Achieving organizational effectiveness of MNCs through People: Evidence from India and Mozambique

Abstract

Purpose: The purpose of this study is to provide HR practitioners of MNCs aspiring to invest in these two countries with guidelines for attaining organizational effectiveness through people.

Design and Methodology: The present work develops and tests a multiple criteria decision-making model with data collected in the banking sectors of India and Mozambique. It compares the job engagement, team building, and innovation strategy preferences of Indian personnel with those of Mozambican employees.

Findings: The findings of the study reveal the differences in the perceptions of the respondents of both countries regarding the importance of the strategies for organizational effectiveness.

Originality: Research in the area of human resource management is mainly limited to the developed and developing nations, with very few studies centering on emerging economies. Whilst most cross-national studies on organizational effectiveness are also largely focused on developed and developing nations, this study is unusual in that its focus is on a fast-developing nation (India) and an emerging economy (Mozambique).

Practical and Theoretical Implications: This body of work is an addition to the existing literature on cross-national studies in the field of human resource management, and adds to the limited literature on HRM in the least developed countries. The study is designed to provide guidelines for the HR practitioners of multi-national companies in these two countries to help them achieve enhanced organizational effectiveness. This should be of particular interest to the HR managers of the Indian companies aspiring to invest in Mozambique.

Keywords: Employee engagement; team building strategies; organizational innovation; MNCs; organizational effectiveness
1. Introduction

Sound human resource management (HRM) practices and innovation are the two features most required for the success of contemporary firms. The main concern of modern businesses is to ensure the overall effectiveness of organizations (Chutivongse and Gerdsri, 2019). An organization is said to be effective when it is able to confidently announce and carry out its strategic choices, is quick to respond to the needs of the environment, makes continuous innovations, successfully competes with rivals, makes optimum usage of the available resources, and incorporates effective human resource management practices to engage the workforce with ease (Jha et al, 2019). However, the globalization of commercial activities has made HRM a difficult process for multinational companies (MNCs). In particular, with regard to selecting the most effective HR strategies for their international projects, these companies face various multiple criteria decision-making (MCDM) dilemmas. In most cases, MNCs intent on investing tend to take their home-based HRM practices to the host country. However, the resulting delays, or even failure to successfully accomplish the international venture leads to a waste of resources (Sartorius, Merino & Carmichael, 2011). While firms have now realized that implementing HRM strategies without understanding the host country’s culture and HR perceptions may lead to wasted resources, the literature available to address this issue is scant (Azolukwam & Perkins, 2009). Existing studies have mainly focused on developed countries, with very few centering on HRM in emerging economies (Dibben, 2010; Dibben, Brewster, Brookes, Cunha, Webster & Wood, 2017; Dibben & Nadin, 2011; Sartorius, et al., 2011). Cross-national studies on organizational effectiveness are also limited to developed and developing nations (Zoogah, Peng & Woldu, 2015). To fill these gaps, we selected India, a developing country, and Mozambique, an emerging economy, for this research. The aim of this work is to identify the HR strategies that are important for achieving organizational effectiveness (OE) in both countries. While the variables discussed in the present study are established in several models of organizational effectiveness (Gopalkrishnan, 2000; Sharma & Sharma, 2020; Singh, Burgess, Heap & Al-Mehrzi, 2016), there is a need for a descriptive analysis to identify their priority in each country.

The analysis compares the job engagement, team building and innovation strategy preferences of Indian personnel with those of Mozambican employees. Our purpose for using these two countries in this study is to join and contribute to the ongoing conversation on the Indian Ocean Region in the business literature (Lekaota, 2018; Merlot & De Cieri, 2012; Ogutu, 2021). We additionally
answer a specific call for more research on this region, as disclosed in the funding section. To this end, the study is designed to answer the following research questions:

RQ 1: Which of the following three factors, i.e., team building strategies (TBS); employee engagement (EE), and organizational innovation (OI) is perceived to have the highest impact on OE?

RQ 2: What are the most perceived EE attributes conducive to OE in India and Mozambique?

RQ 3: What are the most effective TBS which contribute to OE in both countries?

RQ 4: What are the most effective OI strategies which contribute to OE in India and Mozambique?

In accordance with the above stated research questions, the objectives of this research are:

1. To identify which factors of TBS most effectively contribute to OE in India and Mozambique.
2. To identify the attribute of EE that most effectively contributes toward OE in India and Mozambique.
3. To identify the most effective factors of OI for OE in India and Mozambique.
4. To identify which of the three variables - EE, TBS and OI - is the one preferred as far as its contribution to OE in India and Mozambique is concerned. India and Mozambique were selected for this study due to their strong economic and cultural ties with each other and the growing interest of Indian businesses for investment in Mozambique.

2. Review of the Literature

2.1 Indo-Mozambican relations

In just a few decades, the Indian economy has emerged as a major business partner of Africa, replacing the US, UK and France (Brautigam, 2010; Chaturvedi & Mohanty, 2007). Africa has abundant investment opportunities in the field of agriculture, banking, telecommunications, infrastructure, retail, and natural resources (Chironga, Leke, Lund & van Wamelen, 2011). Africa, with its dense population spread over 54 countries, includes such vibrant economies as those of Mauritius, South Africa, Botswana, Rwanda and Ghana, which has led to a race between countries such as India and China for markets and resources in Africa, particularly in Mozambique (Power, Newell, Baker, Bulkeley, Kirshner & Smith, 2016).

Mozambique is situated in the southeast coastal region of Africa. It is one of the least developed economies in the world yet offers enormous opportunities for investments in the fields of natural
resources, agriculture, banking, infrastructures, and retail (Davis, 2013). According to The World Bank Report (2020) Mozambique’s strategic location makes it a preferred conduit to the global market for its neighboring countries. The country is endowed with ample mineral resources, water, energy, offshore natural gas, arable land, and three seaports.

In recent years, India and Mozambique have developed strong business ties. India has made investments in various sectors such as steel, coal, mining, petroleum, agriculture, and port development. The Indian government also supports Mozambique in power generation and distribution, building plants for assembling solar cells, and the establishment of IT zones, among others. Realizing the prospects for growth and development in Mozambique, several Indian companies are considering making investments in different service sectors in the country (Ministry of External Affairs, 2017).

This study’s interest in these two countries is specifically supported by several additional facts. According to governmental agencies, a significant portion of Mozambican nationals are of Indian origin and many Indians are residents of Mozambique for trade reasons. Both countries belong to the Commonwealth of Nations, so they share common beliefs and similarities in background (Robertson & Singleton, 2001). Being able to leverage the Commonwealth advantage makes it 19% cheaper for a member nation to do business with another member nation. Despite these similarities, however, the two countries are culturally different. The chart below compares the cultures of both economies on Hofstede’s 6D model of culture (Hofstede, 2011).

*Insert Chart. 1. Cultural Differences between India and Mozambique*

Power distance explains the degree to which the members expect and accept the unequal distribution of power within the organization. The above figure shows that as far as this dimension is concerned, there is not much difference between India (77) and Mozambique (85). This indicates that there is considerable acceptance of a hierarchical, top-down organizational structure in both countries. Another dimension where there is not much difference between the two countries is uncertainty avoidance. Hence it can be said that both countries have a low preference for avoiding uncertainties. However, the chart indicates that Mozambique has a relatively higher (44) inclination toward avoiding ambiguities than India (40). Compared to Mozambique, Indian culture is more
individualist, which means that in India more importance is given to individual achievement and success. In Mozambique, where professional relationships are largely based on mutual understanding among members, it is more collectivist and employee loyalty is rewarded by the employer’s paternalistic protection. With regard to masculinity, while the Indians’ higher score of 58 indicates that they value individual achievement as a major factor of success, the Mozambicans’ lower score of 38 shows that their major indicators of success revolve more around concern for others and a better quality of life. The fourth dimension, long term orientation, measures the extent to which a society maintains some links to its past while adapting to present and future changes. India, with an intermediate score of 51, takes comparatively more pragmatic steps and encourages efforts to prepare for the future. Mozambique, on the other hand, with a very low score of 11 is categorized as a normative society that views change with suspicion and prefers to maintain its traditions and customs. The sixth parameter defines the extent to which the society puts emphasis on leisure time and the gratification of personal desires. A low score of 26 makes India a ‘restrained society’ which practices strong control over people’s desires and impulses. Mozambique, on the other hand, with a high score of 80 is categorized as an ‘indulgent society’ where people give more importance to pleasure and leisureliness.

Based on the fact that these two countries have different socio-economic and cultural environments, this study assumes that employees’ preferences regarding innovation and HR level strategies for enhancing organizational effectiveness would be different.

2.2 MCDM techniques

MCDM refers to making appropriate decisions in the presence of multiple criteria. It is a combination of multi objective decision making (MODM) and multi attribute decision making (MADM) techniques (Asuquo & Onoudu, 2016). MODM is used to deal with multi objective planning problems arising from continuous alternatives, whereas MADM methods are used for selecting from discrete alternatives (Mendoza & Martins, 2006). A number of MCDM techniques are mentioned in the literature on decision sciences. The most relevant among them are: the decision-making trial and evaluation laboratory (DEMATEL); analytical network process (ANP); techniques for order preference by similarity to ideal situation (TOPSIS); gray relational analysis (GRA); analytical hierarchy process (AHP); and fuzzy AHP. Numerous studies have been conducted using these methods in the field of manufacturing and operations management, geo
informatics, machine selection, supplier selection, waste management, site selection, and inventory management (Chen, Yu & Khan, 2013; Fu, 2019; Hamzaçebi & Pekkaya, 2011; Jozaghi, et al., 2018; Kaur, Rishi, Singh & Thakur, 2020; Mosadeghi, Warnken, Tomlinson & Mirfendereski, 2015; Pinto, Shrestha, Babel & Ninsawat, 2017; Samvedi, Jain & Chan, 2012; Vinodh, Shivraman & Viswesh, 2012). There is some literature on MCDM techniques in human resource management too, but that is mostly limited to personnel selection and performance management (Abdullah & Zulkifli, 2015; Dursun & Karsask, 2010; Kazemi & Allahyari, 2010; Meybodi, 2012). In this study, we propose a MADM model to identify the most important factors of HRM and organizational innovation in a cross-national environment.

2.3 Organizational effectiveness
Although attaining effectiveness has been a major challenge in organizational management science, effectiveness is a concept that has no universal definition (Cameron, 2015). There are almost as many definitions of organizational effectiveness as there are organizations. The four main approaches to organizational effectiveness are: goal approach, systems approach, constituency approach, and the congruence model (Cameron, 2015). Modern organizations face challenges from tough competition in the global business environment, which rapid technological change and the ever-changing economic and political scenario across the globe have further exacerbated. Rising to these challenges means that present-day organizations must be capable of continuous learning and able to adapt frequently (Cameron, 2015). Organizations need to adapt to the frequent changing expectations of customers and the environment in which the firm operates. In this scenario, managing human resources as a valuable asset is considered as one of the most important functions with regard to attaining optimal organizational effectiveness (Schuler & Jackson, 2014). Obtaining high performance and commitment from employees through effective team building (Bradley, Postlethwaite, Klotz, Hamdani & Brown, 2012) and engagement strategies have become inevitable requisites for the effective functioning of modern organizations. Innovation, another important factor for the sustainable effectiveness of present-day businesses, is a strategy adopted by the organizations to build competitive advantage and improve their operation in the dynamics of the business environment (Montes, Moreno & Morales, 2005). Adopting the constituency approach, we have defined organizational effectiveness in terms of an organization’s competence with regard
to continuous learning, its ability to respond to the needs of the market, and capacity to adapt to the changing environment.

2.4 Team building strategies
The success of an organization depends more on how well team members use their knowledge, skills and creativity to work together than on the capacity of any individual. The team is a work arrangement in which individuals work interdependently to achieve their goals. The managers of present-day organizations are increasingly dependent upon teams to enhance organizational adaptability and problem solving (Peralta, Lourenço, Lopes, Baptista & Pais, 2018). Team building strategies refer to the formal and informal interventions designed to resolve interpersonal and task-related problems and focus on clarifying goals and improving social relations among team members (Klein, et al., 2009). Several team features such as cohesion, motivation, and positive feedback have been studied extensively in social psychology and have been shown to have a positive impact on the performance of team members (Fuster-Parra, García-Mas, Cantallops, Ponseti & Luo, 2016). While the literature (Aga, Noorderhaven & Vallejo, 2016; Braun, Peus, Weisweiler & Frey, 2013; Klein, et al., 2009) evidences the impact goal setting, goal clarity, and interpersonal processes have on the effectiveness of an organization, there is a dearth of literature on identifying the preferred strategies of team building. In this study, we have examined the factors of goal setting, goal clarity, feedback, and interpersonal processes. Goal setting has a universal impact on the performance and behavior of employees (Locke & Latham, 2019). Modern organizations ensure goal setting by employing methods of system thinking and strategic planning, management by objectives (MBO), benchmarking, high-performance work practices (HPWP) and management information systems (MIS). Goal clarity builds team efficacy (Hu & Liden, 2011) and leads to enhanced organizational performance (van der Hoek, Groeneveld & Kuipers, 2018). Feedback is the structural feature of a team that enables its members to adapt to the changing vision of the organization. Employees perceive developmental feedback as support from the organization which, since it enhances their morale, encourages them to retain an association with the organization and strive to accomplish its vision. (Porter, Wu & Partridge, 2010).

2.5 Employee engagement
Employee engagement is an optimistic strength which encourages employees to establish a connection with the organization (Singh, Burgess, Heap & Al-Mehrzi, 2016). This connection can be emotional, cognitive or physical. In his study, Kahn (1990) defined engaged employees as those who push themselves to the fullest to fulfill their work responsibilities (as cited in Saks, 2006). Kahn attributed psychological factors such as meaningfulness and safety as prerequisites for employee engagement. Engagement refers to the positive experience of the employee which is manifested in the form of vigor, persistence and absorption, as well as dedication to their work and the organization (Schaufeli & Bakker, 2004). It is, moreover, the positive attitude an employee has towards the organization which is manifested as the uninterrupted contribution of intellectual effort, optimism and meaningful relations with others. It is also the consequence of a contextual interchange (Saks, 2006) that is intended to gain the maximum benefit for the least expense. In this research, we have considered the work aspect of engagement that is operationalized as being the extent to which an employee commits himself completely, i.e., emotionally, mentally and physically to the job (Joplin, Greenbaum, Wallace & Edwards, 2019). Emotional in this context refers to the amount of passion, enthusiasm and pride experienced by the individuals while performing their job. Mental engagement refers to the degree to which the employees disburse their focus and mental abilities. Mentally engaged employees feels absorbed in their work. Physical engagement refers to the amount of energy, time, and effort the employees expend in performing their task.

2.6 Organizational innovation

Innovation refers to the introduction and application of new concepts or technologies used to alter the process of production and communication to save costs, or to improve the processes within the organization for the benefit of the individuals, the organization itself and the society as a whole (Samad, 2012). Intense global competition, changing technologies, and challenging market conditions create the quintessential milieu for organizations to be innovative. Innovations are of different kinds and include technological, product, and administrative innovation. These three types of innovation are interrelated, with product innovation being followed by technological and administrative innovations (Wischnevsky, Damanpour & Mendez, 2011). Several researchers have highlighted the role an organization’s culture plays with regard to innovation. Martín-de-Castro, López Sáez, DelgadoVerde, Donate & Guadamillas (2011) suggested the implementation of
knowledge-centered HR practices, such as teamwork for continuous innovation. Several scholars have examined the impact of the leadership style on team building and recommended transformational leadership as the most favorable form of leadership for innovation in organizations (Aga, et al., 2016; Gracia-Morales, Jiménez-Barrionuevo & Gutiérrez-Gutiérrez, 2012; Paulsen, Callan, Ayoko & Saunders, 2013). There is a positive correlation between innovation and organizational performance, as innovation increases efficiency within the organization and facilitates adaptation to the outside environment (Walker, Damanpour & Devece, 2011).

There exists a linear relationship between the above-discussed variables. The job demand-resource (Demerouti, Bakker, Nachreiner & Schaufeli, 2001) model of employee engagement suggests an inherent relationship between the three factors of OE, i.e., TBS, EE and OI. Organizational innovation is the result of the innovative behavior of those employees engaged in the workplace through team characteristics such as leadership styles and interpersonal relationships among team members (Kwon & Kim, 2020). Such employees contribute to organizational effectiveness in the form of increased productivity, adaptability and innovation (Bhatnagar, 2012; Eldor & Harpaz, 2016; Maden, 2015).

3. Methodology
This study employs a cross-sectional method which is based on data collected from bank employees in India and Mozambique. To answer the research questions, the data were analyzed using the Analytical Hierarchy Process (AHP) and Gray Relational Analysis (GRA). Although the variables discussed in the present study have already been established in several models of organizational effectiveness (Gopalkrishnan, 2000; Sharma & Sharma, 2020; Singh, Burgess, Heap & Al-Mehrzi, 2016), there is nevertheless a need for a descriptive analysis to identify their priority in each country. Moreover, as multiple factors contribute to the established models, a comparative analysis using multi criteria decision making (MCDM) is also required. AHP is a recognized technique for solving complex and vague problems that may be interrelated with different objectives (Mansor, Sapuan, Zainudin, Nuraini & Hambali, 2013). This, therefore, was the method used to determine the answer to our first question with regard to identifying the factor that has the highest impact on OE. The following three questions regarding the identification of the important attributes in each of the factors, were answered with the help of GRA. This method combines the complete range of
performance element values for each alternative into one single value, thus reducing the problem of single attribute decision making (Shinde & Pawar, 2017). It is an effective decision-making technique which is widely used to make decisions by evaluating the contextual alternatives specific to the study (Hui-Wen & Mu-Shang, 2013). Using gray relational analysis, we ranked the attributes of organizational effectiveness in two dimensions, i.e., the global and the local. While the local ranking refers to the importance of an attribute in comparison to other attributes within a construct, the global ranking highlights the position of the attribute in comparison to all other attributes in the study. In this work, AHP and GRA methods are integrated to avoid the complexities involved in comparing a large number of attributes through an analytical hierarchy process alone.

3.1 Data and sample
A structured questionnaire was employed to collect data through the survey method using a convenience sampling technique. Responses were gathered from employees working in banking institutions of both countries. For administration in Mozambique, the questionnaire was first translated into Portuguese by a bilingual translator and then back translated to English by a different bilingual translator. Minor discrepancies were identified and eliminated, and a final version of the questionnaire was eventually distributed to 405 individuals in Maputo (the capital city and largest urban area of Mozambique) in all the branches of the participating bank with the help of both the Human Resources and the Quality Assurance Departments. In India, the survey was conducted in Bangalore city. With the help of the respective branch managers, 252 questionnaires were distributed in 7 branches of the participating banks. A total of 375 responses were received from Mozambique. The elimination of incorrectly completed forms left 352 responses for further study. Similarly, 235 responses were received from India, of which 190 were retained after inappropriately filled forms were rejected. Thus, the response rate was 86.91 per cent in Mozambique and 75.39 per cent in India. The average age of respondents in India was 29.09 years (SD=3.28) and the average work experience was 6.41 years (SD=4.60). In Mozambique, the average age was 36.3 years (SD=3.28) and the average work experience was 12.32 years (SD=9.86). 45.37 per cent of respondents in Mozambique were male and 43.8 per cent were female. In India, the data comprised 55.2 per cent of responses from male respondents and 44.8 per cent from females.
3.2 Questionnaire design
A structured questionnaire comprising scales on employee engagement, team building strategies and innovation was designed to attain the objectives of the study. In order to ensure the face validity and the comparability of the measurement scales, the measures for the study were identified from the existing literature. The items for the questionnaire were modified to match the needs of the present study. This was done in consultation with subject-matter experts from academics and industry to ensure the content validity of the instrument. The reliability of the instrument was tested with the help of a Chronbach Alpha test. The alpha value 0.77, which is higher than the prescribed value of 0.5, confirmed the reliability of the instrument (Hair et al, 1995).

3.3 Measurement instruments
Employee Engagement: the Joplin, et al. (2019) six-item scale was rephrased and a seventh item “The organization excels when employees perceive the firm’s success as their success” was added on the recommendation of the experts. The scale’s reliability is assured with a Chronbach alpha value of 0.78.

Team building: the Aga, et al. (2016) scale was altered to gather the respondents’ insight into the most important team building strategy for organizational effectiveness. The scale is reliable at the Chronbach alpha score of 0.71.

Innovation: the ten-item scale used by Gracía-Morales, et al. (2012) was utilized to collect the respondents’ attitude to the innovation strategies that contribute towards organizational effectiveness. The scale is reliable at a Chronbach alpha value of 0.82.

3.4 Tools and techniques of analysis
Descriptive analysis of the collected data was performed in SPSS (v23), and advanced Microsoft Excel was employed to perform the analytical hierarchy process (AHP) and gray relational analysis (GRA). The importance of the dimensions of OE was analyzed in AHP, while GRA was used to identify the most important attributes in each dimension.

4. Data analysis and interpretation
4.1 Descriptive analysis
Insert Table I: Reliability of the measurement scale
The reliability scores of the instruments (Table I) show that there is adequate consistency in the data obtained from both countries, hence they can be compared with each other. However, the data on demographics (Table II) shows a difference in the average age and in the experience of the respondents. The average age (29.04) of Indian respondents indicates that most of the employees are at the beginning of their career, whereas the Mozambican employees (36.3 yrs.) are farther along in their professional career. This is further validated by the data on the average work experience of the respondents, with the results (Table II) showing that the average experience (12.32 yrs.) of the Mozambican respondents is almost twice that of the Indian respondents (6.41 yrs.).

4.2 Analytical Hierarchy Process

In AHP, the decision-making problem is arranged into the hierarchies of goal, criteria and alternatives (Maniya & Bhatt, 2011). This method is efficient in handling the tangible and non-tangible attributes mainly in circumstances where decision making is affected by the personal judgement of different individuals (Rao, 2007). To answer the first research question, we analyzed the data in AHP. This was done in three steps:

In the first step, the hierarchical model of OE was developed. Fig. 2 demonstrates the hierarchical model of OE which contains three OE factors and the subsequent attributes.

In the second step involves the computation of pairwise comparisons at each level (Kim, Park & Choi, 2017). In this study, since the responses were collected on a five-point rating scale, the data from both samples were first converted into a 9-point rating scale as recommended by Saaty (1995). To meet our research objectives, the pairwise comparison of data was conducted only at the first level, forming a 3x3 matrix. The reciprocal matrix was obtained by aggregating the pairwise comparisons for all samples using a geometric mean. Each column of the reciprocal matrix was
added up and the elements of the matrix were divided by the sum of its respective columns to calculate the normalized relative weight. The normalized weight matrix was converted into the priority matrix by averaging the values across the rows.

*Insert Table III: RI values according to no. of matrices.*

*Insert Table IV: Relative preference and priority ranking of OE factors*

The third step was to examine the validity of the survey results on the basis of Saaty’s consistency test. This involved measuring the Consistency Index (CI) and the Consistency Ratio (CR). The consistency ratio identifies the closeness of the decision-maker’s judgement to the perfect consistency (Tang, 2014), and is calculated by dividing the CI \([\lambda_{\text{max}}-n]/(n-1)\) for each matrix by the random index (RI). Table III shows the RI values for 1-9 matrices recommended by Saaty (1995). The comparisons are acceptable when the value of CR (CI/CR) is less than 0.1, but the judgement is considered to be inconsistent when the CR is greater than 0.1. In this study, the CR value was 0 (Table: IV), which is less than the threshold value of 0.1 (Kim, et al, 2017).

The results of the AHP analysis show that there is not much difference in the perception of the two samples regarding the factors important for organizational effectiveness. EE is identified as the most important factor for the attainment of OE in India as well as in Mozambique. But there are differences in the preferences for the second and third most important attributes. In the case of India, TBS with a relative weight of 0.3394 was ranked second and OI with the relative importance of 0.3014 was identified as the third most important factor for OE. In the case of Mozambique, OI with a relative weight of 0.3328 and TBS with a relative weight of 0.3309 were ranked second and third most important factors. However, the results also demonstrate that the gap between the relative importance of each factor is very small, which indicates that the respondents of both countries consider all three factors equally important.

### 4.3 Gray Relational Analysis

To answer the next three questions which relate to identifying the preferred strategies of TBS, EE and OI, we ranked the attributes of each of the factors using GRA. This analysis was conducted in five steps as discussed here:
Steps:

1. **Preparing the decision matrix:** to construct the decision matrix, the selected alternatives are processed to attain the performance value of each attribute. The items for assessing the indices for each alternative are written as follows:

   \[ A_i = [a_{i1}, a_{i2}, a_{i3}, \ldots, a_{im}] \]  

   Here, \( A_i \) is the \( i \)th component of the attribute under comparison. \( C_j \) is the \( j \)th attribute comparing index and \( a_{ij} \) is the performance value of the \( i \)th attribute and \( j \)th preference comparing index (Table V).

   *Insert Table V: Decision Matrix*

2. **Normalizing the decision matrix:** As each comparing index varies in its order of magnitude, they cannot be compared with each other. Hence, the data were normalized before establishing the comparison (Wen, Chao, Chang, Chen & Wen, 2009).

   \[ K_{xi} = (X_{ij} - \text{min} \cdot X_{ij}) / (\text{max} \cdot X_{ij} - \text{min} \cdot X_{ij}) \]  

3. **Calculation of the gray relational coefficient:** The gray relational coefficient (GRC) was calculated using the standardized additive method which gives 50% success:

   \[ \gamma(x_{oj}, x_{ij}) = \Delta \text{min} + \zeta \Delta \text{max} / \Delta\text{ij} + \zeta \Delta \text{max} \quad i = 1,2,3 \text{ and } j=1,2,\ldots,27 \]  

   *Where, \( \Delta ij = x_{oj} - x_{ij}, \Delta \text{min} = \text{min}(\Delta ij, i = 1,2,3; j = 1,2,\ldots,27) \Delta \text{max} = .*

   GRC shows the association between the actual and the ideal normalized responses. Table V and VI summarize the GRC of India and Mozambique respectively.

   *Insert Table VI: Summary of the gray relational coefficient of the Indian sample*

   *Insert Table VII: Summary of the gray relational coefficient of the Mozambican sample*
4. **Calculation of the gray relational grade:** The Gray relational grade (GRG) is calculated using the following formula:

\[
\Gamma (x_0, x_i) = \sum_{j=1}^{n} w_j \gamma (x_{0j}, x_{ij}) , \sum_{j=1}^{n} w_j = 1 \quad i = 1, 2, 3
\] (4)

In the above equation, \(w_j\) denotes the normalized weighted value of the \(j\) attribute. Therefore, the attribute scoring the highest gray relational grade is considered the preferred and hence the most important attribute for achieving the effectiveness of the organization.

**Insert Table VIII: Gray relational grading**

5. **Ranking of the grades:** Table IX presents the global and local ranking of the attributes of each of the three criteria identified for the effective functioning of the organization. The global ranking is the inter-criteria positioning which ranks a particular attribute in relation to all other attributes across all the criteria, whereas local ranking identifies the position of an attribute in relation to the other attributes in the same criteria.

**Insert Table IX: Global and Local ranking of the attributes**

The global ranking of the attributes performed in GRA (Table IX) also confirm the results obtained from AHP. In the case of India, the results show that two (1\(^{st}\) and 3\(^{rd}\)) and three (2\(^{nd}\), 4\(^{th}\) and 5\(^{th}\)) out of the top five ranks are occupied by the attributes in the employee engagement and team building dimensions of OE respectively. Similarly, in the case of Mozambique, three of the top five ranks (2\(^{nd}\), 3\(^{rd}\) and 5\(^{th}\)) are given to employee engagement and two ranks (1\(^{st}\) and 4\(^{th}\)) to organizational innovation of OE. The local ranking of the attributes shows some differences in employee perception. For example, the first factor of EE (throwing oneself into the job), which is ranked the most important in India, is placed 6\(^{th}\) by the Mozambican respondents, and the second factor (expending effort and energy) which is ranked second by the Indian respondents is given the highest importance by the Mozambican respondents. However, since the difference is very small between the two top factors it can be interpreted that Indians give equal importance to both indicators of EE. Similarly, in TBS, the 2\(^{nd}\) factor (goal clarity), ranked \(n^{th}\) 1 by the Indian respondents, is positioned 6\(^{th}\) whereas the 9\(^{th}\) factor (role clarity), ranked 6\(^{th}\) by the Indians, is considered to be the most important factor by the Mozambican respondents. However, in the third
dimension of OE, i.e., organizational innovation, the respondents from both samples agree that the 7th factor (production efficiency) is the most important for achieving OE.

5. Discussion

The primary objective of this study was to identify the most important factors of organizational effectiveness in India and in Mozambique. Subsequently, we also examined the importance of the attributes of these factors. The AHP results of priority ranking (Table IV) show that employee engagement is the most important factor identified by the respondents in both countries. However, there is a difference between the two samples in the preference for the second and the third most important factors. While the second preferred factor for Indian respondents is team building followed by organizational innovation, the Mozambican respondents ranked organizational innovation as second and team building as the third most important strategy to attain organizational effectiveness. The reason for this can be attributed to the demography of the samples. Mozambican respondents being from a collectivistic culture conform to the team norms, hence they experience fewer dysfunctional conflicts at the team level. This finding is consistent with Javidan & House (2001) who suggested that employees in a collectivistic culture have a better understanding of one another’s behavior. Indian respondents are relatively more individualistic and give more importance to their own interest, which may often disturb the team harmony. Hence, they believe that team building strategies are more important for the achievement of organizational effectiveness.

Within the Indian organization, the local ranking of the attributes shows ‘team goal clarity’ as the preferred strategy for team building. Team goal clarity is the degree to which the individuals in a team have a collective acceptance of the goals and objectives set for the team (Sonnentag & Volmer, 2010). Members with a higher acceptance of the team goal are better performers as they are more conscious of their responsibilities and they know where to expend their effort (van der Hoek, et al., 2018). Employees can get greater clarity on team goals by participating in goal setting meetings (Sonnentag & Volmer, 2010). The second most important strategy is the training and upskilling of employees. This includes training in soft skills as well as in technical skills. Kandpal (2019) supports this finding by demonstrating the volatility of the banking sector in India. The study highlights the importance of the technical aspects of the job and the behavioral side of the employees. The support provided by the organization in the form of training, as well as upskilling
and reskilling encourages positive work behavior among employees (Habeeb, 2020). The Indian respondents’ third preferred strategy in TBS is timely feedback from the supervisor. This finding has support in Chin, et al. (2019), whose work has suggested that timely and regular feedback on group performance augments team productivity. It follows, therefore, that managers and supervisors must be trained in giving regular constructive feedback to employees.

In the case of Mozambique, it can be seen that the choice of strategies is influenced by culture. Role clarity was ranked first, followed by relationship handling and conflict management. Role clarity means the degree to which employees understand the responsibilities, purposes and opportunities in the roles assigned to them within the team (Henderson, Stackman & Lindekilde, 2016). Support for this can be found in Lynn & Kalay (2016), which suggests that role clarity reduces burnout and enhances satisfaction with co-workers. Better clarity of their roles within the team results in better individual outcomes as it affects the performance and the job satisfaction not only of the role occupant but of the entire team. Role clarity promotes open communication among team members, enabling them to resolve disagreement openly which, in turn, promotes group cohesion (Klein, et al., 2009). This intention is reflected in the second (relationship handling) and third (conflict management) preferred team building strategies of the Mozambican respondents. Thus these findings are in accord with the collective culture (Fig. 1) of Mozambique. The choice of employee engagement indicators highlights the individualistic nature and pragmatic culture of the Indian respondents who, understanding the uncertain and volatile job market, are more concerned with giving their best to the job to ensure their employability. This is highlighted in the first preference of the engagement indicator, i.e., ‘throwing oneself into the job’. The second (effort and energy invested) preferred indicator of employee engagement in the Indian sample indicates the respondents’ inclination towards being recognized for their work. The third choice ‘passion and enthusiasm in work’ indicates the respondents’ liking for variety and challenges in the job. Such employee dedication to the work can be retained by rewarding the employees with suitable recognition plans, giving them more authority in their task and supporting them in their career planning and growth. The Mozambican respondents ranked ‘expending effort and energy’ as the foremost indicator of employee engagement. This shows that the Mozambican respondents are no different from their Indian counterparts with regard to wanting recognition for their efforts and in their expectation for growth in their job. Mozambican society is characterized by a normative culture (Fig. 1) wherein people are not much bothered about future changes, preferring instead to
enjoy leisure time. This is highlighted by the Mozambican respondents’ choice of the second most important indicator of EE since they believe that the focus on work should only be maintained while performing the task. The third indicator ‘pride in the job’ highlights the interest of Mozambican employees with regard to the respect that one gets from one’s job. These findings imply that Mozambican respondents’ engagement can be gained by recognizing their efforts and allowing them authority in job-related decisions (Schaufeli & Bakker, 2004). The choice of OI strategies reflects the present business environment, which is characterized by the rising expectations among stakeholders and the scarcity of resources to manage these expectations. Both Indian and Mozambican respondents identified ‘efficiency in production’ as the most important factor for attaining OE through organizational innovation. Newell, Huang, Galliers & Pan (2003) suggested that efficiency in production can be attained through knowledge management initiatives. They suggested the implementation of a strong enterprise resource planning (ERP) system, which would allow effective management of data and information. The second choice ‘reduction in production cost’ by Indian respondents, and ‘efficient management of production department’ by Mozambican respondents indicates the need for knowledge sharing through collaboration with various partners in the value chain (Pakurar, Haddad, Popp, Khan & Oláh, 2019). Partnership with the agents in the value system, such as suppliers and distributors, provide information about the market and the technology, which is helpful in enhancing production efficiency (Camison, Fores & Boronat-Navarro, 2017). The third strategy ‘new product development’ reflects the risk-taking attitude of Indian respondents with their readiness to adopt radical innovation, in contrast to the Mozambican respondents whose preference is for ‘improving the existing product and services’, which highlights their defensive attitude (Ali, 1994). While the choice of the type of innovation depends largely on the financial and intellectual capacity of a firm (Woschke, Haase & Kratzer, 2017), the desired innovation can be achieved with the help of a transformational leader who can transform the employees through indulgence rather than by using coercive power to achieve the organizational vision (Hansen & Pihl-Thingvad, 2019).

6. Conclusion
6.1 Recommendations, practical and theoretical implications
Effective management of human resources enhances the competitiveness of the organization (Liu, Shiue, Chen & Huang, 2018). With this in mind, the present work provides MNCs with a useful
MCDM model to enable them to define the most effective HR strategies to achieve organizational effectiveness through employee management. By identifying the most important attributes of TBS, EE and OI, this research should help to guide MNCs toward choosing the best configuration of HR strategies to attain organizational effectiveness. It offers international businesses a strategic planning tool to choose the HR strategies best suited to the culture and instincts of the people working together on a transnational project. The findings of this research are of particular value for the Indian banking companies planning to invest in Mozambique. Our conclusions will support human resource informed decisions, complementing extant literature on organizational behavior with data from this Indian Ocean Region country (De Clercq & Pereira, 2020; De Clercq & Pereira, 2021a; De Clercq & Pereira, 2021b; De Clercq & Pereira, 2022).

As far as the theory is concerned, this article contributes to the limited body of literature on HRM in emerging countries. It is a rare study in the field of organizational science, and one that integrates AHP and GRA to identify the factors fundamental to organizational effectiveness. This is a substantial contribution to the body of knowledge underpinning the design of HR practices by understanding employee perception through a MCDM model.

Our results offer managers powerful practical recommendations for managing organizational effectiveness. In both the countries, that is India and Mozambique, employee engagement is the first priority for the effectiveness of the organizations. Hence, proactive engagement measures should be implemented to support international business development in India and Mozambique. The business managers can do this by providing supportive work environment characterized by open and transparent communication, opportunities for learning and development and recognition for hard work (Jha et al, 2020). This will create a sense of belongingness and the employees will be more committed and absorbed in their jobs (Saleem et al, 2020). For Indian companies, team building actions come second and organizational innovation processes come third, whereas in Mozambique, it is the other way around. Indian companies are encouraged to use team goal clarity, employee training and upskilling, and timely feedback from supervisor as preferred TBS strategies. When employees have a clarity on the alignment of their goals with the business goals, it boosts their energy to contribute more. Goal clarity must be accompanied with a clear progression of the job towards the accomplishment of the organizational objectives and timely feedback (Jha et al, 2019). For the Mozambican companies, our results recommend role clarity, relationship handling, and conflict management. Application of these strategies will enable the managers to obtain
commitment of their team members, which further will have a positive impact on the effectiveness of the organizations in the form of enhanced productivity, innovativeness and responsiveness to the market requirements (Jha et. al, 2019).

6.2 Limitations and future research
However, despite the above-mentioned contributions, the study has certain limitations too. Although utmost care was taken to avoid the issue of common method variance, the cross-sectional self-reported design of the study might be adversely affected by common method bias (MacKenzie & Podsakoff, 2012). Hence, future research might be conducted using different designs, such as diary studies or longitudinal studies. Future research might also be conducted making use of organizational productivity case studies to demonstrate the practicability of customizing the HR strategies using the MADM approach.

References


