

**CRITICAL SUCCESS FACTORS FOR CONTRACT
PERFORMANCE IN DISTRICT LOCAL GOVERNMENTS
(DLGS) IN UGANDA: A CASE STUDY OF RUKUNGIRI
DISTRICT LOCAL GOVERNMENT, UGANDA**

BY

PADDY TUMUHIMBISE

REG.NO. 14/MPP/03/013

**A DISSERTATION SUBMITTED TO SCHOOL OF MANAGEMENT
SCIENCE IN FULFILLMENT OF THE REQUIREMENT FOR THE AWARD
OF A MASTERS DEGREE IN PUBLIC PROCUREMENT OF UGANDA
MANAGEMENT INSTITUTE**

January, 2018

DECLARATION

I, Paddy Tumuhimbise declare that this research report is my original work and has to the best of my knowledge, never been submitted for the award of a degree or any other award in a University or other institutions of higher learning.

Signature

Date

APPROVAL

The study was conducted with our supervision and the research report has been submitted to Uganda Management Institute for examination with our approval.

Signature Date

Dr. Kyohairwe Stella

Supervisor:

Signature Date

Dr. Mugurusi Godfrey

Supervisor:

DEDICATION

To my dear wife Mrs Sharon Tumuhimbise, and children Ms Tumusiime Comfort and Mr. Tumuhimbise Jonathan. My friends Lt. Gen. Wilson Deng Kuoivot, Tumwebaze Killion and Mr Mbavaya Andrew and Abeid Bright you have been there for me to provide encouragement and support both social and financial support to me during my Masters Programme, I will forever remain grateful.

ACKNOWLEDGMENT

I must admit that producing this work has not been an easy task but rather full of learning points and drawing experiences from a number of personals.

I particular acknowledge the various contributions and advice from my supervisors, Dr. Mugurusi Geoffrey and Dr. Kyohairwe Stella. You have not only been supervisors but also my mentors and my source of inspiration to be able to produce this work I will forever remain grateful.

I am also grateful to all my Consultants at Uganda Management Institute who practically guided me with theoretic and practical skills not forgetting my dear wife Sharon Tumuhimbise and our children Comfort and Jonathan, you have inspired me and made it possible for me to finish this assignment.

Allow me acknowledge Dollar Technologies Limited Team, Tumwebaze Killion, Tumusiime Ponsiano, Atwiine Prisca, Niyonshima Edson, Kazungu Peter, Gen. Wilson Deng, Mbavaya Andrew, and Abeid Bright. Last but not least I acknowledge the authors whose work I have made reference to, I am so thankful for all your efforts.

Thank you all, God bless you.

ABSTRACT

This study was carried out with the aim to establish the critical success factors for contract performance in district local government in Uganda. The following study objectives guided the research: To find out the relationship of workplace factors on performance of contracts in Rukungiri district, To establish the relationship of process factors on performance of contracts in Rukungiri and to find out the effect of relationship factors on performance of contract. A case study design was used employing both quantitative and qualitative approaches collect representation data for analysis in order to make conclusion.

The study population in consideration was 143 respondents and sample size was 108 respondents but 106 (a response rate of 98%) participated in the study. The simple random sampling method was used to select head of Departments PDU staff and service providers. Purposive sampling was used to select district executive committee members because they were key respondents with more knowledge and take strategic decisions. Quantitative data analysis involved descriptive statistics (frequencies and percentages) in order to find out the level of statistical distribution from the data obtained from the respondents about the individual information under both variable and inferential statistics (Pearson and coefficient of determination) to test the hypotheses. Qualitative data analysis involved content analysis.

Findings revealed a weak positive effect of workforce factors on performance of framework contracts, a moderate positive effect of process factors on grounds that respondents believed that the district management individuals did not understand the contractual agreements with suppliers and also the complexities in the contractual agreement to the tune of 70% and 79% respectively despite agreement to all other process factors. On performance of contracts and a moderate positive effect of relationship factors on performance of contracts.

It was concluded that workforce factors weakly affected performance of contracts, process factors moderately affected performance of contracts and relationship factors moderately affected performance of contracts. It is recommended that Rukungiri District should improve workforce factors to improve performance of contracts, invest in consistent training to improve process

factors to improve performance of contracts and improve relationship factors to improve performance of contracts.

TABLE OF CONTENTS

DECLARATION	ii
APPROVAL	iii
DEDICATION	iv
ABSTRACT.....	vi
INTRODUCTION	1
1.1 Introduction.....	1
1.2 Background to the study.....	1
1.2.1 Historical Background	1
1.2.2 Theoretical Background.....	3
1.2.3 Conceptual Background.....	3
1.2.4 Contextual Background	5
1.3 Statement of the Problem.....	6
1.6 Research Questions	7
1.7 Hypotheses	8
1.8 Conceptual Framework	9
1.9 Significance of the Study	10
1.10 Justification of the Study.....	11
1.11 Scope of the Study.....	11
1.11.1 Content Scope	11
1.11.2 Geographical Scope	11
1.11.3 Time Scope	12
1.12 Operational Definition of Terms	12
CHAPTER TWO	13
2.2 Theoretical review.....	13
2.3 Organizational Work Force Factors and Performance of Contracts.....	15
2.3.1 Availability of personnel for successful contract management	15
2.3.2 Workforce expertise and performance.....	16
2.4 Process factors and performance of contracts.....	18
2.5.1 Cooperation among procuring team and end-users	21
2.5.2 Working relationships between the entity and the providers.....	22
2.6 Summary of Literature Review	23
CHAPTER THREE	25

METHODOLOGY	25
3.1 Introduction	25
3.2 Research Design.....	25
3.3 Study Population	26
3.4 Sample Size	26
3.5 Sampling Techniques	27
3.6 Data Collection Methods.....	27
3.6.1 Questionnaire Survey.....	28
3.6.2 Face-to-Face Interviews.....	28
3.6.3 Documentary Review.....	28
3.7 Data Collection Instruments.....	29
3.7.1 Questionnaires.....	29
3.7.2 Interview Guides	29
3.7.3 Documentary Review Checklist	30
3.8 Validity and Reliability of Instruments.....	30
3.8.1 Validity	30
3.9 Procedure of Data Collection	31
3.10 Data Analysis.....	32
3.10.1 Quantitative data analysis	32
3.10.2 Qualitative Data Analysis	32
3.11 Measurement of Variables.....	32
3.12 Ethical Considerations.....	33
CHAPTER FOUR.....	35
PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS	35
4.1 Introduction	35
4.2 Response Rate	35
4.3 Background Information	36
4.4 Workforce factors and Performance of Contracts in Rukungiri District	36
4.4.1 Descriptive Results about Workforce Factors in Rukungiri District.....	37
4.4.2 Descriptive Results about Performance of Contracts in Rukungiri District.....	41
4.5 Process Factors and Performance of contracts in Rukungiri District.....	46
4.5.1 Descriptive Results about Process Factors	46
4.5.2 Testing Second Hypothesis.....	50
4.6 Relationship Factors and Performance of Contracts in Rukungiri District.....	51 51
4.6.1 Descriptive Results about Relationship Factors	51 51
4.6.2 Testing Third Hypothesis.....	55 55
CHAPTER FIVE	56 56

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS	<u>5656</u>
5.1 Introduction	<u>5656</u>
5.2 Summary of Findings	<u>5656</u>
5.2.1 Workforce Factors and Performance of Contracts in Rukungiri District	<u>5656</u>
5.2.2 Process factors and performance of contracts in Rukungiri District	<u>5656</u>
5.2.3 Relationship Factors and Performance of contracts in Rukungiri District	<u>5656</u>
5.3 Discussion of Findings	<u>5757</u>
5.3.1 Workforce Factors and Performance of contracts in Rukungiri District	<u>5757</u>
5.4 Recommendations.....	<u>5858</u>
5.4.1 Managerial implications.....	<u>5858</u>
5.4.2 Implications for researchers.....	<u>5959</u>
5.5 Areas for Further research	<u>6060</u>
APPENDICES	<u>6464</u>
Appendix 1: Krejcie and Morgan Table for Determining Sample Size from a Given Population	<u>6464</u>
Appendix IV: Documentary Check List Used.....	<u>6565</u>
Appendix II: Questionnaire.....	<u>6666</u>
Appendix III: Interview Guide.....	<u>6969</u>

List of Tables

Table 1: Sample Size and Selection28

Table 2: Lecturers’ Ratings for calculating validity..... 33

Table 3: Response Rate..... 33

Table 4: Findings about Tenure of Rukungiri District Staff37

Table 5: Findings about workforce factors..... 38

Table 6: Findings about Performance of Contracts39

Table 7: Correlation between Workforce factors and Performance of contracts..... 44

Table 8: Findings about Process Factors..... 47

Table 9: Correlation between Process Factors and Performance of Contracts49

Table 10: Findings about Relationship Factors..... 52

Table 11: Correlation between Relationship Factors and Performance of contracts..... 54

Abbreviations

AGLG	: Auditor General for Local Government
AIU	: American Intercontinental University
BIFM	: British Institute of Facilities Management
CIPS	: Chartered Institute for Purchasing and Supplies
COGTA	: Cooperative Governance and Traditional Affairs
COMESA	: Common Market for East and Southern Africa
CSFs	: Critical Success Factors
CVI	: Content Validity Index
DLG	: District Local Government
MOFPED	: Ministry of Finance Planning and Economic Development
PDU	: Procurement and Disposal Unit
PPDA	: Public Procurement and Disposal of Public Assets Authority
PPDA	: Public Procurement and Disposal of Public Assets
QCSC	: Queensland Corrective Services Commission
SAQs	: Self-administered questionnaires
SPSS	: Statistical Package for the Social Sciences
UMI	: Uganda Management Institute
UNCITRAL	: United Nations Commission on International Trade Law

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The researcher seeks to investigate the critical success factors for contract performance in districts local government in Uganda considering Rukungiri district as case of study. This chapter introduces the study, statement of the problem, purpose of the study, the research objective, the research questions, scope and significance of the study.

1.2 Background to the study

According PPDA report (2015) public procurement in public entities accounts for more than 75% of the entities budget and this expenditure is carried out by contracting different providers to provide various services, works and supplies. Therefore there is a need to ensure proper management of such contracts to realize value for money.

This study therefore examines the critical success factors (CSFs) for effective contract performance in local government of Uganda taking Rukungiri district as a case of study. Critical success factors were the independent variable while contract performance was the dependent variable.

1.2.1 Historical Background

Performance of contracts can be traced back to classical contract law, which included a set of general values, from which rules leading specific cases could be derived (Azoulay & Shane, 2001). Contract management came into existence in the early 1988 when Kennedy recommended in his report that one prison under jurisdiction of The Queensland Corrective Services Commission (QCSC) to be operated and managed by private sector under contract to the commission with rational to create a market for collective institutions in Australia and Queensland and, for the first time, to introduce competition which would provide a real measure against which to test the performance and costs of the QCSC (Macionis & Millican, 2005).

Although the growth of classical contract law was a joint struggle, it is most carefully linked with Samuel Williston.

In 1957, Stewart Macaulay focused on non-contractual relations - how parties regulated their behavior without the assistance of written contracts (Azoulay & Shane, 2001). During the course of his interviews, he found that “many, if not most, exchanges reflect no planning, or only a minimal amount of it, especially concerning legal sanctions and the effect of defective performances “to the extent that whenever differences arose, the concerned stakeholders often negotiated to a conclusion without any written contract or threats to legal sanctions. Stated another way, contracts often are treated as the “law on the books,” while the behavior of the contracting parties is analyzed as the “law in action”. Implicit in this dichotomy is the assumption that the “law on the books” is secondary to other forces in explaining human behavior. When economists speak of “relational contracts,” they imagine “self-enforcing” agreements, meaning, “Some credible future punishment threat [other than judicial enforcement] in the event of noncompliance induces each party to stick to agreed terms”. Hence, this was the emergency of agency theory in the performance of contracts. (Pedersen, 2011)

In the mid-1970s, Oliver Williamson was also attempting to break away from neoclassical economics by focusing decision making procedures and institutional design to explain the performance of contracts (Corts & Singh, 2004).

From the 1990s to the 2000s, empirical studies of contracts have been conducted in six disciplines or sub-disciplines, which include economics, financial economics, law and economics, strategy and management, sociology, and law (Srinivasan & Brush, 2006). Most of the empirical studies in the survey were conducted by economists or scholars who have embraced economic analysis of contracts performance. During this period, various perspectives have been adopted to explain contract performance. One of these is the organizational perspective. Richard Scott observed, “Organizations are a prominent, if not the dominant, characteristic of modern societies” (Scott,

2003). The organizational perspective focuses on organizational resources; learning, identity, and institutions to explain contract performance.

This research is therefore intended to address the current challenges of poor contract performance by providing methods and approaches necessary to improve efficiency of contractors both in local government and central government.

1.2.2 Theoretical Background

The study is underpinned transaction cost theory proposed by Coase, (1937). The theoretical relevance of this research suggest that the total cost of a contract is determined by its structures, the relative cost of alternative contracts such as market transactions, short term contracts and long term contracts and managing transactions. In this case therefore William (1971) transaction cost theory will be applicable in its sense of bounded rationality. Its emphasis is that output of a given transaction should be measured based on the input such as costs involved in producing the output. Therefore measurement of the performance of a contract to its level of meeting the required output can be done so through determining the response to time expected, costs involved in comparison to planned resources and the ability to meet the short and long term objectives of the organisation. Transaction cost theory asserts that individual transactions in the contracts accounts for the entire contract performance in its totality. The transaction cost theory therefore reflects the critical success factors' relationship for contract performance through the organisation processes and resulting outcomes from such contracts. The next section of this report presents a conceptual background on the critical success factors for performance of contracts.

1.2.3 Conceptual Background

The concept of critical success factor refer to Critical success factors (CSFs) refers to series of important aspects where any organisation must perform excellently to be able to realize its long term plans efficiently (Gates, 2010). In addition Caralli, (2004) conceptualizes critical success

factors as the must perfume activities for ensuring organisation success. According to Rendon, (2010), CSFs are key areas of performance that are essential for the organization to accomplish its mission.

Additionally, Rendon, (2010) identifies seven factors in government contract management, which included workforce factors, processes factors, relationship factors, resources factors, leadership factors, policies factors and requirement factors. All these factors apply to the district local governments in Uganda. However, this study investigates three factors that are; 1) workforce factors, 2) process factors, and 3) relationship factors.

According to CIPS (2016) workforce factors are work related requirements, which are defined as issues concerning availability adequate number of personnel, proper staffing of positions, continuous hiring and recruitment of personnel, and employee training policy, experience, and competent workforce. In addition, they include workforce expertise, employee promotion, removal of non-productive staff, empowerment of employees, and organizational realignment. In this study, workforce factors included availability of personnel and workforce expertise.

Relationship factors are contract relationship requirements, which are defined as issues concerning cooperation among acquisition team members and end-users, coordination and support from program offices, good working relationships with contractors, trust, and collaboration. In this study, the relationship factors were cooperation among acquisition team members and end-users good working relationships with contractors.

Performance of contracts according to British Institute of Facilities Management (BIFM), (2014) refers to the execution of a contract by which the contracting parties are automatically discharged of their obligations under it. It means that a party successfully completes one or more of its obligations under the contract. Performance of contracts in this study refer to the most frequently used performance measures identified by Richard et al (2009) and these include effectiveness,

timeliness, efficiency and relevancy. He asserts that understanding organisation performance requires close examination of the related construct of organisation effectiveness that includes sustainability of the business relation and efficiency in attaining contract objectives.

1.2.4 Contextual Background

Rukungiri district was known as North Kigezi District until 1980 when it acquired its current name and in 1993 it was one of the 14 districts that were selected for the second phase of decentralization (UBOS report, 2014). The District uses different procurement methods ranging from open domestic bidding to micro procurements to ensure timely and effective delivery of goods and services. According to Daily Monitor November (24th, 2015) the perception of the public in relation to local governments' attempt to execute their obligations in contract managements still remains in balance hence the governments consistently losses resources due to poor contract management.

The local government system in Uganda is designed in a way that during the process of implementation of the plan, they also generate funds from markets tendering and sale of assets. According to Kalubanga (2012) such resources accumulated are planned for in advance hence the performance of contracts depends on the involvement of stakeholders in collecting such resources as well as allocation them to what they were planned for.

Based on the reasons highlighted in the previous paragraph that public entities in Uganda through its Ministry of Finance and Public Procurement and disposal of Public Assets Authority (PPDA) such as district local governments are concerned with the performance of contracts. In Uganda, workshops and seminars have been organized to improve contract management and thus performance of contracts in local government. The mandate in contract management is derived from Regulation 62 of the Local Governments (PPDA, 2006): user department prepare an annual work plan for procurement based on the official budget, which is supposed to be submitted to the

Procurement and Disposal Unit to enable orderly execution of annual procurement activities. Therefore a procurement plan should be integrated into the annual sector expenditure program to enhance financial predictability, accounting and control over procurement budgets.

Rukungiri districts local governments generates local revenues and also receives funds from the central government and hence its expenditure is based on formal agreements (contracts) with other public and private entities to fulfill government objective of providing public facilities to the people. Among the contracts in place include market revue collections, building five stalled administrative block among others.

1.3 Statement of the Problem

Rukungiri district Local government management had had delivery challenges to its members such as unfinished market structure at Nyarushanje sub country, and Kisiizi, as well as Nyakishenyi despite expiry of the contracts awarded to several contractors. In addition the administration block at the headquarter has also faced similar challenges over the years. According to Auditor General Report, (2014) at the end of the recent two financial years 2014/2015 and 2015/2016 most of district local government projects were uncompleted due to delays in procurement yet contracts were issued to service providers. Rukungiri District Local Government has been contracting providers each financial year, staff is trained in procurement management and there has been budget increment for the Procurement and Disposal Unit and Contracts Committee to manage contracting process (Semi Annual Budget Performance May 2016). In spite of these efforts, amount of unspent balances at the end of 2015/2016 have increased pacifically for Rukungiri district local government compared to past years, due to late award of tenders it is therefore possible that the inefficiency could be as a result of poor contract management in general. Other project that have remained incomplete even after their expected completion period has elapsed are building structures in markets such as Nyarushanje market, Kisiizi market and the multimillion administration block of Rukungiri district.

On analysis the emphasis by PPDA and district management team it was establishment that contract management practices such as flexibility clauses, contract monitoring, effective communication play an important role not only to the buyer but also helps the supplier to accomplish their responsibilities efficiently and effectively in district local government. Progressively more than 50% of suppliers have lost interest in contracting with local government due to poor pay systems and political influence hence more money is being refunded to the central government every financial year. This situation leads to increasing trends of unspent balances for the last three Financial Years from 5% of the total budget in 2012/2013 to 8% in 2013/2014 (1st Quarter OBT Report 2015/2016). The delays in procurement contract probably are based on workforce factors, process factors and relationship factors. It's on this basis that the researcher would like to determine the critical success factors for contract performance in local government.

1.4 The purpose of the study

The purpose of this study is to evaluate the critical success factors for contract performance in Rukungiri district local governments (DLGS) in Uganda:

1.5 Research Objectives

- a) To find out the relationship of workforce factors on performance of contracts in Rukungiri District
- b) To establish the relationship of process factors on performance of contracts in Rukungiri District
- c) To find out the relationship of relationship factors on performance of contracts in Rukungiri District

1.6 Research Questions

The following research questions were answered:

- a) What is the relationship between workforce factors and performance of contracts in Rukungiri District?
- b) How does the process factors relate to contract performance in district local government?
- c) How does the relationship factor relate to contact performance in district local government?

1.7 Hypotheses

The following hypotheses were tested:

- a) Workforce factors significantly relate contract performance of contracts in Rukungiri District
- b) Process factors significantly relate to contract performance of contracts in Rukungiri District
- c) Relationship factors has close links to contract performance of contracts in Rukungiri District

1.8 Conceptual Framework

The conceptual framework showing the factors affecting performance of contracts;

Independent Variable (IV)

Critical Success Factors

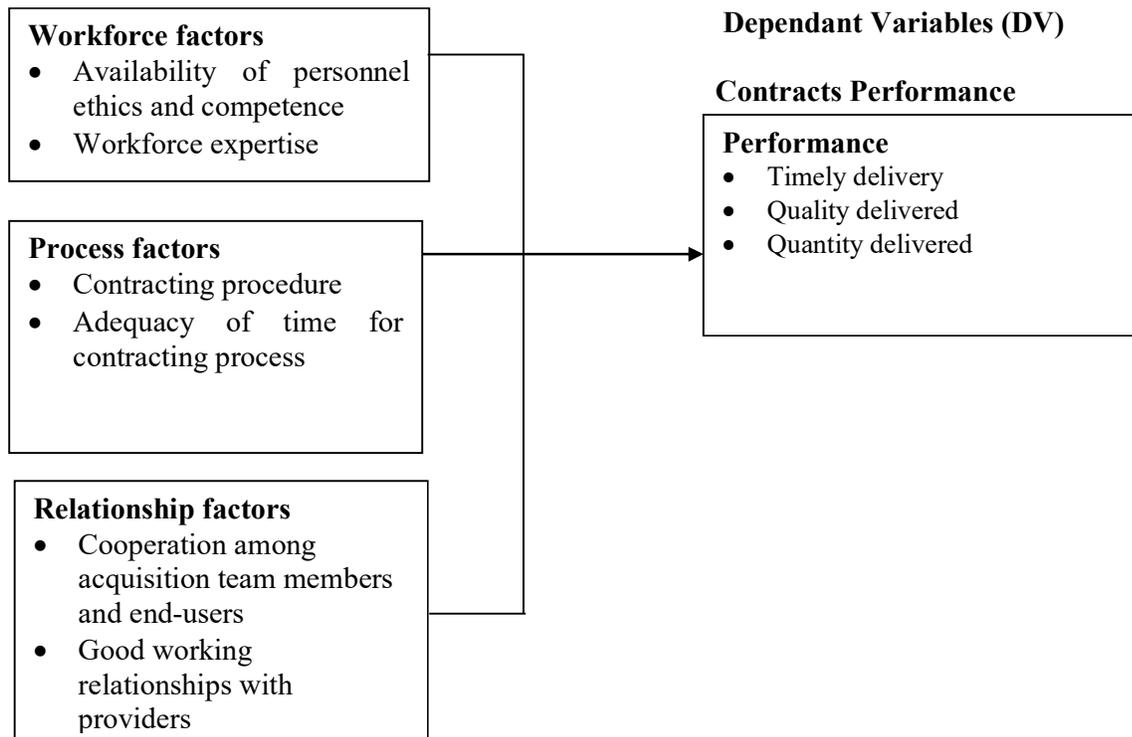


Figure 1: Conceptual Framework

Source: Eisenhardt's 1989 principal agent theory as cited in Rendon (2010) and modified by the researcher

The conceptual framework shows the independent variables as workforce factors measured in terms of availability of personnel and workforce expertise, process factors measured in terms of contracting processes and adequacy of time for contracting process, and relationship factors measured in terms of cooperation among team members, good working relations with providers clarity of rules/regulations and enforcement of rules/regulations. It is conceptualized that the independent variables (workforce factors, process factors and relationship factors) affect performance of contracts. For example, if the workforce factors, process factors and policies factors are not conducive, performance of contracts also becomes poor and vice versa.

1.9 Significance of the Study

The findings of the study may specifically help the Local Government of Rukungiri District to revisit her negotiation approaches, contract monitoring and evaluation, planning, contracts if they are to improve on their performance. The study may also help policy makers especially the PPDA, Office of Auditor General and Inspectorate of Government to formulate ways on how to improve the performance of contracts in the economy. The study may also act as a basis for further research to other researchers in the field of contract management in public sector in Uganda.

In addition this is important for contract managers to carry out their planning and control in addition to ensuring contract sustainability. Contract managers were able to determine their responsibilities not only for ensuring efficient procurement and value for money but also ensuring sustainability incorporation in the procurement process. According to National Audit office report (2008) the contract manager must have appropriate skills (both specific contract management skills and more general commercial awareness and expertise), with access to relevant training and development. This can be achieved through review of literature in related field such as findings from this proposal.

To future researchers the information that may be obtained can be used for future reference to understand the flow of events, the impact of different success factors to contract management, and levels of efficiency at different stages of development.

The research helps not only the contractors but also the general public by sensitizing them their roles in contract management. The public is entitled to obtaining accountability from public office bearers such as district administrators and the research to be carried out should bring out the relationship between different stakeholders and the level of influence the public has over the procurement process. Last but not least all procurement stakeholders in local and central government directly benefits from this research by understanding the best practices in contract management in order to achieve value for money from other upcoming projects.

1.10 Justification of the Study

Efforts to determine CSFs that affect performance of contracts are essential in the improvement of service delivery in Local Governments of Uganda. Poor management of contracts performance compromises service delivery in the Local Government districts in Uganda. Thus, central grants, donor monies and local revenue in form of taxes collected from the local community to provide services had been wasted and some unutilized and returned back at the end of financial year, as a result of not managing well contracts performance. As such, the identification of critical success factors required for performance of contracts was essential in order to mitigate the problems associated with poor performance of contracts in local government.

1.11 Scope of the Study

1.11.1 Content Scope

The study focused on workforce factors measured in terms of availability of personnel and workforce expertise, process factors measured in terms of contracting processes and adequacy of time for contracting process, and relationship factors measured in terms of cooperation among acquisition team members and end-users including good working relationships with providers. Performance of contracts focused on timeliness, efficiency and sustainability of contracts.

1.11.2 Geographical Scope

The research was carried out in Rukungiri District local government. Rukungiri District is located south western part of Uganda bordered by the Ruburizi district to the north, Hoima District to the northeast, Mitoma District to the east, Ntungamo District to the south east and Kanungu District to the west. Republic OF Congo to the North West, where the district headquarters are located, lies approximately 68 kilometers (42 mi), by road, north of Kabale, the largest town in the sub-region.

1.11.3 Time Scope

The study considered respondents who have been in Rukingiri District from July 2011 to June 2014. The researcher thought this time was enough for respondents to give reliable data on the subject and considering that District was through several administrative changes in other years apart from this period.

1.12 Operational Definition of Terms

Workforce Factors: refers to work requirements for performance of contracts in Rukungiri District Local government.

Process Factors: Refers to process requirements for performance of contracts in Rukungiri District Local government.

Relationship Factors: Refers to contract relationship requirements for performance of contracts in Rukungiri District Local government.

Performance of Contracts: Refers to the execution of a contract by which the contracting parties in Rukungiri District Local government are automatically discharged of their obligations under it.

Local Government; Is a form of public administration which in a majority of contexts, exists as the lowest tier of administration within a given state

Sample; Is a set of objects from a parent population that includes all such objects that satisfy a set of well-defined selection criteria

Population; Is any entire collection of people, animals, plants or things from which we may collect data

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the literature related to the study. It is divided into five sections. The first section presents the about workforce factors and performance of contracts. The second section presents about process factors and performance of contracts. . The third section presents literature about relationship factors and performance of contracts the fourth section presents section is a summary of the literature.

2.2 Theoretical review

The foundation of transaction cost theory is clearly linked to the works of Coase, (1937) who, among other things, has continuously emphasized the role of legal considerations in economics. According to Daland,(2012) transaction cost theory is based on the assumption of bounded rationality where every transaction and every contract is guided by limits observed by all stakeholders. When people exchange goods in a market, not only physical resources change hands but also rights of ownership, that is, the rights to use a given resource and to enjoy the benefits that may be derived from it. These legal background conditions were then "expanded beyond property rights to include contract laws, norms, customs, conventions, and the like" Collectively, these political, social and legal ground rules forming the basis not only for exchange, but also for production and distribution, are referred to as the "institutional environment" of an economy (Daland 2012).

Transaction cost theory is applied to explain the organisational structure and control procedures that co-ordinate agents at the lowest transaction cost. This theory can be used, to compare contracting-out and contracting-in procedures (Pedersen, 1992). According Williamson, (1981) it's based on the assumption that organisations enter into transactions and engagement with aim of

maximizing profits. Hence any contractual agreement between the agent and principle is based on the contribution of each party defined goals and objectives and expectation to achieve the long term objectives of each entity. In this study therefore each transaction carried out by an entity is analyzed measured and factors that led to its level of success noted in comparison to other transaction.

According to William, (1981) several academicians and practioners have express their discomfort regarding the transaction cost theory in form of criticism in relation to its assumptions that it focuses on the minimum cost yet Minimization of transaction cost would have little advantage if transaction specific assets aren't valued in the market. Hence, it is important to move beyond the perspective that "economy is the best strategy" for an organization.

Also transaction cost theory understates the cost of organizing and neglects the role of social relationship in economic transactions.

This theory underpins the study and critical success factors in a since that performance of the contract is measured in several variables such as total cost of transaction that include the contract process cost, relationship management cost and the work force cost to have the contract completed. These are measured in relation to time, and effectiveness.

I addition Critical success factors have a relationship on an organization's procedures and resulting outcomes, such as the performance of contracts performance in local governments. Thus, their importance is crucial to an organization's process improvement efforts. The next section of this report presents a conceptual background on critical success factors for the performance of contracts.

The studies in the previous paragraph focused on the relationships between principals (managers) and agents (other stakeholders). Therefore, like these studies, the theory was relevant to this study in investigating the relationships between Rukungiri district local government as the principal and the staff and contractors/service providers of Rukungiri District Local Government as agents. Both

Rukungiri district local government and the staff and contractors/service providers of Rukungiri district local government were bound by a common goal of ensuring better contracts performance. However, the interest of the Rukungiri district local government and that of the staff and contractors/service providers of Rukungiri district local government differed, which resulted into failure to disclose some information to one another and engagement in practices that affected contracts performance negatively.

2.3 Organizational Work Force Factors and Performance of Contracts

The organisation workforce factors include availability of manpower necessary for contract management and their level of expertise both technical and managerial in ensuring successful contract implementation and availability of ethical values in procurements.

2.3.1 Availability of personnel for successful contract management

Research conducted by Mahmud (2013) indicates that individuals tend to want to do the right thing whenever they feel that they have the capacity to do so which in this study shall be referred to as competence. This has an implication that the individuals that want to do the right thing will indeed want to act ethically in contracts management. This stand is further supported by another study conducted by Banerji (2000), which indicates a negative relationship between the level of intellectual stimulation and the tendency for one to act unethically using bribery as one of the indicators of unethical behavior in contracts management.

On a general note, unethical behavior in contracts management tends to arise out of someone trying to pretend to be what he or she is not. The aspect is actually rooted back to the ethical behavior and the social norms surrounding an individual in decision making process in contacts management. A decision here is mainly reached when one decides to act the way he or she acts in a contract (Blume as cited in Rulangaranga, Ntayi & Muhwezi, 2013). Sometimes, these individuals enter a contract well knowing what they are supposed to do and sometimes they get into a contract when

they have an idea of what to expect in a contractual relationship as they take part in management of a contract handed over to them (Ryan 2002).

Availability of quality workforce in local government

Local governments internationally are best known for inefficient operations due the fact that their operation highly interfaces with the communities and politicians within the same vicinity. Local governments in Uganda are well known for inefficiency in their operations, poor pay structures, an uncoordinated plans and incomplete contracts for different project. According to Office of Auditor report end of financial report 2014/2015, local government especially districts were ranked one of the worst performing government entities across different countries and regions. Local governments need to train Council/Board, senior management and staff on procurement policies and practices with special attention to contract management (Auditor General for Local Government (AGLG) Perspectives Series 2016). Unfortunately, training related to procurement policies sometimes may not become a priority until there is a serious breach of contract or failure to perform by a supplier. In agreement with the above, PPDA report (2013/2014) indicates high failure to manage or supervise contracts led to unnecessary delays and delivery of substandard items. It also resulted into failure to complete projects. Incomplete works leading to failure to attain value for money at the expense of the tax payers.

In general, the availability of personnel is considered in terms of competent individuals with relevant skills to manage procurement activities in addition to the ethical considerations expected from them by the public.

2.3.2 Workforce expertise and performance

According to Babu, and Sudhakar (2015) availability of the right team and managers play a critical role for organisation to realizes its intended objectives. the successful realization of their project. The technical and administrative skills of the contract management team, as well their commitment and competence, become the most critical component during the project life cycle. Hence

recruitment, selection and training of the necessary personnel for the contract management team need to be done carefully..

Moreover, Rendon (2010) as cited by Oluka and Basheka (2014) have precisely noted; with agreement of our results, that some of the critical success factors for both project and contract management is being qualified under workforce, clear processes, relationships, resources, leadership and policies all of which have an direct impact on an organization's project management and contract management processes as well as resulting outcomes. On this same observation, Nadiope (2005) is of the view that most governments lack trained procurement personnel to manage fully contract right from contract planning to contract review hence a number of gaps leaves room for effective contract implementation to achieve value for money.

According to Cooperative Governance and Traditional Affairs (COGTA), (2009), there is a mushrooming rapid growth of problem of obtaining high-level skilled personnel with the skills and knowledge to be able to perform many of the core functions of the DLG was frequently. This is highly relate to weak polices of labour mobility and poor pay systems in local governments especially in South Africa. Interventions on the employment of professional personnel are necessary, training, assistance by professional institutes and cities or big towns, and organised local government. Similarly in Kenya the research carried out by one of the leading research company Afrobarometer Briefing (2010) indicates that citizens remain discontented with the performance of local government's contracts due to poor service provision and inability to follow

Procedures resulting from inexperience labour force employed. Advocates Coalition for Development and Environment. (2015), indicates that poor contract management including the delayed administration block building has been as a result of inexperienced implementers in addition to limited resources. The report further explains that more than 78% of the funds used in the district are internally generate and hence limited to hire more qualified staff and complete contract commitments in time.

2.4 Process factors and performance of contracts

Process factors will be analyzed based on contracting procedures and adequacy of time for contracting process. For an organisation to reach high level performance levels, it's determined by process capability with clear vision, mission and strategic objectives (Cohen & Eimicke, 2008). This is especially critical in the case of strategically relevant processes such as sourcing and contracting. These processes are rich in both risk and opportunity. Rendon and Snider (2008) in one recent survey of "supply chain risk areas, solutions and plans" found that developing an overall strategic plan for the process was rated as the "number one" most important risk mitigation solution available to the respondents.

2.4.1 Contracting procedures on performance

The contracting procedure in Uganda is carried out based on clear procedures expressed in the constitution of the republic of Uganda and henceforth in the PPDA Act and regulations as amended 2013. In addition the local government act also provides the legal guidelines particularly for special procurements in the local government where the situation is not addressed by the PPDA Act.

It is important to understand the organisation vision, mission and strategic objectives in order to be able develop to develop the strategic plan for the contracting process of any organisation.. The contracting procedure should be in line with the overall strategy and should be developed based on procurement objectives and strategies that are developed from the organisation strategy. Hence the input of stakeholder's in line with vision will make the implementation process of the contraction procedures much easier due to early involvement. Particularly in public sector in Uganda, stakeholders are expected to participate at different levels such as planning stage or needs identification, requisitioning as well as during evaluation and confirmation of the supplies delivered PPDA Act 2013 as amended . Gottschal and Solli-Saether (2005) adds such consistence must reflect must be consistent to lower operations to achieve the organisation vision. Once objectives for the process are defined at a high level, they must be translated into defined

characteristics and goals for each of the six elements of contracts management capability, guided by a procurement contract management capability maturity. At the same time, it is advisable to assess the “as-is” state for each element of capability. The use of a procurement contract management capability maturity model is highly recommended for defining both the “as-is” state as well as the “to-be” or targeted level of performance and maturity.

Cohen and Eimicke (2008) further emphasises that fruitless employees requires policies that guide them from one step to the other with less room for innovation since their ability to think independently maybe limited by the skills organisation design information decision making ladder and tools or systems. The procedures in this regard for such employees provides them with guiding principles to enable them produce required out puts within their means.

2.4.2 Adequacy of time for contracting process

Time is of big essence when contracting procedure and evaluation of any procurement to achieve value for money. Entities spend huge sums of their budgets into training and different forms of capacity development in order to reduce time spent on activities hence save resources. In Local government a significant budget is set aside to facilitate such activities but no much time has been save most times. This has been due to government procedures that must be followed a given circumstances such as emergency. The government of Uganda under the Local government Act and PPDA Act has put in place timelines for execution of procurement tasks for various procurement methods based on the thresholds. More still Rukungiri district has had various projects that has gone beyond the expected completion period such as Nyarushanje market structures, Nyakishenyi and its administration block at the headquarter (PPDA report, 2016) Training and awareness is another key factor in policy implementation. In addition, it is essential that management require compliance with policies. Businesses are loaded with failed policy “guidelines”.

It is important that Contracts management process policy reflects and covers all most if not all components of the contracting process, not limiting expectations for the use of standard positions and conditions, contract planning, negotiation planning and negotiation, contract finalization, and post-award contract administration and risk management, measurement, and control. In such circumstances associated processes, practices and procedures should be in place to reflect these policies, and to put in black and white the process stages and controls

2.5 Relationship Factors and Performance of Contracts

A Successful relationship management strengthens overall successful contract management both in public and private sector setting. It is always critical to create and maintain a strategic relationship and regular communications to different contract stakeholder at a given point in time. Relationship management is highly hinged on the structural framework approach to its management adopted that may include informal meetings discussion, interactions, formal meetings as well as the extent to which the parties accord respect to the decisions made in such meetings Walton (2009)

Contracts such as provision of consultancy services and those that involve ongoing service delivery that extend over a reasonable period of time are much more applicable to this concept. In addition, Walton (2009) further asserts that in such contracts, the management of the relationship with the contractor should not only entail Informal, day-to-day discussions and interactions between the contractor, but also other stakeholders such as government agencies, development partners among others since failure of one party may lead to failure of the entire contract. the contract manager and other line stakeholders as well as formal meetings at pre-determined intervals with nominated personnel from both the acquiring agency and the contractor. Some entities have found it beneficial to have different parties undertake the contract management and the relationship management. In the local government setting the procurement unit and contract management teams are tasked with this responsibility over time.

2.5.1 Cooperation among procuring team and end-users

A successful relationship must involve the delivery of services that meet requirements of both parties in time. Particularly for commercial relation to be successful, it should be acceptable to involved parties with the capacity to offer value for money for the customer and adequate profit for the provider (Lysons, 2006). Commercial relationships determine the level of performance for private companies in supplying the needs of the public interests. This maybe determined by the degree under which engage one other and the value of the products to the buying entity. A good cooperation between procuring entities and end user facilitates easy communication hence discreet set of responsibilities should be clearly set and each party is made to understand its obligations, rights and responsibilities over a given period of time. Cooperation on the other had should be extended to all other stakeholders party to this procurement such as accounts department, and other stakeholders in the contract,

According to PPDA ACT 2014 as amended and regulations thereafter, the user department plays a significant role towards successful implementation of the contract. the user department is mandate to appoint the contract manager or contract management team for high value projects, prepare contract implantation plan and advise technically and where possible, monitor deliverables such as contract equipment and materials, monitor contract implantation through submission of progress report quality assurance (Time, cost and quality control), and ensure timely delivery of the output expected. All the above responsibilities can only be effective based on the relationship between the user department and the procuring team.

According to Rendon (2009) a good working relationship between the procuring team and user department provides for gentle ground to share information for mutual benefit and supervision of the contractor through the contracts manager or contract management team and hence better efficient an effective results are expected.

2.5.2 Working relationships between the entity and the providers

Rendon (2009) suggests that contractual agreements generate a relationship between stakeholders over time. The working relationship on the other hand determine the level of output and hence contract performance. Inevitably, for this to be achieved, a significant degree of dependency is required. For any responsible and focused contracting entity, it is always within their interest to make this relationship successful beyond the present contract but also for further consultations. This is because the cost of termination such contracts is much higher compared to cost of relationship management. Consequences of relationship failure include early termination and the consequences of poor performance and unplanned changes of economic operator are highly damaging.

Walton (2009) explains that relationships should be managed in a professional manner and be based on cooperation and mutual understanding taking into account the need for probity and ethical behavior. Maintaining a good relationship requires the establishment and maintenance of an appropriate record trail. Basheka (2009) agrees and says, what is necessary in the circumstances varies but the importance of the maintenance of accurate, contemporaneous records to successful contract management cannot be underemphasized.

The type of contract, its size and duration as well as the culture of the parties and the personalities of the people involved influences the relationship between the parties. It is important to establish and maintain a constructive relationship and regular communication. The relationship between parties is also influenced by contract type culture and personalities of stakeholder's size and duration of the contract. It is therefore critical to ascertain and maintain such a rational relationship. In a contractual relationship, Providing positive and constructive feedback helps both parties to reevaluate their strategy revise their mission and approach to fit in the realize their objectives. Hence effective communication is key and can be achieved when each party executes their responsibilities within required time. Responsibilities such as making payments should be carried

out without delays but in line with the organisation procedures. Listening to the contractor's concerns will help to proactively address the challenges of the contract in time with less cost involved.

2.6 Summary of Literature Review

This chapter reviewed literature related to the objectives of the study. The theoretical review focused on transaction cost theory that is used to explain some of the critical factors necessary in contract management. The literature review focused on the factors like work force, process and relationship factors that are critical for contract performance. Various authors cited argue that these are critical success factors for contract performance.

The literature obtained indicates that much as work force factors is critical element for successful contract management, it has been less considered in selection of contract managers, service providers and other contract management teams in local government. Particularly, in Rukungiri District 78% of the budget for staff development is obtained from local revenues which is not enough to attract high skilled personnel to effectively manage contracts.

It is also evident from the literature obtained that contract management process in its totality has been given less attention by focusing on acquisition of the suppliers while contract monitoring and completion is not well documented. In order to ascertain the gravity of this issue, the researcher established this factor by reviewing documents such as completion certificates minutes of the contract committee among other documents.

Various authors have exhausted the 'what effect' does the relationship management of various stakeholders have towards successful completion of contracts. Relationship of procuring entity with stakeholders such as suppliers/ contractors, users has a direct impact on the performance of a contract. However, the need to ensure completion in public sector inhibits the development of business relationships with contractors and its attached benefits. The literature from various authors indicates that relationship management is a critical factor for contract performance yet the laws of

public procurement in local government divert from the norms of relationship building with strategic suppliers.

Much information regarding critical success factors and performance of contracts was obtained from the literature reviewed; however, the researched evidence was not in the context of Local Governments in Uganda and in particular Rukungiri district. Thus, this literature could not be generalized in this respect thus, requiring a specific study like this to be conducted.

In conclusion therefore much as the secondary data obtained indicate a close relationship there was need to establish further findings using the primary data to ascertain the critical success factors needed to understand clearly for contract performance in district local governments.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used in the study which comprises of the research design, study population, sample size and selection, sampling techniques and procedure, data collection methods, data collection instruments, pre-testing research instruments (validity and reliability) and data analysis.

3.2 Research Design

The case study design was adopted because it enables the researcher get adequate time to obtain in-depth information about the critical success factors and performance of contract given that only one project was under study unlike studying several projects. Amin (2005) defines a case study as research that analyzes one a few subjects. Shields (2010) argue that case studies are useful in providing rich raw material for presenting, analysis and interpretation of findings. Case study assisted the researcher to study the same unit/subject over a period of time, which allows them to gather as much information as needed of the unit/subject. Both quantitative and qualitative approaches were adopted in the study. Quantitative means quantity which means there is something that can be counted. The researcher used Quantitative research for statistical analysis because it produces hard numbers (AIU, 2012). Qualitative research on the other hand deals with data in form of text (AIU, 2012). Thus, the use of quantitative approach in this study has allowed the researcher to solicit information that could be quantified while the qualitative was used to solicit data that was expressed in form of words/texts (Mugenda & Mugenda, 1999). Combining numerical and textual information helped the researcher enrich the interpretation of findings of the study.

3.3 Study Population

According to Amin, (2005) population is defined as the complete collection of all the elements that interest in a particular investigation. A population is the aggregate or totality of objects or individuals having one or more characteristics in common that are of interest to the researcher and where inferences are to be made. The study population included District Staff and Service Providers of Rukungiri local government. This population was selected due to their direct participation in contract management in all stages of contract implementation and execution. Therefore, the study targeted 143 respondents whereby 48 were service providers and 95 staff from Rukungiri District.

3.4 Sample Size

Amin (2005) defines a sample as a collection of some subset elements of a population. He further asserts that most statistical investigations generalize the results of the data from the sample to the entire population from which the sample was drawn. A sample size of 108 respondents was determined using a formula provided by Krejcie and Morgan as cited in Amin (2005). The sample size and selection are further presented in Table 2 below.

Table 1: Sample Size and Selection

Category	Accessible Population	Sample Size	Sampling Technique
District Executive Members	5	5	purposive sampling
Heads of Departments	11	11	purposive sampling
PDU Staff and members of Contracts committee	7	7	purposive sampling
Service Providers/Contractors	48	35	Simple Random Sampling
Town Clerks and Sub County chiefs	10	10	purposive sampling
Low District staffs	62	38	Simple Random Sampling
Total	143	106	

Source: *Rukungiri District Payroll (2012), Pre-qualification list of providers and Krejcie and Morgan as cited in Amin (2005)*

From Table 1, the first column presents the various categories of people the study targeted. The second column shows the total population of the targeted categories of people. The third column

shows sample of people that were selected from the targeted category of people. The last column shows how the various category samples were selected.

3.5 Sampling Techniques

The simple random sampling method was used to select low level district staff who total to 39 and service providers who total to 36. Simple sampling was used to give an equal chance to all lower cadre district staff and service providers to be selected given that their number is big and not all low cadre district staff and service providers were selected. Purposive sampling was used to select top cadre district staff because they are key respondents with more knowledge and take strategic decisions towards the study and a manageable number. This category included District executive members, PDU staff and Contracts committee, heads of departments as well as sub counties and town clerks. Purposeful sampling were used because it ensures samples are knowledgeable and informative about the phenomena being researched, thus increasing the utility of the information obtained from small samples (Creswell, 2003). Also convenience sampling were used to select contractors given that there are not always at the District, thus whoever were found at the office were requested to participate in this study.

Purposive sampling were used to select Town Clerks and Sub County chiefs, PDU Staff and members of Contracts committee, District Executive Members, Heads of Departments given that there are always at their work stations, thus whoever were found at the office were requested to participate in this study.

3.6 Data Collection Methods

The following data collection methods were applied in this study that is questionnaire survey, face to face interviews and documentary review, that maybe brief to be able explain the phenomenon.

Three data collection methods were used in the study. These included questionnaire survey, face-to-face interview and documentary review, which are briefly and explained in the following subsection.

3.6.1 Questionnaire Survey

A questionnaire survey is defined as a research method for gathering data from a designated cluster using identical questionnaires (Amin, 2005). The selected groups in this study include low cadre district staff and service providers. This method involves collecting data from a sample of low cadre district staff and service providers in orderly manner. Questionnaire survey was used for this category of respondents to save on time because their number is big to interview individually within stipulated time available.

3.6.2 Face-to-Face Interviews

Face-to-face interviews were used to collect data from district management staff such as chairman local council five, The chief Executive Officer, and some heads of department such as head of procurement department. They allowed the researcher to clarify ambiguous answers and obtain in-depth information through probing. Semi structured-interviews were designed to collect data for this study. Open-ended questions were used so that other valuable questions emerged from the dialogue between interviewer and interviewee. In this study, the probing interviewing tactics were used extensively to obtain a deeper explanation of the issue at hand from the respondents. This is largely due to the fact that the respondents often needed stimuli to expand or clarify their own answers and ideas more broadly, so that a broader understanding is more easily reached later on in the findings of this study.

3.6.3 Documentary Review

Secondary data were obtained from Rukungiri District Local Government, PPDA, MOFPED, Universities library centers, and UMI Resource Centre about procurement and contract management. These included Human Resource Manual for local government, minutes on issues of procurement management and contract performance, employee performance reports, print media reports and articles (Mugenda et al 2003). This approach is found to be very important in

dissemination of relevant theories to explain contract management in terms of contract planning, supplier selection, relationship management and contract performance in terms of effectiveness of contracts, efficiency of contracts and responsiveness of contracts in local government. These documents and reports helped to provide evidence for the contextual background and statement of the problem.

3.7 Data Collection Instruments

Three types of data collection instruments were used in the study. These include questionnaires, interview guides and documentary checklist, which are briefly explained in the following subsection.

3.7.1 Questionnaires

Self-Administered Questionnaires (SAQs) structured in nature were used to collect quantitative data from the low cadre district staff and service providers. Self-administered questions were in form of structured or closed ended questions (Mugenda (1999) and Amin (2005)). The standard questionnaire contained a list of possible alternatives from which respondents selected the answer that best suits the situation (Mugenda & Mugenda, 1999). The questionnaire were used to collect numerical data on procurement management and contract performance to generalize the findings of the sample to the population. The researcher used close-ended questionnaires, which enabled coding data during analysis.

3.7.2 Interview Guides

Creswell (2009) and Kothari (2004) suggested that the interview guide consists of a set of questions that the researcher asks face-to-face during the interview. An interview guide has structured questions (Mugenda & Mugenda, 1999; Kothari, 2004). During data collection, Interview guides were used to collect qualitative data from executive members, PDU staff, some contractors and heads of departments who are in position to provide in-depth information through

probing during the face-to-face interview. The researcher presented questions to these categories of respondents and their views were written down by the researcher. Data obtained during the interview was supplemented that obtained through the questionnaire.

3.7.3 Documentary Review Checklist

This involved a list of annual reports, services brochures, minutes and magazines with information pertaining to this study such as contract management reports, contract plans. This list was requested by researcher at the organizations. All relevant documents were listed and consulted to establish the critical success factors for contract performance.

3.8 Validity and Reliability of Instruments

Determination of content validity was done before administering the reach instrument to determine their capacity in capturing all the required data and determination of the reliability of the results obtained.

3.8.1 Validity

In order to establish whether the questions were in line to capture intended data, a validity test was carried out prior to the administration of the research instruments. Experts in research who are consultants and lecturers at UMI reviewed the questions to see whether they are capable of capturing the intended response. A Content Validity Index (CVI) was calculated with aim of establishing the validity of the research instrument. The formula below was used to establish the content validity index.

Content validity Index (CVI) = $\frac{\text{Relevant items by all judges as suitable}}{\text{Total number of items judged}}$

Table 2: Lecturers' Ratings for calculating validity

Raters	Relevant items	Not relevant items	Total
Rater 1	22	6	28
Rater 2	18	10	28
Total	40	16	56

Thus, $CVI = \frac{40}{54} \approx .714$

3.8.2 Reliability

The level of reliability was determined by assessing the pretested 20 respondents using the Cronbach's coefficient alpha and results obtained as shown below.

Table 3: Reliability of Questionnaire

Variable	Alpha	No. of items
Workforce factors	0.78	7
Process factors	0.81	7
Relationship factors	0.80	7
Performance of framework contracts	0.89	7

The alphas of the variables were all above .70, which (Amin, 2005) is recommended. If an instrument has high reliability, it is considered potentially a good measure of accuracy in the information obtained using the research instrument. Thus, the questionnaire was considered suitable for data collection.

3.9 Procedure of Data Collection

Upon approval of the proposal from Uganda Management Institute, the researcher requested for letter of introduction form the institute to enable him seek permission from district authorities. While distributing questionnaires, the researcher presented the authorization letter from School of higher degrees at Uganda Management Institute to the authorities to be able access the respondents. The respondents were given time within which they should return the fully filled questionnaires. Dates were also be set for the interviews with the key informants. Upon collecting questionnaires the researcher sorted and extracted data from them and coded them for further analysis

3.10 Data Analysis

This section presents the approaches used for analyzing data both qualitative and quantitative data analysis.

3.10.1 Quantitative data analysis

A computer program Special Package for Social Scientists (SPSS) was used to make the analysis by coding (Quantitative) data and entering it in this computer program. Descriptive statistics (frequencies and percentages) were used to determine the distribution of respondents on personal information and on the questions under each of the variables. Inferential statistics (Spearman and coefficient of determination) were used to test the hypotheses. Pearson correlation were used given that the scales to be used in the questionnaire were interval (Sekaran, 2003) and to determine the strength in the relationship between the independent variables (that is workforce factors, process factors and relationship factors) and the dependent variable (that is performance of contracts). Correlation coefficient were used to determine the direction of change in the variables, coefficient of determination to show the effect of independent variables (that is workforce factors, process factors and relationship factors) on the dependent variable (that is performance of contracts).

3.10.2 Qualitative Data Analysis

Qualitative data analysis involved editing data and reorganizing data and restructuring it into meaningful sentences. Arithmetic approach was in addition used to make analysis of the qualitative data acquired where themes were identified. The recurrent themes, which emerged in relation to each guiding question from the interviews, were presented in the results, with selected direct quotations from participants presented as illustrations.

3.11 Measurement of Variables

The variables of the study were measured using interval scale. Thus, different variables were measured at different levels. The researcher used the interval measurement, which categorizes

variables using statements such as strongly agree, agree, not sure, disagree and strongly disagree (Amin, 2005) to measure variables of the study. Using likert scale of ranking from 5 to 1 basing on Strongly Agree (SA); 5, Agree (A); 4, Not Sure (NS); 3, Disagree (D); 2, and Strongly Disagree (SD); 1

3.12 Ethical Considerations

The researcher acquired the authorisation letter from department of higher degrees at Uganda management institute that was provided as a requirement and permission to conduct the study at Rukungiri district local government headquarters. In addition a covering letter accompanying the research devices enlightening the sole purpose of the study and the questionnaires were distributed directly to the respondents in their respective areas for filling and were collected immediately the filling in is completed. The cover letter was mainly to introduce the researcher to the respondents and assure them that this information would be used entirely for academic purposes

In this study, ethical considerations are important in safeguarding discipline and propel the researcher to acquire rightful data (Sekaran, 2003). Before conducting the research, an introduction letter explaining who the researcher is presented to Rukungiri District local government for permission to conduct the study. The identity of people who participated in the study were obtained and kept strictly confidential. The consent forms were read and signed by the respondents before and the introductory part of the questionnaire had such a provision to help in motivating the respondents to actively participate in this study. Protecting the dignity and rights of every individual who actively got involved in this research project were taken into consideration by not exposing any given information before any one until the research work was complete and ready for everyone to read. Privacy of the respondents was respected in the following ways. Consultations were made with the respondents to know when they would be willing to attend to the researcher. Questioners were distributed only during working hours at the respondent's workplace. All

quotations used and sources consulted were acknowledged by means of references to avoid plagiarism.

Individual consent from the participants of this study was obtained first through signing of a consent form. This was done to ensure observation of their rights as employees and human beings.. To guarantee privacy, as noted above, all respondents were informed in advance that information that would be obtained was for academic purposes only and would be treated with much confidentiality (Amin, 2005).

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents findings of the study, analysis and interpretation of findings. It is divided into five segments. Section one presents findings relating to response rate, the second section presents results on Rukungiri District staff's background data. The third section presents findings on the effect of workforce factors on performance of contracts in Rukungiri District. The fourth section presents results on the effect of process factors on performance of contracts in Rukungiri District. The fifth section presents results on the effect of relationship factors on performance of contracts in Rukungiri District.

4.2 Response Rate

The study involved a total sample size of 108 respondents of Rukungiri District staff and service providers with 106 respondents as shown in table below. The researcher also got data from 12 respondents out of 16 key informants planned which is 75% of the targeted sample. The researcher did not attain 100% interview since some key staff had gone for further studies

Table 4: Response Rate

Respondents	Sampled size	Responses received	Percentage (%)
District Executive Members	5	4	80
Heads of Departments	11	11	100
PDU Staff and members of Contracts committee	7	7	100
Service Providers/Contractors	36	35	97
Town Clerks and Sub County chiefs	10	10	100
Low cadre district staffs	39	39	100
Total	108	106	98

Source: Data from field

From table 4 above, it can be observed that though the study was 108 only 106 respondents participated in the study giving a response rate of 98% way above the recommended two-thirds

(67%) response rate according to (Amin, 2005; Mugenda & Mugenda, 1999). Therefore, the results were considered representative of what would have been obtained from the population.

4.3 Background Information

The background information was collected from the district staff using questionnaires. This information was important to increase accuracy of information provided by District Staff because the more time one stays in an organization the more information acquired pertaining a contracts. Rukungiri District staffs were asked about their years of working with the organization. Findings are presented in Table 5.

Table 5: Findings about Tenure of Rukungiri District Staff

Tenure of Rukungiri District staff	Frequency	Percent
6 months	1	.9
6-1 year	8	7.5
1-2 years	52	49.1
2-3 years	45	42.5
Total	106	100.0

Source: *Data from field*

Findings in Table 5 show that most of the Rukungiri District staff (91.6%) who participated in the study had worked with Rukungiri District for more than 1 year. This implies that most of the respondents were conversant with the issues related to critical success factors and performance of contracts which the study sought to find out. Therefore, Rukungiri District staff who participated in this study provided dependable information about critical success factors and performance of contracts.

4.4 Workforce factors and Performance of Contracts in Rukungiri District

Descriptive statistics help to determine respondents' views/perception of the status of the variables of the study. In the respondents' views/perceptions was that the workforce factors, process factors, relationship factors and performance of contracts were poor, fair or better. Descriptive statistics

(frequencies and percentages) present before inferential statistics in the form of Spearman correlation and, coefficient of determination. This approach was adopted throughout this study.

4.4.1 Descriptive Results about Workforce Factors in Rukungiri District

Rukungiri District staff were requested to respond using a five-point Likert scale: “Strongly disagree”, “Disagree”, “Not sure”, “Agree”, and “Strongly agree” to 7 items about workforce factors as shown in Table 6 presentation and analysis followed.

Table 6: Findings about workforce factors

Items about workforce factors		Frequency	Percentage (%)
1. The district contracts management have adequate knowledge in items under the contracts at the beginning of each year	Strongly agree	51	48%
	Agree	44	42%
	Not Decided	3	3%
	Disagree	5	5%
	Strongly Disagree	3	3%
2. Teams for management of contracts are known at the start of each financial year	Strongly agree	51	48%
	Agree	42	40%
	Not Decided	2	2%
	Disagree	7	7%
	Strongly Disagree	4	4%
3. The district contracts management have adequate knowledge in items under the contracts at the beginning of each year	Strongly agree	57	54%
	Agree	37	35%
	Not Decided	3	3%
	Disagree	6	6%
	Strongly Disagree	3	3%
4. The district contracts management team perform well the supervisory activities of the contract	Strongly agree	36	34%
	Agree	50	47%
	Not Decided	8	8%

	Disagree	8	8%
	Strongly Disagree	4	4%
5. The district identifies responsibilities for contracts management at the start	Strongly agree	41	39%
	Agree	40	38%
	Not Decided	10	9%
	Disagree	12	11%
	Strongly Disagree	3	3%
6. There is team assigned to manage contracts at every start of the financial year	Strongly agree	41	39%
	Agree	35	33%
	Not Decided	8	8%
	Disagree	17	16%
	Strongly Disagree	5	5%
7. The district contracts management team shares experiences with service providers while performing duties	Strongly agree	40	38%
	Agree	36	34%
	Not Decided	13	12%
	Disagree	15	14%
	Strongly Disagree	2	2%

Source: Primary data

To analyze the findings in Table 6, staff were categories into ‘concurred’ and ‘Opposed’. In this sense the respondents in strongly disagree and agree were combined and regarded as Opposed while the strongly agree and disagree was combined to obtained concurred statistics. Thus, three categories of staff were compared, which included “staff who “opposed the items”, “staff who were not sure about the items” and “staff who concurred with the items”. Upon presentation of these findings, the interpretation was purely drawn based on the concurred, opposed and undecided elements only.

Findings obtained in Table 6 clearly indicate that staff concurred to all items about workforce factors compared to staff who opposed these items and staff who were not sure about these items.

A comparison made on several elements on these items shows that the percentage of staff that

opposed ranged from 8% to 21% while the percentage that were not sure ranged from 2% to 12% and the percentage of that concurred ranged from 72% to 90%. From these comparisons, it can be seen that percentages that opposed to the items and the percentage that were not sure about the items are lower compared to the percentages that concurred to the items. Thus, from this analysis, findings show that most staff was of the view that the district contracts management had adequate knowledge in items under the contracts at the beginning of each year and teams for management of contracts were known at the start of each financial year. Furthermore, it is shown that most staff was of the view that the district contracts management team had qualified staff to perform as the contracts requirement and the district contracts management team performed well the supervisory activities of the contracts.

Data obtained indicates that 90% of our respondents were in agreement that district contracts management have adequate knowledge in items under the contracts at the beginning of each year while 7% was in disagreement. In addition 88% response was also in agreement that teams for management of contracts are known at the start of each financial year while only 11% was in disagreement. This is an indication that proper planning is carried out before contractors are brought on board.

The responses obtained indicate that 81% of the response obtained showed that the district contracts management team performs well the supervisory activities of the contract while 8% voted otherwise. This is a high value trust in the employers of the company however consistent view should be strictly adhered to.

The district contracts management team performs well the supervisory activities of the contract. In regard to this matter, 72% of our respondents were in agreement for this action at the district while 21% of the respondents were in disagreement.

The data obtained from the responses indicates that 72% were in agreement that district contracts management team shares experiences with service providers while performing duties while 16% was in disagreement. 12% was silent about the issue.

Lastly, most staff was of the view that the district identified responsibilities for contracts management at the start, there was a team assigned to manage contracts at every start of the financial year and the district contracts management team shared experiences with service providers while performing duties.

Findings show that workforce factors of availability of staff and their expertise were favorable given that the response of most respondents was positive to all items in the questionnaire about workforce factors. However, the workforce factors were not favorable to all staff at the district as indicated by a few respondents whose responses were negative to items about workforce factors.

In an Interview with one of the staff he said;

Performance of any contract depends majorly on how informed and skilled the staffs implementing the contract are. When the district had administrative issues, we did not have any competent member of staff in PDU, so contracts did not yield much. As years went by, we recruited some staff and as of now it's fully staffed and the performance of providers under contracts in terms of timely delivery and pricing has improved.

Another staff said that;

A knowledgeable workforce in contract implementation and management is key in success of a mutual relationship of a provider and entity. All members of the institution play a big role in implementation of contracts not only procurement members but also all users need to be acquainted with the terms in ensuring the relationship is a success.

It is shown from the interview findings that key informants concurred with findings obtained from other staff using questionnaires showing that work force factors for managing the contracts in Rukungiri District were conducive though not very satisfactory. Like findings

obtained using questionnaires, the findings show that issues with workforce factors were inadequate staffing and incompetent staff. In this situation, these workforce factors contributed negatively to the performance of contracts but of late, their contribution has been positive. The documents reviewed show that for better performance of contracts workforce factor of availability of competent and trained staff should be excellent as it's the engine of attaining desired benefits and a coordinating force to all other factors responsible for contract success.

4.4.2 Descriptive Results about Performance of Contracts in Rukungiri District

Rukungiri District staff responded to 7 items about performance of contracts by indicating their agreement using a five-point Likert scale. The items and findings are presented in the first column of Table 7. The analysis and interpretation of the findings follows the presentation of findings.

Strongly disagree

Table 7: Findings about Performance of Contracts

Items about workforce factors		Frequency	Percentage (%)
1. Service providers for the district deliver on time	Strongly agree	42	40%
	Agree	27	25%
	Not Decided	9	8%
	Disagree	17	16%
	Strongly Disagree	11	10%
2. The district's contract targeted problems are solved as desired	Strongly agree	33	31%
	Agree	40	38%
	Not Decided	12	11%
	Disagree	10	9%
	Strongly Disagree	11	10%
3. I am satisfied with how district's contract objectives are achieved	Strongly agree	31	29%
	Agree	41	39%
	Not Decided	11	10%
	Disagree	14	13%
	Strongly Disagree	9	8%
4. The district's contracting involves minimum expenditure of time	Strongly agree	30	28%
	Agree	51	48%
	Not Decided	8	8%
	Disagree	14	13%
	Strongly Disagree	3	3%
5. The district's contracting involves minimum expenditure of effort	Strongly agree	34	32%
	Agree	40	38%
	Not Decided	13	12%
	Disagree	16	15%
	Strongly Disagree	3	3%

6. The district's contracting involves minimum expenditure of funds	Strongly agree	42	40%
	Agree	33	31%
	Not Decided	14	13%
	Disagree	13	12%
	Strongly Disagree	4	4%
7. I am satisfied with the way contracts are managed	Strongly agree	3	3%
	Agree	16	15%
	Not Decided	12	11%
	Disagree	37	35%
	Strongly Disagree	38	36%

Source: Primary data

Findings in Table 7 show that most staff concurred with all items about performance of contracts compared to staff who opposed these items and staff who were not sure about these items. A comparison on these items shows that the percentage of staff that opposed ranged from 16% to 26% while the percentage that were not sure ranged from 8% to 13% and the percentage of that concurred ranged from 65% to 76%. It however important to note that respondents were not pleased with the general management of the contract to the tune of 71%

The data obtained indicates that 65% of respondents were in agreement in regard to Service providers for the district delivering on time, while 26% were in disagreement. Only 9% was undecided. Timely delivery is one of the major concerns and measure of performance for various contracts. Also 69% of the responses obtained in regard to the district's contract targeted problems are solved as desired goal for its staff were in agreement while 20% was in disagreement in the general view. Only 11% was undecided.

The data obtained also indicate that 68% of the respondents were satisfied with how district's contract objectives are achieved while 21% expressed their disagreement as far as district contract performance is concerned. In regard to the district's contracting involving minimum

expenditure of time 76% was in agreement to this finding while 21% reported diverse to this finding, 9% was undecided to the response. However in general respondents expressed there dissatisfaction with the way in which contracts is generally managed to the tune of 71% while only 18% were in agreement that contracts were properly managed. This is an indication that the management functions to the contract management at Rukungiri district local government has some short falls while 11% of the respondents did not give their view about this findings.

From these comparisons, it can be seen that percentages that opposed to the items and the percentages that were not sure about the items are lower compared to the percentages that concurred to the items. Thus, from this analysis, findings show that most staff were of the view that service providers for the district delivered on time, the district's contract targeted problems were solved as desired and they were satisfied with how district's contract objectives were achieved. In addition, most staff was of the view that the district's contracting involved minimum expenditure of time, effort and funds however they were not satisfied with the way contracts were managed.

Generally, findings show that performance of contracts was good given that the response of most respondents were positive to all items in the questionnaire about workforce factors. However, the performance of contracts was not excellent as indicated by respondents whose responses were negative to items about performance of contracts.

In an interview with Head PDU;

Performance as a dimension of many factors; Not only workforce factors affect performance but also other factors like ability of suppliers to meet demands, other stakeholders understanding the concepts and appreciating the patience involved in the implementation since 2011 when s contracting was emphasized by contracts committee and Technical Planning Committee (TPC) approved by District Council. In line with PPDA regulations and Guidelines, delays in supplies of common user goods, low customer satisfaction and bureaucracies in

procurement contracts have been addressed. In the next years contracting will be cascaded to other items under roads and health service to ensure that all budgets are spend before June every financial

Thus, interview findings show that performance of the contract has improved. However, it is shown that inability of suppliers to meet demands, delays in supplies of common user goods, low customer satisfaction and bureaucracies in procurement contracts still persisted. The interview findings concur with findings obtained from staff using questionnaires, which showed some staff having a negative view that service providers for the district delivered on time, the district’s contract targeted problems were solved as desired and they were satisfied with how district’s contract objectives were achieved. After establishing staff’s views on workforce factors and performance of contracts under the first objective, the next step was to test the first hypothesis using inferential statistics. Findings are presented in sub section 4.4.3

Testing First Hypothesis

The first hypothesis stated, “*Workforce factors significantly affect the performance of contracts in Rukungiri District*”. Pearson correlation coefficient (r) was used to determine the strength of the relationship between workforce factors and the performance of contracts. The coefficient of determination was used to determine the effect of workforce factors on the performance of contracts. The significance of the coefficient (p) was used to test the hypothesis by comparing p to the critical significance level at (0.05). This procedure was applied in testing the other hypotheses and thus, a length introduction is not repeated in the subsequent section of hypothesis testing. Table 8 presents the test results for the first hypothesis.

Table 8: Correlation between Workforce factors and Performance of contracts

	Workforce factors
1. Performance of contracts	$r = .227$ $r^2 = .052$ $p = .000$ $n = 106$

Source: Data from field

Findings obtained showed that there was a weak positive correlation ($r = .227$) between workforce factors and performance of contracts. Since the correlation does not imply causal-effect as stated in the first objective, the coefficient of determination ($r^2 = .052$), which is a square of the correlation coefficient was computed and expressed as a percentage to determine the effect of process factors on performance of contracts. The coefficient of determination shows that workforce factors accounted for 5.2% change in performance of contracts. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the finding was significant. Because of this, the hypothesis “*Workforce factors significantly affect the performance of contracts in Rukungiri District*” was accepted.

Thus, the implication of the findings was that workforce factors *had a significant weak positive effect on performance of contracts in Rukungiri District*. The weak effect implied that a change in workforce factors contributed to a small change in performance of contracts. The positive nature of the effect implied that the change in workforce factors and performance of contracts was in the same direction whereby improvement in workforce factors contributed to improvement in performance of contracts and vice versa.

4.5 Process Factors and Performance of contracts in Rukungiri District

Before testing the second hypothesis, descriptive results (percentages) relating to process factors were presented, analyzed and interpreted; Findings are presented in the following subsection.

4.5.1 Descriptive Results about Process Factors

Rukungiri District staff were requested to respond using a five-point Likert scale: “Strongly disagree”, “Disagree”, “Not Sure”, “Agree”, and “Strongly agree” to 7 items about process factors as shown in Table 9. The analysis and interpretation of the findings about process factors follows the presentation of findings.

Table 9: Findings about Process Factors

Items about workforce factors		Frequency	Percentage (%)
1. There is a clear vision in the district's contracting procedures	Strongly agree	36	34%
	Agree	49	46%
	Not Decided	9	8%
	Disagree	9	8%
	Strongly Disagree	3	3%
2. There are clear known process for attaining a contract	Strongly agree	36	34%
	Agree	49	46%
	Not Decided	0	0%
	Disagree	9	17%
	Strongly Disagree	3	3%
3. There are clear supporting plans in the district's contracting	Strongly agree	34	32%
	Agree	53	50%
	Not Decided	7	7%
	Disagree	8	8%
	Strongly Disagree	4	4%
4. The district contracts management individuals understand the major risks in the contractual arrangements with suppliers	Strongly agree	5	5%
	Agree	43	13%
	Not Decided	13	12%
	Disagree	14	41%
	Strongly Disagree	31	29%
5. The district gives enough time for providers in bidding process	Strongly agree	39	37%
	Agree	36	34%
	Not Decided	9	8%
	Disagree	18	17%
	Strongly Disagree	4	4%
6. The district contracts management team understands the complexities in the contractual arrangements with suppliers	Strongly agree	5	5%
	Agree	10	9%
	Not Decided	8	8%
	Disagree	42	40%
	Strongly Disagree	41	39%
7. Processes, practices and procedures are in place to reflect the district's contracting policies	Strongly agree	34	32%
	Agree	44	42%
	Not Decided	9	8%
	Disagree	11	10%
	Strongly Disagree	8	8%

Source: Primary data

Findings in Table 8 show that most staff concurred to all items about process factors compared to staff who opposed these items and staff who were not sure about these items. A comparison on these items shows that the percentage of staff that opposed ranged from 11% to 21% while the

percentage that were not sure ranged from 7% to 12% and the percentage of that concurred ranged from 70% to 82%. The unique information obtained indicates that the district contracts management team did not understand the complexities in the contractual arrangements with suppliers to the tune of 82% response.

In the establishment of the effect of process factors on performance, findings obtained in regard to the district management's ability to provide a clear vision in the contracting procedures indicates that 80% believed in the districts vision by expressing their agreement while 11% was in a disagreement to the above element. Also 8% was undecided according to the findings.

The finding obtained also indicates that 80% of the respondents agree that the district procurement team follows a clear known process while attaining contracts while 20% disagreed with the assertion. This is an indication that in most cases the procurement procedures are followed and all respondents provided response particularly to this question as compared to any other in the entire research.

Also the findings obtained indicate that the district's contracting team develops and a clear supporting plans to be executed over a given period. This was indicated by 82% agreement responses as compared to 12% disagreement response and 8% undecided respondents.

The response obtained indicates that district contract management individual did not understand the major risks in contractual arrangements with supplier based on the response obtained. This was supported to the tune of 70% while only 12 % believed the contracting team clearly understood the major risks in the contractual arrangements. A significant number of 18% were undecided however added on either side the 70% still remains in control of the decision. However to a great extent they could easily support the 70% due to their response in the next element question.

The response also clearly indicates that districts give enough time for providers in the bidding process. This was supported by 71% agreement while 8% remained undecided on this matter. 21% responses was in disagreement according to the response obtained.

In addition it was clearly evident that the district contracts management team did not understand the complexities in the contractual arrangements with suppliers. This was supported to 79% response as compared to 14% agreement. In this case 8% still remained undecided. This was supported by their response in regard to risks management in the contract management.

From these comparisons, it can be seen that percentages that opposed to the items and the percentages that were not sure about the items are lower compared to the percentages that concurred to the items. Thus, from this analysis, findings show that most staff were of the view that there was a clear vision in the district's contracting and there were clear known processes for attaining a contract including clear supporting plans in the district's contracting. Furthermore, most staff was of the view that the district contracts management individuals understood the major risks in the contractual arrangements with suppliers and the district gave enough time for providers in bidding process. Lastly, most staff was of the view that the district contracts management team understood the complexities in the contractual arrangements with suppliers and processes, practices and procedures were in place to reflect the district's contracting policies.

Generally, findings show that process factors were favorable given that the response of most respondents was positive to all items in the questionnaire about process factors. However, the process factors were not favorable to all staff at the district as indicated by a few respondents whose responses were negative to items about process factors.

Interview findings shed light on process factors in Rukungiri District. In an interview with one of the service provider it was revealed that;

The processes are too long and tedious, require a lot of documents to submit before one gets a tender and more documents during delivery. It is better to always use orders and I supply without the tedious processes.

The interview findings concur with staff who perceived process factors as not favorable for the management of s contracts in Rukungiri District due a lot bureaucracy. This finding concurs with findings obtained using questionnaires, which showed that there were clear known processes for attaining a contract. However, bureaucracy can create inefficiencies in the performance of

contracts. These may be in form of delays. After establishing staff’s views on process factors, the next step was to test the second hypothesis using inferential statistics. Findings are presented in sub section 4.5.2.

4.5.2 Testing Second Hypothesis

The second hypothesis stated, “*Process factors significantly affect the performance of contracts in Rukungiri District*”. Pearson correlation coefficient (r) and coefficient of determine were used to test the hypothesis. Table 10 presents the test results.

Table 10: Correlation between Process Factors and Performance of Contracts

	Process factors
Performance of contracts	$r = .556$ $r^2 = .309$ $p = .000$ $n = 106$

Source: Primary data

In addition, data obtained indicated that there was a moderate positive correlation ($r = .556$) between process factors and performance of contracts. The coefficient of determination ($r^2 = .309$) shows that process factors accounted for 30.9% change in performance of contracts. These findings were exposed to a examine the significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the finding was significant. Because of this, the hypothesis “*Process factors significantly affect the performance of contracts in Rukungiri District*” was accepted.

The implication of these findings is that process factors *had a significant effect on performance of contracts in Rukungiri District*. The moderate *effect* implied that a change in process factors contributed to a moderate change in performance of contracts. The positive nature of the *effect* implied that the change in process factors and performance of contracts was in the same direction whereby improvement in process factors contributed to improvement in performance of contracts and vice versa.

4.6 Relationship Factors and Performance of Contracts in Rukungiri District

Before testing the third hypothesis, descriptive results (percentages) relating to relationship factors were presented, analyzed and interpreted; Findings are presented in the following subsection.

4.6.1 Descriptive Results about Relationship Factors

Rukungiri District staff were requested to respond using a five-point Likert scale: “Strongly disagree”, “Disagree”, “Not sure”, “Agree”, and “Strongly agree” to 7 items about relationship factors as shown in Table 11. The analysis and interpretation of the findings about relationship factors follows the presentation of findings in Table 11.

Table 11: Findings about Relationship Factors

Items about Relation factors		Frequency	Percentage (%)
1. The relationship between the district's contracts management team and service providers is constructive	Strongly agree	33	31%
	Agree	43	41%
	Not Decided	14	13%
	Disagree	10	9%
	Strongly Disagree	6	6%
2. There is regular communications between district's contracts management individuals and service providers	Strongly agree	33	43%
	Agree	46	31%
	Not Decided	11	10%
	Disagree	12	11%
	Strongly Disagree	4	4%
3. Tension between district's contracts management individuals and service providers is easily resolved	Strongly agree	30	28%
	Agree	46	43%
	Not Decided	12	11%
	Disagree	16	15%
	Strongly Disagree	2	2%
4. The contractual arrangements are always acceptable to both district's contracts management team and service providers	Strongly agree	32	30%
	Agree	51	48%
	Not Decided	7	7%
	Disagree	12	11%
	Strongly Disagree	4	4%
5. The district has a clear feedback mechanism for contracts	Strongly agree	29	27%
	Agree	45	42%
	Not Decided	10	9%
	Disagree	15	14%
	Strongly Disagree	7	7%
6. There is trust in communication between the district contracts management team with service suppliers	Strongly agree	25	24%
	Agree	50	47%
	Not Decided	12	11%
	Disagree	15	14%
	Strongly Disagree	4	4%
7. There is accountability in communication between the contracts management team with stakeholders	Strongly agree	11	10%
	Agree	5	13%
	Not Decided	14	7%
	Disagree	27	25%
	Strongly Disagree	49	46%

Source: Primary Data

Findings in Table 11 show that most staff concurred to all items about relationship factors compared to staff who opposed these items and staff who were not sure about these items. A

comparison on these items shows that the percentage of staff that opposed ranged from 15% to 21% while the percentage that were not sure ranged from 7% to 13% and the percentage of that concurred ranged from 69% to 78%.

In regard to the relationship factors, the findings indicate that there is a relationship existing between the district's contracts management team and service providers that is constructive for smooth running of procurement procedures. 72% of the respondents agreed to it while 15% did not believe the relationship is conducive especially for the two players in question. 13% remained undecided.

In addition, 74% was in agreement that there is regular communication between district's contracts management individuals and service providers. Communication is very important for successful completion and execution of a contract. 15% was not aware of the regular communication between the suppliers and contracting team while 10% was undecided about the matter.

To the tune of 78% the respondents were in agreement that the contractual arrangements are always acceptable to both district's contracts management team and service providers. 15% of the respondents were in disagreement while 7% remained undecided. The response obtained indicates that there is trust in communication between the district contracts management team with service suppliers to the tune of 71% agreement as compared to 18% disagreement and 11% undecided. This again proves the above findings and hence we can reliably confirm the communication flow between the district contracting teams and suppliers.

The findings obtained indicate that 81% of the respondents on this element believed that there is no proper accountability in the communication between contract management team and different stakeholders while only 12% was in agreement and 7% undecided.

From these comparisons, it can be seen that percentages that opposed to the items and the percentage that were not sure about the items are lower compared to the percentages that concurred.

to the items. Thus, from this analysis, findings show that most staff were of the view that the relationship between the district's contracts management team and service providers was constructive and there was regular communications between district's contracts management individuals and service providers. In addition, most staff were of the view that tension between district's contracts management individuals and service providers were easily resolved, the contractual arrangements were always acceptable to both district's contracts management team and service providers and the district had a clear feedback mechanism for contracts. Lastly, most staffs were in disagreement of the view that there was trust and accountability in communication between the district contracts management team with service suppliers.

Generally, findings show that relationship factors were favorable given that the response of most respondents was positive to all items in the questionnaire about relationship factors. However, the relationship factors were not favorable to all staff at the district as indicated by a few respondents whose responses were negative to items about relationship factors.

In an Interview with a member of Contracts Committee;

Relationship depends on how the two parties agree or disagree on set terms. especially repairs of vehicles, we have been in good terms with providers, payments and processes are on time. This is done in order to ensure sustainability and continuity in repairs and servicing of vehicles

Like findings from other staff obtained using questionnaires, the interview findings also show that relationship factors were sometimes favorable for the management of the contracts in Rukungiri District. In particular, interview findings show that sometimes there occurred disagreements with service providers on set terms and sometimes they agreed. Disagreements can compromise the performance of contracts which agreements facilitate the performance. Thus, after establishing staff's views on workforce factors, the next step was to test the second hypothesis using inferential statistics. Findings are presented in sub section 4.6.2.

4.6.2 Testing Third Hypothesis

The third hypothesis stated, “*Relationship factors significantly affect the performance of contracts in Rukungiri District*”. Pearson correlation coefficient (r) and coefficient of determine were used to test the hypothesis. Table 12 presents the test results.

Table12: Correlation between Relationship Factors and Performance of contracts

	Relationship factors
Performance of contracts	$r = 0.413$ $r^2 = 0.171$ $p = 0.000$ $n = 106$

Source: Data from field

Findings show that there was a moderate positive correlation ($r = .413$) between relationship factors and performance of contracts. The coefficient of determination ($r^2 = .171$) shows that relationship factors accounted for 17.1% change in performance of contracts. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation ($p = .000$) is less than the recommended critical significance at 0.05. Thus, the finding was significant. Because of this, the hypothesis “*Relationship factors significantly affect the performance of contracts in Rukungiri District*” was rejected.

Thus, the implication of the findings was that relationship factors *had a significant effect on performance of contracts in Rukungiri District*. The moderate correlation implied that a change in relationship factors was related to a moderate change in performance of contracts. The positive nature of the correlation implied that the change in relationship factors and performance of contracts was in the same direction whereby improvement in relationship factors was related to improvement in performance of contracts and vice versa.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, discussion, conclusions and recommendations. It is divided into four major sections. The first section presents results about the summary. The second section presents the discussion. The third section presents the conclusions. The fourth section presents recommendations.

5.2 Summary of Findings

5.2.1 Workforce Factors and Performance of Contracts in Rukungiri District

Findings show that there was a weak positive effect of workforce factors on performance of contracts whereby improvement in workforce factors contributed to a small improvement in performance of contracts and vice versa. Workforce factors accounted for 5.2% change in performance of contracts. In particular, workforce factors were favorable but not very favorable. This explains why performance of contracts was not excellent.

5.2.2 Process factors and performance of contracts in Rukungiri District

Findings revealed a moderate positive effect of process factors on performance of contracts whereby improvement in process factors contributed to improvement in performance of contracts and vice versa. Process factors accounted for 30.9% change in performance of contracts. In this study, process factors were favorable but not very favorable. This explains why performance of contracts was not excellent.

5.2.3 Relationship Factors and Performance of contracts in Rukungiri District

Findings revealed a moderate positive effect of relationship factors on performance of contracts whereby improvement in relationship factors was related to improvement in performance of contracts and vice versa. Relationship factors accounted for 17.1% change in performance of

contracts. It was found out in this study that relationship factors were favorable but not very favorable. This explains why performance of contracts was not excellent.

5.3 Discussion of Findings

5.3.1 Workforce Factors and Performance of contracts in Rukungiri District

The positive effect of workforce factors on performance of contracts established in study concur with findings by Banerji (2000) who established a negative relationship between the level of intellectual stimulation and the tendency for one to act unethically using bribery as one of the indicators of poor performance of contracts. Thus, the findings of this study agree with other scholars that unfavorable workforce factors lead to poor performance of contracts.

This study established that most staff on the district contracts management had knowledge about contracts while few staff did not. Yet it is advisable that it is important that all individuals or teams responsible for contract management must have adequate knowledge (business, contractual and technical) to understand both sides of the arrangement (Mahmud, 2008). Therefore, it is argued in this study that the staff on the district contracts management who had knowledge about contracts contributed to better performance of contracts in Rukungiri District. On the other hand, the staff on the district contracts management team who had no knowledge about contracts were responsible for performance of contracts in Rukungiri District not to be very excellent.

It was found out that although most staff in Rukungiri District was qualified to perform as the contracts requirement, some were not qualified. Zafar (2010) emphasized that contracts tasks should be assigned in light of the skills and experience required to perform such functions. Davis (2008) argued that the successful management of contracts would generally require skills and experience in relationship, financial management, project management, negotiation, performance management and problem solving. In this respect, it is noted that staff in Rukungiri District who qualified to perform as per contract requirement helped to improve the performance of

contracts while staff who were not qualified to perform as the contracts requirement negatively affected the performance of contracts.

Findings of this study revealed that most staff of the district contracts management team performed well the supervisory activities of the contracts although some did not. According to Nashikkar (2008), active supervision - the key to improved contractor management. Active supervision is a means of making sure that work is being done at the right time, in the best way by applying strictly set safety rules through planned actions. Applied correctly, active supervision is the key to reacting quickly to avoid or rectify problems, to measure progress in performance of contracts. The role of the supervision is very crucial for contracts management and hence the performance of contracts (Nashikkar, 2008).

This study established that most of the times, the district identified responsibilities for contracts management at the start. This, therefore, contributed to better performance of contracts. The finding of this study was in line with Zafar's (2010) suggestion that it is important that organizations internally identify and clearly assign responsibilities for contract management at the outset. Similarly, Ciccotello and Hornyak (2000) emphasized that contract management responsibilities need to be clearly identified. This helps in assigning people roles supported to develop and execute their skills appropriately, which enhances performance of contracts.

5.4 Recommendations

The recommendations below were drawn based on the objectives and data analyzed

5.4.1 Managerial implications

Rukungiri District Council and Management should improve some of the workforce factors in order to improve the performance of framework contracts. These factors are mainly related to the staff managing the framework contracts and specifically improvement of the staff's knowledge, skills and competences. Despite the high percentage of agreement on regard to assigning responsibilities to contract teams at every beginning of the contract, it is also evidenced that little

attention is given to their capacity building in order to manage such contracts effectively. This can be achieved if the district organizes workshops, seminars and training programs on framework contracts management for the staff.

The Districts Contracts Committee and PDU should improve on its processes in such a way that days allocated for each procurement as per the PPDA and Local government Acts are adhered to avoid delays. This can be well implemented by the involvement of trained contracts committees and procurement teams. This can be achieved through elimination of a number of levels that the district staff managing the framework contracts and service providers have to go through yet not required by the Local government act and PPDA Act which have contributed to delays in the processes of framework contracts.

There is need for the District management team and all user departments should improve on the relationship between all stakeholders involved in the managing of the framework contracts to improve the performance of framework contracts. The data collected highly indicated a communication gap and accountability to stake holders about the contract. This in my view if not addressed can continue to hinder the work relationship between different managers. Focus should be on agreement to set terms, frequent and regular communication, provision of feedback and create trust in the relationships.

5.4.2 Implications for researchers

District Local governments should start to priorities employing competent staff, and make all efforts in their budgets to attract skilled personnel consistently train them to address the current ever changing customer requirements. In addition, the procurement process stakeholders such as contracts committees, users and evaluation teams should always be trained as part of procurement Unit responsibilities to ensure proper procedures are followed to save time and resources during court cases.

Framework contracts process maybe lengthy but once the process of identifying the suppliers is complete then time is saved and quality can be easily managed. Hence local government districts should try to eliminate unnecessary procedures which are not guided by law but rather stick to Local government Act and PPDA Act in order to reduce on the bureaucratic procedures and deliver quality products.

Work relationships are very critical towards performance of employees in terms of quality output, quantity and in which period. I would recommend the district local government leadership to provide a platform for accountability communication periodically to avoid rumors. The communication gap creates room for uncertainty and gaps between different levels of management. This can be achieved through displaying public information to gazette places and consistently shared relevant information to stakeholders in time.

5.5 Areas for Further research

This study was restricted to three critical success factors (that is workforce factors, process factors and relationship factors) affecting the performance of framework contracts. However, other studies can be conducted on the effect of other critical success factors such as team/manager related factors, organization-related factors, external environment related factors, and information quality on the performance of framework contracts.

References

AGLG Perspectives Series (2016). "Improving local government procurement processes through"
Vol 5, No. 4 pg 22.

Amin, M. (2005). *Social science Research; Conception, Methodology and Analysis*. Kampala, Makerere University printing press.

Auditor General Report, (2014)

Basheka, B. (2008). *Procurement planning and local governance in Uganda: A factor analysis approach*. Paper Presented at the 2008 International Research Society for Public Management Conference, from 26-28 March 2008, in Brisbane, Australia.

British Institute of Facilities Management (BIFM), (2014), 'Measuring Contractors

CIPS (2016), 'Contract Management Guideline' available online at http://www.cips.org/documents/CIPS_KI_Contract%20Management%20Guidev2.pdf (Accessed on 23rd June 2016)

Coase, S. (1937) 'history of Transactional Contract Management in Queensland Corrections' pp 5

Daland, H. (2012), 'Sustainable Procurement: Concept, and Practical Implications for the Procurement Process Vol. 1, No. 7, 2012, pp. 01-07.

DiCicco-Bloom, B. & Crabtree, B. F. (2006). The qualitative research interview. *Medical Education*, 40, 4, 314-321.

Krejcie, R.V., & Morgan, D.W. (1970). *Determining sample size for research activities*. *Educational and Psychological Measurement*, 30, 607-610.

Lysons, K. (2006). *Purchasing and Supply Chain Management*, 3rded. London: PrenticeHall.

Mahmud (2013). Examining Postgraduate students' perceived competency in Statistical Data analysis and their attitude towards statistics. *International Journal of Education and Information Technologies*, 2(1).

Mugenda O. M. & Mugenda A. G. (1999). *Research methods Qualitative and Quantitative Approaches*. Nairobi: African Centre for technology Studies (ACTS).

Ntayi, J. M., Gerrit, R. & Eyaa, S. (2009). Supply Chain Swiftness in a Developing Country: The Case of Uganda Small and Medium Sized Enterprises. *E-Journal of Business and Economic Issues*, Vol. IV, No. I.

Oluka P.N. and Basheka B.C. (2014), 'Contract Management, Determinants of Constraints to Effective Procurement contract management in Uganda: A practitioner's perspective' Vol. 17, No. 2, pg 856.

Oluka P.N. and Basheka B.C. (2014), 'Determinants of Constraints to Effective Procurement contract management in Uganda: A practitioner's perspective' Vol. 17, No.1, pg 104.

Pedersen,P.K (2011), 'The Contract Management Project in Denmark' Performance Using KPIs Guidance Notes for Facilities Managers'

Public Procurement and Disposal of Public Assets Authority, (2014). *Investigation report on the award of tender to rehabilitate roads*. Kampala: Public Procurement and Disposal of Public Assets Authority.

Quarter OBT Report 2015/2016).

Rasmusen, E. B. (2001), Explaining incomplete contracts as the result of contract-reading cost, *Advances in Economic Analysis & Policy*. Retrieved 26 November 2013 from <http://www.bepress.com/bejeap/advances/vol1/iss1/art2>.

Rendon, R. G. (2009). *Contract Changes Management*. In G. A. Garrett (Ed.), *Contract Administration: Tools, Techniques and Best Practices* (pp. 69-87). Riverwoods, IL: CCH

Rendon, R. G., & Snider, K. F. (Eds.). (2008). *Management of Defense Acquisition Projects*. American Institute of Aeronautics and Astronautics, Reston, Virginia.

Rendon, R.G. (2010). *Critical Success Factors in Government Contract Management*. Retrieved 13 November 2013 from <http://www.ippa.org/IPPC4/Proceedings>.

Sekaran, U. (2003). *Research methods for business: A skill building approaches*, 4th ed. New

Shields, S. S. (2010). *The Case Study Approach: The Use of Case Studies in Information Operations*. The Joint Staff, J8 Warfighting Analysis Division.

Walton, G. J. (2009). Incentive contracts with unobservable competence levels. *The open Economics Journal*.

Williamson, O. (1981), 'Strategic Planning with Critical Success Factors and Future Scenarios: An Integrated Strategic Planning Framework' pp11

Creswell, J. W. (2003). *Research Design: Qualitative, Quantitative, and Mixed Method Approaches*, 2nd ed. Thousand Oaks, California: Sage Publications.

Nashikkar, N. J. (2008). *Contract Management*. UK: National Institute of Urban Affairs (NIUA).

Zafar, H. (2010). *Contract Management: Understanding public sector procurement processes. A supplier's guide to the procurement of ICT goods and services*.

Ciccotello, C. S. & Hornyak, M. J. (2000). Cooperation via contract: an analysis of research and development agreements, *Journal of Corporate Finance* 6, p. 1-24.

APPENDICES

Appendix 1: Krejcie and Morgan Table for Determining Sample Size from a Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: “N” is population size

“S” is sample size.

Appendix IV: Documentary Check List Used

1. PPDA Audit Reports for end of 2013/2014 and 2014/2015 Financial Years
2. OBT 1st quarter report for Financial years 2013/2014 and 2014/2015
3. Text books on procurement and contract management
4. Journals
5. Reports
6. Legal and Statutory instruments Governing Public Procurement
7. District's quarterly procurement reports to MoFPED and PPDA

Appendix II: Questionnaire

Dear Respondent,

The following questionnaire is for my Master’s thesis entitled, *“Critical success factors for performance of contracts in Local Governments of Uganda a case study of Rukungiri District”*. I am requesting for your cooperation in responding to the questions set.

Please kindly spare some few minutes and respond to these questions. Information received from you is for academic purposes and were kept confidential. You will not be victimized for whatever answer you have given and to ensure this; you are not required to identify yourself anywhere on the questionnaire.

Section A: Background Information

1. For how long have been working with Rukungiri District?

Below 1 year 1-2 Years 2-3 Years 3 Years and above

Section B: Workforce Factors in Contracting

How strongly do you agree or disagree with the following statements? Tick or circle the most appropriate using the following scale. If you are not sure of any items, circle or tick the number under “Not sure”. Please do not omit any statement.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree
SA = Strongly Agree

Workforce factors in contracting	SA	A	NS	D	SD
1. The District contracts management team have adequate knowledge in items under the contracts at the beginning of each year	5	4	3	2	1
2. Teams for management of contracts are known at each start of financial year	5	4	3	2	1
3. The District contracts management team have qualified staff to perform as per the contract requirements	5	4	3	2	1
4. The District contracts management team perform well the supervisory activities of the contracts	5	4	3	2	1
5. The District clearly assigns responsibilities for contract management at the start of every year.	5	4	3	2	1
6. There is a team assigned to manage contracts at every start of financial year	5	4	3	2	1
7. The district management team share experiences with service providers while performing duties	5	4	3	2	1

Section C: Process Factors in Contracting

How strongly do you agree or disagree with the following statements? Tick or circle the most appropriate using the following scale. If you are not sure of any items, circle or tick the number under “Not sure”. Please do not omit any statement.

SD = Strongly Disagree D = Disagree NS = Not sure A = Agree
SA = Strongly Agree

Process Factors in Contracting	SA	A	NS	D	SD
1. There is clear vision in the district’s contracting	5	4	3	2	1
2. There are clear known process for attaining a contract	5	4	3	2	1
3. There are clear supporting plans in the district’s contracting	5	4	3	2	1
4. The district contracts management individuals understand the major risks in the contractual arrangements with suppliers	5	4	3	2	1
5. The district gives enough time for providers in bidding process	5	4	3	2	1
6. The district contracts management team understand the complexities in the contractual arrangements with suppliers	5	4	3	2	1
7. Processes, practices and procedures are in place to reflect the district’s contracting policies	5	4	3	2	1

Section D: Relationship Factors in Contracting

How strongly do you agree or disagree with the following statements? Tick or circle the most appropriate using the following scale. If you are not sure of any items, circle or tick the number under “Not sure”. Please do not omit any statement.

SD = Strongly Disagree D = Disagree NS = Not Sure A = Agree
SA = Strongly Agree

Relationship Factors in Contracting	SA	A	NS	D	SD
1. The relationship between the district’s contracts management team with service providers is constructive	5	4	3	2	1
2. There is regular communications between district’s contracts management team with service providers	5	4	3	2	1
3. Tension between district’s contracts management individuals with service providers are easily resolved	5	4	3	2	1
4. The contractual arrangement are always acceptable to both district’s contracts management team and service providers	5	4	3	2	1
5. The district has a clear feedback mechanism for contracts	5	4	3	2	1
6. There is trust in communication between the district contracts management team with service suppliers	5	4	3	2	1
7. There is accountability in communication between the contracts management team with service suppliers	5	4	3	2	1

Section E: Contract Performance

How strongly do you agree or disagree with the following statements? Tick or circle the most appropriate using the following scale. If you are not sure of any items, circle or tick the number under “Not sure”. Please do not omit any statement.

SD = Strongly Disagree D = Disagree NS = Not Sure A = Agree

SA = Strongly Agree

Contracts Performance	SA	A	NS	D	SD
1. Service providers for the district deliver on time	5	4	3	2	1
2. The district’s contract targeted problems are solved as desired	5	4	3	2	1
3. I am satisfied with how district’s contract objectives are achieved	5	4	3	2	1
4. The district’s contracting involves minimum expenditure of time	5	4	3	2	1
5. The district’s contracting involves minimum expenditure of effort	5	4	3	2	1
6. The district’s contracting involves minimum expenditure of funds	5	4	3	2	1
7. I am satisfied with way contracts are managed	5	4	3	2	1

Thank you for your cooperation

Appendix III: Interview Guide

Dear Respondent,

Please kindly spare some few minutes to respond to the following questions. Information received from you is for academic purposes and were kept confidential. You will not be victimized for whatever answer you have given and to ensure this; you are not required to identify yourself anywhere on the questionnaire.

1. How long have you supplied or worked with Rukungiri District Local government and what is your view about the process followed to award contracts
2. Are you contented with procurement feedback at District regarding procurement activities?
Please explain your response.
3. Are you happy with procurement evaluation at District? Please explain your response.
4. How has contract management affected the district local government performance
5. How has the workforce affected the contract performance? Explain more
6. Do user departments' requisitions be served on time?
7. Is there a scenario where demands are not fulfilled by the service providers?
8. Payments are there in time and effective?
9. What factors lead to better performance of contracts?
10. Are there challenges faced with contracting?
11. Talk about workforce, process and relationship as factors responsible for performance of contracts
12. What advice can you advance for effective and timely service delivery in the District

Thank you for Cooperation