

**NORFARIZAL OTHMAN****Institute for Development Policy and Management, University of Manchester, United Kingdom****PERFORMANCE APPRAISAL SATISFACTION IN THE BRUNEI'S  
CIVIL SERVICE: A STRUCTURAL EQUATION MODELLING  
APPROACH****Abstract:**

Even though performance appraisal satisfaction is the most frequently measured appraisal reaction, however, there is hardly any meta-analysis study that link determinants of performance appraisal system to employee satisfaction. The focus of this research is to empirically examine the attributes of the performance appraisal satisfaction used in evaluating individual employee performance in the public sector of Brunei with data collected among public sector employees. The conceptual framework highlighted the various determinants of performance appraisal satisfaction by exploring the unique effects of sub-factors such as goal setting and purposes of performance appraisal; alignment of personal objectives with organisational goals; fairness of appraisal system; types of performance evaluation measures; format of rating scales; appraiser-appraisee relationship and credibility of appraiser as well as pay-for-performance variables. The conceptual framework is then tested in order to determine the extent towards which western developed theories can be applied in a developing country context. Data for this research was gathered across ten government ministries in Brunei. This research study utilizes quantitative data, supported by qualitative data. The main study employed a pre-tested survey questionnaire with 355 samples. Quantitative data was analysed using descriptive analysis and exploratory factor analysis run on Statistical Software for Social Sciences (SPSS). In subsequent analysis, confirmatory factor analysis, path analysis and structural equation modelling (SEM) are employed using Analysis of Moment Structure (AMOS) to assess the model fit of the study and hypotheses testing. SEM was chosen because it is one of the most appropriate analytic approaches when dealing with issues of specifying directionality among variables of interest and generating flexibility with which to test causal relationship. The main goal of the analysis will be to assess the plausibility of the model as a whole and later decide whether the model is a good or poor fit model. This is employed through fit indices such as absolute fit, incremental fit and parsimony fit indices. Results indicated that latent variables were positively and significantly correlated to employee satisfaction. The results also showed that the goodness of fit indices offered an acceptable fit to Brunei's data. This study provides empirical evidence for performance appraisal and employee satisfaction at the individual level in the public sector. This study contributes theoretically by highlighting the unique effects of sub-factors on employee performance appraisal satisfaction and also contributes methodologically through the examination of the conceptual framework using structural equation modelling.

**Keywords:**

structural equation modelling; factor analysis; performance appraisal satisfaction

**JEL Classification:** C38, C12