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LATE PAYMENT ISSUES AMONG CONTRACTORS G7 DURING POST-COVID

Dissertation submitted in partial fulfilment
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DECLARATION

"I declare that this Final Project/dissertation is the result of my own research and that all sources are acknowledged in the references."

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ABSTRACT

Late payment has become a phenomenon in the construction industry, causing the contractor to experience challenges with the project. This problem has developed into a habit, resulting in bad consequences and, at worst, bankruptcy. Late payments have been a major issue in the following years of COVID-19 due to disrupted cash flows and financial instability among both clients and contractors. However, this problem cannot be allowed to become more widespread in the building business because it has numerous negative consequences, particularly for contractors. Hence, the aim of this research is to investigate the major effects of late payment among contractors G7 during post-COVID with the objective to identify the main factors that contribute to late payments, analysing the impacts for contractors, and offer ways to address these concerns. The research uses a quantitative approach, with an online questionnaire given to large-scale contractors G7 in Kedah, an urban area that had severe difficulty as a result of the pandemic. Data was obtained from 76 of 105 respondents and examined using SPSS to verify validity and reliability. The study finds that factors that contribute to late payments are the paymaster's poor financial management. Following that, late payments severely disrupt cash flow, create financial problems, disrupt supply chains, cause difficulties in procuring materials and equipment and ultimately lead to negative relationships between parties involved in construction projects. The study suggests a few initiatives, such as improving financial management training for clients and proper project planning and budgeting, applying charges, engaging experienced contractors and consultants, and, finally, using drones to ease the process of work valuation to reduce the prevalence of late payments in the post-COVID construction sector. By addressing these issues, the study hopes to improve contractors' financial stability and performance, ensuring the continuation and timely completion of building projects in the post-pandemic era.

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