



**Institutional Factors Affecting Contract Management in Uganda: A case of Uganda
National Roads Authority**

By

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12/MMSPAM/30/078

**A Dissertation Submitted to the School of Management Science in Partial Fulfilment of
the Requirements for the Award of the Master's Degree in Management Studies (PAM)
Of Uganda Management Institute**

January, 2015

DECLARATION

I, John B. Ssejemba, declare that this study 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

John B. Ssejemba

Date

APPROVAL

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Date:

DEDICATION

I dedicate this book to my parents. I also dedicate this book to my family.

ACKNOWLEDGEMENT

I thank the almighty God for the wisdom and courage to complete this course. I am most grateful to my supervisors; Dr. James Nkata and Mrs. Aida Lubwama, who tirelessly encouraged and guided me throughout the study.

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LIST OF ACROYNMS

U N RA- Uganda National Roads Authority

PPDA- Public Procurement and Disposal of Public Assets Authority

PDU- Procurement and Disposal Unit

FAD- Finance and Administration Directorate

PDE- Procurement and Disposal Entity

PE- Procurement Entity

UMI- Uganda Management Institute

CVI- Content Validity Index

SPSS- Statistical Package for Social Scientists

OECD-DAC- Organisation for Economic Co-operation and Development-Development Assistance Committee

FAR- Federal Acquisition Regulation

WBS-Work Breakdown Structures

SOW- Statement of Works

ABSTRACT

The purpose of the study was to investigate the effect of institutional factors on contract management in Uganda National Roads Authority. Specifically, the study sought to: find out how Institutional Financing affects Contract Management in Uganda National Roads Authority; establish how the Institutional Structure affects Contract Management in Uganda National Roads Authority and; examine the extent to which Institutional Staff Competence affects Contract Management in Uganda National Roads Authority. The study used a cross-sectional survey research design, adopting both quantitative and qualitative approaches. The researcher used a sample of 140 respondents. Simple random sampling and Purposive sampling were used. Methods of data collection were questionnaires and interviews. Pearson's correlation co-efficient was used to determine whether there is linear relationship between institutional factors and Contract Management. Qualitative data was analyzed by quotation and paraphrasing. Findings of the study revealed that Institutional Financing, Institutional Structure and Institutional Staff Competence affect Contract Management in Uganda National Roads Authority. The researcher therefore concluded that Institutional Financing, Institutional Structure and Institutional Staff Competence had a positive relationship with Contract Management in Uganda National Roads Authority. The study recommends that; UNRA management should undertake risk assessment for high risk contracts; develop contract quality assurance plans for high risk contracts; strengthen or improve processes for payment and enforce good governance principles in contract management. In addition, UNRA should undertake procurement skills assessment and train staff in contract management through refresher courses, workshops, seminars and conferences where staff meet and share experiences, and finally, UNRA should ensure that contract management staffing is periodically reviewed in order to guarantee that there is always sufficient and adequate competency.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Contract Management in public procurement has significant implications for service delivery. Any single hindrance encountered during the process of delivering this function poses several challenges. Yet, contract management offers an important framework for ensuring the success of any procurement undertaking (Rendon, 2010). This study investigated the institutional factors affecting contract management. These factors were limited to; institutional financing, institutional structure and institutional staff competences. Contract management was measured in terms of effectiveness, efficiency and efficacy in Uganda National Roads Authority (UNRA). In this study, institutional financing, institutional structure and staff competences were conceived as the independent variables, while Contract management was the dependent variable. This chapter presents the background to the study, statement of the problem, objectives of the study, research questions, research hypotheses, conceptual framework, scope of the study, significance of the study, justification of the study and operational definitions.

1.2 Background of the study

1.2.1 Historical Background

Contracting has been around since the early 19th Century, when Cubitts in London first began to offer the services of a general contractor (Spiers, 1983). Contracting was a response to the increasing sophistication of construction technology during the industrial revolution. As techniques and materials proliferated, co-ordination problems on building sites became more complex. At the same time, the crafts and trades associated with construction were becoming more formalized. A series of issues combined to make the idea of general

contracting a viable proposition; continuity of employment for operatives, economies of scale in the use of plant, the development of the transport infrastructure, and so on. Since the 1970s, Privatisation of contracting has been transforming. Auger (1999) also observes that the New Public Management and the “reinventing government” movement have vigorously promoted alternative forms of service delivery, particularly contracting out business.

In Uganda, there is little empirical evidence on the determinants and constraints to effective contract management based on practitioners’ view point, despite the increasing drive towards the demand for value for money. World Bank Institute, (2011); Schiel, (2007); Swinney and Netssins, (2007); Odhiambo and Kamau, (2003), all observe that contract management has become a megatrend in many public entities, especially as a result of social accountability and increased demand of service delivery by citizens. However, Bolton (2006) observed that contract management challenges in both public and private organisations are endemic in any contractual relationship due to lack of transparency and poor record keeping.

Organizations today face turbulent and rapid changing external conditions that are translated into a complex, multifaceted and interlinked stream of initiatives (Rendon, 2010). These are affecting work and organizations design, resource allocation, systems and procedures in a continuous attempt to improve performance. With these environmental changes, the public sector has come under intense pressure to improve their operations and processes so as to reduce its reliance on exchequer funding (Ntayi, 2009). Further, there is need to increase transparency in operations and utilization of public resources, increase accountability for results and to deliver services more efficiently and at affordable prices to the tax payer thereby, forcing governments to institute reforms in the public sector. Existing experiences and literature alludes to several challenges in contract management. Indeed, Ntayi (2009)

observes that millions of dollars get wasted in Uganda due to inefficient and ineffective obstacles and challenges in the procurement process of which contract management is a part. Although the author does not give the actual numerical figure of the millions lost, the recent estimates by various agencies on corruption emanating from the public procurement function points to the monetary loss from this activity. Meanwhile contract management continues to receive less attention from policy makers and academics.

1.2.2 Theoretical Background

According to academic research, contract management is founded on several economic and management theories. Two theories were used by the researcher to explain contract management. These include the Principal-Agent theory as advocated by Donahue, (1989) in Michaels (2010) and the Institutional theory (Scott, 2004).

The Principal–Agent theory observes that a contract between the government and a contractor can be analyzed as a principal-agent relationship. The principal (government) contracts the agent (contractor) to perform a task, such as developing a weapon system. The principal-agent problem occurs because of conflicting goals and objectives between the two parties. In this relationship, the government’s objectives include obtaining the product or service at the right quality, right quantity, right source, right time, and right price (Lee and Dobler, 1971). Governments also have the additional objective of ensuring the product or service is procured in accordance with public policy and statutory requirements (FAR, 2011). Contractors, on the other hand, pursue the objectives of earning profit, insuring company growth, maintaining or increasing market share, and improving cash flow, just to name a few. Because of the different and conflicting objectives between the principal and agent, each party is motivated and incentivized to behave in a manner consistent with its objectives.

Agency theory is concerned with the conflicting goals between the principal and the agent in achieving their respective objectives and is focused on mechanisms related to obtaining information (for example, about the marketplace, the supply or service, or the contractor), selecting the agent (to counter the problem of adverse selection), and monitoring the agent's performance (to counter the effects of moral hazard) (Eisenhardt, 1989). Thus, the contract management process (how contracts are planned, structured, awarded, and administered) has its basis in agency theory (Rendon, 2010).

The same theory also attempts to deal with two specific problems: first, that the goals of the principal and agent are not in conflict (agency problem), and second, that the principal and agent reconcile different tolerances for risk. The principals and agents seek to maximize their utility from the same organisations. While the share holders seek to maximize their wealth in form of profits (dividends) made by the company, management too seek to maximize their utility by way of earnings. Also, because of the different roles of these two parties in the organisation, the risk tolerance levels differ. While the shareholders' risk appetite levels are normally low because of the need to protect the value of their wealth, management normally tolerate higher risk; these are normally reconciled in order for the company to operate well.

According to the Institutional theory (Scott, 2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. Scott (ibid) explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as basis for compliance. The normative pillar refers to norms (how things should be done) and values (the preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs, symbols, shared understanding).

1.2.3 Conceptual Background

It is very difficult to define institutional factors" because of the ambiguous meaning of the term "institution" itself. According to an institutional economist John Commons (1931), "one may define an institution as collective action in control, liberation and expansion of individual action". Institutions in his specification cover unorganized customs up to the organized management of social life, such as the family, the corporation, the trade association, the trade union, the reserve system, and the state all with control as a common feature.

An institution can also be defined as any structure or mechanism of social order governing the behaviour of a set of individuals within a given community. Institutions are identified with a social purpose, transcending individuals and intentions by mediating the rules that govern living behaviour.

In this study, institutional factors refer to those aspects that are within the control of an institution. These Institutional factors formulate and influence the actions and behaviour of individuals and institutions at different levels. However, in this study, the institutional factors under scrutiny were; institutional financing, institutional structure and staff competence, which are at play within an institution and the interaction of which have an effect on the overall contract management process.

Institutional financing refers to the allocation of assets and liabilities to an activity over a period of time. A key point in financing is the time value of money, which is concerned with the fact that a unit of currency today is worth more than the same unit of currency tomorrow. Financing is primarily aimed at pricing activities based on their risk level, and the expected rate of return. Gansler (2010) put forward different types of contract financing by

government. These include progress payments, performance based payments, advance payments, delivery payments, commercial interim payments among others.

Institutional structure refers to the different organs that make up Procurement and Disposal Entities (PDEs) which include the user departments, the evaluation committees, the contract committees, the Procurement and Disposal Units (PDUs), among others. Each of these organs has its culture though it is expected that there is one overall culture for the entire PDE. These different cultures affect the way contracts are created and administered.

Competency is the other critical aspect in contract management. The United Nations (UN) competency framework guide of 2012 defines competency as a combination of skills, attributes and behaviours that are directly related to successful performance on the job. Staff competence can also be described as a cluster of related abilities, commitments, and knowledge that enable a person to act effectively in a job or situation or process or activities. Competence indicates sufficiency of knowledge and skills that enable someone to act in a wide variety of situations. Because each level of responsibility has its own requirements, competence can occur in any period of a person's life or at any stage of his or her career. Guglielmino (1979), Derouen and Kleiner (1994) and Byham and Moyer (1996) summarized staff competencies to include decision making, creativity, and problem-solving; communication, leadership, negotiation, analysis, self-growth; time management and creation of business plans.

Contract management, according to Rendon (2010), can be defined as the process of systematically and efficiently managing contract creation and execution in order to maximize contractual benefits while minimizing risk. It refers to the procedures that enable a contracting authority first of all to come up with a contract and then the processes through

which the contracting authority verifies and ensures that the contractor is executing the project in accordance with the terms of the contract, providing the services/ supplying the products or constructing the public works that have been set forth in the tender documents, at the time and in the quantity defined in the contract but also with the quality and the cost that have also been defined in it. The underlying principle of contract management is basically to enable parties to the contract to meet their obligations. Building a mutually beneficial working relationship between the contract manager and provider throughout contract duration is therefore a necessity. This mutually beneficial working relationship enables both parties to anticipate future needs and requirements, along with reacting to current issues as and when they occur. Poor contract management can result in value for money opportunities not being realized. Indeed, the worst possible way to manage a contract would be to simply leave it to run its own course. Such a dysfunctional approach will inevitably lead to problems of varying degrees.

1.2.4 Contextual Background

The Uganda National Roads Authority was established by an Act of Parliament in 2006, with a responsibility of managing the National Roads Network, including its maintenance and development in a businesslike manner. Therefore, UNRA is a by-product of Government's commercialisation policies and it became operational on 1st July 2008. UNRA's Mandate is to develop and maintain the national roads network, manage ferries linking the national roads network and control axle overloading. Its Vision is to operate a safe, efficient and well developed national roads network.

UNRA operates under an organizational structure as approved by the Board in 2008. The Authority is headed by an Executive Director (ED) appointed by the Minister of Works and Transport on recommendation of the Board of Directors. In the UNRA organizational

structure, there are six Directorates, each headed by a Director who reports to the Executive Director. The Directorates are: (i) Planning, (ii) Projects, (iii) Operations, (iv) Finance and Administration, (v) Internal Audit and (vi) Procurement. Within each Directorate are Managers, Officers/Project Engineers, Technicians and Support Staff in order of hierarchy. The Legal Counsel and the Corporate Communication Manager report directly to the Executive Director.

In July 2008 when UNRA started operations, the Procurement and Disposal Unit (PDU) was a department under the Directorate of Finance and Administration (FAD), with only 4 staff out of 5 established posts then. This under-capacity in PDU resulted into a number of challenges. As a result, the Development Partners gave support to UNRA by providing Procurement Specialists in order to build capacity and in 2010; PDU was elevated to a Directorate, with 21 posts. Separate Departments for Procurement of Goods and Supplies, and Works and Services (Engineering Procurement) were also established under PDU to address the technical nature of the procurements involved.

In Uganda, contract management has also increasingly become prominent in the print and electronic media underlining how public entities handle the entire process. There are reports that government is losing huge sums of money in poorly managed contracts that cost tax payer a lot of money (Eyaa & Oluka, 2011). Corruption and bribes are widespread in government contracts (International Transparency, 2012). Procurement Systems in Uganda (PPDA, 2010), indicate significant variances between the actual and indicative time frames in contract completion. Other issues are with regard to the contractual payment periods while in other contracts some contract managers were not appointed. Furthermore, the Auditor General report (2011) established that the key issues affecting procurement of works include;

the lack of adequate supervision by engineers, and poor quality output and payment for no work undertaken or less work done than specified under the contracts.

1.3 Statement of the Problem

The government of Uganda increased resource allocation to the road sector and created the Uganda National Road Authority (UNRA) to coordinate the implementation of road project contracts (Background to the Budget, 2008). Procurement of these road project contracts is guided by the Public Procurement and Disposal of Public Assets Act 2003 and its regulations as amended in 2014. Despite this highly rated public procurement regulatory framework, the Uganda Public Procurement Compliance Reports sanctioned by the Public Procurement and Disposal of Public Assets Authority have continuously shown contract management as one of the areas where performance of public entities is poor (PPDA Report, 2009). The reports have consistently revealed that the procurement records with the lowest level of compliance are those that relate to contract management, and, in particular, the Contract Implementation Plan where compliance levels were at 26%, while compliance levels for records relating to contract completion was assessed at 54%. This state of affairs hampers public service delivery and casts a big shadow on the quality of public contract management in Uganda, and hence warrants an investigation with a view of establishing factors that affect contract management in the Country. This study therefore examined the institutional factors that affect contract management in public institutions in Uganda, with specific reference to Uganda National Roads Authority.

1.4 Purpose of the Study

The purpose of this study was to investigate the effect of institutional factors on contract management in Uganda National Roads Authority.

1.5 Objectives of the study

1. To find out the effect of Institutional Financing on Contract Management in Uganda National Roads Authority.
2. To establish the effect of Institutional Structure on Contract Management in Uganda National Roads Authority
3. To examine the extent to which Institutional Staff Competence affects Contract Management in Uganda National Roads Authority.

1.6 Research Questions

1. What is the effect of Institutional Financing on Contract Management in Uganda National Roads Authority?
2. What is the effect of Institutional Structure on Contract Management in Uganda National Roads Authority?
3. To what extent does Institutional Staff Competence affect Contract Management in Uganda National Roads Authority?

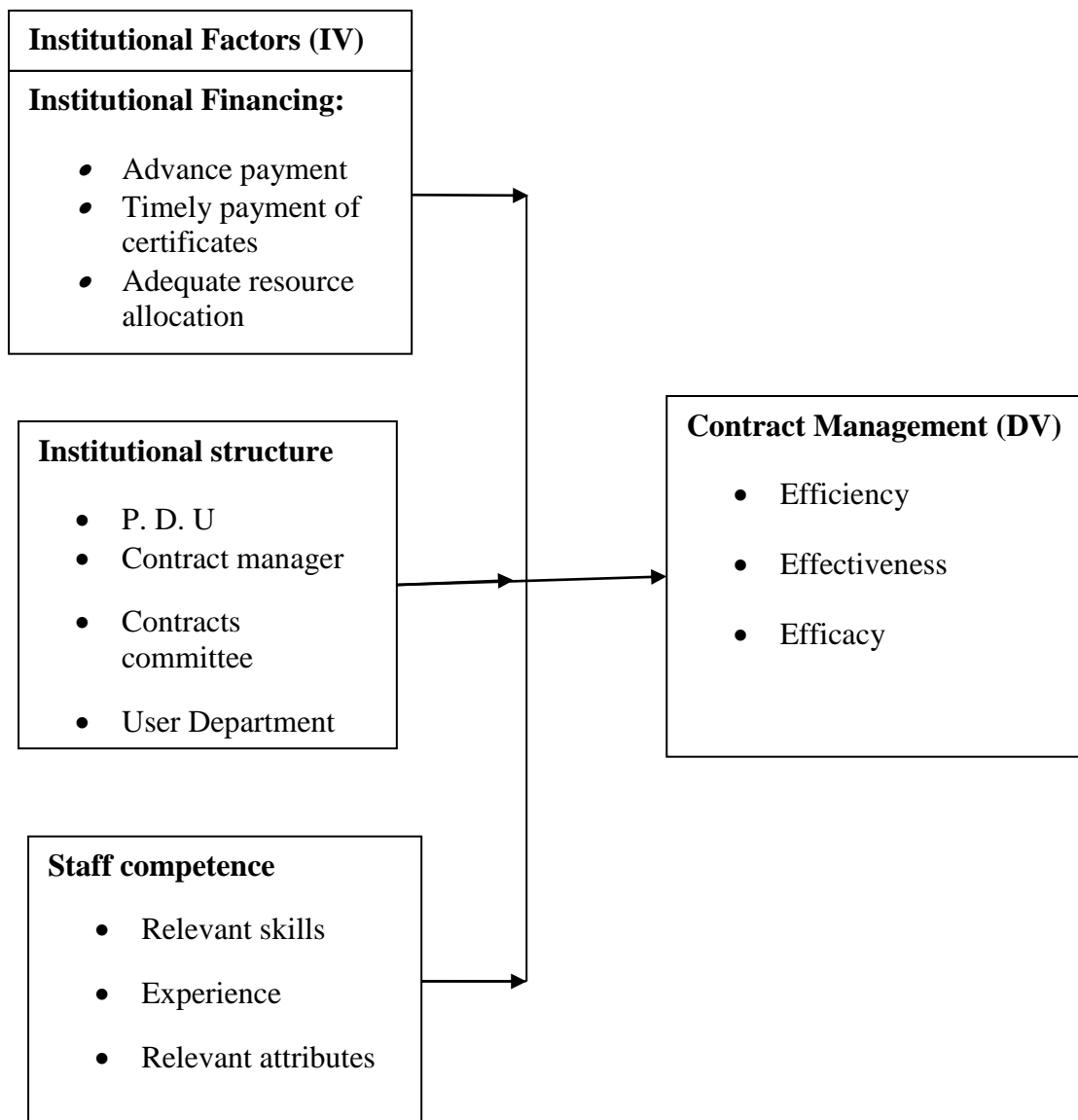
1.7 Research Hypotheses

1. Institutional financing has a significant and positive effect on Contract Management in Uganda National Roads Authority.
2. Institutional Structure has a positive significant effect on Contract Management in Uganda National Roads Authority.
3. Institutional Staff Competence positively affects Contract Management in Uganda National Roads Authority.

1.8 Conceptual Framework

This study sought to establish whether there was a relationship between institutional financing, institutional structure and staff competence and contract management. The study's conceptual framework was based on the model shown in Fig. 1.1;

Figure 1.1: The relationship between institutional factors affecting contract management.



Source; *Adopted from Teelken & Smeenk, (2003) and modified by the researcher*

Figure 1.1 shows the researcher's conceptualisation of the relationships between the variables of the study. As indicated above; the figure depicted the relationships in the three objectives of the

study. Institutional financing, institutional structure and staff competence were shown as the independent variables. Contract management with the dimensions of efficiency, effectiveness and efficacy was shown as the dependent variable. It was conceptualized that the independent variables worked to improve or worsen contract management. For example adequate institutional financing, good institutional structures and high staff competences would improve contract management or vice versa.

1.9 Scope of the study

1.9.1 Geographical Scope

This study was carried out at Uganda National Roads Authority headquarters in Kampala, located at Plot 5, Lourdel Road, Nakasero. The researcher chose this case study because of its proximity and access to information concerning contracts and further bearing in mind that Uganda National Roads Authority (UNRA) had one of the largest shares on the National budget. For the financial year 2013/2014, Uganda National Roads Budget was UGX 1,943,667,000,000/=. This was 78.8% of the entire works sector and excludes the funding from the Uganda Road Fund (Ministry of Works Ministerial Budget Policy Statement for the financial year 2013/2014).

1.9.2 Content Scope

The study was concerned with the institutional factors affecting contract management at Uganda National Roads Authority. The researcher mainly concentrated on institutional factors which were limited to institutional financing, institutional structures and staff competence. Contract management was measured in terms of efficiency, effectiveness and efficacy.

1.9.3 Time Scope

The study utilized data for 3 years from 2010-2013. This period was preferred because it was within this period that the number of contracts managed by Uganda National Roads Authority (UNRA) greatly increased (PPDA, 2013).

1.10 Significance of the Study

The study fostered creation of new knowledge and awareness in the area of contract management in all sectors of the economy, both private and public. The study also enhanced value to the operations of Uganda National Roads Authority by way of improving performance, gap identification as well as proposals to fill those gaps. The researcher anticipated that the findings and policy recommendations generated from the study would be of invaluable input to the stakeholders of Uganda National Roads Authority in general and also to other organisations. Further, findings are anticipated by the researcher to add more knowledge on the already existing body of knowledge in the subject area. The study was also to stimulate further research in this area. Findings and recommendation of this study could guide Uganda National Roads Authority in policy formulation. The study was also to add to the researcher's personal professional development.

1.11 Justification of the Study

In the world of procurement, contract management is one of the key aspects and has a major impact on the successful execution of a project. To a large extent, quality, cost, and timely completion of a project depend on the management of a contract (PPDA, 2013). The application of sound policies and practices, characterized by equitable, fair, and open procedures, is indispensable, not only for creating dependable and stable markets that are able to attract efficient contractors and suppliers, but also to safeguard the principle of accountability and the cost-effective use of public funds. The realization that with managing

supplies strategically, firms can save huge amounts of money led firms to begin to invest in this area of management (Cousins and Spekman, 2003).

Many researchers have carried out studies on Contract management in organisations but no study of this nature has been conducted in Uganda National Roads Authority ever before and therefore this study is very relevant, timely and appropriate in the wake of citizens and donors demanding for accountability, transparency and value for money. The findings of this study could enable scholars and practitioners to appreciate the Organisational factors that explain the quality of contract management in public entities in Uganda and more empirical studies were to be conducted to systematically formulate relevant models.

1.12 Operational Definitions

Contract management: Contract management is looked at as a process of systematically and efficiently managing contract creation, contract execution in order to maximize contractual benefits while minimizing risk. It refers to the procedures that enable a Contracting Authority first of all to come up with a contract and then the processes through which the contracting Authority verifies and ensures that the Contractor is executing the Project in accordance with the terms of the Contract, providing the services/ supplying the products or constructing the public works that have been set forth by the Tender documents, at the time and in the quantity defined in the Contract but also with the quality and the cost that have also been defined in it.

Institutional financing: Institutional Financing is the allocation of assets and liabilities to an activity over a period of time. Financing is primarily aimed at pricing activities based on their risk level, and the expected rate of return.

Institutional structure: Institutional structure refers to the mechanism of social order governing the behaviour of a set of individuals within a given community. It is generally

described as the behavior of humans who are part of an institution and the meanings that the people attach to their actions.

Staff competence: This is a combination of skills, attributes and behaviours that are directly related to successful performance on the job by a staff. Staff competence is generally a cluster of related abilities, commitments, and knowledge that enable a person to act effectively in a job or situation or process or activities.

Efficiency: Efficiency describes the extent to which time, effort or cost is well used for the intended task or purpose. It is used with the specific purpose of relaying the capability of a specific application of effort to produce a specific outcome effectively with a minimum amount or quantity of waste, expense, or unnecessary effort.

Effectiveness: Effectiveness is the capability of producing a desired result. When something is deemed effective, it means it has an intended or expected outcome, or produces a deep, vivid impression.

Efficacy: Efficacy refers to the ability to produce a desired or intended effect in the long term.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains a review of existing literature as presented in textbooks, journals, magazines, newspaper articles and the internet, related to institutional factors and contract management in public organizations. The chapter is structured under the headings of; Introduction, theoretical review, review of related literature and summary of the literature review, highlighting the gaps that were established.

2.2 Theoretical Review

According to Academic research, contract management is founded on several economic and management theories. Two theories that were used by the researcher to explain contract management were; the principal-agent theory, advocated by Donahue (1989), cited in Michaels (2010) and the institutional theory, proposed by Scott (2004). According to the Principal-Agent theory, a contract between the government and a contractor can be analyzed as a principal-agent relationship. The principal (government) contracts with the agent (contractor) to perform a task, such as developing a weapon system.

The principal-agent problem occurs because of conflicting goals and objectives between the two parties. In this relationship, the government's objectives include obtaining the product or service at the right quality, right quantity, right source, right time, and right price (Lee and Dobler, 1971). Government also have the additional objective of ensuring the product or service is procured in accordance with public policy and statutory requirements (FAR, 2011). Contractors, on the other hand, pursue the objectives of earning profit, insuring company growth, maintaining or increasing market share, and improving cash flow, just to name a few.

Because of the different and conflicting objectives between the principal and agent, each party is motivated and incentivized to behave in a manner consistent with its objectives.

Agency theory is concerned with the conflicting goals between the principal and the agent in achieving their respective objectives and is focused on mechanisms related to obtaining information (for example, about the marketplace, the supply or service, or the contractor), selecting the agent (to counter the problem of adverse selection), and monitoring the agent's performance (to counter the effects of moral hazard) (Eisenhardt, 1989). Thus, the contract management process (how contracts are planned, structured, awarded, and administered) has its basis in agency theory (Rendon, 2010).

The agency theory also deals with two specific problems: first, that the goals of the principal and agent are not in conflict (agency problem), and second, that the principal and agent reconcile different tolerances for risk. The principals and agents seek to maximize their utility from the same organisations. While the share holders seek to maximize their wealth in form of profits (dividends) made by the company, management too seek to maximize their utility by way of earnings. Also, because of the different roles of these two parties in the organisation, the risk tolerance levels differ. While the shareholders' risk appetite levels are normally low because of the need to protect the value of their wealth, management normally tolerate higher risk; these are normally reconciled in order for the company to operate well.

According to the Institutional theory (Scott, 2004), institutions are composed of cultural-cognitive and regulative elements that, together with associated activities and resources give meaning to life. The author explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as a basis for compliance. The normative pillar

refers to norms (how things should be done) and values (the preferred or desirable), social obligation being the basis of compliance. The cultural-cognitive pillar rests on shared understanding (common beliefs and symbols).

2.3 The concept of Contract Management

In order to provide additional granularity and a deeper level of analysis, it is more appropriate to discuss the contract management process using a six-phased lifecycle. These six phases of contract management are Procurement Planning, Solicitation Planning, Solicitation, Source Selection, Contract Administration, and Contract Closeout (Rendon, 2010).

Procurement Planning involves the process of identifying which organizational needs can be best met by procuring products or services from outside the organization. The process involves determining whether to procure, how to procure, what to procure, how much to procure, and when to procure (Garrett & Rendon, 2005). Best practices in procurement planning include market research to identify supplier capabilities, as well as determine industry practices for describing the requirement and determining contract type. Under this phase, early supplier involvement through the use of pre-solicitation conferences and industry benchmarking are also considered best practices of contract management.

Solicitation Planning involves the process of preparing the documents needed to support the solicitation. This process involves documenting program requirements and identifying potential sources (Garrett & Rendon, 2005). This contracting phase includes selecting appropriate contract type, determining procurement method, developing the solicitation document, determining proposal evaluation criteria, and contract award strategy, structuring contract terms and conditions, finalizing solicitation Work Breakdown Structures (WBS), Statement of Works (SOW), or product or service descriptions. Best practices in solicitation

planning may include using cross-functional teams for developing solicitations, and identifying contract risks.

Solicitation is the process of obtaining information (bids and proposals) from the prospective sellers on how project needs can be met (Garrett & Rendon, 2005). This phase of the contracting process includes conducting pre-proposal conference, if necessary, conducting advertising of the procurement opportunity, or providing notice to interested suppliers and developing and maintaining qualified bidder's list. Best practices in the solicitation phase include using web-based and other paperless solicitation processes, as well as using draft solicitations as a source industry feedback.

Source selection is the process of receiving bids or proposals and applying the proposal evaluation criteria to select a supplier (Garrett & Rendon, 2005). The source selection process includes the contract negotiations between the buyer and the seller in attempting to come to agreement on all aspects of the contract, to include cost, schedule, performance, terms and conditions, and anything else related to the contracted effort. Garret and Rendon (ibid) further observe that the source selection process includes applying evaluation criteria to management, cost, and technical proposals, negotiating with suppliers & executing the contract award strategy. Best practices in the source selection phase include using a formal source selection organization with trained and experienced cross-functional proposal evaluation teams, using a weighting system to prioritize the evaluation criteria and using a disciplined approach and following the evaluation criteria stated in the solicitation. Additional best practices include obtaining independent cost estimates to assist in evaluation supplier proposals, and conducting a price realism analysis on each supplier proposal.

Contract Administration is the process of ensuring that each party's performance meets the contractual requirements (Garrett & Rendon, 2005). The contract administration process includes conducting a pre-performance conference, measuring contractor's performance, using performance evaluation tools, conducting risk monitoring and control, managing the contract change control process, measuring and reporting contractor's performance (cost, schedule, performance) & conducting project milestone reviews. Best practices in the contract administration phase include using a formal contract administration methodology with trained and experienced cross-functional team members competent in contract performance measurement. Additional best practices for the contract administration phase include using an integrated performance evaluation method and establishing a contract change control process.

Contract Closeout is the process of verifying that all administrative matters are concluded on a contract that is otherwise physically complete (Garrett & Rendon, 2005). The contract closeout process includes processing property dispositions, conducting final acceptance of products or services, processing final contractor payments, documenting contractor's performance, & conducting post project audit. Best practices in the contract closeout phase include designating and empowering a formal contract closeout team, using contract closeout checklists, and documenting contracting lessons and best practices learned.

In several countries, few articles have rigorously analyzed and empirically tested the factors that actually affect contract management. Within the relatively scarce empirical evidence on contracting decisions and management (Boyne, 1998; Ferris & Graddy, 1986), there is yet little information on the effectiveness of contract management specific to public procurement. Prager (1994) contends that proper and effective management and monitoring of contracts helps improve the quality of goods and services and reduces procurement cost thus achieving

three broad goals: quality products and services, timely delivery of products and services, and cost effectiveness (within budget).

Williamson (2002) asserts that all complex contracts are unavoidably incomplete, on which account the parties will be confronted with the need to adapt to unanticipated disturbances that arise by reason of gaps, errors, and omissions in the original contract and realized at the time of implementation. Studies addressing contracting in general are varied (Azom 1999; Ruchiu (2008); Martin and Miller (2006); Davison and Sebastian (2009a) though not specific to the determinants and constraints in public procurement in Uganda.

Ruchiu (2008) argues that despite the fact that contracts are made in good spirit, many contracts are not supervised. This casts doubt whether contract management process is really taken seriously. If the likely determinants and constraints are ignored, public entities are more likely to suffer shocks that may even bring the institutions to their 'bended knees'. Inevitably organizations will eventually encounter poor service delivery, resulting in loss of clients and market share, declining profitability; erosion of capital, high borrowing costs from banks or public debt, and deteriorating institutional reputation. This study sought to make a contribution by conducting an exploratory study that would form a basis for developing a model of the constraints to effective contract management, specifically in public procurement.

Rotich (2011) admits that contract management has always been a vexing problem for procurement professionals. He asserts that traditionally, firms concentrate on analyzing their own internal trends, which does not portray the true picture on how well they compare with competitors. Such an approach ignores what the competitors are doing. Lenders (1997) reveals that a firm does not wish to make known to its competitors how or what it is doing for obvious competitive reasons. This has also been the case in the public sector where procuring

entities have not been availing their procurement data due its perceived sensitive nature. On the other hand, Baquero (2005) argues that traditional government contracts worldwide have tended to focus on inputs rather than outputs. He suggests that the focus should instead be on what projects can deliver rather than how much the project costs, which calls for high level of performance management in the entire process.

2.4 Review of related Literature

2.4.1 Institutional Financing and Contract Management

2.4.1.1 Advance Payment

In doing business with the government, contractors have numerous sources of financing which include advance payments among others. The program manager and contracting officer must make a sound business case judgment on which source of financing is the most beneficial to the government for each contract (Gansler, 2010). Most donors consider that a well-functioning procurement system is an essential requirement if their funds are to be used effectively to promote development. Where such a system is not provided by the host country, donors may insist on using their own procedures. There has been a trend in recent years for using national systems where these are suitable, through multi-donor budget support programmes (Abeillé, 2003). Most developing countries prefer the flexibility that comes with receiving development aid through budget support; they have an incentive to reform their public procurement and financial management systems.

2.4.1.2 Timely Payment of Certificates

For a number of years, economists have pointed out the existence of a positive relation between investments in public infrastructure and the productivity of the private sectors of the economy (Barro, 1991). Aschauer (1989) and Munnell (1990) stressed the important role of the public sector in funding infrastructure to stimulate economic development. Mc Crudden

(2004) also highlights factors such as delayed funding from the government, bureaucracy in the procurement system and poor capacity of local contractors, as contributing to poor contract implementation, hence hurting service delivery.

Basheka (2009) opines that in Uganda, funds are released only when a district has met the basic accountability requirements and when there is money in the treasury. All this makes it almost impossible for the service providers to do their work effectively and in the shortest time possible and hence making it hard for them to meet the scheduled deadlines.

2.4.1.3 Adequate resource allocation

Kakwezi and Nyeko (2010) argues that the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results, and are therefore unable to determine their efficiency and effectiveness.

According to Gansler (2010) resource confirmation and resource allocation helps make procurement effective when carried out appropriately. Rendon (2010) further outlines critical success factors for both project and contract management as being qualified workforce, clear processes, relationships, resources, leadership and policies all of which have a direct impact on an organization's project management and contract management processes as well as resulting outcomes. Helsby and Kaizer (2003) contends that enterprises should do more to prevent fraud by actively evaluating and estimating the obstacles that maybe encountered in the process of execution and that these measures should be closely supported by ongoing monitoring. However, according to Gansler (2010), from the evaluation point of view, the effect of financing on contract management is a difficult construct to certainly measure. It is partly this unsettled debate that warrants this study.

2.4.2 Institutional Structures and Contract Management

2.4.2.1 Procurement and Disposal Unit

Kabaj (2003) contends that an efficient public procurement system is vital to the advancement of African countries and is a concrete expression of their national commitments to making the best possible use of public resources. Equally, Kakwezi and Nyeko (2010) argue that the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results, and are therefore unable to determine their efficiency and effectiveness. This implies that such a problem requires establishment of clear procurement procedures and performance standards.

In Uganda, procurement and disposal units (PDUs) are central to proper procurement management, to manage effectively and more efficiently the contract management process. Procuring entities through the existing legal framework are required to firstly consolidate departmental procurement plans to provide the entity's corporate procurement plan which before its implementation must get the Accounting Officer's approval.

Industry Manual, (2008) counsels that a procurement plan is an instrument for implementation of the budget and should be prepared by the user departments with a view to avoiding or minimizing excess votes in the entities' budgets and to ensure that procurements do not proceed unless there are funds to pay for them. This implies that all procurement plans must be well integrated into the budget process based on the indicative budget as appropriate and in compliance with the procurement law.

2.4.2.2 Contract Managers

Agreeably Mamiro (2010) in his findings underscores these facts and concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement. Similarly, Kakwezi and Nyeko (2010) argue that procurement performance is not usually measured in most procurement entities as compared with the human resource and finance functions. They conclude in their findings that failure to establish performance of the procurement function can lead to irregular and biased decisions that have costly consequences to any public procuring entity. The realisation of the value of a successful tendering process and the inherent value for money can be achieved through successful contract implementation. The adequacy and reliability of the statement of requirements in meeting the need for the procurement is finally tested through contract management process (PPDA, 2007). There are no records and evidence across the sampled entities for the appointment of contract managers after contract signing as provided for in the legal framework (PPDA, 2007).

This study was conceived by the limited scientific literature documenting the relationship between factors such as institutional financing, institutional structure, staff competency and contract management more specifically at Uganda National Roads Authority.

2.4.2.3 Contracts Committee

According to Basheka (2009), there are five dimensions through which we can judge the level of institutionalization of any structure and its ability to adapt to change, including: autonomy, complexity, coherence, congruence and exclusivity. Rendon (2010) further outlines critical

success factors for both project and contract management as being qualified workforce, clear processes, relationships, resources, leadership and policies all of which have a direct impact on an organization's project management and contract management processes as well as resulting outcomes. In a well functioning procurement process, the contracts committee must perform its functions independently. Once this is deficient, it increases the risk of endangering value for money and creating room for corruption.

In recent times, corruption has turned out to be one of the most challenging phenomena of our time that can easily make the process of contract management unsuccessful. A World Bank survey of government and civil representatives in the sixty developing countries confirmed that corruption is one of the greatest obstacles to successful contract management (Charles & Oludele, 2003). This opinion was later re echoed by Martin and Miller (2006) who assert that standards set are usually weak and are often not adhered to and as a result quality is compromised.

2.4.2.4 User Department

The records for contract management are scattered; the payment records and information are in finance departments while other contract management records are in various user departments within the entity. In contract management, there is a need to enforce the appointment of contract managers in all cases (PPDA, 2007). However this should be accompanied with capacity building development programme in contract management for the user department to improve the contract management. Contract management may also be constrained by dispute resolution by the courts which is costly and unreliable. In that event, private ordering efforts are required to support governance structures, thereby mitigating prospective contractual impasses and breakdowns which may have merit.

However, the relationship between institutional structures and contract management by the user department remains highly unresolved. According to O'Connor (2006), there is no hard, convincing public evidence that developing laws, policies, regulations and procedures guarantee an effective and efficient contract management process. Those who have attempted to measure the impact of institutional structures on contract management have been largely subjective and not statistically robust. In the same spirit, having in place institutional structures like PDU, Contracts Committee, User Department, Contract Manager does not in itself guarantee effective contract management. The researcher noted that this unsettled debate warranted further research.

2.4.3 Staff competence and Contract Management

2.4.3.1 Relevant Skills

The most rated human resource management factors were the fact that (1) job descriptions, and roles are not defined accurately and (2) the contract manager usually has limited knowledge of the contract (Basheka & Oluka, 2011). Moreover, Rendon (2010) rightly observed; that some of the critical success factors for both project and contract management include having a qualified workforce, clear processes, relationships, resources, leadership and policies, all of which have a direct impact on an organization's project management and contract management processes as well as the resulting outcomes.

According to Hwang (2009), some of the indicators of competence include skills based on theoretical knowledge, existence of a professional association, extensive period of education, testing of competence, institutional training, licensed practitioners, work autonomy, code of professional ethics, self regulation, legal recognition, control of pay and high status and rewards.

2.4.3.2 Experience

Research conducted by Mahmud (2008) 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 which is gained through experience. Ethics is an upcoming aspect in the business arena (Hill et al, 2009). Many organizations have collapsed because of paying little attention to the aspects of ethics at work place (OECD-DAC, 2008).

A contractual relationship is usually entered into with both parties to a contract expecting to do what they are supposed to do. This is usually beyond or sometimes below the standards that they might have perceived. Suppliers for instance might have misconceived the contract details which makes them realize later that they do not have the capacity and experience to perform as per the requirements of the contract. In this kind of scenario, the suppliers are fond of acting unethically by providing kickbacks to the evaluators to conceal the facts they find out in the progress of the contract performance, a signifying unethical conduct in the management of the contract (Zafar, 2010).

Unethical conduct can also be on the side of the vendor. The vendors (or the contract managers on the side of the user department) tend to ignore the activities taking place in the performance of the contract when they are actually supposed to be there and see what the supplier is doing as part of their supervisory work (Basheka, 2009). This is an element of unethical conduct which has been found to result from incompetence of the contract managers on the side of the vendors to fully contribute in the supervisory activities of the contract performance (Davis et al, 2008).

Leonard (2005) indicates that much as competence is relative, when one is good at something; s/he tends to do it so well.

A study conducted by Ntayi, Rulangaranga & Muhwezi (2013) revealed that competence is necessary for one to act ethically. When a public officer in charge of managing contracts at

local government level is competent in his or her duties, there is likelihood that this person will act ethically in most of the aspects of the contract. This therefore calls for people at local government level in Uganda to ensure that the managers in charge of contracts are competent enough to execute their duties. This is likely to reduce the level of unethical conduct at local government level.

2.4.3.3 Relevant Attributes

Further Research indicates that successful government contracting depends on sufficient internal management capacity. Numerous studies have examined the decision to contract out and its pitfalls, but few have tracked the effect of institutional factors and contract management. Equally pertinent is need for trained personnel in contract management and procurement procedures. But this is not usually the case, as supported by Nadiope (2005) who observes that the government lacks trained procurement personnel. In Uganda the need for training personnel particularly in contract management can only be established after what is known about the same has been established. Public Procurement Authorities must continuously formulate and implement strategies to address the existing capacity gaps within PDEs especially in the area of contract award and management. This is evidenced by the PPDA Capacity Building Report (2010) which noted that some PDEs had serious constraints in execution and monitoring of contracts. The public procurement regulatory framework dictates that contracts must be drawn carefully, involving all stakeholders for completeness to avoid unnecessary deviations. Therefore, key responsibility centres, as they relate to different procurement processes must be established.

In contract management, the procurement laws prescribe that there should be an appointed contract manager who ought to possess the relevant attributes and also be very clear on his or her roles and responsibilities. However, a close analysis of the above findings suggests that there are human resource related determinants. However, despite the various studies, there

was no empirical evidence on the influence of staff competences on contract management in Uganda National Roads Authority.

2.5 Summary of Literature Review

The review of related literature showed that limited research had been done concerning Institutional financing, institutional structure and staff competences in general and contract management in particular. Subsequently, the existing body of knowledge on the same was highly limited. Moreover, there was no conclusive agreement on the effect of Institutional factors and contract management in Uganda National Roads Authority (UNRA) yet UNRA is unanimously considered being critical in the economic development and transformation of Uganda's economy. It is this knowledge gap that this present study sought to bridge.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the research design; study area and study population; sampling methods and sample size determination; research procedure; the data collection methods that were used; data quality issues; data analysis and presentation and measurement of the study variables.

3.2 Research Design

This research embraced the cross sectional survey design. The choice of this design was because the study was aimed at investigating the effect of institutional factors on contract management in Uganda National Roads Authority. According to Amin (2005), cross sectional survey designs are compatible with explorative studies which are not covering a very large area. In addition, given the limited duration within which the study was to be conducted, the researcher found the cross sectional design more suitable.

3.3 Study Population

Mugenda and Mugenda (2003) assert that study population refers to an entire group of individuals, elements or objects having common observable characteristics. The total population of this study was 187 respondents who included 7 Directors and 26 Managers as key informants, 18 Consultants, 60 Officers, 34 Assistant Officers and 42 general employees.

3.4 Determination of Sample size

Sekaran (2003) asserts that sampling design and size are very crucial because they give a sense of direction in research. The sample was made in consultation with Amin (2005) who (by help of Krejcie and Morgan (1970)), suggests the use of a sample table to determine

which equivalent sample would ensure representation. The researcher stratified the accessible population by category as; Directors, Managers, consultants, officers and general employees. The categories of respondents interviewed were stratified in order to purposively target key informants on the subject of study for specific information. Sampling was guided by the table below.

Table 3.1: Showing Sampling Techniques and Sample Representations of the Study

No	Category	Population	Sample	Sampling Technique
1	Directors	7	4	Purposive Sampling
2	Managers	26	10	Purposive Sampling
3	Consultants	18	10	Purposive Sampling
4	Officers	60	52	Simple Random Sampling
5	Assistant Officers	34	28	Simple Random Sampling
6	Other Employees	42	36	Simple Random Sampling
Total		187	140	

Source: UNRA Human Resource Database (2014)

3.5 Sampling Techniques

Both probability and non probability sampling techniques were used. Among the probability sampling techniques used by the researcher were the Simple random sampling method or techniques; while the purposive sampling technique, a non-probability sampling techniques, was used for selection of key informants. In quantitative researches, it is believed that if the sample is carefully obtained, it is then possible to generalize the results to the whole population as suggested by Amin (2005).

3.5.1 Simple random sampling

According to Mugenda & Mugenda (1999), simple random sampling is used in a situation when each respondent has an equal chance of being selected to participate in the study. Simple random sampling was used in the selection of Officers, Assistant officers and other employees as respondents. The study constituted 116 randomly selected Respondents. In this case, the accessible population was named in a piece of paper, put in ballot box and randomly selected. This sampling technique was preferred because it was not possible to reach out to all Officers and general employees in Uganda National Roads Authority. In addition, the approach ensured that each respondent had an equal chance of being chosen.

3.5.2 Purposive sampling

Purposive Sampling is a method whereby sample elements judged to be typical representative are chosen from the population (Kothari, 2004). The chance that a particular case was to be selected for the sample depended on the subjective judgment of the researcher. According to Amin (2005), purposive sampling was preferred in selecting people holding positions that allow them to be more knowledgeable with issues going on in their areas of jurisdiction. In that respect the researcher used purposive sampling for selecting key informants; these comprised Directors and Managers at Uganda National Roads Authority because they were knowledgeable about contract management in the Organization.

3.6 Data collection methods

The study employed both quantitative and qualitative data collection methods.

3.6.1 Questionnaire Survey

This method was used to collect data from Officers, Assistant officers and other employees in the general staff category. This method was preferred because, considering the large sample

size, it was suitable as it saved time and responses generated were easy to quantify and analyze as recommended by Amin, (2005). The researcher designed closed ended questionnaires which were sent out to the Officers and other general employees for completion because they were quite many in number (Mugenda & Mugenda, 1999). The questionnaires were structured in line with the topic and the objectives of the study.

3.6.2 Interview

Interview guides with open ended questions were administered to Directors, Manager and Consultants in Uganda National Roads Authority headquarters because they were quite knowledgeable about contract management in the organisation. These were designed according to the themes of the study. It was advantageous to use interview method because it allowed probing which led to generating of crucial results on the subject as observed by (Mugenda and Mugenda, 1999). In this study, the directors, managers and consultants participated in an oral interview to enable a deeper analysis based on their role and experience about contract management in Uganda National Roads Authority.

3.7 Data collection Instruments

The study employed both quantitative and qualitative data collection instruments.

3.7.1 Questionnaire

The researcher used the questionnaire method for collecting primary data. Self administered questionnaires were used for officers and other employees. Structured questions arranged per objective were used for employees because this was the most appropriate instrument for a big sample (Mugenda & Mugenda, 1999). The questionnaire used a 5- point Likert scale ranging from 5 {strongly agree} to 1 {strongly disagree}, in order to provide consistent responses. The questionnaire was the enabling tool for the application of this method. For this study, this

method captured the responses of employees who could not be easily reached for interviews. The questionnaire was systematically organized to include demographic characteristics of the respondents, and the study variables; institutional financing, institutional structures, staff competence and contract management in Uganda National Roads Authority.

3.7.2 Interview guide

The interview method was also used for collecting primary data. The interview schedule or guide was used as the tool for applying this method. Interviews were conducted with the key respondents since this method gave chance for probing, hence being able to draw deeper information (Amin, 2005). Semi structured questions organized per objective were used to stimulate the Directors and Managers into detailed discussion of how institutional factors affect contract management in Uganda National Roads Authority. This helped to standardize the interview situation and to obtain data required to meet the specific objectives of the study.

3.8 Validity and Reliability

3.8.1 Validity

Validity refers to the appropriateness of an instrument in measuring whatever it is intended to measure (Amin, 2005). To ensure validity the researcher consulted supervisors (UMI), constructed data collection instruments and made sure that each item had a link to the objectives of the study and ensured all items covered full range of issues being measured. Face validity was established where tools and questions were chosen rationally, which was the appropriate way to find out what was being measured, content validity focused on the extent to which the contents of an instrument corresponded to contents of the theoretical concept designed to measure (Amin, 2005). The instruments were discussed with the supervisors and later pre-tested using a sample of 5 respondents within the study population

but outside the sample who were asked to fill them and later gave comments on their accuracy and clarity, and after pre-testing, ambiguous questions were polished.

The researcher used simple language and clear instructions appropriately to the respondents. Questions were rephrased to ensure consistency in responses of the participants. After, the content validity index was computed as shown below;

$$CVI = \frac{37}{44} \times 100 = 84\%$$

3.8.2 Reliability

Reliability of the instruments was established through the use of Cronbach Alpha provided by SPSS. The researcher carried out a pilot study of about 5 questionnaires to Officers, assistant officers and other employees. It was from this data that Cronbach Alpha was computed and the value had to be above 0.7 to consider the instrument reliable (Amin, 2005). The reliability of the interview guide was established using peer review and member checking. The reliability test value was analysed using Cronbach's Alpha reliability coefficient given by the following formula;

$$\alpha = \frac{n}{n-1} \left(1 - \frac{\sum Vi}{V_{test}} \right)$$

Where;

α = Alpha coefficient

n = Number of items in the instrument

\sum = Summation

V_i = Variance of scores on each item

V_{test} = Total variance of overall scores (not %'s) on the entire test

Table 3.2 Reliability Statistics Results

	Cronbach's Alpha	Number of Items
Contract management	.832	14
Institutional financing	.781	10
Institutional structure	.779	13
Institutional staff competence	.792	7

Source: Primary Data

The reliability statistics shown in Table 3.2 reflect high reliability coefficients which indicated that all sub areas had been included in their correct proportions. All the alpha statistics were above 0.7, as recommended by Amin (2005). Therefore, the instrument was adopted, since the test had shown that it would yield consistent results over time.

3.9 Data collection Procedure

Before going to the field, the researcher submitted the research proposal to the School of management science for approval. After defence of the proposal, the researcher got a cover letter from Uganda Management Institute and an authorization letter from Uganda National Roads Authority Headquarters for researcher identification before the respondents. The researcher went to the field for a baseline survey to ascertain the kind of respondents, information, and conditions under which the study was to be carried out. Questionnaires were delivered to the respondents after assuring them of their voluntary participation, confidentiality of information given and anonymity. Completed questionnaires were collected after three days. The researcher contacted key informants and provided them with the necessary details of the study seeking their consent to participate in the study and requested for dates on which the interviews were conducted.

3.10 Data Processing and Analysis

Both quantitative and qualitative data were collected and analyzed.

3.10.1 Quantitative Data Analysis

Mugenda & Mugenda (1999), state that quantitative data analysis is a process is analysed by editing, coding and tabulating it. Quantitative data was obtained from questionnaires, each questionnaire was given a unique serial number extracting of inertial summaries by data reduction using soft numbers coding by categorizing data, sorting and filling were carried out. Statistical package for the social sciences (SPSS) was used to aid to process and summarize information got from the questionnaires. This tool was user friendly and helped the researcher to generate frequencies, correlation and regression and helped in interpretation of data (Amin, 2005). The data was analyzed for descriptive statistics, that is, frequencies, percentages, mean, mode and median and was presented using graphs, histograms and pie charts and tables. Relational statistics like correlations were used to establish the relationship between variables relating to Institutional factors in Uganda National Roads Authority and contract management. The information of the same category was gathered, analyzed and a report was written.

3.10.2 Qualitative Data analysis

Qualitative data responses from Directors, Managers and Consultants of Uganda National Roads Authority was sorted, categorized and arranged according to themes and categories that were developed on each of the study variables in the conceptual framework in order to support the hypotheses tested. Detailed information was collected, analyzed and presented inform of paraphrases or quoted upon permission of the respondents. The responses were summarized in a narrative form as a representation of the major findings of the study. The findings were presented objective by objective.

3.11 Measurement of variables

An ordinal scale was used to measure the variables. This scale provided for variables which generate responses that can be ranked. Since this study used a five point likert scale, where the level of agreement was ranked as strongly agree, agree, neutral, disagree, strongly disagree.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

The study set out to investigate the effect of institutional factors on contract management in Uganda National Roads Authority. This chapter presents the rate of response, research findings, analysis and interpretation of findings based on the specific objectives of the study.

4.2. Response rate

The response rate was computed to establish whether it was adequate for the generation of the required data. Out of a sample size of 117 respondents, 95 (81%) managed to respond to the questionnaire instrument, while 22 respondents, that is, 19% were not in position. This non response may be attributed to factors like failure to get time due to their tight work schedules. According to Amin (2005), a response rate of over 70% in a survey should yield valid findings; therefore a response rate of 87% was adequate to facilitate this study. Therefore, this data can be relied on to give a framework in which conclusions can be inferred.

4.3 Demographic characteristics of respondents

This section presents the sample characteristics of the employees such as their sex, marital status, age, educational level and number of years worked in Uganda National Roads Authority.

4.3.1 Sex of respondents

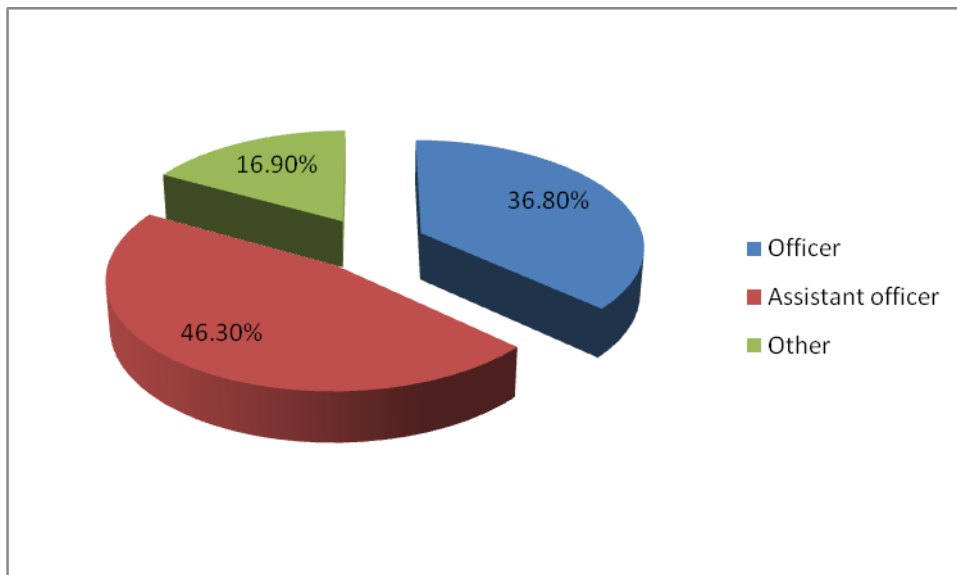
Table 4.1: Showing Sex of respondents

	Frequency	Percent
Male	55	57.9
Female	40	42.1
Total	95	100.0

Source: Primary Data

Table 4.1 shows that the majority of the respondents, 55(57.9%) were male as opposed to females who were 40(42.1%). This shows that generally, there is a margin between males and females in Uganda National Roads Authority. The researcher however did not ascertain whether this margin between male and female respondents had a relation with contract management.

4.3.2 Job Category of respondents

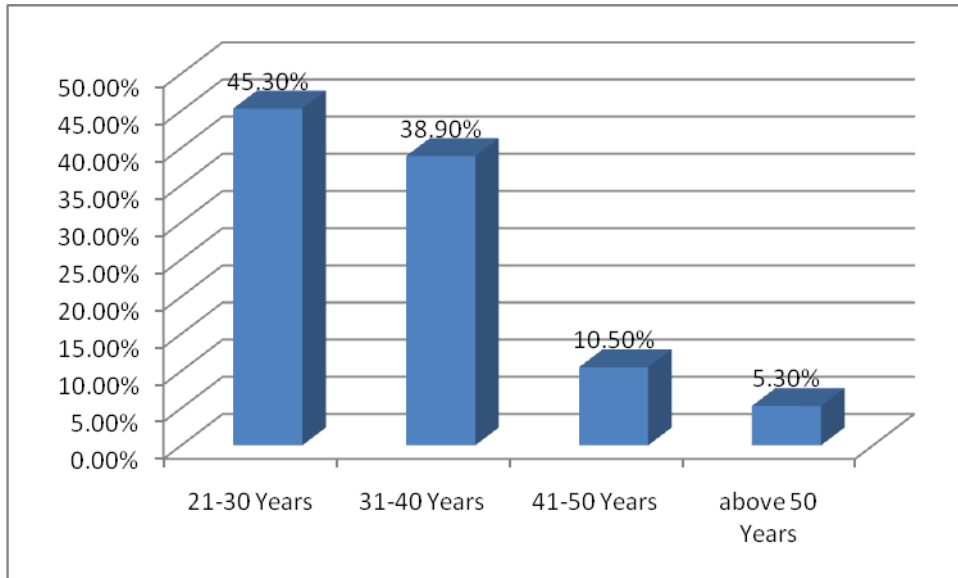


Source: Primary Data

Figure 4.1: Showing Job Category of respondents

Figure 4.1 shows that 46.3% of the respondents were assistant officers, 36.8% were officers, and 16.9% were in the other category of general employees. The results indicate that the sample size contained a fair representation of the entire population under study.

4.3.3 Age of respondents

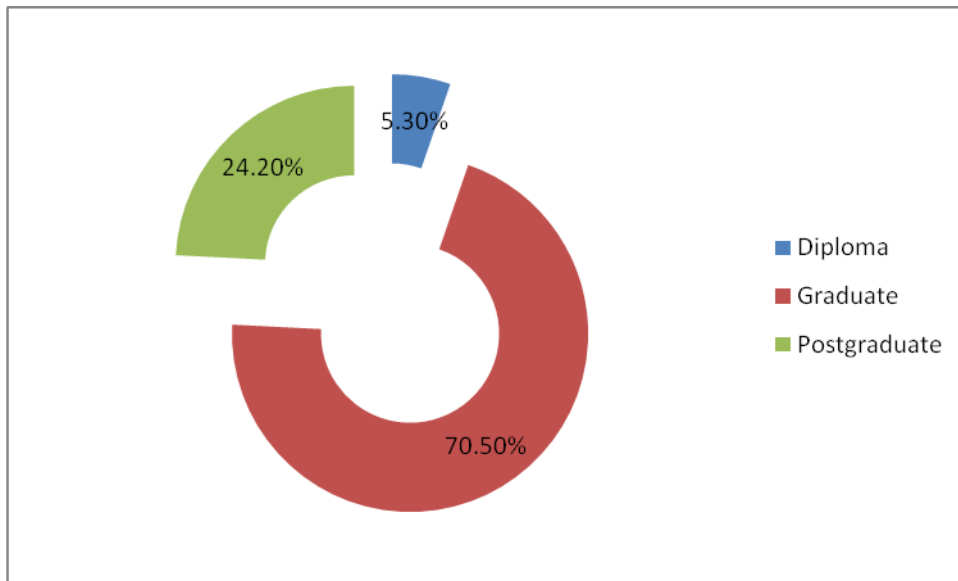


Source: Primary Data

Figure 4.2; Showing Age of the respondents

Figure 4.2 above show that majority of the respondents (45.3%) were between 21-30 years, followed by 38.9% that were aged 31-40 years; this was followed by 10.5% who were 41-50 years and lastly 5.3% who were above 50 years.

4.3.4 Education level of respondents



Source: Primary Data

Figure 4.3; Showing education level of the respondents

Figure 4.3 shows that the majority (70.5%) of respondents were graduates in terms of level of education, 24.2% had postgraduate qualifications, while 5.3% of respondents held a diploma as their highest level of education.

4.3.5 Years of Service of respondents

Table 4.2: Showing Years of Service of respondents

	Frequency	Percent
Below 3 years	42	44.2
4-5 years	10	10.5
6-10 years	43	45.3
Total	95	100.0

Source: Primary Data

In the study respondents were asked to indicate the period they had spent serving at Uganda National Roads Authority. Table 4.2 shows that majority, that is, 44.2% of the respondents had spent three years and below serving in Uganda National Roads Authority; 45.3% of had spent between 6-10 years, while 10.5% reported that they had spent between 4-5 years at Uganda National Roads Authority.

4.4 Empirical Findings as per objectives of the study

4.4.1 Contract Management

This section explores findings on Contract management which were investigated using fourteen questions. These questions focused on procurement budgets and procurement plans, specifications/terms of reference for procurements, Supplier/contractor compliance and reporting of contract management information. Findings on Contract management are presented in Table 4.4 followed by an analysis and interpretation.

Table 4.4: Showing responses from respondents to statements on Contract Management

Statements on Contract Management	Percentage Response (%)					Mean	Std dev
	SA	A	UD	D	SD		
User Departments always produce procurement budgets and procurement plans in time	5% (5)	42% (40)	24% (23)	25% (24)	3% (3)	3.21	.988
The PDU always produces a fully approved procurement budget and procurement plan in time	3% (3)	39% (37)	27% (26)	26% (25)	4% (4)	3.11	.973
User Departments always provide the right specifications/terms of reference for all the procurements on their first submission	4% (4)	50% (47)	22% (21)	21% (20)	3% (3)	3.31	.957
Supplier/contractor compliance with the contract is always efficiently monitored and managed	6% (6)	46% (44)	30% (28)	17% (16)	1% (1)	3.40	.880
Contract managers are always appointed in time and for all contracts	11% (10)	48% (46)	19% (18)	21% (20)	1% (1)	3.46	.946
Complete contract management records are kept and are always readily accessible when required	12% (11)	30% (28)	37% (35)	22% (21)	0% (0)	3.31	.946
There is use of contract management information technology for recording key information	6% (6)	35% (33)	26% (25)	24% (23)	8% (8)	3.06	1.090
Regular and routine feedback is given to contractors/suppliers on their performance	4% (4)	26% (25)	31% (29)	25% (24)	14% (13)	2.82	1.101
There is regular assessment and evaluation of the performance of contracts	4% (4)	40% (37)	26% (25)	25% (24)	5% (5)	3.12	1.009
There is regular reporting of contract management information	6% (6)	48% (46)	30% (28)	14% (13)	2% (2)	3.43	.883
Internal auditing of procurement contracts is always done in time and effectively	4% (4)	38% (36)	28% (27)	26% (25)	3% (3)	3.14	.963
There are a number of appeals by contractors/suppliers seeking administrative review from the Entity and PPDA	8% (8)	38% (36)	32% (30)	14% (13)	8% (8)	3.24	1.069
All Contracts in UNRA are completed within the initial contractual time limit	7% (7)	14% (13)	13% (12)	45% (43)	21% (20)	2.41	1.180
The final costs of contracts in UNRA do not go beyond the initial costs	8% (8)	10% (9)	26% (25)	36% (34)	20% (19)	2.51	1.166

Source: Primary Data

Findings from the table 4.4 above indicate that majority of the respondents 45(47%) agreed that User Departments always produce procurement budgets and procurement plans in time while 27(30%) disagreed and only 23(24%) were undecided. One respondent interviewed said that “*Procurement budgets and procurement plans are always in on time because*

sometimes without them user departments will not receive funding". This implies that some User Departments do not always produce procurement budgets and procurement plans in time.

It was established that 41(42%) agreed that the PDU always produces a fully approved procurement budget and procurement plan in time yet 29(30%) disagreed with the statement and 26(27%) remained undecided. This implies that the PDU does not always produce a fully approved procurement budget and procurement plan in time, which is likely to bring about poor performance results in terms of contract management.

The findings further indicated that majority of the respondents 51(54%) agreed that User Departments always provide the right specifications/terms of reference for all the procurements on their first submission while 23(24%) disagreed with the statement and 21(22%) were undecided. This implies that User Departments largely do always provide the right specifications/terms of reference for all the procurements. This is likely to bring about better performance results in terms of contract management.

The majority of the respondents 50(52%) agreed that Supplier/contractor compliance with the contract is always efficiently monitored and managed while 17(18%) disagreed and 28(30%) remained undecided. This implies that Supplier/contractor compliance with the contract is always efficiently monitored and managed and therefore likely to bring about better performance results in terms of contract management.

The study showed that 56(59%) agreed that Contract managers are always appointed in time and for all contracts, 21(22%) disagreed that Contract managers are always appointed in time and for all contracts and only 18(19%) remained undecided. This was confirmed by a response from an interview that *"There is no way we can start executing a contract without a*

contract manager in place, otherwise we would be planning to fail.” This response implies that Contract managers are always appointed in time and for all contracts, a practice that can facilitate better performance results in terms of contract management.

It was also established that 39(42%) of the respondents agreed with the statement that Complete contract management records are kept and are always readily accessible when required while 21(22%) disagreed that Complete contract management records are kept and are always readily accessible when required and 35(37%) were undecided. This implies that in some cases complete contract management records are kept and are always not readily accessible when required and is likely to lead to poor contract management.

The study showed that majority of the respondents 39(41%) agreed with the statement that there is use of contract management information technology for recording key information, 31(32%) disagreed with the statement while 25(26%) were undecided. This means that some contracts are not managed using contract management information technologies for recording key information, which may lead to poor contract management.

The findings indicated that majority of respondents 29(30%) agreed with the statement that regular and routine feedback is given to contractors/suppliers on their performance while 37(39%) disagreed and only 29(31%) remained undecided. This implies that in some cases regular and routine feedback is not given to contractors/suppliers on their performance, with the possibility of leading to poor contract management.

Forty one (44%) respondents agreed that there is regular assessment and evaluation of the performance of contracts while 29(30%) disagreed and 25(26%) were undecided. This implies that in some cases, there is regular assessment and evaluation of the performance of contracts; this practice is likely to lead to poor contract management.

The majority of the respondents 52(54%) agreed that there is regular reporting of contract management information while 15(16%) disagreed and 28(30%) remained undecided. This was confirmed by a response from an interview that *“Most contract managers try their best to ensure that milestones are met together with all the provisions of the contract because contract management means managing milestones in the contract.”* The significant portion of respondents who indicated that there is regular reporting of contract management information implies that there is a likelihood of better performance results in terms of contract management.

It was established that 40(42%) agreed that Internal auditing of procurement contracts is always done in time and effectively yet 28(29%) disagreed with the statement and 27(28%) remained undecided. This implies that in some departments, Internal auditing of procurement contracts is always done in time and effectively, with a possibility to affect the performance results in terms of contract management.

The findings further indicated that majority of the respondents 44(46%) agreed that there are a number of appeals by contractors/suppliers seeking administrative review from the Entity and PPDA, 21(22%) disagreed with the statement and 30(32%) were undecided.

Twenty (21%) agreed that all Contracts in UNRA are completed within the initial contractual time limit while 63(66%) disagreed and 12(13%) remained undecided. The failure to complete most contracts in UNRA within the initial contractual time limit can negatively affect contract management.

The study showed that 17(18%) agreed that the final costs of contracts in UNRA do not go beyond the initial costs, 53(56%) disagreed to the statement and 25(26%) remained

undecided. This implies that in most of the cases, the final costs of contracts in UNRA always go beyond the initial costs; this is likely to lead to poor contract management.

4.4.2 Institutional Financing affects Contract Management in Uganda National Roads

Authority.

The views of the respondents were rated on a 5-likert scale as Strongly Agree, Agree, Undecided, Disagree and strongly disagree. In this study, Strongly Agree and Agree were taken to mean Agree and strongly disagree and disagree were taken to mean Disagree. Mean and Standard deviation were also used to analyse the data. The results were presented in Table 4.5.

Table 4.5: Views on Institutional Financing

Statements on Institutional Financing	Percentage Response (%)					Mean	Std dev
	SA	A	UD	D	SD		
There is timely release of funds by government to finance the contracts	1% (1)	19% (18)	18% (17)	47% (45)	15% (14)	2.44	.997
UNRA makes timely payments to contractors/suppliers	3% (3)	24% (23)	22% (21)	42% (40)	8% (8)	2.72	1.028
UNRA ensures that regular interim payments are based on general progress of works	15% (14)	58% (55)	21% (20)	6% (6)	0% (0)	3.81	.762
UNRA ensures that retained payments are linked to specific contract events	6% (6)	47% (45)	42% (40)	3% (3)	1% (1)	3.55	.711
There is timely release of funds by donors to finance the contracts.	7% (7)	46% (44)	24% (23)	20% (19)	2% (2)	3.37	.957
UNRA ensures that individual payments do not exceed the initial cost.	6% (6)	47% (45)	32% (30)	13% (12)	2% (2)	3.43	.871
UNRA ensures that stage payments are linked to specific deliverables stated in the contract	19% (18)	55% (52)	21% (20)	4% (4)	1% (1)	3.86	.807
Contract managers always take action to avoid price escalation	13% (12)	44% (42)	28% (27)	13% (12)	2% (2)	3.53	.944
The cost of the services delivered and contract management costs are mapped.	5% (5)	34% (32)	46% (44)	12% (11)	3% (3)	3.26	.853
Payments for both contractors and consultants are some times delayed	20% (19)	55% (52)	8% (8)	10% (9)	7% (7)	3.71	1.119

Source: Primary Data

Findings from the table 4.5 above indicate that majority of the respondents 19(20%) agreed that there is timely release of funds by government to finance the contracts while 59(62%) disagreed and only 17(18%) were undecided. This was confirmed by a response from an interview that *“Lack of sufficient financing leads to problems in contract management in most of the user departments.”* The failure to timely release funds to finance the contracts has the possibility to affect contract management.

It was established that 26(27%) agreed that UNRA makes timely payments to contractors/suppliers yet 48(50%) disagreed with the statement and 21(22%) remained undecided. This implies that UNRA some times does not make timely payments to contractors/suppliers, which can bring about poor performance results in terms of contract management.

The findings further indicated that majority of the respondents 69(73%) agreed that UNRA ensures that regular interim payments are based on general progress of works while 6(6%) disagreed to the statement and 20(21%) were undecided, implying that UNRA ensures that regular interim payments are based on general progress of works. This is likely to bring about better performance results in terms of contract management. One respondent interviewed responded that internal controls such as regular tracking of progress on work by contractors are considered as key in managing contracts in Uganda National Roads Authority.

The majority of the respondents 51(53%) agreed that UNRA ensures that retained payments are linked to specific contract events while 4(4%) disagreed and 40(42%) remained undecided. This therefore showed that UNRA ensures that retained payments are linked to specific contract events, which is likely to bring about better performance results in terms of contract management.

The study showed that 51(53%) agreed that there is timely release of funds by donors to finance the contracts, 21(22%) disagreed to the statement, while 23(24%) remained undecided. This finding implied that in most cases there is timely release of funds by donors to finance the contracts, which can help to facilitate better performance in respect to contract management. It was also established that 51(53%) of the respondents agreed with the statement that UNRA ensures that individual payments do not exceed the initial cost while 14(15%) disagreed that UNRA ensures that individual payments do not exceed the initial cost and 30(32%) were undecided.

The study showed that majority of the respondents 70(74%) agreed with the statement that UNRA ensures that stage payments are linked to specific deliverables stated in the contract, 5(5%) disagreed with the statement while 20(21%) were undecided. This trend showed that UNRA ensures that stage payments are linked to specific deliverables stated in the contract; this is likely to bring about poor performance results in terms of contract management.

The findings indicated that majority of respondents 54(57%) agreed with the statement that Contract managers always take action to avoid price escalation while 14(15%) disagreed and only 27(28%) remained undecided. The issue of contract managers always taking action to avoid price escalation can help to bring about better performance results in terms of contract management.

Thirty nine (39%) respondents agreed that the cost of the services delivered and contract management costs are mapped while 14(15%) disagreed and 44(46%) were undecided. With most respondents indicating indecision and disagreement, it meant that in most instances, the cost of the services delivered and contract management costs were not mapped, which might negatively affect contract management.

The majority of the respondents 71(75%) agreed that payments for both contractors and consultants are some times delayed while 18(17%) disagreed and 8(8%) remained undecided. The delay in payment of contractors and consultants is likely to bring about poor performance results in terms of contract management. This was confirmed by views by one respondent who said that funds availability is crucial in order to ensure that the contractor is paid in good time.

Correlation between Institutional Financing and Contract Management

There was need to establish whether there was a correlation between Institutional Financing and Contract Management in Uganda National Roads Authority. The analysis was done using Pearson product moment correlation coefficient. The results were presented in Table 4.6.

Table 4.6: Correlation Results for Institutional Financing and Contract Management

		Contract Management	Institutional financing
Contract Management	Pearson Correlation	1	.494**
	Sig. (2-tailed)		.000
	N	95	95
Institutional financing	Pearson Correlation	.494**	1
	Sig. (2-tailed)	.000	
	N	95	95
**. Correlation is significant at the 0.05 level (2-tailed).			

Source: Primary data

Table 4.6 above shows a positive correlation between Institutional financing and Contract Management in Uganda National Roads Authority. ($r=.494^{**}$ $p < 0.05$). This means that timely release of funds by government to finance the contracts; timely payments to

contractors/suppliers, regular interim payments based on general progress of works, ensuring that stage payments are linked to specific deliverables stated in the contract and avoiding price escalation, other factors remaining constant, is likely to improve the process of contract management by 49.4%. However, this analysis is not conclusive, thus the need to test the hypothesis.

Testing Hypothesis

Null hypothesis (Ho)

H0: There is no significant relationship between Institutional financing and Contract Management.

Alternative hypothesis

HA: Institutional financing positively affects Contract Management.

α = Level of significance, $\alpha = 0.05$

Test is done using coefficient of determination. The result is presented in Table 4.7

Table 4.7 Modal Summary on Institutional financing

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.494 ^a	.244	.236		.49795
a. Predictors: (Constant), Institutional financing					

Source: Primary Data

Table 4.7 shows that 0.244 or 24.4% of the variation in Contract Management is a result of changes in Institutional financing. However, the testing is not conclusive thus the need to run Analysis of variance (ANOVA), as presented in Table 4.8

Table 4.8 Showing Analysis of Variance (ANOVA) results

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.439	1	7.439	30.003	.000 ^a
	Residual	23.059	93	.248		
	Total	30.499	94			
a. Predictors: (Constant), Institutional financing						
b. Dependent Variable: Contract Management						
Source: Primary data						

Table 4.8 shows that the relationship between Institutional financing and Contract Management was significant (Sig. = 0.000, P =.000 <0.05, F= 30.003). This meant that the model is significant and that the direction of the variable is as expected because its significance value is below 0.05. This led to the acceptance of the alternative hypothesis which states that there is a positive significant relationship between Institutional financing and Contract Management in Uganda National Roads Authority. This was confirmed but interview responses that stated *“Inadequate financing leads to poor contract management, therefore for good management of contract timely availability of funds is paramount.”*

4.4.3 To establish how the Institutional Structure affects Contract Management in Uganda National Roads Authority

The views of the respondents were rated on a 5-likert scale as Strongly Agree, Agree, Undecided, Disagree and strongly disagree. In the presentation of the study results, Strongly Agree and Agree were taken to mean Agree and strongly disagree and disagree were taken to mean Disagree. Mean and Standard deviation were also used to analyse the data. The results were presented in Table 4.9.

Table 10: Views on Institutional Structure

Statements on Institutional Structure	Percentage Response (%)					Mean	Std dev
	SA	A	N	D	SD		
Evaluation Committees are appointed in time and they do perform their functions within the given time lines	8% (8)	31% (29)	22% (21)	33% (31)	6% (6)	3.02	1.111
There is a Contracts Committee and a Procurement and Disposal Unit to manage contracts in UNRA	48% (46)	48% (46)	0% (0)	2% (2)	1% (1)	4.41	.707
The Procurement and Disposal Unit at UNRA supports the functioning of the contracts committees	36% (34)	57% (54)	4% (4)	2% (2)	1% (1)	4.24	.725
The Procurement and Disposal Unit implements all decisions of the Evaluation Committees	12% (11)	42% (40)	24% (23)	19% (18)	3% (3)	3.40	1.025
The Procurement and Disposal Units implements all decisions of the Evaluation Committees	6% (6)	45% (43)	30% (28)	13% (12)	6% (6)	3.33	.994
The Procurement and Disposal Unit checks statements of requirements/terms of reference/scope of works, contracts documents etc to enable effective management of contracts.	22% (21)	54% (51)	20% (19)	4% (4)	0% (0)	3.94	.769
The Procurement and Disposal Unit prepares monthly reports for the contracts committee	10% (9)	28% (27)	43% (41)	14% (13)	5% (5)	3.23	.983
Contract managers maintain complete contractual records and documentation of all contractual changes, status reports and other document for all projects.	11% (10)	58% (55)	25% (24)	4% (4)	2% (2)	3.71	.797
Contract managers provide timely guidance on contract matters to Resident Engineers and other operational staff.	7% (7)	42% (40)	44% (42)	4% (4)	2% (2)	3.48	.784
Contract managers always develop and implement procedures for contract management and administration in compliance with UNRA policy.	6% (6)	56% (53)	32% (30)	6% (6)	0% (0)	3.62	.702
Contract managers always work with the department responsible for Risk Management to coordinate contractual insurance requirements.	4% (4)	37% (35)	40% (38)	18% (17)	1% (1)	3.25	.838
Contract managers ensure that signed contracts are communicated to all relevant parties in time to provide the necessary contract support.	5% (5)	58% (55)	27% (26)	7% (7)	2% (2)	3.57	.794
UNRA contract managers always monitor transaction compliance (milestones, deliverables, invoicing etc.) and ensure that contracts do not expire without their knowledge	6% (6)	48% (46)	36% (34)	8% (8)	1% (1)	3.51	.784

Source: Primary Data

Findings from the table 4.9 above indicate that most of the respondents 37(39%) agreed that evaluation Committees are appointed in time and they do perform their functions within the given time lines, while 37(39%) disagreed and only 6(7%) were undecided.

It was established that 92(96%) agreed that there is a Contracts Committee and a Procurement and Disposal Unit to manage contracts in UNRA, yet 3(3%) disagreed with the statement and 8(10%) remained undecided. This implies that there is a Contracts Committee and a Procurement and Disposal Unit to manage contracts in UNRA and is therefore likely to bring about better performance results in terms contract management.

The findings further indicated that majority of the respondents 88(93%) agreed that the Procurement and Disposal Unit at UNRA supports the functioning of the contracts committees while 3(3%) disagreed with the statement. This was echoed by one interviewee who responded that *“The Procurement and Disposal Unit in UNRA provides controls and ensures value for money hence leading to efficient management of contracts.”* This support in terms of the functioning of the contracts committees can facilitate better performance results in respect to contract management.

The majority of the respondents 51(54%) agreed that the Procurement and Disposal Unit implements all decisions of the Evaluation Committees while 21(22%) disagreed and 23(24%) remained undecided. This implies that in some cases the Procurement and Disposal Unit does not implement all decisions of the Evaluation Committees.

It was also established that 72(76%) of the respondents agreed with the statement that the Procurement and Disposal Unit checks statements of requirements/terms of reference/scope of works, contracts documents etc to enable effective management of contracts, while 4(4%) disagreed and 28(30%) were undecided. This was confirmed by one respondent interviewed

who said that *“The Procurement and Disposal Unit in UNRA provides controls and ensures value for money hence leading to efficient management of contracts.”*

The study showed that 33(38%) of the respondents agreed with the statement that the Procurement and Disposal Unit prepares monthly reports for the contracts committee, 18(19%) disagreed with the statement while 41(43%) were undecided. This implies that in some cases the Procurement and Disposal Unit does not prepare monthly reports for the contracts committee; this can lead to performance outcomes in terms of contract management.

The findings indicated that majority of respondents 65(69%) agreed with the statement that Contract managers maintain complete contractual records and documentation of all contractual changes, status reports and other document for all projects while 6(6%) disagreed and only 24(25%) remained undecided. Maintaining complete contractual records and documentation can enable better contract management.

Forty nine (49%) respondents agreed that Contract managers provide timely guidance on contract matters to Resident Engineers and other operational staff while 6(6%) disagreed and 42(44%) were undecided. This implies that in some cases Contract managers do not provide timely guidance on contract matters or in some situations, their guidance is not well directed. Failure to give clear guidance can negatively impact on contract management. The majority of the respondents 59(62%) agreed that Contract managers always develop and implement procedures for contract management and administration in compliance with UNRA policy while 6(6%) disagreed and 30(32%) remained undecided. This practice where most Contract managers always develop and implement procedures for contract management and administration in compliance with UNRA policy is likely to bring about better performance results in terms of contract management.

The findings indicated 39(41%) of the respondents agreed with the statement that Contract managers always work with the department responsible for Risk Management to coordinate contractual insurance requirements while 18(19%) disagreed and only 38(40%) remained undecided.

Sixty(63%) respondents agreed that Contract managers ensure that signed contracts are communicated to all relevant parties in time to provide the necessary contract support while 9(10%) disagreed and 26(27%) were undecided. The fact that in many cases contract managers ensure that signed contracts are communicated to relevant parties in a timely manner can promote contract management in the organisation.

The majority of the respondents 52(54%) agreed that UNRA contract managers always monitor transaction compliance (milestones, deliverables, invoicing etc.) and ensure that contracts do not expire without their knowledge while 9(9%) disagreed and 34(36%) remained undecided. This was confirmed by a response from an interview that *“Most contract managers try their best to ensure that milestones are met together with all the provisions of the contract.”* This view implied that most UNRA contract managers always monitor transaction compliance, which is likely to bring about better performance results in terms of contract management.

Correlation between Institutional Structure and Contract Management

There was need to establish whether there was a correlation between Institutional Structure and Contract Management. The analysis was done using Pearson product moment correlation coefficient. The results were presented in Table 4.10

Table 4.10: Correlation Results for Institutional Structure and Contract Management

		Contract Management	Institutional Structure
Contract Management	Pearson Correlation	1	.502**
	Sig. (2-tailed)		.000
	N	95	95
Institutional Structure	Pearson Correlation	.502**	1
	Sig. (2-tailed)	.000	
	N	95	95
**. Correlation is significant at the 0.05 level (2-tailed).			

Source: Primary data

Table 4.10 above shows a moderate positive correlation between Institutional structure and Contract Management in Uganda National Roads Authority. ($r=.502^{**}$ $p < 0.05$). This means that appointing evaluation committees in time; having a functional a Contracts Committee and a Procurement and Disposal Unit to manage contracts, having Procurement and Disposal Units that implement decisions of the Evaluation Committees, ensuring monthly reports by the Procurement and Disposal Unit for the contracts committee and having Contract managers that develop and implement procedures for contract management and administration in compliance with UNRA policy, other factors remaining constant, is likely to improve the process of contract management by 50.2%. However, the researcher needed to test the hypothesis in order to confirm the correlation finding.

Testing Hypothesis

Null hypothesis (Ho)

H0: There is no significant relationship between Institutional Structure and Contract Management.

Alternative hypothesis

HA: Institutional Structure positively affects Contract Management.

α = Level of significance, $\alpha = 0.05$

Test is done using coefficient of determination. The result is presented in Table 4.11

Table 4.11: Modal Summary on Institutional Structure and Contract Management

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.502 ^a	.252	.244		.49513
a. Predictors: (Constant), Institutional Structure					

Source: Primary Data

Table 4.11 shows that 0.244 (adjusted R Square) or 24.4% of the variation in Contract Management is a result of changes in Institutional Structure. Further, the researcher computed the Analysis of Variance (ANOVA) results, so as to ascertain whether there was a relationship between institutional structure and contract management, as presented in Table 4.12.

Table 4.12 Showing Analysis of Variance (ANOVA) results

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.700	1	7.700	31.407	.000 ^a
	Residual	22.799	93	.245		
	Total	30.499	94			
a. Predictors: (Constant), Institutional Structure						
b. Dependent Variable: Contract Management						

Source: Primary data

Table 4.12 shows that the relationship between Institutional Structure and Contract Management was significant (Sig. = 0.000, P = .000 < 0.05, F = 31.407). This meant that the

model is significant and that the direction of the variable is as expected because its significance value is below 0.05. This led to the acceptance of the alternative hypothesis which states that there is a positive significant relationship between Institutional Structure and Contract Management in Uganda National Roads Authority. This was confirmed by a response from an interview that;

“Some institutional structures are beauracratic and hence delay decision making which negatively affects contract management. However, existence of structures such as the PDU, Contract’s Committee and many others provides control and ensures value for money thus leading to efficient management of contracts in UNRA.”

This response showed that the institutional structure in place at times acts as an impediment to effective contract management in UNRA.

4.4.4 To examine the extent to which Institutional Staff Competence affects Contract Management in Uganda National Roads Authority.

The purpose of this objective was to find out the extent to which Institutional Staff Competence and Contract Management in Uganda National Roads Authority. The researcher used questionnaires to get responses from the various respondents. Seven items were used to explore the effect of Institutional Staff Competence and Contract Management in Uganda National Roads Authority. These questions focused on implementation, reports, access to reports and output. The views of the respondents were rated on a 5-likert scale as Strongly Agree, Agree, Undecided, Disagree and strongly disagree. In this study, Strongly Agree and Agree were taken to mean Agree and strongly disagree and disagree were taken to mean Disagree. Mean and Standard deviation were also used to analyse the data. The results were presented in Table 4.13.

Table 4.13: Views on Institutional Staff Competence

Statements on Institutional Staff Competence	Percentage Response (%)					Mean	Std dev
	SA	A	UD	D	SD		
I have detailed knowledge on aspects of the Public Procurement law and good practice of contract management	15% (14)	41% (39)	33% (31)	10% (9)	2% (2)	3.57	.930
I am familiar with the procedures to be followed and the purposes they serve.	16% (15)	54% (51)	24% (23)	5% (5)	1% (1)	3.77	.809
I understand the day-to-day realities of global management of contracts	13% (12)	38% (36)	31% (29)	17% (16)	2% (2)	3.40	.976
I am knowledgeable about global standards, guidelines and codes of practice as regards management of contracts	8% (8)	39% (37)	28% (27)	17% (16)	7% (7)	3.24	1.069
I have been appointed as contract manager for only contracts whose subject matter I have good knowledge about	10% (9)	24% (23)	13% (12)	34% (32)	20% (19)	2.69	1.297
Staff in UNRA demonstrate appropriate international etiquette in situations with business colleagues and contractors	7% (7)	43% (41)	40% (38)	10% (9)	0% (0)	3.48	.770
Consultants exhibit expertise and issue timely certificates for the works.	7% (7)	44% (42)	31% (29)	17% (16)	1% (1)	3.40	.892

Source: Primary Data

Findings from the table 4.13 above indicate that majority of the respondents 53(56%) agreed that have detailed knowledge on aspects of the Public Procurement law and good practice of contract management while 11(12%) disagreed and 31(33%) were undecided. The implication of this is that having detailed knowledge, as was indicated by most respondents, is likely to lead to good performance in terms of contract management. This was confirmed by one respondent who said;

“If a contract manager falls short of knowledge of the Public Procurement law and good practice of contract management, he/she is bound to make big mistakes that will jeopardise the whole contract management process.”

It was established that 66 (70%) agreed that are familiar with the procedures to be followed and the purposes they serve yet 6(6%) disagreed with the statement and 23(24%) remained

undecided. This implies that majority are familiar with the procedures to be followed and the purposes they serve and can consequently bring about good performance results in terms of contract management.

The findings further indicated that 48(51%) of the respondents understood the day-to-day realities of global management of contracts while 18(19%) disagreed with the statement and 29(31%) were undecided. This is likely to bring about better performance results in terms of contract management.

The majority of the respondents 45(47%) agreed that they were knowledgeable about global standards, guidelines and codes of practice as regards management of contracts while 23(24%) disagreed and 27(28%) remained undecided. Being knowledgeable about global standards, guidelines and codes of practice as regards management of contracts can enhance the practice of contract management and in the event that employees have limited knowledge, the consequence will be poor results in line with contract management.

The study showed that 32(34%) agreed that they had been appointed as contract managers for only contracts whose subject matter they had good knowledge about, 51(54%) disagreed and only 12(13%) remained undecided. This implies that overall, employees were getting appointed as contract managers, even where they hardly have sufficient subject matter; this is likely to have a negative effect on contract management.

It was also established that 48(50%) of the respondents agreed with the statement that they had been appointed as contract manager for only contracts whose subject matter they had good knowledge about while 9(10%) disagreed whether they had been appointed as contract manager for only contracts whose subject matter they had good knowledge about and 38(40%) were undecided.

The study showed that majority of the respondents 49(51%) agreed with the statement that Consultants exhibit expertise and issue timely certificates for the works, 17(18%) disagreed with the statement while 29(31%) were undecided. One of the respondents interviewed said “A consultant is called so be because he/she is an expert at what he/she does. Here at UNRA we consider experience and expertise in a particular field while selecting consultants.” This practice can contribute to effective contract management.

Correlation between Institutional Staff Competence and Contract Management

There was need to establish whether there was a correlation between Institutional Staff Competence and Contract Management. The analysis was done using Pearson product moment correlation coefficient. The results were presented in Table 15.

Table 4.14: Correlation Results for Institutional Staff Competence and Contract Management.

		Contract Management	Institutional Staff Competence
Contract Management	Pearson Correlation	1	.011
	Sig. (2-tailed)		.917
	N	95	95
Institutional Staff Competence	Pearson Correlation	.011	1
	Sig. (2-tailed)	.917	
	N	95	95
**. Correlation is significant at the 0.05 level (2-tailed).			

Source: Primary data

Table 4.14 above shows a weak but statistically insignificant positive correlation between Institutional Staff Competence and Contract Management in Uganda National Roads

Authority ($r=.011$ $p < 0.05$). This means that possession of detailed knowledge on aspects of the Public Procurement law and good practice of contract management by staff; understanding the day-to-day realities of global management of contracts, Consultants exhibiting expertise and appointing contract managers for only contracts whose subject matter they have good knowledge about, other factors remaining constant is not likely to significantly improve contract management. In order to test the hypothesis, regression modal summary results were computed, as illustrated in Table 4.14.

Testing Hypothesis

Null hypothesis (Ho)

H0: There is no relationship between Institutional Staff Competence and Contract Management.

Alternative hypothesis

HA: Institutional Staff Competence positively affects Contract Management.

α = Level of significance, $\alpha = 0.05$

Test is done using coefficient of determination. The result is presented in Table 4.15

Table 4.15 Modal Summary on Institutional Staff Competence and Contract Management

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.011 ^a	.000	-.011	.57263
a. Predictors: (Constant), Institutional Staff Competence				

Source: Primary Data

Table 4.15 shows that -01.1% of the variation in Contract Management is a result of changes in Institutional Staff Competence. This indicates a very insignificant effect. Further analysis was done by computing the Analysis of Variance (ANOVA) as presented in Table 4.16.

Table 4.16 Showing Analysis of Variance (ANOVA) results

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.004	1	.004	.011	.917 ^a
	Residual	30.495	93	.328		
	Total	30.499	94			
a. Predictors: (Constant), Institutional Staff Competence						
b. Dependent Variable: Contract Management						

Table 4.16 shows that the relationship between Institutional Staff Competence and evaluation and Contract Management was positive even though scientifically not significant (Sig. = 0.917, $P = .000 < 0.05$, $F = .011$). This meant that the model is not significant because its significance value is above 0.05. Therefore, the alternative hypothesis which states that there is a positive relationship between Institutional Staff Competence and Contract Management in Uganda National Roads Authority was accepted.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study investigated the effect of institutional factors on contract management in Uganda National Roads Authority. The previous chapter was concerned with analyzing, presenting and interpreting data got from employees Uganda National Roads Authority. This chapter presents the summary, discussion, conclusions and recommendations according to the three specific objectives of the study.

5.2 Summary

This section presents the summary of findings in line with the specific objectives of the study.

5.2.1 Institutional Financing and contract management in Uganda National Roads Authority.

The study findings revealed that there was a moderate positive significant relationship between Institutional Financing and Contract Management. This study found that timely release of funds by government to finance the contracts; timely payments to contractors/suppliers, regular interim payments based on general progress of works, ensuring that stage payments are linked to specific deliverables stated in the contract and avoiding price escalation, other factors remaining constant, are likely to improve contract management in Uganda National Roads Authority.

5.2.2 Institutional Structure and Contract Management in Uganda National Roads Authority.

The study findings revealed that there was a moderate positive significant relationship between Institutional Structure and Contract Management. This meant that; appointing

evaluation committees in time, having a functional a Contracts Committee and a Procurement and Disposal Unit to manage contracts, having Procurement and Disposal Units that implement decisions of the Evaluation Committees, ensuring monthly reports by the Procurement and Disposal Unit for the contracts committee and having contract managers that develop and implement procedures for contract management and administration in compliance with UNRA policy, other factors remaining constant, are likely to improve contract management in Uganda National Roads Authority.

5.2.3 Institutional Staff Competence and Contract Management in Uganda National Roads Authority.

The study findings revealed that there was a weak and insignificant positive relationship between Institutional Staff Competence and Contract Management. This study found that possession of detailed knowledge on aspects of the Public Procurement law and good practice of contract management by staff; understanding the day-to-day realities of global management of contracts, among other factors, were not likely to significantly improve contract management in Uganda National Roads Authority.

5.3 Discussion

5.3.1 Institutional Financing and contract management in Uganda National Roads Authority

The researcher believes that institutional financing significantly affects contract management in Uganda National Roads Authority. In this study, it was widely perceived by most respondents that the funds UNRA gets from government usually delay; a matter that affects contract management, since it implies several delays along the entire contract process, alongside several other related challenges, which may compromise contract implementation. The study findings further revealed a moderate positive significant relationship between

Institutional Financing and Contract Management in Uganda National Roads Authority. Such findings are in agreement with the views held by Mc Crudden (2004) who highlights factors such as delayed funding from the government, bureaucracy in the procurement system and poor capacity of local contractors contributing to poor contract implementation, hence hurting service delivery. The findings are also in harmony with Aschauer (1989) and Munnell (1990) who stressed the important role of the public sector in funding infrastructure to stimulate economic development.

In addition, it was noted that there is no proper marking of the cost of services delivered and contract management costs. Failure to map costs can lead to serious accountability flaws and therefore can negatively affect contract management. This finding is in harmony with Basheka (2009) who opines that in Uganda, funds are released only when a district has met the basic accountability requirements and when there is money in the treasury. In essence this implies that it will be almost impossible for the service providers to do their work effectively and in the shortest time possible and hence making it hard for them to meet the scheduled deadlines.

Rendon (2010), in support of the these findings, further outlines that the critical success factors for both project and contract management as being qualified 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. Once this is deficient, it increases the risk of endangering value for money.

5.3.2 Institutional Structure and Contract Management in Uganda National Roads

Authority

The researcher believes that institutional Structure significantly affects contract management in Uganda National Roads Authority. However this study revealed a moderate positive relationship between Institutional Structure and Contract Management in Uganda National Roads Authority. Following analysis of the results, it was found out that Institutional Structure affects Contract Management.

The correlation results indicated a moderate positive relationship between Institutional Structure and Contract Management in Uganda National Roads Authority. In addition, many respondents held the view that there seems to be limited awareness as to whether PDU prepares monthly reports for the contracts committee, though it was widely perceived that the same unit provides support for the success of the contracts committee. The limited awareness could be attributed to the limited information generally available, in line procurement matters.

Such findings are supported by Kakwezi and Nyeko (2010) who argue that the procurement departments of public entities in Uganda are faced with the problem of not having enough information about the procurement procedure, its inputs, outputs, resource consumption and results, and are therefore unable to determine their efficiency and effectiveness.

Contrary to the findings of this present study, Mamiro (2010) concludes that one of the major setbacks in public procurement is poor procurement planning and management of the procurement process which include needs that are not well identified and estimated, unrealistic budgets and inadequacy of skills of procurement staff responsible for procurement.

Findings from this study still agree with those of Martin and Miller (2006) who assert that contract management structure are usually weak thus in turn set weak standards that are often not adhered to and as a result quality is compromised. This is confirmed by the Institutional theory (Scott, 2004) that explains the three pillars of institutions as regulatory, normative and cultural cognitive. The regulatory pillar emphasizes the use of rules, laws and sanctions as enforcement mechanism, with expedience as a basis for compliance. The normative pillar refers to norms (how things should be done) and values (the preferred or desirable), social obligation being the basis of compliance.

However, the findings contradict those by O'Connor (2006), who found that there is no hard, convincing public evidence that developing laws, policies, regulations and procedures guarantee an effective and efficient contract management process, those who have attempted to measure the impact of institutional structures on contract management have been largely subjective and not statistically robust.

5.3.3 Institutional Staff Competence and Contract Management in Uganda National Roads Authority

The researcher believes that institutional Structure significantly affects contract management in Uganda National Roads Authority. However this study revealed a weak positive relationship between Institutional Staff Competence and Contract Management in Uganda National Roads Authority. Following analysis of the results, it was found out that Institutional Staff Competence affects Contract Management, although not so significantly. It was further noted that though the staff generally had the necessary skills and competencies, there were some gaps that still needed to be addressed, for instance, majority of them indicated that they had limited awareness in line with the global procurement trends.

Such findings are supported by Rendon (2010) who observed; that some of the critical success factors for both project and contract management is having a qualified workforce, clear processes, relationships, resources, leadership and policies all of which have a direct impact on an organization's project management and contract management processes as well as resulting outcomes.

In line with such findings Schroeder (2008) highlighted competence as a strong influence of ethical behaviour in terms of contract management. Ethics is an upcoming aspect in the business arena (Hill et al, 2009). Many organizations have collapsed because of paying little attention to the aspects of ethics at work place (OECD-DAC, 2008). Suppliers for instance might have misconceived the contract details which makes them realize later that they do not have the capacity to perform as per the requirements of the contract. In this kind of scenario, the suppliers are fond of acting unethically by providing kickbacks to the evaluators to conceal the facts they find out in the progress of the contract performance signifying unethical conduct in the management of the contract (Zafar, 2010).

Findings from this study still agree with those of Leonard (2005) who notes that however much competence is relative, when one is good at something; s/he tends to do it so well.

Nadiope (2005) noted that equally pertinent is need for trained personnel in contract management and procurement procedures though the government of Uganda lacks trained procurement personnel. This was evidenced by the PPDA Capacity Building Report (2010) which noted that some PDEs had serious constraints in execution and monitoring of contracts.

Findings from this study still concur with those of a study conducted by Ntayi, Rulangaranga & Muhwezi (2013) revealed that competence is necessary for one to act ethically. When a

public officer in charge of managing contracts at local government level is competent in his or her duties, there is likelihood that this person will act ethically in most of the aspects of the contract.

5.4 Conclusions

The following conclusions were drawn from the study findings

5.4.1 Institutional Financing and contract management in Uganda National Roads Authority

There is a moderate positive relationship between Institutional financing and Contract Management in Uganda National Roads Authority whereby a change in Institutional financing was related to a considerable change in Contract Management where increased Institutional financing was related to improved Contract Management, and vice versa. Basing on of the findings of the study, it can be concluded that Institutional financing affects a number of outputs in the organization. Timely release of funds is essential for the effective performance of an organization, because it facilitates proper planning and timely delivery of outputs, thus contributing to effectiveness. However, where funds are not released or availed in a timely manner, the progress of work may be significantly affected. For example if funds are not released in time from the treasury, the contractor is not able to pay his subcontractors and suppliers for works done and goods supplied. This has negative consequences for contract management in that works may be discontinued or supply of goods may be stopped which creates delays and hence failure to meet the specified timelines. Further, since the majority of contractors in Uganda heavily rely on funds borrowed from banks, delayed releases payments to these contractors lead to delayed settlement of their obligations with the banks and further leading to increases interest payable on the borrowings. This increased cost is likely to be

passed on to the client either directly through variations or indirectly in form of poor quality work. In order to avert this trend, there is always need to secure timely financing if a contract is to be managed well.

5.4.2 Institutional Structure and Contract Management in Uganda National Roads Authority

There is a moderate positive relationship between Institutional structure and Contract Management in Uganda National Roads Authority whereby a change in Institutional structure was related to a considerable change in Contract Management where improved Institutional structure was related to improved Contract Management, and vice versa. The institutional structures include the procurement and disposal units (PDUs) which are central to proper procurement management, in order to achieve effectiveness and efficiency in the contract management process. The PDUs also consolidate departmental procurement plans to provide the entity's corporate procurement plan which forms the basis for all the procurements to be conducted in the financial year. This plan is an essential instrument for the implementation of the budget which budget is in turn critical for any meaningful contract management process. The involvement of the user department in the procurement process is critical. The user departments initiate all procurements and prepare all specifications and terms of reference. This is in addition to managing the resultant contract. In order to manage contracts well, the user department must select competent contract managers and this should be done timely. This ties in well with the report by PPDA (2007) which indicates that in contract management there is a need to enforce the appointment of contract managers in all cases. Basing on of the findings of the study, it can be concluded that Institutional structure plays a key role in ensuring that the required activities are done by the right people in the manner that is desirable, for example, by

having committees in place, it increases efficiency and accountability, hence contributing to contract management in terms of timeliness, efficacy and effectiveness.

5.4.3 Institutional Staff Competence and Contract Management in Uganda National Roads Authority

There is a weak positive relationship between Institutional staff competence and Contract Management in Uganda National Roads Authority whereby a change in Institutional staff competence was related to a small change in Contract Management where improved Institutional staff competence was related to improved Contract Management, and vice versa.

It should however be noted that having qualified and competent is critical for the successful management of a contract. This view is shared by Rendon (2010) who rightly observed that some of the critical success factors for both project and contract management include having a qualified workforce. Hwang (2009), gave some of the indicators of competence to include skills based on theoretical knowledge, existence of a professional association, extensive period of education, testing of competence, institutional training, licensed practitioners, work autonomy, code of professional ethics, self regulation. These attributes are very necessary for a successful contract manager.

Basing on of the findings of the study therefore, it can be concluded that while the findings of this study indicated weak correlations in regard to staff competence, it should be noted that without sufficient skills of staff, it may not be possible to deliver in line with contract management as would be required. However, in relation to financing and institutional structure, one notices that even the issue of staff competence is in a way embedded in structure. Besides, once funding is available, it is easier to get competent staff.

5.5 Recommendations

5.5.1 Institutional Financing and contract management in Uganda National Roads Authority

Basing on the above findings, contract management staff should ensure that the costs incurred by the contractor are in accordance with the contract rate schedule. Invoices should be reviewed to ensure that the contractor's billing coincides with the contract's progress, and this requires that the contractor's progress be measurable. Costs incurred or invoices submitted, in and of themselves, are insufficient indicators of the contractor's performance.

UNRA management should undertake risk assessments for high risk contracts; develop contract assurance plans for high risk contracts; strengthen processes for payment and service verification on high risk contracts and establish or enforce governance processes for issues, changes, payments and service verification.

There is also need to engage all the stakeholders such as the Treasury, the Uganda Road Fund, local banks and others with a view of making them appreciate the need to have timely financing for contracts. Further improvements will also be necessary in the processing of certificates or invoices by the contractors or suppliers with a target of significantly reducing the number of days each certificate takes under process before it is finally settled. When this is done it will possibly lead to reduced delays in funding during contract implementation.

5.5.2 Institutional Structure and Contract Management in Uganda National Roads Authority

Basing on the above findings, the procurement and contract management policies and processes should be reviewed periodically by independent personnel from those who directly participate in the procurement process. This review should be done by the Internal Audit function with a

view of auditing the processes to confirm whether they are being followed or not and then make recommendations for improvement. In addition, the internal audit function should also examine the different institutions of the entity such as the contracts committees, evaluation committees, user departments, and others with a view of confirming whether they are able to carry out their mandates with independence.

The Regulatory Authority (PPDA) and the public entities should also work together to improve the function of contract management through capacity building. This can be done through taking procurement skills assessment and training staff through refresher courses, workshops, seminars and conferences where staff meet and share experiences. This will inevitably reinforce the capacity of institutions to managing contracts.

Information management is a crucial function for any institutional structure in UNRA to support timely decision making, planning and reporting as well as monitoring and evaluation thus UNRA should put in place a Management Information System that collate this useful data into actionable information.

5.5.3 Institutional Staff Competence and Contract Management in Uganda National Roads Authority

Basing on the above findings, Individuals should be assessed against established role profiles and capability gaps should be understood and addressed. Once individuals have been assessed, UNRA should ensure that contract management staffing is periodically reviewed in order to ensure that there is always sufficient and adequate competency.

Contract managers should discuss knowledge and skill requirements with their respective subordinates and seek further training where needed, so as to improve their level of competence. Contract managers must be trained in new UNRA procedures when these are

being implemented. UNRA should get committed to ensuring that those involved in contract management have the knowledge, competencies and skills necessary to perform their duties competently and to be able to deal fairly and ethically with suppliers.

Further, contract managers should be encouraged to undertake continuous professional development in order to continually update their skills and knowledge in order to remain professionally competent and achieve their true potential. Continuous professional development will ensure that the capabilities of contract managers keep pace with the current standards of others in the same field and also ensure that their knowledge and skills are enhanced in order to remain relevant in this area.

5.6 Areas for further research

The researcher recommends further research to investigate the other factors that affect contract management. Equally, further research should be carried out in other Procurement Entities to ascertain whether these findings are universal; research on procurement performance measurement should be carried out since this was not the objective of this study.

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APPENDIX A: Questionnaire

Dear Respondent, this questionnaire is intended to facilitate a study on how institutional factors affect contract management in Uganda National Roads Authority. I request you to please spare a few minutes of your valuable time and fill it. The information you provide will be treated with confidentiality and shall be used for research purposes only. You may not put your name on the questionnaire.

SECTION: A

BACKGROUND INFORMATION OF THE RESPONDENT

Please fill and tick (✓) where most appropriate

1. Sex

- Male
- Female

2. Job Category

- Officer
- Assistant Officer
- Other employee (Specify).....

3. Age of Respondent

- 21 -30 years
- 31-40 years
- 41-50 years
- above 50 years

4. Educational level

- O level
- A level

- Diploma
- Graduate
- Post graduate
- Other (Specify).....

5. Years of Service

- Below 3 years
- 4 – 5 years
- 6-10 years
- Above 10 years

Section B:

Please use the rating scale 1-5 as provided below to select an option that you most agree with on each of the aspects. Tick (✓) the appropriate number.

1. Strongly disagree 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly agree,

Contract management in Uganda National Roads Authority

		1	2	3	4	5
		SD	D	N	A	SA
1	User Departments always produce procurement budgets and procurement plans in time					
2	The PDU always produces a fully approved procurement budget and procurement plan in time					
3	User Departments always provide the right specifications/terms of reference for all the procurements on their first submission					
4	Supplier/contractor compliance with the contract is always efficiently monitored and managed					
5	Contract managers are always appointed in time and for all contracts					

6	Complete contract management records are kept and are always readily accessible when required					
7	There is use of contract management information technology for recording key information					
8	Regular and routine feedback is given to contractors/suppliers on their performance					
9	There is regular assessment and evaluation of the performance of contracts					
10	There is regular reporting of contract management information					
11	Internal auditing of procurement contracts is always done in time and effectively					
12	There are a number of appeals by contractors/suppliers seeking administrative review from the Entity and PPDA					
13	All Contracts in UNRA are completed within the initial contractual time limit					
14	The final costs of contracts in UNRA do not go beyond the initial costs					

1. Institutional Financing

		1	2	3	4	5
		SD	D	N	A	SA
1	There is timely release of funds by government to finance the contracts					
2	UNRA makes timely payments to contractors/suppliers					
2	UNRA ensures that regular interim payments are based on general progress of works					
3	UNRA ensures that retained payments are linked to specific contract events					
4	There is timely release of funds by donors to finance the contracts.					
5	UNRA ensures that individual payments do not exceed the initial cost.					
6	UNRA ensures that stage payments are linked to specific deliverables stated in the contract					
7	Contract managers always take action to avoid price escalation					
8	The cost of the services delivered and contract management costs are mapped.					
9	Payments for both contractors and consultants are some times delayed					

2. Institutional Structure

		1	2	3	4	5
		SD	D	N	A	SA
1	Evaluation Committees are appointed in time and they do perform their functions within the given time lines					
2	There is a Contracts Committee and a Procurement and Disposal Unit to manage contracts in UNRA					
3	The Procurement and Disposal Unit at UNRA supports the functioning of the contracts committees					
4	The Procurement and Disposal Unit implements all decisions of the Evaluation Committees					
5	The Procurement and Disposal Units implements all decisions of the Evaluation Committees					
6	The Procurement and Disposal Unit checks statements of requirements/terms of reference/scope of works, contracts documents etc to enable effective management of contracts.					
7	The Procurement and Disposal Unit prepares monthly reports for the contracts committee					
8	Contract managers maintain complete contractual records and documentation of all contractual changes, status reports and other document for all projects.					
9	Contract managers provide timely guidance on contract matters to Resident Engineers and other operational staff.					
10	Contract managers always develop and implement procedures for contract management and administration in compliance with UNRA policy.					
11	Contract managers always work with the department responsible for Risk Management to coordinate contractual insurance requirements.					
12	Contract managers ensure that signed contracts are communicated to all relevant parties in time to provide the necessary contract support.					
13	UNRA contract managers always monitor transaction compliance (milestones, deliverables, invoicing etc.) and ensure that contracts do not expire without their knowledge					

3. Staff Competence

		1	2	3	4	5
		SD	D	N	A	SA
1	I have detailed knowledge on aspects of the Public Procurement law and good practice of contract management					
2	I am familiar with the procedures to be followed and the purposes they serve.					
3	I understand the day-to-day realities of global management of contracts					
4	I am knowledgeable about global standards, guidelines and codes of practice as regards management of contracts					
5	I have been appointed as contract manager for only contracts whose subject matter I have good knowledge about					
6	have been appointed as contract manager for only contracts whose subject matter I have good knowledge about					
7	Consultants exhibit expertise and issue timely certificates for the works.					

Thank for your cooperation

APPENDIX B: Interview Guide

Kindly provide your opinion on each of the issues as objectively as possible.

- 1. Sex of the Respondent.....
- 2. Level of Educational Qualification.....
- 3. Age bracket of respondent
 - a) Below 21- 30 years
 - b) Between 31- 40 years
 - c) Between 41- 50 years
 - d) Above 50 years
- 4. Years of Service
 - a) Less than 3 years
 - b) 4- 5 years
 - c) 6- 10 years
 - d) Above 10 years

SECTION B

- 1. What do you understand by the term contract management?
- 2. Have contracts been managed well by Uganda National Roads Authority?
- 3. How would you describe the nature of contract management in terms of efficiency, effectiveness or efficacy? What would you be meaning by your description?
- 4. Could the level nature of contract management be as a result of institutional financing? Briefly explain?
- 5. Could the nature of contract management be as a result of institutional structures? Explain how or why?
- 6. Could the nature of contract management be as a result of staff competences? Briefly explain?

Thank you very much for your response

APPENDIX C: Validity Tables

Rotated Component Matrix for Contract Management Constructs

	Component				
	1	2	3	4	5
There is use of contract management information technology for recording key information	.811	.201	.137		.152
There is regular assessment and evaluation of the performance of contracts	.768	.287	.207		
Supplier/contractor compliance with the contract is always efficiently monitored and managed	.733	.207	-.103	.265	-.169
There is regular reporting of contract management information	.684		.322	.344	-.113
Complete contract management records are kept and are always readily accessible when required	.594	.123	.148	.574	
Regular and routine feedback is given to contractors/suppliers on their performance	.588	.416	.230	.131	.399
The initial costs of contracts in UNRA do not go beyond the initial costs	.179	.820			.295
All Contracts in UNRA are completed within the initial contractual time limit	.226	.792		.116	
Internal auditing of procurement contracts is always done in time and effectively	.254	.721			-.233
User Departments always produce procurement budgets and procurement plans in time	.266		.830	-.230	
The PDU always produces a fully approved procurement budget and procurement plan in time	.145		.810	.109	
Contract managers are always appointed in time and for all contracts	.177		-.126	.820	
User Departments always provide the right specifications/terms of reference for all the procurements on their first submission	-.150	.475	.474	.487	
There are a number of appeals by contractors/suppliers seeking administrative review from the Entity and PPDA					.936

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Rotated Component Matrix for Institutional Financing Constructs

	Component		
	1	2	3
UNRA ensures that stage payments are linked to specific deliverables stated in the contract	.835		.171
Contract managers always take action to avoid price escalation	.714	.234	
UNRA ensures that individual payments do not exceed the initial cost.	.700		.154
The cost of the services delivered and contract management costs are mapped.	.633	.390	-.109
There is timely release of funds by government to finance the contracts	.106	.840	.116
UNRA makes timely payments to contractors/suppliers	.128	.765	.138
UNRA ensures that regular interim payments are based on general progress of works	.377	-.493	.387
There is timely release of funds by donors to finance the contracts.	-.160		.818
UNRA ensures that retained payments are linked to specific contract events	.359	.123	.563

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Rotated Component Matrix for Institutional Structure Constructs

	Component			
	1	2	3	4
The Procurement and Disposal Unit at UNRA supports the functioning of the contracts committees	.861		.158	
There is a Contracts Committee and a Procurement and Disposal Unit to manage contracts in UNRA	.740			.232
The Procurement and Disposal Unit checks statements of requirements/terms of reference/scope of works, contracts documents etc to enable effective management of contracts.	.727	.248	-.246	
Contract managers always work with the department responsible for Risk Management to coordinate contractual insurance requirements.	.109	.739	-.138	
Contract managers always develop and implement procedures for contract management and administration in compliance with UNRA policy.		.663	.308	
Contract managers provide timely guidance on contract matters to Resident Engineers and other operational staff.	.239	.630	.124	.296
Payments for both contractors and consultants are some times delayed	.561	-.572		
Evaluation Committees are appointed in time and they do perform their functions within the given time lines	-.197	.569	.402	
The Procurement and Disposal Units implements all decisions of the Evaluation Committees		.194	.903	.136
The Procurement and Disposal Unit implements all decisions of the Evaluation Committees			.886	.191
The Procurement and Disposal Unit prepares monthly reports for the contracts committee			.108	.795
Contract managers ensure that signed contracts are communicated to all relevant parties in time to provide the necessary contract support.	.124	.162		.771
Contract managers maintain complete contractual records and documentation of all contractual changes, status reports and other document for all projects.	.278		.216	.661

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Rotated Component Matrix for Institutional Staff competence Constructs

	Component	
	1	2
I am knowledgeable about global standards, guidelines and codes of practice as regards management of contracts	.863	
I am familiar with the procedures to be followed and the purposes they serve.	.842	.150
I have detailed knowledge on aspects of the Public Procurement law and good practice of contract management	.823	.101
I understand the day-to-day realities of global management of contracts	.802	.112
I have been appointed as contract manager for only contracts whose subject matter I have good knowledge about	.604	
Consultants exhibit expertise and issue timely certificates for the works.		.847
Staff in UNRA demonstrate appropriate international etiquette in situations with business colleagues and contractors	.127	.786
UNRA contract managers always monitor transaction compliance (milestones, deliverables, invoicing etc.) and ensure that contracts do not expire without their knowledge		.634

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.