

Effectiveness in the Contract Management Performance within the Lusaka Provincial Administration – A Balanced Scorecard Application

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Abstract

Contract implementation is one of the most fundamental but challenging part of procurement contract management. The study focused on assessing how the application of the balanced scorecard can enhance effectiveness in contract management performance at the Lusaka Provincial Administration in Zambia. This was done by investigating the factors affecting the practice of contract management and examining the effectiveness of the balanced scorecard. The study adopted both qualitative and quantitative methods. While data was collected using an interview guide and a semi-structured questionnaire. Purposive and simple random sampling were used as sampling techniques. The sample size of 76 respondents all took part in the survey giving a 100% response rate, while six (6) technocrats were interviewed. The study findings revealed various challenges affecting the success of contract management. There is also a relationship between balanced scorecard and contract management performance. The study developed a framework that can be used for the implementation of balanced scorecard in bringing about improved contract management performance. The study recommended the need to formulate policy that enhance application of balanced scorecard across the public sector. The study further proposed a model for the implementation of the balance scorecard that can be used to mitigate the challenges.

Keywords

Balanced Scorecard, Contract Management, Effectiveness, Performance, Lusaka Provincial Administration

1. Introduction

A procurement system that is efficient is part of the public expenditure management requirement in the modern budget systems. On a global level, about \$400 billion was reported as loss on the price of procurement and marching ambition according to Gichio (2014). While problems of slack were noted in public funds generated through the entire procurement process, from requirement definition documents, creation failure transparencies were noticed in the competition process; to follow orders trial that required the need for contracts that would take care of the poor (Organisation for Economic Cooperation and Development (OECD), 2007). In the European Union (EU) alone, about 14% of the EU Gross Domestic Product (GDP) accounts for public sector and public services related jobs, goods and services (International Comparative Legal Guide (ICLG), 2019). The World Bank – Contract Management (2017) maintained that effective contract management is very significant in ensuring contractual obligations are met in terms of time, cost, quality and agreed terms in order to achieve value for money through the use of a balanced scorecard.

Fakharian et al. (2014), and Pimentel and Major (2014) posit that the balance scorecard can simply be regarded as a contributor to the use of strategies that are significant in building enduring capacities and consumer relations. On the other hand, Osterwalder (2010) argued that it is essential to put in place a competitive strategy as a means by which a company can be able to relate correctly with the forces of competition in the sector in which a company operates. Such a scorecard is what becomes the objective and strategy of a business entity and is further translated into the company objectives. Additionally, it can help organization put into perspective four different sections: the consumer, finance, internal business process and education point of view (Perramon, et al., 2016; Pimentel & Major, 2014).

The Zambia Public Procurement Authority (ZPPA) Annual Report (2019) noted that contract management compliance levels has been very low in Zambia. The ZPPA (2019) further assessed and indicated that most organisations involved in procurement are not keen on Contract Management and have taken the practice for granted. This has led to the current challenge and concerns of the procurement sector in Zambia. Despite the benefits of adopting the balance scorecard, only few organizations are able to implement it successfully. According to Mbala (2016) this is partly attributed to the design and execution of balanced scorecards that have not yet been widely used and studied in depth in most developing economies such as Zambia. In addition, there seems to be inconsistencies among different organizations in so far as their understanding of the term, balance scorecard is concerned as can be seen from a few studies in Zambia that focused on procurement (Ndulo, 2011; Chatered Institute of Purchasing and Supply (CIPS), 2013). This poor state of contract management and administrative conditions can be attributed to challenges such as inadequate qualified personnel, failure to correctly interpret and apply some contract requirements, lack of training, poor management of records, poor procurement preparation, deployment and application and absence of contract management systems in the management of contracts as deduced from earlier research in procurement processes. Hence, the need to conduct the research to ascertain how the application of the balanced scorecard can improve the effectiveness of contract management in the administration of the province of Lusaka.

The research was focused on assessing how the application of the balanced scorecard can enhance effectiveness in contract management performance at the Lusaka Provincial Administration. It was primarily based on three (3) specific objectives which were: investigating the factors affecting the practice of Contract Management at Lusaka Provincial Administration; assessing the impact of Contract Management on cost, time and quality delivery requirements on the contracts executed at Lusaka Provincial Administration; as well as examining the effectiveness of the Balanced Scorecard for enhancing contract management performance. With the aim and objectives in place, the paper is organised in seven sections. Section 2 is the literature review; Section 3 describes the research methodology and an overview of the case study; Section 4 provides findings of the study; section 5 provides a discussion of the findings; section 6 provides the conclusion and recommendations from the study with future study directions.

2. Literature Review

The balanced score card represents a fundamental change in the underlying assumption about performance measurement and strikes a balance between short-term and long-term objectives, financial and non-financial measures, outcome and process measures, lagging and leading indicators, and internal and external perspectives (Leyton-Pavez, et al., 2015; Van Dooren, et al., 2015). According to Van Vliet (2010) the concept of the balanced scorecard is relevant in the current era of intense emerging global competition in which organisations are faced with increasingly informed and demanding activist clients and shareholders, and the ability to exploit intangible and soft assets (such as human

capital, information systems, intellectual capital, brand development, research and developing). The Balanced Scorecard (BSC) is a performance management tool that allows a company to transform its goals and strategies into actual performance measures. All the same, it holds more significance than just a measuring device. The BSC offers another perspective of the organization's general performance by incorporating measures in finance with the main performance indicators around organizational growth and development, customer perception, innovation and learning.

Effective record keeping system, risk management system, change management system and claim management system are used as effective activities for successful contract management and administration as asserted by Mambwe et al. (2020). However, Behrouzi et al. (2014) identified the factors that affect the practice of effective contract management and also found that contractual and project disputes between the client and the contractors could result in significant delays in the calendar and cost overruns. Taylor (2010) noted in his report that contract managers fails to take into account other factors of poor contract management like poor preparation of contract documents, corruption practices, lack of enough communication between the key players in the implementation of the projects; and lack of practical legal technicalities on managing contracts. The OECD (2007) study noted that there were no defined skills and knowledge profiles for specialized procurement skills, which posed a challenge in management of contracts. The organisation further said that the pursuit of value for money in public spending remains to be a big challenge to governments and their institutions across Tanzania like in many other African countries.

To mitigate the factors causing contract management ineffectiveness, a balance scorecard has been adopted in most organisations with variances in the frameworks. The initial framework explained by Kaplan and Norton (1996 & 2008) and Ali (2011) consisted of four measurement perspectives that include financial, customer, internal business processes and perspectives of learning and growth. Nonetheless, any balanced scorecard should be adjusted to the strategy of a particular business unit, in the case of procurement balanced scorecards, by also emphasizing the importance of optimized supplier performance as one of the main strategic objectives (Katje & Bavenda, 2010). Depending on what top-management perceives as the main performance drivers of the procurement function, the performance drivers must be represented in the balanced scorecard through strategic objectives and subsequently, performance measures and indicators (Kimeme, 2012; Taylor, 2010). Kibona (2001) on factors affecting contract management in public procurement, in Kenya noted that, ineffectiveness in procurement contract management is caused by lack of competent personnel armed with skills and experience to manage contracts. He therefore insisted that there is a need to have a contract manager with enough skills and experience in the field that they are supervising.

However, in studies by Mambwe et al. (2020) and Randon (2008) focused on the supplier and customers at projects but did not include other factors that influence the application of balanced scorecard in contract management. Behrouzi et al. (2014) revealed that procurement departments, like all other departments in a company, are an element of the overall organisation, which must contribute to the achievement of the corporate goals. Jones and Oliver (2006) Mambwe et al. (2020) only focused on procurement and contract management and did not specify the functions and actions to procurement, which this study will cover.

Barriers to the implementation of the balance scorecard according to Kimeme (2012) proved that lack of commitment to initiate the balance scorecard, adverse support from consultants with lack of experience, lack of management support in the successful implementation of the balance scorecard, insufficient alignment of balance scorecard with other corporation strategies, lack of purchasing strategy and vision and difficulty in identifying strategic objectives, the cause and effect relationship, and lack of completeness with elements of the balance scorecard such as the matrix the balance scorecard story and map, are some of the challenges. On the contrary, several barriers in procurement balance scorecard implementation were highlighted according to ZPPA (2019) such as: lack of motivation from people who develop and work with corporately initiated procurement balance scorecard; lack of management support; insufficient alignment between balance scorecard in different area of a corporation, lack of purchasing vision.

Although studies have been done in many countries around the world with regard to performance measurement of different aspects of businesses, there are very few studies and literature on application of balanced scorecard in contract management. For this reason, this study is important as it brought out the need for effectiveness in adopting a balance scorecard so that it can be used to influence positive contract management at the Lusaka Provincial Administration. From literature attained, the study related the four main components of the balance scorecard (financial, customer, internal learning and growth measures) as independent variables, while public procurement policy and organization

policy were moderating variables and the dependent variables being effective contract management performance as illustrated in Figure 1. This should be viewed as a process over time, where the business continuously improves. The assumption is that this leads to effective contract management performance. However, there are also other outcome variables that also have a bearing on effective contract management among which includes management behavior, staff, skills and continuity, adequate and good preparation, and continuous improvement.

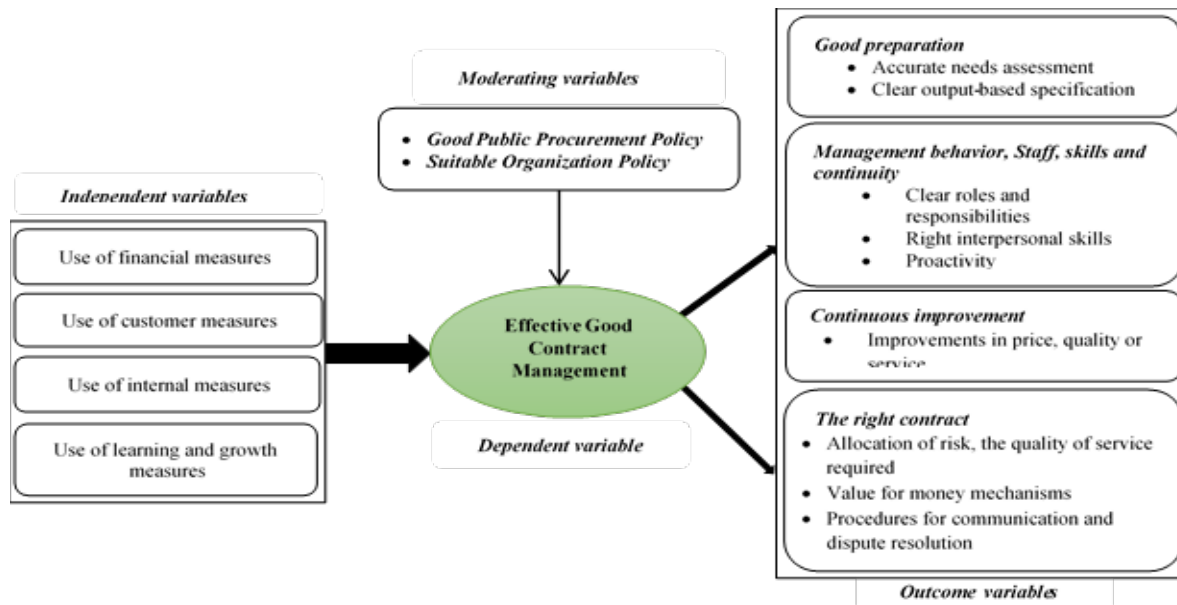


Figure 1. Conceptual framework for the balance scorecard contract management performance

3. Research Methodology

This study adopted a mixed method design involving both qualitative and quantitative data that was collected from an interview guide and semi-structured questionnaires. According to Creswell (2014) the mixed methods research allows for the acquisition of breadth and depth of understanding and corroboration, while compensating for the weaknesses inherent in the use of each approach by itself. By combining research and both quantitative and qualitative data, the researcher acquired breadth and depth of understanding and corroboration, while compensating for the weaknesses inherent in the use of an individual approach. The other reason for using the mixed design features was the possibility and assurance of triangulation, that is, the use of various means (methods, data sources and researchers) to examine the same phenomenon. Qualitative data was used to supplement observed results emanating from the quantitative analysis. Qualitative analysis was engaged to analyze open-ended questions whereas quantitative analysis was used to analyze closed-ended questions from the questionnaire.

The study population was senior management, infrastructure and housing departments, and procurement unit staff at Lusaka Provincial Administration. Purposive and simple random sampling was used to select senior staff in different departments while simple random sampling was used on the subordinates staff from various departments (Creswell, 2014). The study adopted the Cochran Formula for Sample Size Calculation to arrive at the sample size. The Cochran formula allows researchers to calculate an ideal sample size given a desired level of precision, desired confidence level, and the estimated proportion of the attribute present in the population (Bartlett et al., 2001). The Cochran formula used was:

$$\frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N} \right)}$$

Formula 1

Where: N = population size; e = Margin of error (5 % in decimal form); z = z-score; p was the non-response rate at 10% from the sample population. In this case, $N = 250$; $e = 0.05$; $z = 1.96$; $p = 0.1$. From the above formula the sample size found was 81, but 82 respondents were targeted in which 76 were involved in the survey, while six (6) were engaged in the interviews. Primary data was collected through the use of a questionnaire to bridge the gaps of the secondary data. Semi-structured interviews were conducted with the senior and subordinate staffs of Lusaka Provincial Administration in particular those from Infrastructure and Housing department, and Procurement Unit. Data collected from the questionnaire was coded and entered into the computer for analysis using software called Statistical Package for Social Sciences (SPSS version 20.0). Descriptive analysis, such as frequencies and percentages, was used to present quantitative data in the form of tables and graphs using Microsoft Excel. The validity of the questionnaire was carried out through a field test to establish any errors incorporated in the measurement of the questionnaire. The participants who participated in the previous test were not part of the main study.

4. Results

The study revealed that out of all the 76 respondents, that is, 70 from Lusaka Provincial Administration; and 6 Technocrats interviewed from Zambia Public Procurement Authority-ZPPA, Ministry of Finance, and Road Development Agency-RDA, took part in the study giving a response rate of 100% hence acceptable according to Creswell (2014). From the data obtained at Lusaka Provincial Administration, 66% agreed that they had faced challenges in contract management while 34% were non-affirmative.

4.1 Contract Management Challenges at Lusaka Provincial Administration

According to the results, most of the challenges faced in contract management according to the findings included that out of 270 responses, 49 (18%) responses attributed to lack of effective communication among the parties involved in contracts; and inadequate qualified procurement personnel to ensure effective procurement process; and 28 (10%) mentioned lack of legal knowledge among procurement personnel to implement procurement laws as described in Table 1. These challenges were attained from the literature as discussed in the literature review section and were found to be most common among the reviewed papers also they were affirmed during interviews.

Table 1. Distribution of challenges faced in Contract Management

Reponses on Challenges Faced	Freq.	%
Inadequate qualified procurement personnel to ensure effective procurement process	49	18
Lack of effective communication	49	18
Lack of legal knowledge by procurement personnel to implement procurement laws	28	10
Poor preparation of tender procurement, contract terms and conditions	39	14
Corruption	43	16
Lack of innovative solutions to achieve business outcomes from tender	29	11
Low levels of transparency, compliance and accountability	33	12
Total	270	100

The influence on the quality of service delivery on contracts executed at Lusaka Provincial Administration showed that, 61 (78%) respondents attested that contract management has influence on service delivery, while 9 (13%) said it did not have any influence.

On reasons why contract management influenced the quality of service delivery either positively or negatively, results indicated that 60 respondents with 86% said poor contracts management leads to poor service delivery, while 10 (14%) mentioned that poor contract management has no effect on service delivery(see Table 2).

Table 2. Reasons for positive or negative contract management influenced the quality of service delivery

Reasons	Frequency	Percent (%)
Poor contracts management leads to poor service delivery	60	86
Poor contract management has no effect on service delivery	10	14
Total	70	100

4.2 Influence of Service Delivery on Contracts Executed at Lusaka Province Administration

The findings showed that 60% of respondents said that contract management had negative impact on service delivery, whereas 40% said contract management influences service delivery in a positive manner. This discrepancy could be attributed to limited knowledge by majority of the subordinate staff who were asked on contract management and how it affects service delivery through the survey.

However, the following results are attributed to the influence of using the balance scorecard of various factors:

Impact of Balanced Scorecard in Contract Management on Service Delivery: When asked about the impact of the balance scorecard on service delivery, the study found that most of the respondents with 81% attested that application of balanced scorecard had a positive bearing on service delivery. However, this was not the case for the 19% respondents who refuted that application of balanced scorecard has no bearing on service delivery.

Balanced Scorecard Provides a Framework for Formulation of Strategy: On the distribution that the balance scorecard provided a framework for the formulation of strategy, 65 (93%) respondents positively affirmed that the balanced scorecard provides a framework for formulation of strategy, while and five (5) representing 7% remained neutral.

4.3 Measures to improve efficiency and effectiveness in the service delivery of contract management

The respondents were also asked to provide their impression on the measures required to improve efficiency and effectiveness in service delivery of contract management. It was revealed that 52 (16%) of the responses indicated the need to ensuring qualified personnel in contract management, and ensuring compliance to procedures of procurement and contract management each respectively, followed by improving communication between parties involved in contract management, promoting transparency and accountability in contract management process, and continuous performance review each represented by 44 (14%) respectively as shown in Table 3.

Table 3. Percentage distribution by measures to be put in place to improve contract management

Measures	Responses		Percent of Cases
	Frequency	Percent (%)	
Ensuring compliance to procedures of procurement and contract managing	52	16	63.0%
Promoting Transparency and accountability in contract management process	45	14	54.9%
Ensuring qualified personnel in contract management	52	16	63.4%
Capacity building through training	23	7	28.0%
Improving communication between parties involved in contract management	45	14	53.7%
Ensuring that procurement processes are free from political interference	33	10	40.2%
Application appropriate tools and systems in contract management	28	9	34.1%
Continuous performance review	45	14	54.9%
Total	322	100	392.9%

4.4 Cross tabulation between the application of balanced scorecard having a bearing on service delivery and the effectiveness of balanced scorecard in enhancing contract management

Generally, there was an association between the application of a balanced scorecard and contract management performance. The first null hypothesis stated balanced scorecard cannot enhance contract management performance at Lusaka Provincial Administration. A cross tabulation computed between the application of balanced scorecard having a bearing on service delivery and the effectiveness of balanced scorecard in enhancing contract management, it was revealed that 57 (81.4%) of those who indicated that application of balanced scorecard has a bearing on service

delivery 40 (57.1%) representing majority of the respondents attested that the balanced scorecard is effective in enhancing contract management. Table 4 also shows that 17 (24.3%) thought balanced scorecard was highly effective, on the other hand, while 13 (18.6%) refuted that the application of balanced scorecard having a bearing on service delivery, all of them 13 (18.6%) said balanced scorecard is not effective in enhancing contract management.

Table 4. Cross tabulation between the application of balanced scorecard having a bearing on service delivery and its effectiveness in enhancing contract management

Chi-Square Tests						
Application of balanced scorecard having a bearing on service delivery	Effectiveness of Balanced Scorecard in enhancing contract management		Total	χ^2	df	P-value
	Highly Effective	Effective				
Yes	17 (24.3%)	40 (57.1%)	57 (81.4%)	5.121a	1	0.024
No	0	13 (18.6%)	13 (18.6%)			
Total	17 (24.3%)	53 (75.7%)	70 (100%)			

From Table 4, the test was calculated with chi-square value of 5.121 and a degree of freedom of 1 at 0.05 alpha level of significance. Using the p-value, since the p-value of 0.024 is less than the 0.05α , the study rejected the null hypothesis that balanced scorecard cannot enhance contract management performance at Lusaka Provincial Administration. The alternative hypothesis was accepted, that the application of balanced scorecard can enhance contract management performance at Lusaka Provincial Administration. Hence, the study concluded that there is an association between balanced scorecard and contract management performance and that it can enhance contract management. These findings are in line with a studies done by Wagner and Kaufmann (2004) who opined that the link and effectiveness of a balanced scorecard and performance an organization is described as a set of strategic objectives “balanced” with respect to financial, internal, customer and learning and growth perspective.

4.5 Findings from Interviews Conducted on Procurement and Contract Management

How does contract management influence the quality management of an institution?

Interviews were conducted on six (6) respondents, and all the 6 attested that contract management has a bearing on the quality management of an institution, with some saying that poor contract management results in poor service delivery of an institution that deals with contract management. The Interviewees also indicated that efficient and effective management of contacts helps in prudent use of resources for intended purposes thereby cutting on unnecessary expenditure, as was expressed by respondent three (3) who stated that “good contract management helps in minimizing the wastes in terms of resource by allowing the managers to use the resources for the intended purposes”. Therefore, the interviews on this aspect concluded that good contract management helps the managers to accomplish their projects within the specified time in accordance to their plan.

Do you face any challenges in management of contracts, and if “Yes” what are some of these challenges?

All the six (6) respondents (representing 100%) admitted that there are various challenges faced in contract management among which include, poor preparation of tender procurement, contract terms and conditions as well as matters of transparency, compliance and accountability tend to be low with some institution and corruption. Other respondents confirmed that there were inadequacies in the skills of procurement personnel to ensure that contract management in procurement was efficient. To a large extent, respondents affirmed that there was lack of legal procurement knowledge in the current staff employed. Because, these aspects were missing, it was felt that it highly impacted levels of innovation to achieves expected outcomes. These evidently agreed with the challenges from interviews that were affirmed during the questionnaire survey and authenticated during the interviews. Additionally, Respondent two (2) added to the list of challenges that “*the major challenge with contract management in most institutions in Zambia, is the lack of transparency and accountability and most of all poor preparation of tenders which allow loopholes for corruption*”.

Does the application of the Balanced Scorecard enhance contract management performance?

All of the six (6) technocrats interviewed, positively affirmed that applying a Balanced Scorecard in contract management can enhance the performance of the institution. One of the respondents added that *“The balanced scorecard integrates financial measures like Return on investments (ROI), Earnings per share and Dividend yield. He further mentioned that, “it also impacts positively on internal business processes and organizational growth, or capacity building”*. Other respondents indicated that the balanced scorecard helps the institution/organisation in ensuring customer satisfaction and retention by improving existing operation processes which consequently benefits everyone in the institution/organisation. The factor that came out prominent from the respondents was that the balanced scorecard also improves systems and organizational procedures critical to employee development, employee retention and customer-based internal processes and demands.

To what extent does Balanced Scorecard influence service delivery of contract management?

In an interview with six (6) interviewees, the results revealed that while most of the interviewees (3 out of 6 interviewees) indicated that balanced scorecard does not influence service delivery to a high extent, three (3) interviewees indicated that balanced scorecard can influence service delivery to a higher extent, but this is facilitated with other factors such as caliber of the personnel implementing the system, and the availability, suitability and usability of the information and technology (IT) systems, meeting employee and customer demands, among others.

Do you think the use of the Balanced Scorecard is effective in enhancing contract management performance?

Only interviewee four (4) said *“Yes, a balanced scorecard can be effective in improving contract management in an institution. However, it goes hand in hand with availability of competent human resource, with which the system can be deemed ineffective”*. This was complimented by interviewees one (1) who said that *“I would say yes and no because when an institution is applying a balanced scorecard in contract management, there needs to be the right personnel qualified and equipped with appropriate knowledge and skills on how it is implemented”*. Interviewee five (5) also said *“Yes it can be effective if implemented with a proper institutional strategy and possibly with the suitable equipment”*.

Thus, from the responses it was found that Balanced Scorecard is effective in enhancing contract management performance depending on how it is implemented. If the institution applied balanced scorecard with qualified personnel equipped with appropriate knowledge and skills, as well as a proper institutional strategy, institutions/organisations can appreciate its benefits in enhancing the firm's performance in contract management. Additionally, the conclusion from the three interviewees, highly recommended developing factors in the balanced scorecard that work for individual contracts and/or organisations, so that effectiveness and improved contract management is attained.

How effective is the use of the Balanced Scorecard in enhancing contract management?

From the interviews, the response for this showed that the use of a balanced scorecard is effective in contract management if implemented correctly considering all the supporting requirements are met, its implementation positively affects as people, systems and organizational procedures as can be seen from the responses below: interviewee one said: *“Employing a balanced scorecard system in an organization for contract management can be very effective, if implemented correctly and can improve the both the internal and external organizational operations”*. Additionally, interviewee six (6) said *“It is effective when the implementers consider all the requirements like funds, organizational procedures, and personnel among others”*.

5. Discussion

The principle objective of this study was to assess how the application of the balanced scorecard can enhance effectiveness in contract management performance at the Lusaka Provincial Administration. It was fundamentally based on three specific objectives which were: to investigate the factors affecting the practice of Contract Management at Lusaka Provincial Administration; assessing the impact of Contract Management on the cost, time and quality delivery requirements on the contracts executed at Lusaka Provincial Administration; and to examine the effectiveness of the Balanced Scorecard for enhancing contract management performance.

Investigating the factors affecting the practice of Contract Management at Lusaka Provincial Administration

In order to investigate the factors that affect the practices of contract management at the Lusaka Provincial Administration, the from the findings, there were challenges in the management of contracts that include among others lack of effective communication between the parties involved in contracts; inadequate qualified procurement personnel to ensure effective procurement process; lack of innovative solutions to achieve business outcomes from tender, lack of legal knowledge among procurement personnel to implement procurement laws, low levels of transparency and accountability, poor preparation of tender procurement, contract terms and conditions, and poor compliance to procedures of contract management, and inadequate qualified procurement personnel to ensure effective procurement process as a challenge to proper contract management. These finding complement with the study by OECD (2007) and Smith et al. (2014) which showed that lack of appropriate procurement skills and incompetence among managers and staff entrusted with public procurement activities have been pointed out by a number of studies as some of the impeding factors of contract management.

Furthermore, it argued that rigid rules regulating public procurement systems further complicate the challenge and may render the achievement of value for money a distant goal. Also, the respondent from the questionnaire survey, though they indicated highly that contract management is not influenced by service delivery on contracts executed at Lusaka Province Administration, when the interviews indicated the opposite, this could be attributed to individual perception and limited knowledge about the effects. Also, people on the ground have implementation experience and their opinion could be different from that of the technocrats who are mostly in management.

Assessing the impact of Contract Management on the cost, time and quality delivery requirements on the contracts executed at Lusaka Provincial Administration

To assess the impacts of contract management on the cost, time and quality delivery requirements on the contracts executed at Lusaka Provincial Administration, it was found that contract management had influence on service delivery and that poor contracts management led to poor service delivery. The findings indicated that effective contract management improves service delivery in terms of cost. In addition, it was found that improves service delivery in terms of quality of contract, saving time, standardization of processes and procedures as well as facilitating the provision of up-to-dated information on the contract and improved compliance. These findings are in agreement with study findings of that of Osterwalder (2010) who observed that overall, an efficient and effective Contract Management system when in place provided the following benefits; thus, ensured standardization of processes and procedures, prevented legal and financial risk, saved time, provided performance management, provided up-to-date information on the contract and improved compliance. This is also in line with Mambwe et al. (2020). Also a research by the International Association for Contract and Commercial Management (IACCM) supports this statement with its findings which shows that good Contract Development and Management could reduce cost and improve profitability by the equivalent of massive 9% of annual revenue (Cummins, 2012).

Examining the effectiveness of the Balanced Scorecard for enhancing contract management performance

The study also examined the effectiveness of the balance scorecard in enhancing contract management performance. The findings indicated that it was highly affirmative of the balance scorecard having a positive effect in enhancing contract management performance (81%). Similarly, the technocrats interviewed indicated that balanced scorecard impacts on positively on internal business processes and organizational growth, or capacity building as it integrates financial measures. However, from the technocrats' perspective, it revealed that the effectiveness of a Balanced Scorecard in enhancing contract management performance is dependent on how it is implemented, by considering such aspects as qualified personnel equipped with appropriate knowledge and skills, as well as a proper institutional strategy and procedures. These findings are in agreement to the study done by Beatham et al. (2006) who noted that the balanced scorecard provides a framework for formulation of strategy, helps to communicate the strategic objectives, generate action plans and budgets, as well as facilitates development of information systems for performance measurement.

The study concluded that there is an association between balanced scorecard and contract management performance and that it can enhance contract management. These findings were in line with a studies done by Wagner and Kaufmann (2004) and Kaplan and Norton (1996 & 2008) who opined that the link and effectiveness of a balanced scorecard and performance of and organization is described as a set of strategic 'balance' with respect to financial, internal, customer and learning and growth perspective. The link between the strategic objectives is established through a causal link between strategic objectives within one perspective and between strategic objectives across

perspectives. Every measure selected for a balanced scorecard should be an element of a chain of cause-effect relationships that communicates the meaning of the business unit's strategy to the organization

The findings also indicate that the application of the balance scorecard can either be effective in improving contract management or not. The success of its adoption is highly dependent on the adopted factors to be used at implementation and also the model proposed for each organisation that would work for them. Understanding the contract management obstacles and formulating models that would help for each contract is cardinal in the success of the contract according to Mambwe et al. (2020), Fakharian, et al. (2014) and Van Dooren, et al. (2015). Hence, the study adopted the factors from the literature and theories, conceptualised model, the factors were confirmed in the survey and adopted in the development of the model that can be used to implement the balance scorecard in contract management.

Model for the Implementation of the Balance Scorecard

The study recommended a model for implementation of a balanced scorecard in contract management in the Lusaka Provincial administration (See Figure 2). Based on literature and theories reviewed, and the findings of this study, it was found that balance scorecard plays a fundamental role in ensuring effective contract management performance. Hence, the model developed illustrates that in implementing the balanced scorecards in an institution, there must be proper development of human resource to ensure the management's behavior or people with relevant skills (interpersonal and management skills) to manage these relationships and interconnections of balance scorecard at multiple levels in the organisation, are provided. Management should ensure that there is adequate preparation in assessment of needs and setting priorities that create clear objectives and output-based specification on contract management. This will enable the management and staff to ensure right contract allocation with proper consideration of risk, value for money mechanisms; procedures for communication and dispute resolution.

These factors are envisaged to ultimately lead to employee learning and growth at different levels; improved focus on the financial; customer satisfaction with regard to their needs, and improved performance in contract management. However, all the relationships in contract management should be based on mutual trust and understanding, openness, and excellent communications, all which are essential to the success and fulfillment of formal contract terms and conditions. This provides a framework for strategy formulation, communication of objectives, generation of action plans, budgeting, retention, and improved customer service.

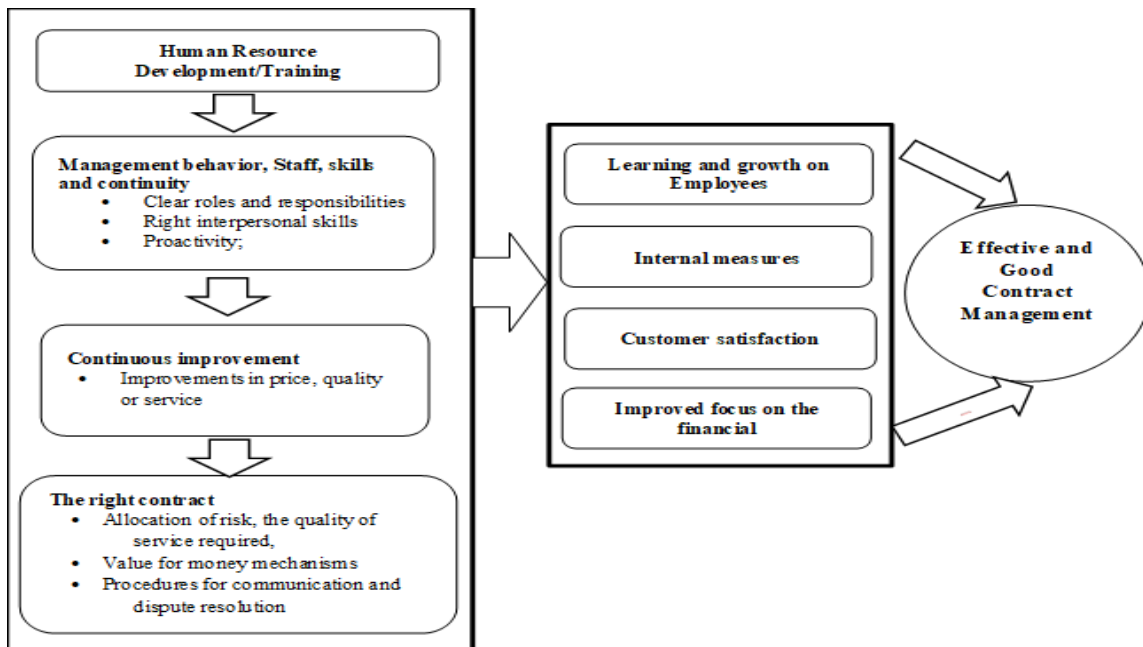


Figure 2. Recommended Model for the Implementation of the Balance Scorecard

6. Conclusion and Recommendation

The study objective of assessing how the application of the balanced scorecard can enhance effectiveness in contract management performance at the Lusaka Provincial Administration. Effective contract management improves service delivery in terms of cost, saving time, standardization of processes and procedures as well as facilitates the provision of up-to-dated information on the contract and improved compliance. The study concluded that the application of a balanced scorecard is fundamental in effective enhancing of contract management, and that impacts on positively on both internal and external business processes and organizational growth.

The study recommended a model was developed for the implementation of a balance scorecard for contract management performance. The model shows that in implementing the balanced scorecards in an institution, there must be proper development of human resource to ensure the management's behaviour or people with relevant skills (interpersonal and management skills) to manage these relationships and interconnections of balance scorecard at multiple levels in the organization. It is also recommended that a similar study be replicated in other institutions in the public sector where this tool can be adopted. Further research should also be done involving all the employees at Lusaka Provincial Administration, to evaluate the challenges and successes of implementing a balanced scorecard at Lusaka provincial Administration once adopted. The study limitations include the narrow span of time for conducting the research could not allow to test and validate the proposed model. Additionally, the research was confined to the viewpoints of Lusaka Provincial Administration only and technocrats from ZPPA, RDA, and Ministry of Finance, excluding the viewpoints of other public and private institutions or companies.

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