



Decision-making in Export Credit Agencies (ECAs)

Rosa Alamian

DOCTORAL DISSERTATION

UNIVERSITY OF MISKOLC

2023

Decision-making in Export Credit Agencies (ECAs)

Rosa Alamian

Supervisor: Prof. Dr. Károly Balaton

Head of Doctoral School: Prof. Dr. Tamás Sikos T.

**DISSERTATION SUBMITTED TO THE UNIVERSITY OF MISKOLC IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF
PHILOSOPHY**

**HANTOS ELEMÉR DOCTORAL SCHOOL OF BUSINESS, MANAGEMENT AND
REGIONAL SCIENCES**

UNIVERSITY OF MISKOLC

2023

DECLARATION

I, Rosa Alamian, confirm that this dissertation submitted for the Degree of Doctor of Philosophy is my original work. Further, I have acknowledged all sources used and have cited these in the reference section.

Signed: Rosa Alamian

Miskolc, 2023

ACKNOWLEDGEMENT

In the process of my Ph.D. dissertation from the beginning to the end, I had the chance to have the generous help and support of many individuals and institutions. Without their help, it could not be possible to finish this challenging project. I want to use this opportunity to express my gratitude and special thanks to all of them.

First of all, I want to thank and appreciate my parents, my siblings, and all my family members for always supporting, council, helping, and motivating me in every step of my life. Sincerely, I am grateful for their valuable advice and support that enables me to overcome the difficulties of my academic and personal journey. Without them I could not be in the place I am now.

Secondly, I would like to offer my special thanks and gratitude to my supervisor Prof. Dr. Károly Balaton. I am very grateful to him for giving me his advice, support, help, and time and for sharing his wisdom and knowledge with me during all the years of my Ph.D. study. Without his generous support, I had not been able to write this dissertation. It was a great opportunity to work with him and a valuable experience that I will always be grateful to him.

Thirdly, I want to thank all the individuals and institutions that contributed to the data collection process. I would like to offer my special thanks to Prof. Dr. Levente Kovács and Ms. Réka Hámori from the Hungarian Banking Association (Magyar Bankszövetség) to manage to connect me with the representatives of Hungarian Banks and EXIM. I would like to thank all the individuals and institutions in Iran who also assist me to connect with the interviewees in the EGFI and the banks. I would like to express my special thanks to all the interviewees in Hungary and Iran who kindly and openly contributed to this study and shared their experiences and knowledge with me. Without their contribution, it would not be possible to collect the data for this dissertation.

Finally, I would like to thank the Hantos Elemér Doctoral School of Business, Management and Regional Sciences and all of the administrative staff at the University of Miskolc, who assisted me with documentation and procedures. I also would like to thank Tempus Public Foundation that had awarded me the Stipendium Hungaricum Scholarship for doing my Ph.D. study.

Dissertation Title: Decision-making in Export Credit Agencies (ECAs)

Author: Rosa Alamian

SUMMARY

In this study, decision-making in Export Credit Agencies (ECAs) is investigated. Governments provide officially supported export credits through export credit agencies to help domestic exporters compete for foreign sales. The types of financial institutions vary from country to country while maintaining some commonalities and rules that must be adhered to in the context of global norms. There is a regular decision-making process that all organizations and individuals usually adhere to, but what differentiates them is how they go about making decisions, how authority is distributed, how they can increase the effectiveness and efficiency of the process, how they can deal with the limitations in this matter, and how prepared they are to make decisions in unusual situations.

This study reviewed the limited related literature on this subject. The literature review is explained in three main subchapters: Literature reviews about ECAs, Literature reviews about decision-making, and the countries' characteristics.

For the empirical part of the study, the qualitative approach is used. The data were collected by interview. The interviews were face-to-face and in a remote way as well. For analyzing the data, content analysis with an inductive approach is applied. The scope of the study is the ECAs and some related banks in Iran and Hungary. In Iran, 13 interviews from the ECA and 4 interviews from the banks were collected. In Hungary, 2 interviews from the ECA and 9 interviews from the banks are collected.

The result of the studies is shown in the 6 final themes which are 'the general process of decision-making and the authority of decision-making', 'the possibilities of applying a change to the decision-making process & approach', 'the approach of decision-making in urgent/emergency times and crisis', 'the Limitations in the way of effective decision-making', 'the important factors for effective decision-making', and 'effective implementation of decisions'. The result has shown the similarities and differences between Iran and Hungary and also if there was a difference in the ECA and banking system in each country, it is discussed.

The decision-making process appears to be strict in both countries. In both countries, the decision-making seems to be highly bureaucratized and centralized. The decision-making authority is distributed mostly at higher levels. The matter of decision-making is a hierarchy issue that is based on the thresholds. Centralization in Hungary may be less than that of the Iranian cases, particularly the Iranian ECA, but regulations are still significant in both countries. However, it appears that banks in Iran are subject to stricter regulations than those in the ECA, as the ECA allows for some maneuvering, specifically, in the unofficial process. Decision-making in the ECAs is limited by several factors which seem 'the role of government' and 'regulations' are the most critical ones.

Finally, a model is formulated to illustrate the important factors that influence the decision-making in export credits. This study concludes that three key kinds of criteria are the key factors influencing the effectiveness and efficiency of the decision-making process for export credits. The categories are the 'Decision-related' factors, the 'Human-qualification'

factors, and the 'Organizational contextual' factors. Some specific elements affect the quality of the influences of these three factors on the decision-making process. I referred to these additional components as 'amplifier factors'. All these factors should be taken into account by ECAs and peer organizations to improve the effectiveness of the decision-making process.

Contents

DECLARATION	1
ACKNOWLEDGEMENT	
SUMMARY	
Contents	
List of Figures	
List of Tables	
Chapter 1. Introduction	1
1.1 Introduction	1
1.2 Background	1
1.3 Aims and Objectives	4
1.4 Research Questions	4
1.5 Relevance of the study	5
1.6 Scope of the study	5
1.7 Limitations of the study	5
Chapter 2. Literature Review	7
2.1 Introduction	7
2.2 Literature Reviews about ECAs	7
2.2.1 What are the Export Credit Agencies (ECAs)?.....	7
2.2.2 Aims of Export Credit Agencies.....	10
2.2.3 Competition among ECAs	11
2.2.4 ECAs during the last 2 important crises.....	13
2.2.5 ECA's organizational structure.....	19
2.3 Literature Reviews about Decision-making	22
2.3.1 Short summary of the decision-making theories.....	22
2.3.2 Decision-making process	23
2.3.3 The Decision-makers	30
2.4 Countries' characteristics	35
2.4.1 Export of Goods and Services (% GDP).....	36
2.4.2 Government Effectiveness	37
2.4.3 Human Development Index (HDI)	37
2.4.4 Ease of Doing Business.....	38
2.4.5 Cultural dimensions	39
2.4.6 Management and Leadership Styles.....	43
Chapter 3. Research Philosophy and Methodology	44

3.1 Introduction.....	44
3.2 Research Philosophy	44
3.3 Research Methodology: Qualitative or Quantitative?	46
3.4 Data Collection Method.....	47
3.5 Data Analysis Method.....	49
3.5.1 Qualitative Content Analysis	49
3.6 Research Trustworthiness and Quality.....	51
Chapter 4. Research Samples.....	52
4.1 Introduction.....	52
4.2 Company Profile of Iran’s ECA	53
4.3 Company Profile of Hungary’s ECA	55
4.4 Comparison of the two ECAs.....	58
4.5. Interviewees	58
4.5.1 Interviewees in Iran.....	58
4.5.2 Interviewees in Hungary	59
4.6 The Story of Data Collection.....	60
Chapter 5. Data Analysis	62
5.1 Introduction.....	62
5.2 Result.....	63
5.2.1 Result of the interviews of Iran’s ECA	63
5.2.2 Result of the interviews of Iran’s banks.....	76
5.2.3 Result of the interviews of Hungary’s ECA	79
5.2.4 Result of the interviews of Hungary’s banks	86
5.2.5 Summary of the result	96
5.3 Discussion.....	99
5.3.1. General decision-making process and its characteristics in the ECAs and the banks.....	99
5.3.2 The flexibility to apply change to the decision-making approach in ECAs and the banks.....	102
5.3.3 The decision-making process in urgent/emergency, or crisis times in ECAs and the banks ...	104
5.3.4 Effectiveness of the decision-making process and its limitations in the ECAs and the banks; and the possibility for improvement	105
5.3.5 Model to describe important factors influencing decision-making in export credits.....	112
Chapter 6. Conclusion	114
6.1 Summary and Conclusion	114
6.2 Recommendation.....	116
6.2.1 Key findings and recommendations for ECAs.....	118
References.....	120
List of Publications	130
Appendix.....	131
Appendix 1: Interview Questions	131
Appendix 2: Codes	135

Appendix 3: Relation between themes & interviews' questions 139

List of Figures

FIGURE 1.1: OUTLINE OF CHAPTER 1	1
FIGURE 2.1: OUTLINE OF CHAPTER 2.....	7
FIGURE 2.2: CLAIMS PAID BY BERNE UNION MEMBERS DURING 2008-2012.....	15
FIGURE 2.3: TOTAL CLAIMS PAID BY BERNE UNION MEMBERS (IN MILLION USD)	18
FIGURE 2.4: ECAS' ORGANIZATIONAL STRUCTURE.....	21
FIGURE 2.5: WHY IS DECISION-MAKING SO IMPORTANT?.....	25
FIGURE 2.6: THE DOMAIN OF THE ORGANIZATION	26
FIGURE 2.7 : DECISION STYLES	35
FIGURE 2.8: EXPORTS OF GOODS AND SERVICES (% OF GDP)	36
FIGURE 2.9: PERCEPTIBLE RANK OF IRAN AND HUNGARY ON THE GOVERNMENT EFFECTIVENESS INDEX FROM 2015 TO 2020.....	37
FIGURE 2.10: HUMAN DEVELOPMENT INDEX (HDI) FOR IRAN AND HUNGARY DURING 2015-2020.....	38
FIGURE 2.11: HUNGARY AND IRAN'S SCORES IN CULTURAL DIMENSIONS (GLOBE PROJECT, AS IS).....	40
FIGURE 2.12: HUNGARY AND IRAN'S SCORES IN CULTURAL DIMENSIONS (GLOBE PROJECT, SHOULD BE).....	40
FIGURE 2.13: HUNGARY, AUSTRIA, ITALY, AND THE NETHERLANDS'S SCORES IN CULTURAL DIMENSIONS (GLOBE PROJECT, AS IS)	42
FIGURE 3.1: THE OUTLINE OF CHAPTER 3	44
FIGURE 3.2: THE PROCESS OF DATA COLLECTION, CODING, AND ANALYZING THE CODES	50
FIGURE 4.1: THE OUTLINE OF CHAPTER 4	52
FIGURE 4.2: ORGANIZATIONAL CHART OF EXPORT GUARANTEE FUND OF IRAN (EGFI)	55
FIGURE 4.3: EXIM ORGANIZATIONAL STRUCTURE.....	57
FIGURE 4.4: INTERVIEWEES IN IRAN.....	59
FIGURE 4.5: INTERVIEWEES IN HUNGARY	60
FIGURE 4.6: STEPS OF THE DATA COLLECTION PROCESS	61
FIGURE 5.1: THE OUTLINE OF THE CHAPTER 5	62
FIGURE 5.2: THE AUTHORIZED LEVELS OF DECISION-MAKING IN ECAS IN IRAN AND HUNGARY.....	100
FIGURE 5.3: INFLUENCING FACTORS ON THE EFFECTIVENESS OF DECISION-MAKING IN THE ECAS AND THE BANKS ..	106
FIGURE 5.4: DECISION-MAKING MODEL OF A CREDIT DECISION IN ECAS BY CONSIDERING THE GOVERNMENT'S OBLIGATORY TASKS	111
FIGURE 5.5: MODEL TO DESCRIBE THE FACTORS INFLUENCING DECISION-MAKING PROCESS IN EXPORT CREDITS	113

List of Tables

TABLE 2.1: TOP 12 OFFICIAL MEDIUM- AND LONG-TERM EXPORT CREDIT PROVIDERS IN 2021	13
TABLE 2.2: SHARE OF ST CREDIT LIMITS PRIVATE – PUBLIC INSURERS (BERNE UNION MEMBERS)	14
TABLE 2.3: CONDITIONS WHERE CENTRALIZATION IS PREFERRED OR DECENTRALIZATION	34
TABLE 2.4: THE RANKING OF IRAN AND HUNGARY IN 190 ECONOMIES IN THE EASE OF DOING BUSINESS AND EASE OF GETTING CREDIT IN 2020.....	39
TABLE 2.5: COUNTRY MEANS FOR GLOBE LEADERSHIP.....	43
TABLE 3.1: TYPES OF INTERVIEW	48
TABLE 5.1: SUMMARY OF THE INTERVIEWS’ RESULT IN THE ECA IN IRAN.....	75
TABLE 5.2: SUMMARY OF THE INTERVIEWS’ RESULT IN THE BANKS IN IRAN.....	79
TABLE 5.3: SUMMARY OF THE INTERVIEWS’ RESULT IN THE ECA IN HUNGARY	86
TABLE 5.4: SUMMARY OF THE INTERVIEWS’ RESULT IN THE BANKS IN HUNGARY	95

Chapter 1. Introduction

1.1 Introduction

In this chapter, as it is shown in Figure 1.1, the introduction of this dissertation is discussed in seven subchapters. After this introduction, first, the background of the subject is addressed. In the following, the aims and objectives, the research questions, the relevance of the study, the scope of the study, and finally the limitations of the study are included.

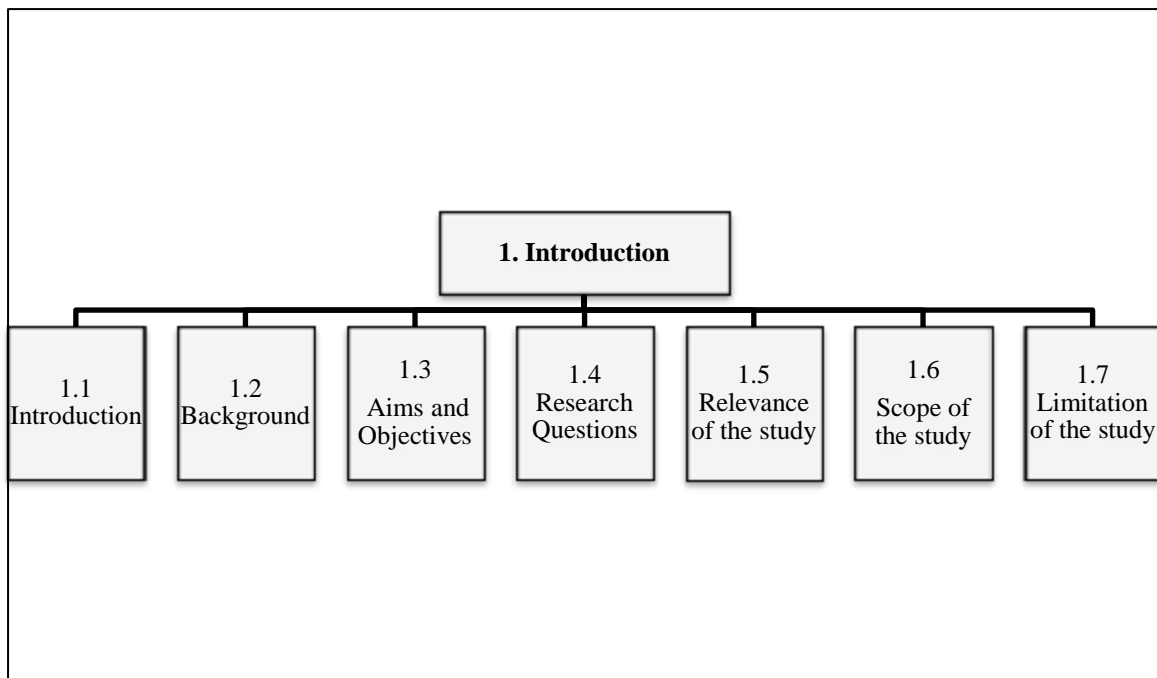


Figure 1.1: Outline of chapter 1

1.2 Background

Always in international trade, there has been considerable high uncertainty in predicting future circumstances in the market as many different aspects are included. Problematic risks through Brexit¹, conflict in the Middle East, trade war between major economies like the United States and China, nowadays' new worldwide economic crisis according to the COVID-19 pandemic, and the present war between Russia and Ukraine, and its consequences on the future of political and economic relations between the European countries, plus between Europe and the USA that make the nature of international trade very uncertain and disruptive. The impacts of risks, uncertainties, and structural shifts on industries are “manifold, affecting every step in the value-chains of global trade, from the industrial strategy of oil-producing countries, through manufacturing, technology risks, currency fluctuations and the cost of finance, to social changes impacting labor supply, consumer demand, and political and environmental activism” (Reguero, 2019, p. 13). According to Babakhani and Haji (2011), for businesses to keep their market alive and also increase their market share they would need to expand their export to more areas and in more amounts. According to Picha et al. (2016), as much as business becomes bigger they need more

¹ Brexit is the withdrawal of the United Kingdom from the European Union.

liquidity which is usually expected to be provided by banks because both exporters and importers mostly are not capable of providing the credit and money. In addition, they also need experience and technical knowledge regarding the complexity of international trade. However, exports to more countries increase the political, economic, and commercial risks that may cause the buyers' non-payments. In the competitive environment of the international economy, it is very important to identify, manage, and mitigate these risks for businesses (Jones, 2010). To cover these risks, export finance, guarantees, and credit insurance organizations are founded to support exporters against the claims due to the covered risks. Export credit agencies (ECAs) are one of the main organizations to cover export credit risks for exporters.

The ECAs' mission is mostly to support exporters and in some cases even in nonmarketable exporting areas. It is good to notice that these organizations confront considerable public scrutiny. ECAs mostly support large export projects to politically volatile countries that are too risky, harmful, and even maybe impossible for other financiers to accept the risks (Export Credit Agencies, n.d.) (Maussen, 2019). According to Maussen (2019), when risk-averse banks and credit insurance organizations reject a project, ECAs are frequently the players to step in; and by their disposals, they can support projects that if it was not for the support of ECAs, those projects never could have been financed. To be more specific, according to OECD (n.d.) and Maussen (2019), export credit agencies (ECAs) are official export credit organizations that have special support from the government to provide loans, guarantees, and insurance for exports and investments outside of the country to help exporters confront the risks of buyers' non-payment. ECAs are a sort of investment insurance organization that takes on the risks of doing business overseas (Maussen, 2019). National export credit agencies (ECAs) may have different organizational structures and regulations but they all have the same mission which is to facilitate and promote their countries' national exports (Berne Union, 2020a).

According to Salcic (2014), ECAs can be totally or partly state-owned banks or financial organizations, private-owned organizations, and government agencies. An ECA's ownership structure can affect the organization's decision-making process, for example in terms of the degree of autonomy and the kinds of policies and strategies that are put in place. The main differences seem to be between the state-owned and private-owned ones. In the state-owned one, the governments usually push the political interest in the decision-making process and a more bureaucratic process in decision-making is expected. In addition, state-owned ones can have access to the governmental budget which makes them very important and probably more reliable in responding to crisis times. However, because of their dependence on the government, compared to private organizations, public organizations are more rule-bound, less flexible, and concentrated on providing public goods and being receptive to public needs because they are dependent on the assistance of the government to function, while private organizations priorities profitability and competitive advantage (Cummings and Worley, 2015).

According to Maussen (2019), each year, ECAs' share to cover investments abroad is estimated at an average of USD 200 billion. According to Berne Union (2020a, p.3), "the role of an ECA is typically to fill market gaps and to provide capacity for higher-risk transactions characterized by long tenors, very large ticket-sizes, high-risk markets, or involving SMEs". However, based on World Economic Forum (WEF), for half of the world, trade finance plays an important role as one of the top three export barriers and they also estimated that the financial trade gap or the amount of rejected trade finance probably will reach to USD 2.5 trillion by 2025 which is mostly in developing countries (Auboin and Behar, 2020).

Accordingly, the efficient and effective work of ECAs should be more emphasized. In addition, most of the researchers who studied the effect of export credit services on the growth of export and international trade found a positive relationship between these two variables such as the studies of Dewit (2001), Rienstra-Munnicha (2002), Veer (2010), Chor and Manova (2012), Felbermayr and Yalchin (2013), and Auboin and Engemann (2014).

By considering decision-making as the main job of managers, a positive key differentiator, and a link in the value chain of an organization, it is so important to study the effectiveness of decision-making deeply in any organization (Simon, 1948) (CIMA¹, 2007). Especially, when we are talking about effectiveness in the international market, the complex nature of this market, and the ability to provide export credit for the exporters, the role of decision-makers in export credit agencies should be studied. In the previous studies in the area of export credit agencies, to the best of my knowledge, most of them focused on the role of export credit services on the growth of exports and most of them found a positive effect of export credit services on the growth of exports. Besides, there are a few other studies that looked more at the organizational aspect such as Adabi Firouzjaee et al. (2023) researched and compared Iran's export insurance and guarantee offered by EGFI (Iranian ECA) to six ECAs in Italy, Germany, Belgium, India, South Korea, and Exim Bank of Turkey; Saghir (2020) investigates the UK Export Finance (UKEF) governance and ownership structure, as well as how it complies with corporate governance principles; Yazdi et al. (2019) evaluated the performance of some ECAs in 2014; Janssen (2016) used a cross-section study to determine whether certain elements of the ECA setup are connected to higher yearly new commitments; Hajjialiakbari and Zanjani (2014) assessed the quality of service provided by EGFI and its influence on attracting exporters; Aydemir and Gerni (2011) studied the exporting firm's service quality views and expectations of Turk Eximbank (Turkey's ECA). To the best of my knowledge, there is no scientific research regarding the decision-making process in export credit organizations, especially in a qualitative method. Regarding the lack of research in export credit areas, Picha et al. (2016, p.325) mentioned that "in view of the high level of complexity and its often stressed importance for national economies, it is surprising to find that export financing schemes have been so little studied". Accordingly, I have perceived that there is a point of ambiguity in the area of effective management decision-making in export credit agencies and its limitations. Therefore, by understanding how important is the role of export credit agencies in trade finance, this study focuses on the decision-making of export credit agencies as an important role in the effectiveness of export credit agencies in achieving their goal. In this regard, Iran and Hungary are chosen as the scope of this study.

To understand the characteristics of Iran and Hungary as the host countries of the ECAs studied in this thesis, some relevant indices in Iran and Hungary that can be related to the topic are compared in the following which are Export of Goods and Services (% GDP), Government effectiveness, Human Development Index (HDI), Ease of doing business, Cultural dimensions, and Management and Leadership styles that are discussed in the chapter 2. In summary, the share of export in GDP in Hungary is considerably higher than in Iran. Government effectiveness in Iran is not desirable while in Hungary seems to be more effective compared to Iran. Based on the HDI index, in both countries, it seems that good humane infrastructure and capabilities is available. Doing business and getting credit in Hungary is much easier than in Iran. Based on the cultural dimensions and management and leadership styles, it seems that the management systems tend to be hierarchical in both

¹ The Chartered Institute of Management Accountants

countries. However, in Iran compared to Hungary it seems that the decision-making style tends to be more autocratic.

In the first chapter, a short background, aims and objectives, research questions, the relevance of the study, the scope of the study, and the limitations of this study are mentioned. In chapter 2, the literature review is discussed based on the accessible resources on the topic. In chapter 3, the research philosophy and methodology are introduced. In the chapter 4, the research samples are explained. In the fifth chapter, the result of this study is given. Chapter 6 is the conclusion of this study and then finally the references and the appendix of the study are provided at the end of the thesis, respectively.

1.3 Aims and Objectives

The aim of this study is first to indicate the decision-making approach of the export credit agencies to show how it works, discover the position of group decision-making in ECAs, and how the authority of decision-making is distributed. Second is to investigate that to what extent they are flexible to change their approaches if needed. Third is to answer the question of how the decision-making process may face a change in unusual or crisis times. Forth is to understand the decision-making approaches' limitations in the work setting of export credit agencies. Fifth and finally, to figure out how the decision-making process in these organizations can be effective, and find the most important factors in the effective decision-making process of the ECAs.

To achieve these purposes, after reviewing the related literature about the topic which was limited due to the limited previous studies about ECAs, I investigated them by empirical analysis based on the data collection via interviews. The samples of this research are in Iran and Hungary.

1.4 Research Questions

Defining a question for this study has been a challenge because, to the best of my knowledge, there were no scientific studies specifically regarding decision-making in export credit agencies. After studying the articles in the close area and my own previous experience in studying the impact of export credit insurance on the export of the selected countries in my master thesis, I found an empty place for studying the management and specifically decision-making in these organizations. Accordingly, I decided to have a specific look at the decision-making process in export credit agencies. I defined the main question of this study as follows:

- What is the approach to the decision-making process in ECAs, what limitations do decision-makers face, and how can the decision-making process be more effective in these organizations?

However, to investigate it more clearly and in more detail, by studying the literature review on the topic well, the research work aimed at studying the following questions:

1. How do managers in ECAs decide and what are their decision-making approaches?
2. To what extent decision-making in these organizations is group decision-making?
3. How the authority of decision-making is distributed in the ECAs?
4. How decision-making process can be effective in ECAs? What are the important factors for being effective in the decision-making process in ECAs?
5. What limitations do they face in their decision-making process?
6. How flexible are ECAs in response to a need for change in their decision-making?

7. What is the approach of ECAs when there is a need for urgent decision-making or in a crisis time?

1.5 Relevance of the study

To the best of my knowledge, past academic studies regarding export credit organizations whether it is a bank, credit insurance company, ECA, or other kinds of export financing, were mostly about their effect on the growth of exports. Actually to find out about the necessity of the existence of these organizations and expanding their activities, researchers mostly looked outside of these organizations. The organizational studies regarding this subject are very limited. While in this study, I investigated these issues from inside the organizations and by considering the importance of export credits, studied how the decision-making system works there, what is the decision-making approach, and what issues people face in the decision-making processes. According to all these noted content, the novelty of this study is to investigate the decision-making in export credit agencies in management areas without predefined expectations. So, I have conducted an exploratory study. It is a qualitative and social constructionist study where generalization is not an issue. When conducting an exploratory study, we don't need necessarily to have a set of hypotheses (Easterby-Smith et al., 2015). Although some questions were defined for this study, I was open to new issues and questions that came up during the study.

1.6 Scope of the study

The scope of the study is Iran and Hungary. Primarily it was planned to collect data from the Export Credit Agencies (ECAs) in Iran and Hungary. The names of the ECAs in Iran and Hungary are respectively, "Export Guarantee Fund of Iran (EGFI)" and "EXIM" which is the integrated organization of Hungarian Export-Import Bank Plc. (Eximbank) and the Hungarian Export Credit Insurance Plc. (MEHIB). However, due to the progress process of the study, in addition to ECAs, I collected some data from banks in these countries that provide somewhat similar services to have broader knowledge and comparison in this matter.

1.7 Limitations of the study

In this study, there are some limitations in literature reviews, empirical part, and also not having enough information in the area of ECAs itself. As the title of this study is "decision-making in export credit agencies", to the best of my knowledge, not only there is not any scientific study about the decision-making process in ECAs but also scientific studies regarding the area of ECAs are not many. Accordingly, finding relevant literature reviews has been challenging. Besides, there is not too much detailed information about operations inside the ECAs. It may be because of the lack of transparency and lack of accountability. "ECAs do not generally share information on their financial operations" and "officially ECAs report to national authorities, but in practice, the scrutiny is loose and random" (Export Credit Agencies, n.d). According to this, it can be understood that reaching out to the ECAs for interviews has been a big challenge.

Regarding the limitation in the empirical part, the issue is that as the interviews were conducted in Iran and Hungary, it cannot be generalized to all the ECAs. To be able to generalize the results, the interviews should be done with large numbers of ECAs in the world. As I only had access to Iran (my home country) and Hungary (the country where I study), plus considering the limited time of the Ph.D. study, that was not possible and

realistic. However, like other usual qualitative analyses, and more specifically in conducting interviews among managers, as the sample quantity is not too much, the point of study won't be about generalizing.

Chapter 2. Literature Review

2.1 Introduction

In this chapter, the purpose is to review the related literature on the subject. According to this aim, after giving an overview figure of this chapter, 3 main subchapters of literature reviews about ECAs, Literature reviews about Decision-making, and Countries' characteristics, are explained. The outline of the chapter into three layers of subchapters is shown in Figure 2.1. To avoid complexity in the figure, layers 4 and 5 of the subchapters are not shown.

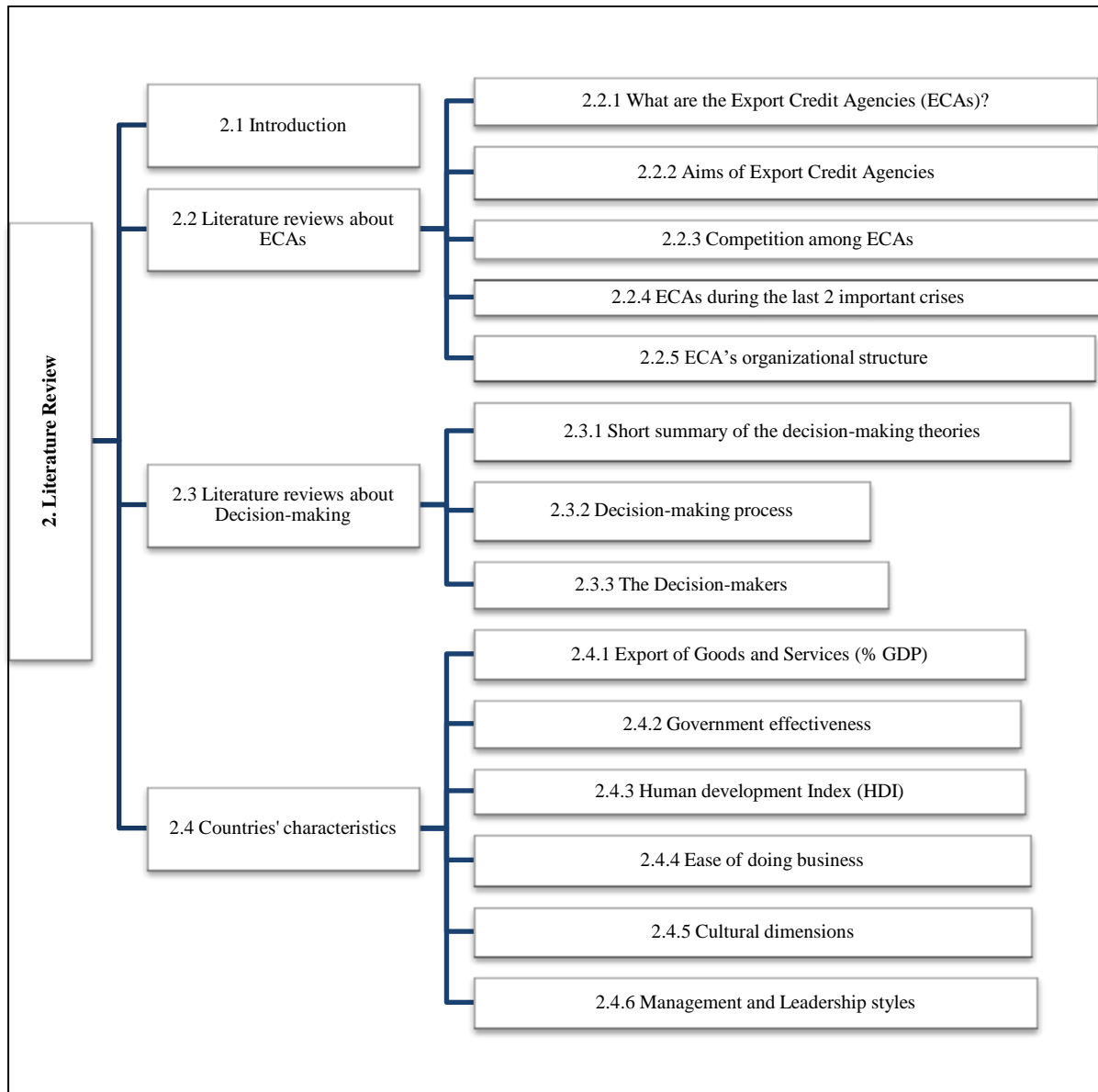


Figure 2.1: Outline of Chapter 2

2.2 Literature Reviews about ECAs

2.2.1 What are the Export Credit Agencies (ECAs)?

According to OECD (n.d.), “Governments provide officially supported export credits through Export Credit Agencies (ECAs) in support of national exporters competing for overseas sales.

Such support can take the form either of “official financing support”, such as direct credits to foreign buyers, refinancing or interest-rate support, or of “pure cover support”, such as export credits insurance or guarantee cover for credits provided by private financial institutions”. ECAs are highly specialized organizations that can be banks, insurance companies, financial institutions, government dependency, or a combination of some with the national government’s support or approval aimed at promoting the country’s exports by covering the political and commercial risks exporters face (Gianturco, 2001).

According to Gianturco (2001), in 1919, the first official export credit programs were established in the UK to help unemployment and exporters start again after World War I. The government of developed countries found out that there is a special need to establish export credit agencies (ECAs) since the private credit insurers did not want to or may not be able to cover the credit risks for exporters (Salcic, 2014). It’s good to know that the first export credit insurance program which was privately owned was established by the Federal of Switzerland in 1906. Their provision was that income should be high enough to cover potential losses (Gianturco, 2001). However, during the 1980s, lots of ECAs experienced big losses because of low-interest rates and not-so-good financial planning for increasing income and getting the money back for losses happened. Then they changed their strategies to also be profitable. Successfully in the 1990s, most ECAs were profitable (Gianturco, 2001).

“In recent years, ECAs are estimated to have supported between the US \$50 - \$70 billion annually in what is called ‘medium- and long-term transactions’, a great portion of which are large industrial and infrastructure projects in developing countries” that the majority of these projects have significant effects on the environment and society (What are ECAs?, n.d.).

ECAs have critical roles in an export-focused economy (Yazdi et al., 2019). ECAs have been successful in helping the produced goods industry, encouraging friendly nations while punishing unfriendly nations, developing new products and important sectors, improving the economy of poor countries, assisting foreign direct investment, improving domestic purchasing power from foreign providers, improving domestic employment, increasing business revenue and profits, and strengthening country’s tax bases by promoting exports (Gianturco, 2001).

Export credits usually cover political, commercial, and economic risks (Posner, 1997). The political risks arise from foreign exchange conversions, money transmission problems, cancellation of the export or import licenses, and new restrictions or extensions to export contracts due to changes in government policies or systems. The economic risks are arising from the instability of a country’s economic conditions. The commercial risks are the buyer’s bankruptcy, non-repayment of the buyer, non-acceptance of the goods by the buyer, and termination of the contract. Salcic (2014) categorized these risks into two groups of political and commercial risks. He mentioned that the cover for these risks is not the same for all ECAs. He added that cover for political risks is way more than others even, it usually reaches 100 percent of the claims but in commercial risks, it is hardly more than 90 percent. This is because, in commercial risks, exporters themselves can reduce these risks by trying to compensate for the claim by communicating or making some considerations with their customers. In addition, it is expected for exporters to avoid or decrease the loss caused by commercial loss by doing their business more cautiously and using more business and financial skills.

Gianturco (2001) explained that ECAs have been established to increase exports, improve domestic industries and production, and increase access to international markets for local small and medium-sized businesses by providing them credit insurance and giving them guarantees to bank financing. Export credit agencies usually are not competitors to private insurers or banks. They cover the exporter's risks where other credit insurers and banks are unwilling to accept their cases. ECAs are 'flexible instruments of national policy' (Gianturco, 2001; Ray, 1995). This sentence shows the power and the effect of state policy on ECAs. ECAs especially the fully government-owned ones may need to follow the government's command to support or not support some special cases based on their decision for the political benefit of the country. Accordingly, it can be concluded that ECAs being a business and at the same time as the government's instrument make its management so challenging.

Some reasons show the need for official export credits are as follows (Ray, 1995, p 8-12):

1. *Market Imperfection*: When the project is undesired for the commercial organizations providing export credits. For example, when the project is too risky or the size of the project is higher than the ability of the organization.
2. *Self-defense*: It means that some countries use official export credits (or add more services to their existing services) to match with other countries, especially the ones that they are doing trade with, and facilitate the trade negotiations.
3. *Development Aid*: Governments may want to assist development by increasing funding for specific projects or industries in developing countries.
4. *Mercantilism*: To assist a local exporter in obtaining an export contract that might otherwise be given to a more competitive foreign enterprise.
5. *Old Imperial Ties*: Export credits backed by the government were an effective tool for keeping, developing, and guiding old colonial trade connections.
6. *Short-Term Attitudes*: When export credits are approved, the power of the time generates a diplomatic positive reputation. They usually don't think long-term. If the money will be repaid, it is fine, but if not they let the next elected government deal with the money lost.
7. *Institutional Inertia*: This helps the ECAs find a reason to continue their existence. Now, they have experienced professional, and skilled employees. They would extend additional export credits to legitimize their ongoing existence.

Although ECAs play a vital role in support of international trade, they don't receive enough attention either from society or in the scientific world as Gianturco (2001) called them "unsung giants". According to him, even the percentages of exports that are not covered by ECAs are under the influence of them by their trade willingness or policy to some countries and products.

According to Gianturco (2001), what programs the ECAs offer should be based on the countries' specific needs and characteristics. They should be aware of which industries need financing and the priorities for the country. In addition, Salcic (2014) mentioned that there are some differences in the organization of ECAs that he identified the country's economic situation, the goods and services that are exported, and the history of the trade in the country as the most important reasons for the differences. However, in most countries, private insurers and banks are not willing to cover the political risks and probably most of these risks should be fully covered by ECAs. These risks usually belong to the export contract with a large amount of money involved which are mostly for medium- and long-term (MLT), investment insurance policies, and/or the export cases that the imported area is non-

marketable. According to Salcic (2014), private credit insurers, nowadays, cover short-term export credit risks but still, the medium to long-term risks are covered mostly by ECAs as they have more support from the state. According to Gianturco (2001), the activities of ECAs are expanding, while their business risks are increasing as well.

The final but very important issue to discuss in this section is the ownership of the ECAs. When analyzing the decision-making, the ownership of the organizations plays an important role. There may be some confusion about ownership and to what degree they have the support of the government. According to Yazdi et al. (2019), a few ECAs are privately owned, whereas the majority are government-run. However, Salcic (2014, p. 9) pointed out that ECAs can be classified into three groups:

1. The first group is totally or partly state-owned which are banks or financial organizations. They are organized as an export-import bank when they are formed as a bank.
2. The second group is private insurance organizations that behave on behalf of the state. Such ECAs report to a ministry that provides official assistance to national exports. These ECAs' offering of ECA cover is distinct from their ordinary insurance operation that is undertaken without official support.
3. The third group is government agencies. When a government agency covers export credit risks, the government acts as an insurer.

However, when it is necessary, all of these three groups may receive state support (Salcic, 2014) because the result will be in the benefit for country's export and national economy which is the main reason for establishing ECAs.

2.2.2 Aims of Export Credit Agencies

The main aim of the existence of ECAs is to support exporters to improve the economic situation in their country. According to Gianturco (2001), the aims of establishing ECAs are (1) to increase exports by reducing exporters' risks and making it easier to use the bank financing with guarantees provided by the ECA; (2) Accordingly, production will increase which causes domestic economic development; and (3) to assist small and medium-sized businesses who are unable to access the financing markets. According to Cohen and Eimiske (2002), people need to see that they are considered noticeably in the decisions of public organizations' managers. In the case of ECAs, exporters need to see that they are supported by the specialized public agency. Meanwhile, the support may be more effective if there are some limits and it will be defined in the business context. According to Gianturco (2001), the aim of the existence of ECAs should not be to support exporters often and often to the 'poor payers' or to the inefficient industries, to subsidize the export credit, to be an aid program, and not having too much of the exceptional cases. In addition, public managers sometimes face a problem in having long-term goals because they focus on political interests that may change rapidly and be out of their control. In this regard, Cohen and Eimiske (2002) pointed out that effective public managers learn to anticipate policy shifts and create agile organizations able to quickly reorientate. Sometimes managers in public ECAs like other public organizations mostly have a mission mindset which means they only focus on supporting exporters even in inefficient cases. According to Ryan (1999), governmental organizations (especially non-profits) sometimes choose non-effectiveness to serve their customers. Similarly, state-owned ECAs may choose non-effectiveness to support exporters because they may believe that at the very first level their mission matters. Mostly, they invest mentally and financially in accomplishing their mission rather than in financial sustainability. However, in my opinion, by thinking out of the box they can guarantee better their financial

sustainability independently from the government. In addition to this ‘mission mind-set’, they can develop what Ryan (1999) called a ‘business mindset’ to increase profitability. Barenblat (2018) said that “finding a sustainable funding source enables mission-minded leaders to focus on impact rather than an exit”. What will be a more sustainable funding source than the organization’s growing income?! In my opinion, one reason that ECAs’ managers may be willing to focus more on the mission is what Cohen and Eimiske (2002) called “public image”, or even more broadly “global image”. However, the competitiveness of ECAs may be defined in the political and economic concept, not the business aspect. It means that politicians in power use ECAs to achieve their goals in political aspects and also empower the countries’ places in the international market that in subchapter 2.2.3 is discussed more in detail.

There are some main economic and financial objectives that most of the ECAs have and managers should consider (Gianturco, 2001, p. 13-14):

1. *Economic objectives:* The very main objective of every ECA is to support exports, mostly nontraditional exports even to the risky regions to diversify the import market and also export different products and services especially when there is a national interest. Because by increasing exports, domestic employment will also increase and the balance of payments will improve. They don’t compete with other export finance organizations. They aim to complete and cover the case which is not in the ability of those organizations to make sure that exporters get the best credit insurance, finance, guarantee, or assistance and also secure the position of these organizations and encourage them to insure exports with better services. By assistance, it means that they try to increase the exporter’s knowledge to decrease the risk of loss.
2. *Financial objectives:* Although they should support exporters, they should also care about earning income by getting sufficient interest rates and premiums, and insure the cases which are reasonable except for important political interests. It is what Gianturco noted to “operate in a business fashion”. They should be sure that they are insuring the cases with a higher return on capital. Therefore by increasing the capital value of the organization, the operations and services can be improved. In addition, they should be sure about their financial resources to make quick payments in the case of loss. Developing coinsurance and reinsurance as risk-sharing with other ECAs provides better portfolios.

2.2.3 Competition among ECAs

“ECAs are fundamentally mercantilist in nature” (Dawar, 2020, p. 376). Mercantilism was a form of economic nationalism that intended to increase a country’s strength and wealth through trade restrictions. Its objective was to raise a state’s wealth supply through exports rather than reducing it through imports. Additionally, it aimed to promote domestic employment (Kenton, 2022). Governments can provide support for exporters through ECAs that the private sector is unable to provide, either due to a lack of availability or a lack of information necessary for the private capital market to adequately assess the risks of the transaction. Governments are better placed to have access to the data needed to evaluate the transaction’s risks (Dawar, 2020).

According to Evans and Oye (2001) and Dawar (2020), ECAs are competing with each other and their competition is mostly about promoting their countries’ exporters in international trade markets. A foreign buyer’s decision between various exporters is

increasingly influenced by the terms of the help they can get from an ECA. “For while export credit subsidies can be used to address market failures in international financing, they can also divert business away from more efficient competitors, and trigger subsidies wars in which exporting nations waste resources competing with each other to confer a competitive advantage on exporters. Indeed, ‘among the various forms of export subsidies, subsidized export credits arguably have the most immediate and thus greatest potential to distort trade flows” (Dawar, 2020, p.374). One of the tools to control these subsidies and regulate them is the OECD arrangement on officially supported export credits.

According to Dawar (2020), the most specialized legal tool for regulating officially supported export credits is the OECD Arrangement which includes important terms stating that any official export credit support is subject to repayment obligations. Based on TAD/PG(2022)1 and OECD Arrangement (n.d.), the participants of this arrangement are Australia, Canada, the European Union, Japan, Korea, New Zealand, Norway, Switzerland, Turkey, the United Kingdom, and the United States. These participants may invite other OECD members or non-members to become participants. The participants have reached a “gentlemen’s agreement” in the form of the Arrangement. The Arrangement was established for the first time in 1978. Since then, it has consistently been improved and updated to take into account the needs of Participants and market changes. The main goal of the Arrangement is to set up a framework for the orderly application of officially supported export credits by encouraging fair competition among exporters based on the value and cost of exported goods and services rather than the most advantageous officially supported export credits. To this objective, the Arrangement restricts the terms and conditions of the financing “(repayment terms, minimum premium rate, minimum interest rates)” to be employed when issuing export credits that are officially supported in addition to when participants use tied aid. The Arrangement includes a number of requirements on participants’ transparency to make sure that these limitations are really implemented. Along with defining the financial prerequisites for export credit support, the OECD also requires that OECD participants’ ECAs address anti-bribery, environmental, social, and human rights impacts, as well as sustainable lending to heavily indebted poor countries when they support exports by way of export credits (Dawar, 2020).

Other countries may not agree to the terms of this arrangement. Some non-members like China, India, and Brazil which are considerably active players in the market of export financing, do not have to follow these rules (Dawar, 2020) (Massa, 2011). In previous years, China was the BRICS (Brazil, Russia, India, China, South Africa) countries’ top export credit supplier for official medium- and long-term (MLT) export credits. Although China was the top official MLT export credit provider globally in 2021 as is shown in Table 2.1, according to U.S. EXIM research, its official export credit support for MLT appeared to decline by 37% in 2021 from slightly less than \$18 billion in 2020 to around \$11 billion in 2021. According to a number of analysts, the reduction was the result of a COVID-driven decline in project completion and/or a planned resetting of Chinese goals for ECAs in reaction to criticisms and claims. In addition, some participants in the export finance industry think that this decline in activity is caused by a number of causes, such as China’s ECAs getting closer exposure limitations in some heavily indebted nations, borrowers looking to diversify their sources of financing, and more affordable private sector offerings (U.S. EXIM, 2022).

In Table 2.1, the 12 top countries providing official MLT export credit volumes in the year 2021 are given. Among these 12 countries, China and India are not providing export credits under the OECD Arrangement.

Table 2.1: Top 12 Official Medium- and Long-Term Export Credit Providers in 2021

	Country	MLT Volumes (in Billions USD)
1	China	11.0
2	Italy	10.9
3	Germany	7.2
4	France	5.9
5	Sweden	5.4
6	Korea	4.8
7	United Kingdom	4.0
8	Netherlands	2.9
9	Belgium	2.5
10	Denmark	2.4
11	United States	2.2
12	India	2.1

Source: Adopted from U.S. EXIM (2022)

Accordingly, for exporters whose countries' ECA is a participant of the OECD arrangement, this international market may not be a fair market to compete with the exporters from the major export credit provider countries that are not obliged to follow OECD arrangement regulations. Based on U.S. EXIM (2022, p. 34), through various country policy-based and ECA-specific adjustments, a significant number of ECAs seem to be revising their approach to official export finance in 2021. The principal areas of evolution consist of: "ECA OECD Developments", "Climate-related Programs and Enhancements", and "New Financing Capabilities and Increasingly Proactive ECAs". About "ECA OECD Developments", the OECD Arrangement faced revisions in 2021 that gave OECD ECAs more flexibility to compete with non-OECD ECA MLT financial support. The 'Modernization' process, which might potentially reorganize the Arrangement's regulations, also entered official negotiations. Concerning the "Climate-related Programs and Enhancements", with a focus on supporting climate-friendly projects, ECAs are modifying their policies to be in line with regional, national, and international climate finance initiatives. They want to increase their support for clean energy efforts while also offering aid to sectors of the economy that have negative environmental effects throughout their transition. Finally, about the "New Financing Capabilities and Increasingly Proactive ECAs", to meet the demands of exporters or potential exporters, ECAs also improved the range of their product offers. A significant number of ECAs actively participated in their governments' national economic and trade goals in 2021.

2.2.4 ECAs during the last 2 important crises

In times of economic crisis, trade finance—especially short-term financing—often becomes extremely vulnerable (Chauffour and Farole, 2009). According to Smallridge (2021), in the last three decades, for ECAs, there were a number of patterns for economic crisis interventions, followed by recovery such as a source of capital, filling the market gaps, and acting as a market signal. The two last important crises in which ECAs had outstanding effects on the financial markets were the financial crisis during 2008-2009 & economic challenges due to the COVID-19 pandemic. In the following, the role of ECAs in the mentioned crises is discussed.

2.2.4.1 ECAs & the financial crisis during 2008-2009

The importance and role of ECAs were predicted to diminish as commercial financial markets became more stable in the 1990s (Dawar, 2020). However, in and after the crisis of 2008-2009 again the ECA's role was more significant. According to Singh (2010), during the

few years before the 2008-2009 financial crisis, due to the abundant liquidity and a thriving derivatives market, there was an overwhelming sense that the rise of private companies and innovative risk management products would render official ECAs obsolete. However, once again, a crisis changed the game in the market and the role of ECAs became more crucial. ECAs have been given new life by the crisis and have been given the chance to reclaim their place as the main actors in the trade finance markets. Official ECAs have stepped in to fill the enormous gap left by the private sector. As commercial banks withdrew as funders and risk-takers of medium- and long-term export finance, official export credit support became essential to maintaining liquidity in the global trade system. ECAs have been revising their definition of what they do to include it as a key component of the overall industrial policies of the government (Dawar, 2020).

According to Swiss Re (2014), from 2008 to 2009, insured trade credit limit reductions were 18% and global trade decreased by 23%. According to certain insureds, during the crisis, limit reductions for important buyers harmed their trading activities. The significant drop in trade credit insurance during the crisis is likely due to both lower demand and a decrease in insurers' risk appetite. Trade credit insurers have come under criticism for allegedly escalating the decline in trade during the financial crisis. In particular, insurers have been criticized for canceling limits, boosting premiums unreasonably, and failing to appropriately inform clients of these changes. However, in the aftermath of the crisis, several of the International Credit Insurance & Surety Association (ICISA) members have modified the way they communicate with clients about credit limit decisions.

According to Morel (2011), the impact of the global trade downturn was felt by all credit insurers from the peak in mid-2008 to the first quarter of 2009. Both public and private Berne Union members noted a decline in credit limits extended in that period, with a few ECAs as an exception. But from the second quarter of 2009, the majority of players in the private sector kept lowering their credit limits, but the ECAs raised theirs. This was because governments specifically requested that their ECAs fill this gap supply in export credit insurance. In Table 2.2, data from the Berne Union is given that shows the share of short-term trade credit limits provided by ECAs increased from 15% between 2006 and 2008 to 21% in 2009 and continued to increase in 2010 to 28% (Morel, 2011).

Table 2.2: Share of ST credit limits private – public insurers (Berne Union members)

	2006-2008	2009	2010
Private insurers	85%	79%	72%
ECAs	15%	21%	28%

Source: Morel (2011, p. 343)

It is worth noticing that years ago before this crisis, EU ECAs left the ST marketable risk sector to the private insurers because of the EU regulations. However, by offering them the necessary ST credit insurance during the crisis, EU ECAs helped and still aid thousands of European exporters, mostly SMEs. Although the period was challenging for ECAs as well, they were able to swiftly put into place measures requested by their governments, to bolster the capacity of the private sector while they were simultaneously paying out claims (Morel, 2011).

Regarding MLT insurance, Claims paid to customers by BU member ECAs in 2009 increased by almost three times over the amount paid in 2008. In 2009, the overall amount of

new MLT exports covered climbed consistently over each quarter to reach the highest level ever recorded of USD 191 billion for the entire year. The growth rate in 2009 was 25%, nearly double the 13.7% compound annual growth rate between 2005 and 2008. The situation is very different from the short-term business in the medium- and long-term areas. The constraints provided by the worldwide economy were met with diverse responses by different types of actors in ST, but the behavior of BU members toward MLT export credit insurance was largely steady. This is due to the fact that all BU members in the MLT industry are public insurers, ECAs with identical responsibilities to support national exports and national interests. In this period, ECA insurance coverage has frequently turned into a prerequisite for loans, without which banks were unable to finance MLT transactions (Morel, 2011).

In Figure 2.2, it is shown that during the crisis, the number of claims paid by export credit insurance increased very sharply in 2009. Therefore, this crisis besides the claims for exporters also causes a loss for export credit organizations. So one of the competitive advantages of export credit organizations might be to be able to survive in crisis periods and be able to cover the claims exporters might have faced that government support can make this possible. According to Balaton (2011), when a crisis happens, the important strategic question is what happens after that. Accordingly, we should take it seriously before, during, and after the crisis. After the crisis happened during 2008-2009, the important role of export credit insurance and guarantees became more visible for exporters and bankers; they mostly seek support from ECAs to feel safer in turbulent and crisis times (Picha et al., 2016).



Figure 2.2: Claims Paid by Berne Union Members during 2008-2012

Source: Berne Union (2013, p. 56)

After the crisis, in addition to increasing the volume of the services, some new ECAs emerged, many ECAs introduced new products, new clients approached ECAs who previously used the private companies services, stronger ties to multilateral development banks financially happened, a new push for public-private partnerships with private insurers, ECAs, and commercial banks was in the place, and it had an impact on the international regulatory framework (Singh, 2010). Asmundson et al. (2011) referred to an OECD assessment of ECAs that showed in some OECD countries, certain ECAs report portfolio growth with an increase in new commitments of between 30 and 50 percent. Due to greater

usage of current ECA programmes and new programmes or raised limits launched in response to the crisis, ECA's coverage of trade has increased.

According to Saborowski and Chauffour (2010), ECAs played an important role in protecting trade during the global crisis from completely collapsing. However, not all nations have ECAs or similar institutions, and those countries may be reliant on foreign finance. They referred to Iacovone and Zavacka (2009a,b) that history has demonstrated that during banking crises, countries with export sectors that rely more on foreign finance grow noticeably less than other sectors. Accordingly, the strong role of ECAs in international trade should not be underestimated as the crisis proved that ECAs are an essential component of the sector, complementing the private market by demonstrating their capacity to offer risk capacity (Morel, 2011).

Regarding the change in regulations in that period, there are examples of OECD arrangements in export credits. In July 2009, one of the modifications in the main body of the arrangement compared to the previous version was (TAD/PG(2023)8, p.18) as follows:

“Modification of Article 11 a) - modification of the definition of the countries in Category I for maximum repayment terms (to widen the range of countries that benefit from 10-year maximum repayment terms instead of 8.5 years and include emerging economies) in the context of discussions concerning the impact of the global financial crisis on export credits”.

As can be understood from the quota, the article was modified to expand the range of countries that can have more time for the repayments. Another modification in this respect was to the Project Finance Sector Understanding (Annex X) that the high-income OECD countries were not limited to the repayments for a trial phase (TAD/PG(2023)8, p.19):

“In the context of discussions concerning the impact of the global financial crisis on export credits, the limit on the repayment period for projects in High Income OECD countries where Participants comprised more than 35% of the syndication (10 years instead of 14 years) was removed for a trial period until 31 January 2010 [modification of Articles 2 and 3 and introduction of Footnotes 1 a), b) and c)]”.

It is interesting that in both modifications, it was for easing the conditions of export credits.

2.2.4.2 ECAs during the COVID-19 pandemic

Once again, governments turned to their export credit agencies (ECAs) to step in and try to fill the financing gaps, in response to concerns about the cost and accessibility of trade finance as a result of the serious effect of the COVID-19 pandemic on the global economy (OECD, 2020). However, the COVID-19 crisis differs from earlier crises in that it is a single unanticipated shock. The type and scale of the disruptions produced to the trade world, and more specifically to the world of trade financing, are likely to be different than in the past, therefore governments may not be able to merely depend on the expertise learned from earlier crises to counteract its detrimental consequences (OECD, 2021). According to Basquill (2020), Export credit agencies (ECA) stepped up by creating or increasing coverage for working capital programmes, rather than the usual project-led finances, when Covid-19 nearly brought global trade to a halt. He referred to UN data, that the value of global goods trade between April and June 2020, when containment efforts were at their height in most regions of the world, was 19% lower than during the same time in 2019 - the largest decline

since the financial crisis in 2008. He also referred to the Berne Union reports that in the first half of 2020, new coverage for domestic risks climbed among its members by 50% compared to the previous year, reaching a total of US\$36 billion.

In response to COVID-19, the majority of ECAs have enhanced their flexibility and loosened terms for policyholders, sped up approvals and handling of claims, raised their risk appetite, and provided concessions by eliminating fees or being flexible on fees and premium settlement (Smallridge, 2021). “OECD countries and their ECAs have reacted quickly and taken a number of measures aimed at bridging financing gaps, such as increasing the capacity for support of ECAs, expanding working capital programmes, introducing new facilities to support exports and exporters, and introducing more flexibility to the terms and conditions of official support” (OECD, 2020, p.4).

According to OECD (2020), Governments and ECAs saw the need to concentrate their efforts on SME exporters since they are particularly susceptible to a crisis by 1. trade finance, 2. measures regarding the accessibility of domestic financing (working capital) to enable exporters to pay for the input costs of the products they produce for export. However, there was a concern about the rise of domestic finance by ECAs. ECAs changed their service lines and boosted their exposure to local transactions after the pandemic and there is the concern that the ECA’s role may be changing to one of broader support for government policy because the withdrawal of domestic offerings may be occurring more slowly than anticipated (Thompson, 2022). In my opinion, this can be because of the strong footprint of governments in ECAs that sometimes causes them to get far from their main aim. According to Berne Union (2022a), Berne Union’s members’ (includes ECAs, private credit insurers, and multilateral financial institutions) new business totaled USD 2.7 trillion in 2021, an 11% increase from the year before. This spike in new commitments was mostly caused by an increase in short-term (14%) and medium- to long-term (9%) export credits (Thompson, 2022). From this USD 2.7 trillion, USD 2.63 trillion is in products that directly facilitate international trade and investment, and USD 0.06 trillion is “in domestic support for exporters, indirectly supporting trade and investments” (Berne Union, 2022a, p.14). The volume of new business in both years of 2019 and 2020 was USD 2.52 trillion (Berne Union, 2021; Berne Union 2020b).

While ECAs are increasingly recognizing the advantages of these more adaptable, homegrown solutions, there are worries that they would restrict the amount of support provided to initiatives in developing nations or to smaller businesses that have limited access to capital (Thompson, 2022). The crisis looks to be having the biggest impact on ST trade financing, in part because of restrictions on access to trade finance opportunities brought on by the private market’s decreased risk appetite. However, it looks that MLT finance has withstood the current crisis better. ECAs may contribute to ST trade finance by boosting capacity and acting on liquidity. However, if the pandemic is harming the demand side and limiting the pipeline of projects, ECAs may have fewer options for influencing MLT trade finance (OECD, 2021).

Interestingly, from another perspective, Morton (2021) pointed out that Export credit agencies have long wished to work with a wider spectrum of corporations to promote exports. Due to the measures introduced during the pandemic period, the landscape for SME exporting and their relationship with export credit agencies is likely to change permanently after the crisis is over. For example, The Swedish export credit agency, EKN, increased its working capital guarantees for SMEs and larger businesses as the crisis took hold.

Morton (2021) mentioned from the experience of “Kim Richter, head of SME and Cleantech at Denmark’s export credit agency, EKF” that in two respects, the crisis would have a long-lasting effect. First, the way they worked with exporters and banks during the crisis, where they were compelled to use virtual meetings, etc., has shown to be pretty effective. Second, participating in the government’s initiatives to support Danish exporters gave them access to new markets. In 2019, they digitalized their working capital programme, which had a significant influence on their capacity to respond quickly to this crisis. However, Smallrigde (2021) noticed that after the crises, ECAs must keep in mind that the private sector’s ability and appetite will return. It is crucial that they remember to stay in their respective lanes, working primarily as a catalyst for worldwide recovery.

Just when ECAs began readjusting their COVID-19 measures as well as concentrating their attention on new markets, positive economic growth expectations were hampered by the invasion of Ukraine (Galdiz and Akita, 2022). Quintrell (2022) stated that after finally recovering from the COVID-19 epidemic, a number of other issues emerged including soaring inflation, skyrocketing energy, and food prices, and ... which are the consequences of the conflict in Ukraine. Accordingly, it seems that in our time, there is a never-ending story of crises that needs the significant performance of ECAs.

In Figure 2.3, the claims paid by Berne Union members are shown during the first half year of 2019 till the first half year of 2022. Most claims paid during this period are reported on the second half of 2020. As you can see in Figure 2.3, total claims paid decreased by 9% over the same period last year in the first half of 2022. However, according to Steenberg and Evans (2022), in the third quarter of 2022, insurers’ emerging claims increased for both ST and MLT risks that some insurers noted that pre-claims circumstances either directly or indirectly related to the conflict while the impact of the conflict in Ukraine on claims paid in the first half of 2022 was not immediately apparent. This is made tougher by the economy’s deterioration under the influence of inflation and the gradual phasing out of government support after the COVID-19 pandemic.

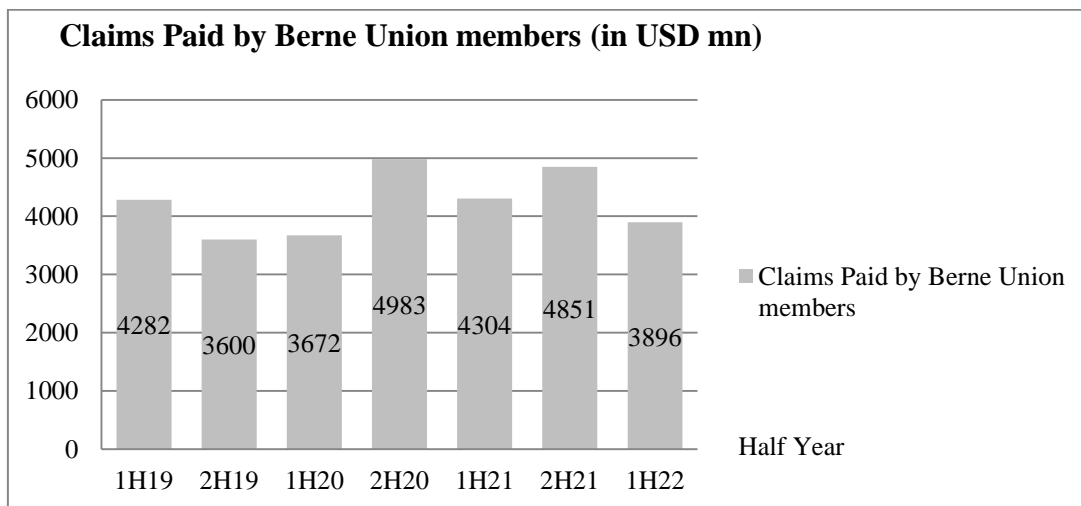


Figure 2.3: Total Claims Paid by Berne Union members (in million USD)

Source: Berne Union (2022b)

2.2.5 ECA's organizational structure

According to Daft (2008, chapter 10), there are five organizational structures:

1. *Functional structure:* This is a strong vertical structure in that the departments are grouped “based on similar skills, expertise, and resource use”. The command comes from the top of the organization. In a functional structure, Managers who are higher in the hierarchy make decisions and give orders to employees in the departments and the employees only should implement the decisions. The functional hierarchy of authority runs vertically which takes too long and delays decision-making.
2. *Divisional structure:* In this structure departments are grouped based on similar organizational outputs that are “sometimes called a product structure, program structure, or self-contained unit structure” (Daft, 2008, p. 316). In a divisional structure, the chain of command comes from lower in the hierarchy in comparison to Functional structures and the differences of opinions would be resolved at the divisional level rather than by the president. Here, top managers are mostly responsible for strategic planning, and decision-making is done by other managers in the hierarchy and the authority runs horizontally.
3. *Matrix approach:* In a Matrix structure, both functional and divisional chains of command are in the same part of the organization at the same time. The matrix structure supports a formal chain of command for both functional (vertical) and divisional (horizontal) relationships with equal emphasis based on authority. The employees must confront senior managers and reach joint decisions and then report to both of them. They need excellent human relations skills with which to confront managers and resolve conflicts. The functional or product boss, who is in charge of one side of the matrix, is the matrix boss. The top leader is responsible for the entire matrix and maintaining a power balance between the two sides of the matrix.
4. *Team Approach:* Based on Daft (2008), in recent years, probably the more common structure has been the implementation of the team concept. In an organization with a team approach, the responsibility is shared among managers to lower levels way more than in previous approaches and lower managers have the authority to make the decision.
5. *The Virtual Network Approach:* Organizations with a Virtual Network structure outsource their major functions such as accounting, design, manufacturing, and distribution to separate companies that are connected electronically to the central office. This system enables the organization to focus more on what they are good at and devote other activities to other companies that are specialists in the area.

Interestingly, Gianturco (2001) categorized the ECAs structure based on the size of the organizations. He mentioned that a usual structure of a full-service small ECA is divided into three major departments each headed by a director, and seven divisions each headed by a manager. Compared to the small one, a full-service large ECA reflects further programs, complex operations, branch offices, and workforces as the sample of these structures is shown in Figure 2.4. In both cases, ECAs are governed by the board of directors who has the authority of policy-making, considering that in many state-owned ECAs, the government ministry act as a “guardian authority” (Gianturco, 2001).

To compare the small and large ECAs structures, based on Daft (2008)'s categorization of organizational structures and by looking at Figure 2.4, both ECAs' organizational structures mostly tend to be more vertical, and probably they are “Functional”. In the functional structures, who is higher in the management structure, makes the decisions,

and others should implement them. Accordingly, it is assumed that decision-making authority in ECAs runs vertically. Both ECAs share so many similarities, especially regarding the authority in the organization. The difference is mostly about the number of sectors and staff in the organizations, programs, the branch offices. However, these differences may have a positive effect on the efficiency of large ECAs compared to small ECA. Gianturco (2001, p.112) argues that the larger ECAs are more capable of “handle the functions such as program evaluation and development, strategic planning, management information services, communications, and separate divisions for different types of finance” by establishing more specialized sectors and more branch offices. As is shown in Figure 2.4, larger ECAs have more specialized units for these functions. However, the structures in Figure 2.4 are just a general view of the possible structures for ECAs. Every ECA in every country has its system by considering the main defined principles for its establishment.

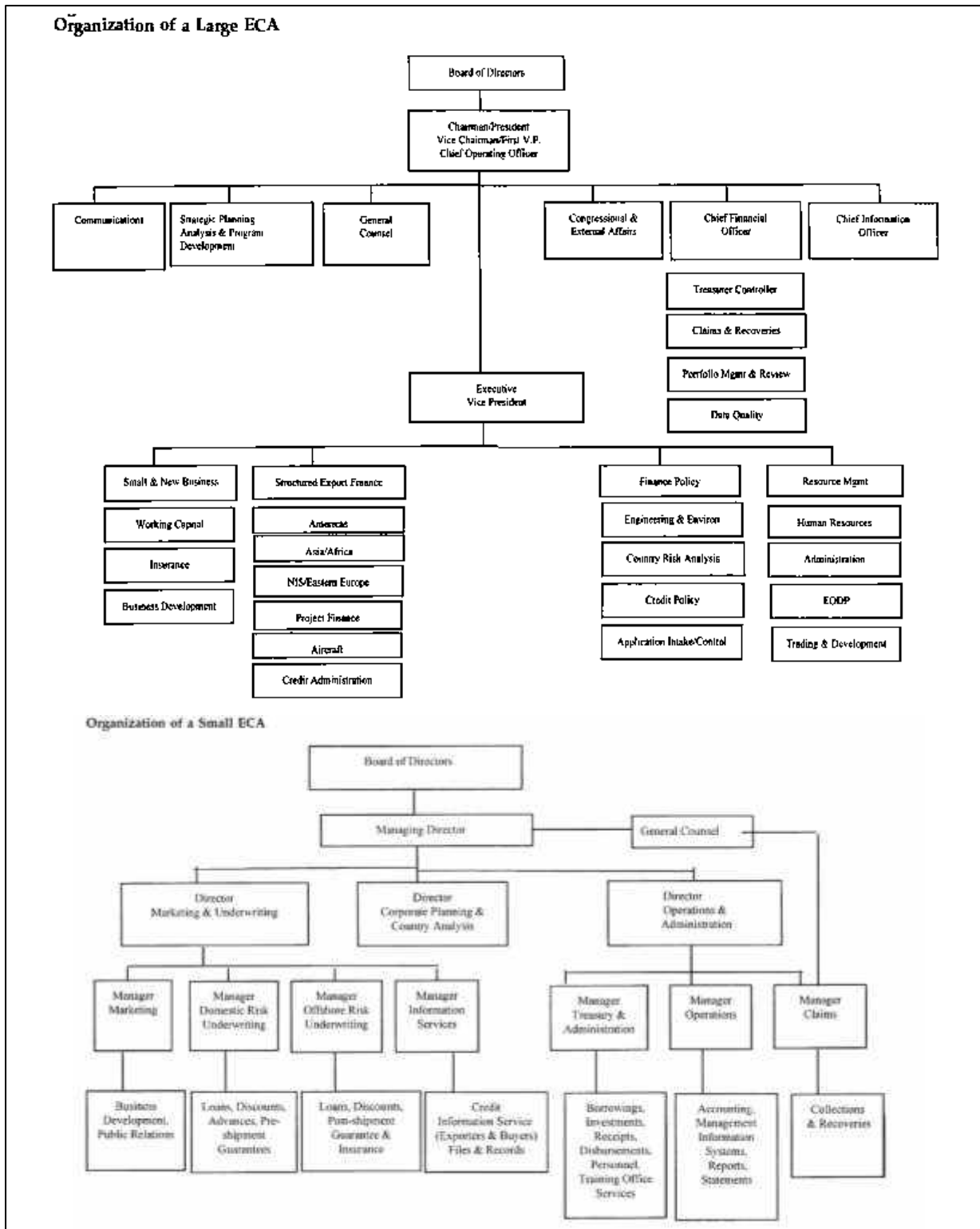


Figure 2.4: ECAs' Organizational Structure

Source: Gianturco (2001, p. 110-111)

Finally, despite the organizational structure, according to Gianturco (2001, p. 112-113), all successful ECAs have certain organizational traits, some of which are: “a shared vision of objectives at all levels, good communications throughout the organization, sound and comprehensive information systems, profitable performance as a key value, customer-driven business orientation, openness to outside influences, organization and administration, willingness to undertake new projects and programs, strong consistent leadership,

commitment to recruiting the best people, and progressive human resources development practices”.

2.3 Literature Reviews about Decision-making

2.3.1 Short summary of the decision-making theories

The important background on decision-making comes from the rational model which was introduced by neoclassical microeconomic theory around the middle of the previous century. It is assumed that managers know about every alternative and possible future consequences of implementing them and can be sure about their decisions (Kreitner and Kinicki, 2010). According to Browne (1993), based on this theory, managers decide completely rationally to find the most effective alternative for the problems they face. In this theory, decision-makers have complete information about the problems, the alternatives, and the consequences of choosing those alternatives and they decide with this knowledge they have about future outcomes.

However, Simon (1979), who is best known for the “bounded rationality” model, stated that the rationality of individuals is limited by the information shortage, the cognitive limitations of their minds, and the time limitation they have to make a decision. In the bounded rationality model, it is assumed that complete rational decision-making is not possible within these limitations. Therefore, instead of choosing the best decision, decision-makers become satisfied with the decision that seems good by the information they have, their experience, and their assessment in the limited time they have. Based on the bounded-rationality model, the decision-making process in most cases follows a steady and repetitive order. According to Kittisarn (2003, p. 29), Simon identifies five key deviations from the rational model that capture the behavioral components of management decision-making in formal organizations.

1. *Factored decisions*: Due to the complexity of the managerial decisions, it will be possible to address a limited number of their aspects at any given time. So they should divide the decisions into some parts and investigate them separately.
2. *Satisfying outcome*: Maximizing outcomes are replaced by satisfying outcomes.
3. *Search*: Alternatives are generated by organizations using reasonably steady, sequential search methods.
4. *Uncertainty avoidance*: Uncertainty is often minimized by making decisions that prioritize short-term feedback to allow for quick modifications in emerging results that appear to deviate from the intended objective.
5. *Repertoires*: Second and third alternatives are common in organizations, and they may be introduced if feedback suggests that a supposed satisfactory choice is not providing a good result.

Cohen et al. (1972) introduced the Garbage can model that describes decision-making in an “organized anarchy”. In their model, in an organization, a decision is the result or interpretation of multiple relatively ‘independent streams’. By independent streams, they mean problems, solutions, and participants/decision-makers that meet each other at a choice opportunity (the garbage can). However, this model is so descriptive and primarily it is suited for public service and non-hierarchical organizations; and it is mostly concerned with reactive decision-making rather than proactive decision-making. (Kittisarn, 2003 referred to Bass (1983) and Perrow (1977)).

Haidar (2016) categorized decision-making theories into two main models: expected utility theory and descriptive decision theory. According to his study, expected utility theory is a model for normative decision-making which is about the maximization of utility based on rationality. The weakness of this approach is that it does not consider the uncertainty and the moderating or intervening factors related to the situation. It focuses more on how a manager should decide. To fix this problem, descriptive decision-making theory is introduced which focuses on how managers actually decide. They aim to satisfy their vital needs even if there is doubt that the taken decision is optimal or not. According to Dillon (1998), under uncertainty, people make decisions based on heuristics by considering their knowledge and past experiences. Two branches of the descriptive theory mentioned in Haidar's (2016) study are prospect theory and bounded rationality theory. Bounded rationality theory is mentioned in the above lines. Prospect theory by two phases of framing and valuation explains decision-making under risk. During the framing phase, managers analyze the offered prospects to make decisions about possible prospects by considering the timely information, knowledge, and experiences. In the next phase (valuation), based on the opportunity-threat principle they assess the value of each prospect and then make their final decision.

2.3.2 Decision-making process

Simon (1948) identified decision-making as the key concept of management science. At any time of the day, the executives are somehow involved in one or more aspects of the decision-making process which can be sharing information, reviewing information, generating ideas, assessing alternatives, putting instructions into action, and following up (Brousseau et al., 2006). Accordingly, the most important job of managers at all levels is decision-making, especially when managers are facing new or unusual challenges or circumstances that they do not have a regular or structured plan to face them. Simon called these types of decisions as 'non-programmed' decisions. When decisions are non-programmed, more creativity and paying attention to effectiveness are needed in the decision-making process (Kittisarn, 2003).

To explain the decision-making process, six steps are described (Drucker, 2001; Daft and Marcic, 2016). The six steps are as follows:

1. Determine the need for decision-making and identify the decision as either generic or exceptional, requiring greater creativity and new regulations.
2. Take a thorough examination of the problem.
3. Identify alternative solutions to the problems as well as their limitations.
4. Select the solution(s) with the lowest risk that at the same time solve the issues more completely.
5. Implement the decision.
6. Assess the decision's outcome and effectiveness.

It is not only necessary to follow the procedures for the process to be successful, but it is also necessary to understand how it can be effective and to apply this information effectively.

Slagmulder and Devoldere (2018) mentioned that in turbulent times, organizations should deal with a lot of external risks such as rapid technological development, shifting customer behavior, new business models, greater regulatory pressure, and competition from unexpected regions and industries. Also, according to Davis et al. (2009), business in today's dynamic market environment is experiencing high velocity, complexity, ambiguity, and unpredictability. These issues collectively raise uncertainty and risks. Export credit organizations face even greater challenges, analyzing exporters' and foreign buyers' risks

simultaneously. This complexity amplifies decision-makers' burden and effective skills in uncertain decision-making aid managers in minimizing uncertainty.

The Decision-making process in export credit agencies is challenging due to its nature. On one hand, these organizations are usually public or under the control of the government whose mission is to support exporters, and on the other hand, the ECAs are Business organizations that need to work on a business concept. Accordingly, there may be a conflict between these two aspects that may be sometimes confusing for managers as they should decide based on mostly the benefit of exporters or the profitability of the export credit cases. In other words, there is a conflict between being mission mindset and a business mindset. It is hard to find a balance between these two mindsets, especially considering the limitations for the public or government-related organizations that mostly mission mindset is more desired. However, designing a decision-making model for every ECA in every country is exclusive because it should be considered that the exporters' needs and political priorities in each country are different and they have their characteristics. Moreover, based on contingency theory, there is no best way to generalize decision-making approaches for all times and all cases because it is influenced by changing internal and external circumstances and constraints. To design an effective organizational decision-making approach, the affecting factors and the limitations need to be deeply considered. In the two following subchapters, effective decision-making and its limitations are going to be discussed.

2.3.2.1 Effective Decision-making

Effective decisions result from “a systematic process with clearly defined elements and in a distinct sequence of steps” (Drucker, 2001, p.19). The process of decision-making would be effective only if it could achieve business objectives. According to the CIMA³ (2007), effective decision-making can be the positive key differentiator and link in the value chain of an organization. As is shown in Figure 2.5, the decision-making phase is the identifying factor that may result the resources and processes for successful strategy implementation. For effective decision-making, managers should focus on investing financially and mentally in effectively communicating information, recognizing its importance to the business, exchanging insights, influencing decisions, and tracking progress and risk (CIMA, 2007). In the case of giving the right to decide to middle managers, role clarity and understanding are important so that decisions are reached efficiently and not delayed or swayed by other interested parties (CIMA, 2007). Krug and Weinberg (2004) considered three elements for effective strategic decision-making: mission, money, and merit. To illustrate the first element, mission, they refer to the expression used by Drucker, ‘doing the right things’. The other two elements also are trying to investigate this ‘doing the right thing’ financially and in terms of quality.

³ The Chartered Institute of Management Accountants

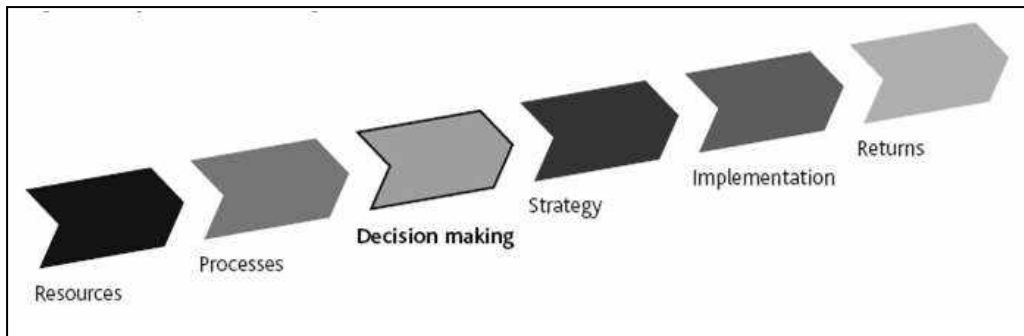


Figure 2.5: Why is decision-making so important?

Source: CIMA (2007, p. 4)

According to Kittisarn (2003), a proper decision-making system for the organizational structure should be chosen to ensure that the relevant decisions are made at the appropriate levels. “The effectiveness of decision-making of top managers relies on the degree of innovation, risk-taking, flexibility, and trust in the executive system” (Argyris, 2001, p. 60). The quality of information produced by financial institutes determines their risk-taking tendencies (Godbillon-Camus and Godlewski, 2005). According to Argyris (2001)’s survey, approximately 95% of executives said that the effectiveness of their businesses is largely determined by the qualifications of their top employees. The decision-makers should be capable of predicting the alternative’s outcomes and deciding which one is more suitable for their purpose (Swami, 2013). In addition, they first need to be able to identify whether the subject that should be decided is an exceptional issue or a generic one. According to Drucker (2001), a common mistake made by decision-makers is to treat a generic issue as if it was a unique and exceptional one, which can lead to “frustration and futility”. This issue may be because of a lack of knowledge and experience of the decision-makers. In addition, Gianturco (2001, p. 97) argues that “autonomous, high-quality management seems to be a key factor in the success of export credit, guarantee, and insurance schemes”. He also proposed that ECAs should be managed from the insurance perspective, not with banking scopes and principles. It means that they should be risk-takers and expect some losses in their programs to be effective but what is very important is that in the long-term their income should be more than losses plus expenses. Therefore, they can continue their activities and support exporters more effectively and powerfully.

Sometimes the importance of the implementation is not considered properly in the effectiveness of the whole process. The decision is only a notion if it isn’t put into action. Drucker (2001) considered the effective implementation of the decision as the most time-consuming phase in the decision-making process. “Converting a decision into action requires answering several distinct questions: Who has to know of this decision? What action has to be taken? Who is to take it? What does the action have to be so that the people who have to do it can do it? The first and the last of these questions are too often overlooked” (Drucker, 2001, p.13).

The best managers have a very good understanding of their organizations (Cohen and Eimiske, 2002). The environment of organizations is influenced by lots of external and internal influences that show the complex work of decision-makers. Harrison (1987) explained the important factors and boundaries that possibly affect the decisions of managers directly or indirectly in Figure 2.6. Based on the position of the decision-maker, all these factors may have different effects (McKenna, 1996). In Figure 2.6, the external factors are economic, social, political, and technical systems that penetrate the organization layer by

layer (organization, group, and decision-maker). The system inputs are information, energy, and so on. The outputs of this system are decisions and their effects on the organization.

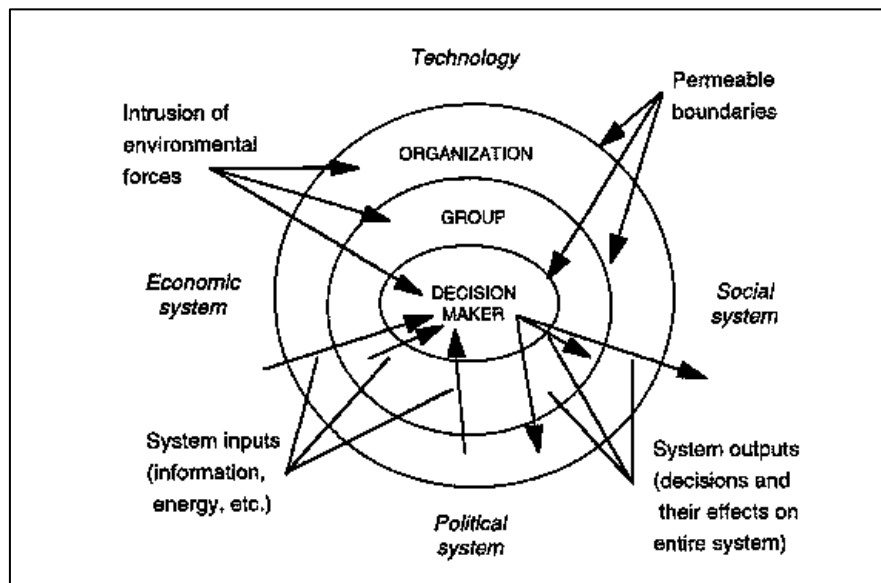


Figure 2.6: The domain of the organization

Source: McKenna (1996, p. 26) adapted from Harrison, (1987, p. 146)

According to all mentioned here about the complexity and dynamic environment of organizations, McCall and Kaplan (1990) mentioned that it's no wonder that the outcomes of management performance aren't always obvious wins or losses. This important subject should also be taken to attention that depending on the nature of each organization, the severity of impacts of these factors can be different.

Understanding and choosing the proper decision style in different situations makes the decision-making process more effective. Managers at different levels implement decision-making processes in different ways from each other. They need to behave and decide differently based on their level and circumstances. Brousseau et al., (2006) showed that decision-making styles can be somehow effective in executive success and failure. Managers should have the ability to choose the appropriate style based on the circumstances they face. They proposed four decision styles based on how much managers focus on information collecting and in what way they create options while some decision-makers believe in one course of action and others prefer multiple courses. These four styles are:

1. *Decisive*: when managers use less information and use one option. It is action-oriented. In this style speed, efficiency, action, and consistency matter.
2. *Flexible*: when managers use less information and use many options. In addition to speed, adaptability also matters in this style.
3. *Hierarchical*: Managers prefer to have the maximum information possible but they focus on one option. Speed is not important here but when the decision is made it is expected to be final.
4. *Integrative*: In this style, they use lots of information and data, and they decide by using multiple courses of action. It might change as circumstances change over time.

Accordingly, depending on what is important in the organization the decision style can be different. In the next subchapter, the limitations in the way of effective decision-making are gathered more in detail.

2.3.2.2 Limitations in the way of effective decision-making

In the real world, there will be some limitations in the way of effective decision-making that should be taken to notice considerably. CIMA (2007) refers to human errors as the decision-making process limitation. They say that decision-makers have different personalities, prejudices, self-interest biases, and attitudes to risk appetites. As the decisions are taken by people, the potential impact of these factors on the organizational culture and people's attitudes and behavior cannot be underestimated. Simon (1979) stated that people are limited by information shortage, the cognitive limitation of their minds, and time limitation for rational decision-making. Especially for ECAs, developed information systems have a vital role in effective managerial decision-making to be able to avoid big losses. According to Simon's 'bounded rationality' model, decision-makers are satisfied with the decision that appears to be good and acceptable because absolute rationality is not possible. According to Drucker (2001), meeting the boundary conditions is the most difficult phase in the decision-making process. In addition to these human errors in effective decision-making, in organizations especially public organizations, there are some critical limitations and challenges in the way of decision-makers such as resource limitations, unstable environments, political and economic issues, governmental laws, administrative bureaucracy, and so on.

To avoid errors, CIMA (2007) proposed that issues must be properly framed to balance a broad view with efficient focus, appropriate parties must be engaged, and stakeholders' interests are taken into account in determining the objectives at this stage, in businesses that are managed for value, the main criterion will be the impact on shareholder value. Also, alternatives should be selected based on evidence and analysis rather than personal opinions. To be successful in strategic decision-making, managers in public organizations need to expose hidden managerial assumptions and lack of adequate knowledge (Krug & Weinberg, 2004). Another limit or error in the decision-making of top managers is that instead of the maximization of shareholder wealth, sometimes, their goals are the survival of the corporations and their positions.

Argyris (2001) stated the behavioral limitations in organizations in which, people's behavior in decision-making meetings can be different from their real thoughts about the effective executive order. The disparity between what leaders say and do in the workplace contributes to barriers to transparency and trust, along with effective problem-solving, creativity, and flexibility, which are more destructive in significant decision-making than in routine decision-making. According to Hammond et al. (2001), there are eight traps in organizational decision-making in the psychological aspect. In their study, they discussed all these eight traps that can be shortly explained in the following list (Hammond et al., 2001, p.143-144):

1. *The anchoring trap*: It causes us to place inordinate weight on the initial set of information we receive.
2. *The status-quo trap*: Even when better solutions are available, it drives us to maintain the status quo.
3. *The sunk-cost trap*: It causes us to repeat past errors.
4. *The confirming-evidence trap*: It leads us to seek evidence that supports our pre-existing biases while disregarding information that contradicts them.
5. *The framing trap*: It occurs when we misread a circumstance, putting the whole decision-making process in jeopardy.
6. *The overconfidence trap*: It makes us exaggerate the accuracy of our predictions.

7. *The prudence trap*: It causes us to be extremely cautious when estimating unknown situations.
8. *The recallability trap*: It leads us to overestimate the significance of recent, spectacular events.

Even when accurate information is available, alternatives are well-defined, risk, benefit, and cost assessments are precise, and so on, excellent decisions may not be made due to the mindset of the decision-makers. The behavioral restrictions and psychological traps discussed above can harm the decision-making process. Being aware of these traps can help to avoid them.

State-owned ECAs as official credit export agencies share some characteristics and constraints with any other public organizations. By reading Rainey (2003), (Gianturco, 2001), Ostroff (2006), and Cohen and Eimiske (2002), some important limitations of decision-making can be concluded: the degree of authority of managers, external power and politics, the public bureaucracy, the strong role of adjudication units, strict rules and regulations, the level of dependency (for instance for financial source, information, and other services), and values and the preferences of employees. According to Janssen (2016, p.8), “even if governments do not wish to interfere too much with the market, they generally agree that there is a role for the state in mitigating market failures. In particular, governments establish public Export Credit Agencies (ECAs) to mitigate financial constraints in exports”. Accordingly, they mostly feel this is necessary to interfere with the decision-making process in the ECAs. The findings of Janssen (2016) demonstrate that ECAs that allow the government bodies to decide on transactions enter into fewer new commitments each year than ECAs that allow the ECA to make all transaction decisions alone. In addition, there are some other limitations in the way of most ECAs which can be total budget ceilings, the fact that they should not compete with private finance and insurers, prudent validation calculations, being committed to the terms and conditions of international regulations, their limitations on the size of capital and financial abilities, the size of skilled stuff (managers, officers, technicians) who are specialized in export credit matters, country relations with other countries, and availability of information (Gianturco, 2001).

To study the ECAs’ business side, in some way, we can say that their missions regarding the country’s political benefits can be considered one of the most important limitations in the business mindset of the decision-making process. The complexities of the political benefits behind the trade between two countries may not be clear for decision-makers and decision analysts. Besides that, the intervention of the government may cause inefficient administrative bureaucracy. However, the most concerning problem may be the considerable loss that comes from these kinds of credit contracts. In my opinion, the solution for keeping the balance mentioned above is the ‘insurance perspective’ (this concept also mentioned by Gianturco (2001)). It means that, although in the long-term organization should have overall profit to keep its financial sustainability, sometimes losses may happen. The insurance company that does not experience loss means they are probably risk averse. So it will be against the insurance company’s entity and the dynamic complex business world. As a result, effectiveness in ECAs relies on keeping the balance in risk appetite to have the ability to support export in the long term. However, the real business world is complex and difficult to control. Some technology-driven solutions like building the micro-world, as mentioned by Senge (1990), may be the solution to decrease human cognitive errors, lack of time, and complexity of dynamic decision-making.

Because of all these reasons and the mentioned human errors, being rational in decision-making is harder for public organizations such as public ECAs than private

organizations. According to Rainey (2003), in some cases in which goal agreements and technical knowledge are high, managers can be rational in decision-making but when the case involves too much uncertainty, they need to apply more complex decision-making approaches. Due to the importance of the ownership concept in ECAs' decision-making limitations, in the next subchapter, the public and private organizations are compared to understand the decision-making process better.

2.3.2.2.1 Comparing public and private organizations in terms of management decision-making

The qualifications, skills, and abilities that managers in public organizations need can differ from managers in private organizations as their goals are somehow different (Williams, 2012). Cummings and Worley (2015, p. 705) mentioned that organizations in the public and private sectors differ on four major criteria: "values and structure, the multiplicity of decision makers, stakeholder diversity and access, and the extent of intergovernmental relationships". Cummings and Worley (2015, p. 705-709) explained these differences as follows:

1. *Values and structure:* Profitability and the achievement of competitive advantage are the most important goals of private sector businesses while in the public sector, the main goal of organizations is to rule for the broader public goods and to show that they are responsive to public needs and requirements. Because of the legislative mandates, rules, and processes in place to satisfy public wants and requirements, public-sector organizations are less flexible and less risk-taking compared to most organizations in the private sector and are limited in their capacity to act outside of their legal system. Departmentalization, vertical decision-making processes, and many formal practices and regulations are examples of features of bureaucracies that are more evident in government organizations than private organizations (Cummings and Worley, 2015). Because of the purpose of public organization establishment, its existence is much rather than profitable. In case of a lack of budget, the government would support the organization for the organization to survive. Because organizations in the public sector aren't directly reliant on the client for funding to continue their survival, they can be significantly less attentive to clients than private-sector ones, despite their stated mission. According to Salcic (2014), a state can never become bankrupt which indicates that the ECA cover is safe even if its loss reserve is inadequate to cover all claims, because, the state will provide additional money to the ECA for it to pay all claims.
2. *Multiplicity of decision-makers:* In public organizations to have multiple opinions and looks at issues, multiple decision-makers are used. In comparison to private-sector organizations, access to the decision-making process is greater, responsibility is less straightforward and accountability is more scattered.
3. *Stakeholder Access:* Usually, in the public sector, there are lots of stakeholders like the government, citizens, clients, employees, and all the interest groups that access the reports, documents, and information. In many cases, most stakeholders have a legal right to participate in public policy and administrative processes, even if they have differing beliefs, goals, or proposed solutions to public challenges. Accordingly, the role and obligations of politicians and managers become more complicated and politicized as a result of this degree of public accessibility to the policy-making process. As a result, an elected official's responsibilities are considerably broader than those of a private-sector board member. They should be responsive to more people.
4. *The extent of intergovernmental relationships:* In governments, power and activities are distributed among the agencies. Therefore, the authority, duty, and, in some

situations, funds are shared among government bodies and agencies. As there may be assumed that there is a public service provided by the government, but to provide this service, several organizations should coordinate together and share the responsibilities. In cases in a country, the regulations and policies in different states are different; the government has to find the common points in the regulations to be able to achieve the goal.

Altogether, it can result in public organizations being more complex than private ones. The people who are in the departments like change, development, planning, strategy, and other such departments must consider these differences and be aware of the complexity of public organizations.

According to Williams (2012), the source of interest is different in private and public organizations as in public organizations, they need to be responsive to the government or political appointees but in private organizations, they should be responsive to their shareholders. Accordingly, they need to follow different kinds of interests. The way managers, the board of directors, and the CEO are chosen in the private and public are mostly different. In public organizations, sometimes they are appointed by some traits like their political connections and loyalty. However, in a private organization, they mostly are chosen by their leadership skill, consistency, or compatibility with a specific team. In addition, the concept of success in these organizations is different.

In public organizations, in the case of initiating change, some managers may take on the responsibility with ambition and hope, but in the end, they will see, in most situations, that little change or no change may occur. Accordingly, managers may decide to follow the current system in the public organization to keep their position safe. Accordingly, people need to see that they are being heard and their efforts are considered valuable to have the ambition for improvement (Williams, 2012). In public organizations, change can be in place by a new political election because the new regime may not support the previous one's vision. And the process started by the previous one may not be continued by the new one (Williams, 2012).

According to Rainey (2003, p 176) the common traits that set public organizations apart from their private equivalents can be first, public organizations have a stronger influx of political criteria and political intrusions into management. Second, the management process is governed by a more complex layer of formal institutional limitations, including more formal laws, regulations, mandatory practices, and policies. For public organizations, goals and performance standards are typically more ambiguous, contradictory, and multiple. Third, economic market indicators are usually absent, and organizations focus on idealistic, morally charged social goals. Fourth, the public sector must tackle exceptionally challenging societal tasks, frequently with only hazy directives from governing bodies. Finally, "responsiveness, representativeness, openness, efficiency, and accountability" must be cooperatively pursued by public institutions.

2.3.3 The Decision-makers

According to Gianturco (2001), decision-making bodies in ECAs are the credit committee, board of directors, and government. The boards of directors or guardian authority (in many ECAs, the government ministry acts as the guardian authority) generally choose the senior managers, define the policies, general procedures, and budget; review performance, the annual report of the organization, management's commitments of loans, guarantees,

insurance, and claims; and approve the larger individual transactions and so on. Regarding the government's role in decision-making, Gianturco (2001) pointed out that the very important decision of how much cost the ECAs can accept versus the possible benefits is the government's role. The balance between risk-taking, cost, and benefits is a policy decision. Generally, the policy decisions about covering exports to certain countries or large commitments can be made by the government. Another very important and challenging decision in ECAs which is usually made by the government is to underwrite a transaction in which the government has a national interest on that. As a result, the government's role and its intervention in the decision-making process are becoming so clear when there will be special political benefits in covering export finance. Managers in ECAs should have the autonomy to make decisions that should not be influenced by political interests unless they are committed to the government or using the government budget to cover those cases (Gianturco, 2001). Rainey (2003) mentioned that over the years, according to scholars and observers, external power and politics have weakened the power and authority of internal managers in public organizations.

The managerial and organizational structure of the ECAs depends on what services they offer, how dependent it is on the government and how autonomous it is, the scope of work, management standpoint, and so on (Gianturco, 2001). To be able to analyze the concept of decision-makers in ECAs more deeply, in the next subchapter, the related Literature reviews about the distribution of decision-making authority and group decision-making are discussed.

2.3.3.1 The authority of decision-making: centralization or decentralization

People to pursue goals and participate in decision-making need power and authority (Rainey, 2003). According to Kittisarn (2003), the structure of the organization and decision-making should be aligned to enhance the effectiveness of an organization's performance, whether decision-making is centralized or decentralized. Centralization or decentralization refers to the authority distribution among units and managers. To achieve vertical coordination in organizations with a vertical structure, decision-making is usually centralized, with authority kept at the top organizational levels. In contrast, in decentralized decision-making, authority is delegated to lower-level managers as well as top managers. Speed and flexibility in responding to client issues should be ensured in decentralized decision-making. However, in real life, the concept of centralization (or decentralization) is relative in organizations (Kittisarn 2003). The control of top managers in centralized decision-making is more than in decentralized decision-making. However, in centralized decision-making, the organization may be slower in responding to the clients, and also in responding to changes. In most studies, according to Kittisarn (2003), as much as staffs are closer to clients, they are better prepared to make most decisions, but efficiency through standardization may be more challenging to achieve. Managers can determine which strategy is most helpful for the organization based on the organizational structure, settings, environment, and objectives. Centralizations may be more appropriate than decentralization when the environment of the organization is more stable, lower-level managers have less capability and less experience, are less eager to take responsibility for decision-making than upper-level managers, and are also not supported by the organization's culture, decisions are becoming increasingly important, the size of the organization is larger, organizations are facing crisis, the organization is geographically less scattered, and for organizations' strategies to be executed successfully, managers need more control over the process. (Robbins et al., 2000).

Decentralizing decision-making is a common approach when redesigning the organizational structure since it distributes the power to make decisions as close as possible to those interacting with clients, rivals, front-line staff, and other stakeholders to prevent the delays brought on by the transmission of information and approvals between levels of the management structure (Vantrappen and Wirtz, 2017). According to Vantrappen and Wirtz (2017), to decide which level is the best to decide about a task, the influence of the decision on four qualities which are “responsiveness, reliability, efficiency, and perennity” should be determined. Depending on the goal, the degree of centralization can be defined in the design of the decision-making structure. ‘Responsiveness’ comes down to acting correctly and fast in the face of opportunities and threats. Decentralization enables immediateness in both time and place, leading to responsiveness. ‘Reliability’ can be achieved through compliance. Common rules throughout the operating units are appropriate or required for some tasks. Typically, it makes it reasonable to designate a centralized unit as the guardian for establishing these standards, adequately training staff, and monitoring compliance. ‘Efficiency’ can be achieved through syndication. A task can be performed more economically in a centralized unit rather than all operating units handle it individually. ‘Perennity’ can be achieved through detachment. In some tasks that, if left to the operating units’ autonomy; might not get done at all; it could be essential to have a central unit that is sufficiently detached from front-line operations. This case is mostly true for the operations that are crucial to the company’s long-term survival but don’t have an immediate benefit for the business units.

In some circumstances, there is a need for intuitive decision-making like when there is a limited time, high uncertainty, unclear information, less precedent is available, the existence of a large number of acceptable options, and unforeseen variables (Hensman and Sadler-Smith 2011, referred to Agor and Parikh et al. studies). Higher-level decision-makers can make more intuitive decisions than lower-level decision-makers. According to Hensman and Sadler-Smith (2011), the decisional factors, individual variables, and organizational contextual variables have effects on the reliance of decision-makers on intuition which is the result of their study on the banking and finance sector. Decisional factors are inaccessibility to clear answers (multiple acceptable alternatives), inadequate data, conditions when there is time pressure, and uncertainty. These factors can make rational analysis hard, and it will be needed for decision-makers to use intuition. Individual variables are the experience of decision-makers, confidence, expertise, and seniority. These factors give the decision-makers the qualification to use intuitive decision-making. The last one is the organizational contextual factors that are the organizational limitations, agreements, hierarchy, politics, formal regulations that limit Intuitive decision-making, authority, the organizational team interactions that cause people not to express their ideas to maintain connections and respect higher levels (which is less in higher levels), and organizational culture that allows employees to express themselves to some extent.

According to estimations in the research of Senyuta (2013) in the banking industry, delegating decision-making to lower levels improves the quantitative evaluation of bank performance but has a detrimental impact on decision quality. By delegating authority to lower levels, for instance in lending services, more loans are being issued to clients, but the quality of those loans may not always be assured. As a result, a balance between these two components needs to be taken into consideration to maintain the quality of decisions while also maintaining the quantitative measurement of bank performance. When soft information is taken into account, the value of delegations for decision-making is evident (Senyuta 2013). She remarked that the decision-making had become increasingly centralized in the banking

industry and this is because Information technology has advanced thanks to cheaper and easier access to information at higher levels and changes to market laws (like the European Union's single-market policy). It might not be as practicable to deliver soft information for free to the top levels of a hierarchy, though. It should be noted that the competitive advantage of the businesses depends on the specialist knowledge of lower levels. Banks can access "hard information, which is external, via public information (quantitative data like balance sheet data, rating, scoring . . .), and soft information, which is internal, via bank-borrower relationship (qualitative like judgment, opinions, notes, reports . . .)" (Godbillon-Camus and Godlewski, 2005, p. 1). Hard information analysis provides greater insight into the past, while soft information analysis provides more insight into future plans. Although soft information cannot be independently verified and is simple to manipulate, using it in risk analysis can increase the precision of borrowers' quality estimates. Hard information's ability to anticipate is enhanced by soft information (Godbillon-Camus and Godlewski, 2005). A combination of both soft and hard data should be employed to get precise information. As much as the organizational structure is more decentralized, soft information can be employed more, since lower levels have greater control over decision-making and are allowed to use their judgment inside the organization.

According to the aim of this study, the choice of decision-making approach in crisis times is important to be discussed in more detail here. Decision-making in a crisis time is a crucial subject in ECAs as their role in the economy is vital in such periods. The organization's viability can be jeopardized if an incorrect decision is made during a crisis. This circumstance has the potential to affect the economic, legal, political, and governmental impact on its operations (Lemonakis and Zairis, 2020). It is commonly known that a crisis justifies centralized power since it necessitates a reduction of decision-making levels to make decisions quickly (Janssen and Van der Voort (2020) referred to Hamblin (1958)). According to the Australian Government (2018), changes in the situation during a crisis may necessitate switching from a consultative to a 'command and control' management style. There will be a need for someone to take charge of decision-making because a crisis' early phase is typically marked by uncertainty, complexity, and dynamic nature. In times of crisis, the command and control management style is frequently preferred and calls for prompt decision-making. However, it can happen that the decision-maker should publicly defend their decisions made in crisis times. Noticeably, the people on the top level who would usually take charge in decision-making in crisis need to have expertise in comprehensive, intuitive, and improvisational decision-making. Being capable of applying action-oriented decision-making processes, like improvisation, is crucial in uncertain environments like those encountered during the global COVID-19 pandemic and economic crisis that enables decision-makers to go beyond usual decision routines to creatively address immediate challenges (Tabesh and Vera, 2020). In uncertain and rapidly changing situations, when both flexibility and stability are needed for success, improvisational decision-making is particularly important (Hällgren et al., 2018). The effectiveness of improvisational decision-making in a crisis can be influenced by managers' prior experience with comprehensiveness and intuitive decision-making approaches (Tabesh and Vera, 2020).

The discussed content of previous paragraphs in this subchapter is summarized in Table 2.3 to display all at once when centralized or decentralized decision-making is preferable.

Table 2.3: Conditions where centralization is preferred or decentralization

Centralization	Decentralization
Vertical coordination in organizations, Intuitive decision-making is needed, The control of top managers is needed, In a stable organization, With less qualified and experienced lower-levels With less willingness for decision-making by lower levels, More important decisions are needed, In large organizations, In crisis times, Advanced technology and cheaper access to information are provided, Reliability matters, Efficiency through syndication matters, Perennity through detachment matters	Speed and flexibility in responding to clients and to changes are needed, Efficiency through standardization may be more challenging to achieve, With qualified lower-levels, More involvement and flexibility to make a decision is needed, In geographically dispersed organizations, Assertiveness of Lower levels is supported by the organization's culture, Quantitative evaluation more preferred over quality of decisions, Soft information matters considerably, Responsiveness matters

Source: Robbins et al. (2000), Kittisarn (2003), Hensman and Sadler-Smith (2011), Senyuta (2013), Vantrappen and Wirtz (2017)

2.3.3.2 Group decision-making

In group decision-making compared to individual decision-making, more information and understanding about the problem may become available, there may be a bigger number of choices, the final decision will be easier to accept and comprehend, and group members' general knowledge enhances; however, more time is needed, conflicting viewpoints can slow down and make the process unpleasant, some cases may become overly focused when it's not required, and Some persons may wield more power and influence in debate (Kittisarn 2003, referred to Bartol et al.). As a result, when time is limited, individual decision-making may be favored, whereas when knowledge, accuracy, and creative thinking are critical, group decision-making is more appropriate. Although speed is highly desirable and discussed in today's financial industry, it should not be prioritized over knowledge.

To fix some of the limitations provided by individual decision-making and big group decision-making, some organizations prefer to use the four-eyes principle in which the decisions are made by two authorities. In this method, individual errors were intended to be eliminated (Graf Lambsdorff, 2015). The four-eyes principle can also be beneficial for incorporating different perspectives, utilizing more expertise than solo decision-making, and allowing for extra control by a second person. It can be decided faster than decision-making in committees. In several studies, the four-eyes principle method is described as being employed in a financial institution to avoid corruption rather than individual decision-making. However, Li et al. (2015) referred to certain studies that this strategy is ineffective in preventing corruption as the entire group can be corrupted. In their research, they discovered that groups were more corrupt than individuals.

Vroom-Yetton (1973), proposed a category for decision styles by to what extent the managers include a group in the decision-making process as you can see in Figure 2.7. He categorized from highly autocratic to highly democratic respectively:

1. *AI*: Manager decides alone
2. *AII*: Manager decides alone by using the collected information
3. *CI*: Manager decides after getting ideas from individuals
4. *CII*: Manager decides after consultation with the group
5. *GII*: Manager allows the group to decide.

Managers besides their thinking style can also change their style of decision-making by considering the decision cases, how urgent is the decision-making and the impact of the decisions.

	Decision Style	Description
Highly autocratic		
↑	<i>AI</i>	The manager solves the decision problem alone using information available at the time.
	<i>AII</i>	The manager solves the decision problem alone after obtaining necessary information from subordinates.
	<i>CI</i>	The manager solves the decision problem after obtaining ideas and suggestions from subordinates individually. The decision may or may not reflect their counsel.
	<i>CII</i>	The manager solves the decision problem after obtaining ideas and suggestions from subordinates as a group. The decision may or may not reflect their counsel.
	<i>GII</i>	The group analyses the problem, identifies and evaluates alternatives and makes a decision. The manager acts as coordinator of the group of subordinates and accepts and implements any solution that has the support of the group.
↓		
Highly democratic		

Figure 2.7 : Decision Styles

Source: Kittisarn (2003, p. 43) that is adopted from Vroom-Yetton (1973)

2.4 Countries' characteristics

According to Child and Tayeb (1982), for investigation of cross-national comparison among organizations, it is best to take into account the cultural, contingency, and political-economy variables rather than focusing on one or asserting that it is the most important. The selection of resources would be seen by the culturalist as occurring within and reflecting firmly established cultural norms and practices. However, the contingency theorist may likely be able to see a pattern of correlation between the selection of materials and elements like locally accessible resources and the prevailing environment from that protection was sought from. The political economist would point out that both the general wealth of the society and the relative wealth of its members were reflected in the quality of the building materials used to construct a dwelling.

Some argue about the Lack of influence of culture in organizational decision-making. However, Child and Tayeb (1982, cited Sorge (1980)) said that it is useless to define cultural, contingency, or political-economic factors separately. He added that organizational decision-makers create policies and seek out solutions for issues all from a cultural perspective. Problem-solving within organizations can therefore be considered to be non-rational, not just because it expresses culture but also because of the need to choose among alternatives the course of action that is the most likely to satisfy objectives concerning ‘external’ constraints and opportunities does not arise to any significant extent.

DiMaggio and Powell (1983, p.150) identified three Institutional Isomorphic Change Mechanisms that are:

1. *Coercive isomorphism*: This is caused by political interference and the legitimacy issue. It is connected with the pressure from the government or the law is used to adopt particular operational elements and/or legal state.
2. *Mimetic isomorphism*: an outcome of standard reactions to uncertainty. It is connected to the decision made by a company to use a technique, structure, or technological innovation from another company.
3. *Normative isomorphism*: that is connected to professionalism. It relates to cultural pressure and the requirement to adhere to professional standards.

To compare the ECAs and banks in Iran and Hungary, some economics-political, cultural, and organizational indices in Iran and Hungary that can be related to the topic are compared in the following which are Export of Goods and Services (% GDP), Government Effectiveness, Human Development Index (HDI), Ease of Doing Business, Cultural Dimensions, and Management and Leadership Styles.

2.4.1 Export of Goods and Services (% GDP)

This index is important for this study because the main task of most ECAs is to support the exports of the country. As much as the share of exports from the Gross Domestic Product (GDP) of the country is higher, then it can be assumed that the role of ECAs and in general the industry of export credit insurance and financing is more vital. As is seen in Figure 2.8, the share of exports of goods and services in GDP in Hungary is fluctuating around 85 percent but in Iran, it is fluctuating around 25 percent. So, the importance of exports in Hungary seems to be much higher and it is expected to have a more professional export financing industry than Iran.

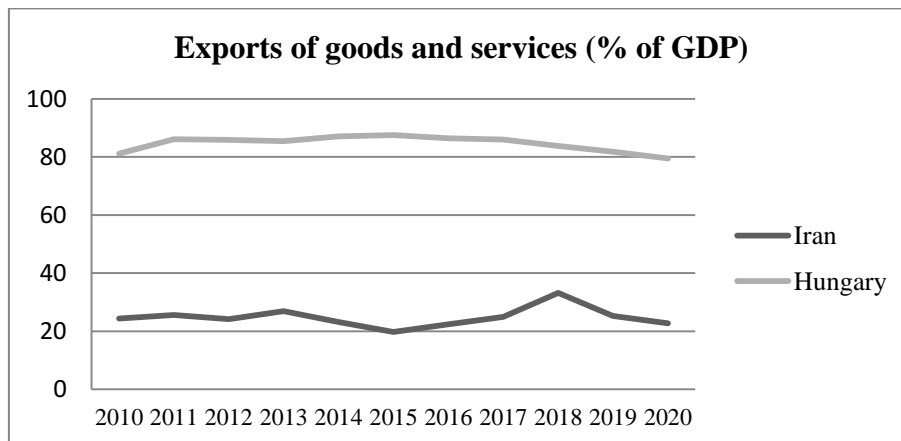


Figure 2.8: Exports of goods and services (% of GDP)
Sources: World Bank: <https://databank.worldbank.org/>

2.4.2 Government Effectiveness

The ECAs usually are government-owned or have government support. Accordingly, it is vital to see how much a government in a country is working effectively. To see the effectiveness of the government in a country, an index that is called ‘Government effectiveness’ can be used. According to the World Bank definition, “Government Effectiveness captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies”. The Percentile Rank of Government effectiveness index in 2019 is reported about 32 for Iran and about 70 for Hungary. The percentile rank of a country is its position among all countries covered by the aggregate indicator, with 0 indicating the lowest rank and 100 indicating the greatest rank. In addition, looking at its data from 2015 to 2020 (Figure 2.9), shows for Iran it is decreasing considerably from 46.63 to 14.9, however, for Hungary, it is not changing considerably. In these 6 years, it is fluctuating so slowly between about 69 to about 72. It shows that in Iran the quality of public service may not be much satisfying; it is considerably dependent on political pressures and the credibility of the government’s commitment to the policies is probably low. Accordingly, the bureaucratic system in government-related organizations may not be so efficient. A high bureaucracy level is not inefficient by nature and may even be effective in developed countries with high government effectiveness. But in Iran with low government effectiveness, it is assumed that it is not satisfying. However, in Hungary, it is assumed that the government’s effectiveness is relatively good especially compared to Iran. Accordingly, the bureaucratic system in Hungary is expected to be more effective in comparison to Iran.

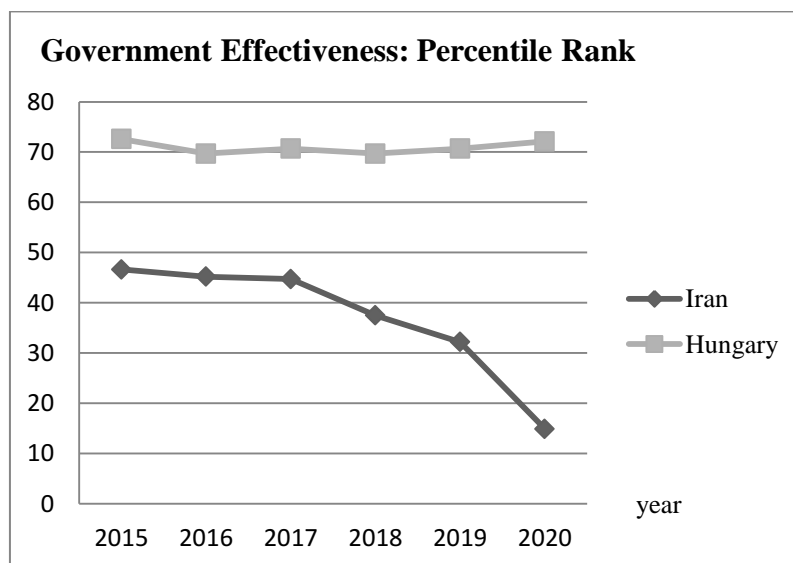


Figure 2.9: Perceptible Rank of Iran and Hungary on the Government Effectiveness index from 2015 to 2020

Source: World Bank: <https://databank.worldbank.org/source/worldwide-governance-indicators#>

2.4.3 Human Development Index (HDI)

Decision-makers are humans. Accordingly, it is important to know how much in general the human resources in a country are qualified people. One of the Indices that can be considered important in this aspect is the Human Development Index (HDI). According to the United

Nations Development Programme (UNDP, n.d.), “the HDI was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable, and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions”. As is shown in Figure 2.10, in 2020, the HDI is reported as 0.85 and 0.78 (Maximum can be 1) for Hungary and Iran respectively by the United Nations Development Programme (UNDP). For both countries, it is not fluctuating considerably during the years 2015-2020. It shows that both countries have good humane infrastructure and capabilities. It can be concluded that the employees, lower-level managers, and middle managers most probably have the ability and are qualified to be involved considerably in the decision-making process as well as the top managers.

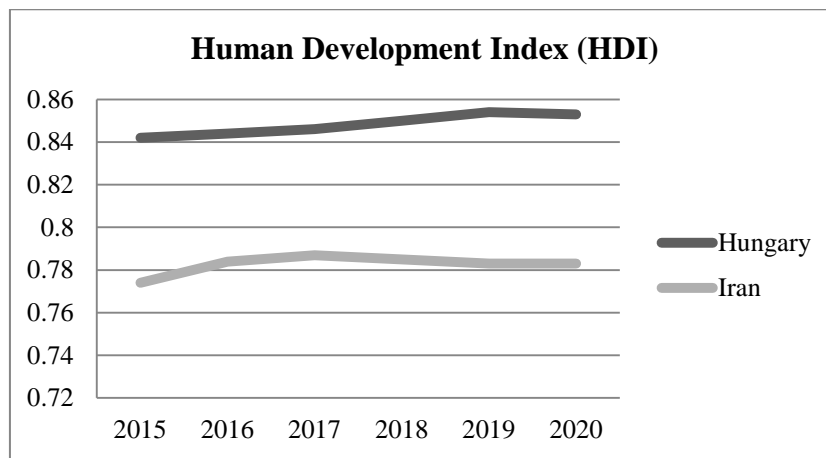


Figure 2.10: Human Development Index (HDI) for Iran and Hungary during 2015-2020
 Source: UNDP (n.d.): <http://hdr.undp.org/en/composite/trends>

2.4.4 Ease of Doing Business

To find out about the ease of doing business in each country, there is an index that is the “ease of doing business score” which “is the simple average of the scores for each of the Doing Business topics: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency” (World Bank, n.d). To compare countries, the ease of doing business ranking can be used which ranges from 1 to 190. A high ranking (a low numerical rank) indicates that the regulatory climate is friendly to business. The aggregate ease of doing business scores are ordered to obtain the ranking of economies. One of the topics of ease of doing business is the ease of getting credit which is relevant to the topic of this study. “This topic explores two sets of issues: the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending” (Doing Business, 2020a, P. 31). As is shown in Table 2.4, in 2020, the ranking of Iran and Hungary are computed at 127 and 52, respectively and for the ease of getting credit, in 2020, the rank of Iran is 104, and for Hungary is 37 (Doing Business, 2020a,b). Accordingly, in general, doing business and getting credit is much easier in Hungary than in Iran and the regulatory climate is friendlier in doing business.

Table 2.4: The ranking of Iran and Hungary in 190 economies in the ease of doing business and ease of getting credit in 2020

Countries	Ease of doing business (ranking 1-190)	Ease of getting credit (ranking 1-190)
Iran	127	104
Hungary	52	37

Source: (Doing Business, 2020a,b)

2.4.5 Cultural dimensions

For this study, it is important to know the cultural characteristics of a country, especially in organizations, because it can clarify the reason behind some decision-making behaviors. The Global Leadership and Organizational Behavior Effectiveness (GLOBE) program studied by House et al. (2002) is a cross-cultural study that examined the culture and leadership of organizations in 61 different nations. They introduced 9 dimensions of national culture. The first six dimensions are based on Hofstede’s research. Hofstede’s six-dimensional (6-D) model illustrates six cultural drivers which are Power distance, Individualism/collectivism, Masculinity/femininity, Uncertainty Avoidance, Long-term orientation, and Indulgence. According to Minkov and Hofstede (2011), Hofstede defined the first four dimensions and later introduced the fifth dimension, which is the outcome of his collaboration with Michael Bond. The sixth dimension was suggested by Michael Minkov and approved by Hofstede.

The nine cultural dimensions of GLOBE study with their meaning in the context of an organization are mentioned:

1. *Uncertainty Avoidance*: It demonstrates the degree to which members of an organization or society try to minimize uncertainty by relying on social norms, rituals, and bureaucratic practices to lessen the unpredictable nature of the future.
2. *Power Distance*: It demonstrates the extent to which individuals expect power inequalities and agree with them.
3. *Social Collectivism*: It demonstrates the extent to which social and organizational institutional processes promote and honor collective resource allocation and group action. It shows how far organizations encourage employees to be unified as groups.
4. *In-Group Collectivism*: It shows to what extent people “express pride, loyalty, and cohesiveness in their organizations or families” (House et al., 2002, p. 5).
5. *Gender Egalitarianism*: It shows to what extent to which a group’s gender inequity is minimized in the organizations.
6. *Assertiveness*: It shows how far individuals are “assertive, confrontational, and aggressive” in their interactions with others in organizations or society (House et al., 2002, p. 6).
7. *Future Orientation*: It shows to what extent, people are engaged in future-oriented practices including planning, investing, and deferring satisfaction.
8. *Performance Orientation*: It shows the degree that organizations or society value and encourage excellence and performance growth.
9. *Human Orientation*: It demonstrates the extent to which a group supports and rewards people who are “fair, altruistic, friendly, generous, caring, and kind to others” (House et al., 2002, p. 6).

The cultural dimensions of the GLOBE project in Hungary and Iran are given in Figures 2.11 and 2.12. Two types of dimensions are calculated by the GLOBE project which are called ‘as is’ and ‘should be’. “As Is” means the institutional practice and “Should Be” is about the values of respondents (House et al., 2002).

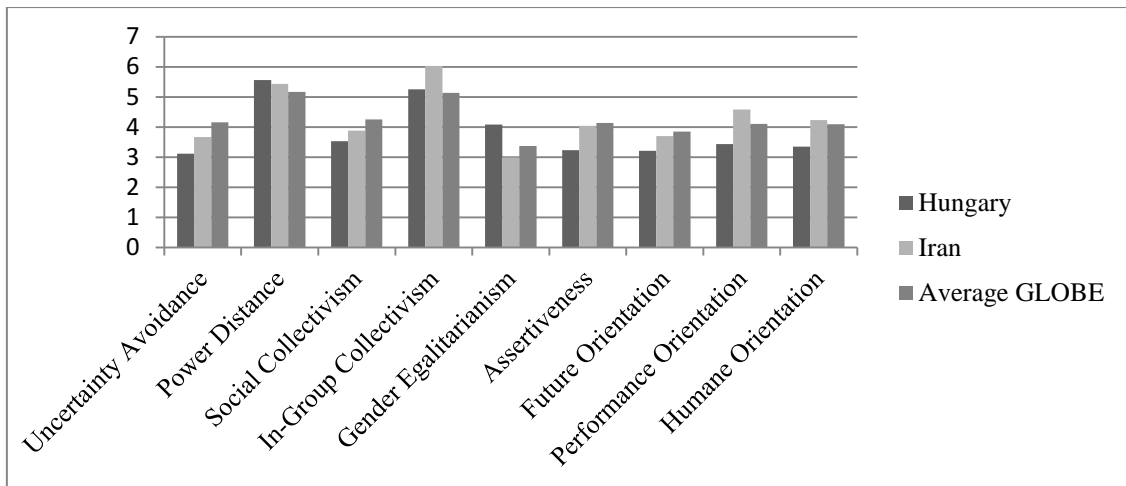


Figure 2.11: Hungary and Iran's scores in cultural dimensions (GLOBE Project, as is)

Source: Bakacsi et al. (2002) & Dastmalchian et al. (2001)

Note: In the figure, the meaning of numbers is as follows: 1= very low; 2= low; 3= relatively low; 4= medium; 5= relatively high; 6= high; 7= very high

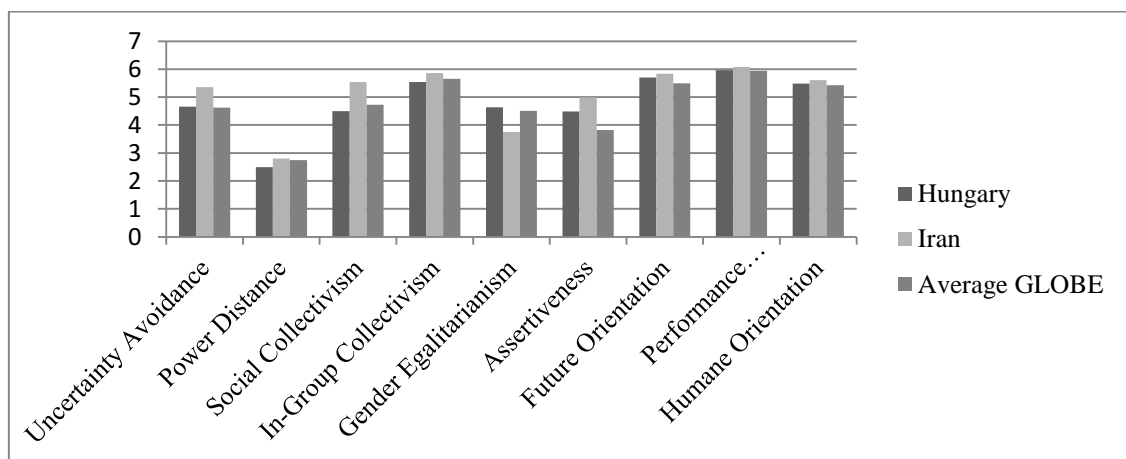


Figure 2.12: Hungary and Iran's scores in cultural dimensions (GLOBE Project, should be)

Source: Bakacsi et al. (2002) & Dastmalchian et al. (2001)

Note: In the figure, the meaning of numbers is as follows: 1= very low; 2= low; 3= relatively low; 4= medium; 5= relatively high; 6= high; 7= very high

As shown in Figures 2.11 and 2.12, uncertainty avoidance is relatively low in Hungary and between relatively low and medium for Iran, and in the opinion of middle managers, it should be higher. The value of power distance for both Hungary and Iran is between relatively high and high. Accordingly, it seems that both countries have hierarchical managerial systems with high authority distribution at higher levels. However, the average of GLOBE also is relatively high and close to the score of these two countries. Middle managers in both countries and also in GLOBE average believed that this dimension should be considerably lower. In Hungary, Gender Egalitarianism is medium and in Iran is relatively low, and middle managers think it is better to be higher. In Social Collectivism, the score for both Iran and Hungary is between moderately low and medium, and in both countries, the respondents think it should be higher. However, the value of in-group collectivism is relatively high in Hungary, and high in Iran. In Hungary, the values of Humane orientation, performance orientation, future orientation, and assertiveness in this country tend to be

relatively low, and in the opinion of the middle managers, they should be higher. A moderate emphasis on humane orientation, between medium and relatively high performance orientation, and medium in assertiveness, and between relatively low and medium in future orientation is considered in Iran. The middle managers think they should be higher.

It can be concluded that the autocratic way of decision-making style is somewhat dominant in Iran because people on average accept the inequality distribution of power in the organizations and the management system seems to be hierarchal. Good to notice that Iran has a long history of authoritarianism, in which society requires obedience to the interests of those in positions of authority, and the Iranian culture has continued to be characterized by authoritarianism as well as backing for a clear hierarchy. People in these cultures lose interest in pursuing novel ideas since they are unable to confront those in power which is also proven by medium assertiveness which although is not so low, is also not encouraged (Javidan and Dastmalchian, 2003). Same Iran, in Hungary, the hierarchal management system is expected and it seems that the leadership style tends to be more autocratic because of the relatively high to high power distance and almost relatively low assertiveness. However, as is shown in the next section (Table 2.5), in Hungary middle managers put a value on participative leadership but in Iran, middle managers did not put much value on participative leadership. Therefore, the leadership style in Hungary may be somehow between autocratic and participative. The degree to which a society has laws and regulations to regulate and structure people's lives is reflected in uncertainty avoidance. As much as a culture does not like uncertainty, creates more rules to minimize it. Iranian businesses lack rule orientation (are poor on uncertainty avoidance) due to unclear and frequently changing rules, despite strong government and authoritarian family restrictions (Javidan and Dastmalchian, 2003). In Iran, "due to high in-group collectivism and power distance, rules are typically written to protect the interests of those in power" (Javidan and Dastmalchian, 2003, p. 134). Considering high power distance and high in-group collectivism can influence the decisions for example who they hire. The relations can affect more than the qualifications. The result for Hungary may also be understood similarly. In addition, as the social collectivism in both countries is not high but the in-group collectivism for Hungary is relatively high and in Iran is high, they may not like to sacrifice for the organization in high amounts but would like to sacrifice for the smaller groups like their team or their family. Accordingly, it can be understood that they may not prefer to have the authority for decision-making and don't want to put their secure job in a risky position. By looking at Performance and future orientations, Iranians have a propensity for being relatively performance-oriented but with short periods. Short-term orientation propensity is likely caused by a lack of rule orientation and a significant power distance. A lack of focus on rules and procedures makes it harder to plan for the future, and a high power distance makes it possible for individuals in positions of authority to change the rules in order to further their own agendas (Javidan and Dastmalchian, 2003). In Iran, they are moderate in humane orientation. In Hungary, all three dimensions of performance orientation, future orientation, and humane orientation's scores are almost relatively low and they prefer them to be higher, so the quality of the workplace can be increased.

Later in Chapter 4, it is mentioned that the mother banks of 4 banks out of the banks I conducted interviews with are Austrian, Italian, and Dutch, so it is worth comparing Hungary in cultural dimensions with Austria, Italy, and the Netherlands. The organizational culture and management and leadership styles of these banks can be influenced by these countries.

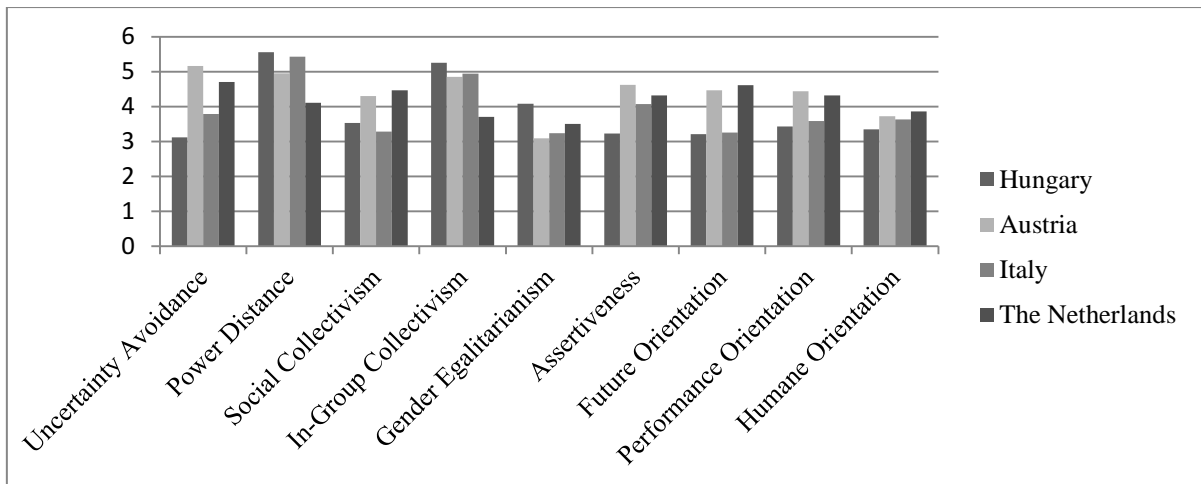


Figure 2.13: Hungary, Austria, Italy, and the Netherlands's scores in cultural dimensions (GLOBE Project, as is)

Source: Bakacsi et al. (2002), Jesuino (2002), and Szabo et al. (2002)

Note: In the figure, the meaning of numbers is as follows: 1= very low; 2= low; 3= relatively low; 4= medium; 5= relatively high; 6= high; 7= very high.

Figure 2.13 shows the cultural dimensions in Hungary, Austria, Italy, and the Netherlands, in which the Uncertainty avoidance approximately in Hungary is relatively low, in Italy is relatively low to medium, in Austria is relatively high and in the Netherlands is between medium to relatively high. For power distance, Hungary and Italy are between relatively high and high, Austria is relatively high, and the Netherlands is medium. In Hungary, Gender Egalitarianism is considered good (medium) and in the other three countries is almost relatively low. In Social Collectivism, the score for Hungary is between relatively low and medium, in Italy is relatively low, in Austria is almost medium and in the Netherlands is between medium and relatively high. For Hungary, the value of in-group collectivism is relatively high and higher than the other three countries, but in Austria and Italy is still relatively high while in the Netherlands is between relatively low and medium. In Hungary, the values of Humane orientation, performance orientation, future orientation, and assertiveness in this country are almost relatively low. In Human orientation, there is not much difference between these for countries and all are in the range of relatively low to medium. But in the other three dimensions, there are some differences. For performance orientation and future orientation, the Netherlands and Austria are considerably higher than Italy and Hungary. In Assertiveness, all three countries have considerably higher scores than Hungary.

Among these four countries, the Netherlands seems to have a less autocratic decision-making and leadership style and a less hierarchal management system. In the Netherlands, it seems that the distribution of authority in lower levels is more than in the other three countries. Austria and then the Netherlands seem to rely more on regulations and more structure to minimize the uncertainty. In the Netherlands compared to the other three, people are unified as groups in organizations but less in small groups like family or friends. The Netherlands and Austria are more performance-oriented in a long time than Hungary and Italy.

2.4.6 Management and Leadership Styles

In the study done by Javidan and Dastmalchian (2003), Iranian middle managers did not put much value on participative leaders but they prefer charismatic, team-oriented, and humane leaders in their interactions with those around them. In Hungary, Hungarian middle managers value Charismatic and Team-oriented leaders. They value participative leaders as well but less than the other two mentioned above. However, they did not prefer so autonomous and self-protective leaders (Bakacsi et al., 2002) (you can see in Table 2.5).

“Iranian managers are generally conformist and socio-centric” (Ali and Amirshahi, 2002, p.142). They mostly use their aesthetics to decide for people, events, or even the rationality of the cases, besides asking others for their suggestions they also count on their own experience and knowledge for decision-making and they are not flexible to change their decisions (Balali et al., 2010). According to Pourmohammadshahini and Ranjbar (2019)’s study in a Petroleum-related organization, concluded that the most frequently used method of decision-making is rational. And then the intuitive, dependent, avoidant, and spontaneous decision-making styles are respectively frequently used.

In Podrug (2011)’s study, among the six decision-making styles mentioned in his study that are autocratic, pseudo-consultative, consultative, participative, pseudo-participative, and delegatory, in Hungary, the consultative decision-making style is more preferred and widely used than other styles. Participative and pseudo-participative styles are in second and third rank in this aspect. About 15 percent of managers are using the autocratic style but they don’t think it can be an effective way of decision-making. However, they did not put much value on the delegatory style.

Table 2.5: Country means for GLOBE leadership

Leadership	Iran	Hungary	Austria	Italy	The Netherlands	Average Globe Score
Charismatic	5.81	5.91	6.02	5.98	5.98	5.83
Team-oriented	5.90	5.91	5.74	5.87	5.75	5.76
Self-Protective	4.34	3.24	3.07	3.26	2.87	3.47
Participative	4.97	5.23	6.00	5.47	5.75	5.33
Humane	5.75	4.73	4.93	4.04	4.82	4.89
Autonomous	3.85	3.23	4.47	3.62	3.53	3.85

Source: Bakacsi et al. (2002), Gupta et al. (2002), Jesuino (2002), and Szabo et al. (2002)

However, among Hungary, Austria, Italy, and the Netherlands, it does not seem a considerably high difference in the middle manager’s opinion about leadership styles. However, in Autonomous leadership, middle managers in Austria seem to put more value than in other countries.

Chapter 3. Research Philosophy and Methodology

3.1 Introduction

In this chapter, I describe the philosophy and methodology which are followed and used for investigating the research questions. In this study, to answer the questions, the philosophy is social constructionism and it is decided to use qualitative analysis with an inductive approach by conducting semi-structured interviews in Iranian and Hungarian samples. In addition to the ECAs, in the process of data collection, I faced the need to have additional data from some export credit and financing providers in both countries, which is decided to be some banks that provide export financing in both countries. To explain why I chose the qualitative method for this study's empirical research, first, the research philosophy is explained. Then, respectively, the research methodology, the method of data collection, the data analysis method, and research trustworthiness is explained (the outline of the chapter is shown in Figure 3.1).

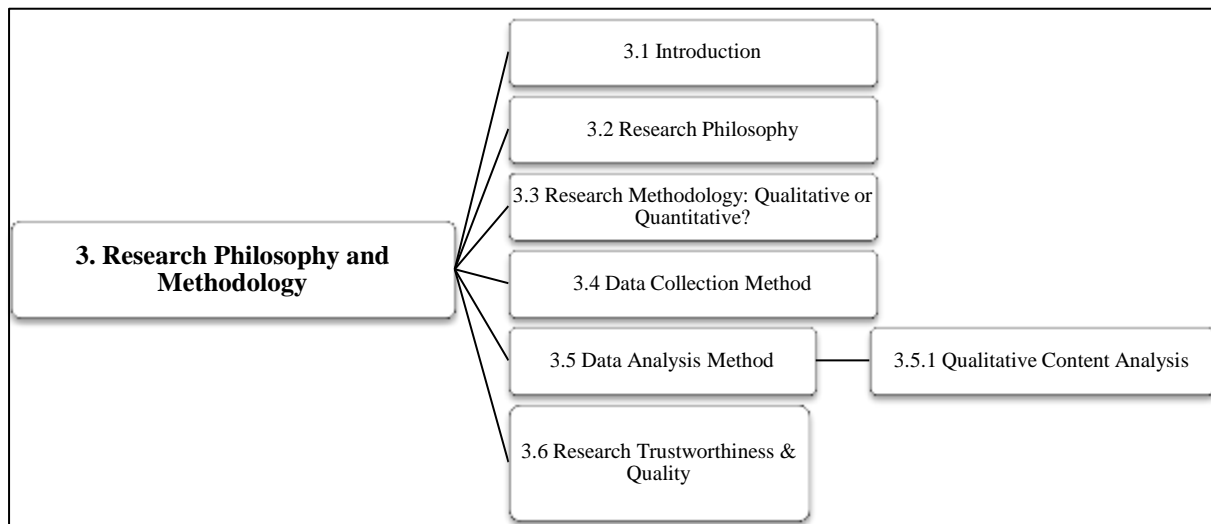


Figure 3.1: The outline of chapter 3

3.2 Research Philosophy

Positivism and social constructionism are two opposing theories of how social science research should be carried out (Easterby-Smith et al., 2015). The central tenet of positivism is that social reality is external and that, as opposed to being deduced subjectively through sense, reflection, or intuition, its features can be tested using objective means. However, the concept of social constructionism concentrates on how individuals make understanding of the world, particularly through communicating their experiences to others through language.

The difference between positivism and social constructionism can be as follows (Easterby-Smith et al., 2015, p.53):

1. “The observer in positivism is independent but in social constructionism is not independent of what is being observed.
2. In positivism, the Human interest should be irrelevant but in social constructionism, they are the main drivers of science.
3. In positivism, explanations must demonstrate causality but in social constructionism, they aim to increase general understanding of the situation.

4. In positivism, research progresses through hypotheses and deductions but in social constructionism, it progresses through gathering rich data from which ideas are induced.
5. In positivism, concepts need to be defined so that they can be measured but in social constructionism, concepts should incorporate stakeholder perspectives.
6. In positivism, units of analysis should be reduced to simplest terms but in social constructionism, they may include the complexity of ‘whole’ situations.
7. In positivism, the generalization is through statistical probability, but in social constructionism is through theoretical abstraction.
8. In positivism, sampling requires large numbers selected randomly but in social constructionism, small numbers of cases are chosen for specific reasons”.

By taking into account the aforementioned characters, social constructionism was found to be more suitable for this study. This study aims to better understand and interpret the decision-making process in export credit agencies. In this research, as the lack of prior knowledge and studies, it is attempted to generate concepts using a qualitative inductive method in question defining, data collection, and also in data analysis. Studying the decision-making process in an organization requires analyzing the intricate interactions between managers, organizational and national features, employees, groups, and processes in the context of real-world situations. Accordingly, positivism is not the concern of this study and the social constructionism approach is followed. By this method, change processes can be examined across time, comprehending the meanings of people’s words, adapting to new problems and concepts as they arise, developing novel theories, and they offer a method of data collection that is viewed as natural rather than contrived (Easterby-Smith et al., 2015). They add also that in constructionist epistemology, validity concerns are considerably less of a priority than creating a detailed image of life and behavior in organizations or groups.

According to all discussed in this subchapter, it is concluded that while using the social constructionism approach the aim is to improve general understanding of the issue, it advances through accumulating rich data from which ideas are generated, concepts should take stakeholder perspectives into account, analysis units may take into account the complexity of ‘whole’ situations, theoretical abstraction is used for generalization, and samples must be drawn from a small number of cases that are specifically chosen.

Based on the questions defined in section 1.4, the interview questions from EXIM in 2019 were asked. In appendix 1.1.1, the questions asked of the interviewee in EXIM in 2019 are attached. In the interview, some issues were raised which led me to have new or more details questions from the ECA in Iran and all the interviews in 2019, in addition to the knowledge gathered in the 2 years, led me to have more detailed interview questions in 2021.

For example, the issue of asking about formal or informal decision-making groups and to what extent is the decision-making prescribed in the written material came up in the questions asked in 2021, because the interviewees in the Iranian ECA, pointed out the issue that the technical committee which most of the credit decisions in the ECA is made in is acting mostly as a consulting committee in which does not have the legal position. For example, Interviewee 4 in the ECA in Iran pointed out that:

“[...] technical committee has no legal position but it is taken seriously. Since every case is different with a different situation, product, industry, financial statement, and ..., this committee can be so vital. However, most of the time expert opinions of the related section have been approved because we have professional experts and knowledge behind the reports [...]”.

And then later the interviewees mentioned that due to its informal position, in case of urgency, there will be this possibility to make a short-cut to the CEO or the Boards. However, this possibility was not felt in the EXIM. In the interview with EXIM in 2019, he mentioned about decision-making in urgent/emergency cases that how everything should follow the formal process even in the urgent cases:

“[...] in such an organization you cannot rely on the decision of one person. It has to be formally set, put on paper, which can be defended, and justification of which can be defended that definitely, you cannot meet these goals in the case of the emergency. So in case of emergency situation, you can put on hold any process because putting on hold of s.th is not a decision. It provides the quiring time of a decision [...]”.

Some other important issues also raised after having interviews in 2019 which make them very important ones that needed to be asked from the interviewees in 2021 to have a better comparison were the issue of the authority of lower-levels and middle-levels in decision-making, the type of leadership practiced in the organizations, the initiation of the change in the decision-making process, evaluations of the decision-making efficiency, the flexibility in rules and regulations in the concept of decision-making, and so on.

In the following, more details about the methodology of this study are discussed.

3.3 Research Methodology: Qualitative or Quantitative?

In social sciences, the researchers design their studies by starting questioning some social issues to which they are seeking to find answers to these questions (Jackson et al., 2007). After defining the questions they should decide on their research methodology, to find out which method is suitable for the implementation of their experimental phase of research. The researchers need to decide whether they should use qualitative or quantitative research. To decide between these two methods, Jackson et al. (2007) referred to Stake distinct qualitative research from quantitative from three aspects:

1. The purpose of the research
2. The role of the researcher if it is personal or impersonal
3. That knowledge should be discovered or be constructed

Purpose of the qualitative research as Jackson et al. (2007) mentioned is that the researchers want to study human experiences, human actions, and also about their reflection on the experiences. He discussed also that in qualitative research, the researcher would like to have a more personal role. About the third aspect he mentioned that in qualitative research, the researcher was concerned with the ‘social construction of reality’.

Enríquez de la O (2016) referred to Okendu claims that by mixing the evaluation and confirmation of the information obtained from the participants and the depth of understanding of the world as viewed through the eyes of the people who were examined, qualitative approaches help the researcher to explore for emergent themes. However, in quantitative research, researchers use experimental or survey design procedures to evaluate the research question in a statistical way using a sample of a particular population (Jackson et al., 2007). The experiment is used to estimate the effect of independent variables on the dependent variable which is the main factor of the study. In survey design, “a researcher wants to know about certain attitudes, trends, or opinions of a population by studying a sample of that population” (Jackson et al., 2007, p. 22).

In this study, to answer the research questions, with the guidance of my supervisor, I decided to use qualitative analysis. I found this methodology more suitable for this study because it was needed to ask questions from managers in the interviews who have experienced the questions' issues in their work and have first-hand knowledge of the area. Also based on the study of Enríquez de la O (2016, p.104), "O'Mara (1999) referred to in Greenhalgh (2008) claims that the only way to truly understand the reasons for certain management decisions is to go straight to the decision-makers and ask Why? And How?". He also noted that for studying the topics of decision-making, many scholars agree on the qualitative method as the most appropriate. Also, according to Balaton (2007), when researching complex issues with limited prior knowledge, qualitative methods are favored in the literature. Considering the complex nature of this research, limited knowledge about decision-making in ECAs, and the appropriate method for decision-making topics, qualitative research has been selected.

3.4 Data Collection Method

In the above, I explained the characteristics of qualitative research and why it is a good fit for this study. In this section, I would like to discuss more about the method I collected data for this research. I used qualitative interviewing because I had the purpose to have the respondents' opinions and visions about the questions and when possible also to know the reason behind their viewpoints as also King (2004) mentioned. The goal of qualitative interviews should be to gather data that illustrates how interviewees understand things in their ways of thinking (Easterby-Smith et al., (2015) referred to Kvale and Brinkmann). Especially, about the topic of the current study, as there are not many literature reviews available, the respondents' viewpoints and direct experience would be so valuable and worth studying. According to Charmaz (2014), interviews are designed around a sequence of questions with a specific goal in mind, which is usually an in-depth investigation of a topic. The aim of the interview must be discussed between the interviewee and the interviewer (Easterby-Smith et al., 2015). Interviews allow researchers to learn about aspects that would otherwise be difficult or impossible to investigate by gaining access to information in context (Easterby-Smith et al., 2015).

Interviews can be highly structured, semi-structured, and unstructured (Easterby-Smith et al., 2015). As it is shown in Table 3.1, in highly structured interview questions and in some cases, possible answers are predefined, the semi-structured interview is based on lists of questions but in a more flexible way and gives more space to the interviewee to bring more ideas and the last category is the unstructured interview that is questions are used to bring the conversation informally. Semi- or unstructured, open-ended, informal interviewing is preferable when the aim is to allow both the interviewer and the respondent to be more flexible and receptive to emergent themes (Jackson et al., 2007).

Table 3.1: Types of interview

Level of structure	Type of interview	Guidance and preparation
Highly structured	Market-research Interview	Detailed interview schedule: questions in a predefined order, some of them with a narrow selection of predefined answers
Semi-structured	Guided open interview	Topic guide: selection of topics or issues to be covered
Unstructured	Ethnographic interview	Individual questions stimulate an informal conversation; no interview schedule or guide

Source: Easterby-Smith et al. (2015, p. 139)

Interviews can be done face-to-face or in a remote way. Traditionally interviews are done face-to-face and in person. This way allows more flexibility in how to bring up the issues and manage the conversation and in brief, it can be done more effectively. However, in some cases, remote interviews are preferred or it is the only way possible. Remote interviewing means conducting the interviews by email, phone, or chat. As the interviewees are not obligated to host the researcher or meet them at a specific time, managers feel less committed and more flexible while doing remote interviews compared to face-to-face interviews. “However, exactly because of these reasons, remote interviewing does not always benefit the researcher. Mediated interviews lack the immediate contextualization, depth, and non-verbal communication of a face-to-face interview. Therefore, it is important to consider carefully whether mediated interviews are an appropriate choice for a given research project” (Easterby-Smith et al., 2015, p.135).

In this study, to collect data, semi-structured interviews are conducted. For the interviews, the main questions are prepared. However, whenever in the process of the interview, there was a need and opportunity for other questions, it is asked. For answering the questions, there were no predefined answers and the interviewee was free to give his/her viewpoints and experience. In the whole process, the inductive approach aimed to be approached. For example, when the interviewees were more informative or had more time, I had a chance to discuss more in detail. Accordingly due to the time limit of the interviews, the knowledge of the interviewees to give information, the progress of the interview, the interviewee’s courage and willingness to share the information (although none of the questions were related to secretive issues), and interviewees willingness to discuss about issues, the process of interviews were different. However, in the process, from the interviews in 2019 to the ones in 2021, the questions get more structured. Nevertheless, still they can be put in the semi-structured ones as although the questions in 2021 were designed way more in detail, they were not necessarily asked in the same order and way from different interviewees.

An example of where I asked an unplanned question could be in the ECA in Iran (EGFI), in interview 4, when I asked the interviewee, how the decision-making, the goals, and strategies of the organization can be in the same direction, in her talk, she mentioned the importance of capital and the role of government. While the questions were not about budget, but to understand the dependency on the government in this respect, I asked her how much the ECA is dependent on the government for paying the claims. Or another example was in an interview with the Information Technology (IT) director in the ECA in Iran. In the other interviews in EGFI, the importance of IT in decision-making is clarified. Accordingly, in this regard, I asked more questions from the IT director in this ECA, to get more in details information that was not planned in advance, such as about the authorities in decision-making

about IT projects, the flexibility in this concern, the impact of IT on decision-making, and IT department's effort on having a more effective information system.

In addition, in this study, both face-to-face and remote ways of interviewing were done. The preferred way for this research was to have face-to-face interviews. However, because of the difficulties of reaching some interviews in person and the difficulties of traveling between countries at the time of research, four interviews were done remotely. Altogether, 24 interviews were done face-to-face and four interviews were done in a remote way (one by phone and three by email).

3.5 Data Analysis Method

Jackson et al. (2007) mentioned four data analysis methodologies for the interviews data:

1. *Content analysis*: It is used when the focus is on the content of the interviews
2. *Conversation analysis*: In this analysis, the focus is on "how something was said in the interviews"
3. *Discourse analysis*: As the same as the conversation analysis, this one also focuses on the analysis of the way of speaking of interviewees but with more focus on the content in comparison with conversation analysis.
4. *Narrative analysis*: Researchers use it when the concern is both about the form of interviews and their content.

Based on the aim of this study and the questions introduced before, qualitative Content Analysis with a mostly inductive approach is used to analyze the data collected by the interviews. In the following, the qualitative content analysis is explained.

3.5.1 Qualitative Content Analysis

Content analysis is begun as a quantitative research method, according to its early definition (Cho and Lee, 2014). In this approach, Content analysis is defined as "a research technique for the objective, systematic, and quantitative description of the manifest content of communication" (Berelson, 1952, p. 18). According to Hsieh & Shannon (2005, p. 1278), Qualitative content analysis can be described "as a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns". Cho and Lee (2014, p. 4) mentioned two unique characteristics of Qualitative Content Analysis, which are:

1. In qualitative content analysis, there is flexibility to choose the inductive and deductive approach or a combination of both. The difference between the two approaches is in how initial codes or categories are formed. In the deductive approach, predefined codes or categories are generated from the existing literature, theories, and studies, but in the inductive approach, to generate codes, categories, or themes, the data is used directly. Accordingly, when the prior knowledge is fragmented or limited, the inductive approach is more appropriate but when the aim is to test the prior theory or reevaluate data in a new setting, the deductive approach is more appropriate.
2. In qualitative content analysis, coding can pay attention to both the evident and latent meaning content of the text. So, qualitative content analysis is appropriate for data which is needed to be interpreted deeply.

Data analysis in qualitative content analysis involves "a systematic coding process" that entails "coding, finding categories and theme(s)" (Cho and Lee, 2014, p. 7).

Accordingly, selecting the unit of analysis, classifying, and discovering themes from categories are the main steps in the qualitative content analysis method. This method can be used to answer questions like what, why, and how by finding similar codes and themes in the content (Cho and Lee, 2014).

In this research, qualitative content analysis with an inductive approach is selected to analyze the data collected from the interviews. According to Cho and Lee (2014), the process of developing inductive categories entails:

1. The question of research
2. The category and level of abstraction determination
3. The generation of inductive categories from material
4. Category revision
5. The final work via text
6. The interpretation of results

To implement qualitative content analysis with an inductive approach to analyze the data from interviews of this thesis, first the ‘Open Coding’ is implemented by reading the transcript of interviews word by word and line by line. According to Easterby-Smith et al. (2015), by open coding, the long text can be divided into manageable codes. Following this phase, some primary codes are identified and then I could continue coding the rest of the transcript using these codes. However, in circumstances when I was not able to use the defined codes, some emergent codes were generated. The next steps were comparing, categorizing, and grouping the broad range of codes. Then, I looked for some more focused codes in order to label the groups in a more organized way. The new groups were created with similar concepts from the related coded parts. In this phase, the concepts of the final codes are found. Finally, six main themes were concluded by categorizing the final codes for an easier and more intelligible interpretation of data and to achieve the objectives of the study. However, some concepts would be repeated in different themes which show the importance of that concept in the study. In summary, as is shown in Figure 3.2, the process can be classified into three groups: Data collection, coding the transcripts, and finally, revising the codes to find the themes. The questions of interviews are given in Appendix 1 and the table of codes, concepts, and themes is given in Appendix 2.

Appendix 3 shows how the themes are related to the interviews’ questions. However, it should be noted that due to the semi-structured nature of the interviews, sometimes, during the interviews, the answers could cover the other questions as well.

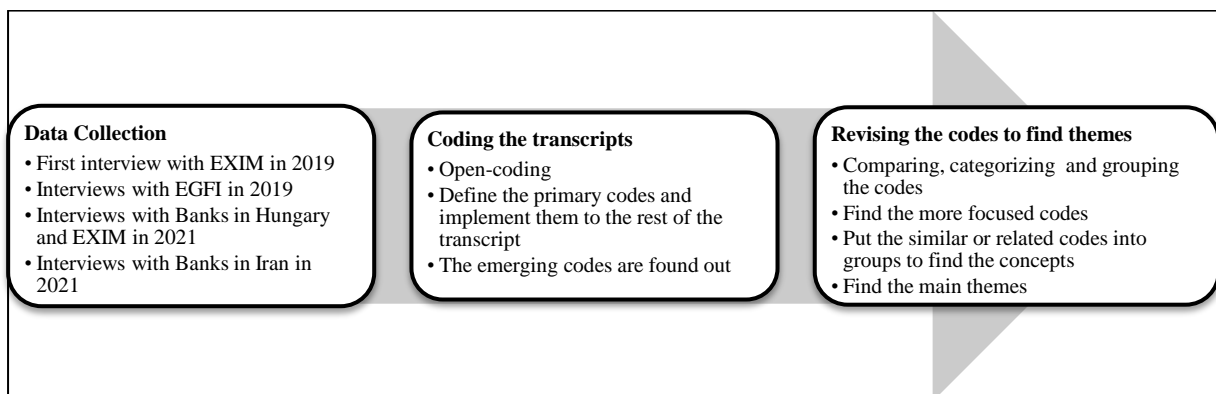


Figure 3.2: The process of Data collection, coding, and analyzing the codes

Source: Author’s drawing

3.6 Research Trustworthiness and Quality

The concept of validity and trustworthiness in qualitative research is somewhat challenging. However, some strategies can help increase the validity of the study's findings like Triangulations, peer review, indicating the researcher's bias, member checking, and so on (Creswell (2013) and Cho and Lee (2014)).

The methods used in this research to increase credibility were triangulations, checking details with the thesis supervisor whose knowledge is outstanding in research methodology and management studies, and finally recording the interviews and writing it to text word by word to decrease any bias. According to Cho and Lee (2014), by comparing the results to many data sources and viewpoints, triangulation aims to reduce researcher bias in the data and the possibility of misinterpretation.

Chapter 4. Research Samples

4.1 Introduction

In this chapter, research samples are discussed. In Figure 4.1, the outline of the chapter is shown.

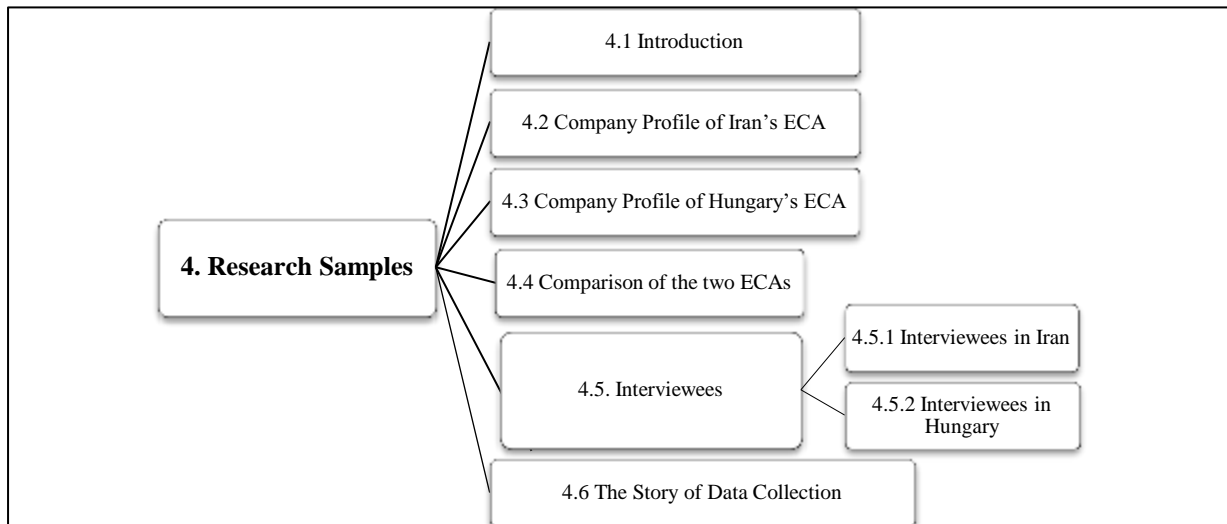


Figure 4.1: The outline of chapter 4

In this research, as mentioned before, I conducted interviews with the managers in Export Credit Agencies (ECAs) and some banks that provide somewhat similar services to the clients. However, the main samples are the ECAs and the banks' samples are used to increase the validity of the study and also for a better understanding of the market in different aspects. The samples of this research are in Iran and Hungary. Iran's export credit agency's name is the Export Guarantee Fund of Iran (EGFI) which is based in Tehran, Iran. Hungary's export credit agency's name is EXIM based in Budapest, Hungary which is the integrated company of Hungarian Export-Import Bank Plc. (Eximbank) and the Hungarian Export Credit Insurance Plc. (MEHIB). The reason why I chose these two countries first was because of the accessibility to these countries and second that Iran has faced so many political and economic crises in these years and like most developing countries it faces more limitations in its public organizations. Hungary can be a good example of a more developed country compared to Iran considering the fact that Hungary also faced many changes in its economic and political system during many political changes. Accordingly, they can be good examples for looking at the managers' decision-making approaches deeply in ECAs.

Latham (2014) mentioned that the answer to the question of enough sample size for qualitative research is that when 'saturation' happens that means "the additional participants don't provide any additional insights". He referred to Latham (2013) that saturation happened around 11 interviewees in that study. According to Guest et al. (2006), to achieve the qualitative research objectives, six to twelve interviews will be enough in homogeneous groups. In Iran's ECA, "Export Guarantee Fund of Iran (EGFI)", the management structure was included a CEO and 12 middle managers that were under the power of the board of directors and general assembly as it will be shown later in Figure 4.2, in summer 2019 when the interviews were conducted. Accordingly, the power of decision-making seems to be in the hand of the general assembly, board of directors, CEO, and middle managers, respectively.

Among all these probable decision-makers, I had interviews with 13 of them that were 1 senior manager who was a member of the Board and all the 12 middle managers at the time of interviews (summer 2019). The focus was on the middle managers as they might be the better judges with less authority than top managers and have a more executive view. However, I had one interview with one of the top managers to also have his viewpoint to have a more comprehensive result. In Hungarian ECA, I had an opportunity to have interviews with one Director in two times: first in June 2019 and then in September 2021.

In the banks, in Iran, I had four interviews from two banks in Iran collected in 2021. Three interviewees are from one bank and 1 interviewee is from the other bank. In Hungary, I have collected 9 interviews from 8 banks. For bank 3, there are 2 interviewees but for other banks, there is one interviewee from each bank.

In the following two sections, the aim is to describe the company profile of the ECAs in Iran and Hungary. Little information about the banks will be provided in subchapter 4.5 without telling the banks' names and direct mentioning as promised to some of the interviewees in banks. For this study, as the main samples are the ECAs, deep knowledge about banks is not necessary and accordingly, it is decided to mention the banks in numbers without mentioning their names.

4.2 Company Profile of Iran's ECA

On July 30, 1973, the Export Guarantee Fund of Iran (EGFI) was established for the first time. After some years of inactivity, it again started to work in 1994. It is established to encourage exporters to expand their export activities and to provide them with necessary export credit cover against political and commercial risk. EGFI as the official Export Credit Agency of Iran is an affiliate of the Ministry of Industry, Mine, and Trade, with an independent legal and financial entity, but with relying on government support (EGFI Annual report, 2017-2018). EGFI is managed and governed by its law and its articles - which are approved by the Council of Ministers upon the recommendation of the Ministry of Industry, Mine, and Trade. In unforeseen cases, it will be subject to trade law; and it will be subjected to the general laws and regulations applicable to government companies and entities affiliated with the government, only if it is explicitly mentioned as such. The capital of EGFI is entirely owned by the government. The CEO and members of the board of directors, who are five persons, are appointed for a period of five years by the proposal of the Minister of Industry, Mine and Trade and approved by the General Assembly of the EGFI. The CEO can also be the chairman of the board of directors. The Minister of Industry, Mine and Trade can dismiss the CEO. The CEO is the highest executive and administrative authority inside the EGFI and has all rights and powers in the implementation of the approvals and decisions of the board of directors (EGFI's Management Law, n.d.)(EGFI's Articles of Association, n.d.).

The members of the General Assembly are the Minister of Industry, Mine, and Trade, who presides over the General Assembly, the Minister of Economic Affairs and Finance, the Minister of Foreign Affairs, the Head of the Plan and Budget Organization, the governor of the Central Bank of Iran, the governor of the Iran Export Development Center (Head of Trade Promotion Organization), Two representatives from the Islamic Consultative Assembly (Iranian Parliament) selected by the parliament from the Committees of Commerce and Distribution, Economic and Financial Affairs, and Cooperative Affairs, appointed as observers, and finally, the CEO of EGFI, who will attend the General Assembly meetings as the secretary of the General Assembly without voting rights (EGFI's Management Law, n.d.) (EGFI's Articles of Association, n.d.).

According to EGFI's International cooperation (n.d.), EGFI is a member in some international and regional unions and institutions, including: Berne Union-Prague club, The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), Aman Union, Multilateral Investment Guarantee Agency (MIGA).

Its vision is "turning to the best, the most professional and effective Export Credit Agency (ECA) across Southwest Asia region", and its mission is "relying on the knowledge of the Fund's expertise, EGFI intends to support and encourage the exporters to expand their exports, alleviate their concerns via mitigating the commercial and political risks involved and tries to render customized services to its clients with minimum costs, shortest time and through optimal use of resources" (EGFI Annual report, 2017-2018, p. 13).

"Main goals of the company are providing support for the country's non-oil exports through the following ways:

1. Covering foreign buyers' protracted default or non-payment risk for the exported goods and services through issuing insurance policies, after carrying out the creditworthiness assessment of foreign buyers.
2. Covering the political risks involved in investment projects of Iranian investors in other countries.
3. Financing facilitation for exporters through issuing credit and bank guarantees.
4. Periodic survey on economic situation of foreign countries/target markets, country classification reviews and credit limit assessment of banks and foreign buyers and defining cover policy for each country" (EGFI Annual report, 2017-2018, p. 13).

EGFI services are (EGFI Annual report, 2017-2018):

- *Credit Guarantee*: Bank Credit (Local and Forex), Manufacturers' Credit (Local and Forex), Surety/Contract Bond Guarantees, Customs Guarantee
- *Short-Term Export Credit Insurance Policies*
- *Short Term Insurance Products*: Specific policy, Whole turn-over policy, Discounting of Export bills insurance policy, Sight L/C Insurance Policy, Export Contract Frustration Policy, Foreign Exchange Fluctuation Policy
- *Medium and Long-Term Insurance Policies*: Buyer's Credit Guarantee, Investment Policy, Specific Policy for covering Techno-Engineering Services,

In addition to these services, EGFI provides general advice on Foreign Buyers Creditworthiness Assessment to their clients.

Figure 4.2 shows the organizational chart of the Export Guarantee Fund of Iran (EGFI). As is shown here, the management system of the company is defined as a CEO and the middle managers who are under the power of the general assembly and the board of directors. It should be mentioned that the figure and the organizational structure are valid for the date of collecting the interviews in this organization.

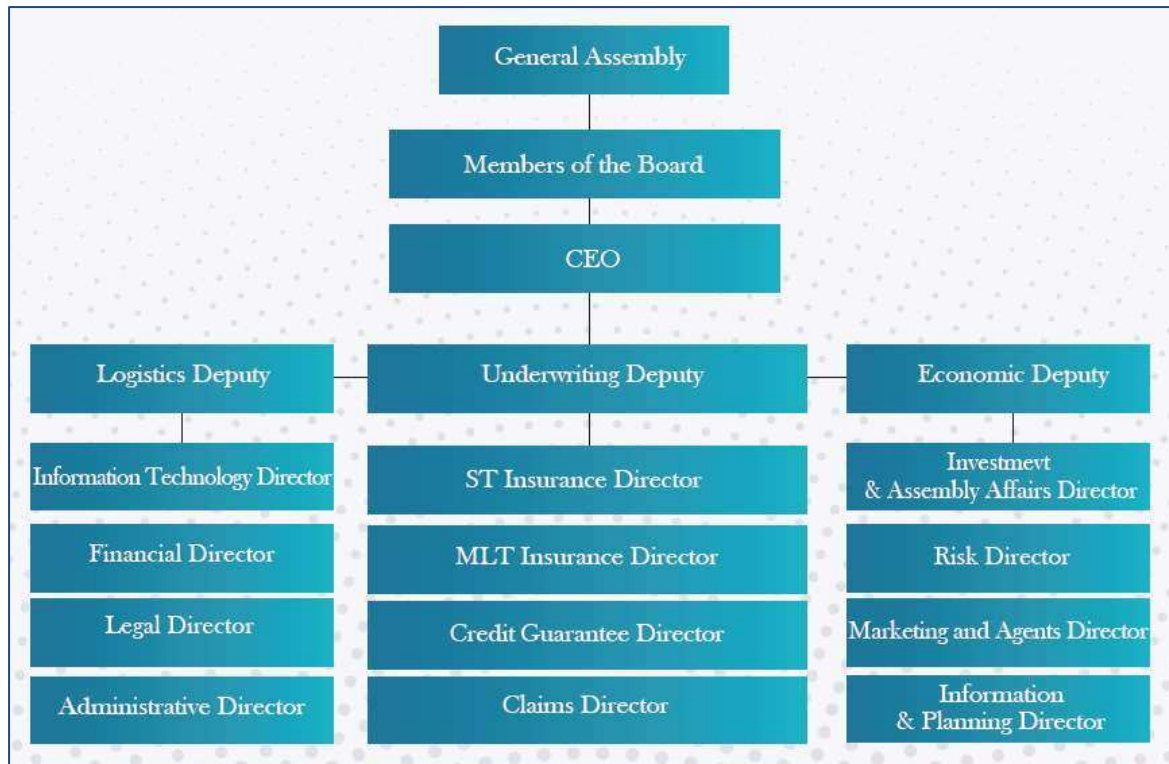


Figure 4.2: Organizational Chart of Export Guarantee Fund of Iran (EGFI)

Source: EGFI Annual Report (2017-2018, p. 9)

4.3 Company Profile of Hungary’s ECA

On the 26th of May 1994, both the Exim bank and Mehib were established to facilitate the export of Hungarian goods and services through efficient insurance and financing services for Hungarian exporters. Since 2012, these two company integrated and there are now working “in a uniform framework and with a uniform appearance, under the name EXIM” (EXIM report, 2012). The owner of both companies is the Hungarian State with 100% ownership. “The state-owned Eximbank and MEHIB, managed by the Ministry of Foreign Affairs, perform export-credit agency tasks in Hungary, regulated by OECD and EU frameworks, with the basic objective of promoting the sale of Hungarian goods and services on foreign markets” (EXIM about us, n.d.).

Regularity environment of EXIM is consisted of some domestic rules of law which are related domestic acts and decrees; and international regulations which are related rules by OECD, EU Regulations, Restrictive measures (sanctions) adopted by international organizations and the USA, and WTO agricultural regulation (EXIM Regulatory Environment, n.d.).

Specifically, EXIM has been tasked with representing the interests of Hungarian exporters in the Organization for Economic Co-operation and Development (OECD), the European Union (EU), the Berne Union (BU), and the European Association of Public Banks (EAPB), and supporting Hungarian foreign trade within the scope of their expertise and resources (EXIM International Relations, n.d.).

The organization’s vision is “having clear financial solutions for the export activity of enterprises” (EXIM strategies, 2017-2021), and “the mission of Eximbank and MEHIB is to

support Hungarian exporting enterprises in facilitating the retention of jobs, growth in employment and an expansion of Hungary's export capacities" (EXIM about us, n.d.).

EXIM's goal is to cover the full range of export activity from production to sales support, by assessing and channeling the demands of exporters, with coherent credit, guarantee, and insurance products. And with its new products, the institutional system can also serve to finance and secure supplier processes, and chains before export activities. Additionally, Eximbank and MEHIB have the task of promoting the expansion of investments for export purposes. Thus, businesses can be interested in partnering to enhance existing production capacities, expand their product range, and target additional export markets (EXIM about us, n.d.).

EXIM's services are (EXIM's products, n.d.):

- *Cross-border Financing and Insurance*: it includes Buyer credit and discounting facilities, Export credit insurance, and Foreign investment insurance
- *Domestic Financing*: included Working capital financing, Capital investment loan, Domestic investment loan, leasing, and Other financing products
- *Bank Guarantees*: included Loan guarantees and Commercial guarantees
- *Equity and Venture Capital Funds*: included international funds and domestic funds

"The two ECAs (Exim bank and MEHIB) work very closely, share one management structure, as well as their headquarters in Budapest and their joint website" (Wenidopple, and Mackinger, 2017). To explain the management structure of EXIM, by looking at its website (EXIM Management, n.d.), it is shown that the management of EXIM contains: Deputy Chief Executive Officers, Board of Directors, Supervisory board, and Department Heads.

The organizational structure of EXIM is shown in Figure 4.3. The figure and the organizational structure are valid for the date of collecting interviews in this organization. As the original chart is in Hungarian language, I translated words inside the chart provided in EXIM organizational structure (n.d.) based on matching with the management structure of the English version of the website.

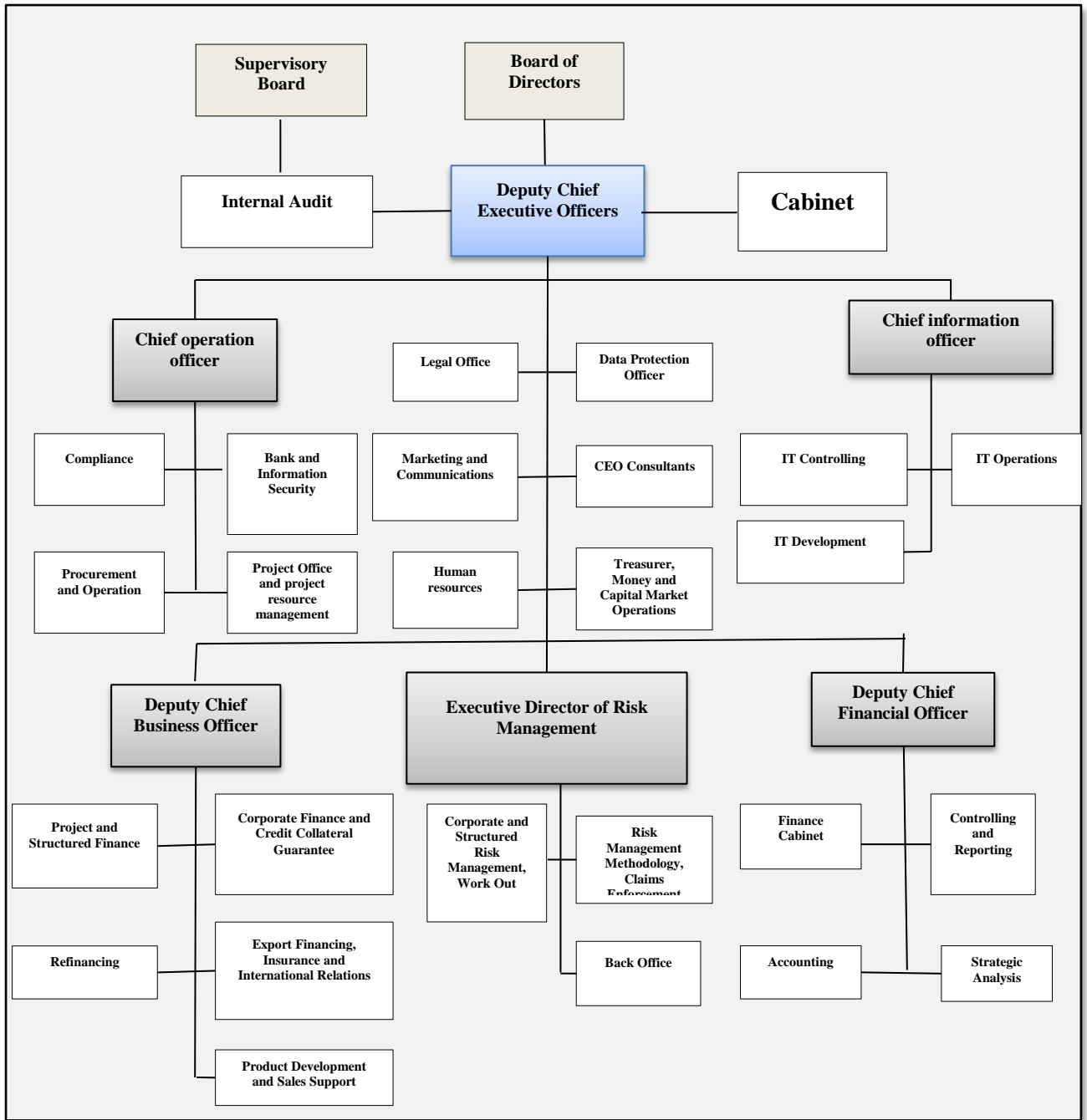


Figure 4.3: EXIM Organizational Structure

Source: Translation from <https://exim.hu/en/exim-en/public-data/general-disclosure-list/organisational-data/organisational-structure>. (Access: May 2020)

4.4 Comparison of the two ECAs

To compare the ECA in Iran (EGFI) and the ECA in Hungary (EXIM), it would be good to start with their organizational structure. Based on Figures 4.2 and 4.3 that show the companies' organizational structures, both organizations seem to follow a more "Vertical Functional" approach in their structures based on the Daft (2008) categorization of the organizational structure mentioned in chapter 2. As mentioned before, in a functional structure, decision-making is done mostly by the top managers who are higher in the hierarchy. According to this point, we can result that probably in both organizations, the main decision-makers are higher levels and lower levels don't have much authority to make decisions.

According to Gianturco (2001), ECAs' are categorized as small or large organizations, EGFI seems to be a small ECA and EXIM seems to be a large ECA or at least larger than EGFI based on the more departments, divisions, branch offices, and more additional programs. Also, EXIM in addition to the insurances and guarantees, offer some other financing and funds that can be another reason to conclude that EXIM's structure is more complex and larger than EGFI.

By comparing the vision, mission, and main goals of the two organizations, we may find out that EGFI behaves more competitively than EXIM. They both seem more mission-minded than business-minded by focusing more on supporting exporters as they both emphasize in their main goals and missions the activities to support exporters more effectively. However, EGFI mentioned in its vision to become the best Export Credit Agency (ECA) across the Southwest Asia region which shows that EGFI may have a competitive approach as well.

The last but very critical difference is the regularity environment of these organizations. The regulation of managing EGFI is at the country level and internal but in EXIM, in addition to local and internal regulation, some international level regulations also should be followed that can make the decision-making process more complex, less flexible, but perhaps much structured and unified at the EU level. However, both organizations are members of some international associations which perhaps makes them follow some standards to be able to keep their memberships.

4.5. Interviewees

4.5.1 Interviewees in Iran

The interviews' findings in Iran are in 2 sections. First, there are 13 interviewees from the ECA in Iran collected in 2019 and there are 4 more interviewees from two banks in Iran collected in 2021. 3 interviewees are from one bank and 1 interviewee is from the other bank. The overview of the interviewees in Iran is shown in Figure 4.4.

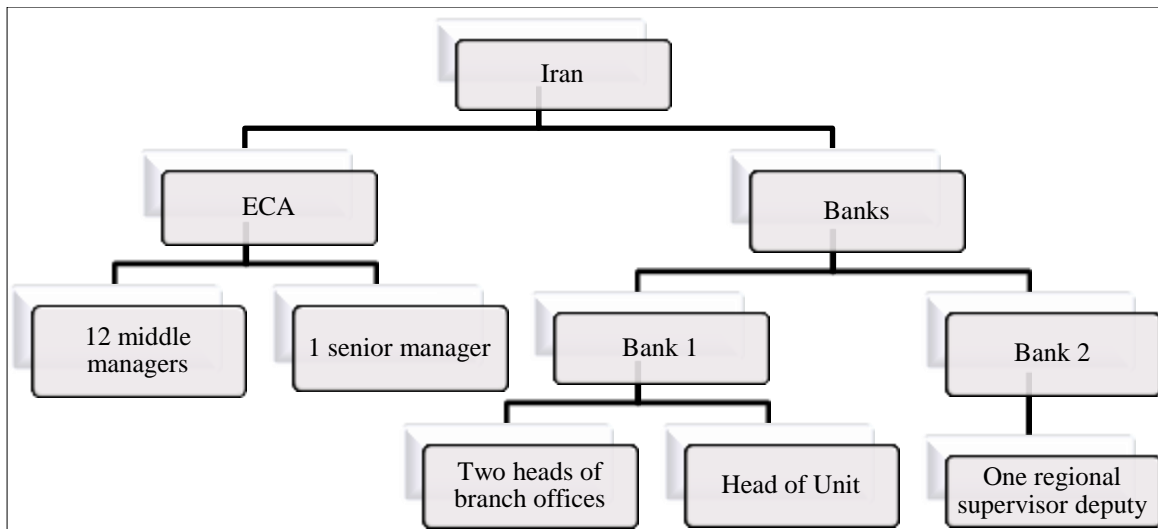


Figure 4.4: Interviewees in Iran

Source: Author's drawing

The positions of the interviewees:

1. The ECA: All the 12 middle managers (in summer 2019) which are the Marketing and Agents Director, ST (short-term) Insurance Director, MLT (Medium- and long-term) Insurance Director, Claims Director, Credit Guarantee Director, Risk Director, Financial Director, Investment and Assembly Affairs Director, Information Technology Director, Information and Planning Director, Legal Director, and Administrative Director, and one senior manager which is the board's member.
2. The banks: Bank 1: Two heads of branch offices and one head of the Foreign exchange operations documents Unit. Bank 2: one regional supervisor deputy

4.5.2 Interviewees in Hungary

The interviewees in Hungary are divided to:

1. 2 interviews with the same person from EXIM in 2019 and 2021 who is the Head of a department
2. 9 interviews from 8 banks. For bank 3, there are 2 interviewees. The second interviewee is now working for another bank. He worked as a manager at bank 3 for 2 years till 2019.

All the interviews from banks in Hungary were collected in 2021. In the result, banks number 1, 2, 3, and 7 are the banks in which the mother bank is in another country. In this study, these banks are called foreign-owned banks. The other banks are called local banks. The mother bank of bank 1 is Austrian, banks 2 and 3 are Italian, and bank 7 is Dutch.

The positions of the interviewees in Hungary are as follows: Seven Heads of Departments (Banks 2, 3(two interviewees), 5, 6, and 7; and EXIM), One Head of Unit (Bank 8), and two senior experts (Banks 1 and 4). Four of them are working in the trade finance or/and international relations departments; two of them are working in the risk management departments and the other four of them are working in the different departments that mostly had previous experiences in the area of trade finance. The overview of the interviewees in Hungary is shown in Figure 4.5.

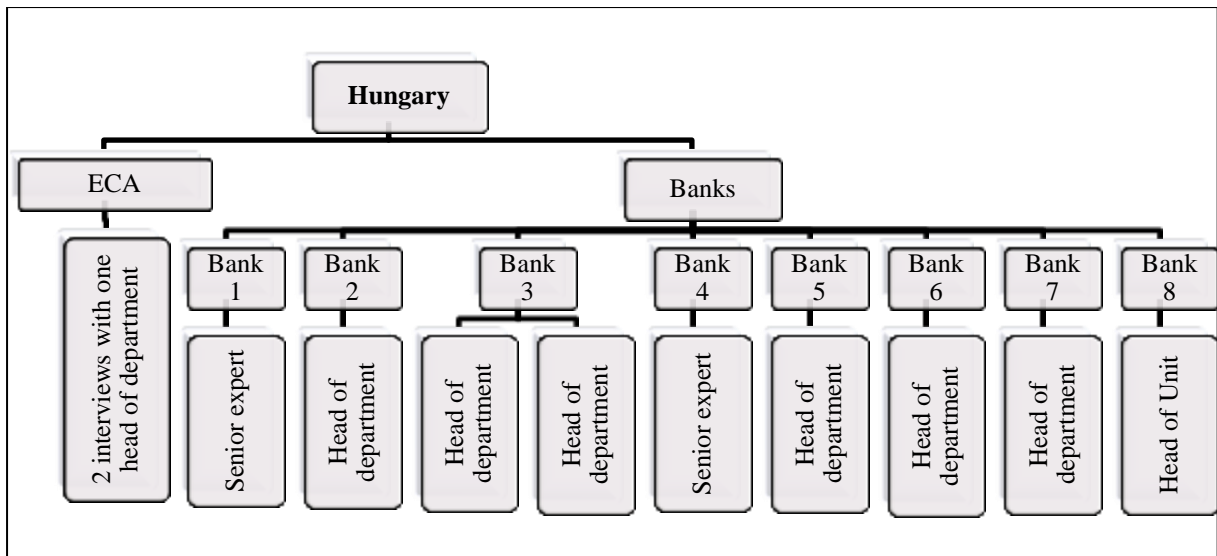


Figure 4.5: Interviewees in Hungary

Source: Author's drawing

4.6 The Story of Data Collection

In this study, one of the challenges has been the data collection process. According to the sensitive nature of the ECAs for the countries, it is not easy to have data whether it is primary or secondary data. Accordingly, the data collection difficulties can be considered an important limitation in researching ECAs. Maybe, that could be one of the reasons that there are not many studies done regarding these organizations. Accordingly, I am very grateful to all the interviewees and departments that helped me to connect with the interviewees in both countries.

The primary semi-structured interview questions were designed in the spring of 2019. In June 2019, I had the first interview with the Interviewee in EXIM with accompany of my supervisor. After gathering some information about the decision-making process in EXIM, I could get a better vision of decision-making in ECAs, and then I could design more specific questions on this matter. In the summer of 2019, I could have interviews with all the middle managers and one senior manager in EGFI. After having all these 14 interviews, I started the data analysis phase and interpreted the transcripts.

Due to the unbalance interviewees' numbers (13 in EGFI and 1 in EXIM) and the impossibility of having more interviewees in EXIM, with the guidance of my supervisor, we came through this solution to have interviews with some similar organizations in Hungary that could be banks or insurance companies. However, it should be mentioned that the interviewee is known for his broad experience and knowledge in EXIM. I could arrange to have interviews with 9 interviewees in 8 banks and the second interview with the same person in EXIM with accompany of my supervisor. Finally, I also arranged 4 interviews in 2 Iranian banks remotely. The reason for this was to have a better comparison with Hungary. Having interviews with banks, allowed this study to understand if some characteristics are special to the ECAs or are about the system of financial institutions in the country that increased the reliability of the study. The process of data collection is summarized in Figure 4.6.

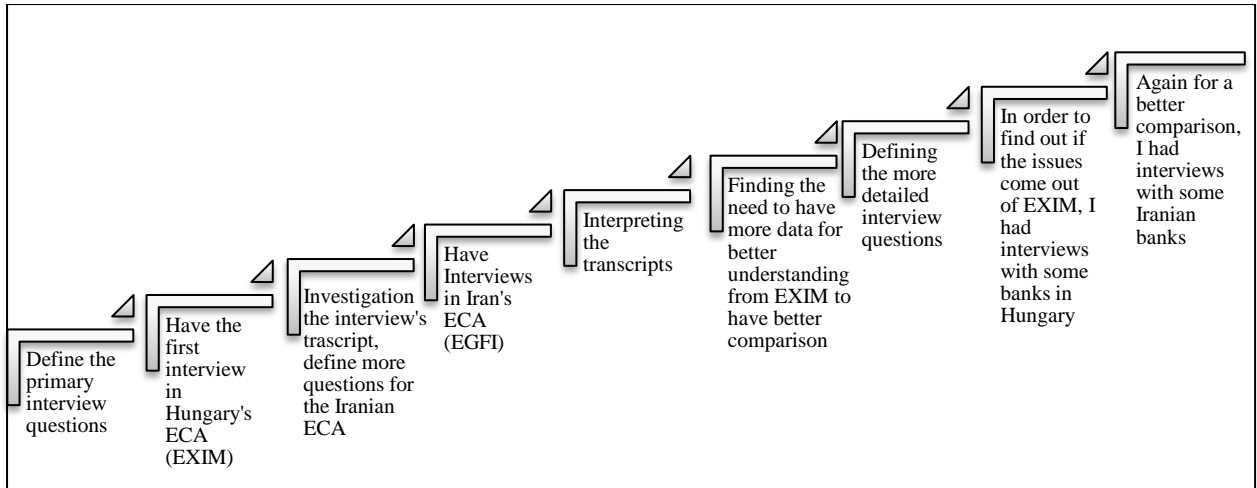


Figure 4.6: Steps of the data collection process
 Source: Author's drawing

Chapter 5. Data Analysis

5.1 Introduction

In this chapter, data analysis and the result of the study are discussed. In Figure 5.1, the outline of the chapter is shown. To keep the simplicity in the figure, layers 4 of the subchapters are not shown.

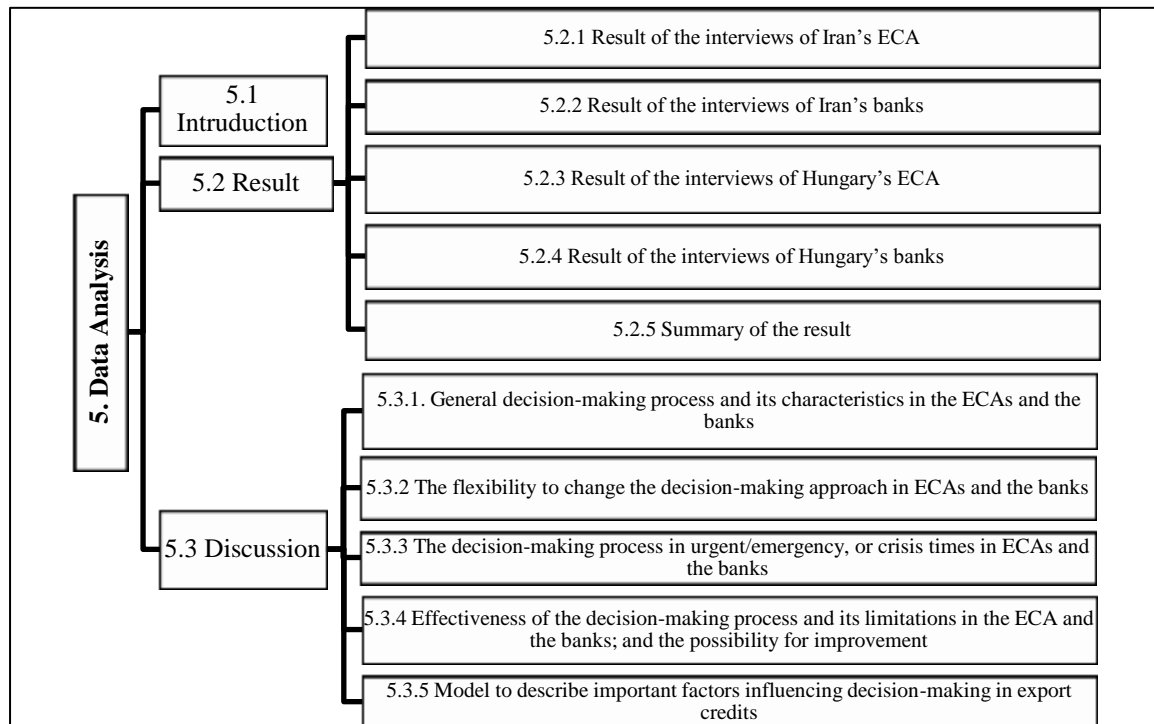


Figure 5.1: The outline of the chapter 5

To analyze the decision-making process in ECAs in Iran and Hungary, I had interviews with the ECAs in both countries and also some banks that provide somewhat similar financing services in both countries. There are imbalanced interviewee numbers from the two ECAs (13 in EGFI and 1 in EXIM) and it was not possible to have more interviewees in EXIM. To have a broader viewpoint on the subject, to improve the study's validity, and to gain a deeper insight into the market from several perspectives, interviews from the banks in both countries are conducted.

The interviews' findings in Iran are in 2 sections. First, there are 13 face-to-face and in-person interviews from the ECA of Iran (EGFI) collected in the summer of 2019 and then, there are 4 remote interviews from two banks in Iran collected in 2021. 3 interviewees are from one bank (one by phone and 2 by email) and 1 interviewee is from another bank (by email).

All the interviews in Hungary were face-to-face and in person. The interviewees in Hungary are divided into 2 interviews with the same person from the ECA in Hungary (EXIM) in 2019 and 2021, and 9 interviews from 8 banks. For the bank 3, there are 2 interviewees. All interviews from banks in Hungary were collected in 2021. Banks 1, 2, 3, and 7 are foreign-owned banks. The mother bank of bank 1 is Austrian, banks 2 and 3 are Italian, and bank 7 is Dutch. The other banks are local banks.

After reading the interviews, the content analysis with an inductive approach is done to analyze the interviews by the main themes. The final themes to categorize the transcripts concepts are as follows:

1. The general process of decision-making and the authority of decision-making
2. The possibilities of applying a change to the decision-making process & approach
3. The approach of decision-making in urgent/emergency times and crisis
4. The Limitations in the way of effective decision-making
5. The important factors for effective decision-making
6. Effective implementation of decisions

To understand deeply the decision-making process and decision-makers' views, I believe the first three categories show the decision-making process and its environment completely, and the fourth category 'the Limitations in the way of effective decision-making' can help to understand some reasons for the approach. To recommend what can be done to make the process more effective, the limitation and the two last categories are helping. In addition to the ECAs, the data from banks also are used to have a better understanding of the financial institutions in both countries in related areas and be able to compare them more significantly

However, particularly, the results analyzed in the first theme answer the first aim of the study which is "to indicate the decision-making approach of the export credit agencies to show how it works, discover the position of group decision-making in ECAs, and how the authority of decision-making is distributed"; second theme achieves the second aim of the study that "is to what extent they are flexible to change their approaches if needed". Third theme answers the third aim which "is to answer the question of how the decision-making process may face a change in unusual or crisis times". Forth theme achieves the forth aim which is "to understand the decision-making approaches' limitations in the work setting of export credit agencies". The Fifth and sixth themes tried to answer the fifth aim which is "to figure out how the decision-making process in these organizations can be effective, and find the most important factors in the effective decision-making process of ECAs". .

5.2 Result¹

The result is explained in 5 sections. First is the result of the interviews in Iran's ECA, Second is the result of the interviews in Iran's Banks, third is the result of the interviews in Hungary's ECA, fourth is the result of the interviews in Hungary's banks, and finally, at the fifth section the summary of all the interviews in Iran and Hungary with comparative look is given.

5.2.1 Result of the interviews of Iran's ECA

The Export Guarantee Fund of Iran (EGFI) is the official export credit agency in Iran providing several short-term, and medium- and long-term insurances, general advice, and guarantees to their clients and aims to support and expand the country's exports. 12 interviewees are middle-level managers and one interviewee who is interviewee 8 is a senior-level manager (one of the Board' member). In the following, the results of the interviews categorized by the final themes are given. In the following, the decision-making system in Iranian ECA is discussed in 6 subchapters. The summary of the 6 subchapters is given in the 7th subchapter of this section.

¹ It should be mentioned that some parts of this result are published in 2 journal articles, Alamian & Balaton (2022a) and Alamian & Balaton (2022b).

5.2.1.1 The general process of decision-making and the authority of decision-making

In this theme, the general process of decision-making and the distribution of decision-making authority in the ECA in Iran are discussed. By reading all the interviews' transcripts, it can be concluded that the most important decisions in the ECA are related to issuing insurance policies and guarantees and credit decisions. The process of making decisions in these categories is as follows:

1. Gathering data, Calculations, identifying the level of creditworthiness of foreign buyers, and analyzing data
2. Validation of the buyers, proposing a credit limit for insuring the cases based on the identified pattern by the expert analysts, and preparing the summary report of a case in the related sector to present it to the technical committee
3. Debate the case in the technical committee which is a consulting/advisory committee including the CEO and the middle managers. The committee is not on the organizational chart officially and has no legal position but it is taken seriously
4. In the committee, after gathering the opinions of all managers, the decision is made by the CEO or it would be sent to the board of directors' meeting to be decided by the Board based on the value of the case. There is one defined price ceiling limit for the contracts. Below the price ceiling, the CEO makes the final decision for contracts inside the technical committee meeting. But decisions about the contracts with more than the defined price ceiling are debated in the Board's meeting and they make the decisions together. This price ceiling is changing by a change in inflation.

Therefore the authority for these decisions is delegated to the Board and the CEO. Middle managers do not have the authority to make decisions to issue insurance policies and guarantees. This issue shows the centralization in the decision-making process of the ECA. However, in some cases, even the decisions are made by the government bodies like the obligatory tasks that are given to the ECA, defining the budget limits, insurance premium limits, and so on. So, according to my understanding, the highest level of decision-making can be considered the related government bodies.

The main decisions related to financial, administrative, and operational decisions are made by the CEO, who is also the chief of the board. The CEO is the final responsible person for these decisions. For example, macro decisions about the IT sector like the new IT projects that are very costly will be made by the CEO and the board. However, the decisions to specify the tasks of employees inside the departments depending on their tasks are mostly made by the related middle managers and their groups.

It seems that in some cases, when the case is accepted by the committee for the first time, to reissue, the responsible middle manager has the authority to extend the contract with the client. Interestingly interviewee 1 mentioned that:

“[...] middle managers have very limited authority to extend some contracts up to a defined price which is accepted in the committee and by the Board for the first time and they defined executive tasks for it. So overall, middle managers do not have issuing contracts and risk-taking authorities unlike some other ECAs especially the private ones”.

According to interviewee 12, the limited authority that delegated to middle and lower level managers is defined by the CEO. Although the middle managers do not have authority in making decisions inside the committee, it is mentioned by interviewees that their opinions are

taken seriously and also usually, the experts' proposals are trusted. Accordingly, Interviewee 4 mentioned that:

“As every case is different with different situations, products, industry, financial statements, and ..., the committee can be vital. However, most of the time, experts' opinions of the related section have been approved because we have professional experts and the reports are based on their knowledge”.

And Interviewee 5 implied that mostly, senior managers agree with the proposal about cases and accept the middle managers' opinions regarding the cases. He said:

“[...] in about 95% of cases, they don't ask for any changes. Just in some cases, the policy of the senior manager will be to decrease or increase the ceiling of credit coverage”.

This issue and the fact that the technical committee is not official, show that the official and unofficial process of decision-making in the organization is different. In the unofficial process, they are more open to group decision-making and middle managers contribute to the decision-making process significantly but officially, the final signature for the decisions should be approved by the CEO and the Board. However, some managers believe that by giving more authority over decision-making to the middle manager, especially for small cases, decision-making can be more effective. For example, interviewee 6 mentioned that:

“In short-term insurances, the authority of managers is necessary and if below some ceiling we can solve the case with models, there is no need to decide about that in the committee. But in the mid-long term insurances and guarantees, the ECA's method works better”.

On the other hand, only one person which was the Interviewee 2 implied that he does not think giving authority to middle managers is a good idea because the way decisions are made, has been effective for the organization. He believed that the process that decisions are consulted by the committee and in the end it will be decided by the CEO is the best way possible for the organization. Also, the member of the board in interview 8 mentioned that because of the small size of the ECA, there is no need for giving authority to middle managers:

“[...] the size of our organization is not big; we don't have too many cases which maybe won't exceed 1000 in a year. To be effective, the debate can be about whether this approach causes slowness or not. But because of the number of cases, it is not an issue here. So we don't need the authority of decision-making for middle managers”.

But he added that:

“However, I would like to mention that we are not against giving authority to middle managers to decide about small cases but because of the current circumstance and the point that we are a governmental institute, the supervision unit controls us in every little case and they are so sensitive in the financial aspect, so we and middle managers prefer to make decisions in a committee with the presence of all related managers”.

Accordingly, besides the opinions of most middle managers to give authority to middle managers for decision-making especially for small cases, they are not willing to take the responsibility for decision-making. Along with what the member of the board mentioned, it is repeated 7 times in the transcript of the interviews that the middle managers are not willing to accept the authority of decision-making for main decisions as they are worried about the consequences of their decisions they may face from the government side. They prefer to have a safe job rather than to have authority. This issue will be more discussed in the limitation part as the interviewees mentioned this item as a limitation to make effective decisions.

Generally, all the interviewees believed that the mentioned approach in decision-making is effective. Mostly they see the advantage of this approach in the brainstorming among managers in the committee; because it reduces corruption and lets the managers investigate the case from different aspects. By brainstorming, the probability of errors is reduced. Besides, all the interviewees agree that the decision-making process is harmonized with the goals and strategies of the organization. Goals and strategies' proposals are prepared by Information and Planning Department and should be approved by the Board. Every middle manager should give the report to the Board on the harmony of their departments' operations based on the goals and strategies.

5.2.1.2 The possibilities of applying change to the decision-making process & approach

Most of the interviewees mentioned that change in the decision-making process hardly can be decided and then implemented because in most cases, there is a need for the permission of the government bodies. So, the process can be very time-taking. Accordingly, the process of management decision-making is not very flexible.

However, it may change a little bit temporarily and at urgent times. It can be concluded that the organization may not be very flexible when needed. They mentioned four situations that the decision-making process can change a bit. These situations are:

- When the decision-makers who are the CEO and the board's members change.
- When external conditions (political & economic) of the ECA change.
- When the ECA faces an obligatory task from the government.
- After some years of experience, decision-makers may decide to change the process.

Among these four situations, the most repeated one is 'changing the decision-makers'. It is repeated seven times. They think that new decision-makers may bring new approaches to the decision-making process. This item could show the high centralization in the decision-making of the ECA. This change can have a positive or negative effect on the decision-making process. Interviewee 6 mentioned how this change can be positive:

“Senior managers should be aware of the company's nature completely and then define strategies, give authority to middle managers and supervise them, use the other countries' patterns and experiences, and finally, pay more attention to the private sector. Then, the consequences will be positive”.

On the negative side, interviewee 10 mentioned about the problem of changing CEO and the board's members in governmental organizations and he pointed out that:

“[...] if it happens frequently it causes to not make long-term decisions and plans. Every person has a different view which causes not continuing the last manager’s decision and approach”.

The possibility of happening change by change in decision-makers can show that the ECA can be more person-oriented than system-oriented. However, it can happen only if the person is at a senior level. Accordingly, the person-orientation exists at senior levels.

The second most repeated factor is “change in external conditions (political & economic)”. Interviewee 1 mentioned that these external conditions can be: “governmental budget, laws, sanctions, attitudes of supervisory institutes, financial situation, export situations, banks interests, exporters’ manner, economic and political limitations, and any related external conditions”. These external conditions can change the approach for the country and the ECA. They may need to force some changes or reconsider the previous approach such as when they faced international sanctions, they had to cover some banking activities and provide guarantees and credit to the exporters which previously were banks’ duties. On the other hand, according to interviewee 8, there are some obstacles from the government side to the flexibility to change:

“In some changes in the political and economic situation of the country like sanctions, the decision-making process may change. In this case, we may need to take more risks to support exporters. Sometimes supervision officers from outside of the ECA don’t have this vision and blame us for our decisions (as they would evaluate our operations like normal times and don’t consider the crisis we are facing). It makes managers not willing to accept risk-taking responsibility. The consequence of taking more risk is that we will probably pay more claims also. So, in the balance sheet, it may be seen that we have lost but our aim here is to support exporters. It is not about profit. So in this case we should increase the risk-taking capacity”.

The third situation is “Obligatory task from government” that can cause some changes which is repeated 2 times in the transcripts of the interviews:

“To protect the special political and economic situation of the country, governments give us some obligatory tasks” (Interview 2).

“It can be in a sudden change of country situation in which we may receive an obligatory task from the government” (Interview 4).

However, these obligatory tasks, according to Interviewees, can cause huge loss to the ECA which from the beginning could be predictable from the risk management calculations. Interviewee 8 mentioned that in cases the ECA won’t be able to pay, government would increase the capital. By the way, not often they would need government’s support because the ECA usually is able to cover the losses (Interviewee 8).

The last item that is mentioned once is “after years of experience”. Interviewee 7 implied that “after some years of trial and error, there may be a need to change”.

Sometimes to react to the changes there is this flexibility in the decision-making process to have a shortcut to the CEO & the board without having the technical committee.

5.2.1.3 The approach of decision-making in urgent/emergency times and crisis

Mostly because of the nature of the organization as a bureaucratic and with a centralized structure, the decision-making is not changing in urgent times in most cases. However, some of the interviewees noted some reactions of decision-makers to the urgent time. Repeating 4 times in the transcript, the interviewees mentioned that “more flexibility & collaboration among managers” may happen at an urgent time. According to interview 10, there can be more collaboration between managers and decision-makers and can be more flexible regarding the process in urgent times. Interviewee 7 also mentioned that “it is possible to have the technical committee in another way, time or in an informal way”. Interviewee 9 added that:

“It happens sometimes to have the committee informally. For example, instead of having a meeting we call the managers and ask them about their opinion to increase the speed”.

Also, they mentioned 4 times in the transcript that sometimes in case of urgent times there will be some “emergency or urgent meetings” when the next technical committee meeting or the board meeting is late for the case. As interviewee 5 mentioned:

“Again the decision will not be personal. Just the committee will form in urgent meetings. Or the CEO may recognize that some specific managers should share their opinions and have urgent meetings with them”.

Or interviewee 4 also mentioned that:

“In the crisis time or when there is a lack of time for waiting for the next committee meeting or the board meeting, we organize an urgent meeting or even several times in a week to solve the case and decide about it”.

So in case of a crisis, the meeting can be in sooner time or in several times in shorter time to find the solution for it. Some massive and long-lasting crisis like the sanctions put on the Iranian international trade made strategic changes on the ECAs’ operations and their decisions. Interviewee 6 mentioned sanction as an example of a crisis that can force some changes and explained:

“The crisis we face in these years is the sanction that it changed decision approaches. For example, now we should create some performance or services because of sanctions. For example, we should get the place of the bank and provide guarantees and credit directly to the exporters. We become more open to change when a crisis happens”.

It means that because of the political sanction put on international trade with Iran by the United State, most of the western countries, and..., Iran faced serious problems in trade internationally, it put so many difficulties for export credit insurance and financing. So, the government uses the ECA to take care of the issue instead of other financial institutions.

5.2.1.4 The Limitations in the way of effective decision-making

Managers noted some limitations in the way of effective decision-making. I am going to talk about these limitations in the order of most repeated ones.

‘Not willing to accept decision-making authority from middle managers’ is repeated 7 times as a limitation in effective decision-making which is mostly due to the worries of being questioned by the supervisory bodies from the government. According to the interviews, besides not giving authority to middle managers, they prefer to not take responsibility and not have decision-making authority. Interviewees three and five emphasized this limitation due to the worries of being questioned about their decisions by the supervisory bodies. Interviewee 3 mentioned:

“Unfortunately, in governmental organizations, there is no interest in deciding by middle managers because of the supervision of governmental bodies that sometimes disagree with the work of ECAs without having good technical reasons”.

Interviewee 5 mentioned that it would be better if middle managers accept the authority in small cases with not too much responsibility, so the process can be faster and more efficient. As mentioned before, in addition to the fact that middle managers do not have decision-making authority, they also do not want to take this responsibility. This can be because of their worries about the possible punishment from the government side, in case they don’t meet the government’s expectations. They prefer to have a safe job and not risk it. Accordingly, they prefer to have an executive job instead of being decision-makers. Interviewee 7 pointed out:

“Being a governmental organization, we need to follow some rules and obligations which prevent making brave and risky decisions which may prevent growth, some activities and effective decision-making in some cases”.

Related to this issue, also another factor “bureaucracy and lack of authority” is repeated 6 times in the transcripts as a limitation to effective decision-making. The disadvantage of this problem is making the decision-making process very time-taking. As an example interviewee 5 noted:

“[...] for example, it is a question of why identifying the insurance premium should be approved by the ministers in government? It takes so much time. It can be done by the Board and managers. Also, the problem is the same in introducing new products. It should be based on the needs of exporters. [...] So sometimes because of the difficult and time-taking process, the ECA’s managers prefer to not change the routine. It prevents growth and development”.

So these interviewees believe that the existing bureaucratic system, lack of authority and the detailed control of government for decision-making make the process slow and avoid development in most cases.

Along with this limitation, the factor “supervisory bodies from government” was also repeated 6 times. Interviewee 1 pointed out:

“[...] many supervisory bodies from the government like the Court of Audit, Accounting office, Security, Inspection bodies, and so on monitor its work. Every one of them has different points of view and looks at the organization’s activities and reports differently. So even with the existence of strategies, managers should be responsive to all of these bodies. Sometimes these supervisions make managers less risk-taking and will be not in the line of strategies of ECA”.

Or interviewee 3 mentioned:

“[...] the supervision of governmental bodies that sometimes disagrees with the work of ECAs without good technical reasons”.

And he added that:

“The Supervision of the related governmental organization should be reduced and also the force to cover the risky cases which are not in the ability of this ECA should be reduced”.

Interviewee 8 mentioned that:

“[...] we are a governmental institute, the supervision institute controls us in every little case and they are so sensitive in the financial aspect. [...] sometimes supervision officers from outside of the organization don't have the vision and blame us for our decisions which make managers not willing to accept responsibility. The consequence of taking more risk is that we will probably pay more damage also”.

Interviewee 9 mentioned:

“So sometimes they make wrong judgments. When we want to prove it in the court, it may take so much time even for 2 years which makes us lose money, energy, and time”.

In previous parts, I mentioned that because of the worries about punishments from the government side, middle managers are not willing to make decisions. The other ineffectiveness of the government control on the ECA is that they may not have enough vision and experience on the main purpose and activities of the ECA. The supervision is done by a variety of offices with different visions. In addition to being an extremely time taking process, it also may create inconsistency. It may force the ECA to deviate from its real path and goal and keeping busy with unnecessary tasks. So the time, energy, and money that should be spent on development may be wasted.

The other limitation is the “Lack of capital” which is mentioned 4 times in the transcript. Three times repeated limitation is “Lack of experience of some managers on ECAs”. In interview 9, it is noted that:

“Maybe not a good selection of managers or consultants who may not have enough experience or vision on the ECA can be a limitation. In human resources, they should be sensitive about that”.

Also, interviewee 1 mentioned that:

“[...] by the way, it would be so much better if these managers were chosen from inside the organization and be the ones who have gone through the hierarchy of the organization with a more specialized view of decision-making”.

One of the issues in choosing senior managers in state-owned organizations is that they are sometimes chosen by connections. Every 4 years when the presidents are changing in the country, the senior managers mostly are changing in these organizations. And

sometimes they do not have sufficient experience in this matter. In this case, they may not be able to see what is good for the performance and future of the organization.

The other limitation which repeated two times was “Inaccessibility to enough information”. Interviewee 4 gave an example about how the inaccessibility to the clients’ banking information can limit them:

“[...] because we are not connected to the central bank information systems and don’t have online information, so we need to ask exporter to bring the financial statements from banks. But to what extent we can trust these documents? [...] and also because of the privacy of customer information, we cannot ask the bank directly. [...] export documents may be forged. Managerial mistakes mostly are about the weakness of these connections and network systems”.

The other limitations that repeated 2 times are “Low speed”, “government intervention in decision-making”, “Weakness of regulations in the country”, and “Strategies & Goals”, and only the 3 factors of “Change of managers”, “Credit Limit”, and “Not availability of the board’s members” mentioned once.

In summary, the most important limitations of this ECA are about the authority of decision-making and the behavior of government with the ECA. The other limitations are related to bureaucracy, time, information, regulation, budget, capital, defined goals and strategies, human-related factors (experience, decision-making willingness, different viewpoints, and being available and devoted).

5.2.1.5 The important factors for effective decision-making

Among all the factors mentioned in the transcript, the most repeated one is ‘Using different views and experience in the committee’ which may show they feel that the way managers debate in the technical committee is effective for decision-making in ECAs. It is repeated 19 times in the transcript which means group decision-making is valued in the ECA. Even interviewee 9 mentioned that:

“[...] it is good to have these kinds of committees for other issues as well”

They mostly see its benefit in brainstorming, investigating cases from different aspects, and sharing responsibility. Its benefits are to avoid errors and corruption.

The second most mentioned factor that is repeated 11 times in the transcript is “managers’ working experience and knowledge” about ECAs and this ECA. Having working experience in the ECA gives a detailed vision of the company, its real needs, function, challenges, and limitations, and very importantly the managers will have a more realistic look in making a decision and its implementation. For example, Interviewee 1 pointed out that:

“[...] it would be so much better if these managers were chosen from inside the organization and be the ones who have gone through the hierarchy of the organization with a more specialized view of decision-making”.

Interviewee 6 considered this factor as a vital one:

“First of all, the decision-makers are important. These people should be someone who has so many years’ experience of working in the ECA and completely aware of the nature of the ECA, challenges, and problems that the ECA may face”.

Interviewee 8 mentioned that the experience and knowledge of managers and experts should be added to the result of evaluations.

The third and fourth most repeated factors are ‘Networking and information system’ and ‘developing technology and accurate computational science’ which can be considered in the same category. Interview 1 mentioned that:

“They should make the work process more automatic and electronic and improve the networking system. So the information comes into the hand of decision-makers in the shortest time possible and more accurate”.

Interviewee 8 added that information should be always available for all managers and the soft wares should be harmonious and integrated in all sections. Interviewee 4 suggested that being connected to the information center of the country and being able to reach it easily makes decision-making more effective. This matter can be possible by providing Blockchain technology in the general financial institutions’ system of the country. To avoid human mistakes and reach the reports faster and with fewer errors, correct and efficient evaluation modeling of credit risk is needed (Interview 8). Decision-making should be based on correct and effective validation and implement less personal opinions and more based on validation (Interview 5).

Other factors for effective decision-making, respectively by repeating in the transcript, are:

- Give authority to middle managers and less bureaucracy in the decision-making process
- Consider the goal (supporting the exporter)
- Balance in supervision
- The knowledge & experience of the expert employees
- Should be based on strategies
- Accuracy in HR
- By not relying on the personal taste of managers
- Courage of decision-makers

Some factors are repeated only once: availability of the CEO & the board, being a private company in which the state can be one of the shareholders, budget availability, defining final responsible decision-makers, the system should be more open, and have more up-to-date training to develop the new knowledge about ECAs

In general, the most important factors can be first, applying group decision-making, in order to use different experiences and knowledge, and also share the responsibility of decision-making. It is avoiding error and corruption. When only a few people will be authorized for decision-making, even for small cases they may become so prudent because they may feel more pressure on their shoulders and become self-protective. The group of decision-makers should be the managers who have good experience, vision, and knowledge of the organization. Second, the information should be collected accurately and in the most

efficient way. Access to new technologies like blockchain makes it possible to increase the accuracy and speed of data collection.

In summary, the most important factors influencing effective decision-making are as follows: the authority of decision-making, government role, bureaucracy, time, information, technology, integrated system, regulation, budget, defined goals and strategies, human-related factors (knowledge, experience, courage, decision-making willingness, different viewpoints, being available and devoted, and not applying personal taste), ownership, and group dynamics.

5.2.1.6 Effective implementation of decisions

The factors mentioned by managers are so scattered. The most repeated one is repeated 5 times which is “to consider the goal of the ECA”. Goals should be defined properly and be considered at every level of making decisions and implementing them. As interviewee 6 mentioned:

“It depends on how we see these implementations; if the effectiveness is analyzed based on profit or giving the best services to exporters. It should be noticed that mostly the quality of services and increasing coverage are important for ECAs. I believe that this implementation should be in the way that exporters can take more risks”

Or interviewee 8 said:

“The success of our organization should not be analyzed by the Profit and Loss Statement. The success of an ECA is based on its effect on developing export and in some cases protecting export. In addition, we are a policy-oriented agency that implements the government’s policies and we are not a normal insurance company”.

It is good to notice here that according to the interviewee 9, Legal Inspector and Audit office of the ECA would evaluate the ECA’s operation based on the Profit and Loss statement which is because they usually don’t have enough knowledge and experience about ECAs.

After that, 4 times repeating factors ‘Decision-makers’ knowledge and experience’ and ‘skills of expert employees’ are in second place. For example, interviewee 7 pointed out that:

“Decision-makers should have good knowledge and insights about subjects”.

They mostly believed there should be a balance between the knowledge and experience of decision-makers, technology, and calculations. According to interviewee 10, they should ‘adapt decisions with the current conditions and facilities’ that need good knowledge and insight about the ECA.

The other factor is the ‘efficient supervision of supervisory bodies’. Although this factor was directly mentioned only three times, indirectly most of the interviewees mentioned this factor.

Other factors are: decision-making and working speed, decisiveness in decision-making, expert employee’s commitment, government should give more authority to the ECA’s managers, open-minded look to problems & implement the consulted opinion, up to

date and user-friendly technology and science, budget availability, having more branches, and transparent process.

In summary, the most important factors for effective implementation of decisions are as follows: the authority of decision-making, government role, time, technology, budget, defined goals and strategies, human-related factors (knowledge, experience, skills, being devoted), organizational size and transparency.

5.2.1.7 Summary of the Interviews' result in the ECA in Iran

In this organization, the most important decisions are related to issue insurance policies, guarantees, and other credit decisions. The process of decision-making is after gathering all the information needed for decision-making, the decisions are made in technical committee or the board's meetings depending on the defined price ceilings of the clients' cases. The technical committee is not the official committee. The members are the CEO and middle managers. However, only the CEO has the official right to vote. Middle managers are consulted in the committee and they give their votes and opinions to the CEO but the official decision-maker is the CEO in this committee. Therefore, it is a consulting committee. Middle managers do not have the authority to make decisions about new cases. Only if one case is already approved by the CEO or the Board, they may have the authority to make decisions about extending the contract up to the defined price ceilings. Therefore, middle managers do not have the risk-taking authority. Accordingly, it shows high centralization in the decision-making in this ECA. However, the senior managers mostly trust the opinions and proposals of middle managers. It shows unofficially they are more open to group decision-making.

It seems that the decision-making process in the ECA is not very flexible because it is so hard to decide to implement any changes in the decision-making process or its regulations. Even in the face of urgent cases, it is hard to implement any changes. As they mentioned that it may change by change in decision-makers, it seems that the organization is more person-oriented rather than to be system-oriented. And government orientation has a strong effect on their decisions. For example, if there will be an obligatory task from the government to insure a case, even if it is not in the benefit of the organization, they have to insure it. If political or economic conditions in the country change they may have to implement some changes in their approach to decision-making. For example, in case of a massive and long-lasting crisis (like sanctions), strategic changes on the ECAs' operations and their decisions may happen. Sometimes, there is a need for an urgent meeting, they will set an emergency meeting and more collaboration is done by managers. Or even in some cases when there is no time to wait for a meeting, there will be no meeting and a decision will be made directly by the CEO or other shortcuts because the committee is not official they can be flexible with this, however, for the official process, it is so hard to implement any changes. However, the middle managers believe that this committee is so effective and should be existed because of the brainstorming and using the different points of view of the members to make more comprehensive and correct decisions. Although they think it even will be more effective if the middle managers would have the authority of decision-making at least in small cases. It also increases the speed of decision-making. However, the decision-makers should have enough working experience and knowledge in the ECA and have the courage and willingness to make a decision. They should also be aware of the goals and strategies of the ECA in all phases of the decision-making and its implementation. The supervisory should have balance in the supervision of the work of decision-makers in the organization. They should not apply too much control so the managers would not be afraid to be questioned and punished for their

decisions and at the same time not feel too free in order to not commit corruption. The balance is the key to effectiveness!

To make a reliable and effective decision, the very first condition is to have the correct information in the shortest time possible. This needs good technology to gather data and analyze it to gather the information needed for a decision. It is really important to be connected to the related database and able to use the clients' data already collected by other financial institutes which can be possible through Blockchain technology. Unfortunately, the regulation in the country does not allow this connection. When they have better information, they can validate the clients more properly, then the probability of loss decreases and the profit amount may increase and the capital of the organization also increases. Also for increasing the profit the income should increase which will be possible by attracting more clients that can possibly be better working speed and easing the regulation a bit more.

Summary of the Interviews' result in the ECA in Iran is given in Table 5.1 by showing it separately in each theme. By looking at the last three themes, the factors that affect decision-making in the ECA in Iran can be categorized into: authority of decision-making, government role, bureaucracy, time, information, technology, integrated system, regulation, budget, defined goals and strategies, human-related factors (skills, knowledge, experience, courage, decision-making willingness, viewpoints, being available and devoted), ownership, transparency, organizational size, and group dynamics.

Table 5.1: Summary of the Interviews' result in the ECA in Iran

The themes	The result's summary
The general process of decision-making and the authority of decision-making	<ul style="list-style-type: none"> -The matter of decision-making is a hierarchy issue that is based on the thresholds -Credit related decisions are usually made in the technical committee or in the Board's meeting -The authority of decision-making is distributed between the CEO, and the board of directors about issuing services; the government bodies are authorized bodies for obligatory tasks, defining the budget limits, insurance premium limits, ... -Technical committee is a consulting committee (it has no legal position) -There is considerable difference between official and unofficial process
The possibilities of applying a change to the decision-making process & approach	<ul style="list-style-type: none"> - Usually, for make a change, there is a need for the permission of the government bodies -It is not very flexible. -In few cases, it is possible to apply change when: decision-makers change, the external conditions (political & economic) changes, obligatory tasks from government, changes due to experience -To react to the changes there may be flexibility in the decision-making process to have a shortcut to the CEO & the board without having the technical committee.
The approach of decision-making in urgent/emergency times and crisis	<ul style="list-style-type: none"> - It is not very flexible in those cases too, but: -In urgent times, more flexibility & collaboration among managers happens, specially flexibility with the technical committee, and it is possible to have emergency or urgent meeting(s) -In case of a massive and long-lasting crisis (like sanctions), strategic changes on the ECAs' operations and their decisions can happen.
The Limitations in the way of effective decision-making	<ul style="list-style-type: none"> - Not willing to accept decision-making authority from middle managers - Bureaucracy and lack of authority - Supervisory bodies from government -Lack of capital -Lack of experience of some managers on ECAs -Others: Inaccessibility to enough information, Low speed, government intervention in decision-making, weakness of regulations in the country, and strategies & goals, change of managers, credit Limit, and not availability of the board's members
The important factors for effective	<ul style="list-style-type: none"> - Using different views and experience in the committee - Managers' working experience and knowledge

decision-making	<ul style="list-style-type: none"> - Networking and information system - Developing technology and accurate computational science (with integrated system) - Give authority to middle managers and less bureaucracy in the decision-making process -Consider the goal (supporting the exporter) -Balance in supervision -The knowledge & experience of the expert employees -Should be based on strategies -Accuracy in HR -By not relying on the personal taste of managers -Courage of decision-makers -Others: availability of the CEO & the board, being a private company, budget availability, defining final responsible decision-makers, the system should be more open, and have more up-to-date training to develop the new knowledge about ECAs
Effective Implementation of decisions	<ul style="list-style-type: none"> -To consider the goal of the ECA -Decision-makers' knowledge and experience -Skills of expert employees -Efficient supervision of supervisory bodies - Other factors are: decision-making and working speed, decisiveness in decision-making, expert employee's commitment, government should give more authority to the ECA's managers, open-minded look to problems & implement the consulted opinion, up to date and user-friendly technology and science, budget availability, having more branches, and transparent process.

Source: Author's drawing

5.2.2 Result of the interviews of Iran's banks

The interviews in this section were done in 2 banks in Iran. In bank 1, there are 3 interviewees and in bank 2, there is one interviewee. In the following, the decision-making system in Iran's banks is discussed in 6 subchapters. The summary of the 6 subchapters is given in the 7th subchapter.

5.2.2.1. The general process of decision-making and the authority of decision-making

In both Banks, there is a difference between decision-making activities in routine activities and export financing activities. In the case of routine activities, decisions are made in credit committees that are different based on the credit limit: credit committees of the branches, top managers in the region, and the top managers in the main bank. However, in the case of export financing, as it is happening rarely because of the sanctions on international trade for Iran, the decisions are made in the main bank (Headquarter) by top managers in the international department. Decisions mostly are made in committees that are formal and members have the right to vote. All the processes are written and regulated.

The leadership style is participative in bank 1. It is possible to delegate the authority of decision-making to the lower level with supervision and following the rules in a few cases. However, the interviewee in bank 2 mentioned that most of the time it is autocratic but sometimes participative. It is hard to put it in one of these categories.

The middle managers are involved in strategy development. Middle managers give their opinions and their knowledge about the challenges they faced and probable challenges in the future. The decision-makers in this concern are top managers but they consider significantly the middle managers' opinions. For finding the requirement of both banks they have a survey system.

5.2.2.2. The possibilities of applying change to decision-making process & approach

As all the processes are written and regulated, the rules given to the banks by the Central Bank of Iran must be followed. If there will be a possibility to change, it is also written and identified. In a few issues, there is a possibility to implement changes. Also, there is the possibility to review and reconsider the decisions made. The second interviewee in bank 1 and also the interviewee in bank 2 mentioned that if the made decision does not have the expected result it should be reviewed by top managers of the banks. In bank 2, the interviewee mentioned that in case the reason for changes will be enough, convincing, and applicable, then it may happen.

When strategies change or some external conditions at the country level change then maybe the decision-making process faces some changes as well. For example, the political and economic sanctions from the United States and some western countries on Iran's international trade made banks change their approaches in decision-making. Because of sanctions, the number of cases for giving exporters credit services decreased, so if they have any case, they have to directly send it to the senior levels, and it cannot be decided in normal credit committees.

5.2.2.3 The approach of decision-making in urgent/emergency time or in crisis

In this case, they may not follow the normal way. For example, in the COVID-19 period, they could ease some regulations based on the tasks given by the Central Bank of Iran. And for the employees as much as it was possible they made it a home office and meetings were held on virtual platforms.

In the case of a crisis, depending on the intensity of the crisis, the person who is entitled to change can be the international manager, the CEO of the bank, or the board of the bank.

5.2.2.4 The Limitations in the way of effective decision-making

Mostly it is the unstable economic and political situation in the country, so they cannot have a precise vision of the future. Other limitations are the lack of technology facilities and the idealistic views of the issues. The other limitation is that the rules and regulations are mostly not flexible in both banks.

They did not face too many problems in the bank concerning decision-making; however, Human Resources (HR) Management could be more effective in order to hire more skilled employees. The budget also is not enough.

5.2.2.5 The important factors for effective decision-making

The interviewees in bank one mentioned that team working and using people with different points of view in a team is important. The other factors are giving more authority to lower levels to make decision-making faster, less dependency on the government, and making contract conditions easier for clients in order to attract more clients, then the income will increase. The interviewee in bank 2 mentioned that reviewing the decisions consistently is very important.

Evaluation for an effective decision-making process is done every 3 months, 6 months for strategy control, and yearly for general evaluations by the evaluation departments.

5.2.2.6 Effective implementation of Decisions

Interviewees in banks mentioned that the economic stability of the country and investigating the credit rating of the clients carefully is so important in implementing the decisions effectively.

Their suggestions for making the decision-making process and its implementation more effective are:

1. Bank 1: more participation of all levels in the process of decision-making actively, group decision-making by diverse people. There should be more active supervision for all the phases of the process continuously.
2. Bank 2: define strategies that are applicable and easy to be implemented. Participating of the lower levels in the decision-making process and using their opinions.

5.2.2.7 Summary of the Interviews' result in the banks in Iran

In banks, the decisions are mostly made in the credit committees that are based on the credit limit, the level of members, and the committees change from the committee in the branches, to the top managers in the region, and to the top managers in the central branch of the bank (Headquarter). However, in the case of export financing, it is done in the central branch of the bank because the number of cases is so small. However, it always should be a committee with all members having the right to vote. All the processes in the bank are written and regulated by the Central Bank of Iran and in addition, they should follow the internal regulations of their bank as well. Even if there will be a possibility to change, it is mentioned in the regulation and the limit of flexibility is defined.

Like the ECA, in banks also the economic and political changes in the country affected their activities and the decision-making process within the bank, especially in the case of export financing activities or to be more specific trade financing activities. Or in the COVID-19 time, they could ease some regulations which were the tasks given by the Central Bank of Iran. Also, they could implement some of their activities in a virtual way.

Although, in the bank, they have a team working, still they think the level of team working can increase or the authority to lower levels and independency from government should increase in order to have a faster process. However, there should be a consistent process in the review and control process. The goals and strategies defined for the bank should be more realistic to be applicable. However, the unstable economic and political, make it hard to have a precise vision of the future. As much as they will be more dependent on the government, the effect of the political instability is more significant on the banks. The other issue is to increase the facilities related to technology and hire more skilled people in order to increase the capability of lower-level decision-making and increase the probability of accurate decisions.

Summary of the Interviews' result in the banks in Iran is given in Table 5.2 by showing it separately in each theme. By looking at last three themes, the factors that affect decision-making in the banks in Iran can be categorized into: the authority of decision-making, government role, external political and economic situation, information, technology, strategies, human related factors, regulations, budget, group dynamics, simplicity, evaluation and control.

Table 5.2: Summary of the Interviews’ result in the banks in Iran

The themes	The result’s summary
The general process of decision-making and the authority of decision-making	<ul style="list-style-type: none"> - The matter of decision-making is a hierarchy issue that is based on the thresholds - In the case of routine credit activities, decisions are made in credit committees in different levels - In the case of export financing, as it is happening rarely because of the sanctions, the decisions are made in the main bank (Headquarter) by top managers in the international department. - Committees are formal and members have the right to vote. - All the processes are written and regulated
The possibilities of applying a change to the decision-making process & approach	<ul style="list-style-type: none"> - In case of a possibility to change, it is written and identified in regulations - There is the possibility to review the decisions made and reconsider them by senior levels - When strategies change or some external conditions at the country level change (like sanctions) then maybe the decision-making process faces some changes
The approach of decision-making in urgent/emergency times and crisis	<ul style="list-style-type: none"> - They may not follow the normal way. For example, in the COVID-19 period, they could ease some regulations based on the tasks given by the Central Bank of Iran. - In COVID-19, a home office was possible and meetings could be held on virtual platforms. - Senior levels are entitled to specify the new approach
The Limitations in the way of effective decision-making	<ul style="list-style-type: none"> - Unstable economic and political situation - The lack of technology facilities - The idealistic views of the issues - The rules are mostly not flexible - Human Resources - Lack of Budget
The important factors for effective decision-making	<ul style="list-style-type: none"> - Team working and considering different viewpoints in choosing the team members - Giving more authority to lower levels - Less dependency on the government - Easier contract conditions - Reviewing the decisions consistently
Effective Implementation of decisions	<ul style="list-style-type: none"> - The economic stability of the country - Investigating the credit rating of the clients carefully - More active participation of all levels in the process of decision-making - Group decision-making by diverse people - Active supervision for all the phases of the process continuously - Define strategies that are applicable and easy to be implemented

Source: Author’s drawing

5.2.3 Result of the interviews of Hungary’s ECA

EXIM is the official export credit agency of Hungary that is the integration of the state-owned Hungarian Export-Import Bank Plc. (Eximbank Plc.) and the Hungarian Export Credit Insurance Plc. (MEHIB Plc.) that are working in an integrated framework. In the following, the decision-making system in EXIM is discussed in 6 subchapters. The summary of the 6 subchapters is given in the 7th subchapter.

5.2.3.1 The general process of decision-making and the authority of decision-making

My understanding from the interviews is that decision-making in EXIM is hierarchical and very much regulated. By considering some thresholds managers at some levels can get decision-making authority. Inside the hierarchical system, they have group decision-making in the shape of committees and four-eyes approval for decision-making. Like any other decision-making process, after collecting information, the proposal will be prepared by the respective unit to be decided by the authorized people in the organization.

As mentioned in the introduction, EXIM is consisting of a bank and an insurance company. In EXIM, it depends if the decision is for the insurance side or the bank side. In the case of the bank, there are 5 levels of approval and in the case of the insurance company, there are 4 approval levels. In the case of the Insurance side, the first level of approval: two people from different departments have the right to mutually approve a risk or a proposal made by the expert level. The second level is the insurance committee, the third level is the board of directors, and the fourth level is the shareholder which in the case of EXIM is the state (the Ministry of Foreign Affairs and Trade) or the person who is appointed by the ministry from the ministry. However, in the case of the bank, there are more levels at the bottom. The second level is a four-eye approval: 2 persons from the same department can approve the specific questions.

The committees' members are mostly higher-level managers which depends on the kind of committees the members can be different. The committees are formal groups. Top management that are the Managerial director, deputy CEO, and CEO level are mostly involved in all the committees. But also some directors at the middle level are involved in different committees. The committees' members have the right to vote for the decisions but in case someone is just invited to the committee they don't have voting right.

Depending on the amount of risk taken of the credit under discussion, the decision-maker levels are different. For example for the insurance section, till 5 billion forints deals, the insurance committee can approve. 5-20 billion forints deals can be approved by the board of directors and up to this level that is done by shareholders' committees. The decisions which are delegated to the lower levels are under the limits or policies that were previously approved by the higher levels. As the interviewee mentioned in 2021:

“In case of business-related process, we always differentiate on the levels of the decisions, depending on the nature of the questions discussed and the volume of the risk which is influenced with this question. [...] at the lower levels, decisions are possible to be taken which are deemed to be technical and which do not intake an additional obligation from either of the institutions. In the case of first level four-eyes approval, we may talk about approval of even undertakings but not new deals and new limit undertakings. These decisions are connected to undertakings which are influenced by already executed deals or risks [...]”.

For the leadership style of the ECA, he mentioned that it is hard to put it in one category among three basic leadership styles (Autocratic, Participative, and Laissez-Faire); however, it can be called collegial leadership. He added that:

“[...] I think that such an answer should be for any other financial institution in Hungary because it is required to operate in a specific way by law. So setting up committees, having 'collegial' decisions, having a primary review of the discussed matter, opinions provided from different units, independent evaluations of the matters discussed by different units, these are all requirements of the law banding for credit institutions”.

As he pointed out, in this way a proper decision is most probably because they can have almost full information necessary and they can have a full picture of what they approve. However, it can consume so much time and the process can be slow. He added that:

“Decisions could be taken much faster but whether these decisions would be best decisions, this is hard to tell. [...] But at the end, you need to have some balance between the need of time for the specific decision and the deepness of information you got, the deepness of analysis you do. This balance is the primary objective which I think should be taken to see in the evaluation whether the process is the place of effective or not”.

In EXIM, decision-making and decisions are based on goals and strategies. Middle managers are involved in the preparation of the strategy but they are not the decision-makers in this matter. He mentioned:

“When the strategy is prepared definitely everyone is asked to their thoughts, inputs but later on strategies are finalized based on internal negotiations with the top management, with the owner and with the state negotiation, etc., and at the end of the day strategy is always approved by the highest level”.

Accordingly, the decisions regarding strategies are made by the highest level in EXIM.

5.2.3.2 The possibilities of applying a change to the decision-making process & approach

In the interview in 2021, he said that the decision-making process and its regulation are written in full detail. In Hungary, a financial institution has to follow certain rules. “It is the same as 3 years ago”.

He mentioned that:

“[...] in the decision-making approach itself, there can be no change. However, they know the freedom given by the overall general regulation of EU and Hungarian regulation which is concluded based on the EU requirement. So you do not have the maneuver to change your internal processes on substantial matters. However, in the process itself, I would say there are some possibilities to implement changes. For example, there is no specific regulation neither prescribed by the European Central Bank nor by a financial institution of the country (which prescribes the authority regulation) which would define that a bank and/or an insurance company need to conclude a decision on the board level after 5 billion HUF.”

So, the ECA has the maneuver to change this limit but they cannot change the decision-making approach. He added that:

“To initiate changes in internal regulation when there is a need for it, there is a unit responsible for updating, controlling, and managing something that specific in our regulation. For example in the case of the question of what amount should be the trigger to approving the specific deal on the higher level is decided by different departments belonging to the managerial director on risk. These are called credit approval process regulation and decision-making regulation on internal regulation of Eximbank and the insurance company on the decision-making process regulations. So, for example, the regulations which set the amount of 5 billion are belonging to the risk department. But also these are the complete set of internal regulations which fares the rules for decision-making. And different regulations may belong to different

departments. So you need to identify the specific issue you want to discuss, then the department related can be specified to initiate the changes, and finally, it should be approved by higher levels”.

The cause-and-effect relationship is used in evaluating the effectiveness of the decisions made but it needs to be analyzed whether that specific matter is a one-time question or a regular question. Whether it is worth the efforts to develop a change in the decision-making process. The time and money that will be spent should be evaluated carefully. And there is no clear outcome and time frame, no one will start such a big project just because maybe there is one technical issue that may happen in 20 years of experience and which is not going to arise in the next years later. The evaluations are made annually. And he mentioned:

“[...] so in case the problem is observed, it may result in the search for solution afterward. And initiation for change that practice in place but this is not 100 % that this will be happening. After that bad practice is observed and analysis is made that has bad result so maybe some changes may trigger to be made”.

In the interview in 2021, he said that maybe some minor technical changes happened since 2019 that should be thought about in that respect of the decision-making approach. No significant change in respect of the overall approach.

5.2.3.3 The approach of decision-making in urgent/emergency times and crisis

The interviewee in 2019 mentioned that in an emergency situation, the regular formal set of the process may need to not be met, however, in EXIM everything should follow the formal process. So, to solve this situation, one solution they do is to put on hold the decision-making process to not lose the case but provide the quiring time of a decision. He noted that:

“[...] in such an organization you cannot rely on the decision of one person. It has to be formally set, put on paper, which can be defended, and justification of which can be defended that definitely, you cannot meet these goals in the case of the emergency. So in case of an emergency situation, you can put on hold any process because putting on hold of s.th is not a decision. It provides the quiring time of a decision [...]”.

One example of some changes that happened was after the financial crisis of 2008-2009, “when it became clear that global financial markets especially the global banking sector could hardly be called as well regulated”. The interviewee mentioned that “the regulatory of authorities started to follow a much more strict approach on regulation of the financial markets even in the insurance markets”. The financial sectors in the EU even became overregulated after the crisis. He said:

“[...] this over-regulation is specifically touching issue in general what kind of financial institutions do and how they need to decide on that activity. I would say today to any financial institution you go to in Europe you will get a thousand pages of internal regulations to refer to that we have something of this size and place we need to follow very strictly and no freedom in that respect is available”.

In the time of COVID, there was no change “in the point of view of approval, preparation of decision-making materials, no regulation changed in lower level or the supervisory authorities”. What changed was to ease the condition of repayment for the clients

who already had a contract with EXIM. This ease for the domestic portfolio was introduced in Hungary for financial institutions. He mentioned:

“In pandemic time we cannot speak of a huge amount of new portfolio. There was not the time of new deals, there was a time of normalizing, the already available deals”.

During the pandemic, all the portfolios somehow were touched by the pandemic, and some conditions of the moratorium changed which was a period of very intensive decision-making to make proper decisions.

However, for some operational issues that were hard to put in the regular operational committee, they settled a COVID committee.

5.2.3.4 The limitations in the way of effective decision-making

He referred to some other surveys that mentioned that regulation is the biggest obstacle. For example, he mentioned that private export credit companies have more freedom to follow the effectiveness to have more profits and a more effective operational process. In addition, they are freer in the specific level of decision-making and authority.

Also regarding regulation as a limitation, he uses the example of a crisis that happened during the years 2008-2009. He mentioned:

“After the crisis, the first obstacle for financial sector participants, in the development plan was regulations. More than 20% of companies and banks who are doing activities in the European Union, point out that the regulation was the biggest obstacle. Because in all cases when the new regulation is introduced, the regulators do not always know how the market functions in real life; the new regulations are always hard issues to be solved [...]”.

He added that:

“Hungarian export-import bank is a financial institution which is fully under the regulation of banks and financial regulations of both Hungary and European Union”.

Accordingly, when EXIM (like other ECAs) faces new regulations, sometimes it seems challenging to achieve the regulations.

As mentioned before as a state organization, prudentially is so crucial and they need to meet the requirement defined they have to fulfill requirements prudentially which is defined for state organizations. In his opinion, it can become a limitation for effective decision-making. As he said:

“[...] and meeting this regulation requirement is the biggest challenge for decision-making to be effective. The effective decision-making is not the specific issue for us”.

The other limitation of proper decision-making can be information. Information should be properly collected, evaluated, and presented to the decision-makers and in the end; it should be used properly by decision-makers. As he mentioned decision-making in general, “is very much limited theoretically by the people who are participating in decision-making”. So in all phases of the decision-making process, eligible and skillful people should be used. They influence the quality of the decision taken based on the information. For example

quality of information from different countries differs and it is influencing the quality of decisions.

Nowadays, to have good quality data efficiently, there is a need to have Blockchain technology. Hungarian financial institutions still don't have access to this technology. In the second interview I had with him he mentioned that in Hungary, financial institutions are lagging behind the Blockchain technology in comparison to Russia, China, the US, and also some eastern Asian countries, and it is not only the issue of Hungary but in most of the European countries it is almost the same.

5.2.3.5 The important factors for effective decision-making

He mentioned that because the organization is a state financial institution, so what is important is not being effective but being prudent. He mentioned that prudentially and transparency to complete the certain process is necessary to reach its goals. In this concern, he added that:

“From the business point of view, it can hardly become effective. This is always a conflict of interest between effectiveness, quickness, transparency, and prudentially inside the financial organizations especially state financial organizations. It is important to find the balance between these important factors”.

To have the proper information and analyze it, time is needed and decisions could be taken much faster but maybe the decisions won't be good ones. Again balance is needed between these 2 factors. As he said about the efficiency of the decision-making process in EXIM:

“[...] definitely it provides an opportunity to conclude decisions with having the opportunity to get the full information necessary for concluding a proper decision. Definitely, if you want to have a full picture of what you approve, then time needs to be spent presenting the specific matter to what you approve. Decisions could be taken much faster but whether these decisions would be the best, is hard to tell. So if for efficiency we are talking about time the answer is no and also if it is about the best decision the answer is again no because if we have the additional months and time to analyze the specific question then we would have better information and knowledge of what we are approving. But in the end, you need to have some balance between the need for time for the specific decision and the deepness of information you got, the deepness of analysis you do. This balance is the primary objective which I think should be taken to see in the evaluation whether the process is the place of effective or not”.

5.2.3.6 Effective implementation of Decisions

There is a permanent process to improve the risk assessment and collection of data. However, as the company is strict, transparent, and prudent, there is still room for becoming better. Since Eximbank and Mehib are integrated, the organizational practice became unified as one structure and shares the same staff, management, leaders, decision-making bodies, and same owner. However, sometimes, there is a conflict of interest between the bank and the insurance company which is normal. I could understand from his explanations that when there is harmony and collaboration among export financing systems in a country, it will be so

satisfying for exporters to not deal separately with banks and insurance companies and there will be less paperwork.

Also, he mentioned that implementing the decisions effectively should be clear, exact, and made with correct procedures with less complexity. So the executives know what to do clearly. Otherwise, maybe it concluded some arguments between the execution colleagues. So, a well-defined procedure with skilled employees and decision-makers is very important.

5.2.3.7 Summary of the Interviews' result in the ECA in Hungary

The decision-making process in Exim seems to be not very flexible and is much regulated. The decision-making process in the organization is following the four-eyes approval principle at department levels. At a higher level, they have committees with the official voting right of the official members. The committee members have included some top managers and middle managers. Above the committee level, decisions are made in the Board' meeting and higher than that it is decided by the owner (Government bodies in the Ministry of Foreign Affairs and Trade). The leadership style is mostly collegial leadership.

Goals and strategies are considered in all the phases of the decision-making and its implementation. In addition, prudentially and transparency to complete the certain process is necessary to reach its goals. To have an effective process, the balance between collecting enough information and a fast process always should be taken into account.

In EXIM, the process is so regulated and every detail is written in documents. However, after the crisis of 2008-2009, the regulation became stricter in the financial sector in the EU region. Even it has become overregulated. The change in the overall process which is defined by the EU or the National Bank of Hungary is not possible to be done by EXIM but if there is something related to the internal regulations of the EXIM, it is possible to implement changes with the permission of senior managers by the related responsible department. In unusual cases of clients or an emergency situation, they may be put on hold in decision-making to find the proper solution for the case. During the COVID-19 crisis, to deal with the issues that were hard to put in the regular operational committee they create a new committee that is called the COVID committee.

To implement decisions effectively, clearness and fewer complex processes are very important. The process and procedures should be well defined to achieve the goal behind the decision. As Mehib and Eximbank are working in the same structure, the clients and employees deal with less paperwork. Although sometimes these two can have different interests, in general, the integration of these organizations was efficient. As EXIM is a state organization, being prudent and transparent is so important and sometimes it can be more important than being effective from the business point of view. Accordingly, the regulation can be the biggest obstacle to realize effectiveness.

Summary of the Interviews' result in the ECA in Hungary is given in Table 5.3 by showing it separately in each theme. By looking at last three themes, the factors that affect decision-making in the ECA in Hungary can be categorized into: regulation, information, time, human-related factors, clearness, simplicity, prudentiality, and transparency.

Table 5.3: Summary of the Interviews’ result in the ECA in Hungary

The themes	The result’s summary
The general process of decision-making and the authority of decision-making	<ul style="list-style-type: none"> - The matter of decision-making is a hierarchy issue that is based on the thresholds - They have group decision-making in the shape of committees and four-eyes approval for decision-making - In the case of the bank, there are 5 levels of approval and in the case of the insurance company, there are 4 approval levels - The approval bodies are the shareholder (state), the board of directors, the committees, the four-eyes approval in department level(s) - The committees are formal groups that members have the right to vote - All Processes are written and regulated
The possibilities of applying a change to the decision-making process & approach	<ul style="list-style-type: none"> - In the decision-making approach itself, there can be no change - In case of freedom, it is understandable from regulation - In the process of decision-making itself, there could be some possibilities to implement changes like change the amount of thresholds - The change should be approved the by higher levels
The approach of decision-making in urgent/emergency times and crisis	<ul style="list-style-type: none"> - Put on hold on decision-making process if need more investigation - Strict regulations (over-regulation) after the crisis 2008-2009 - In COVID-19 pandemic, they ease the condition of repayment for the clients who already had a contract with EXIM and some conditions of the moratorium changed - They settled a COVID committee to deal with the operational issues that were hard to put in the regular operational committee
The Limitations in the way of effective decision-making	<ul style="list-style-type: none"> - Regulation - Information - The people who are participating in decision-making process
The important factors for effective decision-making	<ul style="list-style-type: none"> - Prudentiality & transparency to reach the goals - Balance between time and deepness of information
Effective Implementation of decisions	<ul style="list-style-type: none"> - Decisions should be clear, exact, and made with correct procedures with less complexity - Skilled employees

Source: Author’s drawing

5.2.4 Result of the interviews of Hungary’s banks

To investigate the decision-making in export credit and financing in banks in Hungary, 9 interviews from 8 banks were conducted in 2021. In the result, banks number 1, 2, 3, and 7 are the banks in which the mother bank is in another country. In this study, these banks are called foreign-owned banks. The other banks are local. The mother bank of bank 1 is Austrian, banks 2 and 3 are Italian, and bank 7 is Dutch. It should be mentioned that for bank 3, there are 2 interviewees. The second interviewee is now working for another bank. He worked as a manager at bank 3 for 2 years till 2019 and I referred him as the second interviewee for bank 3. In the following, the decision-making system in Hungary’s banks is discussed in 6 subchapters. The summary of the 6 subchapters is given in the 7th subchapter.

5.2.4.1 The general process of decision-making and the authority of decision-making

The interviewees in banks mostly said the decision-making process in export financing activities is not different from other risk-taking activities in financial institutions. It mostly follows the same process. The decision-making process is written in detail and highly regulated. All the banks should follow the regulation of the Hungarian National Bank. The difference is as the amount of credit for these activities is mostly above the limits that the lower levels can take. So, it is usually made by credit committees or above levels. As the case studies are the banks in Hungary, some of them are local banks and some of them are foreign-

owned banks which the mother bank is not in Hungary. In this case, the levels of decision-making are at least one more.

In local banks, decision-making levels are different based on the amount of credit limit. As the levels are: 1. Four-eyes approval (2 people), one manager from the risk side, and one manager from the front side (business side or underwriting department). 2. Credit Committee 3. The board committee

Sometimes there is another level between the credit committee and the board committee which is the management committee that they are not the decision committee but controls the decisions which are going to the board (interviewee in bank 8). The committees are all formal and all the official members have the right to vote. However, sometimes in case of need, some people are invited to the committee which can give opinions but they are not the decision-makers. And if after making decisions some reviews should be done based on the request it should again be decided by the proper level based on the amount limit.

Decision-making in foreign-owned banks can be a bit different. 3 banks among the 4 banks (banks 1, 2, and 3) have almost the same process as the local ones. The difference is that they have two more decision-making levels which are the credit committee at the mother bank level and the mother bank's management board level. In addition, the interviewee in bank 1 mentioned that sometimes, in very small amounts, the regional managers have the authority to make decisions. For the lower level, there are very limited decision-making possibilities for approval of the deals in the case of export financing, in real life, it is not happening because the amount of deals is high and usually it is decided in credit committees.

In addition, in the case of foreign-owned banks, it is a bit more complicated process even in the preparation of the proposals. As the interviewee in bank 2 mentioned:

“[...] we have also direct reports to the group in this professional way. I have one boss in Hungary and one boss in the mother bank that is responsible for that field of trade finance and so on. If there is a deal higher than the defined amount we should also check with the expertise side in the group whether it is structured in the right way or not. If we get the green light we go to the official decision-making process”.

However, in bank 7 which is the fourth foreign-owned bank among the foreign-owned banks in the interviews, the decision-making process is different. The interviewee mentioned that 10 years ago, they had so-called credit committees in banks to decide on different levels. But back then they decided to make decisions practically on a personal basis and they have a mandate table. In this table, they have a, b, and c levels of decision-makers. They have amounts. They have a matrix that shows the risk-taking of clients and allowed the decision-makers at a, b, and c levels. She mentioned:

“[...] we have a risk-taking system for 1 to 22 rates. The clients take credit ratings and based on the risk-taking and the seniority of the people, the decision-making levels are identified. The local mandate is the ‘c’ mandate, the regional mandate is the ‘b’ mandate and the global mandate is the ‘a’ mandate. So, it also is a hierarchal issue. Certain amounts can be approved. Ex: we have a front office and risk management office. So the first line and the second line approval bodies together can sign a credit proposal and approval limit and practically the mandate here is ‘c’ mandate because it is the local one”.

They value the people who can decide on their authority as she said:

“Sometimes when some cases are in your mandate, you can send it or ask it from the higher mandates, but if you do it regularly it is not good, it means that you cannot decide”.

She also added that:

“In the credit chain, only the higher-level approval body is the committee. So this is a very flat organization and personal accountability is really important in this organization.”

For evaluation of the decision-making process, time to cash measurement is mentioned by most interviewees. In bank 1, the time frame of the decision-making process can be measured. For example, there is a time frame that indicates risk management, risk analysis, and credit application within how many days should be done. As he mentioned:

“There is an analysis of so-called time to cash. We have an application where every request should be marked and we have to give the exact dates when we start the application when the business side finished when the credit risk department has its time frame and so on”.

Also in bank 3, the interviewee mentioned:

“We have a lot of metrics. The most important one is time to cash in the case of loans and guarantees. We can compare it with other banks. In the case of each deal, everything should be recorded and completely tracked; and there is a unit that they take care of it”.

The time-to-money evaluation is also happening in bank 2. However, he mentioned that for export financing activities it is hard to define the exact normal time, the process is so time taking:

“In the case of traditional export finance, as they are not the quickly delivered deals, they are pretty huge time-consuming period deliver. Because there are so many stakeholders including the ECA, foreign country, the foreign country’s stakeholders and so on”.

He also added that:

“If there is any misconduct happens in the system, then a report shall be made and it will be analyzed. Actually, there is a defined department that will suggest changing the current regulation and the process active and not repeating it. If we have this feedback we will not repeat the same problem with the same deals”.

The interviewee in bank 4 mentioned that if there is any problem in the process, again the case should go back to the committee to be decided.

Most of the banks mentioned their leadership style is much more participative. However, in banks 3 and 5, it seems to be between participative and autocratic. And leadership in bank 7 is much of a Laissez-faire style. However, she mentioned that having a Laissez-faire style is not always good:

“Country manager’s characteristics can define how much the bank in a country is successful. When you see a country manager’s leadership style as Laissez-faire then you see sometimes the direction is lost. But the cases are different when the market is good, prices are okay, and ... you don’t need to deal with crisis managing situations then of course, the Laissez-faire style is okay. When a crisis comes in, then Laissez-faire may not work well. That is why we experienced in the past that Income decreased; the work was going smoothly and less effectively. You should see what kind of management approach would fit the actual situation. More autocratic style can help in the crisis in my experience”.

All the interviewees mentioned that the decision-making process and decisions are based on goals and strategies. For example, interviewee 1 mentioned:

“[...] for example bank has a strategy on the corporate level, each sector wants to increase the market shares and also give more loans. There is 5 years strategy but it is also divided into yearly strategies. We have a yearly budget. We receive expectation from mother bank that which results we should achieve”.

Strategies are made at higher levels like board members but middle managers are involved in the strategy development in this way that they give them updates about the requirements on the front side or in the local market and micro level. Finding the requirements from lower levels is different in each bank. For some banks, there are no defined systems but as voices are heard, employees can talk about issues and propose their opinion to their higher levels. However, some banks have systems like HR systems, survey systems, workflow systems, control systems, and so on.

5.2.4.2 The possibilities of applying a change to the decision-making process & approach

The banks are highly regulated and every detail of the process is written. They mentioned there is an obligation in Hungary to have all the processes in detail and everything should be transparent. So in this respect, implementing changes is difficult and needs lots of effort. Most of the interviewees mentioned if in the process somebody feels there is a need to change (he is mostly from the sales part) then he/she should follow a formal process. As the interviewee in bank 2 mentioned:

“[...] if there is flexibility it is also written in the regulation. It is pretty regulated. In these many years, I only saw very few cases that were in the gray zone [...]”.

Also, the interviewee in bank 6 pointed out:

“Our process is not flexible. But within the process if something needs to be changed then there is a rule for how to change, retry, modification, and so on”.

The first Interviewee in bank 3 pointed out that it is possible to be adapted to the specific condition where the written regulation allows us but it needs permission and approval from the higher levels.

Mostly in all the banks, everyone can initiate the changes, but usually, the leaders on the risk side and the business side are initiating changes; however, the approval is in the hand of higher levels. In the case of local banks, they are top management and in the case of foreign-owned banks, it first should be approved by top management in Hungary and then

send to the mother bank. In both cases, the approval of the Hungarian National Bank is also necessary. There is strong control in this concern.

However, there are difficulties in changing. Accordingly, change is not happening often. And for many years the processes have stayed the same. The interviewee in bank 2 mentioned that maybe this stability is an advantage because they know what they should follow. He added that:

“[...] there are minor changes in decision-making due to the organizational changes. But the main logic and the authority are actually pretty fixed. However, there is always a revision of every internal regulation biannually at least. And the proposal goes to the related board to see if it is feasible or not.”

Also, the interviewee in bank 3 said:

“In theory, they can implement changes, but really important changes have not happened. There are some ongoing small changes but not radical changes”.

However, the second interviewee in bank 3 told that there was one big change in his 2 years of experience working there. They shortened and lined the process and also using some documentation was eliminated. It was because of some controls from the head of the department. The interviewee in bank 5 mentioned that change in decisions was not happening too frequently; within 5 years it was only one case that was because of the COVID-19 crisis they had to review the decision-making process.

Bank 7, however, is more open to change. It is normal in Dutch culture. As mentioned before, 10 years ago they changed the decision-making process from a committee way to a mandate basis (but of course in a four-eyes way). People believed in this way, and committees did not work well. The pressure and emotional pressure in people led to this new one. Since it was successful, they did not change it.

5.2.4.3 The approach of decision-making in urgent/emergency times and crisis

The banks have different solutions in urgent situations. The interviewee in bank 2 mentioned that in urgent times:

“In the regulation, there is the possibility to have emergency committees. To organize an emergency committee, the members should agree that the case is so important that it should be decided earlier than regular time.”

Also, the second interviewee for bank 3 mentioned that in case of emergency, they could have more meetings in a period than normal time.

In bank 5, delegating the decision-making to lower levels could be possible based on the regulation if there is really an urgent case. Or in bank 6, decision-makers can prioritize the decisions for a specific reason. Also, the interviewee in bank 8 mentioned that the Board has meetings every month or every 2 weeks. In the cases that the amount of the deal is in the level of board level, as, and there is a need to make decisions sooner then there are some regulations to make the decisions at lower levels.

In bank 8, he mentioned that in case of emergency, the chief risk officer (CRO) has the right to speed up the process of preparing documents when there is no time to make it in a formal way and time.

In the response the reaction to COVID-19, most of them pointed out the considerable change was to start the home office. There were no considerable changes in the decision-making process but just held the meeting virtually. Also, it was more cooperation among managers and employees. The decision-making process did not change but the policy about the decisions and the way of setting the committees changed from face-to-face to virtual. The ones who had the home office system and became digitalized before a pandemic could respond more efficiently to this situation.

The interviewee in bank 7 pointed out that:

“They did a lot of cooperation, renovation, and collaboration. Covid-19 did a larger push for digitalization and it is needed worldwide now”.

Also, the interviewee mentioned that there is a need to have different people for different situations, and she mentioned:

“[...] in cases we needed different people, then those people came to the picture because different situation needs different types of people”.

Also, there is a high culture of lessons learned in bank 7, so whenever they have a problem they look back and they use the lessons learned in documents or discussions. This evaluation is done semi-annually, and also annually.

The interviewee in bank 5 mentioned that in a crisis, it is not a question to take a quick decision because you should see the outcome, and a fast decision may be undesired.

“[...] in Covid-19 time, we know that we have to be more conservative for project finances which are in the field of the hotel business. So it is not important to make decisions quickly but we should see it in a strategic way. We have to specify the worth this project has and then make the decision and implement it.”

The interviewee in bank 8 said that during Covid-19, the decision-making process approach did not change, but the bank was less business-friendly. The rules become more conservative, and the loan decreased. So decision-making process has not been changed but some policy papers changed a bit during the Covid-19 time.

5.2.4.4 The limitations in the way of effective decision-making

The most mentioned limitation was the regulation and in some cases even mentioned that the banks are overregulated. As the interviewee in bank 3 mentioned:

“[...] there are a lot of internal and external rules. There are a lot of governmental rules, regulations, and policies from the mother company and also the Hungarian banking system”.

However, the interviewee in bank 5 mentioned that there is some flexibility in rules but there are a set of conditions that can be negotiated and changed.

According to the interviewee in bank 1, sometimes the money or credit may be needed by the client very fast but because of the steps and the rules it takes a lot of time and the client cannot wait. This is always a problem with our clients.

The other much mentioned limitations are time and low speed of the decision-making process. According to the interviewee in bank 4, because of the nature of banking product, export credit is not the easiest product and the decision takes a long time to be made.

For the issue of time, mostly they see the reason in the existing bureaucracy and lack of authority at lower levels. The interviewee in bank 1 noted that:

“[...] this is the common problem for the Hungarian banks owned by foreign mothers because a lot of deals must be sent to the mother bank for approval. And this is a problem because officially all these Hungarian banks are independent banks but officially or not officially big deals should be sent to the mother bank. This is the same structure for every Hungarian bank owned by Western mother bank [...].”

However, the interviewee in bank 7, mentioned, that do not have willingness to make decisions can be a limitation for effective decision-making:

“When people are not able to make a decision or when people don’t want to give their name to the decision, they ask lots of questions, and they push back the proposals so many times to reconsider and they don’t submit again.”

She also added that the lack of decision-making ability of people is also an issue.

“[...] it depends on people, some people are making decisions very quickly based on the data they have and some people with the infinite amount of data they will never make a decision”.

Having skilled people need a high budget to pay them well to keep them in the bank. Also for better facilities in the decision-making process, money plays an important role. So, lack of budget can be considered a limitation. As the first interviewee in bank 3 mentioned:

“[...] so to keep people you need money. You need to pay them well. The second problem is that to be better you need IT, development, and tools. So if you don’t have it you are not in the position to have the best tools, system, and so on”.

Also when there will be not enough budget, the bank cannot hire enough employees and too many tasks will be in the hand of one person. The interviewee in bank 1 noted that the client’s executives are working with numerous clients. Serving every client’s daily needs is quite difficult and it is a long process. He mentioned this as the main problem they face.

The requirements from clients such as the amount of information, documents, and ... sometimes is too much and unnecessary from the compliance colleagues. Clients find it a bit unpleasant. In addition to information, asking for lots of collateral is also not always effective.

Other mentioned limitations are being in line with standardization, not willing for simplifying the process, and not having enough measurement were the other limitations noted by interviewees.

5.2.4.5 Important factors for effective decision-making

Most of the interviewees consider data, information, and knowledge as very important factors to have an effective decision-making process. However, like EXIM, the banks also do not have access to Blockchain technology. In addition, it is important to have clearness in every aspect: clear information, clear rules, clear understanding of rules, clear expectation from both sides of the customer and the bank, and clear proposals prepared for decision making. The interviewee in bank 2 mentioned that:

“[...] so from the business colleagues, it is a clear requirement to be aware of the risk and evaluate it. So it is not only a task of the risk colleagues. [...] And in some cases, I think it can be more important than having clear regulation. For the clients also the clear expectation is a value because the business colleagues know what they can deliver and what not. In most cases, we know what can fly at risk and what cannot. We have a common understanding of risk levels. And this is not measured and it is not written. It is coming from management, I think. For years we have [had] stable management and they deliver these messages. We saw in the committees that which risks were considered and what the approach was.”

The interviewee in bank 7 also noted that:

“[...] how many questions, what kind of information you obtain from these questions, the data availability is important for effective decision-making. Decision-makers also should know the basics to make decisions, should have broad knowledge about the area, and have enough time to make decisions. So, if you have the right people with the right knowledge and experiences and the right personality, good group dynamic, clear questions, good cooperation among people and be able to rely on each other, ... then they can make good decisions”.

She also added that it is crucial to establish a supportive workplace culture and an inclusive environment where people's voice is heard. People can thus express their viewpoints because it does not result in punishment.

Regarding the clearness, quality, and simplicity of proposals, interviewee 8 said:

“Right way of presentation of the facts, risk, and documentation is so important. Because the application is sometimes too long, so it is important to provide the most important facts and risks is presented to the decision-makers. [...] By standardization, we would understand certain limits and requirements for decisions.”

However, the interviewee in bank 2 pointed out that export financing activities need deeply analyzed proposals:

“[...] Export financing is not the easiest one, so in most cases, it is analyzed deeply so they are not the shortest ones and it is not so standardized that way compared to the normal corporate lending. So it is important to have a clear definition within the bank what is the expectation of the proposal, what it should contain, and what should not because the managers and the decision-makers have no time to read 100 pages without any added value. So that is the main topic.”

Some interviewees believed that delegating more authority to lower levels could increase the effectiveness of the decision-making process. However, in this respect, there is a conflict between the business side and the risk side. As the interviewee in bank 2 mentioned:

“There is always a hard procedure to align the authorities. Because from the business side, we would like to be more flexible and have more authority to decide more freely, but we have a risk department which is thinking the other way around and want the decisions to be made at the higher level possible.”

In the end, most of them emphasized technology and well-integrated systems as the important factors for having an effective decision-making process.

5.2.4.6 Effective implementation of decisions

Clear, simple, and convincing decisions are valued for implementing them effectively in addition to the skilled employees who will implement the decisions. So the result can meet the purpose of the decisions.

Again working speed is considered so important in this concern. As the interviewee in bank 3 mentioned:

“The problem of losing clients is sometimes because we are not fast enough. [...] and if we don't have a system to have a quick process then we need at least 2 or 3 weeks to answer the request of our partners. But in real life clients need an answer within 1-2 days, so you lose the client. So, lots of clients left us because we were really slow.”

Another factor mentioned by interviewees was digitalization and high technology.

5.2.4.7 Summary of the interviews' result in the banks in Hungary

In banks same as EXIM, the organizations are so regulated and they should follow the regulation given by Hungarian National Bank. All the decision-making process is detailed in written materials. The processes of decision-making in banks are almost the same. However, there are some differences in the case if they are Hungarian-owned banks (local banks) or foreign-owned banks. In local banks mostly there are three levels of decision-making: Four-eyes approval at the department level, decision-making in the credit committee, and the board committees. However, in the case of foreign-owned banks, in 3 banks out of 4, there are usually two more levels of decision-making that are the credit committee and the board of the mother bank. However, in the other foreign-owned bank it was different. They have a mandate table that bases on the level of credits, the level of decision-makers changes. Only in the higher-level approval body, there is a committee. On other levels, the four-eyes approval is applied (for each mandate the identified person from the front office and his/her peer from the risk management office decide together). This bank is the only bank where a laissez-faire style of leadership is followed there. Others have participative or between participative and autocratic leadership styles.

In the banks, transparency is much followed and it is highly regulated. Therefore, applying change is really hard and if it is necessary, they should follow a formal process to get approval from higher levels in the bank, the mother bank in case of a foreign-owned one, and the Hungarian National Bank which is so time-taking. However, at bank 7, they are more flexible to change because they follow the Dutch culture.

However, in case of an emergency, in different banks different solutions like setting emergency committees, having more meetings at a certain time, delegating authority of decision-making to lower-level if regulations allow, prioritizing the decisions, and speeding up the process of preparing documents. In response to the COVID-19 crisis, the home office was in place for banks, managers and employees have had more collaboration, and they pushed to improve the digitalization in the organizations. The banks that already had home office facilities and were more digitalized were faster and more successful to change to the virtual form of work.

To have an effective decision-making process, mostly they mentioned that data, information, technology, and integrated systems play very important roles. In addition, in both decision-making and its implementation, clearness and simplicity is so important. Decreasing bureaucracy and delegating more authority to the lower levels by giving courage to them can be applied in the banks to ease the process and decrease the time consuming for each case as time is money. Regulations can be limitations in this concern. However, it is important to hire skilled and well-knowledged employees that have the ability of decision-making and pay them a good salary to convince them to stay in an organization that needs a good budget.

Summary of the Interviews' result in the banks in Hungary is given in Table 5.4 by showing it separately in each theme. By looking at last three themes, the factors that affect decision-making in the banks in Hungary can be categorized into: authority of decision-making, bureaucracy, time, information, technology, integrated system, regulation, budget, digitalization, human-related factors (skills, knowledge, and decision-making willingness), simplicity, standardization, evaluation and control, clearness, and organizational culture.

Table 5.4: Summary of the Interviews' result in the banks in Hungary

The themes	The result's summary
The general process of decision-making and the authority of decision-making	<ul style="list-style-type: none"> - The matter of decision-making is a hierarchy issue that is based on the thresholds - They have group decision-making in the shape of committees and four-eyes approval for decision-making - The committees are formal groups that members have the right to votes - The decision-making process is written in detail and highly regulated - Local Banks: The decision-making levels: 1. Four-eyes approval, 2.Credit Committee, and 3. the board committee - Foreign-owned banks (except bank 7): have two more decision-making levels: credit committee at the mother bank level and the mother bank's management board level. - Bank 7: 3 levels based on four-eyes approval (local, regional, and global) and in the credit chain, only the higher-level approval body is the committee
The possibilities of applying a change to the decision-making process & approach	<ul style="list-style-type: none"> - Because of regulation, implementing changes is difficult. There is strong control. - If there is flexibility it is also written in the regulation - Changes should be approved by the higher levels - The approval of the Hungarian National Bank is also necessary
The approach of decision-making in urgent/emergency times and crisis	<ul style="list-style-type: none"> - Solutions in urgent situations (just in the conditions that regulation allows): emergency committees, have more meetings in a period, delegating the decision-making to lower levels, prioritize the decisions for a specific reason, to speed up the process of preparing documents - Solutions in COVID-19 time: home offices and virtual meetings were possible, more cooperation and collaboration among managers and employees, were less business-friendly, rules were more conservative, the loan decreased, and some policy papers changed a bit
The Limitations in the way of effective decision-	<ul style="list-style-type: none"> - Regulation - Time and Low speed - Bureaucracy and lack of authority at lower levels

making	<ul style="list-style-type: none"> - Not willingness to decision-making - Lack of decision-making ability - Lack of Budget - Too much requirements from clients - Others: being in line with standardization, complexity of the process and not having enough measurement
The important factors for effective decision-making	<ul style="list-style-type: none"> - Data and information - Knowledge - Clearness in every aspect - Supportive workplace culture and an inclusive environment where people's voice is heard (Organizational culture) - Clearness, quality, and simplicity of proposals - Delegating more authority to lower levels - Technology and well-integrated systems
Effective Implementation of decisions	<ul style="list-style-type: none"> - Clear, simple, and convincing decisions - Skilled employees - Working speed - Digitalization and high technology

Source: Author's drawing

5.2.5 Summary of the result

5.2.5.1 Summary of the result in Iran

It can be concluded that in Iran, decision-making process is not very flexible and not easy to implement changes. There is a high centralization and bureaucracy in the decision-making of the ECA. However, as it is discussed, it seems that unofficially decision-making is less centralized than what officially it seems to be. One reason could be the fact that it is a public organization and there is strict supervision of government on every little act of the organization and managers. However, it seems in the bank the centralization is less but still, it is highly centralized.

In the decision-making process, the most significant difference is that in the ECA, the members of committees except the CEO, do not have the right to vote and the committee is the consulting committee while in banks the members of committees are the decision-makers and have right to vote. In the ECA, the committee has no legal position but it is taken seriously as a consulting group. However, in banks, in the case of export credits or export financing activities, the decisions are made by the committees at a higher level as it is rarely happens due to the sanctions. Also, the reason behind not giving authority for decision-making in the ECA is that the size of the organization is small and they don't have massive cases. They can easily handle them in this way. In addition, middle managers are not willing to accept the authority of decision-making for main decisions as they don't want to put their job at risk. They prefer to have a safe job rather than have authority.

In both cases of the ECA and banks, the leadership style seems to be a combination of participative and autocratic. And middle managers are involved in the preparation of the requirements for decision-making but the strategy is developed by top managers.

In both cases the organizations are so regulated, however, as the banks are under the regulations of the central bank of Iran which is defined for all the banking industries, therefore, it is more hard and unpractical to implement changes. Compared to the ECA, it seems the banking industry's decision-making process in Iran is less flexible. However, in the ECA also, it is mentioned that for any real changes, they need permission from the

government which is hard and time-taking. In both cases, they are strictly limited by regulations.

In the ECA, the decision-making process seems to be more person-oriented than system-oriented in comparison to banks as they said the decision-making approach can face some changes when decision-makers change. In banks, they should follow the system that is defined by the Central Bank of Iran. However, as in both cases, they are in the same country, the issue of external conditions like the political and economic situation of the country which because of international sanctions on Iran, made so many difficulties. These difficulties made these organizations face some changes in their processes. However, in both cases, in case of urgency or crisis, they may not follow the routine regular way.

In response to urgent cases, in the ECA, the solutions can be to set an emergency meeting, more collaboration is done by managers, in case of no time to wait for a meeting, the decision can be made directly by the CEO or other shortcuts. In the banks, they also may not follow the regular way. The international management, the bank CEO, or the board of the bank may all be entitled to a change in the event of a crisis, depending on its severity. Based on the assignments provided by the Central Bank of Iran, they might relax several regulations during the COVID-19 period. Additionally, they made it a home office for the staff to the greatest extent possible, and meetings were done online.

In both cases, the issue of technology, information, time, budget, efficient HR management, using different viewpoints, less dependency on government, and delegating more authority to lower levels are considered important factors that could help the decision-making process to be more effective. Most of these factors are also considered effective in implementing the decisions. In addition, in both cases, their decision-making process and decisions are based on the goals and strategies of the organization. In the ECA, this factor is considered an important factor in implementing the decisions effectively.

5.2.5.2 Summary of the result in Hungary

In Hungary, it seems that the decision-making process does not have the tendency to be flexible. In case of a need of flexibility, it may be possible if it is allowed in the content of the regulations. There is a high centralization and bureaucracy in the decision-making process. In Hungary, the decision-making process is always group decision-making in the shape of the board's meeting, committees, or even in the lowest level of decision-making, it is a four-eyes approval decision-making. It can never be decided only by one person. Even in the case of bank 7 which the decisions mostly are not made in committees but still follow the four-eyes approval principle. The committees are formal groups and all the members have the right to vote for the decision. In EXIM, the highest level of decision-making is not the board of directors but the owner which is the state. In Hungary, in both ECA and banks the decision-making process is written in detail and regulated; in some cases is over-regulated. After the financial crisis during the years 2008-2009, this over-regulation appeared in place because of the huge loss they faced. They should follow their internal regulations and the national bank of Hungary's regulations, and in the case of EXIM, in addition to those; they should follow the EU and OECD requirements for ECAs.

The leadership style in the samples is participative or between autocratic and participative except bank 7 (one of the foreign-owned banks) is Laissez-faire. The mother bank of bank 7 is Dutch, banks 2 and 3 are Italian, and bank 1 is Austrian. According to the GLOBE study, the Country Practice Score (as is) of the cultural driver 'power distance' that

shows to what extent people accept unequal distribution of power, is reported between relatively high and high for Hungary and Italy, relatively high for Austria, and almost medium for the Netherlands. This can explain the considerable difference in the decision-making authority distribution between bank 7 and other case studies.

In Hungary, it is mentioned that the decision-making process is based on goals and strategies; middle managers are actively involved in finding the requirement for developing strategies, but in the end, top managers are making decisions about strategies.

In the case of urgent cases, in banks, different solutions like setting emergency committees, having more meetings at a certain time, delegating authority of decision-making to lower-level if regulations allow, prioritizing the decisions, and speeding up the process of preparing documents can be applied. In reaction to the COVID-19 crisis, banks implemented home offices, managers and staff collaborated more, and efforts were made to advance organizational digitalization. In EXIM, to identify the best course of action in clients' exceptional instances, the decision-making process might be postponed. In addition, to address the issues that were challenging to include in the ordinary operational committee during the COVID crisis, a new committee known as the COVID committee was formed. In Hungary, the most considerable limitations for effective decision-making were regulation, time, information, bureaucracy, and lack of decision-making authority at the lower levels.

For making decisions effectively and implementing the decisions effectively, having a good control system, collaboration, transparency, simplicity but precision in the proposal, decisions, and process, and clearness in every aspect are crucial.

5.2.5.3 Comparison of the summary results in Iran and Hungary

By reading Child and Tayeb (1982) and DiMaggio and Powell (1983), it can be concluded that for investigation of cross-national comparison among organizations, it can be compared in the aspects of cultural, political, governmental pressures, rules, environment, and its reaction to uncertainty.

In both countries, it seems that the decision-making process in the organizations does not have the tendency to be flexible. There is a high centralization and bureaucracy in the decision-making process in both countries. However, in Hungary, the centralization may be less in comparison to Iranian cases, especially to Iranian ECA. In both countries, regulations play an important role. However, in Iran, Banks seem to be more strictly regulated than in the ECA as in the ECA there is some maneuver, especially in the unofficial process. In general, financial institutions especially the banking system are highly regulated due to the sensitive financial nature of the industry.

In general, it seems in comparison with Iran; in Hungary, the leadership style is more participative. Middle and lower-level managers have more authorization to make decisions and they have more formally participated in the process of decision-making. However, still, in Hungary, the interviewees believe there is a need for giving more authority to middle and lower-level managers.

In the ECAs in both countries, the highest level of decision-making is not the board of directors but it is the owner which is the state. And the banks are different in this aspect from the ECAs. That is why the national and state interest is playing an important and direct role in ECAs. In addition to following the regulations given to them, the national policy and interests

have a direct effect on their decisions. While for the banks it is not like this, they have their own policies and interests in following the regulations of the National Bank of Hungary in Hungary and the Central Bank of Iran in Iran.

In response to a crisis or in urgent cases, they might act a bit differently. However, in both cases, flexibility in unusual cases is not easy. However, as the committee at the middle management level is not official in the ECA in Iran, in response to the urgent case, they can be more flexible to make shortcuts in the decision-making process.

5.3 Discussion

In this section, it is tried to discuss the result to achieve the aim of the study in five main subchapters. The discussion of the study is based on the analysis of the result combined with the personal reflection of the author.

5.3.1. General decision-making process and its characteristics in the ECAs and the banks

In this section, the decision-making approach and its characteristics in the ECAs and the banks, the concept of centralization-decentralization (the authority distribution), the leadership style, and group decision-making are discussed. According to contingency theory, there is no best way to handle a process including decision-making; here the aim is not to answer which approach is better but to discuss the characteristics of the decision-making in the ECAs and the banks. However, some recommendations for the improvement are given in Chapter 6.

In all the interviewed organizations in this study, the matter of decision-making is a hierarchy issue that based on the thresholds, the level of decision-making changes. The higher limit is approved by a higher level in the hierarchy. In the ECAs, as in the literature mentioned by Gianturco (2001), the main decision-makers usually are the credit committee, board of directors, and government bodies which is somewhat approved by the result of this study as well. However, between the two countries of Iran and Hungary, there are some differences. In Iran, although, the committee is existed and is taken seriously, it does not have a legal position and its existence depends on the decision of the CEO and the board. In this committee, except the CEO, other members of the committee do not have decision-making authority. In the Iranian ECA, the power and authority of the CEO are considerably high, encompassing not only credit decisions but also other critical decisions within the ECA, such as major determinations concerning the IT sector. It is good to notice that the CEO usually is the chairman of the Board. Accordingly, the power of the CEO in decision-making is considerably high. In the case of Hungarian ECA, in addition to those three levels, there are some more levels at the bottom in the shape of the four-eyes principle which is influenced by the regulations in Hungary for credit institutions that individual decision-making is not allowed and at least two persons should approve the decision to be made which is also seen in the Hungarian banks. However, none of the interviewees in Iranian banks mentioned this principle in their decision-making process. In Iranian banks, it seems that credit decisions are hierarchically made in the committees. The summary of the authorized decision-making levels in two ECAs is shown in Figure 5.2.

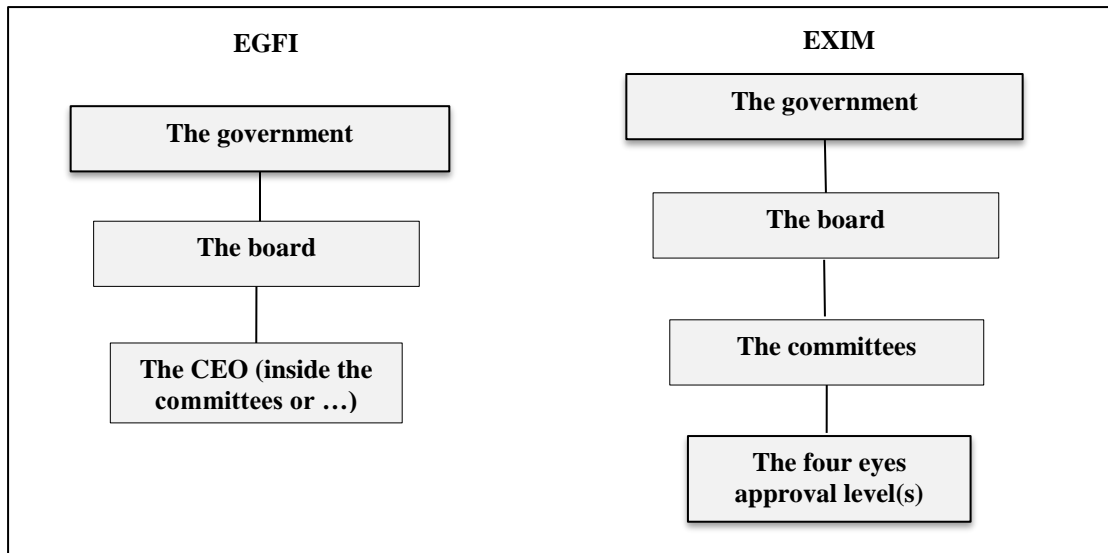


Figure 5.2: The authorized levels of decision-making in ECAs in Iran and Hungary
Source: Author's drawing

In the ECA in Hungary, although the middle managers and the lower levels have more authority than the Iranian ECA, the higher-level managers are still more involved in this respect. The more formally participative decision-making process in Hungary is mostly due to the regulations defined for them. However, in Iran for the ECA as most of the authorities are delegated to the CEO and the Board, so at the CEO level, he/she can be flexible with the approach, and choose to decide with or without the committee. However, in Iranian ECA, in the unofficial process of decision-making, the approach is way more democratic than the official process and middle managers' votes count (unofficially) for the CEO's final decision. The CEO usually approves the votes of the middle managers and trusts the proposals prepared by the experts. Accordingly, there is a difference between the official and unofficial processes in the Iranian ECA. In the unofficial process, they are more open to group decision-making and middle managers contribute to the decision-making process significantly. However, the final signature for the decisions should be approved officially by the CEO and the Board. However, in the banking system in Iran, decisions at all levels are made in the committees with all the main members having the right to vote.

In Hungarian Banks, the decision styles are not so much different from the Hungarian ECA; the decisions are made in committees or in the shape of the four-eyes principle. However, in the case of local banks, the highest level of decision-making is not the government but the board of directors. In the case of foreign-owned banks, it is the board of directors in the mother bank. Unlike the local banks and three out of four foreign-owned banks that most of the decisions are made in the committees, in one of the banks (the Dutch one) most of the decisions are made in the four-eyes approval levels and only the higher-level approval in credit chain is in the shape of the committee. As in the foreign-owned banks were seen, it seems that the matter of authority is mostly about the owner's organizational culture rather than the employees as the culture of the mother bank mostly identifies the organizational culture. However, willingness to accept the authority of decision-making could be affected by both the host and mother country of the organizations.

The individual decision-making in Hungarian credit institutes and banks in Iran is not done and in Iranian ECA is not favored, as with group decision-making using different knowledge, brainstorming, more accurate decisions, less error, and more control are more guaranteed. However, group decision-making whether in the shape of committees or the four-

eyes principle, may not be a real solution for avoiding corruption, as Li et al. (2015) referred to certain studies that in case of corruption, not only the entire group can be corrupted but also in their research, groups were founded out to be more corrupted than individuals. Another questionable issue about group decision-making in both countries could be that as the social collectivism cultural dimension in both countries is not high but the in-group collectivism for Hungary is relatively high and in Iran is high (as shown in subchapter 2.4.5), the decisions might be made with the interests of people in power. However, in the case of delegating authority to individuals, personal accountability matters.

According to interviewees, the Leadership style in the Hungarian ECA is collegial, in most of the banks in Hungary is much more participative or between participative and autocratic except in the bank 7 is much of a Laissez-faire style; in Iran, in banks, it is participative or autocratic (depends on the bank). However, in the Iranian ECA, in a formal way, it tends to be autocratic, and in an informal way, it is more participative. Accordingly, it seems, it is between autocratic and participative. However, in the Vroom-Yetton (1973)'s categories for decision styles based on the degree of group member's authority; the group decision style in Hungary is GII (highly democratic) as the managers allow the group to decide. Nevertheless, according to the hierarchical structure of Hungarian ECA, and as the power is shared mostly in higher levels in Hungary, on average, the tendency of a top-down approach is felt in Hungary. Accordingly, although inside the group is highly democratic, among the layers it may be somewhat autocratic. In my understanding, the reason for being hard for some interviewees to put the leadership style of the organizations in one category was the above debate. In Iranian banks, also is somewhat the same story, however, in the Iranian ECA, officially until the limit that is in the power of the CEO, the CEO can decide alone, so it can be autocratic. However, usually and in regular cases, as the CEO decides in the consulting committee, it is CII ("manager decides after consulting with the group") which is somehow democratic style. In irregular cases (e.g. urgent situations), the CEO can decide in a more autocratic way depending on the situation as officially he is allowed. However, in both countries' ECAs, the higher level of decision-making is the government bodies. However, in Iran, none of the interviewees mentioned that the government makes decisions on the transactions, only if it is an obligatory task but in Hungary after some limit, the government would decide on the transactions. According to the findings of Janssen (2016), government intervention in ECAs' decision-making can reduce the number of new commitments each year compared to the ECAs which decide alone on transactions. In the subchapter 5.3.4.3, the government intervention will be discussed more in detail.

As mentioned many times earlier, the place of the credit committee in the ECA in Iran is debatable. However, we cannot generalize it to the finance services industry in Iran as by the interviews done in Banks in Iran it is found out that in banks the committees have a legal and formal place and members have official right to vote. The regularity environment, size of the banks and the ECA, and their existence nature are not similar. When the size changes the number of layers changes too. The bureaucratic process can be longer and more time-consuming. In bank seven in Hungary, the issue was somewhat fixed by removing committees from most of the layers and making decisions based on the four-eyes approval principle. "Personal accountability is really important in this organization" as the interviewee in this bank pointed out.

In banks that are not specialized for export credit activities, usually, export credit-related decisions are made at higher levels that it is usually above the limit of lower levels' authority. Decision-making in export financing activities faces several difficulties. Some are as follows:

1. These activities are large deals that often require a high level of approval in a hierarchy.
2. The process is lengthy and time-consuming.
3. There is the involvement of numerous stakeholders, including exporters, banks, ECAs, foreign buyers, and others.
4. These activities are directly susceptible to political issues and international relations.

As the ECA's services are related to export and investments in foreign lands, all are mostly big projects that probably would exceed the limits that in general, levels lower than senior managers would be allowed or willing to have the decision-making authority. In addition to the mentioned difficulties, due to the nature of ECAs to be the government instrument to support export and simplify the process for exporters, maybe the higher levels that are closer to the government bodies would know better about the policies. Accordingly, the logic behind why in ECAs, delegation to lower levels is not favored is understandable as the export credit and financing activities are considered high risk, and with high-valued deals decisions in this concern are preferred to be made at higher levels. However, ECAs are specialized in these services, so their approach should be different from the other financial institutes where their focus is not on these services.

According to Drucker (2001), decision-makers frequently make the error of treating a generic problem as if it were a special and exceptional one, which can result in "frustration and futility". Accordingly for generic issues may be no need for complicated meetings and too much bureaucracy and let it be decided in the middle-lower levels to be fast and better responsive to the clients. Although in banks (especially in Iran), the matter of export credits may be considered an exceptional one, for ECAs, it is a generic issue unless in a case of unusual situations. Accordingly, it should be dealt with it like a 'generic' decision. Lower levels especially in the front side have access to soft information and may be more sensible about the needs of exporters. Accordingly, close relations among the whole organization are recommended and in choosing the middle and lower levels also it could be good to consider the abilities of decision-making and ownership spirit to allow and accept the authority for smaller cases like the short-term services. However, as individual decision-making is not favored in ECAs, the four-eyes principle can be a good solution. In addition, like the method of banks in Hungary for the four-eyes principle, in ECAs, at the department level, the four-eyes principle decision-making about credit decisions can be made by two persons, one from the Business side in the related topic and one from the Risk side could be an effective way to consider both risk-taking and risk aversion sides.

5.3.2 The flexibility to apply change to the decision-making approach in ECAs and the banks

In the samples of this study, initiating, deciding, and implementing change is not impossible but very challenging. Accordingly, initiating it from the lower or middle levels is not favored as they don't see it very resultant and practical. However, initiating change from the highest approval level like the regulatory authorities such as Central Banks and EU level authorities is a different issue. Accordingly, in state-owned ECAs or over-regulated financial organizations like banks, initiating change is not favored which should be taken to notice by the senior levels because lower levels are the ones who are on the front side of the business and have access to most of the soft information. Based on Javidan and Dastmalchian (2003) as explained in the cultural dimensions, because people in countries with high authoritarianism and hierarchy systems are unable to confront people in power, they stop seeking innovation or initiating any need for change. As also mentioned in the literature

referred to Cummings and Worley (2015) and Rainey (2003), organizations in the public sector are less flexible and less risk-taking due to the restricted freedom to operate outside of the legal system as a result of the legislative mandates, regulations, and procedures put in place to address public demands. The role of government in the decision-making approach of the ECAs is very important. Whether it is a routine decision-making activity or in case of unusual issues like urgent cases, crises, or need for a change, the government's role is significant in decision-making and generally managing ECAs specifically a government-owned ECA. On the other hand, according to the literature discussed and also gathered in Table 2.3, in case of the need for flexibility and fast response in changes, the decentralized structure in organizations is preferred which is questionable in the ECAs in both countries, as centralization is much followed.

In all samples of this study except bank 7 in Hungary, it was seen that flexibility to change in the decision-making process is very limited. This inflexibility is usually because of the regulation, strict control, tendency to centralized structure, and the high bureaucratic level in these organizations. According to Cummings and Worley (2015), bureaucracies include a number of characteristics that are more pronounced in government organizations than in private ones, including departmentalization, vertical decision-making processes, and numerous formal procedures and rules. In these organizations, a big part of regulations are defined by the governmental authorities, and in the case of Hungarian ECA, some part of regulations are defined by the EU or OECD. These regulations usually are not flexible; for a change in them, approval is needed from those levels. Accordingly, change in them is realistically not very much possible unless there is a critical situation like COVID-19 pandemic. However, the internally defined regulation can be usually more flexible with the approval of senior levels of the organization. In a centralized organization, as much as the layers between the highest level to the front side are more, getting approval is harder.

According to the literature and specifically in Table 2.3, by the tendency of decision-making to be centralized, less flexibility is expected. In the samples of this study, in most cases, flexibility is not allowed and the few allowed cases in the regulations should be approved by senior levels (in the organization or the government bodies). Because of the long process of approval, initiating change may not be very practical, resultant, or desired. However, the power of decision-makers can be greater in the Iranian ECA because of the person-orientation in the organization (Change of decision-maker can change the approach). In this case, the choice of decision-makers is more crucial as unqualified decision-makers can make the whole system ineffective. In subchapter 2.4.5, it is noted that in Iran, "due to high in-group collectivism and power distance, rules are typically written to protect the interests of those in power" (Javidan and Dastmalchian, 2003, p.134) and the Iranian organizations lack rule orientation as a result of confusing and regularly changing rules that can disturb the long term planning. However, in the Iranian banking system because of the number of banks and the integrated regulatory system between banks which is defined by the Central Bank of Iran, decision-making is more systematic than the Iranian ECA that follows its specific regulation. However, in Hungary, both EXIM and banks seem to be very system-oriented. As subchapter 4.3 mentioned, EXIM should follow related rules by the EU, OECD, restrictive measures (sanctions) adopted by international organizations and the USA, and WTO agricultural regulation in addition to the local and internal regulations which make it more systematic, strict, and regulated than Iranian ECA (EGFI). Accordingly, in EXIM, being flexible is logical to be harder than EGFI. Although, generally, being person-oriented harms long-term planning growth, in the short term more flexibility can be achieved. The balance in flexibility can be achieved by a balance between system and person orientations.

The other important issue in ECAs and banks in countries like Iran where the political and economic situation is not stable is that they may have to implement some changes in the decision-making process or the operations. In unstable countries like Iran, unpredictability can be a common issue. Even their roles and activities can change due to economic and political changes such as the ECA in Iran which had to take care of some banking activities or banks' activities became limited in export finance due to the sanctions. Obligatory task by the government is another issue in ECAs that the decision-making can face some unusual situation which again shows the strong footprint of the government. Although it should not be forgotten that ECAs are the government's instrument, their footprints should not cover the whole organization. In both countries, whether it is occasionally obligatory tasks by the government or inevitable change based on the economic and political pressures that even may have permanent influence, it is usually obliged by higher levels of authorities at the country level or EU level authorities (depending on the country).

5.3.3 The decision-making process in urgent/emergency, or crisis times in ECAs and the banks

In general, flexibility in the decision-making process is not common even in cases of unusual or crisis times. However, there may be little flexibility if allowed in the context of regulations or if the highest authorities such as government authorities, the EU or Central Banks oblige some modifications temporary or permanent in regulations to the organizations. In response to urgent, unusual, or crisis times, setting emergency committees, having more meetings at a certain time, delegating authority of decision-making to lower-level if regulations allow, prioritizing the decisions, and speeding up the process of preparing documents and some other solutions could be possible only if the regulation allows or the decision-maker has the authority in deciding about that. For example, in the conditions when urgent meetings are allowed in the regulations, they can make it. In the Hungarian ECA, for example in case of the need to investigate better for a decision, they can put on hold the decision-making process to find a proper solution. In the case of Iranian ECA, as the CEO has the authority to define the decision-making approach, then he/she can decide whether it is needed to have urgent meetings, no meetings, have it in other shapes, or with limited people and As much as the structure would be more system-oriented and standardized, the regulations would define every little aspect of the decision-making process, however in a more person-oriented system the power of decision-makers whether it is the senior levels or the government bodies is considerable in this respect. However, it is again a matter of regulation as it defines this power for the decision-maker. In the Hungarian ECA, as it has a more integrated decision-making system followed by the Hungarian financial institute's norms and rules in the delegation of decision-making authority, it can be less flexible in decision-making but follows a more clear and straightforward approach. Some unified rules regarding authorization in financial institutions especially the government-owned ones somehow make the change harder in this respect as mostly it is not the concern at the organization level but the country level. For example, in the crisis, flexibility in some repayment conditions was in place due to the command from the authorities at the country level or even the EU level.

As highlighted in the literature, individual decision-making may prove highly effective when time is constrained, making it a preferable solution in urgent situations. Consequently, within smaller organizations such as the Iranian ECA, the CEO's ability to make individual decisions seems to efficiently address urgent matters. In larger organizations, relying solely on the CEO's individual decision-making may prove less efficient, given the inherent limitations of one person's time and energy. In such cases, a more distributed decision-making approach across various organizational levels may yield greater efficiency.

However, in the case of a crisis, Interviewee in bank 7 in Hungary mentioned that a *laissez-faire* style of leadership is not effective and the more autocratic way works better in this case. More centralized structures of organizations usually follow the autocratic leadership style and as in the literature review mentioned in Table 2.3 in case of crisis, a centralized structure is preferred because in this structure more control and courage are ensured by higher levels, of intuitive decision-making is more possible, and faster policy-making is possible which is needed in the critical times as crises. Accordingly, as Rainy (2003) and Kittisarn (2003) pointed out, managers can make rational decisions in some situations where there is strong consensus on goals and technical expertise, but when there is too much uncertainty, they must use more complex decision-making techniques, have more creativity, pay more attention to effectiveness which higher levels can have courage and capabilities to make it happen.

The crises sometimes have long-lasting effects on ECAs or other credit institutions. For example, the over-regulation mentioned by EXIM's interviewee after the financial crisis in 2008-2009, the changing role of the ECA and banks in export financing in Iran after the international sanctions on International trade and economy, and general technological shift after COVID-19. Regarding the changing role of ECAs after crises, ECAs should not forget their main aim and as Smalrigde (2021) noticed, after the crises, it is essential that ECAs remember to stay in their specific lanes, principally acting as a catalyst for global recovery.

Finally, being well-prepared across various dimensions, including technology, finance, and politics, is of utmost importance for both ECAs and banks, particularly in light of potentially disruptive crises. In the COVID-19 pandemic, for instance, organizations had to swiftly adapt to new circumstances, such as the shift to remote work, virtual meetings, and other technology-driven solutions. Notably, organizations that foster a culture of collaboration, rapid response, and digitalization are more likely to succeed during crises by being one step ahead. Especially where flexibility in regulation is not allowed and expecting to change the regulation may not be realistic, the organizations should be innovative and find other solutions to make the process faster for example by investing in technology and well-integrated systems. For example, the issue of 'time' was mentioned many times by interviewees and one of the solutions to be faster is to be decentralized. However, it may not be realistic to expect this will be implemented. However, the decision-making process is not only the phase of making a decision, but many phases existed before and after that. Fastening the process can be done by developing technology used in the organization. Finally, it is important to develop the culture of the lesson learned after a crisis or an urgent time to be able to face a similar future critical issue closely like a generic issue.

5.3.4 Effectiveness of the decision-making process and its limitations in the ECAs and the banks; and the possibility for improvement

As the factors found in the last three themes are very interrelated, in this subchapter, the effectiveness is discussed by combining the last three themes. The concept of effectiveness should be defined properly for each organization. The process of decision-making would be effective if it achieves the business objectives. In commercial banks, in simple words, increasing profit in a short time means success as for evaluation of the decision-making process, time to cash measurement is mentioned by most interviewees in those banks. However, in ECAs, in both Hungarian and Iranian ones, success means fulfilling the requirements defined for them and supporting exporters. Accordingly, from the economic and financial objectives Gianturco (2001) noted for ECAs, these organizations mostly follow economic objectives. Although in both ECAs, interviewees pointed out that normally the income is sufficient to pay the losses, being profitable is not the priority for these ECAs.

However, knowing the factors affecting the effectiveness and achieving both economic and financial objectives is highly valued by most of the interviewees. The factors affecting decision-making effectiveness founded by the result of this study are shown in Figure 5.3 and are as follows: the authority of decision-making, government role, bureaucracy, time, information, technology and digitalization, integrated system, regulation, budget, goals and strategies, human-related factors (skills, knowledge, experience, courage, decision-making willingness, viewpoints, being available and devoted), ownership, organizational size, evaluation and control, group dynamics, external political and economic situation, simplicity, clearness, quality, prudence, transparency, standardization, and organizational culture.

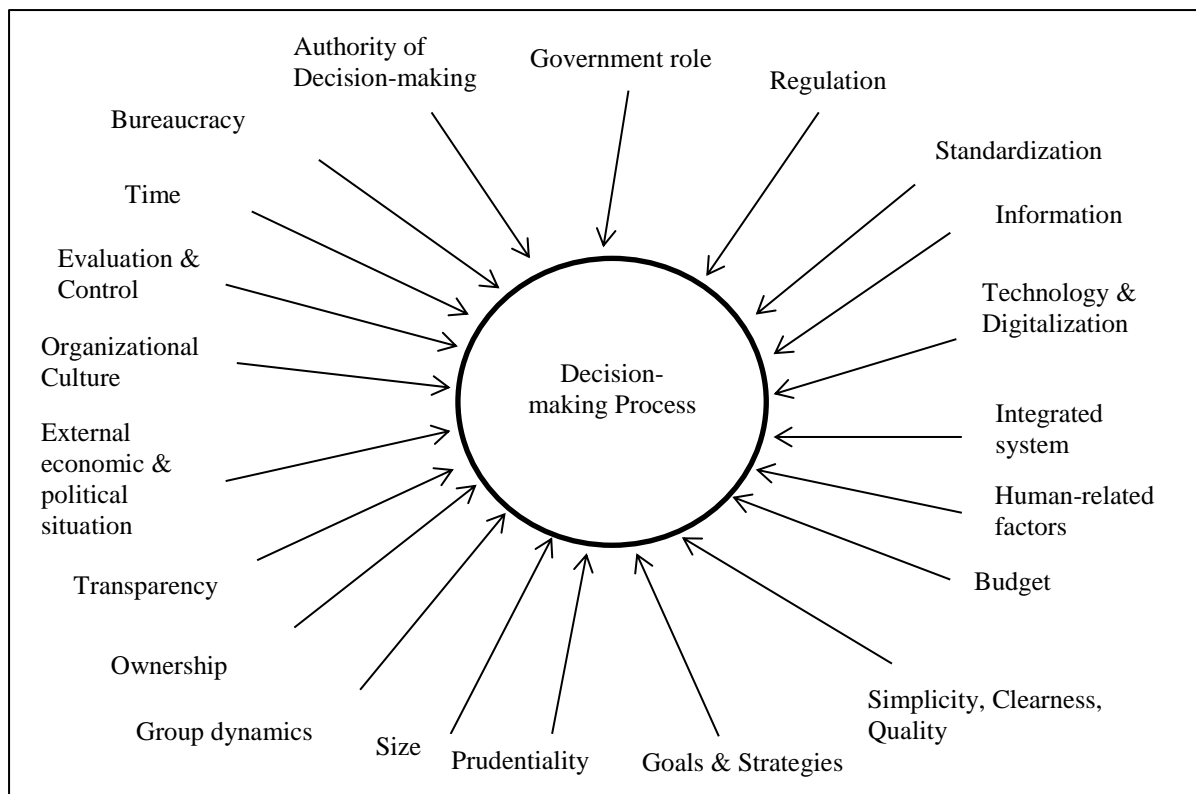


Figure 5.3: Influencing factors on the effectiveness of decision-making in the ECAs and the banks

Source: Author’s drawing

In the following, this topic separately for Iran and Hungary is discussed.

5.3.4.1 Effectiveness of the decision-making process and its limitations in the ECA and the banks; and the possibility for improvement in Iran

In Iran, group decision-making is valued by the interviewees to use different opinions, knowledge, and points of view. Decision-makers should be people who have knowledge and working experience in the related area. It is accurate also for the employees who are preparing the information and material for decision-making and also in implementing the decisions made. Therefore, the role of Human Resource Management is crucial. In addition, decision-makers should be brave, committed, and decisive in decision-making. They should be able to make decisions and at the same time should be precise. The control from supervisory bodies should be balanced. Although it should not take the courage of the decision-makers, they should apply active supervision for all the phases in the process continuously to make sure the balance between business and mission is considered.

Maybe it is better to give more authority to middle managers and reduce the hierarchal system in the decision-making process because the government effectiveness in Iran is not so high. So, to decrease the effect of economic and political instability on the performance of the organization maybe it is better to be less centralized in decision-making. They can apply the four-eyes approval in Iran as they are doing in Hungary and decrease the centralization in decision-making. For a smaller amount, maybe the head of the related department together with the head of the risk management department can decide. It avoids deciding based on personal taste, and orientation, and it helps investigate it from both sides of risk-taking and risk-averse. It can increase the speed and probably can also decrease the pressure that may be on the shoulders of senior managers. Considering the fact that the Humane Development Index (HDI) in Iran is 0.78 and in Hungary is 0.85 in 2020, it shows from the human resources side in Iran like Hungary, by effective human resource management, the government can count on the capability of their employees and managers.

Therefore, they can ease the process of decision-making and be less dependent on the government. When the speed of decision-making increases and the regulations are eased, then the number of clients can increase. They can improve the commercial side of the organization. The budget will increase and their dependency on the government decrease and this can make them more powerful in the industry. It can be like a butterfly effect. Maybe it will be not considered important in a small-sized and state-owned organization; however, easing the process and improving the process can lead to growing the business productivity of the organization. On the other hand, the importance of the goals, strategies, and mission of the organization should not be underestimated in all phases of the decision-making and its implementation. There should be a balance between the business mindset and the mission mindset of the organization. However, the strategies and goals should be applicable and easy to implement. Finally, the importance of information systems, technology, digitalization, and integrated systems should not be underestimated in the growth of these organizations.

5.3.4.2 Effectiveness of the decision-making process and its limitations in the ECA and the banks; and the possibility for improvement in Hungary

In Hungary, the majority of the interviewees stated that decisions should be clear, simple to understand, accurate, exact, and made using the proper methods with less complexity. Consequently, it will be clear for both decision-makers and executives what should they do. Accordingly, the clearness in information, rules, understanding of rules, expectations from both sides of the customer and the bank, and proposals prepared for decision-making make the process more effective. The decision-making process should be straightforward and well-defined, with the decision's goal taken into account at every stage. So that the outcome can more readily achieve the goal.

It is essential to have skilled, eligible, and well-knowledge decision-makers and employees. The people involved in the decision-making process have a significant impact on the outcome. However, to hire and keep such staff, the organization should be able to pay a good salary which means they need enough amount of budget. Besides, in case of a Budget shortage, enough staff cannot be hired. Accordingly, each person will be overworked, which could reduce their productivity. Accordingly, any organization needs to be accessed with enough amount of budget whether it is from the government or the organization's income. However, in real life, government budget and support are limited and can be received with high control and limitations. Accordingly, even for public organizations, it is important to have sufficient income. Income comes from the clients. To be able to attract more clients, the contracts should be with desirable conditions with the least possible paperwork and

bureaucracy and high speed of work. In the case of low-speed and overregulated processes, clients would prefer other organizations that have this competitive advantage. Financial institutions should be able to have the flexibility and some room for maneuver in their regulations when needed, even though the overregulation was put in place more strictly after the crisis during the years 2008–2009 as a defense mechanism to protect them from the significant loss they faced and to prevent future loss. To make decision-making more rapid and simple, unnecessary details in the regulations might be reduced. Some interviewees also mentioned that it might be preferable if lower levels of authority could be increased and the level of bureaucracy already in place could be reduced to increase speed, particularly in the case of foreign-owned banks where the mother banks are in another country and they need the approval of the mother banks.

Data, information, and knowledge are also regarded as crucial components of an efficient decision-making process. It is important to have access to a good quality and reliable database. However, it can be easier to access and evaluate with digitalization, advanced technology, and well-integrated systems within the organization and the industry. In other words, an integrated IT system is preferable than multiple independent ones in organizations' departments and amongst financial institutions that have access to more artificial intelligence and Blockchain technologies make it possible. However, people who are involved in the information-related process and people who are using the information all affect how information affects the quality of the decisions. However, time is needed to collect and interpret the information carefully and with fewer errors possible. On the other hand, as it was told, clients are looking for a fast process of issuing their contracts. Accordingly, there should be a balance between time and correct information. In this case, there can be relative satisfaction between the business or front side and the risk management side of the organization. However, sometimes in state organizations, keeping the balance can be challenging because of the importance of prudentially, transparency, and fulfilling the requirements.

5.3.4.3 The role of government and regulations as important limitations in the work setting of ECAs

Most of the limitations are interrelated with each other. Most of them are related to or as a consequence of the regulations and government behavior, such as the lack of authority, not willingness to have authority, bureaucracy, supervisory bodies from government, government intervention in decision-making, and weakness of regulations in the country by the ECA in Iran; rules and unstable economy by banks in Iran; over-regulation and prudentially in EXIM; rules and regulation, the existing bureaucracy, lack of authority at lower levels, lots of collateral, being in line with standardization, and not willing for simplifying the process by the banks in Hungary. However, some other limitations also sometimes can be a consequence of regulations and the role of government. For example, recruiting senior managers in state-owned organizations depends on the authorities in power. So the factors related to senior managers sometimes can be correlated with governmental factors. Even factors like the technology or information in some cases could be related to the regulation in a country for example inaccessibility to banking information of the clients or not being able to use the blockchain technology can be due to the restriction in regulation.

As mentioned in Literature, ECAs are 'flexible instruments of national policy' (Gianturco, 2001; Ray, 1995). As it seems that government intervention in the decision-making of ECAs especially the government-owned ones is inevitable especially where they have a political or national interest, their intervention should be effective and efficient. For

example, related government bodies (Ministries, supervisory bodies, and other authorized bodies of government in ECAs) should have a clear understanding of ECAs' operations and their act should be in harmony with ECAs' nature which in Iran it seems that there is a lack of this clear understanding from the government side. A very important task of government in ECAs is to determine the appropriate balance between costs, risks, and benefits in the decision (Gianturco, 2001) that in Iran according to one of the interviewees, it does not seem that the government is considering the balance and asks for coverage that is above the budget limit defined for the ECA. In addition to the result of this study, the Government effectiveness index in Iran which is somewhat low (explained in subchapter 2.4.2) gives the expectation of ineffective government intervention in the ECA.

In another aspect, the government may discourage risk-taking in the ECAs as the interviewees in Iran mentioned it. According to the interviewees, one of the reasons why the unwillingness of decision-making exists by middle managers in Iranian ECA is that the supervision of government bodies is not effective. The act of supervision itself might not pose a problem. However, the different sides of supervisory bodies seem to not have sufficient insight and understanding about the ECA's mission, operations, and the nature of its services which could lead to some issues. These bodies might criticize decisions incorrectly. The resulting incorrect judgments could yield various consequences, including tarnishing the reputation of the decision-maker in question, slow process of defending the decision, fostering a fear of having decision-making authority, causing disappointment in decision-makers, losing willingness of decision-making, and Interestingly, the text highlights how the unwillingness to accept the authority of decision-making, as a limitation, is emphasized more often than the actual lack of authorization. While control is undeniably essential, its effectiveness is much more important. However, government seems to have two sides in the ECA. One side is the shareholder bodies who are giving the obligatory tasks which sometimes may not be acceptable in business and profitability aspect (although in ECAs as an instruments it can happen, it should be limited); and the other side is the supervisory bodies or inspectors that they will evaluate the ECA in the business and profit and loss aspect which may not be too much proper criteria to judge a state-owned ECA's performance like EGFI. It seems that these two are not in harmony and are not in balance. Accordingly, there is a critical need to be a balance between these two sides.

The other issue of their intervention is in choosing the decision-makers at the top levels. Managers at governmental organizations must be receptive to the government and adhere to its interests. People are frequently selected for positions in governmental organizations based on traits like loyalty and political connections (Williams, 2012). So they may not necessarily be chosen based on their related skills and their organizational qualifications. ECAs having their unique nature, need managers and senior levels that have the clear understanding and competency to manage these organizations.

However, government intervention is not always a negative aspect. The government can fill the gap in the lack of capital or lack of information that usually is not easy to access by the private-owned organizations (Dawar, 2020). However, effective and efficient intervention is needed. They probably better to decrease the intervention in decision-making authority but keep the aid when needed by ECAs as well as invest on Human competencies in ECAs. As Gianturco (2001, p. 97) noted, "autonomous, high-quality management seems to be a key factor in the success of export credit, guarantee, and insurance schemes" and the purpose of ECAs shouldn't be to support exporters frequently to "poor payers" or inefficient industries.

One of the issues that the government-owned ECAs may face is when the government effectiveness is not satisfying; the employees reach to the point that instead of willingness to grow, take ownership, and willing to have the authority of decision-making, they have fear of the control departments or the supervision bodies. In my opinion, they may go to the survival mode and prefer to implement the decisions already taken by senior levels without saying a thing; in case of a very ambitious personality, they may try to grow by connections they make with government bodies rather than their capabilities. Accordingly, although ownership matter, its effectiveness matters more. Another issue that ECAs may face due to the government ineffectiveness is the obligatory task from the government may be unreasonable. These obligatory tasks should not be only based on the political interest but to support exporters effectively which is the primary reason for ECAs' existence.

In this section, I formulated a model to explain how the government's obligatory tasks can be implemented differently, by using the most important decision in ECAs as an example which is to decide whether they should insure, finance, or give the guarantee to the clients which is usually called the credit decision. ECAs can investigate the government's obligatory tasks in a more active behavior by this model. Figure 5.4 explains the suggested model for the credit decision-making process in an ECA by considering the government's obligatory tasks. This model is formulated by the author and it is influenced indirectly from the structure of the recognition-primed decision-making model mentioned in Klein (2008)'s study. To design a simple decision-making model for an ECA by considering the government's obligatory tasks, it is important to consider here that the matter of decision is about the normal credit decision or government order. Here, it is shown that in the case of a government order, realistically there may not be a matter of decision-making in the ECA but already decided one by the government. However, even in this case, depending on how urgent is the case, it could be treated differently. The model suggests that if it is urgent, then the case directly could enter the implementation phase after some office paperwork, but if it is not urgent, it is suggested to be investigated like a normal case and be checked in the matter of regulation, mission and business perspectives. If it is approved then can be implemented, but if not approved then it should be brainstormed with the government bodies to see if they still oblige to its implementation or not by considering the situation. In normal cases, if the case is competent under the ECA's regulations, it should be investigated based on the combination of mission and business mindset approaches by using professional analysis. If the case is approved, then it can be covered, and if not then it can be rejected. However, in some cases, after some modifications, they may accept it.

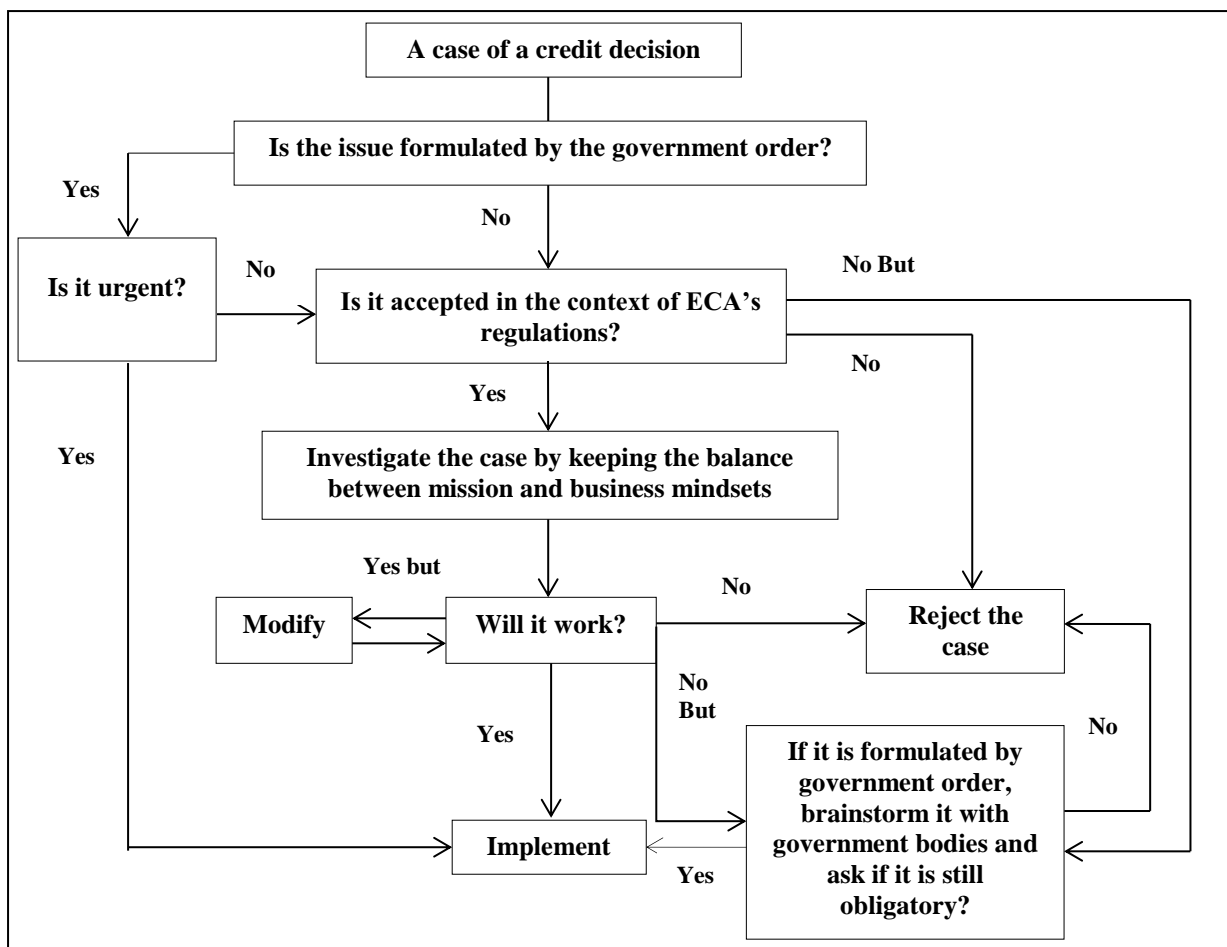


Figure 5.4: Decision-making model of a credit decision in ECAs by considering the government's obligatory tasks

Source: Author's drawing

While in Iran the government or the supervisory bodies would seem to be the most important factor to limit the decision-makers, in Hungary, regulations are considered the most important one as in some cases it is over-regulated. According to subchapter 4.4, the regulation of managing EGFI is domestic but in EXIM, in addition to domestic regulations, some international level regulations also should be followed that can make the decision-making process more complex, less flexible, but more structured and unified especially at the EU level. According to interviewees, in the banking system in both countries, in addition to the internal regulations, the regulations defined by Central Banks in the countries should be followed. Accordingly, EXIM and banks seem to have much more complicated regulations and accordingly perhaps less flexible than EGFI. By considering this and mentioning regulation (and sometimes over-regulation) as a limitation many times in Hungarian samples, it seems that regularity authorities in Hungary might be better to make some modifications to ease some regulations, especially for unusual cases (where more creativity and flexibility needed) by making it more flexible. However, it is interesting that according to the ease of getting credit index and ease of doing business index reported for Hungary, in general, the regularity environment does not seem to be unfriendly to getting credit and doing business especially compared to Iran (mentioned in subchapter 2.4.4). Accordingly, being regulated is not necessarily against being business-friendly. Effective and well-defined regulations can make the business condition clearer and more structured at usual times. Although clearness is needed for effective decision-making but it does not mean to be over-regulated. Another issue

about over-regulation is how much being totally regulated is realistically applicable in the real business world. A simple example can be when there is a need to take action for an urgent decision that may not be defined in the regulations. As in some cases, there will be a need for the government bodies to allow it, it will lose the urgent nature and the late change or command will not be effective and efficient for a case. For unusual times, the more flexible and less structured one may be more efficient as expected to have more place to maneuver. Both the regulators and supervisory bodies should be the ones who have enough insights into the ECAs' operations, their specific nature, aims, and the international markets. However, as not everything is predictable and the world always has a surprise for businesses (like the COVID-19 crisis), flexibility and maneuvering in regulations should be allowed in specific issues. Flexibility in the samples was not mostly about the authorization but was about the operations or the number of meetings or the shape of the meetings and so on.

5.3.5 Model to describe important factors influencing decision-making in export credits

A combination of the results from all samples can reach the model that can be applied for Export Credits whether it is an ECA, insurance company, or bank. It should be considered that the weight of the factors can be different in each named organization. However, it is not the concern of this study but it can be investigated in future studies. In Figure 5.3, I showed the influencing factors on the effectiveness of decision-making in the samples of this study that are generated by the last three themes that directly talk about the effectiveness and its limitations in the decision-making process. By analyzing all six themes together and the concepts that are shown in Appendix 2, I have developed a model to describe the factors influencing decision-making process in export credits in Figure 5.5 that provides a more structured and comprehensive framework compared to Figure 5.3. I categorized all concepts together into 3 main categories and another category which I called 'Amplifier' factors that affect the quality of influence of those 3 main categories on the decision-making process. This categorization allows for a more structured approach to assessing and improving decision-making. The naming of the three main categories is influenced by Hensman and Sadler-Smith (2011)'s study about intuitive decision-making in banking sector. The three main categories are as follows:

1. *'Decision-related' factors*: Information, simplicity, clearness, quality, time, aligned with goals and strategies
2. *'Human-qualification' factors*: Human-related factors like people's skills, experience, viewpoints, knowledge, courage, decisiveness, being available and devoted, willingness to make decisions
3. *'Organizational contextual' factors*: Regulations, the authority of decision-making, distribution of power, hierarchy, bureaucracy, group dynamics, prudence, transparency, standardization, ownership, size, organizational culture & leadership style, evaluation and control

'Decision-related' factors are related to the quality of the decision-making process itself; 'Human-qualification' factors involve the qualifications, skills, and attributes of the individuals involved in the decision-making process that highlight the importance of the human-related factors in making decisions. 'Organizational contextual' factors are related to the broader organizational context within which decisions are made which address the organizational environment and structure that can impact decision-making.

In addition to the three categories of factors mentioned above, some other factors influence the quality of effects of these factors on the decision-making process. I call these factors 'Amplifier factors' which are budget, flexibility (in regulations and decision-making

approach), technology (ex: Blockchain and artificial intelligence), integrated systems, digitalization, less external economic and political pressures, and independency from government. Amplifier factors can be considered a competitive advantage for the organization. The combination of the three categories and the amplifier factors are shown in Figure 5.5. This figure, provide a visual model that illustrates the factors influencing the effective decision-making process. The ‘less external economic and political pressures’ and ‘independency from government’ factors are shown in the different colors and on the line of the circle. The reason to show them like that is because these factors seem to be more important and have stronger daily effects in Iran than in Hungary. Accordingly, it can be concluded that in less developed countries, these factors should be more taken notice of.

Depending on the context that is used and how it is implemented, these factors can be considered a limitation or a factor to increase effectiveness or efficiency. As mentioned a couple of times in this study, it is important to keep the balance by considering all the factors significantly. The factors are influencing each other like a chain with a circle effect.

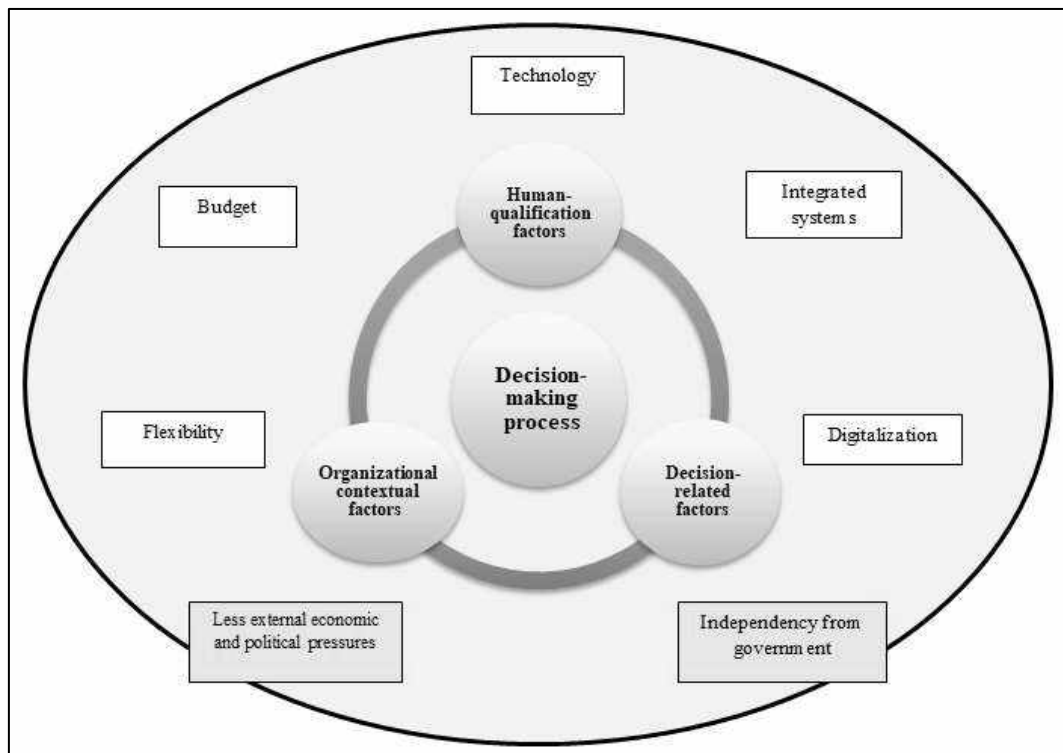


Figure 5.5: Model to describe the factors influencing decision-making process in export credits

Source: Author edition from Alamian & Balaton (2022a)

Chapter 6. Conclusion

6.1 Summary and Conclusion

Through Export Credit Agencies, governments offer officially supported export credits to assist national exporters vying for foreign sales. From country to country, the kinds of financial institutions are different with keeping some similarities and regulations that should be followed in the context of international norms. Considering the importance of these institutions for developing export industries and the national economy, the quantity and extent of research studies in these areas are far from other industries, especially in management and decision-making system subjects. Accordingly, to continue my research journey from Master's study to Ph.D., studying export credits areas, I found a need to study the decision-making in the export credit agencies.

There is a certain decision-making process (the 6 steps mentioned by Drucker (2001) and Daft and Marcic (2016) in Chapter 2) that all organizations or individuals follow, but what makes a difference is their approach to the decision-making process, the distribution of authority, how they are flexible to change, how the organization is ready to make decision efficient in the unusual cases, the limitations, and access to important factors increasing the effectiveness and efficiency of the process.

Based on the limited knowledge and lack of prior studies in the area of export credit agencies' decision-making approach, the inductive qualitative approach has been selected. Accordingly, there were not any predefined codes or categories. Codes were generated based on the data collected from the interviews. Based on the literature reviews and the aims of the study, research questions are defined and accordingly, the interview questions are designed. I collected the interviews from different organizations in different time zones. The prior scope of the study was the ECAs in Iran and Hungary. However, in the process, more information from the industry was needed. As a result, with the guidance of my supervisor, we decided to vast the scope and add some banks to the samples in Hungary and Iran. To analyze the data I reached 6 main themes: 'the general process of decision-making and the authority of decision-making', 'the possibilities of applying a change to the decision-making process & approach', 'the approach of decision-making in urgent/emergency times and crisis', 'the Limitations in the way of effective decision-making', 'the important factors for effective decision-making', and 'effective Implementation of decisions'.

To summarize the result from the first theme, in all samples, the matter of decision-making is a hierarchy issue that based on the thresholds, the level of decision-making changes. However, they can be different in the case of the distribution of authority and power, group dynamics, leadership styles, and so on. First, in Iran, in the ECA, normally the decisions are made in committees, whether it is the technical committee or the board meetings. The decisions are made by the senior levels which are the CEO and the board members. The middle managers are the members of the technical committee but they don't have decision-making authority and this committee is a consulting committee. The organization's decision-making seems to be centralized and strict with the tendency to have autocratic leadership formally but informally is more of a participative style that can be concluded that leadership style in this organization is somewhat between autocratic and participative. Second, the decision-making in the banking system in Iran is done in formal committees with the voting rights of the members. The level of committees changes based on the credit limit. The banking system in Iran is much regulated. The leadership style in banks in Iran can be autocratic or participative. The main difference observed in the decision-

making process between the ECA and banks in Iran is the distribution of the authority of decision-making among the committees' members and their legal positions. This difference can be mostly because of the more strict regulation of the banking system by the Central Bank of Iran and also the considerably bigger size of the banks compared to the ECA. Third, in the ECA in Hungary, the decision-making at lower levels is in the shape of the four-eyes principle, and in the higher levels is in the shape of committees. The leadership style is collegial. In this organization, they should follow the regulations defined by the National Bank of Hungary and some related international organizations in addition to their internal regulation. Forth, the general logic of decision-making in banks in Hungary is similar to the Hungarian ECA, as they also follow the four-eyes approval and committee's shape in decision-making. The banking system is much regulated and they should follow the regulations defined by the National Bank of Hungary in addition to their internal regulations. In the case of foreign-owned banks, they should follow the related regulations of the country of the mother bank in addition to the Hungarian-related regulations. The leadership styles in banks are mostly participative or between participative and autocratic. Just one of the foreign-owned banks follows a *laissez-faire* style of leadership.

The second theme explores the possibilities of applying change to decision-making. It highlights that initiating change from lower or middle levels is discouraged in both countries, mainly due to a lack of perceived practicality and results. The inflexibility in decision-making of the ECAs and banks in both countries is often attributed to regulations, centralized structures, and bureaucratic tendencies. However, in Iranian ECA compared to the Hungarian ECA and the banks in both countries, seems to be more flexible at the top level due to the power of people at higher levels (Ex: the CEO), in addition, by changing the decision-makers, the approach may face some changes that shows the Iranian ECA tends to be more person-oriented than system-oriented. The Iranian banking system, on the other hand, is more systematic due to integrated regulatory systems at the country level. In Hungary, both the ECA and banks tend to be system-oriented. Unstable political and economic situations in Iran can necessitate changes in decision-making and operations, and the government's obligatory tasks can lead to unusual situations.

The result from the third theme highlights that flexibility in decision-making in urgent or crisis times is generally limited, but there is some room for flexibility within regulatory boundaries or when mandated by higher authorities like the government, the EU, or Central Banks. In urgent or unusual situations, organizations may have some solutions with the permission of regulation such as establishing emergency committees, holding more meetings, delegating decision-making authority to lower levels, expediting document preparation, and so on. In the case of the Iranian ECA, the CEO has the power to decide in case of urgency whether there will be a need to make individual decision-making or hold the committee in different ways. Crises, such as financial downturns and international sanctions, can have long-lasting effects on ECAs and banks, necessitating adaptability and a focus on their core missions. The study emphasizes the importance of being well-prepared in various dimensions, including technology, finance, and politics, to address disruptive crises effectively. For example, the COVID-19 pandemic caused a shift to remote work and digital solutions and showed the significance of fostering a culture of collaboration.

To summarize the result from the last three themes, the factors affecting decision-making effectiveness founded by the result of this study are as follows: the authority of decision-making, government role, bureaucracy, time, information, technology and digitalization, integrated system, regulation, budget, goals and strategies, human-related

factors (skills, knowledge, experience, courage, decision-making willingness, viewpoints, being available and devoted), ownership, organizational size, evaluation and control, group dynamics, external political and economic situation, simplicity, clearness, quality, prudence, transparency, standardization, and organizational culture. The most critical limitations in decision-making are related to the government's role and regulation. In Iran, group decision-making is favored because it allows them to draw on a variety of perspectives, information, and viewpoints. In addition, they thought giving authority to middle managers would be effective. People with expertise and practical experience in the relevant field should make the decisions. It is accurate for the employees who are gathering data and materials for decision-making as well as for those who are carrying out those decisions. Decision-makers should also have courage, commitment, and decisiveness when making decisions. They ought to be capable of making decisions and accurate at the same time. Supervisory bodies should exercise balanced control. The control department should actively supervise all steps of the process, even though without too much pressure to not harm the courage of the managers, to ensure that the mission and business objectives are balanced. In Hungary, simplicity, clearness, and correctness in every step of the decision-making are much valued. The decision-making procedure should then be simple and well outlined, with the decision's objective taken into consideration at each step to make sure that results meet the objectives. Qualified decision-makers and employees, enough budget, efficient process, high speed, little paperwork, and bureaucracy, not being over-regulated and flexible regulations, giving authority to middle and lower levels, information, data, and knowledge are the most mentioned factors to increase the effectiveness of decision-making process by the interviewees in Hungary.

In the end, a model is introduced to show the influencing factors in export credits' decision-making process. Three main categories of factors are concluded in this study as the main factors affecting the effectiveness and efficiency of the decision-making process in export credits. First is the 'Decision-related' factors which are information, simplicity, clearness, quality, time, and aligned with goals and strategies. Second is the 'Human-qualification' factors which are Human-related factors like people's skills, experience, viewpoints, knowledge, courage, decisiveness, being available and devoted, and willingness to make decisions. Finally, the third group is the 'Organizational contextual' factors which are regulations, authority of decision-making, distribution of power, hierarchy, bureaucracy, group dynamics, prudence, transparency, standardization, ownership, size, organizational culture & leadership style, evaluation, and control. In addition to the three categories of variables listed above, some other elements influence the quality of the impacts of these factors on the decision-making process that I called them 'amplifier factors'. The amplifier factors are budget, flexibility (in regulations and decision-making approach), technology (ex: Blockchain and artificial intelligence), digitalization, access to integrated systems, less external economic and political pressures, and independency from government. To increase the effectiveness of the decision-making process, the ECAs and peer organizations need to consider these factors.

6.2 Recommendation

In this section, some recommendations are given for the ECAs and banks of the two countries. In the subchapter 6.2.1, the key findings and recommendations for ECAs are concluded.

In both countries, I suggest paying more attention to the amplifier factors. Flexibility is one of the factors that isn't often followed by the samples from Hungary. The financial

system in the country and the EU, which determines the external regulations for the banks and the ECA, is likely to be responsible for this. Based on the decisions' nature, the quantity and quality of information clients must provide, the time limitation, the authority they may delegate to lower levels, the special treatment they may provide particular clients, etc., decision-makers may need to use a decision-making style that is suitable for the situation. Accordingly, decision-makers need flexibility. The regulations should allow them to be flexible when needed. For instance, when a case is urgent with a previously trusted client, they might take some shortcuts to keep the client, but in a crisis, they might need more data and more time to make a judgment. When there is a need for more time for a decision, more group decision-making in the form of committees or large groups at higher levels may be appropriate. However, in an urgent situation, the individual or four-eyes approval techniques may be preferable, particularly if the decision-making issue is more general. Additionally, if an organization is in a larger size, it might be more effective to provide the lower levels more authority with a higher credit limit. Giving lower levels the authority increases the benefit of employing soft information rather than just hard information. The four-eyes principle helps use different viewpoints and more controls than individual decision-making, even though the evidence from literature suggests that it may not be an effective strategy to prevent corruption. What matters is having the freedom to select the greatest option available at any given time.

However, in Iran, in addition to the flexibility, the two factors of 'independency from government' and 'less external economic and political pressures' should be considerably taken into notice. As the government effectiveness score in Iran is not desirable, being less dependent on the government can be recommended. However, the factor of 'less external economic and political pressure' is not something that would be too much in the power of organizations as they will be under this pressure inevitably especially in Iran because of the critical political situations and sanctions. In this matter, the governments should try to control the pressures as much as possible. In addition, I recommend having less centralized decision-making to lessen the impact of political volatility on the performance of the organization. If individual decision-making is not acceptable, they can apply the four-eyes approval in medium and lower levels of decision-making like in the Hungarian samples. The head of the relevant department and the head of the risk management department may jointly make decisions for lower amounts. It stays away from making decisions based on preferences or orientations. Being more system-oriented than being person-oriented also helps to not put personal taste in decision-making in addition to having a clearer and more structured process. As a result, they can make decisions more easily and rely less on the government. The number of clients may rise if decision-making processes become more rapid and regulations are loosened. They can enhance the organization's business operations. As their budget grows and their reliance on the government decreases, they may become more influential in business. Finally, in ECAs, it is crucial to remember the organization's mission, goals, and strategies at all stages of the decision-making process. However, the business side should not be underestimated. The organization's business mindset and mission mindset should be in harmony. Accordingly, the plans and objectives must be practical and simple to carry out.

Access to Blockchain technology, which can greatly assist in having a large amount of information in a shorter amount of time that helps to satisfy both the risk management side and the front side of the organization, is another issue that should be taken into consideration in both countries. It mostly lies in the weakness and strictness of the countries' regulations.

6.2.1 Key findings and recommendations for ECAs

In this subchapter, the key findings and recommendations for ECAs are concluded. However, it should be mentioned that it is based on the samples of this study and although I am using the term 'ECAs', it may not be generalized to all the ECAs as primarily it was not the concern of this study. Accordingly, here, 'ECAs' refers to the ECAs of Iran and Hungary. However, the state-owned ECAs with similar organizational environments can benefit from these findings and recommendations. The key findings are given in numerical order by following the related recommendation in each finding:

1. **Finding 1:** In ECAs, the decision-making authority is distributed mostly at higher levels. The matter of decision-making is a hierarchy issue that is based on the thresholds. Although in banks (especially in Iran), the matter of export credits may be considered an exceptional one, for ECAs, it is a generic issue. Accordingly, it should be dealt with like a 'generic' decision that can be made in a less complex decision style, unless in a case of unusual situations.

Recommendation 1: Instead of complicated committees in higher levels, I suggest that ECAs make decisions about generic credit issues at department levels (lower and middle levels) with the four-eyes principle in ECAs (as individual decision-making may not be favored or allowed).

2. **Finding 2:** Flexibility to change in state-owned ECAs is not common unless it is an obliged change. Also, because of the strict regulations, high authoritarianism, and hierarchy system in ECAs, employees are not motivated to initiate the need for changes.

Recommendation 2: I suggest that this issue should be taken to notice by the senior levels because lower levels are the ones who are on the front side of the business and have access to most of the soft information. By having maneuver in the system's regulations in this respect and less hierarchical approval process, initiating change can be more followed in the ECAs.

3. **Finding 3:** In ECAs, being person-oriented may harm long-term planning growth, but in the short term more flexibility can be achieved, however, system-orientation may hinder flexibility but gives more clearness and structure to the process and organizations.

Recommendation 3: To have balanced flexibility and clearness, I suggest that ECAs pursue a balance between system and person orientations.

4. **Finding 4:** In urgent times, formally there is not much flexibility in ECAs' decision-making approach. However, some little flexibility can be in place if regulation permits.

Recommendation 4: I suggest having more maneuvering in the system's regulations for urgent times for example following the four-eyes principle in various levels in large ECA, and individual decision-making in higher levels in small ECA be possible in urgent times depending on the matter of urgency.

5. **Finding 5:** The crises sometimes have long-lasting effects on ECAs, and decisions on this issue are made mostly by the regulatory authorities and government. In crisis times, ECAs usually follow the obliged order from the regularity authorities and can have government support.

Recommendation 5: I suggest following centralization in crisis times and being well-prepared in the matter of finances, technology, and digitalization as well as responding efficiently to crises to find flexibility easier in the other perspective rather than only looking at it in regulation.

6. **Finding 6:** The role of government as a very important limitation in effective decision-making is seen in this study. Usually government intervention has two main sides: obligatory tasks and supervision. Where government effectiveness in a country is not satisfying, its intervention in ECAs seems to be not effective as well.
Recommendation 6: I suggest decreasing the government intervention in ECAs by letting ECAs decide autonomously especially where the government intervention is not effective. In addition, the effectiveness of the government's role in ECAs could be increased by educating the Inspectors about the objectives of ECAs. By considering these two suggestions, the balance between mission and business perspectives could be better achieved. In addition, I suggest to ECAs to investigate the government's obligatory tasks in a more active behavior by the model suggested in Figure 5.4. If the task is not urgent, then it can be dealt with in a usual ECA's decision-making process.
7. **Finding 7:** Effective and well-defined regulations can make the business condition clearer and more structured in usual times. However, for unusual times, the more flexible one may be more efficient as expected to have more place to maneuver.
Recommendation 7: I suggest considering the balance between clearness and flexibility in regulations. In addition, it would be useful to ease some regulations concerns to unusual times (when more creativity and flexibility are needed) in ECAs.
8. **Finding 8:** Decision-making in export credits is affected by the 'Decision-related' factors, 'Human-qualification' factors, and 'Organizational contextual' factors that the quality of the influences of these three factors on the decision-making process can be affected by the 'amplifier factors' (Figure 5.5).
Recommendation 8: I suggest that ECAs pay more attention to these factors, especially the amplifier factors in order to increase the effectiveness.

References

- Adabi Firouzjaee, B., Moharrami Balan, M., & Houshmand Gohar, S. (2023). Comparative Comparison of Iran's Insurance and Export Guarantee System with Selected Countries and Providing Suggestions for Iran. *Commercial Surveys Bimonthly*, 20(117), 81-91.
- Alamian, R., & Balaton, K. (2022a). Decision-making in Export Financing Services by Banks in Hungary. *Theory, Methodology, Practice - Review of Business and Management*, 18(02), 3-22. <https://doi.org/10.18096/TMP.2022.02.01>
- Alamian, R., & Balaton, K. (2022b). Management Challenges in State-Owned Export Credit Agencies in the 2020s; Case Studies in Iran and Hungary. *Theory, Methodology, Practice - Review of Business and Management*, 18(01), 23-35. <https://doi.org/10.18096/TMP.2022.01.02>
- Ali, A. J., & Amirshahi, M. (2002). The Iranian manager: Work values and orientations. *Journal Asmundson of business ethics*, 40(2), 133-143.
- Argyris, C. (2001). Interpersonal barriers to decision making. In *Harvard Business Review Press (ed), Harvard Business Review on Decision Making*. Boston: Harvard Business School Press, 59-95.
- Asmundson, I., Dorsey, T., Khachatryan, A., Niculcea, I., & Mika Saito, M., (2011). Trade and Trade Finance in the 2008-09 Financial Crisis. *IMF Working Paper*. No. 11/16. Retrieved: June 2023: <https://ssrn.com/abstract=1751426>
- Auboin, M. & Engemann, M. (2014). Testing the trade credit & trade link: evidence from data on export credit insurance. *Review of World Economics*, 150(4), 715-743.
- Auboin, M. & Behar, V. G. (2020). Why exporters need to mind the trade finance gap. *World Economic Forum*. Retrieved: May 2020 <https://www.weforum.org/agenda/2020/02/exporters-mind-trade-finance-gap/>
- Australian Government (2018). Decision Making during a Crisis: A Practical Guide. Retrieved: Aug 2023: <https://www.organisationalresilience.gov.au/Documents/decision-making-during-a-crisis-a-practical-guide.pdf>
- Aydemir, S. D., & Gerni, C. (2011). Measuring service quality of export credit agency in Turkey by using Servqual. *Procedia-Social and Behavioral Sciences*, 24, 1663-1670.
- Babakhani, M., & Haji, H. (2011). An empirical study to determine the critical success factors of export industry. *Management science letters*, 1(1), 23-28. <http://dx.doi.org/10.5267/j.msl.2010.01.008>
- Bakacsi, G., S. Takács, András, K. & Viktor, I., (2002). Eastern European cluster: tradition and transition. *Journal of world Business*, 37(1), pp. 69-80. [https://doi.org/10.1016/S1090-9516\(01\)00075-X](https://doi.org/10.1016/S1090-9516(01)00075-X)

- Balali, M., Ahmadi, S. B., Seyed Javadin, S. R., & Farhangi, A. (2010). Decision making model and behavior of Iranian top managers. *Iranian Journal of Management Studies*, 3(3), 75-89. <https://dx.doi.org/10.22059/ijms.2011.21802>
- Balaton, K. (2007). *Organizational strategies and structures following the system turnaround*. Akadémiai Kiadó. Budapest.
- Balaton, K. (2011). Possible enterprise strategies after the economic crisis. *Journal of Business Management*, 4.
- Barenblat, K. (2018). What the best non-profits know about strategy. *Harvard Business Review*. Retrieved: May 2020: <https://hbr.org/2018/08/what-the-best-nonprofits-know-about-strategy>
- Basquill, J., (2020). Crisis response: a paradigm shift for ECAs. *Gtreview*. Retrieved: June 2023: <https://www.gtreview.com/supplements/gtr-insurance-2020/crisis-response-paradigm-shift-ecas/>
- Bass, B. M. (1983). *Organizational decision making*. Homewood, IL: Richard D. Irwin, Inc.
- Berelson, B. (1952). *Content analysis in communication research*. Glencoe, IL: Free Press.
- Berne Union, (2013). Yearbook 2013. *Berne Union Publications*. Retrieved: May 2020 <https://www.berneunion.org/Publications>
- Berne Union, (2020a). Industry Response to COVID-19 Pandemic. *Berne Union Publications*. Retrieved: May 2022. <https://www.berneunion.org/Articles/Details/506/Robust-response-to-the-COVID-19-pandemic-from-the-export-credit-insurance-industr>
- Berne Union (2020b). Export Credit& Investment Insurance: Industry Report 2019. Berne Union 2020. Retrieved: July 2023 : <https://www.berneunion.org/Publication/reports>
- Berne Union (2021). Export Credit& Investment Insurance: Industry Report 2020. Berne Union 2021. Retrieved: July 2023: <https://www.berneunion.org/Publication/reports>
- Berne Union (2022a). Export Credit& Investment Insurance: Industry Report 2021. Berne Union 2022. Retrieved: July 2023: <https://www.berneunion.org/Publication/reports>
- Berne Union (2022b). Berne Union Year Book 2022, Berne Union 2022. Retrieved: July 2023: <https://www.berneunion.org/Publications>
- Brousseau, K. R., Driver, M. J., Hourihan, G., & Larsson, R. (2006). The seasoned executive's decision-making style. *Harvard business review*, 84(2), 110.
- Browne, M. (1993). *Organizational decision making and information*. Greenwood Publishing Group Inc.
- Charmaz, K. (2014). *Constructing Grounded Theory: A Practical Guide Through Qualitative Analysis*, 2nd edn. London: Sage.
- Chauffour, J. & T. Farole (2009). Trade finance in crisis : Market adjustment or market failure?, *World Bank*. Retrieved: July 2023:

<http://documents.worldbank.org/curated/en/673931468336294560/Trade-finance-in-crisis-market-adjustment-or-market-failure>.

- Child J. & Tayeb M. (1982). Theoretical Perspectives in Crossnational Organizational Research. *International Studies of Management & Organization*, 12(4), 23-70. DOI: 10.1080/00208825.1982.11656351
- Cho, J. Y., & Lee, E. H. (2014). Reducing confusion about grounded theory and qualitative content analysis: Similarities and differences. *Qualitative report*, 19(32).
- Chor, D. & Manova, K. (2012). Off the cliff and back? Credit conditions and international trade during the global financial crisis. *Journal of International Economics*, 87(1), 117-133.
- CIMA (2007). Effective decision making. *Topic Gateway Series, the Chartered Institute of Management Accountants*, 40.
- Cohen, S., & Eimicke, W. (2002). *The effective public manager: Achieving success in a changing government*. San Francisco: John Wiley & Sons. Third edition.
- Cohen, M.D., March, J.G. & Olsen, J.P. (1972). A garbage can model of organizational choice. *Administrative science quarterly*, 17(1), 1-25.
- Creswell, J. W. (2013). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*. 3rd. edn. USA: SAGE Publications.
- Cummings, T. G., & Worley, C. G. (2015). *Organization development and change*. USA: Cengage learning.
- Daft, R. L. (2008). *Management*. Eighth Edn. USA: Thomson South-Western.
- Daft, R., & Marcic, D. (2016). *Understanding Management*. Tenth edn. Boston: Cengage Learning .
- Dastmalchian, A., Javidan, M., & Alam, K. (2001). Effective leadership and culture in Iran: An empirical study. *Applied Psychology*, 50(4), 532-558.
<https://doi.org/10.1111/1464-0597.00072>
- Davis, J.P., Eisenhardt, K.M. & Bingham, C.B. (2009). “Optimal structure, market dynamism, and the strategy of simple rules”. *Administrative Science Quarterly*, 54(3), 413-452. <https://doi.org/10.2189%2Fasqu.2009.54.3.413>
- Dawar, K (2020). Official Export Credit Support: Competition and Compliance Issues. *Journal of World Trade*, 54(3), 373–396.
- Dewit, G. (2001). Intervention in risky export markets: Insurance, strategic action or aid?. *European Journal of Political Economy*, 17(3), pp. 575-592.
- Dillon, S.M. (1998). Descriptive decision making: Comparing theory with practice. *In Proceedings of 33rd ORSNZ Conference, University of Auckland, New Zealand*.
- Doing Business (2020a). Economy Profile Iran, Islamic Rep: Doing Business 2020. Retrieved: Aug 2023:
<https://www.doingbusiness.org/content/dam/doingBusiness/country/i/iran/IRN.pdf>

- Doing Business (2020b). Economy Profile Hungary: Doing Business 2020. Retrieved: Aug 2023: <https://www.doingbusiness.org/content/dam/doingBusiness/country/h/hungary/HUN.pdf>
- Drucker, P. F. (2001). The effective decision. In *Harvard Business Review Press (ed) Harvard Business Review on Decision Making*. Boston: Harvard Business School Press, 1-19.
- Enríquez de la O, J. F. (2016). Decision-making and Strategic Management as Sources of Sustained Competitive Advantage in a High Cost Private Multi-campus University in México. Doctoral dissertation, Budapesti Corvinus Egyetem.
- Ease of doing business (n.d.). Retrieved: December 2022: <https://databank.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/1ff4a498/Popular-Indicators>
- Easterby-Smith, M., Thorpe, R., & Jackson, P. R. (2015). *Management and business research*. Fifth edition. UK: Sage.
- EGFI annual report (2017-2018). Retrieved: May 2020: <https://egfi.ir/>
- EGFI's Articles of Association, (n.d.). Retrieved: August 2023: <https://www.egfi.ir/%D8%A7%D8%B3%D8%A7%D8%B3%D9%86%D8%A7%D9%85%D9%87-%D8%B5%D9%86%D8%AF%D9%88%D9%82-%D8%B6%D9%85%D8%A7%D9%86%D8%AA-%D8%B5%D8%A7%D8%AF%D8%B1%D8%A7%D8%AA-%D8%A7%DB%8C%D8%B1%D8%A7%D9%86>
- EGFI's International cooperation, (n.d.). Retrieved: August 2023: <https://www.egfi.ir/%D9%87%D9%85%DA%A9%D8%A7%D8%B1%DB%8C%D9%87%D8%A7%DB%8C-%D8%A8%DB%8C%D9%86%E2%80%8C%D8%A7%D9%84%D9%85%D9%84%D9%84%DB%8C-%D8%B5%D9%86%D8%AF%D9%88%D9%82>
- EGFI's Management Law (n.d.). Retrieved: August 2023: <https://www.egfi.ir/%D9%82%D8%A7%D9%86%D9%88%D9%86-%DA%86%DA%AF%D9%88%D9%86%DA%AF%DB%8C-%D8%A7%D8%AF%D8%A7%D8%B1%D9%87-%D8%B5%D9%86%D8%AF%D9%88%D9%82>
- Evans, P. C., & Oye, K. A. (2001). International competition: Conflict and cooperation in government export financing. *The Ex-Im bank in the 21st century: A new approach*, 113-158.
- EXIM about us, (n.d.). "About us". Retrieved: May 2020: <https://exim.hu/en/exim-en>
- EXIM International Relations, (n.d.). Retrieved: August 2023: <https://exim.hu/en/exim-en/international-relations-organisations>
- EXIM organizational structure (n.d.). Retrieved: May 2020: <https://exim.hu/en/exim-en/public-data/general-disclosure-list/organisational-data/organisational-structure>
- EXIM Management, (n.d.). Retrieved: May 2020: <https://exim.hu/en/exim-en/management>

- EXIM's products, (n.d.). Retrieved: August 2023: <https://www.exim.hu/en/index.php#products>
- EXIM report, (2012). "EXIM annual report 2012". Retrieved: May 2020: <https://exim.hu/en/for-investors/annual-reports>
- EXIM Regulatory Environment, (n.d.). Retrieved: August 2023: <https://exim.hu/en/exim-en/regulatory-environment>
- EXIM strategies, (2017-2021). "EXIM Stratégia 2017-2021". Retrieved: May 2020: <https://exim.hu/images/docs/Exim-Strategia-2017-2021.pdf>
- Export Credit Agencies, (n.d.). Retrieved: May 2020: <https://bankwatch.org/project/export-credit-agencies-ecas>
- Felbermayr, G. J., & Yalcin, E. (2013). Export credit guarantees and export performance: An empirical analysis for Germany. *The World Economy*, 36(8), 967-999.
- Galdiz, I. & Akita, Y. (2022), ECA Committee perspectives: Now the 5Cs. In *Berne Union (ed) Berne Union Year Book 2022, Berne Union 2022*. Retrieved: July 2023: <https://www.berneunion.org/Publications>
- Gianturco, D. E. (2001). *Export credit agencies: the unsung giants of international trade and finance*. US: Greenwood Publishing Group.
- Godbillon-Camus, B. & Godlewski, C.J. (2005). Credit risk management in banks: hard information, soft information and manipulation. *Soft Information and Manipulation* (December 2005). <https://doi.org/10.2139/ssrn.882027>
- Graf Lambsdorff, J., (2015). Preventing corruption by promoting trust: insights from behavioral science. *Passauer Diskussionspapiere-Volkswirtschaftliche Reihe*, 69 (15).
- Gupta, V., Surie, G., Javidan, M. & Chhokar, J., (2002). Southern Asia cluster: where the old meets the new?. *Journal of world business*, 37(1), pp.16-27. [https://doi.org/10.1016/S1090-9516\(01\)00071-2](https://doi.org/10.1016/S1090-9516(01)00071-2)
- Guest, G., Bunce, A., & Johnson, L. (2006). How many interviews are enough? An experiment with data saturation and variability. *Field methods*, 18(1), 59-82.
- Haidar, A.D. (2016). *Construction Program Management–Decision Making and Optimization Techniques*. Switzerland: Springer.
- Hajialiakbari, F., & Zanjani, M. R. (2014). Evaluating the Export Guarantee Fund Service Quality of Iran and Its Impacts on Attracting the Exporters. *International Journal of Business and Technopreneurship*, 4(3), 357-372.
- Hällgren, M., Rouleau, L., & De Rond, M. (2018). A matter of life or death: How extreme context research matters for management and organization studies. *Academy of Management Annals*, 12(1), 111-153.
- Hamblin, R. L. (1958). Leadership and crises. *Sociometry*, 21(4), 322–335.

- Hammond, J.S., Keeney, R.L. & Raiffa, H. (2001). The hidden traps in decision making. *In Harvard Business Review Press (ed), Harvard Business Review on Decision Making. Boston: Harvard Business School Press, 143-167.*
- Harrison, E. F. (1987). *The Managerial Decision-Making Process*. Third Edn. Boston: Houghton Mifflin.
- Hensman, A. & Sadler-Smith, E. (2011). Intuitive decision making in banking and finance. *European Management Journal, 29(1), 51-66.*
<https://doi.org/10.1016/j.emj.2010.08.006>
- House, R., Javidan, M., Hanges, P. & Dorfman, P., (2002). Understanding cultures and implicit leadership theories across the globe: an introduction to project GLOBE. *Journal of world business, 37(1), 3-10.* [https://doi.org/10.1016/S1090-9516\(01\)00069-4](https://doi.org/10.1016/S1090-9516(01)00069-4)
- Hsieh, H-F., & Shannon, S. E. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research, 15(9), 1277-1288.*
- Iacovone, L. & V. Zavacka (2009a). Banking Crises and Exports: Lessons from the Past. *World Bank Policy Research Working Paper, 5016.*
- Iacovone, L. & V. Zavacka (2009b). Banking crises and exports: Lessons from the past for the recent trade collapse. *VoxEU.org, 27 November.*
- Jackson R., Drummond, D., & Sakile, C. (2007). What Is Qualitative Research?. *Qualitative Research Reports in Communication, 8(1), 21-28.*
- Janssen, C. (2016). Design of Export Credit Agencies. Master Thesis. Erasmus University Rotterdam.
- Janssen, M., & Van der Voort, H. (2020). Agile and adaptive governance in crisis response: Lessons from the COVID-19 pandemic. *International journal of information management, 55, 102180.*
- Javidan, M. & Dastmalchian, A., (2003). Culture and leadership in Iran: The land of individual achievers, strong family ties, and powerful elite. *Academy of Management Perspectives, 17(4), 127-142.*
- Jesuino, J. C. (2002). Latin Europe cluster: From south to north. *Journal of World Business, 37(1), 81-89.*
- Jones, P. M., (2010). *Trade credit insurance*. Primer Series on Insurance, 15. Retrieved: May 2020:
<https://openknowledge.worldbank.org/bitstream/handle/10986/27726/625150NWP0T rad00Box0361486B0PUBLIC0.pdf?sequence=1>
- Kenton, W., (2022). What Is Mercantilism?. *Investopedia*. Retrieved: August 2023:
<https://www.investopedia.com/terms/m/mercantilism.asp>
- King, N. (2004). Using templates in the thematic analysis of text. *Essential Guide to Qualitative Methods, 256.*

- Kittisarn, A. (2003). *Decision making: being a study to develop a decision-making style to amalgamate best management practice with traditional Thai society and culture*. DBA thesis, southern cross university, Lismore, NSW.
- Klein, G. (2008). "Naturalistic decision making". *Human factors*, 50(3), 456-460.
- Kreitner, R., & Kinicki, A. (2010). *Organizational Behavior*. Ninth Edn. McGraw-Hill/Irwin.
- Krug, K., & Weinberg, C. B. (2004). Mission, money, and merit: Strategic decision making by non-profit managers. *Non-profit Management and Leadership*, 14(3), 325-342.
- Latham, J. (2014). Qualitative sample size: How many participants is enough. John R. Latham, Ph. D. Retrieved: May 2020: <https://www.drjohnlatham.com/many-participants-enough/>
- Lemonakis, C., & Zairis, A. (2020). Crisis management and the public Sector: Key trends and perspectives. *Public sector crisis management*. DOI: 10.5772/intechopen.90855. Retrieved: June 2023: <https://www.intechopen.com/chapters/70824>
- Li, S., Bühren, C., Frank, B. & Qin, H. (2015). Group Decision Making in a Corruption Experiment: China and Germany Compared. *Journal of Economics and Statistics (Jahrbücher für Nationalökonomie und Statistik)*, 235(2): 207–227.
- Massa, I. (2011). Export finance activities by the Chinese government. EPRS: European Parliamentary Research Service. Belgium. Retrieved: June 2023: <https://policycommons.net/artifacts/1338582/export-finance-activities-by-the-chinese-government/1947287/> on 01 Aug 2023. CID: 20.500.12592/f55nkv.
- Maussen, J., (2019). The secret life of export credit agencies. *Bank watch*. Retrieved: May 2020: <https://bankwatch.org/blog/the-secret-life-of-export-credit-agencies>
- McCall, M. M. & Kaplan, R. E. (1990). *Whatever it takes- The reality of Management decision making*. Second Edn, Englewood Cliffs: Prentice Hall.
- McKenna, R.J., (1996). *Approaches to decision making*. Churchland, Australian: Edith Cowan University.
- Minkov, M. & Hofstede, G., (2011). The evolution of Hofstede's doctrine. *Cross cultural management: An international journal*, 18(1), 10-20. <https://doi.org/10.1108/13527601111104269>
- Morel, F. (2011). Credit insurance in support of international trade: Observations throughout the crisis. Trade Finance during the Great Trade Collapse. Edited by Jean-Pierre Chaffour and Mariem Malouche. *Washington, DC: World Bank*, 337-356.
- Morton, K. (2021). ECAs and the once elusive SME: Hunting the Snark?. Retrieved: July 2023: <https://www.txfnews.com/articles/7129/ECAs-and-the-once-elusive-SME-Hunting-the-Snark>
- OECD (n.d.). Export credits work at the OECD. Retrieved: May 2020: <https://www.oecd.org/trade/topics/export-credits/>

- OECD (2020). Trade Finance in Times of Crisis – Responses from Export Credit Agencies. Retrieved: July 2023: <https://www.oecd.org/coronavirus/policy-responses/trade-finance-in-times-of-crisis-responses-from-export-credit-agencies-946a21db/>
- OECD, (2021). Trade Finance in the COVID era: Current and future challenges. Retrieved: June 2023: <https://www.oecd.org/coronavirus/policy-responses/trade-finance-in-the-covid-era-current-and-future-challenges-79daca94/>
- OECD Arrangement (n.d.). Arrangement on Officially Supported Export Credits, Retrieved: June 2023 <https://www.oecd.org/trade/topics/export-credits/arrangement-and-sector-understandings/>
- Ostroff, F. (2006). Change management in government. *Harvard business review*, 84(5), 141-147. Retrieved: Nov 2020: <https://hbr.org/2006/05/change-management-in-government>
- Perrow, C. (1977). Review of ambiguity and choice in organizations. *Contemporary Sociology*, 6, 294-298.
- Picha, J., Tomek, A., & Heralová, R. S. (2016). Success Factors of Export Financing under the Buyer's Credit Scheme. *Procedia engineering*, 164, 323-330. <https://doi.org/10.1016/j.proeng.2016.11.626>
- Podrug, N. (2011). Influence of national culture on decision-making style. *South East European Journal of Economics and Business*, 6(1), 37.
- Posner, M., 1997. Export credit. *Credit Management: The Key to Profitable Trading*, 155-185.
- Pourmohammadshahini, K., & Ranjbar, M. (2019). Identifying Decision-Making Styles and Components of Succession Planning Capabilities and Examine their Relationship. *Petroleum Business Review*, 3(4), 55-62.
- Quintrell, E. (2022). Perspectives from the MLT Committee. In Berne Union (ed), Berne Union Year Book 2022, Berne Union 2022. Retrieved: July 2023: <https://www.berneunion.org/Publications>
- Rainey, H. G. (2003). *Understanding and managing public organizations*. Third edition. San Francisco: John Wiley & Sons.
- Ray, J. E. (1995). *Managing official export credits: The quest for a global regime*. Peterson Institute. Washington DC. Retrieved: April 2022: https://books.google.hu/books?id=1o9PMZ1-sVcC&lpg=PA11&ots=6_J2ut5iMK&dq=The%20importance%20of%20export%20credits%20in%20export&lr&pg=PA8#v=onepage&q=The%20importance%20of%20export%20credits%20in%20export&f=false
- Reguero, B. (2019). Introduction from the Berne Union President. In Berne Union (ed), *Berne Union Yearbook 2019*. Berne Union Publications, 12-14. Retrieved: May 2020: <https://www.berneunion.org/Publications>
- Rienstra-Munnicha, P., & Turvey, C. G. (2002). The relationship between exports, credit risk and credit guarantees. *Canadian Journal of Agricultural Economics*, 50(3), 281-296.

- Robbins, S.P., Bergman, R., Stagg, I & Coulter, M. 2000, *Management*, 2nd edn, Prentice Hall, Sydney.
- Ryan, W. P. (1999). The new landscape for non-profits. *Harvard Business Review*. 77(1), 127. Retrieved: May 2020: <https://hbr.org/1999/01/the-new-landscape-for-non-profits>
- Saborowski, C., & Chauffour, J-P, (2010). Export credit agencies to the rescue of trade finance. Retrieved: June 2023: <https://cepr.org/voxeu/columns/export-credit-agencies-rescue-trade-finance>
- Saghir, W. (2020). Corporate Structure and Governance of Export Credit Agencies: A UKEF Overview. *Financial Law Review*, 18(2), 1-12.
- Salcic, Z. (2014). *Export Credit Insurance and Guarantees: A Practitioner's Guide*. Springer. <https://doi.org/10.1057/9781137366818>
- Senge, P. M. (1990). *The fifth discipline: The art and practice of the learning organization*. New York: Doubleday.
- Senyuta, O. (2013). "Delegation and performance". *Cerge-Ei Working Paper Series*, (497). <https://doi.org/10.2139/ssrn.2358526>
- Simon, H. A. (1948). *Administrative Behavior*. New York: Free Press.
- Simon, H.A. (1979). Rational decision making in business organizations. *The American economic review*, 69(4), 493-513.
- Singh, K. (2010). The changing landscape of export credit agencies in the context of the global financial crisis. Fern. ISBN 978-1-906607-07-4. Retrieved: June 2023: <https://www.fern.org/publications-insight/the-changing-landscape-of-export-credit-agencies-in-the-context-of-the-global-financial-crisis-663/>
- Slagmulder, R. and Devoldere, B. (2018). Transforming under deep uncertainty: A strategic perspective on risk management. *Business Horizons*, 61(5), 733-743. <https://doi.org/10.1016/j.bushor.2018.05.001>
- Smallridge, D., (2021). The role of export credit agencies in post-pandemic recovery. Retrieved: May 2023: <https://www.tradefinanceglobal.com/posts/the-role-of-export-credit-agencies-in-post-pandemic-recovery/>
- Stenberg, J. S., and Evans, L. W., (2022). Berne Union Data in 2022: Overview and Outlook. In Berne Union (ed), *Berne Union Year Book 2022*, Berne Union 2022. 29-30. Retrieved: July 2023: <https://www.berneunion.org/Publications>
- Swami, S. (2013). Executive functions and decision making: A managerial review. *IIMB Management Review*, 25(4), 203-212. <https://doi.org/10.1016/j.iimb.2013.07.005>
- Swiss Re (2014). Trade credit insurance surety: taking stock after the financial crisis. Retrieved: July 2023: <https://www.swissre.com/institute/research/topics-and-risk-dialogues/economy-and-insurance-outlook/expertise-publication-trade-credit-insurance-surety.html>

- Szabo, E., Brodbeck, F. C., Den Hartog, D. N., Reber, G., Weibler, J., & Wunderer, R. (2002). The Germanic Europe cluster: Where employees have a voice. *Journal of world business*, 37(1), 55-68.
- Tabesh, P. & Vera, D.M. (2020). Top managers' improvisational decision-making in crisis: a paradox perspective. *Management Decision*, 58(10): 2235-2256. <https://doi.org/10.1108/MD-08-2020-1060>
- TAD/PG (2022)1). Arrangement on officially supported export credits. OECD. Retrieved: June 2023: [https://one.oecd.org/document/TAD/PG\(2022\)1/en/pdf](https://one.oecd.org/document/TAD/PG(2022)1/en/pdf)
- TAD/PG (2023)8). Evolution of the arrangement on officially supported export credits. OECD. Retrieved: July 2023: <https://www.oecd.org/trade/topics/export-credits/arrangement-and-sector-understandings/>
- Thompson, F. (2022). ECAs turn inwards: the rise of domestic finance. *Gtrreview*. Retrieved: March 2023: <https://www.gtrreview.com/magazine/the-export-finance-issue-2022/ecas-turn-inwards-the-rise-of-domestic-finance/>
- UNDP (n.d.). Retrieved: March 2022: <http://hdr.undp.org/en/composite/trends>
- U.S. EXIM, (2022). Report to the U.S. Congress on Global Export Credit Competition (June 2022). Export-Import bank of the united states. Washington. Retrieved: June 2023: <https://www.exim.gov/news/reports/competitiveness-reports>
- Vantrappen, H., & Wirtz, F. (2017). When to Decentralize Decision Making, and When Not To. *Harvard Business Review*. Retrieved: May 2023: <https://hbr.org/2017/12/when-to-decentralize-decision-making-and-when-not-to>
- Veer, K. (2010). "The private credit insurance effect on trade". *DNB Working Papers*, 264.
- Vroom, V.H., & Yetton, P.W. (1973). "Leadership and decision-making". Pittsburgh Penn: University of Pittsburgh.
- Wenidopple, Th., & Mackinger, Ch. (2017). "ECAs go to market". *Finance & Trade Watch CEE Bankwatch Network*. Retrieved: May 2020: <https://bankwatch.org/publication/ecas-go-to-market>
- What are ECAs?. (n.d.). ECA watch. Retrieved: May 2020: <https://www.ea-watch.org/node/1>
- Williams, H. E. (2012). "Influential managers in the public sector: How can OD prepare managers in the public sector for today's challenging working environment". *Journal of Leadership, Accountability and Ethics*, 9(5), 125-136.
- World Bank, (n.d.). Metadata Glossary. World Bank, Doing Business project. Retrieved Aug 2023: <https://databank.worldbank.org/metadataglossary/doing-business/series/IC.BUS.EASE.DFRN.XQ.DB1719>
- Yazdi, A. K., Wang, Y. J., & Kahorin, M. M. (2019). Performance benchmarking on export credit agencies: a data envelopment analysis. *International Journal of Productivity and Quality Management*, 28(3), 340-359.

List of Publications

1. **Alamian, R., & Balaton, K.** (2022). Decision-making in Export Financing Services by Banks in Hungary. *Theory, Methodology, Practice - Review of Business and Management*, 18(02), 3-22. <https://doi.org/10.18096/TMP.2022.02.01>
2. **Alamian, R., & Balaton, K.** (2022). Management Challenges in State-Owned Export Credit Agencies in the 2020s; Case Studies in Iran and Hungary. *Theory, Methodology, Practice - Review of Business and Management*, 18(01), 23-35. <https://doi.org/10.18096/TMP.2022.01.02>
3. **Alamian, R.** (2022). The Understanding of Decision-Making Style in Organizations by Cultural Dimensions in Iran and Hungary. *HANTOS PERIODIKA 2732-0405*, 3 (2), 90-97.
3. Ajripour, I. & **Alamian, R.** (2021). Comparing Green Economy in Iran with OECD Asian Countries by Applying TOPSIS and GI Method. *THEORY METHODOLOGY PRACTICE: CLUB OF ECONOMICS IN MISKOLC 17 (01)*, 15-26. DOI: <https://doi.org/10.18096/TMP.2021.02.02>
5. **Alamian, R.** (2021.). Decision-Making in State-Owned Export Credit Agencies (ECAs): What Can be Expected from Hungarian ECA's Organizational Structure?. In: Jarmila, ŠEBESTOVÁ; Roman, ŠPERKA; Petr, SUCHÁNEK; Šárka, ČEMERKOVÁ; Žaneta, RYLKOVÁ; Kateřina, MATUŠÍNSKÁ; Radka, BAUEROVÁ; Jiří, MAZUREK; Radim, DOLÁK (eds.) 3rd International conference on Decision making for Small and Medium-Sized Enterprises. Conference Proceedings. Karvina, Czech Republic : Silesian University in Opava, School of Business Administration in Karviná (2021), pp. 29-37.
6. **Alamian, R.** (2020). The Importance of Information Systems in Management Decision-making of the State-owned Export Insurance Companies: Literature review. In: Bihari, Erika; Molnár, Dániel; Szikszai-Németh, Ketrin Tavaszi Szél 2019 Konferencia = Spring Wind 2019: Konferenciakötet II .Bp, Hungary : Association of Hungarian PHD and DLA Students (2020) 604 p. pp. 157-163.

Appendix

Appendix 1: Interview Questions

1.1. Interviews Questions for Hungarian samples:

1.1.1 Interview questions asked from EXIM interviewees in 2019:

1. What is the approach of decision-making in the organization? Do you think the current decision-making approach in the organization is effective? And what is your suggestion for that?
2. What is your opinion about effective decision-making and what are the important factors to have an effective decision-making process?
3. To what extent group decision-making is used in the organization? Do you think the group decision-making is more effective for this organization's structure or individual decision making? To what extent do you think group decision-making can be efficient? Please explain how it is done in the organization?
4. In what condition can the decision-making approach change? (Please explain both permanently and temporary)? Who will decide about the changes?
5. By reading the strategies of the organization during 2017-2021, mostly it can be understood that the organization care about supporting the export rather than being profitable. Is it true? Please explain the details about this kind of decisions. Also please explain to what extent is the organization is dependent on Governmental budget?
6. What are the strategic decisions to avoid big loss during the possible financial crisis? Do you think the efficiency of the information systems can be effective in this area? What is the strategy for information systems and technology used in the organization?
7. What is the decision-making approach and solutions in urgent situations in EXIM?

1.1.2 Interview questions asked from all the interviewees in Hungary in 2021:

1. What are the decision-making (DM) approaches & methods in the organization? What types of decisions are delegated to lower-level members in your organization? Are middle-level managers involved in developing the strategy of the organization?
2. What type of leadership is characteristic for the organization? (e.g. autocratic, participative, laissez-faire)? In your opinion, is this method effective? Can you mention examples from the last 3 years when the decision-making system resulted in failure, or led to problems in the organization? How can the decision-making process be more effective in the organization? Who is responsible in the organization for initiating changes in the decision-making system?
3. Which factors do you think are important for effective decision-making? To what extent are decision-making processes prescribed in written document? Is there possibility for decision-makers to implement changes in the decision-making process?
4. Is there a cause-and-effect relationship used in evaluation the efficiency of the decisions made? Are these measure quantitative or qualitative (or a combination of the two) types?

5. How frequently are evaluations in the organization in relation to efficiency of decision-making? If the answer is yes, then who can initiate the evaluation? Are the evaluations made in regulated intervals, e.g. annually, or biannually, or in five years intervals. Is this evaluation part of the strategy evaluation and control process?
6. What are the important factors for implementing the decisions effectively? What types of measures are used? Is the evaluation person-specific, or the unit of evaluation is a department or a directorate?
7. To what extent are the rules flexible, that can it be adapted to the specific conditions of the situation? What are the limitations in the way of effective decision-making?
8. What type of motivation means are used which intend to realize higher level of efficiency?
9. Is decision-making based on the goals and strategies of the organization? And how can be more in the same direction? What system is used in the organization to specify the requirements from lower level employees/managers (e.g. Balanced Score Card)?
10. To what extent is group decision-making used in the organization? Are there formal decision-making groups, or ad.hoc emerging informal groups? And what is its benefit? Are there intentions to increase the reliance on group decision-making?
11. In what condition can the decision-making approach change? Who is entitled to empower lower-level individuals/groups with decision-making responsibilities? How frequently were the decision-making approaches changed in the last five years?
12. What is the approach of the organization when there is a need for urgent DM or in a crisis time? Who is entitled to specify the new approach in case of regular operative decisions of credit decision or insurance solutions?
13. Your suggestions about improving the system? Is there a need to change the system in a short run, or can it be decided parallel with strategic changes or developing a new strategy?

1.2 Interviews' Questions for Iranian samples:

1.2.1 Interviews' Questions for the ECA in Iran

1. What are the Decision-Making (DM) approach & methods in the organization? How the authority of decision-making is distributed in the ECA? To what extent is a structured framework for decision-making defined in the organization?
2. To what extent decision making is in this organization a group decision making? And what is its benefit?
3. In your opinion, is this method effective? How can the decision-making process be more effective in the organization?
4. Which factors do you think are important for effective DM?
5. What are the important factors for implementing the decisions effectively?
6. What are the limitations in the way of effective DM?
7. Is decision-making based on the goals and strategies of the organization? And what is your suggestion to make them more in the same direction?
8. In what condition the decision-making approach changes? Who can decide about changes (both temporary and permanently)? What are the positive and negative consequences of changes in the decision-making method?
9. What is the approach of the organization when there is a need for urgent DM or in a crisis time?
10. What is your suggestion about improving the decision-making system in the ECA?

سوالات مصاحبه با مدیران محترم سازمان صندوق ضمانت صادرات ایران:

- 1- روش و رویکرد تصمیم گیری در سازمان به چه صورت است؟ تفویض اختیار در ارتباط با تصمیم گیری به چه گونه است؟ تا چه اندازه در سازمان چارچوب ساختاریافته ای برای تصمیم گیری تعریف شده است؟
- 2- تا چه اندازه تصمیم گیری در سازمان به صورت گروهی است؟ منافع تصمیم گیری گروهی را توضیح دهید.
- 3- از نظر شما روش تصمیم گیری حال حاضر سازمان اثربخش است؟ برای اثربخش تر شدن فرایند تصمیم گیری در سازمان چه مواردی لازم است؟
- 4- از نظر شما برای تصمیم گیری اثربخش چه عواملی مهم هستند؟
- 5- برای اجرای اثربخش تصمیمات چه عواملی تاثیرگذار هستند؟
- 6- چه محدودیت هایی در راستای تصمیم گیری اثربخش وجود دارد؟
- 7- آیا تصمیم گیری بر اساس استراتژی ها و اهداف سازمان است؟ و برای همسو تر شدن آن ها چه پیشنهادی دارید؟
- 8- در مواجهه با چه شرایطی روش تصمیم گیری تغییر می کند؟ و چه کسی در ارتباط با این تغییر تصمیم می گیرد (هم به صورت موقتی و هم به صورت دائمی)؟ تغییرات در روش تصمیم گیری چه پیامدهای مثبت و منفی می تواند در پی داشته باشد؟
- 9- در شرایط بحرانی و یا زمانی که نیاز به تصمیم گیری فوری است، رویکرد سازمان به چه صورت است؟
- 10- پیشنهاد شما در مورد بهبود سیستم تصمیم گیری در سازمان چیست؟

1.2.2 Interviews' Questions for the banks in Iran

It was same like for Hungarian banks. The translation in Persian is given in the following:

- 1- رویکرد و روش های تصمیم گیری در سازمان شما در ارتباط با فعالیت های اعتبار صادراتی، و یا تامین مالی صادرات به چه صورت است؟ چه نوع تصمیماتی به مدیران میانی سازمان شما واگذار می شود؟ چه نوع تصمیماتی به اعضای سطوح پایه سازمان شما واگذار می شود؟ آیا مدیران سطح میانی در تدوین استراتژی سازمان مشارکت دارند؟
- 2- چه نوع از سبک های رهبری برای سازمان مشخص می شود؟ (به عنوان مثال خودکامه (autocratic)، مشارکتی (participative)، و یا عدم مداخله (laissez-faire) (به این معنی که اعضای سطوح پایه در تصمیم گیری آزاد هستند))؟ به نظر شما، آیا این روش اثربخش است؟ آیا می توانید

نمونه هایی از 3 سال گذشته را ذکر کنید سیستم تصمیم گیری منجر به شکست یا منجر به مشکلات در سازمان می شود؟ چگونه می توان فرایند تصمیم گیری در سازمان اثربخش تر بود؟ چه کسی در سازمان مسئول ایجاد تغییرات در سیستم تصمیم گیری است؟

3- به نظر شما چه عواملی برای تصمیم گیری های اثربخش مهم هستند؟ مراحل تصمیم گیری تا چه اندازه در اسناد رسمی مکتوب شده است؟ آیا برای تصمیم گیرنده امکان اعمال تغییرات در فرایند تصمیم گیری وجود دارد؟

4- آیا در ارزیابی اثربخشی تصمیمات اتخاذ شده از رابطه علت و معلولی استفاده می شود؟ (لطفا کمی توضیح دهید). آیا معیارهای ارزیابی کمی هستند یا کیفی (یا ترکیبی از این دو)؟

5- ارزیابی های سازمان در ارتباط با کارآیی تصمیم گیری هر چند وقت یکبار انجام می شود؟ آیا ارزیابی ها در فواصل منظم انجام می شود، به عنوان مثال سالانه یا دوسالانه یا در فواصل پنج ساله؟ آیا این ارزیابی بخشی از فرایند ارزیابی و کنترل استراتژی است؟ چه کسی می تواند این ارزیابی ها را مطرح کند؟

6- به نظر شما چه عوامل در اجرای اثربخش تصمیمات مهم هستند؟ چه نوع ارزیابی در این باره استفاده می شود؟ آیا ارزیابی توسط فرد خاصی انجام می شود و یا توسط مدیریت و یا واحد ارزیابی یک واحد مشخص است؟

7- چه محدودیت هایی در نحوه تصمیم گیری اثربخش در سازمان وجود دارد؟ قوانین تا چه حد انعطاف پذیر هستند؟ یعنی می توان آنها را با شرایط خاص تطبیق داد؟ آیا نتیجه تصمیم گیری به سطح حقوق یا موقعیت و رسیدن به سطوح بالاتر در سلسله مراتب مرتبط است؟

8- در سازمان از چه نوع ابزار انگیزشی برای دستیابی به سطح بالاتری از اثربخشی استفاده می شود؟

9- آیا تصمیم گیری بر اساس اهداف و استراتژی های سازمان است؟ و به نظر شما چگونه می تواند بیشتر در جهت اهداف و اسراتژی های سازمان باشد؟ از چه سیستمی در سازمان برای تشخیص الزامات مورد نیاز از کارکنان و یا مدیران سطوح پایه استفاده می شود (به عنوان مثال کارت ارزیابی متوازن)؟

10- تا چه اندازه در سازمان از تصمیم گیری گروهی استفاده می شود؟ آیا گروه های تصمیم گیری به صورت رسمی هستند و یا گروه های غیررسمی هستند که به یکباره و به منظور تصمیم خاصی تشکیل می شوند؟ و فایده این نوع تصمیم گیری چیست؟ آیا در سازمان قصد افزایش اتکا به تصمیم گیری گروهی وجود دارد؟

11- رویکرد تصمیم گیری در چه شرایطی می تواند تغییر کند؟ چه کسی مسئول است که به افراد/گروه های سطح پایه مسئولیت تصمیم گیری بدهد؟ رویکردهای تصمیم گیری در پنج سال گذشته چند بار تغییر کرده است؟

12- رویکرد سازمان در هنگام نیاز به تصمیم گیری فوری یا در زمان بحران چیست؟ چه کسی این اختیار را دارد که رویکرد جدید را در

مورد تصمیمات منظم عملیاتی در زمینه اعتبار، تامین مالی یا بیمه اعتباری صادرات مشخص کند؟

13- پیشنهادات شما در ارتباط با بهبود سیستم چیست؟ آیا نیاز به ایجاد تغییر در سیستم در کوتاه مدت وجود دارد؟ آیا تصمیم به ایجاد این تغییر ممکن است به موازات تغییرات استراتژیک و یا تدوین استراتژی جدید باشد؟

Appendix 2: Codes

Themes	Concepts	Final codes
1. General process of decision-making and the authority of decision-making	Leadership style	Autocratic Leadership style
		laissez-faire leadership style
		Participative leadership style
		Collegial Leadership style
		Between autocratic & participative Leadership style
	Authority	Authority of the CEO
		Authority of the board
		No DM Authority of middle managers
		Authority of the lower & middle levels
		Government authority for the decisions
	Hierarchy	Levels of DM based on the thresholds
	Regulation	Written & regulated process
	Group dynamics	Four-eyes Principle
		Formal group
		Informal groups
		In committees with voting
	Goals & Strategies	No DM authority for the consulting committee
Harmony of DM with the goals and strategies		
Specify the requirements by middle & lower levels		
2. The possibilities of applying change to decision-making process & approach	Regulation	Role of middle managers regarding strategy
		Possibility to changes is written in regulations
	Authority	Hard to change because of regulations & written material
		Senior levels' authority in change
		Approval of Country level authorities
		Who initiate change
	Power	Who is responsible for change
		Changing the decision-makers
	Evaluation	Cause and effect
		After years of experience
	Bureaucracy	Hard to change because of bureaucracy
	Government role	Need permission of government for change
		Obligatory tasks from the government
	Goals & Strategies	Change in goals & strategies

	External political and economic situation	Change in external conditions (political & economic)
	Flexibility	Flexibility to have a shortcut to the CEO & the board
3. The approach of decision-making in urgent/emergency times and crisis	Authority	Initiate the need to change in crisis
		Senior levels should specify
		Obligations by government or regularity authorities
	Flexibility	Get signatures manually
		Emergency or urgent meetings
		More committee meetings in certain times
		More flexibility & collaboration among managers
		Authority to lower-levels
		General Solutions
	External political and economic situation	Strategic changes after sanction
	Regulation	Solutions if regulation allows
		Over-regulation after crisis
		Regularity solutions in COVID-19 Crisis
Technology, Digitalization	Technology & digitalization Solutions for COVID-19 Crisis	
4. The Limitations in the way of effective decision-making	Technology	The lack of technology facilities
	Standardization	Be in line with standardization
	Human-related factors	Lack of Decision-making ability
		People involved in decision-making process
		Lack of experience
		Not availability of the board's members
		Not willing to accept DM authority
	Evaluation	Not enough measurement
	Bureaucracy	Complexity of the process
		Asking lots of collateral & requirements from clients
		Existing Bureaucracy
	External political and economic situation	Unstable economic and political situations
	Authority	lack of authority
		Change of managers
	Government role	Government intervention in decision-making
		Supervisory bodies from the Government
	Regulation	Credit limit
		Weakness of regulations
		Inflexible rules & over-regulation
	Information	Lack of information
	Budget	Lack of capital & budget
	Time	Time & Low speed
Goals and Strategies	Goals & Strategies	
5. The important factors for effective decision-making	Group dynamics	
		Using different views & experiences in the committee
	Standardization	Standardization
	Time	speed of DM
Simplicity	Easier contract conditions	

		Simplicity of proposals
	Quality	The quality of proposals
	Control	Reviewing the decisions consistently
	Organizational Culture	communication between managers and their cooperation
		Supportive workplace culture and an inclusive environment
	Human-related factors	Accuracy in HR
		Availability of the CEO & the board
		By managers' experiences & knowledge
		The knowledge & experience of the expert employees
		By not relying on the personal taste of managers
	Government role	The courage of decision-makers
		Balance in supervision
		Less dependency on the government
	Budget	Budget Availability
	Ownership	By being a private company
	Technology, Digitalization, Integrated Systems	By developing technology, accurate computational science, well-integrated systems
	Goals & Strategies	Consider the goal (supporting the exporter) & strategies
	Authority	Final responsible decision-makers
		Give more authority to middle and lower managers or regional managers
	Information	Data, Increasing Networking & information system
	Prudentiality, transparency	Prudentiality & transparency to reach the goals
	Bureaucracy	less bureaucracy
	Clearness	Clearness in every aspect
6. Effective implementation of decisions	Simplicity	less complexity
	Clearness	Clear decision
	Time	DM & work speed
	Control	Active supervision for all the phases
	Group dynamics	Group DM by diverse people
	Human-related factors	Decision makers' knowledge and experience with the right mindset
		Decisiveness in DM
		Expert employee's commitment
		Open-minded look to problems & implement the consulted opinion
		Participation, involvement and commitment of employees in DM process
		Skills of expert employees
	Technology, digitalization	Up-to-date and user-friendly technology and digitalization
	Evaluations	Investigating the credit rating of the clients carefully
	Budget	Budget availability
	Government role	efficient supervision of supervisory bodies
		Government should give more authority to the ECA's managers
	Size	Have more branches
Goals & Strategies	Aligned with goals & consider it in the	

		process
		Applicable and easy to be implemented strategies
	External political & economic situation	The economic stability of the country
	Transparency	Transparent process

Appendix 3: Relation between themes & interviews' questions

In the following, it is mentioned mostly that in the answer of which questions of each appendix, the themes are founded.

In the table below Q means question.

Themes	Appendix 1.1.1	Appendix 1.1.2 & 1.2.2	Appendix 1.2.1
The general process of decision-making and the authority of decision-making	Q1, Q3	Q1, Q2, Q9, Q10	Q1, Q2, Q7
The possibilities of applying a change to the decision-making process & approach	Q4	Q2, Q3, Q7, Q11, Q13	Q8
The approach of decision-making in urgent/emergency times and crisis	Q6, Q7	Q12	Q9
The Limitations in the way of effective decision-making		Q7,	Q6
The important factors for effective decision-making	Q1, Q2, Q5	Q2, Q3, Q4, Q5, Q13	Q3, Q4, Q10
Effective Implementation of decisions		Q6,	Q5