

EMG/5

## AN EXAMINATION OF INCENTIVE SCHEMES ON JOB SATISFACTION IN SRI LANKAN TEXTILE INDUSTRY

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Employee attitude is a complex cognitive process and it is frequently used to describe people and to explain their behaviour. The problem in this study was to find the effects of individual incentive schemes on job satisfaction. The biggest management challenge faced by the organizations today is how to make the employees satisfied. Hence the present study emphasizes that the higher job performance leads the employees to a higher incentive benefits, which in turn leads to job satisfaction.

The main objective of the study is to identify the relationship between job performance and individual incentive schemes and to evaluate the extent that the individual incentive schemes lead to the job satisfaction. The sample of 420 production line employees of six large-scale textile firms, properly implementing incentive schemes, operating in the Export Processing Zones under the management of Board of Investment was chosen to study the actual achievement and performance towards the job satisfaction. The response rate was 86%.

The correlation, multi regression and ANOVA analysis were applied through SPSS software package. There is positive but moderate correlation between the independent variable; job performance and the dependent variable; individual incentive schemes in the first hypothesis and the independent variables; individual incentive schemes and perceived equity of the employees and the dependent variable; job satisfaction in the second hypothesis. The results revealed that the higher the job performance, the higher will be the benefits of individual incentive schemes which in turn lead to job satisfaction to the degree of perceived equity.

**Key words:** job performance, individual incentive scheme, perceived equity, job satisfaction.

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