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**SIGNIFICANCE ON ORGANIZATIONAL PERFORMANCE OF GLOBAL  
MNCs: MANAGEMENT DEVELOPMENT, HUMAN RESOURCE  
SYSTEM, OR EMPLOYEE ENGAGEMENT?**

**Abstract:**

The present study examined the effect of management development and human resource system on organizational performance as well as the mediating role of employee engagement in the human resource system-organizational performance relationship. A cross-sectional design was adopted with data collected from a sample of 493 managerial staff of the first ten global multinational corporations listed by Fortune magazine 2013 through a survey questionnaire. Hypotheses were tested using structural equation modelling and the results revealed that employee engagement was crucial in influencing organizational performance both directly and as a mediator. The findings also indicate that employee engagement was a more important predictor of organizational performance than management development or human resource system when these factors were taken together.

**Keywords:**

organizational performance, management development, human resource system, employee engagement, multinational corporation, structural equation modelling

**JEL Classification:** M10