



---

# Staffing Orientation and Subsidiary Performance of Multinational Companies in Nigeria

**Dr. Kalapapa Benjamin Dappa**

Department of Petroleum Marketing and Business Studies,  
School of Business and Management Technology,  
Federal Polytechnic of Oil and Gas, Bonny, Rivers State, Nigeria

**Jane Aselenyeofori Dappa**

Department of Mathematics and Statistics,  
School of Applied Sciences,  
Federal Polytechnic of Oil and Gas, Bonny, Rivers State, Nigeria

---

**Abstract:** *This study examined the relationship between staffing orientation and subsidiary performance of multinational companies (MNCs) in Nigeria. Four (4) objectives and hypotheses were formulated for this study. The study which is underpinned on resource based theory adopted the cross sectional survey design and a population of one hundred and fifty-nine (159) employees of fifteen (15) subsidiaries of multinational companies operating in Port Harcourt were covered. However, a sample size of one hundred and fourteen (114) employees were drawn from the population and a purposive sampling technique was adopted. Staffing orientation was operationalised using ethnocentric staffing orientation and polycentric staffing orientation while subsidiary performance was measured using workplace harmony and leadership acceptability. Data were collected from respondents using copies of questionnaires and the data were analysed using Structural Equation Modelling (SEM) to ascertain the relationship between staffing orientation and subsidiary performance of multinational companies. The result of the analyses revealed that there is a significant and positive relationship between the dimensions of staffing orientation and the measures of subsidiary performance. The study concluded that staffing orientation drives subsidiary performance of MNCs in Nigeria. Hence, it was recommended that subsidiaries of MNCs should leverage on ethnocentric staffing orientation in establishing workplace harmony and leadership acceptance within the multinational companies.*

**Key words:** *Ethnocentric Staffing Orientation, Polycentric Staffing Orientation, Subsidiary Performance, Multinational Companies.*

---

## 1.0 Introduction

Subsidiary performance is theorised as the performance of a subsidiary in its own marketplace as well as its performance within the multinational company in terms of its influence on the Multinational Companies (MNC's) strategic decision-making, workplace harmony and leadership acceptability. However, different bodies of literature have touched upon the study

of subsidiary performance per se by comparing the performance of foreign subsidiaries with either domestic firms in the host country or other entry modes. In studies comparing the performance of subsidiaries and domestic firms, it is suggested that the performance of foreign subsidiaries is superior to that of domestic firms because of their possessions of firm-specific advantages in the MNC (Caves, 1982). The essential argument is that tangible and intangible assets are deployed profitably abroad after being developed domestically (Dunning, 1988). Most studies measure the subsidiary performance in terms of financial performance (e.g. profit rate and return on equity) and most of them find that subsidiaries are performing better than domestic firms (Globerman & Meredith, 1984).

The debate over subsidiary performance measures is clearly a sub-set of wider concerns considering the assessment of company performance in general, and of which the evaluation of subsidiary performance is a particular challenge. The measurement of company performance is a controversial area (Chakravarthy, 1986; Venkatraman & Ramanujam, 1986; Anderson, 1990; March & Sutton, 1997). A major problem is the choice of an appropriate yardstick(s) when assessing performance. Essentially, this debate concerns the appropriateness of traditional financial measures (e.g. return on equity or growth) as the providers of a unique measure of performance versus the relevance of other indicators (like qualitative returns to the stakeholders, such as employee and customer satisfaction). A further issue is the question of short-term performance contra long-term performance. A firm can score well on current profit, yet score poorly on factors like investments and employee satisfaction, which tend to show up in poor performance at a later date (Anderson, 1990). A subsidiary's organisational performance should reflect the extent to which that subsidiary can influence the allocation of investment resources and other strategic decision processes within the MNC.

The wellbeing and effective functioning of the workforce depends on the human resources which are the key asset of the organisation. Hence, staffing orientation must be considered in order to enhance the fortune of the organisation. Staffing orientation is an extremely important element of business performance. It is often the difference between success and failure. If the right staff are brought in, it should have a positive effect on the results obtained. Adversely, if the wrong employees are hired, it often results in detriment to the success of a company. Therefore, it is crucial that the staffing orientation is thorough and prioritised. Staffing process involves a systematic procedure from sourcing the candidates to arranging and conducting the interviews and requires many resources and time. Accordingly, staffing is conceived as the processes by which organisations solicit, contact and interact with potential appointees, and then establish whether it would be appropriate to appoint any of them, Sisson (1994). Despite all attempt to achieving adequate subsidiary performance through staffing orientation in MNCs, observation has shown that little result has been achieved. This work therefore seeks to see how subsidiary performance of MNCs can be enhanced through a proper staffing orientation.

### **Statement of Problem**

The management of foreign subsidiaries is a substantial challenge for multinational corporations (MNCs). A key aspect of the management challenge is the trade-off between optimising subsidiary performance and optimising corporate performance. This challenge has drawn considerable theoretical (Gong, 2003) and managerial attention (Ghemawat, 2005). An important strategic component in the subsidiary-MNC performance trade-off is the subsidiary staffing decision (Belderbos & Heijltjes, 2005; Boyacigiller, 1990; Delios &

Bjorkman, 2000). Multinational corporations (MNCs) can staff their subsidiaries with parent country nationals (employees from the home country), host country nationals (employees from the subsidiary location), third country nationals (employees from a country other than the home or host country) or some mix thereof. The problem with ethnocentric staffing manifest when the difference in culture, language and skill level cause difficulty in selling the HQ's ideas to HCNs. This differences/gap between the headquarters and the subsidiary affects the PCNs performance in the subsidiary (Fayerweather, 1982; Hayles, 1982). Moreover, imposing the headquarters' managerial style in host country (which may be different from host country) may sometime violates HCNs expectations (White & Trevor, 1983; Zeira & Harari, 1977). Due to the difference in culture and managerial style, the communication gap may be inelastic.

The problem with polycentric staffing is that subsidiary operations are considered autonomous and decentralised as separate business unit. As a result, the individual subsidiaries dominate and exercise control, thus inhibiting the sharing of information and resources across the units (Bartlett & Ghoshal, 1989). Hiring local nationals limits the opportunities or restricts the PCNs to gain international experience. (Negandhi, 1987; Phatak, 1989; Dowling, Festing & Engle, 2008). In many host countries, the government reacts with legislation making it difficult to get work permits for parent country nationals. This procedure blocks parent country national to gain international experience (Grosse & Kujawa, 1992). The problem with geocentric staffing is that local nationals are impeded (block their progress) in their efforts to upgrade their own ranks and assume responsible positions in the multinational subsidiaries (Negandhi, 1987; Phatak, 1989; Dowling, Festing & Engle, 2008). This problem has led to difficulty in appointing third country nationals for key positions due to the immigration and work permit problems in the country where the employee is assigned to work (Caligiuri, 2000). This study examined how staffing orientation relates with subsidiary performance of MNCs in Nigeria.

### **Objectives of the Study**

The specific objectives of this study are to;

- i. Examine the relationship between ethnocentric staffing orientation and workplace harmony of MNCs in Nigeria.
- ii. Determine the relationship between ethnocentric staffing orientation and leadership acceptability of MNCs in Nigeria.
- iii. Examine the relationship between polycentric staffing orientation and workplace harmony of MNCs in Nigeria.
- iv. Determine the relationship between polycentric staffing orientation and leadership acceptability of MNCs in Nigeria.

### **Research Hypotheses**

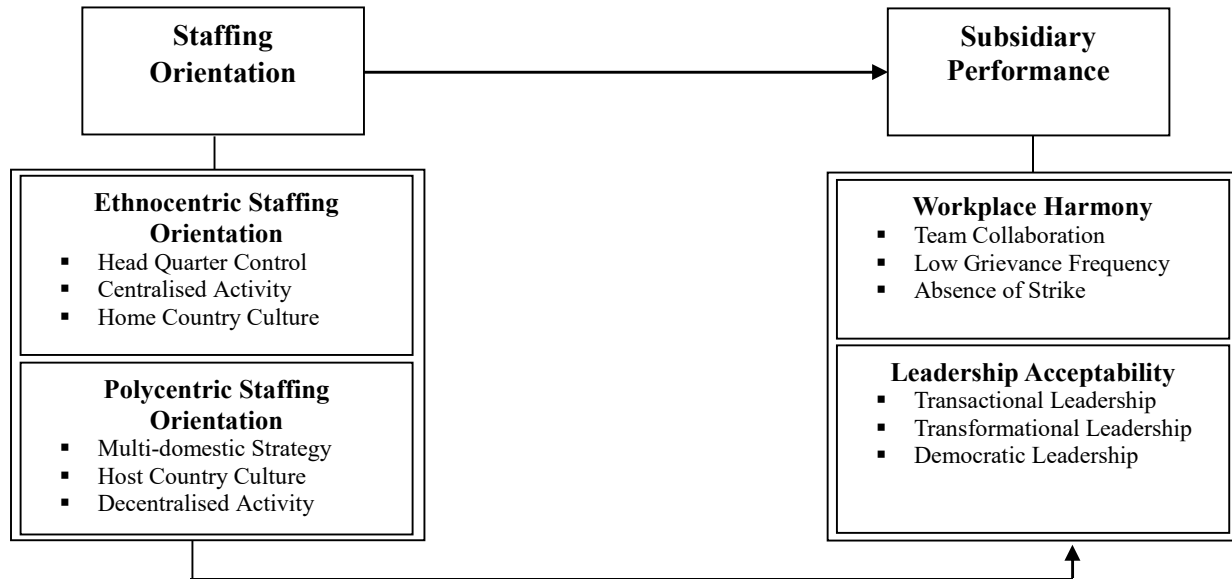
The following null hypotheses were formulated;

- Ho1: There is no significant relationship between ethnocentric staffing orientation and workplace harmony of MNCs in Nigeria.
- Ho2: There is no significant relationship between ethnocentric staffing orientation and leadership acceptability of MNCs in Nigeria.
- Ho3: There is no significant relationship between polycentric staffing orientation and workplace harmony of MNCs in Nigeria.
- Ho4: There is no significant relationship between polycentric staffing orientation and leadership acceptability of MNCs in Nigeria.

**2.0 Literature Review**

This work is founded on resource based theory. This theory was developed by Barney (1991). It is a strategic human resource management theory of the firm, which is predicated on the fact that the success or failure of any organisation depends on how well HR practices and the human talents and resources are utilised to enable decision-making or choice of actions to take place. Drawing again on RBT, organisations compete against each other on the basis of their resources and capability (Barney, 1991; Wernerfelt, 1984). According to Armstrong (2012), competitive advantage is achieved if an organisation’s resources are valuable, rare, and costly to imitate”. RBT advances that HR form an essential factor in terms of assisting an organisation in its goals, mission, and vision and in terms of achieving a competitive advantage (Barney, 2001). The theory maintains that the strategic capability of an organisation depends on the quality and strength of its HR (Armstrong, 2012). RBT, therefore, focuses on the skills, knowledge, and competencies of employees. The theory provides that an organisation can achieve a competitive advantage and high performance over its competitors by attracting, employing, developing, and retaining resourceful workers (Bowen et al., 1991).

**Conceptual Framework**



**Figure 1:** Conceptual Framework showing the relationship between staffing orientation and subsidiary performance.

**Source:** The dimensions of staffing orientation was adapted from Perlmutter (1969), while the measures of Concept of Staffing Orientation of multinational companies was adopted from Fajana (2012).

Without doubt the orientation of a multinational company’s top management team toward the staffing of the organisation’s foreign subsidiaries will have a significant impact on the nature of the international human resource management policies introduced within the firm which will in turn impact on the final configuration of the management teams in subsidiary operations. This has however often been overlooked in the literature and it has recently been argued that most studies of international assignments fail to analyses the relationship

between a firm's international strategy and its expatriation policies (Bonache *et al.*, 2001). In 1979, Heenan another researcher joined with Perlmutter and identified the fourth orientation which they called as regiocentric approach in addition to the other three (ethnocentric, polycentric and geocentric) approaches. Regiocentric approach is an extension of polycentric approach and may likely to fall between polycentric and geocentric orientation. Subsidiaries of regiocentric approach get grouped into larger regional entities. Regions are consistent with some natural boundaries, such as Europe, Asia, USA etc. Both polycentric and regiocentric approach allow more local responsiveness with less corporate integration. In other words, MNCs that take regiocentric approach to staffing their subsidiaries utilise employees mainly from the region in which the subsidiary is located. Perlmutter's assumption is that most multinationals start out with an ethnocentric perspective normally when they are moving to a new environment, slowly evolve to polycentricism once they establish their presence in host country and finally adopt geocentricism as the organisation establishes and familiarises itself more and more with conducting business on a global playing field. The EPRG (ethnocentric, polycentric, regiocentric and geocentric) model provides insight on how an international organisation evolves in time and how the organisation staff their subsidiaries. The EPRG mix can be used to determine how far an organisation has globalised. EPRG model helps the organisation to identify the staffing requirement in subsidiaries and make staffing decisions. Furthermore, the EPRG model also helps the organisation to identify their current and desired approach for managing their international operations. In real practice, these orientations never appear in a pure form. In all organisations, there exists a mix of ethnocentric, polycentric or geocentric staffing approaches.

#### **Ethnocentric Staffing Orientation**

Ethnocentric organisations are primarily home-country orientated. Key positions in the headquarters (HQ) and subsidiaries are filled by parent country nationals or citizens of the country where the HQ is located. Subsidiaries are controlled directly through parent country nationals (PCNs) in key positions and there are rarely opportunities for host employees to be promoted beyond their subsidiary operation or even to be promoted to key positions in the subsidiary operation. Ethnocentric staffing policies are most appropriate during the early stages of set-up of a foreign subsidiary when the need for control is greatest. They may also be used where there is a perceived lack of qualified host country nationals (HCNs). It has also been argued that ethnocentric policies are appropriate strategies after international acquisitions in ensuring the acquired firm complies with corporate policy (Dowling, Welch & Schuler, 2004). The most significant of these are first, a unique mix of having a common basis of cultural understanding alongside peculiar cultures increases the opportunities for the expatriates to broaden their perspective in a relatively short time frame; and second, the geographic situation means that working in a given country does not necessitate living there. The ethnocentric orientation is most consistent with Bartlett and Ghoshal's (1989) conceptualisation of global companies.

#### **Polycentric Staffing orientation**

Polycentric organisations on the other hand are primarily host country orientated. Foreign subsidiaries are primarily staffed by host country nationals (HCNs) or managers from the subsidiary location. Perlmutter has compared these organisations, to confederations, or as 'loosely connected group(s) with quasi-independent subsidiaries as centres' (1969). Subsidiaries are allowed to develop with minimal interference from head quarter (HQ) and

generally controlled through good financial monitoring and procedures. Thus while polycentric organisations provide ample opportunity for promotion within foreign subsidiaries, the opportunity for advancement beyond the subsidiary is also limited in organisations of this type. Polycentric staffing policies are most likely to be evident where organisations serve heterogeneous product markets and where products and services must be adapted and marketed to suit specific national tastes. They may also be evident where organisations have low levels of production integration between foreign operations and thus subsidiaries may be relatively autonomous and have little impact on production in other subsidiaries or operations.

### **Concept of Subsidiary Performance**

If a company decides to go international, it definitely thinks whether entering foreign market will be beneficial or not for its performance. When companies enter foreign markets, it automatically means that the company's profit will depend on some extra factors. (Verbeke, 2009). First of all, a multinational company must compare the expected expansion of investment in international level with the domestic one. When all the risks are considered, organisations should apply only economically more profitable foreign projects that are more attractive than domestic projects. Secondly, the transfer of experienced workers from home country to abroad can be somehow expensive. Hence, to be successful overseas requires considerable investments and learning over time. Finally, expanding multinational company does not always lead to better performance. In order to adapt to the new environment, companies will have to increase the costs of internal management.

### **Workplace Harmony**

A harmonious work place is critical to the success of an organisation, especially the multinational companies. Managers of multinational companies are faced with the challenge of ensuring workers' satisfaction, commitment and loyalty, increasing productivity level and most importantly, sustaining harmony and mutual trust in the workplace. Workplace harmony refers to a friendly and cooperative agreement on working relationships between employers and employees for their mutual benefit (Otobo, 2005; Osad & Osas, 2013). According to Puttapalli and Vuram (2012), workplace harmony is concerned with the relationship between management and employees with respect to the terms and conditions of employment and the work place. In effect, it is a situation where employees and management cooperate willingly in pursuit of the organisation's aims and objectives. Workplace harmony in its ideal form, presupposes an organisation in a condition of relative equilibrium where relationship between individuals and or groups are cordial and productive. On the other hand, Hanson (2006) opines that workplace harmony represents absence of strike by industrial unions in organisation which is bound to result in effective and efficient organisation. Workplace harmony enhances labour productivity and in turn improves performance in organisations, achieving economic growth, and enhancing living standards and quality of life.

### **Leadership Acceptability**

Leadership Acceptability is the agreement or approval of leaders to use their leadership skills and knowledge to lead and bring into the desired direction a group of workers which is relevant to the objectives and objectives of their organisation. Organisations are goal-oriented entities and thus leadership is very necessary so as to direct all resources towards achieving such goals. Larson (1968) argued that the leader is capable of choosing what to do and then convincing other people to choose to do that. A leader is one who can get others to

do and enjoy what they don't want. Leadership is a phrase with multiple meanings and connotations. A leader can be characterised by who (the individual) he or she is and by the roles and duties (the position) he or she is responsible for. Leaders may be broad or restricted in authority and may rest on their credibility in legal, logical or realistic terms. Any organisations with effective leadership will experience success with consistent improvements in individual performance and motivation. A leader is one or more people who choose one or more followers who have diverse talents, abilities and skills and who focus their followers on the mission and objectives of the organisation, so that their followers are willing and enthusiastic to put spiritual, emotional and physical strength to the task of achieving an organisational task and achievement. In this way, he humbly transmits a vision of the future in clear terms which resonates with the beliefs and values of followers in ways that enable followers to understand them.

### **Empirical Review**

Gong (2003) studied the subsidiaries of Japanese MNCs and found that cultural distance increased the tendency of Japanese MNCs to employ PCN expatriates at the CEO level in the subsidiary as well as increased the ratio of expatriates both at the top management team level and at the workforce level. Furthermore, he showed that this tendency to implement an ethnocentric staffing approach has weakened over time as the subsidiary gained experience in the host environment. Because, his work was only limited to Japanese MNCs who are known for their ethnocentric orientation (Kopp, 1994; Tung, 1982), its generalisability is also limited.

In Nigeria, Vincent, Bamidele and Ruby (2017) investigated ethnocentric behavior and Business Performance of Multinational Enterprises (MNEs): Evidence from South-West Nigeria. Adopting a survey design, their study made use of primary data collected mainly through administering a set of questionnaire to 207 management staff of selected MNEs from Oyo, Lagos and Ogun States respectively. Findings inter alia revealed that: engaging expatriates in strategic positions by MNE's leads to increased operating costs; foreign culture of MNE's home country negatively affects the local acceptance of management techniques by employees in host countries and MNE's standardised marketing strategies encouraged customers' loyalty and patronage in the Nigeria business environments. The work among other things, recommends that local employees in host nations must be incorporated into key decisions to aid MNE's continuous effectiveness. The work, in addition to that, also advised that MNE's should guide against culture shock i.e. the disorientation, cultural risks and stress associated with being in a foreign environment.

In USA, Saba, Ibraiz and Paula (2009) examined a study on 'towards a conceptual framework for the relationship between subsidiary staffing orientation and subsidiary performance.' They opined that staffing key management positions at host country subsidiaries is a strategic challenge for most MNEs. While previous research in this domain explored the antecedents of MNE subsidiary staffing decisions, strategic outcomes of different staffing patterns (e.g., using parent, host, or home country nationals) have been mostly overlooked according to them. Drawing from the resource-based view of the firm, they developed a theoretical model that explains the links between different strategies for staffing key management positions in host country subsidiaries and the performance of those subsidiaries in their host markets and within their MNE networks. Further, they proposed

contingencies that moderate the relationship between subsidiary staffing orientation and host country and MNE network performance.

Most recently, Gaur et al. (2005) documented that a higher proportion of PCN expatriates in the workforce in institutionally distant environments hindered the performance of subsidiaries, while the employment of PCN managing directors aided performance in the same type of environments.

Most recently, Thompson, and Keating (2004) have investigated the staffing practices of 238 foreign multinationals in Ireland and showed that country-of-origin, industry, level of uncertainty avoidance and power distance of the parent country culture, intensity of R&D, subsidiary age, entry mode, size of the MNC, and degree of internationalisation were significantly related to the use of PCN managing directors in these subsidiaries.

### **3.0 Methodology**

The survey design adopted in this study was the cross sectional survey design and a total population of 159 employees of fifteen (15) selected multinational companies with at least a liaison office in Port Harcourt, Nigeria was covered. A sample size of 114 employees was drawn from the population using the Krejcie and Morgan (1970) table. The purposive sampling was adopted and data were collected through copies of questionnaire. The predictor variable (staffing orientation) was operationalised using ethnocentric staffing orientation and polycentric staffing orientation. Ethnocentric staffing orientation was measured using a set of 5 variables (e.g. top management attempts to implement values, policies and sentiments of parent company regardless of environmental or cultural differences) and polycentric was measured using a set of 5 variables (e.g. Top management emphasises environmental/ cultural differences and makes deliberate choices to make foreign operations as local as possible). The criterion variable (subsidiary performance) was measured using workplace harmony and leadership acceptability. Workplace harmony was measured with 5 items (e.g., My organisation clearly communicates a zero-tolerance attitude towards bullying, victimisation, discrimination and other negative behaviours) and leadership acceptability was measured using 5 items (e.g. In my organisation, the leader provides inspiring and strategic management goals). The Structural Equation Modelling (SEM) was used in analysing the data with the aid of Smart PLS 3.3.3.

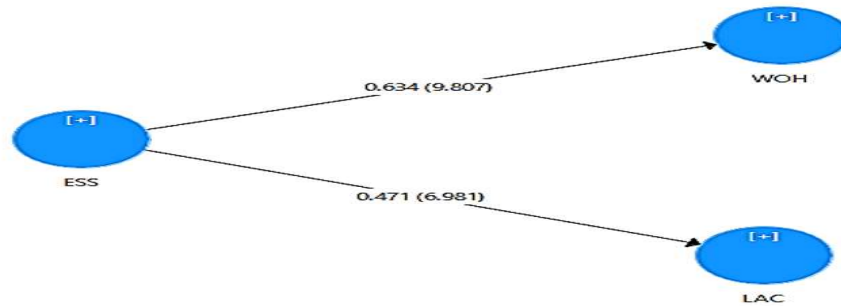
### **Result**

A total of one hundred and fourteen (114) copies of questionnaire were distributed to respondents. However, only 102 copies which represented 89% of issued copies of questionnaires were successfully retrieved and used for the analysis. The hypotheses were tested at (95%) confidence level.

### **Test of Hypotheses 1 and 2**

- Ho1: There is no significant relationship between ethnocentric staffing orientation and workplace harmony of multinational companies in Nigeria.
- Ho2: There is no significant relationship between ethnocentric staffing orientation and leadership acceptability of multinational companies in Nigeria.





**Figure 2: Hypotheses 1 and 2**

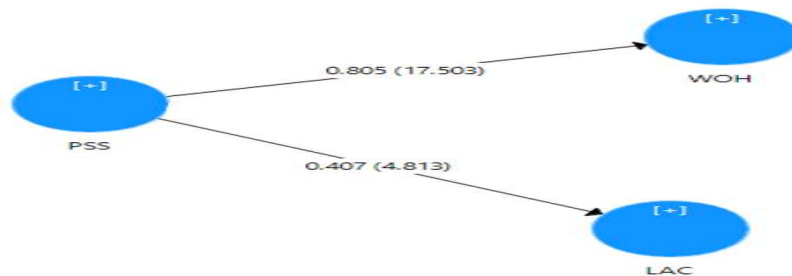
Source: SmartPLS 3.3.3 output

The path relationship analysis presented in figure 2 indicate that there are positive and significant paths between Ethnocentric staffing orientation and Workplace harmony ( $\beta = 0.634, t = 9.807, p = 0.000$ ), and Ethnocentric staffing orientation and Leadership acceptability ( $\beta = 0.471, t = 6.891, p = 0.000$ ). Therefore,  $H_{01}$  and  $H_{02}$  were rejected and the alternate hypothesis was accepted.

**Test of Hypotheses 3 and 4**

$H_{03}$ : There is no significant relationship between polycentric staffing orientation and workplace harmony of multinational companies in Nigeria.

$H_{04}$ : There is no significant relationship between polycentric staffing orientation and leadership acceptability of multinational companies in Nigeria.



**Figure 3: Hypotheses 3 and 4**

Source: SmartPLS 3.3.3 output

The path relationship analysis presented in figure 3 indicate that there are positive and significant paths between Polycentric staffing orientation and Workplace harmony ( $\beta = 0.905, t = 17.503, p = 0.000$ ) and Polycentric staffing orientation and Leadership acceptability ( $\beta = 0.407, t = 4.813, p = 0.000$ ). Therefore,  $H_{03}$ , and  $H_{04}$  were rejected and the alternate hypotheses were accepted.

**Discussion of Findings**

Drawing from the analysis, a detailed discussion in line with the hypotheses are given below:

**Ethnocentric staffing orientation and Workplace harmony**

The outcome of the analysis on how Ethnocentric staffing orientation relates with Workplace harmony revealed that there is a significant interrelationship between Ethnocentric staffing orientation and Workplace harmony, given the p-value of 0.000 which is less than the level of significance of 0.05 ( $p=0.000 < 0.05$ ). The hypothesis which was given in null form was thus rejected and the alternate hypothesis was accepted. The path coefficient ( $\beta$ ) was 0.634. This indicate a strong positive relationship between ethnocentric staffing orientation and Workplace harmony. The positive relationship implies that the Workplace harmony

increases when there is an increase in Ethnocentric staffing orientation. In essence, when Ethnocentric staffing orientation is low, such could hinder Subsidiary performance in the form of Workplace harmony. Furthermore, the predictive accuracy ( $r^2$ ) was 0.402. This denotes that a change in Ethnocentric staffing orientation will account for up to 40.2% total variation in Workplace harmony among the employees. Gong (2003) pointed out that the tendency to implement an ethnocentric staffing approach has weakened over time as the subsidiary gained experience in the host environment.

#### **Ethnocentric staffing orientation and Leadership acceptability**

The path coefficient ( $\beta$ ) was 0.471. This shows a moderate correlation between Ethnocentric staffing orientation and Leadership acceptability. The positive link implies that the higher Ethnocentric staffing orientation, the more the Leadership acceptability among the employees. In other words, reducing Ethnocentric staffing orientation will subsequently reduce the Leadership acceptability. Similarly, the predictive accuracy ( $r^2$ ) was 0.222. By implication, a change in Ethnocentric staffing orientation will result in 22.2% variation in Leadership acceptability. This study is in line with that of Dowling and Welch (2004) who is of the opinion that ethnocentric policies are appropriate strategies after international acquisitions in ensuring the acquired firm complies with corporate policy.

#### **Polycentric staffing orientation Techniques and Workplace harmony**

The outcome of the analysis on how Polycentric staffing orientation relates with Workplace harmony revealed that there is a significant interrelationship between Polycentric staffing orientation and Workplace harmony, given the p-value of 0.000 which is less than the level of significance of 0.05 ( $p=0.000 < 0.05$ ). The null hypothesis was rejected and the alternate hypothesis was accepted. The path coefficient ( $\beta$ ) was 0.905. This indicates a strong positive relationship between Polycentric staffing orientation and Workplace harmony among employees. The positive relationship implies that the Workplace harmony increases when there is an increase in Polycentric staffing orientation. In essence, when Polycentric staffing orientation is low, such could hinder Workplace harmony. Furthermore, the predictive accuracy ( $r^2$ ) was 0.649. This denotes that a change in Polycentric staffing orientation will account for up to 64.9% total variation in Workplace harmony among the employees. This finding concurred with that of Richards (2001) who asserted that polycentric staffing orientation influenced workplace harmony. Appointing host country nationals for the overseas operation can boost the subsidiary employee morale, create career development opportunities for the local nationals and build a local image for the company (Richards, 2001).

#### **Polycentric staffing orientation and Leadership acceptability**

The path coefficient ( $\beta$ ) was 0.407. This shows moderate correlation among Polycentric staffing orientation and Leadership acceptability. The positive link implies that the higher Polycentric staffing orientation, the more the Leadership acceptability among the employees. In other words, reducing Polycentric staffing orientation will subsequently reduce the Leadership acceptability. Similarly, the predictive accuracy ( $r^2$ ) was 0.166. By implication, a change in Polycentric staffing orientation will result in 16.6% variation in Leadership acceptability. Thus, firm's ability to give good pay or rewards to their workers will motivate the employees to share their knowledge. This study is in line with that of Dowling, Festing and Schuler (2008) who opined those promotional opportunities are not limited so the organisation can expect high morale of employees through their leaders.

## **5.0 Conclusion and Recommendations**

In alignment with the findings, this study concluded that staffing orientation drives subsidiary performance of MNCs in Nigeria. In particular, we find that using an ethnocentric staffing orientation improves workplace harmony. This implies that when ethnocentric staffing orientation increases in the MNCs, such will enhance the workplace harmony. When the harmony in the workplace is improved, such will go a long way in enhancing the effective functioning of the organisation and in enhancing the total performance of the organisation. Furthermore, ethnocentric staffing orientation also goes a long way in enhancing leadership acceptability for MNCs in Nigeria. MNCs in Nigeria benefit significantly from a polycentric staffing orientation that improves workplace harmony and leadership acceptability. Based on the conclusion, the following recommendations are proffered;

- i. Ethnocentric staffing orientation of MNCs can be leveraged on in establishing workplace harmony and leadership acceptance within the multinational. If integration of the knowledge base of expatriates with the local tacit knowledge residing in HCNs is achieved, this resource can be valuable, inimitable, scarce, and non-substitutable. It also helps ensure that the culture of the entire organisation is unified rather than diversified.
- ii. Executives of MNCs should utilise polycentric staffing orientation in maintaining workplace harmony and leadership acceptance. This facilitates organisational learning on local markets and provides better opportunities for locals to improve their careers through promotion.

## **References**

- Anderson, E. (1990). Two firms, one frontier: on assessing joint venture performance. *Sloan Management Review*, Winter, 19-30.
- Armstrong, M. (2012). *Armstrong's Handbook of Human Resource Management Practice*. London: Kogan Page.
- Barney, J. B. (1991). 'Firm Resources and Sustained Competitive Advantage,' *Journal of Management*, 17, 99-120.
- Bartlett, C. A., & Ghoshal, S. (1989). "Organising for Worldwide Effectiveness, The Transnational Solution," *California Management Review*, 31, 54-74.
- Belderbos, R. A., & Heijltjes, M. G. (2005). The determinants of expatriate staffing by Japanese multinationals in Asia: Control, learning and vertical business groups. *Journal of International Business Studies*, 36: 341-354.
- Bonache, J., Brewster, C., & Suutari, V. (2001). "Expatriation, A Developing Research Agenda," *Thunderbird International Business Review*, 43, 3-20.
- Boyacigiller, N. (1990). 'The Role of Expatriates in the Management of Interdependence, Complexity, and Risk in Multinational Corporations,' *Journal of International Business Studies*, 21, 357-381.
- Boyacigiller, N. (1990). The role of expatriates in the management of interdependence, complexity and risk in multi-national corporations. *Journal of International Business Studies*, 21: 357-381.
- Caligiuri, P. M. (2000). Selecting Expatriates for Personality Characteristics, A Moderating Effect of Personality on the Relationship between Host National Contact and Cross-cultural Adjustment," *Management International Review*, 40, 61-81.

- Caves, R. E. (1982). *Multinational Enterprise and Economic Analysis*, Cambridge: Cambridge University Press.
- Chakravarthy, B. S. (1986). Measuring strategic performance. *Strategic Management Journal*, 7, 437-458.
- Delios, A., & Bjorkman, I. (2000). "Expatriate Staffing in Foreign Subsidiaries of Japanese Multinational Corporations in the PRC and the United States," *International Journal of Human Resource Management*, 11, 278-293.
- Delios, A., & Bjorkman, I. (2000). Expatriate staffing in foreign subsidiaries of Japanese multinational corporations in PRC and the United States. *International Journal of Human Resource Management*, 11: 278-293.
- Dowling, P. J., Festing, M. & Engle, A. D. (2008). *International Human Resource Management: Managing People in a multinational context*, 5th Edition, London: Cengage Learning.
- Dowling, P. J., Welch, D. E., & Schuler, R. S. (2004). *International Human Resource Management, Managing People in a Multinational Context* (3rd ed.), Mason, OH: South-Western.
- Dowling, P. J., Welch, D. E., & Schuler, R. S. (2004). *International Human Resource Management, Managing People in a Multinational Context* (3rd ed.), Mason, OH: South-Western.
- Dunning, J. H. (1988). The eclectic paradigm of international production: a restatement and some possible extensions. *Journal of International Business Studies*, 19(2), 1-31.
- Fayerweather, J. (1982). *International Business Strategy and Administration*, Cambridge, MA: Ballinger.
- Ganta, V. C. & Manukonda, J. K. (2014). Leadership During Change And Uncertainty In Organisations. *International Journal of Organisational Behaviour & Management Perspectives*, 3(3), 1183.
- Gaur, A.S., Delios, A., & Singh, K. (2005). "Institutional Environments, Staffing Strategies, and Subsidiary Performance, Lessons from Japanese MNCs," paper presented at the Annual Meeting of Academy of Management, Honolulu.
- Ghemawat, P. (2005). Regional strategies for global leadership. *Harvard Business Review*, 83(12): 98-108
- Globerman, S., & Meredith, L. (1984). "The Foreign Ownership-innovation Nexus in Canada," *Columbia Journal of World Business*, 4, 53-63.
- Gong, Y. (2003). Subsidiary Staffing in International Enterprises, Agency, Resources, and Performance," *Academy of Management Journal*, 46, 728-739.
- Gong, Y. (2003a). 'Toward a Dynamic Process Model of Staffing Composition and Subsidiary Outcomes in Multinational Enterprises,' *Journal of Management*, 29, 259-280.
- Grosse, R. And Kujawa, D. (1992). *International Business: Theory and Implications*, Homewood, III: Irwin.
- Hayles, R. (1982). Costs and benefits of integrating people from different cultures into organisations, Paper presented at the 21st international congress of Applied Psychology, Edinburgh, Scotland, 1982.
- Heenan, D. A., & Perlmutter, H. V. (1979). *Multinational organisational development: A social architectural approach*. Reading, MA: Addison-Wesley.
- Kopp, R. (1994). 'International Human Resource Policies and Practices in Japanese, European, and US Multinationals,' *Human Resource Management*, 33, 581-599.
- Krejcie, R.V. and Morgan, D.W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30, 607-610.
- March, J. G., & Simon, H. A. (1958). *Organisations*, New York: John Wiley.

- March, J. G., & Sutton, R. I. (1997). Organisational performance as a dependent variable. *Organisation Science*, 8(6), 698-706.
- Mitonga-Monga, J. & Coetzee, M., (2012). Perceived leadership style and employee participation. *African Journal of Business Management*, 6(15).
- Negandhi, A. R. *International Management*, Newton, MA: Allyn & Bacon, 1987.
- Perlmutter, H. V. (1969). 'The Tortuous Evolution of the Multinational Corporation,' *Columbia Journal of World Business*, 4, 9-18.
- Phatak, A. V. (1989) *International Management*, Boston, MA: PWS-Kent Publishing Co.
- Richards, M. (2001). 'U.S. Multinational Staffing Practices and Implications for Subsidiary Performance in the U.K., and Thailand,' *Thunderbird International Business Review*, 43, 225-242.
- Sisson, K. (1994). *Personnel Management: A Comprehensive Guide To Theory And Practice In Britain*. Blackwell Publishers.
- Tung, R. L. & Miller, E. L. (1990). 'Managing in the Twenty-First Century: The Need for Global Orientation', *Management International Review*, 30: 5-18.
- Venkatraman, N., & Ramanujam, V. (1986). Measurement of business performance in strategy research: a comparison of approaches. *Academy of Management Review*, 11(4), 801-814.
- Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal*, 5, 171-180.
- White, M. & Trevor, M. (1983). *Under Japanese Management: The experience of British workers*, London: Heineman.