

Shaping an Expanded Principal-Agent Model for Designing and Deploying Incentives as an Instrument for Improving Performance in Public Policy Management

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ABSTRACT The use of incentives as a management instrument has become evident in various contexts. It is a factor that needs to be explored in greater detail to improve its effectiveness. The paper focuses on demonstrating the evolution of the concept, and the debates regarding the employment of such incentives as an effective approach in organisational and policy environments. This paper also explores organisational theories and the role of incentives, the psychology of incentives, and the various critiques of incentives. In its recommendation, it proposes the use of an expanded principal agent model for the shaping and application of incentives in the policy management organisational context. The notion of employing incentives needs to be explored in more detail and it is further proposed that it can contribute towards more effective achievement of public policy and organisational outcomes in societies, if they are shaped for their appropriate contexts and specific relational requirements.