

Localization of Staffing in Multinational Corporations: A Systematic Literature Review and Research Agenda

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Abstract

In an increasingly globalised business environment, multinational corporations (MNCs) face the strategic challenge of balancing global integration with local responsiveness. Staff localisation – the strategic replacement of expatriates with host-country nationals (HCNs) in subsidiary management roles – has emerged as a key approach to address this challenge. By developing local managerial talent, MNCs can enhance market responsiveness, build institutional legitimacy, and reduce dependency on costly expatriate assignments. Despite its growing strategic importance, the antecedents, practices, and outcomes of staff localisation remain underexplored and fragmented in the literature. This paper presents a work-in-progress systematic literature review that examines staff localisation in multinational corporations, with a particular focus on the determinants of localisation decisions and their consequences for subsidiary performance, knowledge transfer, and host-country employee outcomes. Following PRISMA guidelines, a comprehensive search and screening process was conducted, yielding 51 high-quality peer-reviewed articles published between 1990 and 2025, ensuring journal ranking standards (ABS or equivalent) were met. The search strategy was further strengthened through expert consultation with established IHRM scholars, who provided additional search terminology capturing non-Western and emerging-market conceptualisations of localisation. Analysis combines thematic synthesis, conducted in NVivo, with a meta-analytic component that systematically aggregates empirical findings across the included studies. Preliminary thematic analysis indicates the emergence of core research themes, including institutional determinants, cultural distance, subsidiary autonomy, and managerial ethnocentrism. The review also highlights the growing importance of employer branding and localisation strategies among emerging market MNCs. A conceptual matrix is being developed to map determinants, practices, and outcomes of staff localisation. The study aims to identify theoretical and empirical gaps in existing research and to propose a structured agenda for future investigations. By consolidating and synthesising fragmented insights, this review seeks to offer both scholarly and practical contributions to understanding global staffing strategies in a rapidly evolving international business environment. Further, this review underscores the need for culturally nuanced and context-sensitive approaches that can guide multinational corporations in cultivating sustainable staff localisation strategies across diverse host environments.

Keywords: cultural differences, expatriation, human resource management, localisation, multinational corporations, staffing policy, systematic literature review

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