

Incentivize Contracting Partners of Public Projects

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Abstract : Due to increased project complexity and technological advancement in the last decade, the designers and contractors are expected to put more efforts to achieve project goals. To render extra efforts from the agents, incentivization has become one of the primary strategies for the client. Despite increased academia interest in the design of incentive strategies, there is still a need for discussion about the underlying motivations and favourable conditions to make incentives effective. Therefore, this study focuses on the effects of motivations and favourable conditions for the use of incentives in public projects. Questionnaire survey is used as the data collection tool. The questionnaire survey was piloted through interviews with professionals from Hong Kong public sector. A total of 100 responses were collected for this survey. Accountability and organizational effectiveness were found to be the prime objectives of incentives installed by public clients. Furthermore, a list of favourable conditions for incentivization and its consequent effects on cost, schedule, risk and public opinions were identified. To conclude, this study analyses the means and ends of the use of incentives in public projects in Hong Kong.

Keywords : incentives, public accountability, project effectiveness, public opinions

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