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**EFFECTS OF CONTRACT MANAGEMENT ON ORGANIZATIONAL
PERFORMANCE IN THE AVIATION SECTOR IN ZAMBIA: A CASE OF
ZAMBIA AIRPORTS CORPORATION LIMITED.**

A

Dissertation presented

in Partial Fulfilment for requirement of the program of
Master of Science in Project Management (MSCPM)

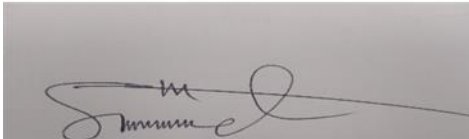
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DECLARATION

I, Moffat Evans Banda, declare that this is my original work, and the work of other persons utilized in this dissertation has been dully acknowledged and that it has not been submitted to any other college, institution or university other than University of Lusaka for academic credit.



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This dissertation has been submitted with my Approval as the appointed Supervisor.



Signed: Date: 17/03/2025

(Dr. Christine Lesa): Supervisor

DEDICATION

This dissertation is dedicated to my parents, wife and my children for the support they have rendered to me both financially and emotionally.

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My most sincere gratitude goes to our Almighty God for guiding me throughout my research process. I also thank my research supervisor Dr Christine Lesa who put in her very best in guiding me on how to write a research paper. During my research process, I got support and guidance from many people, and it is not possible to mention their contribution individually. I express my sincere thanks to all of them. I also thank Zambia Airports Corporation Limited management for allowing me to conduct my research in the corporation. My special thanks go to my family for the necessary financial and technical support for my successful completion of this research.

Table of Contents

DECLARATION	i
DEDICATION.....	ii
ACKNOWLEDGEMENTS	iii
List of Tables.....	vi
List of Acronyms/ Abbreviations.....	vii
ABSTRACT	viii
CHAPTER ONE: INTRODUCTION.....	1
1.0 Overview	1
1.2 Background of the Study	1
1.1.1 Operational Definitions	4
1.3 Statement of the problem	5
1.4. Objectives of the Study.....	6
1.4.1 General Objective.....	6
1.4.2 Specific Objectives.....	6
1.5 Research questions.	7
1.6 Scope of the Study	7
1.7 Significance of the study.....	7
1.8 Organisation of the Report.....	8
CHAPTER TWO: LITERATURE REVIEW	9
2.0 Introduction.....	9
2.1 Empirical Literature Review	9
2.1.1 Effects of contract planning on organisation performance.	9
2.1.2 Effects of contract implementation on organisational performance.....	11
2.1.3 Effects of contract monitoring and evaluation on organisation performance.....	14
2.1.4 Effects of contract relationship management on organisation performance	16
2.2 Theoretical Framework.....	19
2.3 Conceptual Framework.....	24
CHAPTER THREE: RESEARCH METHODOLOGY.....	29
3.0 Introduction	29
3.1 Research Approach.....	29
3.2. Research Design	29
3.3. Study Population.....	30
3.4 Sample Size	30

3.5. Sampling technique.....	31
3.6. Data collection.....	31
3.7. Data Analysis	31
3.8 Study Variables.....	32
3.8.1 Dependent Variable	32
3.8.2 Independent Variable.....	32
3.9 Ethical Considerations	32
CHAPTER 4: PRESENTATION AND ANALYSIS OF RESULTS.....	34
4.0 Introduction.....	34
4.1: Response rate.....	34
4.2 Cronbach's Alpha Reliability Test of Research Instrument.....	34
4.3 Data Cleaning and Analysis.....	35
4.4: Descriptive Analysis of Demographic Data	35
4.5: Test for Normality	37
4.6 Correlation Analysis between Organisational Performance and Contract Management	39
4.7 Descriptive analysis of employee's perception of effects of contract management on organization performance:	41
CHAPTER 5: DISCUSSION OF THE FINDINGS	45
5.0 Introduction.....	45
5.1 Correlation Analysis between Organisational Performance and Contract Management	45
5.2 Descriptive analysis of employee's perception of the effects of contract management on organisational performance.	49
CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS.....	53
6.0 Introduction.....	53
6.1 Conclusion	53
6.2 Recommendations.....	54
REFERENCES	56

List of Tables

Table 1: Cronbach's Alpha test of research instrument.....	32
Table 2: Case Processing Summary	33
Table 3: Demographic information of the participants.....	33
Table 4: Skewness of variables Summary	35
Table 5: Shapiro-Wilk Tests for Normality.....	35
Table 6: Model Fitting Information.....	36
Table 7: Goodness-of-Fit.....	36
Table 8: Pseudo R-Square.....	36
Table 9: Test of Parallel Lines.....	37
Table10: Correlation between Organisational Performance and Contract Management.....	37
Table 11: Employee's perception of effects of contract management on organization performance	39

List of Acronyms/ Abbreviations

CI- Contract Implementation

CIPS-Chartered Institute of Purchasing and Supply

CME-Contract Monitoring and Evaluation

CP- Contract Planning

CRM-Contract Relationship Management

HMNIA-Harry Mwaanga Nkumbula International Airport

KKIA- Kenneth Kaunda International Airport

MIA-Mfuwe International Airport

MOJ- Ministry of Justice (MoJ).

MTL- Ministry of Transport and Logistics

MT-Ministry of Tourism

OP-Organizational Performance

SMKIA-Simon Mwansa Kapwepwe International Airport

SPSS-Statistical Package for Social Sciences

UK-United Kingdom

ZACL-Zambia Airports Corporation Limited

ZCAA-Zambia Civil Aviation Authority

ABSTRACT

Effective contract management has increasingly been recognized as a pivotal factor in influencing organizational performance across diverse industries worldwide (Lam, 2020). In the aviation sector, characterized by its complex operational environment and stringent regulatory requirements, the role of efficient contract management practices is particularly critical (Brinkmann and Maennig, 2018). The main objective of this study was to assess the effects of Contract Management on Organizational Performance in Aviation Sector in Zambia. Specifically, the study assessed the effects of contract planning, contract implementation, contract monitoring and evaluation and contract relationship management on organisational performance. The sample size of the study was 58. The study employed descriptive, analytical, and causal-comparative research designs. A questionnaire was used for data collection and data analysis was done using descriptive statistics and analytical method using the multiple ordinal regression analysis.

The findings of the study indicate that contract management significantly influences organizational performance, with contract monitoring and evaluation showing the strongest positive correlation ($r = 0.571$). The study also reveals that contract implementation and relationship management positively impact organizational outcomes, while contract planning, though still important, shows a moderate correlation ($r = 0.374$). Descriptive analysis of employees' perceptions highlights the role of contract management in enhancing project efficiency, financial performance, service delivery, and customer satisfaction. However, there is less consensus regarding contract management's influence on strategic decision-making and innovation. These results suggest that improving contract management practices, particularly in monitoring and relationship management, can lead to better organizational performance.

Keywords: Contract Management, Organisational Performance

CHAPTER ONE: INTRODUCTION

1.0 Overview

This chapter presents the background of the study, operational definitions, statement of the problem, research objectives, research questions, scope of the study, significance of the study, and organization of the report.

1.2 Background of the Study

Contract management has increasingly been recognized as a pivotal factor in influencing organizational performance across diverse industries worldwide (Lam, W., 2020). In the aviation sector, characterized by its complex operational environment and stringent regulatory requirements, the role of effective and efficient contract management practices is particularly critical. It is a common trend in the business world today that organizations engage contractors or suppliers in the production and supply activities to meet their intended outcomes (Kumar and Markeset, 2013). Many organizations are mainly concerned with contractors discharging their duties through appropriate contract management procedures in an effective and efficient manner (Hotteebex, 2013). According to the Zambia Public Procurement Act No. 8 of 2020, contract management is all administrative activities related to contract management, including the appointment of contract management or the formation of a contract management team, contract performance planning, quality management, contract execution, monitoring its implementation and managing contractual relationships.

In addition, contract management also includes contract execution, which includes preparation of final delivery report, final acceptance or handover, defect liability or warranty period management, filing, payment processing, project commissioning and closing. According to the Zambia procurement Act No. 8 of 2020, contract management consists of three main stages: appointment of the contracting authority, execution of the contract and monitoring of the execution of the contract. Lonagan and Bernadette, (2019) argue that due to social responsibility and increased public service pressures from public agencies, contract management has become an important core organizational function.

However, Lock, (2013) points out that contract management challenges have become constant in all sectors and organizations, both public and private. This is due to lack

of transparency and poor record keeping practices. Weele, Van A., (2002) points out that the success of contract management requires procurement of products of the right quality, quantity and cost from the right source, and deliveries must be made in the right place and at the right time. Like the opinion of the World Bank, Kramer, (2003) states that achieving the goals of improving quality, timely deliveries, and reducing the cost of acquiring goods and services is highly dependent on effective contract management.

At the global level, World Bank, (2021) states that an integrated and flexible contract management program should be in place to protect against inadvertent contract termination and potential failure to achieve value. In the more delivery-specific dimensions of the service, the World Bank adds that ensuring the commitment of the parties to the procurement and delivery contract in terms of time, cost, quality and other agreed conditions requires effective contract management. To achieve value for money and optimal contract performance, contract management should include systematic and effective planning, execution, monitoring and evaluation, and relationship management.

In Africa, the underdevelopment of local capacity due to decentralization policies during colonial rule resulted in colonial service programs, especially in construction works, provision of goods and services (Hunja, 2003; World Bank Report, 2013). In East Africa, Komakech (2020) recognizes that effective contract management is key to achieving value for money and targeted project outcomes. Effective contract management, performance monitoring and planning are critical factors throughout the contract management cycle. Furthermore, Oluka, and Basheka, (2012) emphasize that; If effective and efficient service delivery is to be achieved, contract management is undeniably important in public procurement to achieve this.

In Zambia, Bwalya Kafula, Bupe Getrude Mwanza and Erastus Mwanauimo (2023) conducted a study on contract management as a tool for successful project delivery. The results of the study revealed that there was a positive relationship between contract management and project performance. Henry Sichilongo (2022) analyzed the effect of procurement on project performance and quality of road construction projects in Zambia and he found that procurement greatly affects project performance because

different types of contracts have different effects on contracting parties. In addition, he found that the way in which the contracting parties implement and fulfil these contracts affects the quality of the project and the performance of the organization.

In recent years, the aviation sector in Zambia has experienced significant growth and development, marked by increased passenger traffic, infrastructure expansion, and regulatory advancements. Amidst these developments, effective contract management has emerged as a critical determinant of organizational success and sustainability within the sector. Specifically, the Zambia Airports Corporation Limited (ZACL), as the principal entity responsible for managing and operating Zambia's airports, faces numerous challenges and opportunities related to contract management practices. The aviation industry in Zambia plays a crucial role in facilitating economic growth, tourism, and international connectivity (World Bank, 2021). Zambia Airports Corporation Limited (ZACL), mandated with managing and operating airports across the country, is integral to the sector's infrastructure and operational framework (ZACL, 2022. Annual Report). Effective contract management within ZACL encompasses various stages, including contract planning, negotiation, drafting, execution, monitoring and evaluation, relationship management (Heide, and John, (2019).

Zambia Airports Corporation Limited (ZACL) is a semi-public company wholly owned by the Government of the Republic of Zambia. It is incorporated under the Civil Aviation Act No. 5 of 2016 and registered under the Companies Act No. 10 of 2017 as a private company limited by shares. Established in 1998, the primary responsibility of the corporation is to develop, maintain and manage the four designated international airports, namely, Kenneth Kaunda International Airport (KKIA) in Lusaka, Harry Mwaanga Nkumbula International Airport (HMNIA) in Livingstone, Simon Mwansa Kapwepwe International Airport (SMKIA) in Ndola and Mfuwe International Airport (MIA) in Mambwe district and the seven (7) provincial and the three (03) strategic aerodromes and to provide air navigation services across the entire Zambian airspace (ZACL, 2022-2026 Strategic Plan).

Since its establishment in 1988, ZACL has been implementing different types of contracts such as construction contracts for construction project, Service contracts for service provision and procurement and supply of goods and services contracts. These

contracts are meant to enhance the performance of the corporation by increasing efficiency and effectiveness in project management, increasing revenue base, improve on service delivery and improve on customer satisfaction (ZACL, 2020. Annual Report).

However, contract management seem to have been affecting the performance of ZACL due a lot of factors. Because of contract management challenges, ZACL has been experiencing delayed payments from clients. Customer service management and service delivery has also been problematic due delayed execution and delayed renewal of the existing contracts. ZACL has also been losing revenue because of contract management due to unclear terms and conditions put in the contracts. Despite its importance, the literature suggests that many organizations, including those in the aviation sector, face challenges in effectively managing contracts. These challenges often include inadequate negotiation skills, unclear contractual terms, insufficient monitoring mechanisms, and inadequate dispute resolution frameworks. For ZACL, understanding these challenges within the Zambian context is crucial for enhancing operational efficiency and achieving sustainable growth. It is from this background that the aim of this study was to assess the effects of contract management on organization performance in aviation sector in Zambia, specifically Zambia Airports Corporation Limited.

1.1.1 Operational Definitions

Contract Implementation: This involves maintaining an updated form of the contract; controlling and managing contract variations; paying the contractors; managing assets; drafting reports; and terminating the contracts (Hansson, L. & Longva, F., 2014).

Contract Management is the process of systematically and efficiently managing contract creation, execution and analysis for maximizing operational and financial performance and minimizing risks (CIPS, UK, 2007).

Contract Monitoring: Monitoring is the continuous observation of a project and contract progress by systematically gathering key performance data for regular analysis (Hansson, L. & Longva, F., 2014).

Contract Planning: Contract planning is concerned with identifying and executing the structure, format and content of the contracting mechanism the organization needs with their partners (Burgess, & White, 2015).

Contract Relationship Management: This refers to the actions and initiatives of the contracting company to create and maintain a positive relationship with the contractors and suppliers (Ondieki, J. N, & Oteki, E.B., 2015).

Evaluation: is a systematic and objective assessment of an ongoing or completed project, program or policy, its design, implementation and results (Burgess, & White, 2015).

Organizational Performance: Organisational performance is a concept of achievement or viability of an organization, and as a sign of the organizational manner that it is performing viably to realize its set targets effectively (Cherrington, D. J., 1989).

1.3 Statement of the problem

For a long time now ZACL seem to be facing the problem in project management, revenue generation and collection from its properties and services, service delivery and customer satisfaction (Auditor General Report, 2021). The challenges faced by ZACL can be attributed to inadequate contract management, which may result from lack of proper planning, implementation, monitoring and evaluation and closing of contracts, incompetence and lack of skills of contract managers and procurement personnel. The contract management problem in ZACL seem to be affecting the organisational performance (Chirwa, C., 2022). The performance of ZACL is very critical to the national development as it provides services to almost all the investors both local and international as they come and go to do business in Zambia in various sectors. Therefore, the services they receive at these airports managed by ZACL, gives the first impression about the people and the nation at large. In this regard, the effects of contract management on the performance of ZACL requires a company to develop strategies to reduce these contract management challenges while maintaining operational efficiency and quality service (World Bank. 2019).

Zambia Airports Corporation Limited is facing numerous changes in organisational performance due to contract management. These challenges include Frist, contract disagreements. Due to different laws among the countries operating in aviation sector, ZACL faces the challenge of contract disagreements (Chirwa, C., 2022). The second

challenge is regulatory compliance. Governments and other bodies highly regulate the aviation industry, and because of this, ZACL must ensure that contracts comply with applicable rules, regulations, and standards both local and international. Fulfilling these checks can be cumbersome and add to the contract management challenges for aviation. The third challenge is risk involvement. Because of complex contract management in the aviation industry, ZACL is facing many risks such as performance failures, pricing challenges, contract proceeds, and over-commitment. In this regard, if the contract has no clear terms and conditions on these issues, ZACL faces the risk of not fulfilling the contractual obligations (World Bank. 2019). The fourth challenge is contract negotiation process. Due to the nature of the industry, ZACL is facing the challenge of contract negotiation due to the complexity of the contracts and the high stakes involved. In the aviation industry, the negotiation process can become time-consuming and demands participation from multiple stakeholders (Chirwa, C., 2022).

Despite these contract management challenges ZACL is facing, it seems no research has been conducted in the company to resolve the challenges (Chirwa, C., 2022). While there exists substantial literature on contract management globally, there is a noticeable gap in studies specific to the aviation sector in Zambia, particularly focusing on ZACL. Existing literature tends to be generalized or based on international perspectives, which may not fully capture the unique challenges and dynamics faced by ZACL. Therefore, there is a clear need for localized research to examine how contract management practices affect ZACL's organizational performance, which this study aims to address.

1.4. Objectives of the Study

1.4.1 General Objective

To assess the effects of Contract Management on Organizational Performance in Aviation Sector in Zambia.

1.4.2 Specific Objectives

- i. To assess the effect of contract planning on organisation performance in ZACL.
- ii. To determine the effect of contract implementation on organisation performance in ZACL.
- iii. To examine the effect of contract monitoring and evaluation on organisation performance in ZACL.

- iv. To assess the effect of contract relationship management on organisation performance in ZACL.

1.5 Research questions.

- i. What is the effect of contract planning on organisation performance in ZACL?
- ii. What is the effect of contract implementation on organisation performance in ZACL?
- iii. What is the effect of contract monitoring and evaluation on organisation performance in ZACL?
- iv. What is the effect of contract relationship management on organisation performance in ZACL?

1.6 Scope of the Study

The research focused on the effects of contract management on organizational performance in the aviation industry. Specifically, it assessed the effects of contract management on project management, revenue generation, service delivery and customer satisfaction in ZACL. The study was carried out at Zambia Airports Corporation Limited's head office which is in Chongwe district at farm number 4169 off airport road 27 kilometers from the central business district of Lusaka. The target population were all the employees in legal, procurement, airport services, commercial services, Air Navigation, engineering, Finance and strategy departments at the head office of ZACL as managers and the end users of the contracts. Head office was chosen because all the contracts management activities are done at the head office. The study was carried out between July 2024, to January 2025.

1.7 Significance of the study

This research is exceptionally critical since its findings may contribute to information and literature within the subject area under examination. The importance of this research to the researcher is that it incorporates the profundity of information the researcher will secure with respects to effects of contract management on organisational performance in aviation sector. It may be a valuable source of reference to researchers and the scholarly world. The researcher is of the view that the findings of the research may be valuable to ZACL management since it may serve as an input for policy framework to resolve the effects of contract management on its performance. The findings of this study may also help ZACL management to point out the contract management shortcomings and make strides on them to resolve the problem of impact of contract management on organisation performance. The research is additionally

important to the stakeholders in aviation industry in Zambia such Zambia Civil Aviation Authority (ZCAA), Ministry of Tourism (MT), Ministry of Transport and Logistics (MTL) and Ministry of Justice (MoJ). The findings of the study may help these stakeholders to formulate appropriate policies to help ZACL resolve this problem. To the university, the study looks forward to adding to the body of knowledge as it may serve as the bases for future studies in related areas.

1.8 Organisation of the Report

The research has six chapters. Chapter one includes the background of the study, operational definitions, statement of the research problem, research objectives, research questions, scope of the study, significance of the study, and the study structure. Chapter two consists of empirical literature review, theoretical framework and the conceptual framework. Chapter three is the research methodology which include research approach, research design, study population, sample size, sampling technique, data collection, data Analysis, study variables (Independent, Dependent) and ethical considerations. Chapter four consists of presentation and analysis of results. Chapter five discusses the findings of the study while chapter six provides the conclusions and recommendations of the study.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents empirical literature, theoretical framework and conceptual framework that aim at developing an understanding of the effects of contract management on organisational performance in aviation sector in Zambia. This involved examining documents such as books, magazines, journals and dissertations that have been written and conducted by different individuals, and organizations that are similar and have a bearing on the study being conducted.

2.1 Empirical Literature Review

2.1.1 Effects of contract planning on organisation performance.

2.1.1.1 Global literature

According to Johnson, L. & Chen, Y., (2018) Contract planning is a critical aspect of contract management that involves the systematic design and structuring of contracts to achieve desired organizational outcomes. It can significantly impact organizational performance, influencing aspects such as efficiency, compliance, and stakeholder satisfaction. Several studies highlight that effective contract planning improves organizational efficiency by reducing the likelihood of disputes and clarifying roles and responsibilities. For instance, research by Zhang, Y., Xu, H., & Liu, J., (2020) found that comprehensive contract planning led to smoother project execution and fewer conflicts, resulting in enhanced organizational operational efficiency. The study showed that well-defined contracts help in minimizing ambiguities and ensuring that all parties understand their obligations.

Contract planning also plays a crucial role in ensuring compliance with regulatory requirements and contractual obligations. A study by Bower, M., & Sweeney, P., (2021) demonstrated that meticulous contract planning led to higher compliance rates in the public sector. The research indicated that detailed contract terms and conditions helped organizations avoid legal issues and maintain adherence to regulations. Empirical studies have also explored the link between contract planning and financial performance. For example, a study by Roberts, R., & Miller, A., (2019) found that organizations with robust contract planning processes experienced improved financial

performance. The research revealed that effective contract planning contributed to cost savings, better budget management, and higher profitability.

Another important aspect of contract planning is its impact on stakeholder satisfaction. Research by Kumar, V., & Rajan, A., (2022) explored how thorough contract planning can lead to higher levels of satisfaction among stakeholders. The study found that clearly defined expectations and deliverables in contracts contributed to better relationships and improved stakeholder trust. Effective contract planning is also associated with better risk management. According to a study by Johnson, L., & Chen, Y., (2018), organizations that engaged in thorough contract planning were better equipped to identify and mitigate organization's risks. The study indicated that proactive contract management helped in anticipating potential issues and implementing risk mitigation strategies that led to better organizational performance.

2.1.1.2 Regional literature

In a study conducted by Anne Nyambura Maina, and Anthony Osoro, (2020) on effect of contract management on organization performance in the Telecommunication sector in Kenya, the results of the survey showed that the company was able to identify and conduct regular evaluation of contracts for viable projects. Contract evaluation allowed the organization to make sound decisions about priority and non-priority projects. Contract evaluation affects the quality and innovation of the design team. The study also concluded that implementation and maintenance of a contract budget register is important to avoid contract management overspending. These findings agree with the findings of Otieno, (2014), who observed that clear description of contract management planning can enhance effective contract management process, thus, leading to better organizational performance.

2.1.1.3 Local literature

Research conducted by Chirwa, M., & Kabamba, K., (2020) investigated the role of contract planning in enhancing operational efficiency within the Zambian construction industry. Their study highlighted that well-structured contracts lead to fewer delays and better organisation resource management. Effective contract planning was found to reduce operational disruptions and improve project timelines. A study by Mwansa, S.,

& Simuyemba, G., (2019) examined how contract planning affects compliance with regulatory requirements and contractual obligations in Zambia's public procurement sector. The research found that comprehensive contract planning improved adherence to procurement regulations and reduced instances of non-compliance in organisations.

Research by Nkhoma, J., & Phiri, M., (2021) investigated the relationship between contract planning and financial performance in Zambian manufacturing firms. The study indicated that firms with effective contract planning processes achieved better cost control and financial outcomes. Proper contract planning was associated with improved budgeting and reduced financial risks. In another research by Banda, R. & Sitali, C., (2018) explored the impact of contract planning on stakeholder satisfaction in Zambian development projects. The study found that well-planned contracts led to higher levels of satisfaction among stakeholders, including clients, suppliers, and project partners. Effective planning was associated with better communication and relationship management.

A study by Mweemba, J., & Kasongo, A., (2019) examined how contract planning contributes to risk management in Zambian construction projects. Their research highlighted that effective contract planning enables better identification and mitigation of risks, leading to more successful project outcomes. Proactive planning was found to help in anticipating potential issues and implementing appropriate risk management strategies.

2.1.2 Effects of contract implementation on organisational performance

2.1.2.1 Global Literature

Contract implementation involves the execution and management of the terms and conditions agreed upon in a contract (Adjei, K. & Asare, B., 2021). Effective contract implementation can significantly influence organizational performance, impacting areas such as operational efficiency, compliance, and stakeholder relationships. Effective contract implementation is crucial for enhancing organisation's operational efficiency. Research by Smith, R., & Jones, T., (2018) found that well-implemented contracts lead to smoother operations and better performance outcomes. Their study,

focusing on the manufacturing sector, revealed that organizations with robust implementation practices experienced fewer delays and disruptions.

Effective contract implementation contributes to higher compliance rates with regulatory and contractual obligations. A study by Walker, L., Green, S., & Lee, H., (2020) found that thorough contract execution practices help organizations adhere to legal and contractual requirements, reducing the risk of non-compliance and legal disputes. Empirical research has shown a positive relationship between effective contract implementation and organisational financial performance. According to a study by Thompson, G., & Hill, D., (2019), organizations that excelled in implementing contracts saw improvements in financial metrics, including cost control and profitability. The study emphasized that successful contract implementation reduces organisational financial risks and enhances financial stability.

Effective contract implementation also positively affects stakeholder relationships. Research by Johnson, M., & Patel, R., (2021) demonstrated that thorough execution of contracts fosters trust and satisfaction among stakeholders. Their study found that clear communication and consistent adherence to contract terms enhance relationships with partners, clients, and suppliers in the organisation. Contract implementation plays a key role in effective risk management. According to research by Miller, J. & Wang, Y., (2017), organizations that implement contracts diligently are better positioned to identify and mitigate potential risks. Their study highlighted that effective contract management reduces uncertainty and helps in addressing issues proactively.

2.1.2.2 Regional Literature

Effective contract implementation enhances operational efficiency by ensuring that contracts are executed as planned, minimizing delays and optimizing resource use. A study by Adjei, K., & Asare, B. (2021) focused on the Ghanaian construction industry and found that robust contract implementation practices led to improved project execution and operational efficiency. Their research highlighted that organizations with systematic implementation processes experienced fewer delays and better resource utilization. Contract implementation plays a significant role in ensuring compliance with contractual and regulatory requirements. Research by Mureithi, J., &

Kinyanjui, R., (2019) in Kenya revealed that effective contract implementation improved compliance with local regulations and contractual obligations. Their study showed that organizations with well-defined implementation processes were better at adhering to legal requirements and avoiding disputes.

Effective contract implementation has been shown to positively impact financial performance by improving cost management and profitability. A study by Mensah, I., & Oteng, K., (2020) explored the relationship between contract implementation and financial performance in Nigerian firms. Their research indicated that organizations with strong contract implementation practices achieved better financial outcomes through enhanced cost control and risk management. Contract implementation also affects stakeholder satisfaction by ensuring that contractual obligations are met, and issues are resolved efficiently. A study by Nkrumah, E., & Nkansah, R., (2018) examined the impact of contract implementation on stakeholder satisfaction in South African projects. Their findings indicated that effective contract implementation improved satisfaction among clients, suppliers, and partners by fostering better communication and addressing concerns promptly.

2.1.2.3 Local Literature

Effective contract implementation enhances operational efficiency by ensuring that contracts are executed according to plan, thereby minimizing disruptions and optimizing resource allocation. A study by Chanda, S., & Mulenga, M., (2020) focused on the Zambian construction industry and found that proper contract implementation processes led to improved project efficiency and reduced delays. Their research highlighted that organizations with structured implementation practices managed projects more effectively and utilized resources better. Effective contract implementation can positively impact on an organisation's financial performance by improving cost management and profitability. A study by Mbewe, R., & Phiri, K., (2022) explored how contract implementation affects financial outcomes in Zambian manufacturing firms. The research found that organizations with robust contract implementation processes experienced better financial performance, including cost control and increased profitability.

Contract implementation is crucial for ensuring compliance with contractual terms and regulatory requirements. Research by Kalungia, M. & Chanda, S., (2021) examined the impact of contract implementation on compliance in Zambia's public procurement sector. Their study revealed that organizations with effective contract implementation practices achieved higher compliance rates, thus avoiding legal issues and disputes. Contract implementation affects stakeholder satisfaction by ensuring that contractual obligations are met, and issues are addressed promptly. A study by Banda, R., & Simwaka, C., (2019) investigated the impact of contract implementation on stakeholder satisfaction in Zambian development projects. The research highlighted that effective contract implementation practices led to higher satisfaction among stakeholders, including clients and project partners.

Effective contract implementation contributes to better risk management by identifying and addressing potential risks. Research by Kwaku, A., & Mokoena, T., (2022) focused on the role of contract implementation in managing risks within the Zambian mining sector. Their study found that thorough implementation processes helped organizations anticipate and mitigate risks, leading to more successful project outcomes.

2.1.3 Effects of contract monitoring and evaluation on organisation performance.

2.1.3.1 Global Literature

According to Adams, R., & Nguyen, H., (2017) contract monitoring and evaluation (CM&E) are essential components of contract management. They involve the ongoing oversight and assessment of contract performance to ensure compliance with agreed terms and achieve desired organisation outcomes. Effective Contract monitoring and evaluation can significantly impact organizational performance by enhancing efficiency, compliance, and overall effectiveness. Effective contract monitoring improves operational efficiency by ensuring that contracts are executed as planned and by addressing issues promptly. Research by Brown, K., & Wang, T., (2018) demonstrated that organizations with rigorous contract monitoring processes experienced fewer operational disruptions and delays. Their study, focusing on the construction industry, showed that consistent monitoring helped in maintaining project timelines and resource allocation.

Contract monitoring and evaluation is crucial for ensuring compliance with contract terms and regulatory requirements. A study by Harris, M., & Jones, L., (2020) found that organizations with robust monitoring and evaluation systems had better compliance rates. Their research highlighted that systematic monitoring and evaluation helped in identifying deviations from contract terms early, thus reducing the risk of non-compliance and legal issues. Contract evaluation positively affects financial performance by improving cost management and profitability. Research by Lee, J., & Smith, R., (2019) showed that organizations that regularly evaluate contracts are better at managing costs and optimizing financial outcomes. Their study indicated that effective contract evaluation processes help in identifying cost-saving opportunities and enhancing overall organisation financial performance.

Effective monitoring contributes to higher stakeholder satisfaction by ensuring that contractual obligations are met and addressing issues promptly. A study by Clark, J. & Davis, P., (2021) found that organizations with proactive contract monitoring practices had better relationships with stakeholders. Their research emphasized that transparent and consistent contract monitoring improved stakeholder trust and satisfaction. Contract monitoring plays a key role in risk management by identifying and mitigating potential risks early. Research by Adams, R., & Nguyen, H., (2017) highlighted that organizations with comprehensive monitoring practices were better at managing risks associated with contract execution. Their study showed that ongoing oversight allowed for timely intervention and risk mitigation.

2.1.3.2 Regional Literature

Anne Nyambura Maina, and Anthony Osoro, (2020) conducted a study on effect of contract management on organization performance in the Telecommunication sector in Kenya. One specific objective was to discover the role of contract evaluation in the activities of the organization. The research revealed that the evaluation of the contract has an impact on the performance of the organization. The study revealed that the organization conducted post-contract evaluations to assess the level of results achieved; the organization reviewed contract performance to ensure management of costs in future contracts.

The study found that through contract control and audits, the organization was able to identify areas of weaknesses and strengths of different contracts; Contract audit and control is significant when you want to develop corrective actions on contracts; Contract Appraisal enhances the organizational performance; and evaluation enables the organization to identify problems and find timely solutions to ensure high quality of goods and services delivered. These findings are in line with the finding of Bartsiotas, (2014), who argued that it is critical to monitor a contract's performance frequently and at regular intervals after award to ensure that the contractor is providing the goods and services on schedule and within budget, and that quality standards are being met, especially for the highest-risk and most complex contracts.

2.1.3.3 Local Literature

In Zambia, Bwalya Kafula, Bupe Getrude Mwanza and Erastus Mwanaumo, (2023) conducted a study on contract management as a tool for successful project performance on construction projects in Zambia. The study revealed that only reasonable monitoring and evaluation was done. It was noted that intensive monitoring and evaluation was necessary because it was the only way to ensure that contractors complied with the terms of the contract. Monitoring ensures that costs, quality and time are achieved, and all risks are mitigated in a timely manner during the life cycle of the project in question. Contract management has also been reiterated as the art of risk management, a core part of project management. The survey also revealed that most respondents were not sure if their organizations were making adequate strategic decisions and whether, the contract management team had the necessary qualifications, skills, knowledge and experience for the job, including human relations management.

2.1.4 Effects of contract relationship management on organisation performance.

2.1.4.1 Global Literature

According to Carter, S., & Lewis, M., (2018), Contract Relationship Management (CRM) involves managing and optimizing the interactions between parties to a contract to ensure effective performance and fulfilment of obligations. Contract Relationship Management focuses on maintaining positive relationships, resolving

conflicts, and aligning interests. Effective contract relationship management enhances organisation's operational efficiency by fostering better coordination and communication between contracting parties. A study by Turner, J. R., & Cochrane, R., (2021) found that organizations with robust contract relationship management practices experienced fewer disruptions and delays in project execution. Their research highlighted that good relationship management practices contributed to smoother operations and more efficient use of resources.

Effective contract relationship management also contributes to higher organisation compliance with contract terms and regulatory requirements. Research by Lee, J., & Kim, S., (2020) demonstrated that organizations with strong contract relationship management practices had better compliance rates. Their study found that regular communication and relationship maintenance helped ensure adherence to contractual obligations and reduced the risk of disputes. Empirical studies have shown that contract relationship management positively impacts organisational financial performance. A study by Nguyen, T., & Wu, X., (2019) explored the relationship between contract relationship management and organisational financial outcomes, finding that organizations with effective contract relationship management practices achieved better cost management and profitability. Their research highlighted that strong relationships with contract partners could lead to financial benefits through better negotiation and reduced transaction costs.

2.1.4.2 Regional Literature

Contract relationship management practices are crucial for improving organisational stakeholder satisfaction. Research by Anderson, E., & Patrick, J., (2022) found that effective contract relationship management led to higher levels of satisfaction among stakeholders, including clients, suppliers, and partners. Their study indicated that proactive relationship management enhanced trust and collaboration, resulting in better overall satisfaction. Effective CRM is also associated with better organizational risk management. According to a study by Carter, S., & Lewis, M., (2018), organizations that actively manage contract relationships are better equipped to identify and mitigate risks. Their research showed that strong contract management

relationships help in addressing potential issues early and managing risks more effectively.

Strong contract relationships improve operational efficiency by ensuring smooth interactions and clear communication between contracting parties. A study by Adeyemo, K., & Adebayo, F., (2021) investigated the impact of contract relationships on operational efficiency in Nigerian manufacturing firms. Their research found that effective contract management and positive relationship dynamics led to enhanced operational performance and reduced delays. The quality of contract relationships can influence organisation's financial performance by affecting cost management, risk sharing, and profitability. A study by Kizito, A., & Dube, M., (2019) examined the effects of contract relationships on financial performance in Kenyan agribusinesses. The findings revealed that positive relationships and trust between contracting parties were linked to better financial outcomes and enhanced profitability.

Positive contract relationships are associated with better compliance with contractual and regulatory requirements. Research by Mokoena, T., & Chikodzi, D., (2020) explored how contract relationships affect compliance in South Africa's public procurement sector. Their study indicated that effective relationship management led to higher compliance rates and fewer disputes, which in turn improved organizational performance. Strong contract relationship management help in managing and mitigating risks associated with contract execution. A study by Njeri, L., & Karanja, J., (2021) analyzed the role of contract relationship management in risk management within the Ugandan construction industry. Their research highlighted that effective relationship management facilitated better risk identification and mitigation, leading to more successful organization project outcomes.

2.1.4.4 Local Literature

Effective contract relationship management is linked to improved operational efficiency by ensuring clear communication and resolving issues promptly. A study by Banda, R. & Mwila, P., (2021) focused on the Zambian construction industry and found that well-managed contract relationships led to enhanced project execution and reduced operational delays. Their research highlighted that effective management practices were critical for maintaining smooth operations and optimizing resource use.

Effective contract relationship management can positively impact financial performance by improving cost control and profitability. A study by Mulenga, A., & Zulu, T., (2020) explored the relationship between contract management and financial performance in Zambian agribusinesses. Their findings indicated that organizations with strong contract relationship management practices experienced better financial outcomes through enhanced cost management and risk reduction.

Proper management of contract relationships contributes to better compliance with contractual terms and regulatory requirements. Research by Kasonde, J., & Sitali, M., (2019) examined how contract relationship management affects compliance in Zambian public procurement. Their study demonstrated that organizations with effective relationship management practices achieved higher compliance rates and were less prone to legal disputes. Strong contract relationship management enhances stakeholder satisfaction by ensuring that contractual obligations are met and that issues are addressed efficiently. Research by Phiri, M., & Kamanga, C., (2021) investigated the impact of contract relationship management on stakeholder satisfaction in Zambian development projects. Their study found that organizations with effective relationship management practices had higher satisfaction levels among stakeholders, including clients, suppliers, and project partners.

2.2 Theoretical Framework

This section presents contract management theory that will help understand the impact of contract management on organisational performance in aviation sector.

2.2.1 Contract Management Theory

Contract management theory was developed by Kenneth Arrow in 1960. According to Arrow, K. J., (1951) contract management theory involves the systematic management of contracts from creation through execution to ensure that both parties fulfil their obligations while maximizing the benefits and minimizing risks. It encompasses various stages such as contract negotiation, performance monitoring, and resolution of disputes. Murray, P., & Graham, R., (2016) express that contract management theory encompasses several key tenets or characteristics that are essential for effective management and administration of contracts, and these include:

Contract Formation: This involves understanding the process of creating legally binding agreements. It includes negotiating terms, drafting the contract language, and ensuring all parties involved understand their rights and obligations. **Contract Compliance:** Once a contract is in place, it's crucial to ensure that all parties adhere to the terms and conditions specified. This involves monitoring performance, enforcing penalties for non-compliance, and managing changes or amendments as necessary (Murray, P., & Graham, R., (2016)). **Risk Management:** Contracts often involve risks such as financial, operational, or legal risks. Contract management theory emphasizes identifying potential risks, mitigating them through appropriate clauses or actions, and managing them throughout the contract lifecycle. **Performance Management:** Contracts typically outline specific deliverables, timelines, and quality standards. Effective contract management involves monitoring performance against these metrics, addressing issues promptly, and ensuring both parties fulfil their obligations satisfactorily (Kumar, A., & Tiwari, M. K., 2018).

Communication and Relationship Management: Clear and consistent communication is essential throughout the contract lifecycle. Contract management theory stresses the importance of maintaining positive relationships between parties, resolving conflicts constructively, and fostering collaboration to achieve mutual goals (Kadefors, A., (2004)). **Contract Administration:** This involves the administrative tasks related to managing contracts, such as document management, record-keeping, and ensuring compliance with legal and regulatory requirements. **Contract Negotiation and Renewal:** Negotiation skills are crucial in contract management theory. It involves reaching agreements that are beneficial to all parties while considering factors like cost, scope, and risk. Additionally, managing contract renewals or terminations effectively is part of this process (Davis, R., 2020).

Ethics and Integrity: Contract management theory emphasizes ethical behaviour and integrity in all dealings related to contracts. This includes transparency, fairness, and honesty in negotiations, performance evaluations, and decision-making processes (Hansson, L. and Longva, F., 2014). **Legal Awareness:** A solid understanding of contract law and relevant legal principles is essential. Contract managers need to ensure that contracts are legally enforceable, protect the interests of their organization, and comply with applicable laws and regulations. **Continuous Improvement:** Contract

management theory encourages continuous learning and improvement (Harris, M., & Jones, L., (2020). This involves analysing past contract performance, identifying areas for enhancement, adopting best practices, and adapting to changing circumstances or business environments.

Contract Management Theory is very important to the current study of the effects of contract management on organizational performance in the aviation sector in Zambia, especially when applied to an organization like Zambia Airports Corporation Limited. This is because of the many aspects of the theory that explain how contract management relate to organizational performance within the aviation sector in Zambia. The first aspect of the contract management theory which is relevant and important to this study is contract formation. In the aviation sector, contracts are central to operations involving various stakeholders, including airlines, government entities, and service providers. Contract formation through clear and precise agreements on terms, deliverables, and obligations ensures that the responsibilities of each party are understood and agreed upon. Effective contract formation in ZACL's operations ensures a smooth functioning of projects like airport infrastructure development, ground services, and regulatory compliance. Without solid contracts, miscommunications or misunderstandings could lead to delays or disputes, affecting organizational performance and efficiency (Murray, P., & Graham, R., 2016).

The second aspect of the contract management theory which is relevant and important to this study is contract compliance. When contracts are in place, ensuring compliance with the agreed terms is critical for operational continuity. For ZACL, this might mean monitoring compliance in areas such as infrastructure maintenance, airport operations, and service delivery to airlines and other companies. Effective monitoring helps identify any deviation from the contract and addresses issues before they escalate into larger problems, such as delays or safety concerns. Non-compliance can lead to financial penalties or regulatory sanctions, directly impacting organisational performance and reputation. Therefore, strict contract compliance practices enhance overall performance by ensuring that operations run smoothly (Murray, P., & Graham, R., 2016).

The third aspect of the contract management theory which is relevant and important to this study is risk management. The aviation sector in Zambia, faces significant risks, including financial, operational, and legal risks. For ZACL, proper risk management ensures that potential risks related to airport operations, airline agreements, or construction projects are identified early. By incorporating risk-mitigation strategies in contracts, such as insurance clauses or performance guarantees, ZACL can safeguard its performance outcomes, reducing the likelihood of cost overruns or operational disruptions (Kumar, A., & Tiwari, M. K., 2018).

The fourth aspect of the contract management theory which is relevant and important to this study is performance management. In the aviation sector, contracts often define specific performance metrics such as timely service delivery, safety standards, or infrastructure completion. ZACL needs to monitor these metrics regularly and address performance issues as they arise. Effective contract management allows for the identification of underperformance early on, allowing the organization to take corrective action. This ensures that the organizational performance stays aligned with the set objectives and regulatory standards. In the context of Zambia's aviation industry, high performance in areas like airport management, flight operations, and customer service translates directly into positive outcomes like increased efficiency, customer satisfaction, and stakeholder trust (Kumar, A., & Tiwari, M. K., 2018).

The fifth aspect of the contract management theory which is relevant and important to this study is communication and relationship management. In aviation sector, clear and consistent communication is essential throughout the lifecycle of a contract. In aviation industry, fostering positive relationships between all parties, airlines, service providers, regulators, and contractors is key to smooth operations. ZACL, through effective contract management, must maintain open lines of communication to ensure that expectations are understood, and conflicts are resolved constructively. Good relationship management ensures that partners collaborate to achieve mutual goals, such as airport development or safety compliance, thus improving organizational performance (Kadefors, A., 2019).

The sixth aspect of the contract management theory which is relevant and important to this study is contract administration. Proper contract administration involves the

maintenance of records, ensuring compliance with legal requirements, and managing amendments or renewals. In Zambia, the aviation sector operates under strict regulatory frameworks that require organizations to maintain accurate documentation. ZACL, through effective contract administration, must ensure compliance with both local laws and international aviation standards. This helps avoid potential legal challenges and ensures the corporation remains in good standing, which directly impacts its ability to perform (Murray, P., & Graham, R., 2016).

The seventh aspect of the contract management theory which is relevant and important to this study is contract negotiation and renewal. Contract negotiation and renewal are crucial, especially when dealing with very long agreements for services, infrastructure projects, or airline contracts. In Zambia's aviation sector, renegotiating terms to reflect evolving market conditions, safety standards, or regulatory changes is important for maintaining service quality and operational standards. Skilled negotiation can result in favourable terms that reduce costs and improve service delivery, ultimately enhancing ZACL's performance and profitability (Harris, M., & Jones, L., 2020).

The eighth aspect of the contract management theory which is relevant and important to this study is ethics and integrity. Ethical behaviour and integrity in contract management are essential for maintaining trust and transparency, particularly in sectors like aviation, where safety and service delivery are paramount. ZACL must uphold ethical standards in all contract negotiations and interactions. This ensures that contracts are executed fairly, stakeholders are treated with respect, and the organization's reputation remains intact. This ethical approach can lead to long-term business relationships, which can positively impact organizational performance (Hansson, L., & Longva, F., 2014).

The ninth aspect of the contract management theory which is relevant and important to this study is legal awareness. In Zambia's aviation industry, understanding contract law and regulatory requirements is critical. ZACL must ensure that all contracts are legally enforceable and compliant with the country's laws as well as international aviation regulations. Legal awareness ensures that ZACL's operations are protected against legal challenges and penalties. Additionally, it helps mitigate risks associated

with non-compliance, safeguarding the organization's financial and operational performance (Harris, M., & Jones, L., 2020).

The tenth aspect of the contract management theory which is relevant and important to this study is continuous improvement. Continuous improvement involves evaluating past contract performance to identify areas for enhancement. In Zambia, the aviation sector is dynamic, with changing technologies, regulatory environments, and customer expectations. ZACL can leverage insights from past contracts to refine its contract management practices, adopt industry best practices, and stay adaptable in a rapidly changing environment. This process of continuous learning leads to increased efficiency and effectiveness, improving long-term organizational performance (Harris, M., & Jones, L., 2020).

Therefore, contract management theory is relevant to the current study of the effects of contract management on organizational performance in Zambia's aviation sector because it provides a framework for understanding how effective contract management practices can lead to improved performance outcomes. Whether it's through ensuring compliance, mitigating risks, managing relationships, or optimizing performance, the principles of contract management can significantly impact ZACL's ability to maintain operational standards, improve service delivery, and meet regulatory requirements. Poor contract management, on the other hand, could lead to delays, disputes, and financial losses, negatively affecting organizational performance. By applying contract management theory, ZACL can enhance its contract management practices, ultimately resulting in better organizational performance and contributing to the overall growth and efficiency of Zambia's aviation sector.

2.3 Conceptual Framework

A conceptual framework is a representation of how one establishes logical connections or relationships among various factors deemed essential to the issue at hand (Sekaran, 2003). It serves as a model for understanding the connections between independent and dependent variables (Sekaran, 2003). The conceptual framework of this study is created to analyze the effect of contract management on organizational performance. It outlines the connection between the independent

variable “contract management,” which includes contract planning activities, contract implementation activities, contract monitoring and evaluation activities, and contract relationship management, and the dependent variable known as organizational performance. The effectiveness of an organization is determined by the quality of contract management within it. The figure below shows the conceptual framework and the connection between the independent variable and the dependent variable.

Figure 1: Conceptual Framework

INDEPENDENT VARIABLE

Contract Management



DEPENDENT VARIABLE

Organisational Performance



Source: Author (2024)

This conceptual diagram above explains the relationship between Contract Management as an independent variable and Organisational Performance as a dependent variable. To provide clear understanding, it examines the relationships between the sub-variables under the independent and dependent variables.

Independent Variable (Contract Management)

Contract management refers to the processes involved in managing contracts with vendors, clients, and other stakeholders. This encompasses planning, implementing, monitoring, and evaluating contracts to ensure they align with organizational goals and are executed effectively. The individual sub-variables under Contract Management are:

Contract Planning: This involves creating a detailed and structured plan for the contract, including terms, deliverables, timelines, and resources. Effective planning ensures that all parties have clear expectations and responsibilities, minimizing risks and increasing the chances of successful outcomes.

Contract Implementation: This is the phase where the contract is put into action. It involves executing the plan and managing day-to-day activities. The effectiveness of this phase directly impacts on the execution of the contract and how well the terms are met.

Contract Monitoring and Evaluation: Once the contract is being implemented, ongoing monitoring and evaluation are necessary to ensure that it stays on track. This involves tracking performance, identifying any issues, and making necessary adjustments to ensure that contractual objectives are met.

Contract Relationship Management: This focuses on maintaining positive and productive relationships with stakeholders involved in the contract. Good relationship management helps to resolve conflicts, improve communication, and promote long-term partnerships, which is essential for contract success.

Dependent Variable (Organisational Performance)

Organisational performance refers to the overall effectiveness of an organization in achieving its goals and objectives. The individual sub-variables under Organisational Performance are:

Project Management: This involves the planning, coordination, and execution of projects. Effective project management ensures that projects are completed on time, within scope, and within budget. Good contract management practices, especially in the planning and monitoring stages, can contribute significantly to the success of project management.

Revenue Generation: This refers to the ability of the organization to generate income, either through the sale of products, services, or other means. A well-managed contract can have a direct impact on revenue generation by ensuring that terms are met, and resources are optimally utilized to generate profit.

Service Delivery: This relates to the ability of an organization to deliver services or products to customers in a timely and efficient manner. Effective contract management ensures that contracts are executed as planned, minimizing delays, reducing errors, and ensuring high-quality service delivery.

Customer Satisfaction: This is a key indicator of organizational success. Satisfied customers are likely to return for repeat business, recommend the organization to others, and help improve the organization's reputation. Good contract management, particularly in relationship management, ensures customer expectations are met and that any issues are resolved quickly, leading to higher customer satisfaction.

Relationships Between the Independent and the Dependent Variables

The relationship between **Contract Management** (independent variable) and **Organisational Performance** (dependent variable) can be understood in terms of the impact that each element of contract management has on the various facets of organizational performance:

Contract Planning and Project Management: Good contract planning ensures that the project has clear goals, resources, and timelines, which is vital for successful project management. The better the planning phase, the smoother the execution of the project, which positively impacts the project management process.

Contract Implementation and Service Delivery: Effective contract implementation ensures that agreed-upon deliverables are met, leading to timely and high-quality service delivery. If the contract is implemented well, the organization can fulfill its promises to customers and clients, improving service delivery outcomes.

Contract Monitoring and Evaluation and Customer Satisfaction: Continuous monitoring and evaluation of contracts ensure that any issues are identified early and resolved, leading to better customer service and satisfaction. Proactively addressing challenges in contract performance can directly impact on the quality of service provided to customers.

Contract Relationship Management and Revenue Generation: Positive relationships with stakeholders, including clients and vendors, are crucial for sustaining long-term business engagements and generating revenue. Good relationship management helps in securing repeat business, negotiating favourable terms, and ensuring ongoing collaboration, all of which contributes to revenue generation.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methodology which has been used in the study which includes research approach, study design, study population, sample size, sampling techniques, data collection, data analysis and ethical considerations.

3.1 Research Approach

This study utilized the quantitative research approach as it sought to test the effects of independent variables on the dependent variable. Utilizing this approach, the study collected quantitative data using the questionnaire. The quantitative research approach was also considered as the study aimed at understanding the general overview regarding the effects of independent variables on the dependent variable. The quantitative approach was also chosen because of its objectivity and reliability. Quantitative research is based on numerical data, making it more objective and less prone to personal biases. The results are typically repeatable and can be tested for consistency, leading to reliable findings. Creswell, J. W., (2014) emphasize that quantitative research's reliance on numbers and statistics enhances the reliability of the results, making them less susceptible to researcher bias. This characteristic increases the credibility and trustworthiness of the findings.

This approach was chosen to have clear data analysis. With quantitative data, the study used statistical methods to analyze the data, which allowed for precise measurements of relationships between variables. This helps identify patterns, trends, and correlations that may not be obvious in qualitative research. Bryman, A., (2016) highlights that quantitative data analysis provides clear results, enabling researchers to examine and answer specific research questions with precision. Quantitative approach was also employed due to its precision and accuracy. Quantitative research allowed for more precise and accurate measurements of variables. Field, (2013) emphasizes that the quantification of data ensures accuracy in measurement, which is crucial for drawing valid conclusions in scientific research.

3.2. Research Design

Research design shows the detailed plan of how the research work will be conducted (John, W. Creswell, 2003). This study employed descriptive, analytical, and causal-comparative research designs. The descriptive research design was employed to

describe demographic characteristics of the participants and their perception on the effects of independent variables on the dependent variable. The casual comparative design on the other hand was adopted to assess the correlation between the independent variables and dependent variable. As such, the study mainly focused on observing the effects of these independent variable on dependent variable.

3.3. Study Population

According to Creswell, J. W., & Creswell, J. D., (2018) the target population consists of all individuals or items that meet specific criteria defined by the researcher. The target population for this study was 71 current employees in legal, procurement, airport services, commercial services, Air Navigation, engineering, Finance and strategy departments. The reason for choosing these departments and employees at ZACL's head office was because the legal and procurement departments are the custodian, and the ones charged with the responsibility of contract management process. Airport Services, Commercial services, Air Navigation, engineering, Finance and strategy departments are the end user departments of the contract management.

3.4 Sample Size

A sample is a finite part of a statistical population whose properties are studied to gain information about the whole population (Webster, 1985). A research sample size refers to the number of participants or observations included in a study (Orodho and Kombo, 2002). The sample size for this study was determined by using Taro Yamane (1967) simplified formula for proportions as shown below.

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{71}{1 + 71(0.05)^2}$$
$$n = 60$$

Where: n = is the sample size,

N= is the population size,

e = is the level of precision at 0.05. (95%)

Therefore, the sample size for this study was 60 participants from the target population of 71 which consisted of employees from legal, procurement, airport services, commercial services, Air Navigation, engineering and Finance departments.

3.5. Sampling technique

Sampling techniques are the methods used to select individuals or units from a larger population for the purpose of conducting research (Fowler, F. J., (2014). In this study, the sampling technique that was employed was simple random sampling. Simple random sampling was used to select the employees to be included in the sample. The reason for using this technique was to ensure that each member of the target population has equal chance of being included into the sample.

3.6. Data collection

Data collection is the systematic process of gathering information from various sources to answer research questions, test hypotheses, or evaluate outcomes (Creswell, J. W., & Creswell, J. D., (2018). For this study, the data collection instrument was a questionnaire. The questionnaire was used to collect data from employees. The questionnaire was used because the researcher wanted to get in-depth insight from the respondents on how contract planning, contract implementation, contract monitoring and evaluation and contract relationship management influences organisation performance in ZACL. A self-administered questionnaire was utilized for employees and typically to permit the participants to answer the questions at their own time considering how busy airport employees are.

3.7. Data Analysis

Data analysis is the process of systematically applying statistical and logical techniques to describe, summarize, and evaluate data (Creswell, J. W., & Creswell, J. D., (2018). Data analysis is a process during which accumulated information is sought and organized systematically so that the researcher's understanding increases, and the researcher can present the information found to others. More specifically, analysis involves working with information, organizing information and breaking it down into manageable units, synthesizing information, looking for patterns, finding what is important and instructive, and determining what is worth communicating to others. In this study, data was processed using Statistical Package for Social Sciences (SPSS)

and was analyzed using descriptive statistics and analytical methods using the multiple ordinal regression analysis

3.8 Study Variables

3.8.1 Dependent Variable

The dependent variable in this study is organizational performance which is defined as a concept of achievement or viability of an organization, and as a sign of the organizational manner that it is performing viably to realize its set targets effectively (Cherrington, D. J., 1989). The organizational performance in this study is measured by the effectiveness and efficiency of project management, revenue generation, service delivery and customer satisfaction.

3.8.2 Independent Variable

In this study the independent variable is contract management which is defined as a process of systematically and efficiently managing contract creation, execution and analysis for maximizing operational and financial performance and minimizing risk (CIPS, UK, 2007). The independent variable in this study is divided into four individual variables which includes contract planning activities, contract implementation activities, contract monitoring and evaluation activities, and contract relationship management.

3.9 Ethical Considerations

Research ethical considerations refer to the principles and guidelines that govern the conduct of research involving human participants, animals, and sensitive data (Beauchamp, T. L., & Childress, J. F., 2019). When conducting research, the researcher must understand and adhere to the acceptable codes of ethics and practices for dealing with human participants. To ensure the protection and appropriate treatment of participants in research, it was mandatory that researchers receive approval from the requisite Ethics Committee (Fiske and Hauser, 2014). Before attempting to engage with participants, the researcher received permission from the University of Lusaka ethics committee. To ensure that participants feel comfortable participating in the study, a review of the informed consent form was done with each participant to ensure that all participants receive sufficient information to determine if they would like to be part of the study or not.

The data for this research was acquired without causing any harm to the participants or their company. Participants had the opportunity to ask questions and provide permission through the signing of the informed consent form agreeing to participate. The informed consent form contained the ethics committee approval, background of the study, the importance of participating, the risks and the benefits of the research to business practice. The informed consent form included notification of the need to record all responses to minimize data loss. It also contained information concerning the participants' rights to decline participation or to withdraw from the study at any time. Further, data was analysed and reported without any manipulation by the researcher.

CHAPTER 4: PRESENTATION AND ANALYSIS OF RESULTS

4.0 Introduction

This chapter outlines the results of the research. This encompasses the reliability test of the research tool, response rate, data normality test, correlation analysis outcomes between contract management and organizational performance, and the findings of descriptive analysis regarding participants' views on the effect of contract management on parameters for measuring organizational performance.

4.1: Response rate

In this study, a total of 60 questionnaires were distributed to employees. Out of the total 60 questionnaires that were distributed, 58 were returned representing (96.7%) response rate, and 2 participants did not return the questionnaires representing (3.3%) non-response rate.

4.2 Cronbach's Alpha Reliability Test of Research Instrument

The Cronbach's Alpha test was used to assess the reliability or internal consistency of the research instrument.

Table 1: Cronbach's Alpha test of research instrument

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.973	.972	35

Source: Field Data (2024)

The research instrument shows excellent reliability based on the Cronbach's Alpha test results values as shown in table 1 above. The values of 0.973 and 0.972 both suggest that the instrument is consistent in measuring what it is intended to measure. Thus, it is considered a reliable tool for this research. Cronbach's Alpha of 0.973 indicates a very high level of reliability for the research instrument. Typically, a Cronbach's Alpha value above 0.90 is considered excellent, suggesting that the items in the scale are highly correlated with each other and consistently measure the same construct. Cronbach's Alpha Based on Standardized Items of 0.972 which is derived from standardized items, is very close to the original value of 0.973, further confirming the stability of the reliability across both raw and standardized scores.

4.3 Data Cleaning and Analysis

Table 2: Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Organisational Performance	58	100.0%	0	.0%	58	100.0%
Contract Planning	58	100.0%	0	.0%	58	100.0%
Contract Implementation	58	100.0%	0	.0%	58	100.0%
Contract Monitoring and Evaluation	58	100.0%	0	.0%	58	100.0%
Contract Relationship Management	58	100.0%	0	.0%	58	100.0%

Source: Field Data (2024)

Table 2 above shows that each variable (OP, CP, CI, CME, CRM) has 0% missing data, meaning that there are no missing values for these cases. This is an indicator of good data cleanliness. The data is 100% valid as all 58 cases for each variable are marked as valid, suggesting that the dataset is complete and that there is no need for imputation or data cleaning related to missing data. Because there are no missing or invalid entries, the data is ideal for analysis.

4.4: Descriptive Analysis of Demographic Data

This section analyses the demographic details of the participants using appropriate baseline computations.

Table 3. Case Processing Summary

Variable	Categories	Frequency	Percentage
Gender	Male	42	72.4
	Female	16	27.6
Age	18-25 Years	4	6.9
	26-35 Years	19	32.8
	36-45 Years	20	34.5
	46-55 Years	15	25.9
Education Level	Diploma	6	10.3
	Bachelor's degree	40	69.0

	Master's degree	12	20.7
Tenure of Service	1-3 Years	13	22.4
	4-6 Years	23	39.7
	7-10 Years	17	29.3
	11 Years and above	5	8.6
Nature of Work	Senior Management	5	8.6
	Middle Management	13	22.4
	Supervisor	20	34.5
	Front line employee	20	34.5
Involvement in Contract Management	Less involved	11	19.0
	Somewhat involved	8	13.8
	Involved	30	51.7
	More involved	9	15.5
Knowledge of Contract Management	Somewhat knowledgeable	9	15.5
	Knowledgeable	32	55.2
	More knowledgeable	17	29.3

Source: Field Data (2024)

Out of the total 58 participants who took part in this research, 42 (72.4%) were male and 16 (27.6%) were female. In terms of the age group, 4 (6.9%) were between 18-25 Years, 19 (32.8%) were between 26-35 Years, 20 (34.5%) were between 36-45 Years, and 15 (25.9%) were between 46-55 Years. In terms of their education level, 6 (10.3%) had diploma, 40 (69%) had bachelor's degree, and 12 (20.7%) had master's degree. In terms of their tenure of service in aviation industry, 13 (22.4%) have worked between 1-3 Years, 23 (39.7%) have worked between 4-6 Years, 17 (29.3%) have worked between 7-10 Years and 5 (8.6%) have worked for 11 Years and above. In terms of their nature of work, 5 (8.6%) were in senior management, 13 (22.4%) were in middle management, 20 (34.5%) were supervisors and another 20 (34.5%) were front line employees. In terms of their involvement in contract management, 11 (19%) were less involved, 8 (13.8%) were somewhat involved, 30 (51.7%) were involved and 9 (15.5%) were more involved. In terms of their knowledge of contract management,

9 (15.5%) were somewhat knowledgeable, 32 (55.2%) were knowledgeable and 17 (29.3%) were more knowledgeable.

4.5: Test for Normality

To test for normality, the Shapiro-Wilk test was used to check if the variables used in the study followed a normal distribution. Shapiro-Wilk test was used because the study sample was 58 which is less than 100. Table 4 below shows the results of this analysis.

Table 4. Skewness of variables Summary

Variable	Skewness	Standard Error
Organisational Performance	-1.049	.314
Contract Planning	-.657	.314
Contract Implementation	-1.140	.314
Contract Monitoring and Evaluation	-.960	.314
Contract Relationship Management	-.279	.314

Source: Field Data (2024)

Table 5. Shapiro-Wilk Tests for Normality

	Statistic	df	Sig.
Organisational Performance	.815	58	.000
Contract Planning	.920	58	.001
Contract Implementation	.899	58	.000
Contract Monitoring and Evaluation	.926	58	.002
Contract Relationship Management	.925	58	.001

Source: Field Data (2024)

Skewness measures the asymmetry of the distribution. A skewness value of 0 indicates a perfectly symmetrical distribution, while a negative value indicates a leftward (negative) skew, and a positive value indicates a rightward (positive) skew.

In table 4 above, all variables show negative skewness (left-tailed), which indicates that the data for each of these variables are slightly more concentrated on the right side of the distribution. The skewness values range from moderate to strong (from -0.279 to -1.140). While moderate skewness is not necessarily a problem for normality, values closer to -1 may signal a distribution that deviates from normality. In table 5 above, the results of Shapiro-Wilk test show that all the p-values are less than 0.05, which indicates that the null hypothesis (normality) is rejected for all variables. This means that, based on the Shapiro-Wilk test, none of the variables follow a perfectly normal distribution. While the skewness values suggest that the distributions are

somewhat asymmetric (left-tailed), the Shapiro-Wilk test results indicate that the data are not normally distributed. The data show statistical evidence of non-normality, which is important for choosing appropriate statistical methods. In this case non-parametric tests.

Table 6: Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	199.243			
Final	162.775	36.468	4	.000

Source: Field Data (2024)

The results in table 6 above shows that the final model significantly improves the fit over the intercept-only model, as indicated by the Chi-Square statistic of 36.468 and the p-value of 0.000. This suggests that the predictors in the final model have a meaningful impact on the dependent variable, and the model is a better representation of the data than the intercept-only model. Therefore, the final model shows a significant improvement over the intercept-only model, indicating that the predictors in the final model explain the data better.

Table 7: Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	558.298	590	.821
Deviance	160.003	590	1.000

Source: Field Data (2024)

The test results in table 7 above, both the Pearson and Deviance chi-square tests show high p-values (0.821 and 1.000, respectively). This suggests that the model fits the data well and there is no evidence of poor fit. The high p-values in the goodness-of-fit tests indicate that the model's predictions are not significantly different from the observed data, further confirming the adequacy of the model.

Table 8: Pseudo R-Square

Cox and Snell	.467
Nagelkerke	.482
McFadden	.181

Source: Field Data (2024)

In table 8 above, the Cox and Snell and Nagelkerke values suggest that the model explains a significant portion of the variability in the dependent variable (around 46-48%). The McFadden value is lower, suggesting that the model's explanatory power, while reasonable, is not as strong compared to Cox and Snell or Nagelkerke. This is typical for models with a large number of predictors or in more complex settings. The model has a moderate to good fit, with around 46-48% of the variance explained by the predictors, according to the Cox and Snell and Nagelkerke pseudo R-squares. McFadden's value suggests more limited explanatory power, but it still indicates a fair model fit.

Table 9: Test of Parallel Lines

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	162.775			
General	125.771 ^a	37.004 ^b	40	.606

Source: Field Data (2024)

The Test of Parallel Lines is typically used in the context of ordinal regression models to check whether the assumption of parallel regression lines (the proportional odds assumption) holds. The null hypothesis of this test is that the proportional odds assumption holds, meaning the relationship between each pair of outcome categories is the same. In table 9 above, the p-value of 0.606 is not significant, meaning that we fail to reject the null hypothesis. This suggests that the proportional odds assumption holds, and the assumption of parallel regression lines is valid for the model. In other words, the relationship between each pair of outcome categories is consistent across the levels of the predictor variables.

4.6 Correlation Analysis between Organisational Performance and Contract Management

Table 10: Correlation between Organisational Performance and Contract Management

Correlations							
			OP	CP	CI	CME	CRM
Spearman's rho	OP	Correlation Coefficient	1.000	.374**	.432**	.571**	.512**
		Sig. (2-tailed)	.	.004	.001	.000	.000
		N	58	58	58	58	58
	CP	Correlation Coefficient	.374**	1.000	.621**	.622**	.612**
		Sig. (2-tailed)	.004	.	.001	.000	.000
		N	58	58	58	58	58

		Sig. (2-tailed)	.004	.	.000	.000	.000
		N	58	58	58	58	58
	CI	Correlation Coefficient	.432**	.621**	1.000	.780**	.681**
		Sig. (2-tailed)	.001	.000	.	.000	.000
		N	58	58	58	58	58
	CME	Correlation Coefficient	.571**	.622**	.780**	1.000	.742**
		Sig. (2-tailed)	.000	.000	.000	.	.000
		N	58	58	58	58	58
	CRM	Correlation Coefficient	.512**	.612**	.681**	.742**	1.000
		Sig. (2-tailed)	.000	.000	.000	.000	.
		N	58	58	58	58	58
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Field Data (2024)

Table 10 above presents correlational results of organizational performance and various activities of project management. On the correlation between organizational performance (OP) and contract planning (CP), the results indicate the correlation coefficient of 0.374 and the significance (Sig.) of 0.004 which is less than 0.05 indicating statistical significance. These results indicate that there is a moderate positive correlation between Organisational Performance and Contract Planning. As contract planning improves, organisational performance tends to improve as well, though the strength of the relationship is moderate.

On the correlation between organizational performance (OP) and contract implementation (CI), the results show correlation coefficient of 0.432 and Significance (Sig.) of 0.001 indicating that it is statistically significant. The results show that there is a moderate positive correlation between Organisational Performance and Contract Implementation. As contract implementation improves, organisational performance also tends to improve, with a slightly stronger correlation than with contract planning.

On the correlation between organizational performance (OP) and Contract Monitoring and Evaluation (CME), the results show the correlation coefficient of 0.571. and Significance (Sig.) of 0.000 indicating that it is statistically significant. The results show that there is a strong positive correlation between Organisational Performance and Contract Monitoring and Evaluation. As monitoring and evaluation practices improve, organisational performance shows a significant improvement. This is the strongest

positive relationship among contract management factors affecting organizational performance.

On the correlation between organizational performance (OP) and Contract Relationship Management (CRM), the results show the correlation coefficient of 0.512. and Significance (Sig.) of 0.000 indicating that it is statistically significant. These results show that there is a moderate to strong positive correlation between Organisational Performance and Contract Relationship Management (CRM). This means that improved management of contract relationships is associated with improved organisational performance.

Contract Monitoring and Evaluation shows the strongest positive correlation with Organisational Performance, followed by Contract Relationship Management. This suggests that effectively monitoring and evaluating contracts, along with good relationship management, are important factors that positively influence organisational performance. Contract Implementation and Contract Planning also have moderate positive correlations with organisational performance, indicating that improving these areas of contract management also contributes to better performance, although the effect is not as strong as Contract Monitoring and Evaluation or Contract Relationship Management. However, all correlations are statistically significant, meaning that these relationships are unlikely to be due to chance.

4.7 Descriptive analysis of employee’s perception of effects of contract management on organization performance:

Table 11: Employee’s perception of effects of contract management on organization performance

ITEM	SD(%)	DA(%)	N(%)	A(%)	SA(%)	Mean	σ	Decision
Contract management has increased efficiency and effectiveness in project management.	0 (0%)	1 (1.7)	4 (6.9)	22 (37.9)	31(53.4)	4.43	.704	High Perception
Contract management has significantly increased revenue growth, reduced costs and reduced revenue leakages.	0 (0%)	1 (1.7)	5 (8.6)	23 (39.7)	29 (50.0)	4.38	.721	High Perception
Contract management has significantly Improved efficiency and effectiveness in service delivery.	0 (0%)	1 (1.7)	5 (8.6)	21 (36.2)	31 (53.4)	4.41	.726	High perception

Contract management has significantly improved customer satisfaction and retention.	0 (0%)	1 (1.7)	5 (8.6)	22 (37.9)	30 (51.7)	4.40	.724	High perception
Contract management has facilitated strategic decision-making by tracking contract performance and outcomes.	0 (0%)	1 (1.7)	6 (10.3)	23 (39.7)	28 (48.3)	4.34	.739	Low perception
Contract management has significantly increased support for innovation and continuous improvement.	0 (0%)	2 (3.4)	6 (10.3)	24 (41.4)	26 (44.8)	4.28	.790	Low perception
Contract management has significantly increased compliance and risk identification and mitigation.	0 (0%)	1 (1.7)	8 (13.8)	23 (39.7)	26 (44.8)	4.28	.768	Low perception

Note: N=58, SD=Strongly Disagree, D= Disagree, N=Neutral, A=Agree, SA= Strongly Agree.

Decision- Weighted Average Mean= 30.52/7= 4.36

The results presented in table 11 above reflect employees' perceptions of the effects of contract management on various aspects of organizational performance. The data provides a useful measure of how employees perceive contract management's effects, using a Likert scale (SD, D, N, A, SA). The mean and standard deviation (σ) are used to assess the central tendency and variability of responses, respectively. The decision to categories whether the participants have high or low perception on the statements is made by comparing the individual means of the statements and the Weighted Average mean of 4.36. This means that the mean of 4.36 and above indicates a higher perception while, a mean below 4.36 indicates lower perception.

On the assumption that contract management has increased efficiency and effectiveness in project management, the results indicate the mean of 4.43 and standard deviation of 0.704. The responses show strong agreement with the statement, as the mean score of 4.43 suggests that employees strongly perceive that contract management has positively impacted project management. The low standard deviation (0.704) indicates that there is minimal variability in responses, meaning that most respondents agree with this view.

On the assumption that contract management has significantly increased revenue growth, reduced costs, and reduced revenue leakages, the results indicate the mean of 4.38 and standard deviation of 0.721. Like the first item, this statement also received strong support (mean of 4.38). The results show that employees perceive that contract management has contributed to financial improvements, including revenue growth and

cost reductions. The standard deviation of 0.721 is slightly higher, indicating some diversity in responses, but the overall agreement is still high.

On the assumption that contract management has significantly improved efficiency and effectiveness in service delivery, the results indicate the mean of 4.41 and standard deviation of 0.726. This result indicates a high level of agreement with the statement, with a mean of 4.41. These results further support the notion that contract management has a positive effect on operational efficiency and service delivery. The standard deviation is comparable to the other items, showing consistent responses.

On the assumption that contract management has significantly improved customer satisfaction and retention, the results indicate the mean of 4.40 and standard deviation of 0.724. Again, the mean score of 4.40 indicates a strong belief among employees that contract management plays a crucial role in improving customer satisfaction and retention. The low standard deviation of 0.724 suggests consensus on this perception.

On the assumption that contract management has facilitated strategic decision-making by tracking contract performance and outcomes, the results indicate the mean of 4.34 and standard deviation of 0.739 which is lower compared to the weighted mean (4.36). While this item also shows a relatively high mean score (4.34), it is slightly lower than the others, suggesting that employees are somewhat less certain about contract management's role in facilitating strategic decision-making. The standard deviation of 0.739 is the highest among the items, indicating more variability in responses and less consensus.

On the assumptions that contract management has significantly increased support for innovation and continuous improvement, the results indicate the mean of 4.28 and standard deviation of 0.790 which is lower than the weighted mean (4.36). This item also receives a mean score of 4.28, indicating agreement, but it is still lower than the previous items, which may imply that employees are less convinced that contract management significantly supports innovation and continuous improvement. The standard deviation of 0.790 shows higher variability, suggesting more mixed opinions.

On the assumption that contract management has significantly increased compliance and risk identification and mitigation, the results indicate the mean of 4.28 and standard deviation of 0.768 which is lower than the weighted mean (4.36). Like the

previous item, the mean score of 4.28 suggests that employees agree that contract management has a role in improving compliance and risk management, but the perception is not as strong as in areas like project management or service delivery. The standard deviation of 0.768 indicates some variability in responses, though not as much as for the previous item.

Generally, most of the responses indicate strong agreement with the positive effects of contract management on organizational performance, particularly in areas like project management efficiency (mean = 4.43), revenue growth (mean = 4.38), service delivery (mean = 4.41), and customer satisfaction (mean = 4.40). These results suggest that employees perceive contract management as highly beneficial in improving operational and financial performance. However, items related to strategic decision-making (mean = 4.34), innovation (mean = 4.28), and compliance/risk mitigation (mean = 4.28) received slightly lower mean scores and more variability in responses. While employees still tend to agree with these statements, the perceived effects of contract management on these aspects are not as strongly felt.

CHAPTER 5: DISCUSSION OF THE FINDINGS

5.0 Introduction

This chapter discusses the findings of the study presented in chapter four. The discussion is based on the results of regression and descriptive analysis of the responses of the research participants. The discussion is further done in relation to the theoretical framework and empirical literature review. Specifically, the discussion of the findings is done on the effects of contract planning, contract implementation, contract monitoring and evaluation and contract relationship management on organizational performance. As a measure of organisational performance, the discussion of the findings looks at how contract planning, contract implementation, contract monitoring and evaluation and contract relationship management affects organisational project management, revenue generation, service delivery and customer satisfaction.

5.1 Correlation Analysis between Organisational Performance and Contract Management

The results from the regression analysis show that organisational performance is significantly affected by contract management activities. The positive relation between organisational performance and contract management entails that any improvement in contract management will result in improved organisational performance. This meets the expectation of the study as well as what most literature illustrates regarding the positive influence of contract management on organisational performance. Therefore, the research findings highlight the significant impact of various contract management activities on organizational performance (OP). The study specifically examined the correlation between organisational performance and four key contract management activities which are Contract Planning (CP), Contract Implementation (CI), Contract Monitoring and Evaluation (CME), and Contract Relationship Management (CRM).

The study found a moderate positive correlation between Contract Planning and Organizational Performance with Correlation Coefficient of 0.374 and Significance of 0.004. This means that as organizations improve their contract planning processes, there is a corresponding increase in overall organizational performance. Although the relationship is statistically significant, it is not as strong as the relationships with other

contract management activities, indicating that contract planning plays an important but somewhat secondary role in influencing organisational performance compared to other contract management practices. These findings suggest a critical need for ZACL to review and refine its contract planning processes to enhance effectiveness and ensure alignment with organizational objectives.

The results of this study underscore the perceived importance of effective contract planning on organisational performance. Therefore, these findings reinforce the idea that effective contract planning should be prioritized as a strategic objective within organisation to enhance overall organizational performance. These findings are in line with Zhang, Y., Xu, H., & Liu, J., (2020) who found that comprehensive contract planning led to smoother project execution and fewer conflicts, resulting in enhanced organizational operational efficiency.

The research findings on the effects of contract implementation on organizational performance provide critical insights into how the execution of contracts affect various aspects of the organization. The study found a moderate positive correlation between contract implementation and organizational performance with correlation coefficient of 0.432 and Significance of 0.001, slightly stronger than the correlation between organisational performance and contract planning. This suggests that effective contract implementation, which includes adhering to agreed terms, ensuring compliance, and managing performance delivery, has a notable impact on organisational performance. The statistical significance of this relationship underscores that improving contract implementation practices can have a measurable positive effect on organizational outcomes.

These results suggest that while there is some recognition of effectiveness of contract management on organisational performance, a substantial number of participants believe that improvements are necessary in the contract implementation process to better align with organizational goals which may enhance the organisational performance. Effective contract implementation is crucial for enhancing organisation's operational efficiency. The findings are in line with Smith, R., & Jones, T., (2018) who found that well-implemented contracts lead to smoother operations and better performance outcomes. Their study focusing on the manufacturing sector, revealed

that organizations with robust implementation practices experienced fewer delays and disruptions.

The research findings on the effects of contract monitoring and evaluation on organizational performance provide valuable insights into the effectiveness and importance of these processes. The study found that the relationship between Contract Monitoring and Evaluation and Organizational Performance shows a strong positive correlation with Correlation Coefficient of 0.571 and Significance of 0.000, which is the strongest among the four contract management activities studied. This suggests that continuous monitoring, assessment, and evaluation of contracts are crucial for organizational success. Effective monitoring and evaluation help ensure that contracts are being adhered to, identify issues early, and provide feedback for improvements, which leads to improved performance at the organizational level.

These findings are in line with (Brown, K., & Wang, T., 2018) who argues that effective contract monitoring and evaluation can significantly impact organizational performance by enhancing efficiency, compliance, and overall effectiveness. These results indicate that while contract monitoring and evaluation is viewed as essential, translating this importance into effective practices remains critical. The findings further agree with Adams, R., & Nguyen, H., (2017) who notes that contract monitoring and evaluation is essential components of contract management as it involves the ongoing oversight and assessment of contract performance to ensure compliance with agreed terms and achieve desired organisation outcomes for better organisational performance.

The findings on the effects of contract relationship management on organizational performance provide a comprehensive view of how this aspect influences overall organisational performance. The study found that a moderate to strong positive correlation exists between Contract Relationship Management and Organizational Performance with Correlation Coefficient of 0.512 and Significance of 0.000. This indicates that maintaining good relationships with contractors, suppliers, and other stakeholders in the contract process significantly enhances organizational performance. Effective communication, conflict resolution, and collaboration within

contract relationships likely lead to smooth operations and better outcomes for the organization.

These findings suggest that enhancing contract relationship management practices can further optimize project outcomes in the organisation. These findings agree with Turner, J. R., & Cochrane, R., (2021) who found that organizations with robust contract relationship management practices experienced fewer disruptions and delays in project execution. Their research highlighted that good relationship management practices contributed to smooth operations and more efficient use of resources. Therefore, the findings suggest that contract relationship is very crucial for the organisational success.

The research highlights that contract monitoring and evaluation has the strongest positive impact on organizational performance. This aligns with best practices in project and contract management, where tracking progress and ensuring compliance are essential for success. Organizations that invest in robust monitoring mechanisms are more likely to deliver high performance, as they can respond to issues in a timely and efficient manner (Brown, K., & Wang, T., 2018). The study results also show that contract relationship management also plays a significant role in improving organizational performance, underscoring the importance of managing relationships with contract partners, whether suppliers, subcontractors, or clients. Effective contract relationship management can reduce disputes, foster cooperation, and ensure that contractual goals are met more efficiently (Nguyen, T., & Wu, X., 2019).

The results of the study show that while contract planning and contract implementation show moderate correlations with organisational performance, the significance of these results suggests that they are not negligible. Improved planning ensures that contracts are well-structured, clear, and realistic, while good implementation ensures that these plans are executed as intended (Zhang, Y., Xu, H., & Liu, J., 2020). Although not as influential as contract monitoring and evaluation or contract relationship management, these activities still contribute to better organizational outcomes, particularly in terms of efficiency and compliance. The fact that all the correlations are statistically significant with p-values less than 0.05, suggests that the relationships between these contract management activities and organizational performance are robust and

unlikely to be due to chance. This gives credibility to the idea that enhancing contract management practices can directly impact an organization's overall performance (Walker, L., Green, S., & Lee, H., 2020).

5.2 Descriptive analysis of employee's perception of the effects of contract management on organisational performance.

The research findings from the descriptive analysis of employees' perceptions on the correlation between organisational performance and the four independent variables (Contract Planning, Contract Implementation, Contract Monitoring and Evaluation and Contract Relationship Management) provide valuable insights into how contract management is perceived to influence various aspects of organizational performance. By using a Likert scale to capture employees' responses, the study assessed how contract management activities are seen to affect organisational project management, revenue generation, service delivery and customer satisfaction. The mean scores and standard deviations were used to gauge the central tendency and variability of perceptions, while a weighted average mean of 4.36 served as a threshold for determining whether employees perceive the effects as strong or weak.

The study found that employees perceive that contract management has increased efficiency and effectiveness in project management. The mean score of 4.43 is high, demonstrating a strong consensus that contract management is an important factor in project management. The lower standard deviation (0.704) compared to the other items suggests a bit less variation in responses, though the overall perception is still very positive. The minimal variability in responses, imply that most respondents agree that there is a strong relationship between contract management and project management's efficiency and its effectiveness. These findings are in line with Smith, R., & Jones, T., (2018) who found that well-implemented contracts lead to smooth operations and better project performance outcomes.

The study found that employees also perceive that contract management has contributed to financial improvements by increasing revenue, reducing costs, and preventing revenue leakages. The mean score of 4.38 is high, signalling a strong consensus that contract management is an important factor in financial performance. The slightly higher standard deviation (0.721) compared to the previous item suggests a bit more variation in responses, though the overall perception is still very positive.

This could imply that while most employees agree on the positive financial impact, some may perceive the effect as less direct or significant. The results suggest a strong link between effective monitoring and the financial success of the organization. These results further highlight the necessity of robust contract monitoring and evaluation processes in driving the organisational financial success. These findings agree with results of the study by Lee, J., & Smith, R., (2019) which showed that organizations that regularly evaluate contracts are better at managing costs and optimizing financial outcomes. Their study indicated that effective contract evaluation processes help in identifying cost-saving opportunities and enhancing overall organisation financial performance.

Like project management, the study found that employees strongly agree that contract management enhances service delivery efficiency and effectiveness. The mean score of 4.41 reflects a high level of agreement. The standard deviation is also comparable to the other items, suggesting that most employees share this perception. This highlights that contract management is viewed as critical for delivering better services, possibly through ensuring adherence to terms, timelines, and performance standards. These findings highlight the critical nature of effective contract management in ensuring high-quality service delivery in the organisation. These findings agree with the findings of Adeyemo, K., & Adebayo, F., (2021) who investigated the impact of contract relationships on operational efficiency in Nigerian manufacturing firms and found that effective contract management and positive relationship dynamics led to enhanced operational performance and reduced service delivery delays.

The study found that employees strongly believe that effective contract management improves customer satisfaction and retention, with a mean score of 4.40. The low standard deviation indicates that this perception is widely shared, reinforcing the idea that contractual agreements and relationship management are key to fostering long-term customer loyalty. This suggests that contract management plays an essential role in enhancing the customer experience by ensuring quality, timeliness, and accountability. These findings agree with the ZACL's 2023 internal customer satisfaction survey findings where it was found that 86.6% of the customers were satisfied with the organisation effectiveness and efficiency of service delivery (ZACL's 2023 customer satisfaction survey report). Therefore, the findings suggest that

contract management is fundamental to ensuring that compliance to the set standards of service delivery in the organisation.

The study found that employees' perception of contract management's role in strategic decision-making was somewhat less strong. With a mean of 4.34, employees still agree that contract management aids in tracking performance and outcomes to guide strategic decisions, but the agreement is not as robust as in the other areas. The higher standard deviation (0.739) suggests more variability in responses, indicating that some employees may feel less convinced about the direct influence of contract management on strategic decisions. This could reflect uncertainty about how much the data from contracts is used in long-term planning or executive decision-making. These findings disagree with Zhang, Y., Xu, H., & Liu, J., (2020) who found that comprehensive contract planning led to smoother decision making for project execution and fewer conflicts, resulting in enhanced organizational operational efficiency. The study showed that well-defined contracts help in minimizing ambiguities and ensuring that all parties understand and make the right decisions by meeting their obligations.

The study found that the perception that contract management fosters innovation and continuous improvement received a slightly lower mean of 4.28. While employees still agree that contract management supports innovation, the response is more mixed, as indicated by the higher standard deviation (0.790). This suggests that there is less consensus on whether contract management actively encourages or supports innovative practices within the organization. Some employees may perceive contracts as more rigid or focused on compliance rather than fostering creative solutions or improvements. These findings disagree with Murray, P., & Graham, R., (2016) who argues that contract management helps organisations to be innovative and creative through risk management. They argue that contracts often involve risks identification such as financial risk, operational risk, or legal risks. Therefore, contract management innovatively and creatively helps to identify the mitigation measures to these risks through appropriate contract clauses or actions, and managing them throughout the contract lifecycle.

The study found that most of the statements related to efficiency, financial performance, service delivery, and customer satisfaction received high mean scores, indicating that employees generally perceive contract management as highly beneficial in these areas. The study further found that Items related to strategic decision-making, innovation, and risk management received slightly lower mean scores and greater variability, suggesting that these areas may not be as strongly linked to contract management in the minds of employees. This could point to a potential gap in communication or training on how contract data and outcomes influence strategic or innovative efforts. The standard deviations for most items are relatively low (ranging from 0.704 to 0.739), indicating that most employees share similar perceptions of the positive impacts of contract management on organisational performance. However, in a few cases, such as strategic decision-making and innovation, there is more variability, suggesting that some employees may perceive these effects differently.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This chapter presents the conclusions and recommendations of the research based on the findings and discussions of the study presented in chapter four and five.

6.1 Conclusion

The findings of this study provide compelling evidence that effective contract management activities significantly influence organizational performance across several key dimensions. The research highlights a positive correlation between four primary contract management activities which are contract planning, contract implementation, contract monitoring and evaluation, and contract relationship management and overall organizational performance. Among these activities, contract monitoring and evaluation demonstrated the strongest positive correlation with organizational performance, indicating that continuous oversight and assessment of contracts play a crucial role in ensuring compliance, identifying potential issues early, and optimizing organizational efficiency. This aligns with existing literature, which emphasizes the critical role of monitoring in achieving superior outcomes and mitigating risks associated with contract execution. Therefore, organizations that invest in robust contract monitoring and evaluation practices are likely to experience enhanced operational effectiveness, financial success, and strategic alignment.

Contract relationship management also emerged as a key contributor to improved organizational performance. Effective communication, collaboration, and conflict resolution within contractual relationships were found to significantly enhance performance outcomes, including project success, service delivery, and customer satisfaction. These results emphasize the importance of managing relationships with stakeholders, including suppliers, contractors, and clients, to foster smooth operations and mitigate disruptions. While contract planning and contract implementation also showed moderate positive correlations with organizational performance, their influence was not as strong as contract monitoring and evaluation or contract relationship management. However, the findings suggest that well structured contract planning, and efficient contract implementation are still vital for organizational success. Improving contract planning processes can help ensure alignment with organizational

objectives, while effective implementation ensures that agreed-upon terms are met, contributing to smooth operations and enhanced performance.

The study also examined employees' perceptions of the effects of contract management on organizational performance. The findings revealed strong consensus among employees that contract management enhances project efficiency, financial performance, service delivery, and customer satisfaction. However, there was less agreement on the role of contract management in strategic decision-making and innovation. This variability suggests potential gaps in how contract management is perceived to influence long-term organizational goals, such as fostering innovation or guiding executive decisions.

Therefore, this research reinforces the critical role of contract management in enhancing organizational performance. Organizations should prioritize the continuous improvement of contract management activities, with a particular focus on contract monitoring and evaluation, relationship management, and ensuring effective planning and implementation. Additionally, addressing employee perceptions and improving communication about the strategic impact of contract management could help leverage its full potential in driving organizational success.

6.2 Recommendations

Based on the conclusions of this study, several key recommendations have been made to help the organization enhance its contract management practices and, in turn, improve overall organizational performance:

1. The organization should strengthen contract monitoring and evaluation practices. The study highlights that contract monitoring and evaluation have the most significant impact on organizational performance. Therefore, the organisation should prioritize the development and implementation of robust monitoring systems. Regular audits, performance reviews, and real-time tracking should be integrated into contract management to ensure that contracts are being executed according to agreed terms. Investing in technology, such as contract management software or performance tracking tools, can streamline monitoring processes, improve compliance, and help identify issues early before they affect overall performance.

2. The organisation should enhance contract relationship management. The study underscores the importance of maintaining strong relationships with contractors, suppliers, and clients. The organisation should place a greater emphasis on contract relationship management by fostering open communication, addressing conflicts proactively, and promoting collaboration across all parties involved in the contract process. Training contract managers and key stakeholders in negotiation skills, conflict resolution, and relationship-building strategies is essential.
3. The organisation should refine contract planning processes: While contract planning showed a moderate correlation with organizational performance, it remains a critical foundation for successful contract execution. The organization should focus on improving its contract planning processes to ensure that contracts are clear, comprehensive, and aligned with organizational goals. This involves setting realistic expectations, defining performance metrics, and ensuring that all stakeholders understand the terms and conditions of the contract.
4. The organisation should improve its contract implementation efficiency: Contract implementation also plays a significant role in organizational performance, though its impact is slightly weaker than monitoring and evaluation, and relationship management. The organization should invest in better training and resources for teams responsible for contract implementation. Ensuring that all parties involved in implementation are well-versed in contract terms, timelines, and deliverables can reduce misunderstandings and improve compliance.
5. The organization should encourage innovation in contract management: While employees generally view contract management as a driver of operational performance, there is less consensus on its role in innovation. To address this, the corporation should encourage innovation within contract management processes. This could involve integrating more flexible terms that allow for creativity and adaptability in contract execution or exploring new contract management methodologies that support risk management and continuous improvement.
6. The organisation should foster a culture of continuous learning in contract management: Given the critical role of contract management in organizational performance, the organization should foster a culture of continuous learning and development within the contract management function.

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APPENSIX I: REARCH INSTRUMENT

SECTION A: DEMOGRAPHIC PROFIL

Instruction: Please tick (v) in the appropriate box and/or write brief answers in the spaces provided

No	QUESTIONS	RESPONSES	Code For use Only
1	What is your gender	1. Male <input type="checkbox"/> 2. Female <input type="checkbox"/>	
2	What is age (years)?	1. Under 18 <input type="checkbox"/> 2. 18-25 <input type="checkbox"/> 3. 26-35 <input type="checkbox"/> 4. 36-45 <input type="checkbox"/> 5. 46-55 <input type="checkbox"/> 6. 56 and above <input type="checkbox"/>	
3	Level of education?	1. Primary <input type="checkbox"/> 2. Grade 12 certificate <input type="checkbox"/> 3. College certificate <input type="checkbox"/> 4. Diploma <input type="checkbox"/> 5. First degree <input type="checkbox"/> 6. Master's degree <input type="checkbox"/> 7. Phd <input type="checkbox"/>	
4	How long have you worked for this organisation?	1. Less than 1 year <input type="checkbox"/> 2. 1-3 years <input type="checkbox"/> 3. 4-6 years <input type="checkbox"/> 4. 7-10 years <input type="checkbox"/> 5. 11 years and above <input type="checkbox"/>	
	4. Describe the nature of your work.	1. Senior management <input type="checkbox"/> 2. middled management <input type="checkbox"/> 3. Supervisor <input type="checkbox"/> 4. front line employee <input type="checkbox"/>	
5. On a scale of 1-5, with 1 representing the least and 5 representing the highest, rate your involvement in contract management in your organisation.			
<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5			
6. On a scale of 1-5, rate your knowledge on contract management practices in your organisation.			
<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5			

SECTION B: CONCEPTUAL MODEL CONSTRUCTS 1:

Instruction: Please tick in the following box depending on the extent to which you agree with the following statements (on a scale between 1 and 5 where **1=Strongly disagree, 2=disagree, 3=neutral, 4= agree and 5=strongly agree**).

CONTRACT PLANNING (CP)

	ITEM	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
CP1	My organisation has effective contract planning practices.					
CP2	Contract planning is very important in an organisation.					
CP3	In my organisation, contract planning has contributed to effective and efficient Project Management.					
CP4	In my organisation, contract planning has contributed to increased revenue generation.					
CP5	In my organisation, contract planning has contributed to effective and efficient service delivery.					
CP6	In my organisation, contract planning has contributed to customer satisfaction.					
CP7	I am satisfied with my organization's contract planning.					

CONTRACT IMPLEMENTATION (CI)

	ITEM	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
CI1	My organisation has an effective contract implementation process.					
CI2	My organization has a dedicated team responsible for contract implementation.					
CI3	In my organisation, contract implementation has contributed to effective and efficient Project Management.					
CI4	In my organisation, contract implementation has contributed to increased revenue generation.					
CI5	In my organisation, contract implementation has contributed to effective and efficient service delivery.					
CI6	In my organisation, contract implementation has contributed to customer satisfaction.					
CI7	I am satisfied with my organization's contract implementation.					

Instruction: Please tick in the following box depending on the extent to which you agree with the following statements. (on a scale between 1 and 5 where **1=Strongly disagree**, **2=disagree**, **3=neither agree nor disagree**, **4= agree** and **5=Strongly agree**).

CONTRACT MONITORING AND EVALUATION (CME)

	ITEM	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
CME1	My organisation always carries out the contract monitoring and evaluation activities.					

CME2	My organisation has effective contract monitoring and evaluation process.					
CME3	In my organisation, contract monitoring and evaluation has contributed to effective and efficient Project Management.					
CME4	In my organisation, contract monitoring and evaluation has contributed to increased revenue generation.					
CME5	In my organisation, contract monitoring and evaluation has contributed to effective and efficient service delivery.					
CME6	In my organisation, contract monitoring and evaluation has contributed to customer satisfaction.					
CME7	I am satisfied with my organization's contract monitoring and evaluation.					

CONTRACT RELATIONSHIP MANAGEMENT (CRM)

	ITEM	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
CRM1	Contract relationship management is very important in organisation.					
CRM2	My organisation has effective and efficient contract relationship management process.					
CRM3	In my organisation, contract relationship management has contributed to effective and efficient Project Management.					
CRM4	In my organisation, contract relationship management has contributed to increased revenue generation.					
CRM5	In my organisation, contract relationship management has contributed to effective and efficient service delivery.					
CRM6	In my organisation, contract relationship management has contributed to customer satisfaction.					
CRM7	I am satisfied with my organization's contract relationship management.					

SECTION C: CONCEPTUAL MODEL CONSTRUCTS 2

Instruction: Please tick in the following box depending on the extent to which you agree with the following statements. (on a scale between 1 and 5 where **1=Strongly disagree, 2=disagree, 3=neutral, 4= agree and 5=Strongly agree**).

ORGANISATION PERFORMANCE (OP)

Please indicate the extent to which your company's contract management has resulted in the following outcomes:

	ITEM	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
OP1	Increased efficiency and effectiveness in project management.					
OP2	Significantly increased revenue growth, reduced costs and reduced revenue leakages.					
OP3	Significantly Improved efficiency and effectiveness in service delivery.					
OP4	Significantly improved customer satisfaction and retention.					
OP5	Facilitated strategic decision-making by tracking contract performance and outcomes.					
OP6	Significantly increased support for innovation and continuous improvement.					
OP7	Significantly increased compliance and risk identification and mitigation.					

END OF THE QUESTIONNAIRE. THANK YOU FOR YOUR PARTICIPATION

APPENDIX II: RESEARCH WORK PLAN

ACTIVITY	2024											2025
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
Proposal writing	■	■										
Proposal Submission to School			■									
Proposal review by the school				■	■	■	■					
Proposal corrections							■	■	■			
Data Collection										■		
Data analysis											■	
Dissertation writing												■
Submission of final dissertation for marking												■

APPENDIX III: ETHICAL CLEARANCE



UNIVERSITY
OF
LUSAKA

SCHOOL OF POSTGRADUATE STUDIES

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UNILUS-RESEARCH ETHICS COMMITTEE

Ref no: FWA00033228-0912/24

Date: 1st December 2024

STUDENT NAME: Moffat Evans Banda

EFFECTS OF CONTRACT MANAGEMENT ON ORGANISATIONAL PERFORMANCE IN THE AVIATION SECTOR IN ZAMBIA: THE CASE OF ZAMBIA AIRPORTS CORPORATION LIMITED.

The above research was submitted to the research ethics committee for review. The study has no major ethical problems and is approved subject to the following:

1. The study cannot be changed without express permission of the UNILUS research ethics committee.
2. Approval from the necessary authority should be sought.

The committee wishes you success in your work.

Professor Kasonde Bowa
MSc(Glasgow),M.Med(UNZA),FRCS(Glasgow),FACS,FCS,DPH(LSTMH),MPH(UCL)
Chairman- UNILUS REC
Professor of Urology and Consultant Urologist
Deputy Vice-Chancellor – Research and Innovation
Executive Dean - School of Medicine and Health Sciences

APPENDIX IV: COMPANY APPROVAL TO CONDUCT RESEARCH AT ZAACL



Department:

HUMAN RESOURCES

OUR REF: ZAACL/HRD/5.33.1

29th August 2024

Mr. Moffat Banda (Man. No. 2331)
Staff
Zambia Airports Corporation Limited
Kenneth Kaunda International Airport
LUSAKA

Dear Mr. Banda,

RE: REQUEST TO CONDUCT RESEARCH

Reference is made to your letter dated 17th July 2024 regarding the above subject matter.

This serves to advise that your request to conduct research titled "Assessing the impact of Contract Management on organization performance in the Aviation Sector in Zambia – A case study of Zambia Airports Corporation Limited" has been approved. However, kindly note that for purposes of preserving confidentiality, you shall not be allowed to use Contracts or leases for your research.

Kindly note that your research should not interfere with operations.

I wish you well in your research.

Yours faithfully,

ZAMBIA AIRPORTS CORPORATION LIMITED

A handwritten signature in blue ink, appearing to read "Mwansa Simbeye".

Mwansa Simbeye
MANAGER - TALENT MANAGEMENT

Cc : Airport Manager - KKIA

Head Office, Farm 4169, Off Airport Road, P. O. Box 30175, Lusaka, Zambia
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IATA GROUND HANDLING COUNCIL (IGHC)