

**A Study of the Relationship between Financial
Incentives and Productivity of Construction
Engineers in the State Sector Building Projects**

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ABSTRACT

According to the state organisations' statistics, the productivity of many organisations are not up to the satisfactory level. Some of the organisations' records prove that they are not on in the healthy condition.

To study and take appropriate steps to improve the productivity of the state organisations, the Government of Sri Lanka had established the Public Enterprise Reform Commission (PERC) in 1996. PERC study and made suitable recommendation as to whether to privatize or improve or dissolve the poor performing State Owned Enterprises.

The PERC identified that productivity of many State Owned Construction Organisations (SOCOS) were not to the expected standard. Accordingly, action was recommended to dissolve, reorganize or privatize SOCOS. But there is recorded proof that similar grade private sector construction organisations' productivity is in very high level

So, this study was undertaken to identify the cause for the difference between similar grade state and private sector construction organisations. Since Construction Engineers are playing major role in both state and private sector construction organisations, this study compared state and private sector consultants in various conditions.

The pilot study identified that poor motivation of state sector employees is the mostly and badly affecting factor for the poor productivity. Further the study identified that the Construction Engineers are the key persons in the construction industries. Since it is a limited research, among the various affecting factors, mostly and badly affecting factor, motivation and the relationship between satisfaction,

motivation and productivity of state and private sector consultants were analysed. In view of the vastness of the area, project type building construction activities and State Construction Engineers were undertaken as samples for this study.

Then the similar grade state and private sector construction Engineer's remunerations, facilitations and incentives were studied. Further the relationship between satisfaction, motivation and productivity of state and private sector consultant Engineers were compared.

Then the possibility of productivity improvement of state sector consultants in their motivated condition was studied in three different angles and average was calculated to get more accurate result. Further, the appropriate action to improve the state sector construction organisations' productivity through the motivated state sector Engineers was analysed.

Further, the time saving and cost saving of the motivated consultants were analysed. Based on the analysis, the study recommends appropriate productivity based remuneration package for State sector Consultants.

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