# THE EFFECT OF CONTRACT PLANNING ON SERVICE DELIVERY BY WELTHUNGERHILFE: A CROSS-SECTIONAL STUDY.

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# Page | 1 Background

This study aims to examine the effect of contract planning on service delivery by Welthungerhilfe.

# Methodology

A cross-sectional case study design adopting both quantitative and qualitative approaches was used. This study targeted a sample of 100 respondents. A simple random sampling technique was used to select the users' department staff at the Welthungerhilfe. Convenient sampling was used to select the service providers. A purposive sampling technique was used to select the different contract managers.

#### Results

There was a strong positive relationship (rho = .646) between contract planning and service delivery whereby more contract planning was related to better service delivery and vice versa. Contract planning accounted for a 41.7% variance in service delivery. Welthungerhilfe 's contracting planning was compromised during the setting of overall objectives, developing contracting strategies, and outlining contracting tasks and schedules. Thus, these contributed to poor service delivery by Welthungerhilfe in terms of inefficiency, ineffectiveness, and unreliability. Service delivery was inefficient because services were rarely delivered on time and service delivery was wasteful.

#### Conclusion

Contract planning plays an important role in Welthungerhilfe's service delivery. The positive relationship indicated that good contract planning leads to better service delivery while poor contract planning leads to poor service delivery. This shows that if contract planning is well handled in organizations, service delivery will be poor.

#### Recommendations

Welthungerhilfe should improve its contract planning to provide better service to the Kampala community and consult all its stakeholders and develop its contract strategy in harmony with the organization's overall procurement strategy to ensure the supplier meets the minimum performance criteria.

Keywords: Contract, Planning, Service, Delivery, Welthungerhilfe

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# Introduction

The contract is a summary of the legal provisions that must be observed during the project (Grutters, 2007), and functions as an instrument for communicating obligations, terms, specifications, responsibilities, conditions, and roles of the ethical and moral code that governs the business relationship between the contracting parties (Zaghloul, 2005). The basic idea behind contracting out different

services and the main advantages are to cut costs and to spur efficiency, innovations, and quality by introducing mechanisms of competition. This makes the contracting out of services a strategic issue today. Even if contracting out is not a new phenomenon it has become a common strategy that is extensive and growing (Hendry et al, 2005). This is a common trend in many, both private and public, companies and organizations today (Dean and Kiu, 2002).

Contracts are in many business relationships used to specify the duties and obligations of the parties that are

involved (Macaulay, 1963). The contract attempts to project itself into the future and to secure future transactions and outcomes, thus reducing some of the uncertainty and risk (Malhotra and Murningham, 2002).

Due to this, most business relationships traditionally include some form of formal contract (Roxenhall and Ghauri, 2004).

Despite the existence of a formal contract, the role that the contract plays in a business relationship tends to vary along with the business context (Narula et al, 2009). In some organizations and companies, the contracts are seldom or never used once they have been drawn up (Macaulay, 1963)

the contracts exist to provide the evolving governance structure in which the relationships exist and develop; while in other organizations and companies, the contract becomes the primary instrument by which the relations between the parties are managed and regulated, which is the case in interorganizational public business relations. This study aims to examine the effect of contract planning on service delivery by Welthungerhilfe.

# Methodology

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# **Research Design**

The study adopted a phenomenological research strategy which was employed because it provided an in-depth understanding of individual phenomena; and rich data from the experiences of individuals. It therefore helped the researcher investigate and describe transport contract management and operations efficiency. The duration was

cross-sectional to sort out the existence and magnitude of causal effects of the independent upon the dependent. Both the qualitative and quantitative research approaches were used to facilitate a deeper understanding of the phenomenon under investigation as emphasized by Burns, (2000).

# Study population

The term population' refers to a well-defined group from which a sample can be drawn and which is specified in very concrete terms (Neumann, 2000:201). An example of a population can be a person, a group, an organization, a written document or symbolic message, or even a social action under investigation.

# **Determination of the Sample Size**

Using the Krejcie & Morgan sample size table, the following sample size below was used.

Table 1: Sample size and techniques for collection

Category	Population	Sample	Sample Technique
Users  ☐ Contracts committee staff ☐ User department staff	6 41	6 36	Purposive sampling Simple random sampling
Service Providers	84	68	Convenient sampling
	131	100	

Source: department of human resources, Welthungerhilfe South Sudan, 2023

The selected sample size covered two categories of respondents to whom questionnaires were given to be filled and interviews conducted. These categories included contracts committee staff, user department staff, and service providers. This study targeted a sample of 100 respondents as computed in the table above.

# **Sampling Techniques**

Baker, (1999) explains that two types of sampling techniques are probability sampling and non-probability sampling. Probability sampling is where the researcher can determine the chance of an element being included in the sample. This technique gives each member of the population an equal chance of being selected to be in the sample. On the other hand, in non-probability sampling, the researcher uses personal judgment to determine the sample size. This does not assure representativeness.

# **Data collection methods**

The research employed both primary and secondary methods of data collection. A combination of questionnaires, interviews, and abstraction of records were used.

# **Quantitative data**

Quantitative data was collected using two sets of questionnaires which were given to the staff of Welthungerhilfe in South Sudan. The questionnaires were designed using a five (5-point) Likert scale with closed-ended questions giving the respondents a chance to opt for one out of the five choices. After drawing, the questionnaires were administered to valid respondents.

Mugenda and Mugenda (2003) point out that the questionnaire is a relatively cheap method of data collection since it involves only spending money in preparing the questionnaire and mailing it to the respondents.

Amin (2005) points out that when a study involves identifying a relationship between variables, the

questionnaire can help to get data that describes the relationship between such variables. The secondary methods of data collection involved a survey of records, books, and journals among others in line with Welthungerhilfe in South Sudan. Two main methods were employed in the collection of data namely; the survey method and a review of related literature. The survey method used a set of questionnaires and a structured interview method for collecting primary data while the review of related literature was used to collect secondary data.

# **Qualitative data**

To answer the research questions, qualitative data was collected by holding an in-depth interview with the staff of Welthungerhilfe in South Sudan. The in-depth interview allowed the researcher to probe the responses and also allowed the respondents to provide detailed answers during the interaction

# **Documentary Review**

This includes reviewing existing literature, publications of other researchers, textbooks, journals, and other correspondences; Welthungerhilfe in South Sudan. reports and minutes, Human resource plans, and Papers presented in seminars and workshops were reviewed to back up primary findings. These instruments were used to gather secondary data to obtain a review of related published literature, internal revenue records, and reports of Welthungerhilfe in South Sudan. Data collection instruments

The instruments of data collection the researcher used include; a self-administered questionnaire and, an interview guide.

# Self-Administered Questionnaire "Appendix"

This consisted of a set of questions asked to different respondents to gather specific information about Transport Contract Management and Operations Efficiency of Organizations in South Sudan: A Case of Welthungerhilfe in South Sudan.

The questionnaire was self-administered and categorized in structured closed-ended to address specific objectives. In the closed-ended questionnaires, the respondents were provided with a list of possible answers to choose from and this eliminated the complexity and problems that come with respondents providing his/her response. The instrument was chosen because of the busy schedule of respondents and this enabled them to fill out the questionnaires at their convenience. It is also hoped that since the questionnaires were anonymous the respondents provided more truthful responses.

# Interview guide "Appendix"

A formal interview was conducted with the senior staff of transport contract management and operations efficiency of organizations in South Sudan: a case of Welthungerhilfe in South Sudan to obtain information on contract management and operations efficiency. This allowed the respondents to provide elaborate answers to questions and also seek clarification on some questions that were not clear. Some of the questions that were asked with the questionnaire were also asked in the interview guide. This enabled the researcher to triangulate the data collected. Kakinada Mbaaga (1990) revealed that the responses from the interview were spontaneous in that the respondent had no chance of consulting anybody else before answering

# **Data collection procedures**

Questionnaires were distributed to both stakeholders and shareholders and the Heads of sections. Before questionnaire administration, a requisition letter for the study was issued to the respective sections from the School of Postgraduate Studies and Research introducing the researcher. The questionnaires were administered to the respondents in their departments and collected in person after three days.

# **Data Management and analysis**

The raw data included: questionnaires, written notes for focus group discussions, case narratives, and data from secondary sources. Qualitative data was cleaned, re-written, and summarized according to identified trends, contexts, themes, and emerging impressions. Quantitative data arising from structured interviews were edited, coded, and entered into the SPSS computer software. Analysis was done using SPSS computer software. The resulting data was interpreted to answer the study objectives.

## **Validity and reliability of instruments**

The validity and reliability of the research instruments are important considerations when conducting research. Hopkins (2000) defines validity as how well a variable measures what it is supposed to measure; while reliability tells one how reproducible measures are in a retest. (Edwards and Talbot, 2004) suggest that the validity of information is based on the extent to which the methods measure what they are expected to. Validity is also seen as the extent to which a study is free from interference and contamination and control or variable manipulation.

To ensure validity and reliability, the questionnaires were piloted on a small group of clients from Welthungerhilfe in South Sudan. (n=10) before distribution to the main sample. The pilot study tested whether the questions were clear and

could be understood by different respondents, and led to improvements in the precision of the questions and how they captured content.

Frankel and Wallen, (2000) recognize that the quality of instruments used in any research is important because the information obtained through them is used to conclude. The data collection method to be used in this study (questionnaires) proved to be reliable. The pre-test reveals that the questionnaire should not take more than ten (10) minutes to complete. Confidentiality was guaranteed as questionnaires were returned anonymously.

# Reliability

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Joppe (2000) defines reliability as The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Embodied in this citation is the idea of replicability or repeatability of results or observations.

Kirk and Miller (2006) identify three types of reliability referred to in quantitative research, which relate to (1) the degree to which a measurement, given repeatedly, remains the same (2) the stability of a measurement over time; and (3) the similarity of measurements within a given period (pp. 41-42).

To ascertain the reliability of the instruments, the study used the test-retest method; where the same score on test one was the same as test two. The study also employed the coefficient alpha, also known as the Cronbach Alpha.

This was developed by Cronbach in 1951 and it is the average of the correlations of all the possible ways of dividing the test into two sets. Cronbach alpha splits all the questions on the instrument and computer correlation values for them. Like Correlation values for them; like correlation coefficient, the closer it is to; the higher the reliability estimate of the instrument.

#### **Data processing**

Data has no clear meaning unless it is analyzed and interpreted. Data analysis therefore gives raw data meaning and implications. Frankel and Wallen (2000) state that data analysis involves several closely related operations that are performed to summarize the collected data and organize it in a manner that answers the research questions. Babbie, (2005) lists the operations of data analysis to include editing, coding, classification, and tabulation. It also entails categorizing, ordering, manipulating, and summarizing data to find answers to the research questions

# **Data analysis**

The data that was collected from the field using questionnaires, interview schedules, and checklists was analyzed using both descriptive statistics and inferential statistics (correlation, regression, and coefficients); Percentages were obtained from the frequency tables and correlation then the interpretation of the descriptive statistics. (Guerrero, 2010) This made it possible to make appropriate inferences in terms of transport contracts management and operations efficiency at Welthungerhilfe in South Sudan.

#### **Ethical considerations**

There are several ethical issues that a researcher must consider when designing research that utilizes participants. Ethics are moral standards that can be followed in situations where there can be potential harm or actual harm to an individual or a group (Churchill, 2002:68). Awareness of ethical issues in research protects the integrity of the researcher and ensures honest research results. Some of the ethical issues related to both the researcher and the research subjects included avoiding plagiarism, misusing privileges, for example, using collected data to stigmatize or entrap somebody, and maintaining the confidentiality and privacy of the human subjects (Mugenda and Mugenda19991).

Other ethical issues include ensuring the anonymity of respondents, ensuring the validity and informed consent of the human subjects, avoiding embarrassing questions that may cause psychological harm to respondents, and concealing research findings after completion of the research.

The variables that form the basis of ethics include honesty, integrity, courtesy, and privacy. Researchers must be sensitive not only to how information is protected from unauthorized observation but also to how (and if) participants are to be notified of any unforeseen findings from the research that they may or may not want to know.

True null hypotheses should exist from the onset regarding the outcome of the trial. The present study adhered to all legal and ethical considerations and issues; all sources to be used in the study were acknowledged and a general picture of the collected data was presented at the analysis stage to ensure the confidentiality and privacy of the respondents. Consent was also sought from the respondents telephonically before their participation.

The respondents were informed of confidentiality when they were given the questionnaires, with further written assurance on the questionnaires of confidentiality and the freedom to choose to answer questions. Research instruments were pre-tested, to ensure that any embarrassing

questions were avoided. Pre-testing of research questions ensured that research questions were specific, real, researchable, and interesting to the researcher and that they encompass the expected content and predicted the whole argument.

# Page | 5 Results

# **Response Rate**

Response rate refers to the number of people who answered the survey divided by the number of people in the sample usually expressed in the form of a percentage. A low response rate can give rise to sampling bias. In this study, the sample was 100 user department staff and service providers but the study managed to get 87 user department staff and service providers. The breakdown is shown in the following table.

Thus, the response rates were 67% and above for the categories of user department staff and service providers, which were within the recommended

Table 1: Response rate

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

# User department staff and service providers Background Information

This focused on user department staff and service providers' gender, education, Years you working with the organization and age. Findings are presented in the following sub sections.

# User department staff and service providers' gender

User department staff and service providers were answered about their gender because gender was important in determining whether the sample that participated in the study was representative of gender composition in Welthungerhilfe. Findings are presented in Table 2.

Category of user department staff and service providers	Population	Targeted Sample	Actual sample	Response rate
Users  Output  Contracts committee staff User department staff	6 41	6 36	4 31	67 86
Service Providers	84	68	52	76
Total	131	100	87	87

Source: Data from field

Table 2: Findings about profile of user department staff and service providers

CATEGORY	FREQUENCY	PERCENTAGE
GENDER		
Males	49	59
Females	34	41
EDUCATION		
Primary	4	5
O'Level	2	2
A'Level	15	18
Institution	25	30
University	37	45
YEARS OF SERVICE		
Less than one year	18	22
1-2 years	21	25
3-5 years	23	28
5-10 years	7	8
10 years and above	14	17
Age of respondents		
20-29 years	6	7
30-39 years	52	63
40-49 years	15	18
50 years and above	10	12

Findings from table 2 show that more males (59%) participated in the study compared to the proportion of females (41%). These findings are similar to the gender distribution of user department staff and service providers at Welthungerhilfe. Thus, these findings imply that information obtained about contract planning, contract administration, contract risk management, and service delivery were not gender biased. In other words, gender bias did not distort the findings of the study.

Findings from table .2 show that most user department staff and service providers who participated in the study had at least an A level of education and these constituted 93% of the total sample. Thus, user department staff and service providers had some education that enabled them to understand what they were asked, and information relating to contract planning, contract administration, contract risk management, and service delivery they provided was treated as dependable. If user department staff and service providers had no or a low level of education, information that would have been obtained from them would not be dependable. This is because, in such a situation, there would be a possibility that the user department staff and service providers did not understand the questions about contract contract administration, contract management, and service delivery.

Findings in table 2 show that 78% of the user department staff and service providers who participated in the study had worked with the Welthungerhilfe for at least 1 year. This implies that most of the user department staff and service providers had been around for some time to be conversant with the issues the study sought to obtain information about. Therefore, the user department staff and service providers who participated in this study provided dependable information given that they had worked with WELTHUNGERHILFE for some time to be able to accumulate knowledge of what was taking place as regards contract planning, contract administration, contract risk management, and service delivery by Welthungerhilfe.

Findings in Table 2 show that most user department staff and service providers (63%) who participated in the study were aged 31-49 years. This is attributed to the fact that in

Welthungerhilfe, most of the targeted sample is composed of people aged 31 to 39 years. Thus, the implication of these findings is that information about the contract planning, contract administration, contract risk management, and service delivery by Welthungerhilfe obtained from the sample that participated in this study was not biased age of the user department staff and service providers. In other words, the views obtained from the sample were representative of those employees of the various age categories.

To analyze the findings, user department staff and service providers who strongly disagreed and those who disagreed were combined into one category of user department staff and service providers who "opposed" the items. In addition, user department staff and service providers who strongly agreed and those who agreed were combined into another category of user department staff and service providers who "concurred" with the items. Thus, three categories of user department staff and service providers were compared, which included "user department staff and service providers who opposed the items", "user department staff and service providers who were not sure about the items" and "user department staff and service providers who concurred with the items". Interpretation was then drawn from the comparisons of the three categories as shown in the following paragraph.

# The setting of overall objectives

Findings show that the proportion of user department staff and service providers who opposed two items (that is items 1 and 4) was almost equal to the proportion of those who concurred. A comparison of these two items shows that the percentage of user department staff and service providers that opposed was 43% to 48% while the percentage that was not sure was 7% to 11% and the percentage that concurred was 45% to 46%. From these comparisons, it can be seen that the lowest percentage that opposed the items (43%) was close to the lowest percentage that concurred (45%). In addition, the highest percentage that opposed (48%) was close to the highest percentage that concurred (46%). Thus, from this analysis, the following is the interpretation. Findings show that WELTHUNGERHILFE sometimes set contract objectives and its contracting objectives were sometimes achievable/attainable.

However, findings from user department staff and service providers obtained using a questionnaire showed that WELTHUNGERHILFE 's contracting planning was compromised during the setting of overall objectives. This is because the analysis findings show that most user department staff and service providers were opposed to five items (that is items 2, 3, 5, 6, and 7) out of seven items about setting overall objectives compared to user department staff and service providers who were not sure with or concurred to these items. A comparison of these items shows that the percentage of user department staff and service providers that opposed was 47% to 73% while the percentage that was not sure was 5% to 17% and the percentage that concurred was 21% to 40%. From these comparisons, it can be seen that the lowest percentage that opposed the items (47%) is higher compared to the lowest percentage that concurred (21%) while very few were not sure (5%). In addition, the highest percentage that opposed the items (73%) is higher compared to the highest percentage that concurred (40%) while very few were not sure (17%). Thus, from this analysis, the following is the interpretation. Findings show

that in most cases, Welthungerhilfe E set unclear contract objectives, WELTHUNGERHILFE 's contracting objectives were not measurable, not all Welthungerhilfe stakeholders were consulted during the contracting objectives, Welthungerhilfe contract objectives were rarely

within the available resources, knowledge and time, and most user department staff and service providers were dissatisfied with WELTHUNGERHILFE 's contracts objectives.

Page | 7 Table 3: Findings about contract planning

Items about setting of overall objectives   10%   33%   11%   23%   23%   10%	Table 3: Findings about contract planning						
2. Welthungerhilfe sets clear contracts objectives   17%   36%   7%   24%   16%   100%	Items about setting of overall objectives			NS		SA	Total
3. WELTHUNGERHILFE 's contracting objectives are measurable   4. Welthungerhilfe 's contracting objectives are achievable/attainable   5. All WELTHUNGERHILFE stakeholders are consulted during the contracting objectives   24%   49%   5%   10%   12%   100%   10	1. Welthungerhilfe always sets contracts objectives		33%	11%	23%	23%	100%
measurable   4. Welthungerhilfe 's contracting objectives are achievable/attainable   18%   30%   7%   29%   16%   100%   achievable/attainable   24%   49%   5%   10%   12%   100%   during the contracting objectives   6. WELTHUNGERHILFE contracts objectives are always within the available resources, knowledge and time   7. 1 am satisfied with WELTHUNGERHILFE 's contracts   27%   20%   17%   20%   16%   100%   objectives   1 am satisfied with WELTHUNGERHILFE 's contracts   27%   20%   17%   20%   16%   100%   objectives   1 am satisfied with WELTHUNGERHILFE 's contracts   27%   20%   17%   20%   16%   100%   objectives   1 am satisfied with WELTHUNGERHILFE 's contracts   27%   20%   17%   20%   16%   100%   objectives   2 m satisfied with WELTHUNGERHILFE 's contract strategy in harmony with the organization's overall procurement strategy.   9. Welthungerhilfe 's contract strategy establishes the form of the procurement   10. Welthungerhilfe's contract strategy assists in determining the formulation of the contract   11. Welthungerhilfe's contract strategy assists in determining the award of the contract   12. Welthungerhilfe's contract strategy assists determining the type of management to be adopted for the subsequent service delivery   13. Welthungerhilfe's contract strategy assists in determining the relationship between management and contract administration   14. WELTHUNGERHILFE 's contract strategy always ensures the supplier meets the minimum performance criteria   18%   55%   14%   6%   100%	2. Welthungerhilfe sets clear contracts objectives	17%	36%	7%	24%	16%	100%
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18. Contracting schedules are clearly spelt out 23% 47% 18% 4% 8% 100%	17. Contracting tasks are clearly spelt out		48%	20%	2%	8%	100%
	18. Contracting schedules are clearly spelt out	23%	47%	18%	4%	8%	100%

Source: Data from field

**Key**: SD = Strongly disagree, D = Disagree, U = Not sure, A = Agree, SA = Strongly agree

# **Developing contracting strategies**

Furthermore, findings show that Welthungerhilfe 's contracting planning was compromised while developing contracting strategies. This is because most user department staff and service providers were opposed to all the seven items about developing contracting strategies compared to

user department staff and service providers who were not sure about or concurred with these items. A comparison of these items shows that the percentage of user department staff and service providers that opposed was 55% to 87% while the percentage that was not sure was 2% to 13% and the percentage that concurred was 7% to 32%. From these comparisons, it can be seen that the lowest percentage that opposed the items (55%) is higher compared to the lowest

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percentage that concurred (7%) while very few were not sure (2%). In addition, the highest percentage that opposed the items (87%) is higher compared to the highest percentage that concurred (32%) while very few were not sure (13%). The interpretation from this analysis is that in most cases, Welthungerhilfe did not develop its contract strategy in harmony with the organization's overall procurement strategy, WELTHUNGERHILFE 's contract strategy did not establish the form of the procurement and WELTHUNGERHILFE 's contract strategy did not assist in determining the formulation of the contract and the award of the contract. In addition, Welthungerhilfe 's contract strategy did not assist in determining the type of management to be adopted for the subsequent service delivery and the relationship between management and contract administration. Lastly, Welthungerhilfe 's contract strategy rarely ensured the supplier met the minimum performance criteria.

# **Outlining contracting tasks and schedules**

Lastly, findings show that Welthungerhilfe 's contracting planning was compromised while outlining contracting tasks and schedules. This is because most user department staff and service providers were opposed to all four items about outlining contracting tasks and schedules compared to user department staff and service providers who were not sure with or concurred with these items. A comparison of these items shows that the percentage of user department staff and service providers that opposed was 47% to 73% while the percentage that was not sure was 5% to 17% and the percentage that concurred was 21% to 40%. From these comparisons, it can be seen that the lowest percentage that opposed the items (47%) is higher compared to the lowest percentage that concurred (21%) while very few were not sure (5%). In addition, the highest percentage that opposed the items (73%) is higher compared to the highest percentage that concurred (40%) while very few were not sure (17%). The following is the interpretation of this analysis. Findings show that at Welthungerhilfe, there were unclear lines of responsibility and authority in contracting, there was insufficient authority delegated along with responsibility during contracting, and contracting tasks and contracting schedules were unclearly spelled out.

Interview findings shed more light on Welthungerhilfe 's contract planning. They were supportive of quantitative findings from user department staff and serviced providers as they detailed WELTHUNGERHILFE 's contracts planning process. For example, when contracts committee staff were asked whether there was contract planning at Welthungerhilfe and if it was not, why or if it was there, and what was involved in the planning, all four contracts committee staff responded in the affirmative that Welthungerhilfe plans for its contracts. While explaining the process of WELTHUNGERHILFE 's contracts planning, the four contracts committee staff outlined almost similar

steps involved in the process. For example, one of the managers had this to say about the process involved.

User departments are requested to prioritize activities and functions they deem should be contracted out. Thereafter, meetings are held to decide whether to contract these functions. Once an agreement is reached on which functions to contract, then laid down procedures are followed in calling for bidders. For example, functions to be contracted are advertised in the media, and the Welthungerhilfe notice board calls for bidders. Then decisions are made on whom to contract and which functions (*Interview with contracts manager*,

Thus, from the above quotation, it is shown that Welthungerhilfe conducts contract planning. It shows that Welthungerhilfe follows a systematic process during its contract planning. It first requests the user departments to identify functions that would be contracted and then meetings are held to determine how the contracting process would be handled. Another contracts manager in response was supportive of the findings of the interview with the manager as shown in the following.

Contract planning involves the board and top management for contract approval and top management also conducts an internal and external analysis to identify functions to contract, benchmark with other organizations that contract similar functions, and then confirm the budget for the contracting to start (*Interview with contracts manager*,

These findings confirm the deduction that has been made that WELTHUNGERHILFE 's contract planning is systematic. Welthungerhilfe does not merely pick on functions to contracts. However, it conducted an internal and external analysis of what to contract and how the contracting should be done. Interviews also revealed the criteria used in determining Welthungerhilfe 's function to contract out as shown in the following.

The functions to be contracted are determined based on whether it is costly for Welthungerhilfe to execute them by itself or by engaging contractors. The cost is sometimes in terms of expenses incurred or avoided by Welthungerhilfe. If the expenses are believed to be favorable to Welthungerhilfe, then the functions are contracted. In addition, costs are in terms of time devoted to executing the non-core functions and the outcome of this. For example, functions may be found to be time-consuming to execute, and yet when contracted time can be devoted to core activities that matter to make a big difference in achieving WELTHUNGERHILFE 's objectives (Interview with contracts manager,

From the quotation, it is shown that the costs and time involved in doing an activity at Welthungerhilfe determined

whether such an activity would be contracted. However, not only these two criteria were used in determining WELTHUNGERHILFE 's functions to be contracted but also other criteria were used. For example, another Welthungerhilfe contracts manager named functions that were contracted and other criteria that were used as shown in the following.

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Major functions that Welthungerhilfe has contracted include maintenance works such as road maintenance, street lighting maintenance, garbage collection, and revenue collection. These were outsourced with the motive of reducing operational costs, gaining access to specialists, and giving Welthungerhilfe time to concentrate on its core activities (Interview with the contracts manager,

Like the earlier contracts manager, cost and time are indicated in the quotation as criteria to determine WELTHUNGERHILFE 's functions to contract. In addition, is shown that in case Welthungerhilfe does not have the expertise to handle certain functions, then those functions may also be considered for contracting out.

Contracts committee staff were also asked whether they were satisfied with WELTHUNGERHILFE 's contract planning. In response, two managers were satisfied while the other two were fairly satisfied. For example, the two satisfied managers had this to say:

Yes, I am satisfied because when Welthungerhilfe functions are contracted, some problems are solved to improve Welthungerhilfe 's operations. For example, functions that are contracted allow Welthungerhilfe to divert manpower to functions that are handled internally and thus reduce workload among staff. In addition, long-term decisions are involved in contracting, which goes through stages every stage is well discussed and all stakeholders are involved (Interview with contracts manager,

I am satisfied because Welthungerhilfe staff members are involved to avoid problems of implementation and it has enabled management to concentrate on core activities it has led to the attainment of targets and some costs are reduced thus some savings are realized (*Interview with contracts manager*, 6th December 2012).

The reasons for the other two managers were more or less like what has been presented in the two quotations above

except that they expressed dissatisfaction with some aspects of Welthungerhilfe E's contract planning.

As much as information is gathered on functions, sometimes we have found that decisions taken were not the right ones. This is because information is sometimes manipulated for self-interest where functions that would not have been contracted have been turned into a source of income for a few individuals. They get bribes from such functions. Therefore, the more functions contracted, the more these individuals benefit through bribes (*Interview with contracts manager* 

The second manager who expressed dissatisfaction with the planning of Welthungerhilfe contracts had this to say:

Welthungerhilfe 's planning is mainly by a few individuals who think they matter more than others do. It is mainly top management and heads of departments that plan for the contracts and sometimes you find that the criteria used were not the right one because we find ourselves withdrawing some functions that have been already contracted before the contract time expires, which has resulted in court cases. An example is the recent Centenary Park problem (*Interview with the contracts manager*.

Thus, like the findings from the questionnaire, the interview findings also show that Welthungerhilfe 's contract planning has some shortcomings and thus, it is not effectively handled. Having presented the views of respondents about contracting planning at Welthungerhilfe, the next was to determine how they perceived Welthungerhilfe 's service delivery.

# Descriptive results about service delivery by Welthungerhilfe

User department staff and service providers responded to ten items about service delivery by indicating their agreement using a five-point Likert scale. The items are presented in the first column of Table and the proportion of user department staff and service providers to the responses on each of the items is presented in the form of percentages in columns 2 to 6. The last column presents the total percentage of user department staff and service providers on each of the items. The analysis and interpretation of the findings follow the presentation of findings in Table

Table 4: Findings about service delivery

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Table 4. Findings about service derivery	~~	I	2.70	Ι.	~ .	T =
Items about service efficiency	SD	D	NS	A	SA	Total
1. Services are usually delivered on time	23%	60%	5%	7%	5%	100%
2. WELTHUNGERHILFE 's service delivery is efficient	16%	45%	14%	20%	5%	100%
Items about service effectiveness	SD	D	NS	A	SA	Total
3. WELTHUNGERHILFE 's service delivery is effective	18%	30%	22%	20%	10%	100%
4. Services are delivered to the right places	8%	36%	29%	20%	7%	100%
5. There is value for money in WELTHUNGERHILFE 's service delivery	13%	42%	25%	16%	4%	100%
6. WELTHUNGERHILFE 's services are easily accessed	10%	53%	12%	11%	14%	100%
7. WELTHUNGERHILFE service coverage is satisfactory	7%	44%	13%	17%	19%	100%
Items about service reliability	SD	D	NS	A	SA	Total
8. WELTHUNGERHILFE delivers quality services	16%	63%	7%	6%	8%	100%
9. WELTHUNGERHILFE offers relevant service to the community	8%	32%	16%	24%	20%	100%
10. WELTHUNGERHILFE offers reliable service to the community	6%	36%	25%	20%	13%	100%

Source: Data from field

**Key**: SD = Strongly disagree, D = Disagree, U = Not sure, A = Agree, SA = Strongly agree

# **Service efficiency**

Findings show that Welthungerhilfe's service delivery was compromised in terms of service efficiency. This is because most user department staff and service providers were opposed to all items about service efficiency compared to user department staff and service providers who were not sure about or concurred with these items. A comparison of these items shows that the percentage of user department staff and service providers that opposed was 61% to 83% while the percentage that was not sure was 5% to 14% and the percentage that concurred was 12% to 25%. From these comparisons, it can be seen that least percentage that opposed the items (61%) is higher compared to the lowest percentage that concurred (12%) while very few were not sure (5%). In addition, the highest percentage that opposed the items (83%) is higher compared to the highest percentage that concurred (25%) while very few were not sure (14%). The following is the interpretation of this analysis. Findings show that in most cases in Welthungerhilfe, services were rarely delivered on time, and service delivery was inefficient/ wasteful.

# **Service effectiveness**

Furthermore, WELTHUNGERHILFE 's service delivery was compromised in terms of service effectiveness. This is because most user department staff and service providers were opposed to all items about service effectiveness compared to user department staff and service providers who were not sure about or concurred with these items. A comparison of these items shows that the percentage of user department staff and service providers that opposed was 44% to 63% while the percentage that was not sure was 12% to 29% and the percentage that concurred was 20% to 36%. From these comparisons, it can be seen that the lowest percentage that opposed the items (44%) is higher compared to the lowest percentage that concurred (20%) while very few were not sure (12%). In addition, the highest percentage that opposed the items (63%) is higher compared to the highest percentage that concurred (39%) while very few were not sure (29%). The following is the interpretation of this analysis. Findings show that in most cases, Welthungerhilfe 's service delivery was ineffective, services were not delivered to the right places, there was no value for money in WELTHUNGERHILFE 's service delivery,

WELTHUNGERHILFE 's services were not easily accessed and Welthungerhilfe service coverage was unsatisfactory.

Furthermore, Welthungerhilfe 's service delivery was

**Service reliability** 

Page | 11 compromised in terms of service reliability. This is because most user department staff and service providers were opposed to two items (that is items 8 and 10) about service effectiveness compared to user department staff and service providers who were not sure with or concurred with these items. A comparison of these items shows that the percentage of user department staff and service providers that opposed was 42% to 79% while the percentage that was not sure was 7% to 25% and the percentage that concurred was 14% to 33%. From these comparisons, it can be seen

that the lowest percentage that opposed the items (42%) is higher compared to the lowest percentage that concurred (14%) while very few were not sure (7%). In addition, the highest percentage that opposed the items (79%) is higher compared to the highest percentage that concurred (33%) while 25% were not sure. The following is the interpretation of this analysis. Findings show that in most cases, Welthungerhilfe delivered poor quality services and offered unreliable service to the community.

On the other hand, findings show that the proportion of user department staff and service providers who opposed one item (that is item 9) was almost equal to the proportion of those who concurred. It shows that the percentage of user department staff and service providers that opposed was 40% while the percentage that was not sure was 16% and the percentage that concurred was 44%. Thus, from this analysis, the following is the interpretation. Findings show that Welthungerhilfe sometimes Welthungerhilfe offered relevant services to the community.

Findings from interviews with contracts committee staff shed more light on Welthungerhilfe's service delivery when they were asked their opinion on WELTHUNGERHILFE's service delivery in terms of it being efficient, effective, and reliable. All four managers were of the view that Welthungerhilfe's service delivery was poor in all aspects but expressed hope that there are some improvements taking

place with the new management. In response, one of the contracts managers summed up the service delivery as follows:

Welthungerhilfe's service delivery is still poor despite some improvements. The continuous complaints about almost all services Welthungerhilfe offers raised in various media are evident that there is a long way to go. However, in the same media, some appreciation has also been extended to Welthungerhilfe for what it has done so far (*Interview with contracts manager*, 3rd December 2012).

Similarly, another Welthungerhilfe contracts manager responded thus;

Welthungerhilfe is trying to improve service delivery in Kampala City. However, with limited funding, little will be achieved until more funding is allocated to WELTHUNGERHILFE's activities. For example, garbage in the city is increasing every year with increasing population and economic activities but the amount of funding Welthungerhilfe is receiving from the government has not been increasing proportionately. Under such circumstances, Welthungerhilfe can only afford to collect want it can. If am to explain the terms of your study,

Given that the views of the four contracts committee staff were more or less the same, the above quotation is believed in this study to be adequate in explaining what the managers' opinions were about Welthungerhilfe's service delivery. Having established Welthungerhilfe 's contracts planning and service delivery, the next step was to determine whether the two were related. Findings are presented in the following sub-section.

# **Testing the first hypothesis**

The first null hypothesis stated, "There is a significant positive relationship between contracts planning and the service delivery of Welthungerhilfe". Spearman rank order correlation coefficient (rho) and coefficient of determination were used to test the hypothesis. Table 8 presents the test results for the first hypothesi

Table 5: Correlation between contract planning and service delivery

	Contract planning
Service delivery	rho = .646 rho <sup>2</sup> = .417 p = .000 n = 83

Source: Data from field

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contribute to improved WELTHUNGERHILFE 's service delivery.

Findings show that there was a strong positive correlation (rho = .646) between contract planning and service delivery. Since the correlation does imply a causal effect as stated in the first objective, the coefficient of determination  $(rho \ 2 = .417)$ , which is a square of the correlation coefficient, was computed and expressed as a percentage to determine the variance in service delivery due to contract planning. Thus, findings show that contract planning accounted for a 41.7% variance in service delivery. These findings were subjected to a test of significance (p) and it is shown that the significance of the correlation (p = .000) is less than the recommended critical significance at 0.05. Thus, the effect was significant. Because of this, the hypothesis "There is a significant positive relationship between contracts planning and the service delivery of Welthungerhilfe" was accepted.

These findings imply that contract planning had a significant effect on service delivery by Welthungerhilfe. The strong correlation implied that a change in contract planning was related to a big change in service delivery. The positive nature of the correlation implied that the change in contract planning and service delivery was in the same direction whereby more contract planning was related to better service delivery and vice versa.

#### **Discussion**

There was a strong positive relationship (rho = .646)between contract planning and service delivery whereby more contract planning was related to better service delivery and vice versa. Contract planning accounted for a 41.7% variance in service delivery. The study established that Welthungerhilfe 's contracting planning was compromised during the setting of overall objectives, developing contracting strategies, and outlining contracting tasks and schedules. Thus, these contributed to poor service delivery by Welthungerhilfe in terms of inefficiency, ineffectiveness, and unreliability. Service delivery was inefficient because services were rarely delivered on time and service delivery was wasteful. Service delivery was ineffective because services were not delivered to the right places, there was no value for money in service delivery, services were not easily accessed and service coverage was unsatisfactory. Service delivery was unreliable because of poor quality services and sometimes not relevant service to the community.

The findings of this study about the strong positive relationship between contract planning and service delivery are similar findings of other studies. For example, Wogube (2011) also found a strong positive relationship between contract planning and service delivery at r = 0.715 at a level significance of 0.05. Thus, the findings of this study like other studies imply that contract planning is one of the primary functions of procurement with a potential to

The positive nature of the relationship between contract planning and service delivery established in this study supports Basheka (2008) who emphasized that outsourcing planning is one of the primary functions of procurement with the potential to contribute to the success of organization operations and improved service quality. It also supports other researchers such as Smeltzer, et al. (2003), Dobler and Starling (2003), James (2004), and Chen, Paulraj, and Lado (2004). They also established that improvement in contract planning was associated with improvement in service quality.

One of the reasons why Welthungerhilfe's contracting planning was compromised during the setting of overall objectives was that set contract objectives were unclear. This was contrary to Wassenaar, Dijkgraaf, and Gradus (2010) who emphasized during contract planning organizations should set clear objectives if they were to realize improved service delivery. Unclear objectives like those of Welthungerhilfe lead to unclear targets and hence poor service delivery.

Another reason why Welthungerhilfe 's contracting planning was compromised during the setting of overall objectives was that its contracting objectives were not measurable, sometimes set contracts objectives and its contracting objectives were sometimes achievable and its contracts objectives were rarely within the available resources, knowledge, and time. Yet according to Latham and Locke (2002), goal setting should involve establishing specific, measurable, achievable, realistic, and time-targeted (SMART) goals. It is argued that if one of the criteria or all of these criteria are not adhered to, service delivery by any organization is likely to be poor. Thus, considering this argument in this study, it is deduced that poor service delivery by Welthungerhilfe was due to failure in having SMART goals.

In addition, this study established that not all WELTHUNGERHILFE 's stakeholders were consulted during the setting of contracting objectives. Yet according to Dietz and Stern (2008), consultation from all stakeholders plays an important role in the achievement of an organization's goals. Dietz and Stern argued that consulting all stakeholders helps organizations to make informed decisions about goal setting. Weible and Sabatier (2009) argued that stakeholder consultation in the contract planning process is part of a broader process of pursuing the objectives of the contracting process. The principle inherent in stakeholder consultation should be that of the consultation of all interested and affected parties to achieve the organization's objectives/goals. It is argued in this study that the reason why WELTHUNGERHILFE 's contracts were unclear, unachievable, and immeasurable was because few

stakeholders were consulted during Welthungerhilfe's contract objective setting. Thus, because of this, its service delivery was compromised.

Welthungerhilfe's contracting planning was compromised developing contracting strategies because Welthungerhilfe did not develop its contract strategy in harmony with the organization's overall contracting strategy. This was contrary to Schweitzer, Ordóñez, and Douma (2004). This explains why WELTHUNGERHILFE did not establish the form of the procurement and its contract strategy did not assist in determining the formulation of the contract and the award of the contract. In addition, it is the reason why its contract strategy did not assist in determining the type of management to be adopted for the subsequent service delivery and the relationship between management and contract administration. Yet this was one of the benefits that Nucharee (2009) emphasized that a successful contract management strategy should achieve. Furthermore, its contract strategy rarely ensured the supplier met the minimum performance criteria. Because of these, Welthungerhilfe 's service delivery was compromised.

Welthungerhilfe 's contracting planning was compromised while outlining contracting tasks and schedules because there were unclear lines of responsibility and authority in contracting, there was insufficient authority delegated along with responsibility during contracting, and contracting tasks and contracting schedules were unclearly spelled out. Yet according to Haapio (2006), effective and efficient service delivery requires parties involved in the contracting to have clear lines of responsibility, sufficient delegation of authority, and clear schedules. Haapio (2006) argued that unclear lines of responsibilities and schedules lead to role conflict. Because of this, the handling of the contracting functions is negatively affected. Relating to a delegation of authority, Haapio (2006) observed that this is important as it empowers individuals in the contracting process and provides them a sense of being entrusted and a feeling that the services they provide are worthy.

# **Conclusion**

The findings of this study revealed that contract planning plays an important role in Welthungerhilfe; 's service delivery. The positive relationship indicated that good contract planning leads to better service delivery while poor contract planning leads to poor service delivery. This shows that if contract planning is well handled in organizations, service delivery will be poor.

#### **Limitations of the study**

The researcher faced the following limitations while carrying out the research exercise: -

- 1. Financial resource constraints because of being a student and not having enough finances to effectively carry out the study. This was solved by soliciting funds from friends and relatives as well as personal savings.
- The time frame for the study was not enough due to other relatively demanding issues. This was addressed by trying to utilize effectively every little time available.
- 3. Slow response and non-response from some of the respondents were expected since some of the respondents claimed to be busy and others were not available at all. A friendly approach was adopted when dealing with the respondents to avert this problem and they were reminded so often.
- 4. Some staff were very busy people and therefore response time took longer. This necessitated the sending of constant reminders to get feedback.

#### Recommendation

Welthungerhilfe should improve its contract planning to provide better service to the Kampala community. It can achieve this by setting clear, measurable, and achievable contract objectives within the available resources, knowledge, and time. It should also consult all its stakeholders and develop its contract strategy in harmony with the organization's overall procurement strategy to ensure the supplier meets the minimum performance criteria. Furthermore, clear lines of responsibility and authority in contracting including clear contracting tasks and contracting schedules should be spelled out and sufficient authority should be delegated along with responsibility during contracting.

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# List of abbreviations

ICT: Information and communication technology

ITB; Invitation to bid ITT; Invitation to tender

OIOS: Oversight Services of the United Nations

RFP: Request for proposal RFQ: Request for quotation T&Cs: Terms and conditions

**UN: United Nations** 

UNCITRAL: United Nations Commission on International

Trade Laws

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#### **Conflict of interest**

The author had no conflict of interest.

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