



**UNIVERSITI TEKNOLOGI MARA  
FACULTY OF ADMINSTRATIVE SCIENCE  
& POLICY STUDIES**

**A STUDY OF PERFORMANCE APPRAISAL AND ITS' EFFECT  
ON JOB SATISFACTION OF EMPLOYEES IN SHELL  
MALAYSIA BORNEO REGION**

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## **THE DECLARATION**

I hereby declare that the work contained in this dissertation is original and my own except those duly identified and acknowledged. If I am later found to have committed plagiarism or acts of academic dishonesty, action can be taken in accordance with Universiti Teknologi MARA's rules and academic regulations.

Signed

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## **THE ABSTRACT**

### **Abstract**

Performance Appraisal and Job Satisfaction have a positive relation towards each other. Every now and then, these 2 topics are a must to talk about in any organizations, not only the public sector but also private sector. Performance appraisal often linked to rewards, incentive, bonuses, and increment while job satisfaction is linked to the emotions, needs, thought and rationality. Job satisfaction is the main contributor in an organization business mission as it is related to the company's performance, revenues and target setting. Positive feedback of performance Appraisal determines the level of job satisfaction of the employees. We often heard about employees who are not satisfied with the performance appraisal system due to a few reason and one of them is no face to face discussion on yearly performance with the supervisor, resulting the employee to have dissatisfaction feeling over the rewards or bonus that he or she received. So, the main reason to conduct this study is to determine the relationship between performance appraisal and job satisfaction as we want to see how far Performance appraisal has an effect on job satisfaction. This scope of this study is the employees of Shell Malaysia – Borneo. Minnesota Satisfaction Questionnaire – Short Version by Weiss et al. is use to test the employees job satisfaction towards the performance appraisal. Data is gathered from 142 respondents from Shell Malaysia Borneo Region. The findings were share with the Human Resource Department in Shell Malaysia Trading for internal use. Quantitative analysis has been carried out on this data. The SPSS 20 was used to measure the statistical for the quantitative portion and developed a structured table to categorized qualitative information. From the findings, it is proven that performance appraisal system has the influence over job satisfaction of the employees Therefore, the findings from this study is hope can contribute to the positive climate inside the organization in near future.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 INTRODUCTION**

Shell Malaysia particularly the Borneo Region has always been the biggest contributor to the revenues in the Oil and Gas industry and the market volume size in the region is about 65% higher compared to other Shell entity in Peninsular Malaysia. Shell Malaysia Borneo Region also held a strong position in East Malaysia and thus, made it the choice brand compared to the other 2 Competitors. The motto '1<sup>st</sup> Choice Brand' have always been drummed to the employees in the Organization thus creating a sense of needs to achieve the target, organizational goals and expectation in a full force strategic shield.

To reach its full potential as a favourite market brand, Shell have been launching various strategic planning and target setting to attract the buyers or customers to purchase and use the products. Shell organization would not be able to sell and to compete in the big market without the help of its' most important asset. The important asset here refers to the employees. Employees play a vital role in building up the necessity and needs of the organization by ensuring a competitive and competing in aggressive market of Oil and Gas Industry. Stakeholders want to see revenues, profit earning and efficient management that can manage the organization based on the goals, mission and vision. Thus, based on this factor, it is prerequisite for the employees to provide more efficient service with integrity to facilitate business dealings,