia, Scotland, Sweden, and others. From this meta-synthesis, 24 internationalization risks were identified, which are presented in Table 4.
Table 4
Internationalization Risks

<table>
<thead>
<tr>
<th>Risks of Internationalization</th>
<th>Concept</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimensions of cultures</td>
<td>“A dimension is an aspect of a culture that can be measured relative to other cultures” (p. 31)</td>
<td>Hofstede et al. (2010)</td>
</tr>
<tr>
<td>Commercial</td>
<td>Weakness of alliances, the competitive intensity, operational and strategic problems</td>
<td>Carugati et al. (2010)</td>
</tr>
<tr>
<td>Country Intercultural</td>
<td>Government, social and political issues (country-risk)</td>
<td>Carugati et al. (2010)</td>
</tr>
<tr>
<td>Monetary</td>
<td>Political, cultural and organizational culture issues</td>
<td>Carugati et al. (2010)</td>
</tr>
<tr>
<td>Cultural Distance</td>
<td>Foreign tax, price, inflation and monetary exposure</td>
<td>Shenkar (2012)</td>
</tr>
<tr>
<td>Economic</td>
<td>“Economic risk is the possibility that economic-related events have drastic effects in the business environment of a country to the extent that it hinders the profit or other business objectives” (p. 140)</td>
<td>Samami Kanjali et al. (2015)</td>
</tr>
<tr>
<td>Technological and Operating</td>
<td>“Internal operating procedures of the firm in the areas where operating (both technical and managerial aspects) issues are magnified while dealing with foreign partners or customers” (p. 140)</td>
<td>Samami Kanjali et al. (2015)</td>
</tr>
<tr>
<td>Financial</td>
<td>The companies can be exposed to financial risk from three main aspects which are: Exchange Rate Risks, Financing Risk and International Payment Methods (Boczkó, 2005; Kaplil &amp; Handriwulan, 2001 Ajud Samamiz Kandali et al., 2015)</td>
<td>Samami Kanjali et al. (2015)</td>
</tr>
<tr>
<td>Social</td>
<td>“Effect of social, environmental or cultural activities’ actions in host society which might have negative effect on operation of foreign companies” (Ling and Ho, 2006, p. 140 Ajud Samamiz Kandali et al., 2015)</td>
<td>Samami Kanjali et al. (2015)</td>
</tr>
</tbody>
</table>

Environmental
Governmental
Rational
Executives’ Inexperience
Logistics
Lack of control over operations
Institutional
Macroeconomic Model
Marginalization
Non-alliances*
non-family-managed (family companies)
Opportunism
Psychic Distance
Political & Legal

Step 6: Synthesizing on an Across-Study Level

In the sixth step, according to the information extracted at the individual-level, it becomes possible to understand the concept of internationalization risk process, as shown in Table 5.

According to Hoon (2013), the results of case studies provide data for meta-synthesis. Therefore, when the researchers cannot exactly conceptualize the type of a risk, we analyze it on an across-study level, i.e., we classify into a risk that is consolidated in the literature. For
example, Floriani et al. (2017), using the Uppsala model, have addressed that internationalization has decreased with the end of quotas in foreign countries. Therefore, we classify it as a monetary and country risk. These risks were found by Stocker and Abib (2019) supporting the Born Global approach. The main types of risk found in the meta-synthesis are as follows: commercial, intercultural, monetary, and country risks (Cavulsgil et al., 2010); rational, environmental, and governmental risks (Crook, 1999); risks of marginalization (Ma & Yang, 2012) and psychic distance (Johanson & Vahlne, 1977, 2009).

The Uppsala model (gradual internationalization) presented its own risk for this approach, that is, the risk of family commitment and ownership. This concept was found across eight case studies on family companies, and two other case studies (Floriani et al., 2017; Ratten & Tajeddini, 2017), in these studies, the “sense of familiness makes the family companies move back and retract from foreign investment and protect their capital in the internal market” (Floriani et al., 2017, p. 16). Therefore, family businesses prefer a more traditional and gradual internationalization process like the Uppsala Model, and when they perceive high risk abroad, these companies withdraw from those foreign markets and return to fully operate in the domestic market.

### Table 5

<table>
<thead>
<tr>
<th>Case</th>
<th>How the risk is analyzed</th>
<th>Internationalization Approach</th>
<th>Effects of risk in the internationalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argashi and Okumus (2020)</td>
<td>Political, legal, economic and cultural risks.</td>
<td>SMEs' (classified as Uppsala Model)</td>
<td>SMEs' pay attention to country’s economic and political developments.</td>
</tr>
<tr>
<td>Stocker and Abib (2019)</td>
<td>Commercial, financial, country and intercultural risks.</td>
<td>Born Globals</td>
<td>Born Global have a higher propensity for risk compared with that of other small traditional enterprises.</td>
</tr>
<tr>
<td>Hagen et al. (2018)</td>
<td>Mitigation and sharing of risks.</td>
<td>Multiple cases classified as Born Global</td>
<td>Entrepreneurial internationalizer may limit market risk or failure, or, in opposite terms, enhance market acceptance and superior performance.</td>
</tr>
<tr>
<td>Hånell and Nordman (2018)</td>
<td>Risks of opportunism and psychic distance.</td>
<td>Born Regional (classified as Born Global)</td>
<td>A low psychic distance decreases the risks of internationalization and importance of knowledge to risks of opportunism. Risk acceptance is linked to family commitment and ownership, that is, the sense of familiness makes the family move back and retract from foreign investment and protect their capital in the internal market.</td>
</tr>
<tr>
<td>Floriani et al. (2017)</td>
<td>Decisions are made based on variables that reduce risk and consequently increase safety.</td>
<td>Uppsala Model</td>
<td>In the context of family firms, there is a positive relationship between level of risk taking and innovation in the internationalization process.</td>
</tr>
<tr>
<td>Ratten and Tajeddini (2017)</td>
<td>Family firms tend to have a high risk aversion, because the lack of knowledge about culture. Countries that are more geographically and culturally closer are viewed as less risky and more viable by many firms.</td>
<td>Case study classified as Uppsala Model</td>
<td>The Born Globals had a likelihood of the potential gain (risk attitude) and for Uppsala Models had alliances with competitors (networking propensity).</td>
</tr>
<tr>
<td>Dimitratos et al. (2016)</td>
<td>Risk taking for Born Globals and alliances (lower risk) for Uppsala Models.</td>
<td>11 classified as Born Globals and 7 classified as Uppsala Model</td>
<td>Some risks can be caused by other risks, triggered in turn by exogenous and endogenous factors. This is the case for the risk of receiving non-compliant products from</td>
</tr>
<tr>
<td>Fadil and St-Pierre (2016)</td>
<td>Risks of: executives’ inexperience and lack of managerial knowledge and expertise, employees’ inexperience in conducting international operations and</td>
<td>No classification</td>
<td></td>
</tr>
</tbody>
</table>

Table 5

*Case Analysis*
<table>
<thead>
<tr>
<th>Authors</th>
<th>Case Description</th>
<th>Model</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meneses and dos Santos (2016)</td>
<td>The company accepted a higher risk by non-family-managed than family-managed, but non-family-managed shielded the company from foreseeable risks.</td>
<td>Uppsala Model</td>
<td>Non-family-managed had a more accelerated, more extensive, and riskier internationalization. In three years, the company entered five diverse markets (FDI).</td>
</tr>
<tr>
<td>Mitter and Emprechtinger (2016)</td>
<td>Risk aversion.</td>
<td>Uppsala Model</td>
<td>Both trustworthy partners and employees can reduce the perceived risk of internationalization.</td>
</tr>
<tr>
<td>Semnani Kenlind et al. (2015)</td>
<td>Risks: country, political and legal, economic, social, technological and operating, financial and management (prevention, avoidance, retention, transfer, and reduction risks).</td>
<td>No classification</td>
<td>The three main risks that majority of these companies face, as political, financial, and social.</td>
</tr>
<tr>
<td>Zaeefarian et al. (2015)</td>
<td>Being risk-averse.</td>
<td>Uppsala Model</td>
<td>The cases were not proactive about seeking internationalisation and the identification of international opportunities, but instead took the accidental discovery route. Indicating that family firms engage in strategies with lower risk. International risk-taking propensity is not necessarily a precursor to the integration of Internet capabilities for international business processes.</td>
</tr>
<tr>
<td>Glavas and Mathews (2014)</td>
<td>International risk-taking propensity associated with Internet capabilities.</td>
<td>Born Global</td>
<td>No sufficient caution has been exercised on the risk of internationalization, especially the risk of marginalization.</td>
</tr>
<tr>
<td>Ma and Yang (2012)</td>
<td>Risk of marginalization (ownership structure or location of headquarters that leads to loss of identity).</td>
<td>Rapid internationalization</td>
<td>The degree of resource-based risk tolerance moderates the impact of the motivating conditions on the decision to internationalize.</td>
</tr>
<tr>
<td>Xu et al. (2008)</td>
<td>Perceived environmental uncertainty.</td>
<td>Progressive internationalization (Uppsala Model)</td>
<td>The case does not express significant concerns about the risk of dissemination of non-patented knowledge through its “contractual” relationship with Joint Venture.</td>
</tr>
<tr>
<td>McGaughey et al. (2000)</td>
<td>Risks associated with the dissipation of intellectual property rights.</td>
<td>Born Global</td>
<td></td>
</tr>
</tbody>
</table>

The FDI risk was investigated for companies following the Born Global approach (Floriani et al., 2017). The FDI risk was present in four case studies: three cases studies by Ma and Yang (2012), and a case study by McGaughey et al. (2000). The FDI risk was perceived as coming from the Born Global approach because it accelerates internationalization. They carried out the FDI – the last internationalization process, considered the most intense entry mode in another country and greater perception of impact between cultures (Boddewyn et al., 2004; Rocha & Almeida, 2006). The companies classified under the Uppsala Model perceived the FDI risk as a risk for carrying out this operation only after spending years in the

...
international market and going through other less risky international experiences before the “last stage” of internationalization.

**Step 7: Building Theory from Meta-Synthesis**

Hoon (2013) has recommended that this step be presented using a logical figure, which allows the visualization of the studied theme summarized in Figure 1 as a framework.

**Figure 1**

_Theoretical Framework Risk and Internationalization_  
*Source: Authors (2021).*  
*(FDI: Foreign Direct Investment)*

The studies analyzed in this meta-synthesis reveal, regardless of whether the perceived risks were noticed by companies using the Uppsala or the Born Global model, possible ways to reduce the risks included: founders/managers/CEOs having international backgrounds and experience (Dimitratos et al., 2016; Floriani et al., 2017; Stocker & Abib, 2019); engaging international networks, partners, and companies to help in foreign countries (Argashi & Okumus, 2020; Glavas & Mathews, 2014; Hagen et al., 2018; Hånell & Nordman, 2018; Stocker & Abib, 2019); and decrease the internationalization initiatives (Glavas & Mathews, 2014).

Therefore, the meta-synthesis demonstrated a very close relationship among the internationalization risks examined in the analyzed studies. It is seen that companies are aware of the internationalization process, whether by export or by FDI, and already considering the following risks: country, monetary, intercultural, commercial, control, marginalization, rational, environmental, governmental, FDI, family commitment, psychic distance, and other risks summarized in Figure 1. Moreover, the risks are not limited to internal risks but also
include factors beyond their control. Therefore, using meta-synthesis, it is possible to verify whether companies expanding to the international markets are looking for exploration, exploitation, or opportunity. Through the meta-synthesis developed by Severgnini et al. (2019) they found exploration and exploitation to be influenced by the risk of how companies invest resources in these environments. In addition to the organization’s internal competencies, exploitation is the ability of the organization to keep the company’s strategies and objectives aligned with current business (March, 1991; Raisch & Birkinshaw, 2008).

“In the process of doing business, you will inevitably be faced with unexpected and often unpleasant surprises that threaten to undercut and even destroy your business” (Damodaran, 2007, p. 6), which is a risky operation. However, this risk is inherent in any business. Damodaran (2007) has argued that companies may use risk to gain an advantage over their competitors. One way to accomplish this is through agility in decision-making, acting faster than your competitor, “you may be able to turn a threat into an opportunity” (Damodaran, 2007, p. 6), and every threat can also be an opportunity.

Step 8: Discussing and Conclusion

Meta-synthesis is a technique that combines the results of several primary research studies to generate a general conclusion about a research question (Hoon, 2013). Therefore, the trustworthiness of meta-synthesis depends on the quality and consistency of the primary studies included and methodology used to conduct the synthesis (Sandelowski & Barroso, 2007). To ensure the trustworthiness of the meta-synthesis, we followed a well-defined and transparent protocol for the selection of primary studies. We evaluated the methodological quality of the studies included in the synthesis of results. Additionally, a critical evaluation of the results and conclusions of the meta-synthesis was carried out, considering the limitations of and heterogeneity among the primary studies.

Therefore, following the eight steps proposed for meta-synthesis, 19 articles based on 201 interviews from 94 companies across 17 different countries were analyzed (Australia, Austria, Brazil, Canada, China, France, Germany, Greek, India, Iran, Italy, Portugal, Sweden, Taiwan, Turkey, United Kingdom and United States). Therefore, the study is a cross-cultural analysis and addresses internationalization risks worldwide.

Many internationalization risks are already well-discussed in the literature, such as macroeconomic model that analyzes the main subjects studied in international business, the economic, the political, and the cultural (Grosse & Treviño, 1996), institutional, to which it focuses on explaining the formal and informal structures for a company to enter another countries (Quer et al., 2012), commercial, country, intercultural, and monetary risks (Cavusgil et al., 2010). These are the most used constructs when it comes to internationalization risk, as they encompass the most common and usual risks faced by companies in foreign markets. The commercial risk refers to the business strategies of companies in new foreign markets, the country risk depends on the laws and regulations of the foreign country, the intercultural risk represents the differences between cultures, and the monetary risk involves the currency variables between the company's home country and the foreign country where the company has opened a subsidiary.

However, other risks are not as widespread as marginalization, the potential threat faced by internationalized companies when they lose control of their own business or original identity, thereby becoming marginalized both in the home country and in local countries (Ma & Yang, 2012) and non-family-managed to family companies, where the company accepted higher risk from non-family-managed than from family-managed businesses; that is, a stranger to the family managing the family business (Meneses & dos Santos, 2016). Thus, this study can expand the discussions surrounding the risks involved in internationalization, confirming
some risks already known by the literature, but uncovering risks that have not been well studied.

Our framework generated by the meta-synthesis aims to be dynamic. It is not a closed system with an end, but it is in constant movement. During specific periods, companies can decrease internationalization intensity so as to take fewer risks. Floriani et al. (2017) have argued that some types of companies can retract foreign investment to protect their capital in the internal market. Companies can form alliances with other companies to reduce the risk of internationalization (Dimitratos et al., 2016; Franco & Haase, 2016). Alternatively, companies can increase the risks associated with expanding in the international market because they see this strategy as an opportunity (Hånell & Nordman, 2018). However, companies can also manage the risk posed by international market entry and mitigate the liability of foreignness when they have close ties with international clients and due to the manager's international knowledge (Perks & Hughes, 2008).

This meta-synthesis contributes to the literature by exemplifying that, regardless of the approach undertaken by companies, such as internationalization (Upssala Model or Born Global), they are aware of the risks incurred in this operation. However, the intention is to explore new markets and conduct business beyond the internal market. Therefore, we conclude that companies do not avoid risk; instead, they manage it.

The limitation of this study lies in the fact that only a single researcher performed the coding of the research data. The other two co-authors did not code the data, but they read and contributed to the development of the meta-synthesis. Moreover, according to Hoon (2013), more than one researcher working on this stage increases the reliability of the results. However, the steps proposed by Hoon (2013) helped to reduce the methodological limitations of the meta-synthesis.

We offer the following suggestions for future research in the area of internationalization risks:

1. analyzing each risk involved in process of internationalization;
2. describing the main features of the 24 risks discussed this study specifically for manufacturing and service companies;
3. organizing and classifying distinctive risks based on different country characteristics;
4. analyzing specific strategies to mitigate different types of internationalization risks.

References


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Appendix A

<table>
<thead>
<tr>
<th>Group</th>
<th>Item No.</th>
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<tr>
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<td>Author(s)</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Title</td>
</tr>
<tr>
<td>a. General details of the study</td>
<td>3</td>
<td>Journal</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Publishing year</td>
</tr>
<tr>
<td>b. What are the authors trying to achieve? (focus of the research)</td>
<td>5</td>
<td>General aim of the research</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Study aims</td>
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<tr>
<td></td>
<td>7</td>
<td>Research question(s)</td>
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<tr>
<td>c. Theoretical framing</td>
<td>8</td>
<td>How the risk is analyzed in the internationalization process</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Concept/understanding of organizational risk used</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Concept/understanding of internationalization used</td>
</tr>
<tr>
<td>d. Setting/context of the study</td>
<td>11</td>
<td>Country</td>
</tr>
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</table>
Weber H. Radael, Gustavo Abib, & Adriana Roseli Wünsch Takahashi

12  Sector/industry

13  Research context

14  Research design (e.g., historical, longitudinal, inductive case studies)

15  Number of cases included

16  Level/unit of analysis

17  Sampling strategy

18  Time and sequence of the data collection

19  Data collection techniques used

20  Data sources

21  Amount of data collected

22  Data analysis approach

23  Key findings summarized

24  Events, factors or patterns presented

25  Effects of the risks for the organization in the internationalization process

26  Environmental conditions

27  Visualization of conceptual model or framework

28  Discussion of key findings

29  Contributions to the field of organizational risk

30  Contributions to the field of internationalization

31  Limitations by the original papers

32  Limitations of the meta-synthesis (e.g., methodology, selected cases)

33  How relevant is this study to our underlying question?

34  How reliable/convincing is the study?

35  Is there missing information or logical inconsistencies?

36  Further comments
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