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## RISKS IN DECISION MAKING - UNCERTAINTIES, TYPES AND CHARACTERISTICS

The decision-making process reflects not only the consecutive approaches for decisions taken within the company, but it is the main direction to identify, develop, implement, and evaluate the business processes. The levers used to develop a strategic performance management denote the measures to reduce the risk in the decision-making process, which reflect the chance of unfavourable elements with negative consequences on the decision. In other words, the decision-making process is influenced by events or phenomena that influence the business of modern companies, being the expression of the non-realization of the desired profit or loss within the economic transactions. To make a decision, it is necessary to take into account the risk of events that may have unfavourable consequences on the proposed goals, trying to avoid the risks or, if possible, to minimize them, transferring them to another implementation stage. In this article, the concept of risks as a concept, their typologies and characteristics have been presented, from the perspective of possible financial-economic decisions in the company's business context, as well as the consequences that may occur. In real company practice, as a rule, the manager of a private company lacks sufficient data about considerable aspects of risk factors and thus takes decisions with delayed effects.

**Key words:** decision-making process, decision, risk management, risk, socio-economic system, theory, concept, incertitude.



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**Statement of the problem and its connection with important scientific and practical tasks.** Given that the performance of the economy and its ability to cope with international competitive pressures, especially in the context of integration of our country's economy, are directly conditioned by strategies, goals and gained results, an important role in achieving these objectives is played by the actions that address the complexity of business and its environment. Thus, there are several major causes that have increased the complexity - huge number of possible solutions, difficulty in predicting long-term consequences due to increased uncertainty. The effects of errors in decision-making can be disastrous due to the complexity of operations and the chain reaction that an error can cause in various sectors of the micro and macroeconomic levels. The global context requires the Republic of Moldova to conform to the conditions of the new economy, in which competitive advantage is achieved through innovation and through management that is capable and determined to improve the aggregate efficiency (economic, social) of the entire state potential.

Moldova's market economy is accompanied by dangerous managerial instability and uncertainty in both state-owned and privately-owned or mixed enterprises. The adoption and application of new management methods is a necessary component in relaunching the invest-

ment process and the necessary restructuring to make a success at the time.

A characteristic of any socio-economic system, within which the company is embedded, is the outcome, i.e. the tendency to evolve towards certain goals. If we accept the universality of the law of dysfunction, according to which in nature the order tends to turn into disorder, then the state of dysfunction is also a characteristic of socio-economic systems. Under these conditions, the company, as a system, must constantly adapt to the influence of disruptive factors - both external and internal - which oppose or hinder the achievement of predetermined objectives. This adaptation, the self-regulation of companies' operations, is achieved through the work of their managers, which is in essence a chain of interdependent decisions.

With the implementation of the market economy principles and the access of private initiative to the market, the private companies in the Republic of Moldova are in a difficult, turbulent and constantly changing environment, where the future is uncertain and the survival of the enterprise is threatened. However, there are ways to achieve appreciable, rewarding results, namely by using ways of continuous improvement in the company management.

**The analysis of the latest publications on the problem.** The essence of this research, in our opinion, lies in highlighting the multiple problems that are specific to the field of risk-related policy, concerning the need to identify priority directions and solve them in order to strengthen a functional and efficient system. To promote and implement appropriate policies, as well as the necessity to strengthen new strategic objectives in this field, which will make it more efficient in the future by increasing the volume of investments, being the point of reference for the long-term implementation of constant and sustainable economic growth. For a deeper knowledge of the objectives of the research, the authors' opinions were examined: Smith A., Von Neumann J., Modigliani F., Savage L., Edgar P., Franc J. and others which allowed the author to divide the research into two components: *Uncertainty and risk concepts* and *Typology and characteristics of risks*.

**Forming of the aims of the research.** The research carried out within the framework of this multifactorial analysis of the impact consequences on the socio-economic development of the risk management, scientifically argues the ways to solve them by highlighting the appropriate policies to develop modern companies.

The implementation of the proposed conceptual policies will contribute to remove the misunderstanding about the importance of the decisions taken as the most important factor of a private company management.

**Giving an account of the main results and their substantiation.** *Uncertainty and risk concepts.* Important factors for economic and financial activity are uncertainty and risk, which have an objective character because of the influence of external factors. The study of the economic operators' behaviour when faced with risk and uncertainty issues is of permanent interest and a new element of human behaviour and evolution, both from a theoretical and directly applied perspective, and a few recent events created a major interest in the field of risk management. In particular, two elements have marked this evolution: the first concerns developments in financial technologies, focusing on financial asset pricing models, extending to the assessment of financial derivatives, and the second concerns the growing demand for new financial products, especially the so-called "unusual" ones, following a general trend for growth in financial markets and the increasing complexity of the global financial system. These forces, coupled with a series of relatively recent financial uncertainties - like events that have affected companies and financial institutions such as Orange Country, Gibson Greetings, Metallgesellschaft, Procter & Gamble and Barings Securities - have provided a more than sufficient motivation for the unprecedented development of a true risk management "industry" [1].

In the general field of finance, and related fields of investment, there are many experts who believe that the business of modern companies has become increasingly dangerous, both for individuals whose wealth is exposed to the fluctuating evolution of the financial markets, and for companies whose cash flows seem increasingly dependent on variables that are difficult to predict.

The decision to invest, whether in real assets or

in financial assets, whether domestic or international, is part of the complex category of economic actions, it must take into account the risk to which the investor is exposed. Regardless its object or nature, investing always means to take risks in the expectation of a return. The risk aversion of economic operators, on which all modern fundamental financial theories are based, implies a clear link between the risks size and the size of the returns associated with an investment: the higher the risks an investor takes, the higher will be the expected return. Thus, each investor tries to obtain the highest level of return for a given assumed risk or to bear the lowest possible risk in order to obtain a given return.

In real life, most financial assets are held by individual and institutional investors in portfolios, in effect "commingling" different assets. The legitimate question that arises is why this happens: is it more profitable to hold a portfolio rather than an individual asset in terms of the risk-return ratio? The answer is clearly yes, and the scientific argument for this answer has been the subject of one of the most dynamic branches of the financial theory.

What an investor achieves by holding a portfolio of financial or real assets is known as diversification. The "Wordsworth Concise English Dictionary" gives the following definition for diversification: "make investments in different types of financial assets in order to reduce the risk of loss".[2] Also in the "Dictionary of Finance and Investment Terms", we find the following definition of diversification: "the dissipation of risk by holding assets as a result of making many different types of investments - buying stocks, bonds, money market instruments, precious metals", for example, in several economic sectors, or in an investment fund."[3] In other words, the risk borne by an investor can be reduced through diversification if the portfolio includes financial assets that are influenced in their earnings performance by different specific risk factors. In an efficiently diversified portfolio, the variation in earnings (by which we measure the risk) is smaller and therefore the risk is also smaller in magnitude. This smaller variation in the returns of an investment portfolio compared to the variation in the returns of the individual components of the portfolio is called the portfolio effect [4].

In their work "Economics", Dornbusch, Begg and Fischer state, quoting Benjamin Franklin, that there are only two things certain in the world we live in: death and taxes, but they also involve a certain degree of risk, in the sense that no one knows when he will die and no one knows how high are the taxes he will have to pay.[5] Any action we take in the present has no future outcome that is perfectly certain, or certain. We say, under these circumstances, that this outcome is uncertain or risky. However, a differentiation between the concept of risk and the concept of uncertainty first appears in Frank Knight's 1921 work on the causes of profits.[6] He explains the meaning of uncertainty as radically distinct from risk. The term of risk, whose use in the current language is at least used carelessly by Knight, covers only the cases that can be quantified, while the term uncertainty is associated with unquantifiable situations. The quantitative assessment of the situations considered to be

described by the concept of risk is linked to the use of probabilities or chances of occurrence of various events. Uncertainty refers to situations where the decision-maker does not know, or can't determine with any degree of rigour, the probability of various possible outcomes. We assume that the worst forms of uncertainty are presented by the outcomes that occur as a result of events that have not even been considered.

We emphasise that the risk can be both a threat – i.e. the negative acceptance of risk - and an opportunity. There is no doubt that the concept of 'risk' is fundamentally only a negative one. The traditional definitions of risk, found mainly in dictionaries, also highlight this aspect. However, the more recent definitions show that the understanding of risk as an opportunity is beginning to gain ground, and this has clear implications for risk management as well.[7] During December 2000, the Project Management Institute published a guide that defined the risk in this context: "Project risk is an uncertain event or condition that, if it occurs, has a positive or negative effect on the project objectives. The project risk includes both threats to the project objectives and opportunities to improve those objectives."

It is interesting to note that over the years there has been much criticism of those who have benefited from the risk-taking. A relevant example is illustrated by the attitude that Adam Smith took, in his work "Wealth of Nations", towards the practices of his time of storing corn in the hope of later reselling it at a higher price than buying it, and of arbitraging the price differences for corn in different towns. Adam Smith notes that "the popular fear for storage and price arbitrage may be compared to the suspicion of a miracle. Thus, the miracle performers accused of this crime are no guiltier of the practices they are accused of than those accused of the corn storage and price arbitrage"[8].

Understanding the risk as the possibility of an actual outcome to be different from the expected one, the financial theory considers the economic operators as willing to take risks in the hope of obtaining a reward, materialized as a profit. There are, however, situations where risk-taking does not bring with it the possibility to obtain this reward. From this perspective, two broad types of risk can be identified: Risks those private companies take because they incorporate the possibility of a reward. These occur in the case of investment decisions, gambling, or speculative stock market actions; Risks that do not bring with them the perspective of obtaining a gain, but only that of a loss.

This category includes those risks for which no one compensates us - the "chance" of having a car accident, being robbed, or fighting a fire, and they are also called "pure risks". In this paper, our focus will concentrate on the first category of risk and, within it, on the risk as a fundamental element of the investment decision.

The degree of risk is the extent of an outcome uncertainty. At the two extremes, if the result of an action was certain, performing the action would mean taking zero risk. If, however, the result of an action was highly uncertain (e.g. the investment result could lead to bankruptcy or rapid enrichment), then the action would be

highly risky.

From an economic perspective, the risk has to be assessed at some point in time, usually in the present, taking into account what might happen in the future. In economic language, the analysis of risk is considered prior to, rather than post, carrying out a particular action.

Investing always involves taking a risk for a certain reward in the future, called an expected return. The return is called expected for the same uncertainty reasons, because we do not know what result of that investment will be tomorrow or a year later. There are different forms of returns on an investment. In the case of bonds, the amount the investor receives in addition to the amount invested is called interest. Shares bring gains in the form of dividends. Real estate assets bring gains in the form of rent or lease for the use of those assets. Also, all the above-mentioned assets generate income in the form of capital gains (or losses) from the moment they are acquired to the moment they are sold.

The attitude towards the risk is a concept closely linked to and explained by the concept of utility. The importance of utility in classical economics derives from the attempt to define the value of a commodity and to make the difference between the value and the price of the commodity on the market. The notion of utility has also been extended to take account of uncertain results, the first such attempt being made by Daniel Bernoulli in 1738 [Bernoulli, 1954, in Sommer's English translation]. Although Bernoulli's motivation had little to do with the utility itself, the essence of his solution to the so-called "St. Petersburg paradox" consisted in replacing the expected value as the gambler's objective with the expected utility, where utility was defined by the decimal logarithm of the profit. This approach to decision-making under uncertainty was remarkable, as it anticipated the axiomatic derivation of the expected utility by Von Neumann [9] and Savage [10] more than two centuries earlier.

*2. Typology and characteristics of risks.* The investors and management teams of private companies around the world, whether national or global, face daily financial, commercial, political, and technological changes that have a considerable impact on the complexity of the risks they have to deal with. Not often, the business environment generates new types of risk that have to be included in the associated package of doing business nationally or internationally. The speed of these changes has a direct consequence in reducing the reaction time of investors and companies on one hand and increasing the magnitude of business risk on the other. In this context of increased complexity of the global business environment, where international investment, proper business risk assessment and the strengthening of an effective risk management strategy are no longer simply options for investors and management teams, but they are increasingly becoming indispensable components to strengthen the international presence.

The purpose of this disclosure is to outline the most coherent picture possible of risk types and sources that characterize the business of private companies, with a special focus on financial risks, which, since the 1980s,

have acquired a particular scope, both in terms of diversity of forms in which they appear, the magnitude of the effects they cause, and the policies and techniques used to manage these risks.

The need for an integrated approach, within an interconnected framework, to the risks associated with international business is also emphasised, allowing to shape an optimal management of these risks, both in the corporate context and concerning foreign portfolio investments.

The literature dealing with the typology of risk is characterised by confusion about the terms of risk, risk source and risk exposure. Thus, the concept of risk is used in relation to unanticipated variations or downside risk of variables such as turnover, profit, market share, etc., but it is also used to define internal or external factors that influence the overall risk of the company. In the second sense, I believe that "risk" actually refers to a source of risk - the best example is political risk, which links the variability of company performance to uncertain components of the operating environment or environments. To make a clear distinction between these two uses of the term risk, Miller (1992) uses the term "risk" to refer exclusively to the volatility of a company's performance variables that makes it impossible to forecast them, a use that is like dispersion or standard deviation in the financial theory. To define the sources of risk, Miller prefers the term uncertainty, as it is used both in strategic management and in organizational theory to describe the poor predictive ability of organizational and environmental variables that influence the corporate performance, as well as the existence of limited or poorly relevant information about these variables. In this respect, uncertainty about organisational and environmental variables reduces the predictability of the corporate performance, and consequently it increases the risk. Throughout the paper, we

will use the term of risk both as a term of performance variability at the company level and as an uncertainty associated with internal and external variables of the company, but always keeping in the background the risk-source differentiation.

Another fundamental distinction is between risk and exposure to risk. These concepts are not interchangeable, the relationship between them is that if there is a source of risk, it does not necessarily generate an exposure to risk, whereas the exposure to risk cannot be present without the source of risk. The exposure to risk arises through the negative effects that the source of risk could have upon the value of the company's assets and liabilities and their market value, which eventually reflects in the modification of the wealth of the corporation's shareholders. This distinction has considerable importance on the management of risk, as long as the companies become aware that risk management policies and techniques are actually concerned to reduce or eliminate the risk exposures, and not the risk or the source of risk itself. The attempts made in the literature to describe and quantify, where possible, the risks faced by transnational corporations in conducting international operations have usually focused on either one or another of these risks while excluding other variables that generate uncertainties for international business.

Some authors have preferred to focus on political risk [Kobrin, 1979; Simon, 1984] or currency risk [Pringle, 1993]. However, there are also authors who have attempted to present classifications of international risks, which are generally characterised by a considerable emphasis on financial risks within the risks associated with the international operations. Thus, in the article now considered a "classic" of the field, we can mention (Table 1).

Table 1

**Categories of risks associated with international business presented by Ghoshal (1987) [13]**

<b>Categories</b>	<b>Meaning</b>
I. Macroeconomic risks	are beyond the company's ability to influence and are specific to each country, or are regional, some of them are global; they include such events as wars and national disasters, but also exogenous changes in the market forces (changes in exchange rates, labour costs, commodity prices).
II. Policy risks	are generated by uncertainty over future actions of governments in the companies' home or host countries. They include possible changes in tax regulations, direct control of foreign investment, performance requirements and anti-trust laws. The net impact of such actions may be difficult to distinguish from the impact of macroeconomic forces, as these two categories of risks generate changes in the currency exchange rate. The distinction between the two from a managerial perspective is very important, since the risks in the latter category, in contrast to the risks in the first category, may be partially controllable or at least influenceable.
III. Competitive risks	are driven by uncertainties associated with the reactions of competitors to the development and implementation of the company's strategy. Since monopoly or perfect market situations are very rare today (if not absent), all companies will be subject to these types of risks. In the context of conducting global business, however, the implications of these risks are particularly complex, as the competitors of a given company may have reactions that take different forms and are formulated for different markets.

They consider the risks of adopting a business strategy that requires resources that the company does not have, cannot obtain, or cannot save. One of the rarest resources of this kind is considered to be the managerial talent, but the resource risks can also be generated by the lack of appropriate technology or even capital. Regardless the risk category, it is important to note that they all differ from country to country and are also subject to change over time. This makes flexibility to be the fundamental choice of the company's overall strategy, as diversity and volatility create opportunities that need to be considered together and not separately. To illustrate this, Bartlett and Ghoshal (1995) give as an example Fiat, which in the early 1990s faced simultaneously a number of risk-generating forces and, at the same time, business opportunities: the market opening in the former communist countries in Central and Eastern Europe, the implementation (at that time) of the European Economic Community's market harmonisation programmes since 1992, the rapid expansion of Japanese car manufacturers and the resource constraints of the parent company. These factors resulted in the development of an aggressive diversification strategy for the company's global business in the early 1990s, in order to benefit from the new opportunities. The implications, if only for investment in new manufacturing facilities and sourcing strategy, are impressive: buying a majority stake in a Spanish plant - a growing market with cheap labour offering access to the future EU market, concluding a licensing arrangement with companies in the former Soviet Union to provide the necessary support in modernising the car industry, and considering Poland as a potential regional source for labour-intensive components. It is clear that Fiat, like any other company, cannot pursue these strategic options isolatedly, as to optimise one of them could compromise the company's ability to implement the others; the most appropriate approach therefore is the one of real flexibility, achievable by maintaining the viability of each opportunity without compromising the others.

Another important observation in this context is that some risks are specific to all companies, while others are characteristic only to companies engaged in value-adding activities located abroad, and some are specific to a particular company. Dancing (1993) considers that the most important risk associated with foreign operations concerns the uncertainty of the future value of foreign or domestic currencies on international markets, while other risks, while present, are less important. These risks include political risks, risks associated with access to resources, and cultural risks (e.g., related to attitudes toward work and authority, honouring the contracts, etc.) On the other hand, Kogut [1985, apud Dunning, 1993] recognizes that the flexibility of a geographically globally diversified corporation can give an advantage over competitors engaged in production in only a few countries. The effect of the risks on the transnationalisation of a company's value-adding activities depends primarily on the types of the considered risk, but also on the attitude of the company's key decision-makers towards risk-taking. For example, the risks associated with the imperfections of international markets taken by the company to achieve

savings at the central coordination level of all activities can act as an incentive to invest abroad, and not as a barrier. On the other hand, foreign operations, and especially foreign direct investment, carry new risks (e.g. the possibility of expropriation of the company's assets in a host country).

Any increase of these risks, or even a change in the company's perception of these risks' extent, may encourage a company to prefer to operate in a foreign market by setting up joint ventures or various forms of collaborative alliances, allowing them to share risks, especially the financial risks. In the same context of the impact of international risks on the overall risk of the company, Sullivan (1999) proposes to classify the risks into two categories: non-country risks and country risks.

Risks in the first category include the possible losses that a company may experience due to changes in markets, competitors' actions or managers' errors, and are classified by Sullivan as follows: business risk is the probability that the company will go out of business through bankruptcy within a certain period of time; commercial risk is the probability that, due to insolvency or the strategy of its customers, the company will not recover its accumulated receivables; financial risk is seen in terms of the probability that the company will not be able to repay its debt service - principal and interest - on due terms; market risk refers to situations caused by a reduction in the prices of the final products sold by the company, without being accompanied by an increase in the volume of sold products, and; currency risk refers to the negative effects of exchange rate fluctuations on the company's business. On the other hand, country risks refer to the additional dangers an investor or company faces in a particular foreign host country. Sullivan sees the country risks in three dimensions: political risk, macroeconomic risk, and social risk. The political risk covers possible losses of a company because of the existence of a particular political environment in the host country or as a result of potential changes in the political environment, and it takes four forms: forced disinvestment, unfavourable regulations, interference in the operations of foreign companies and political instability. Thus, any action taken by or associated with host country governments that potentially affects the operations of a foreign company in that country is seen by Sullivan as a source of political risk. By analogy with the market risk, Sullivan includes in macroeconomic risk such phenomena as the lack of growth in the host country, low levels of local savings, poor infrastructure and low labour availability. The final category of the country risk is the social risk, which includes social factors beyond government control that can endanger the foreign firms and lead to losses.

In addition to the currency risk, Eaker, Fabozzi and Grant [11] identify two other major categories of risk that global company's operations are subject to: economic risk and political risk. The economic risk, while not entirely specific to international business, would represent, in the view of the three, the materialization of the link between the evolution of the company's business and the evolution of the economy in general, similar to a systematic risk as defined by Sharpe in the single index model.

Thus, the authors distinguish between "strictly national economic risk", to which companies operating in a single country are subject, such a company tends to prosper when its country's economy is on an upward trend and vice versa, and "foreign economic risk", which influences the operations of the global companies. However, even the national companies are affected by the foreign economic risk, as long as it is difficult to identify a company that is immune to the influence of international economic factors, especially to exchange rate fluctuations. The authors therefore refer to the direct foreign economic risk, when considering the operations of companies acting in a global framework, and to the indirect foreign economic risk, when referring to "purely" domestic companies. Also, like other authors, Eaker, Fabozzi and Grant consider that the term "foreign economic risk" can be replaced by the term "foreign economic opportunities", specifically to suggest the wider range of business opportunities that are available to global, as opposed to domestic, firms.

The political risk, on the other hand, is seen as a set of political actions and events that influence the value of a company's investments in a foreign country. These events can be disastrous - such as the civil wars - but also ordinary - such as more subtle actions like restrictions on the foreign exchange market access of some companies caused by the economic problems in the foreign country. Between these extremes lies the expropriation or nationalisation of all companies in a given economic sector, or

the expropriation of all companies owned by foreign companies and citizens. Each country has a different political risk profile and represents a unique source of political risk, which companies must assess and manage if they are interested in carrying out operations abroad [Eaker, Fabozzi, Grant, 1996]. For Hibbert (1997), the risks to which a company's international business is subject can be divided into two classes: political risk and economic risk. The political risk is considered by Hibbert to be the most important of all types of risk because it affects the long-term viability of investments and assets that are located abroad. The political risk arises because of actions taken by the host country governments, often depending on the political orientation and stability of the political regime in those countries [12].

Although the domestic companies are not completely immune to the action of these risk factors, the governments' actions primarily affect the operations of foreign companies.

Hibbert believes that it is time for the company to consider the economic risk after the political risk has been analysed. Interestingly, Hibbert, while listing the economic risk as a distinct risk, only provides the tools by which it can be managed, without providing a definition of this risk. Consequently, we could include in the category of economic risks such events as: the risk of dependence on a single product, the risk of commitment of resources, currency risk, environmental risk.

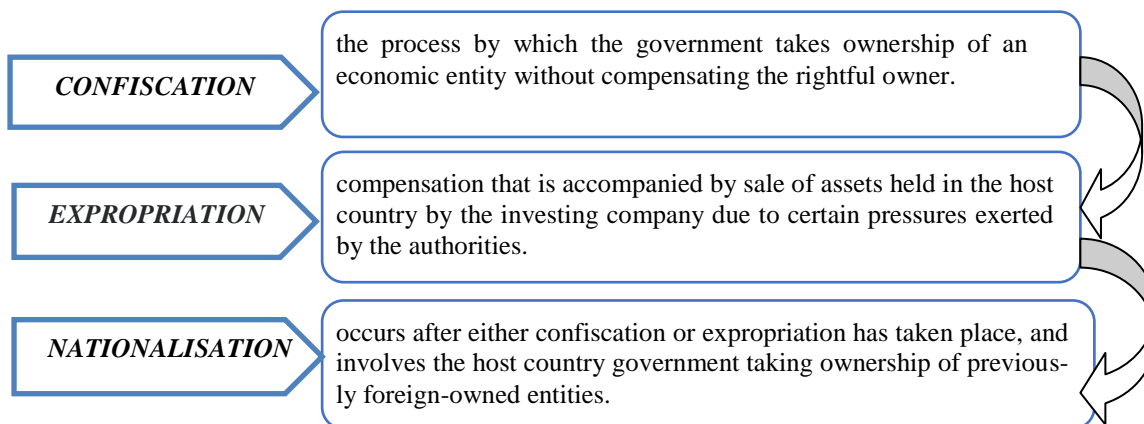


Fig.1. Actions within the political risk framework as seen by Mr Hibbert [12]

The explanation for this superficial approach to economic risk lies in the over-emphasis on political risk as a risk specific to global operations. In support to this conclusion a study by Deringer and Wang (1997) can be cited, who find that the political risk analysis has been in serious decline since the late 1980s, when many companies abandoned their political risk assessment departments and the use of political risks analysis, the assessment services declined significantly.

Several factors have reduced the importance that the managers give to a political risk, namely: the inherent difficulties in an accurate determination of the political risk of investing in a particular country, the reduced perception of novelty associated with foreign operations and, not the least, the difference between the user's expecta-

tion of political risk determination and the actual results achieved. A classification of the business risk sources faced by the private companies has been made by Heywood and Martin (2000). On the one hand, it is easy to see that these risks are specific not only to global companies but to any company and, on the other hand, that the sources of these risks and their impact on the company's business are very different from case to case.

Lessard (1996) chooses to present different kinds of risk that a company faces when investing abroad such as: world market price risk; country macroeconomic and political risk; country-level price risk; institutional regulatory risk; industry-level risk; project/commercial risk. According to the author of this risk classification, mostly the risks differ in magnitude, and less in form,

from market-specific risks in the transnational's country of origin. Thus, Lessard considers that the only type of risk associated exclusively with the international projects is the so-called "transfer risk", related to the commercial and financial transfers that take place between the transnational components. However, the author admits that the dynamics of these risks are different from those of purely national risks. Thus, the institutional regulatory risk associated with a foreign investment is different from the risk associated with a domestic investment not only because of the differences between institutions in the two markets, but also because of the different treatment to a foreign company in a host market, which is often very different from that of a domestic company.

**Conclusions and prospects of the further investigations.** The globalisation of the financial sector, initially structured around the commercial sector, has exceeded in scale and tempo all expectations of theorists and practitioners. The effect of globalisation can be seen in terms of increased investment opportunities, which are no longer restricted to national capital markets. At the same time, there has been an intensified international competition for investment opportunities, which has led to an explosive growth in international financial flows, especially in the last 30 years.

The development of international investments could not have been possible without progress in risk assessment and risk management. Although studying the behaviour of economic operators under an uncertain environment is not new to the human condition and evolution, a series of recent events have boosted the interest for the risk management field.

The risks faced by today's business managers and investors are often extremely complex. Running successful international operations requires a detailed understanding of the risks and the ways they can affect the value of the firm or the returns on financial investments. Understanding these risks and the tools available to managers and investors to effectively handle them, requires an integrated rather than an isolationist approach. The

integrated approach is present at an intuitive level in the case of foreign portfolio investments, with the portfolio effect achieved through the risk diversification at its core, but it is a new element for the foreign direct investments and transnational corporations. It calls for a radical change in the view of risk management, from a relatively passive, risk-accepting approach to a proactive approach based on the consistent selection of risks considered acceptable, while at the same time, managing those categories of risk considered by corporate management to be too dangerous is borne consciously.

Thus, the risk factors that influence the investment performance are often quite dangerously wide-ranging for the investor interested in foreign markets, both in terms of their range, the variety of their forms, the impact they have, and the policies and techniques used to manage the exposures to these risk factors.

In the context of the complexity of the issues addressed related to global risks and threats to companies, we aim to meet the current demands of global economies that managers of private companies are facing. The scientific interest is to clarify the possibility of submitting rational arguments on the predictions of managerial decisions in the conditions of risk and threats, the theoretical approach undertaken being intended to provide an important scientific exercise.

The further research direction is to give managers a picture of the current state of the companies. The topic is highlighted by the fact that risks are an objective reality of the contemporary world, characterized by an increasingly fierce struggle for financial results.

This hypothesis comes from the indisputable reality that shows that the globalization of business, especially in current economic and financial crisis, from the perspective of its causes and consequences, determines profound changes in the future companies. Reasoned decisions are needed in further research to find appropriate solutions to adapt optimally to these changes. Fundamental decisions will be implemented for the best solution towards an optimal change.

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## РИЗИКИ ПРИ ПРИЙНЯТТІ РІШЕНЬ – НЕВИЗНАЧЕННОСТІ, ВИДИ ТА ХАРАКТЕРИСТИКИ

Процес прийняття рішень відображає не тільки послідовні підходи до рішень, прийнятих всередині компанії, але є основним напрямком виявлення, розвитку, впровадження та оцінки економічних процесів. Вживані важелі, що використовуються для розробки стратегічного управління результативністю, означає заходи щодо зниження ризику в процесі прийняття рішень, що відображає ймовірність виникнення несприятливих елементів із негативними наслідками для рішення. Іншими словами, на процес прийняття рішень впливають події чи явища, які діють на бізнес сучасних компаній, будучи вразом недосягнення бажаного виграшу чи збитку в економічних операціях.

Для прийняття рішення необхідно враховувати ризик подій, які можуть мати несприятливі наслідки для пропонованих цілей, намагаючись уникнути ризиків або, по можливості, мінімізувати, перевести його на інший етап реалізації.

У цій статті представлено поняття ризиків як поняття, їх типології та характеристики, з точки зору можливих фінансово-економічних рішень у контексті діяльності компанії, а також наслідків, які можуть виникнути.

Ринкова економіка Республіки Молдова супроводжується небезпечною нестабільністю та управлінською невизначеністю як на підприємствах з державним капіталом, так і на підприємствах з приватним або змішаним капіталом. Поглинання та застосування нових методів управління є необхідною складовою перезапуску інвестиційного процесу та, відповідно, реструктуризації, необхідної для успіху часу.

У реальній практиці, як правило, керівник приватної компанії, не володіючи достатньою кількістю даних, про деякі досить значні аспекти деяких факторів ризику, приймає рішення з відстроченим ефектом.

У дослідженні, проведеному багатофакторним аналізом наслідків впливу соціально-економічної еволюції на управління ризиками, науково аргументовано шляхи їх вирішення шляхом виділення відповідної політики розвитку сучасних компаній.

**Ключові слова:** прийняття рішень, рішення, управління ризиками, ризик, соціально-економічна система, теорія, концепція, невизначеність

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