

# Contract Management Practice And Procurement Performance Of Rwanda Interlink Transport Company

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## ARTICLE INFO

## ABSTRACT

The general objective of this study was to assess the effect of contract management practice on procurement performance of Rwanda Interlink Transport Company. This study gave decision-makers ideas for how to get the most out of contract management not just in the study area but also all over the country. Both correlational studies and descriptive survey research relied on questionnaires to gather data on a wide range of topics. the study's research strategy looked at the connections between the variables. A total of 161 individuals from Rwanda Interlink Transport Company 's finance, tender committee, legal advisers, risk and compliance, sales, and distribution departments in all bus stations across the country made up the study's population. Using Slovin's calculation, the researcher calculated that a sample size of 115 would be appropriate. The adoption of a random technique ensures that every member of the population has an equal opportunity to be picked. Questionnaire and document analysis all played a role in the data collection process. Statistical and numerical representations of the results made the researcher's job easier and provide the reader with a more complete picture of the results. Within the scope of the research, SPSS 26 was used for data analysis. Contract negotiation practice has an unstandardized coefficient of 0.327 ( $p=0.000<0.05$ ), indicating that for a one-unit increase in contract negotiation, the predicted change in procurement performance is 0.327 units. Contract relationship management practice has an unstandardized coefficient of 0.271 ( $p=0.000<0.05$ ), signifying that a one-unit increase in contract relationship management practice is associated with a predicted increase of 0.271 units in procurement performance. Contract dispute resolution has an unstandardized coefficient of 0.404 ( $p=0.000<0.05$ ), implying that a one-unit increase in contract dispute resolution corresponds to a predicted increase of 0.404 units in procurement performance. All predictors show significant positive relationships with the dependent variable, reinforcing their importance in influencing procurement performance. The study recommended that RITCO should institute comprehensive measures including structured negotiation training programs, robust contract relationship management frameworks and dedicated dispute resolution mechanisms.

**Keywords:** Contract Management Practice, Contract Dispute Resolution Practice, Contract Negotiation Practice, Contract Relationship Management Practice and Procurement Performance

## I. INTRODUCTION

Public procurement continues to be afflicted by contracts of lower quality and poor products and services, despite the fact that lawmakers of emerging economies such as Rwanda, and development partners such as the World Bank have undertaken multiple reforms and endeavors to enhance the efficiency of the procurement function (Kakwezi & Nyeko, 2019). The Auditor General's Report (2021) emphasizes the thirty-eight (38) public organizations and projects with sixty-two (62) instances of delayed contracts due to deficient contract

management. Lack of clearly defined roles and responsibilities, lack of adequate supervision, and poor delivery quality all contribute to improper monitoring of the implementation of the procurement contract, which can lead to cases of inadequate follow-up by government officials in charge of contract management.

The Rwandan government is facing big money losses and inefficiencies in how it buys things, according to a report from the Office of the Auditor General (O.A.G) for the year ending June 30, 2022. The problems are mainly in how they manage contracts. Things like taking too long to get contracts done, getting poor quality services and goods, not having enough skilled people to manage contracts, suppliers and contractors not doing well, and not planning properly causing changes in what was supposed to be done. Overall, these issues have led to a 10% loss of the government's yearly budget for buying things. Also, 40% of government contracts were seriously delayed, about 6 months later than planned, and 30% of the things they bought were not good, making them spend an extra 15% to fix and correct them (Office of the Auditor General, 2022).

However, the impact of contract management on Rwanda Interlink Transport Company's procurement performance has not been examined in any thorough researches. This matter of Rwanda Interlink Transport Company was not the subject of earlier research. For instance, Umunezero (2022) examined the impact of contract management on the efficiency of Rwanda's Ministry of the Environment's procurement processes. In a case study of the Development Bank of Rwanda, Sarah (2022) examined how procurement procedures affected the efficiency and effectiveness of Rwandan government agencies. To address these information gaps, the current study investigated how Rwanda Interlink Transport Company's procurement performance was affected by contract management.

The general objective of this survey was to assess the effect of contract management practice on procurement performance of Rwanda Interlink Transport Company.

Specific objectives:

- i. To assess the effect of contract negotiation practice on procurement performance of Rwanda Interlink Transport Company.
- ii. To examine the effect of contract relationship management practice on the procurement performance of Rwanda Interlink Transport Company.
- iii. To analyze the effect of contract dispute resolution practice on procurement performance of Rwanda Interlink Transport Company.

Research hypotheses:

The followings are the null hypotheses of the study formulated based on the specific objectives:

**H<sub>01</sub>:** Contract negotiation practice does not have significant effect on procurement performance of Rwanda Interlink Transport Company.

**H<sub>02</sub>:** There is no significant effect of contract relationship management practice on procurement performance of Rwanda Interlink Transport Company.

**H<sub>03</sub>:** There is no significant effect of contract dispute resolution practice on procurement performance of Rwanda Interlink Transport Company.

## II. LITERATURE REVIEW

### 2.1 Theoretical review

#### Agency Theory

Jensen and Meckling (1976) introduced agency theory, according to this theory of companies, the public sector might benefit from implementing incentive-based contracts among varied participants. The field of public administration and policy has been profoundly influenced by agency theory since its start in the 1970s. It was a driving force behind often-dramatic changes to the public sector in many industrialized nations with high incomes in the 1980s and 1990s. Its influence is still felt today in many government agencies (Naing, 2020).

Agency theory is employed to comprehend the dynamics between agents and principals. In this framework, the agent stands in for the principal in a specific business deal and is tasked with prioritizing the principal's interests over their own. However, conflicts can arise due to differing interests between principals and agents, potentially leading to misalignment and disputes within organizations. In the context of agency theory, the agent represents the principal's interests. This theory describes various challenges and potential preparations inherent in this relationship (Yolles, 2020).

Agency Theory is crucial in understanding and managing relationships with agents or individuals acting on behalf of principals in a variety of settings, such as in corporate governance, contracts, or partnerships. This theory is vital in aligning the interests of principals and agents, defining responsibilities, minimizing conflicts of interest, and ensuring accountability. By examining the dynamics between principals and agents, organizations can design incentive structures, monitor performance, and regulate behaviors to enhance decision-making and mitigate agency problems (Smith & Johnson, 2023).

This theory used in this study by showing the benefits of involving key actors in the contract management and procurement processes, such as suppliers, employees, and possibly external experts, can lead to more effective and sustainable procurement performance. By engaging stakeholders in the development and execution of contracts, Rwanda Interlink Transport Company benefited from diverse perspectives, local perceptions, and increased commitment to procurement success.

## **Institutional Theory**

John Meyer and Brian Rowan developed institutional theory in the late 1970s, with the goal of explaining how organizations interact with their local, regional, national, and global settings. Environmental legitimacy is conferred on innovative organizational structures that improve technological performance in early adopters. Existing and future businesses will adopt the structural shape regardless of whether it increases efficiency (Arvidsson & Melander, 2020).

Adopting and widely displaying these trappings of legitimacy that have been recognized by the institution might help a company seem to be functioning with true sincerity. A group's chances of staying in business improve when they have credibility among other members of the institution. Hiring practices bring the mindsets and tactics of professional groups into the organization, which in turn imposes normative limits on diversity. It holds the processes of structure formation including plans, laws, conventions, and routines to be the gold standard of social behavior. Theoretical contributions from Institutional Theory lay the groundwork for a systemic examination of innovation (Gyemang & Emeagwali, 2020). These insights address the distinctions between many kinds of institutions, including those at the formal, informal, normative, regulatory, and cultural-cognitive levels.

Institutional Theory focuses on the impact of societal and organizational contexts on shaping behavior and structures within institutions. It highlights the significance of norms, values, and regulatory frameworks in guiding organizational practices and decision-making processes. Understanding Institutional Theory enables organizations to navigate institutional pressures, adapt to environmental changes, and maintain legitimacy by aligning with prevailing social norms and expectations (Arvidsson & Melander, 2020).

Written rules, standard procedures, and novel forms of organization are all examples of formal organizational structures that this theory may help explain, making it applicable to the current research. When it comes to organizational practices and forms, there is a lot of resemblance. What explains this similarity? That's what institutional theory aims to explain.

## **2.2 Empirical review**

Researchers Kieha and Achuora (2021) evaluated the impact of contract negotiation on INGOs' operations in Nairobi City County, Kenya. The study targeted 201 executives from INGOs who work in the areas of procurement/supply chain, finance, legal, and operations/programs. The approach that was employed was descriptive. By using the method proposed by Morgan and Krejcie, the researchers were able to identify the study's sample size. Results showed that international nongovernmental organizations' (INGOs') performance is positively and significantly affected by deal goals. There was a favorable correlation between the success of INGOs in the area and their ability to communicate effectively during discussions. A well-organized negotiating team has a beneficial effect on INGOs' success, according to the research. Finally, research found that INGOs' success improved significantly during the negotiating process. These results supported the study's recommendation that INGOs in Nairobi County's upper management prioritise the development of well-defined negotiation goals in order to optimise payment and procurement processes.

Boye and Benjamin (2018) explored how effective negotiation impacts the achievement of procurement goals at Redeemer's University. The research, employing a self-administered questionnaire for primary data collection, involved 206 participants selected through purposive sampling, targeting individuals engaged in procurement at the university. Descriptive and linear regression analyses were employed for data analysis. Based on the findings, successful negotiation is a powerful procurement method that greatly aids in the achievement of procurement objectives at Redeemer's University. To sum up, the research highlighted how an efficient negotiating technique may help Redeemer's University accomplish its procurement goals.

Johnson and Roberts (2023) explore the relationship between negotiation skills and the viability of startups in the United States. Employing a quantitative methodology, they conducted a cross-sectional survey of 200 startup CEOs and used SPSS to perform a regression analysis. The results indicated a positive correlation ( $r = .65$ ,  $p < .01$ ) between the level of negotiation skills and startup viability, measured by financial stability and growth metrics. The study concludes that negotiation skills are predictive of startup success, encouraging the implementation of specialized negotiation training programs for startup CEOs to enhance their companies' competitiveness and long-term sustainability.

Khan and Lee (2022) investigated the effect of strategic contract negotiation on supply chain performance among electronics manufacturers in South Korea. Utilizing a mixed-methods approach, the study analyzed performance data from 50 companies and conducted structured interviews with supply chain managers. SPSS analysis revealed a significant improvement in delivery times and inventory turnover rates (ANOVA,  $F(2,47) = 5.76$ ,  $p < .05$ ) associated with advanced negotiation capabilities. The research highlights the critical role of negotiation in enhancing supply chain efficiency, recommending ongoing negotiation skills development for supply chain professionals in highly competitive industries.

The study conducted by Singh and Wong (2022) focused on the impact of negotiation approaches on the success of construction projects across Australia. They adopted a case-study methodology, evaluating 40 different construction projects using a t-test in SPSS to compare outcomes from projects utilizing integrative versus distributive negotiation approaches. Their findings indicate that projects utilizing integrative negotiation techniques were 30% more likely to be completed on time and within budget ( $t(38) = 2.18$ ,  $p < .05$ ).

The study concludes that integrative negotiations lead to better project outcomes, recommending their adoption industry-wide.

Ismail and Alban (2022) evaluated the link among public sector procurement success and supplier development. The research also delved into how the complexity of contract management influences this relationship. Utilizing data from 179 public procurement entities, the study revealed two primary findings. To begin with, the public sector's purchasing efficiency is positively and significantly correlated with supplier development ( $\beta = 0.2343$  and  $p = 0.0014$ ). Additionally, the association among supplier development and procurement success is moderated by contract management difficulties, which has a negative and significant effect ( $\beta = -0.1447$  and  $p = 0.0190$ ). Problems with contract management ultimately inhibit supplier development's beneficial effect on procurement performance. In the context of developing countries like Tanzania, this research adds useful empirical information to the domains of contract management, procurement performance, and supplier management literature. Lawmakers and public sector procurement experts should take note of the results.

Nyaga and Mwangangi (2019) evaluated how the public sector in Kenya performed after using new approaches to contract management. According to the findings, procurement authorities were aware that several PEs were misusing their contracts. Their inability to establish inspection and acceptance committees to check the quality and quantity of goods delivered was one of the main concerns. They brought out the fact that building works supervisors are not hired in works procurement contracts, even though these contracts often invest more dollars than products and services.

Kimundu and Moronge (2019) carried out a study to determine how contract management affected the procurement performance of manufacturing businesses in Kenya. The findings showed that procurement contracts performance metrics include achieving value for money, reducing lead time, reducing procurement contracts costs, and closing and terminating contracts on time. In addition, the study emphasized that in order for contract management to be efficient, the participants involved should take the following into account: managing supplier relationships, administering contracts appropriately, monitoring contracts, resolving conflicts, and effectively terminating contracts in accordance with the public procurement act.

White and Singh (2023) explored the role of strategic contract management in enhancing performance at non-profit organizations across Australia. They applied a case study approach, examining 25 non-profits, complemented by a qualitative content analysis of organizational performance reports. The finding highlighted that non-profits with dedicated contract management roles experienced a 40% better performance in terms of service delivery effectiveness and fund utilization efficiency compared to those without. The study stresses the necessity of strategic contract management in improving operational outcomes and encourages non-profits to invest in specialized contract management roles and training.

Martinez and Raj (2021) investigated how contractual relationship management affects supply chain efficiency in Brazilian manufacturing firms. Utilizing a correlational design, they assessed responses from 200 supply chain executives and performed a Spearman correlation analysis. The results showed a strong positive correlation ( $\rho = .62$ ,  $p < .001$ ) between effective contract management and supply chain efficiency. They concluded that proactive contract management significantly boosts supply chain operations and recommended the implementation of advanced contract management tools and periodic training for supply chain executives.

Ahmed and Jane (2023) examined the connection between contract management and the efficiency with which state-owned enterprises in Kenya completed procurement tasks. In these organizations, a very significant association between the performance of procurement and the resolution of contract disputes was found in the study ( $r = 0.669$ ,  $p < 0.05$ ). It also concluded that contract dispute resolution significantly influences procurement performance, as evidenced by a significant F Statistic Value ( $F(1, 101) = 81.024$ ,  $p = .000$ ). The findings indicate that solving contract disputes significantly affects how well Kenyan state corporations handle procurement. This is because there is evidence to reject the idea that contract dispute resolution has no meaningful impact on procurement performance. Therefore, the study recommends that State corporations in Kenya can enhance their procurement performance by addressing issues related to procurement through effective contract dispute resolution, given the established significance of contract dispute resolution as a predictor of procurement performance.

Zou, Brax, Vuori, and Rajala (2019) studied how service complexity, contracting procedure, and contract structure affected supplier performance. This research set out to examine how several factors, such as the complexity of the service, the structure of the contract, and the contracting process, affect how buyers view the success of their suppliers in B2B services. Survey data was used in the research. From 25 different nations, 177 buying experts made up the sample. Buyers' perceptions of suppliers' performance are favorably impacted by three main contract features and follow-up management techniques, according to the research. In addition, the contract benefits and the buyer's contract management efforts have a multiplicative influence on the perceived performance of suppliers when the service is complicated.

Thompson and Kumar (2022) examined how the clarity of dispute resolution clauses within contracts affects project delivery timelines in the Indian construction sector. Using a time-series analysis of 50 large construction projects, they found that projects with explicitly clear dispute resolution terms had a 40% higher on-time completion rate than those without ( $N = 50$ ,  $p < .05$ ). Their findings highlight the crucial role of clear dispute resolution terms in maintaining project timelines, advising construction companies to establish and enforce detailed dispute-related clauses in all contracts to minimize delays caused by disputes.



Patel and O'Connor (2022) explored the adoption and impact of innovative dispute resolution techniques on procurement performance in the Australian telecommunications sector. This mixed-methods study involved structured interviews and a subsequent confirmatory factor analysis which showed that techniques such as expert determination and early neutral evaluation improved procurement process satisfaction ratings by 25% (Cronbach's Alpha = .87). The researchers conclude these innovative methods not only resolve disputes more efficiently but also enhance satisfaction among stakeholders, urging firms to adopt these practices broadly.

### III. METHODOLOGY

Both descriptive and correlational research designs. The population of this study was 161 people including Finance, tender committee, Legal advisors, Risk and compliance, Sales and distribution of RITCO in all bus stations across the country. Researcher used Slovin's method to determine the size of the sample needed to get valid results. The study used simple random sampling to select 115 respondents means any person who takes part in the study has an equal chance of being included in the sample.

Statistical and numerical representations of the results made the researcher's job easier and provide the reader with a more complete picture of the results. The Statistical Package for the Social Sciences, or SPSS 26, was used in the study. Data were employed for analysis of respondents' perspectives on each variable, and in order to analyse the report's elements and their connections, a Pearson's correlation and regression analysis were run.

### IV. FINDINGS & DISCUSSIONS

#### 4.1 Response Rates

The study shows that out of a total of 115 questionnaires distributed for the assessment of Contract Management Practice and Procurement Performance of Rwanda Interlink Transport Company, 92.174% were returned. This indicates a relatively high response rate, which can be beneficial for obtaining a comprehensive understanding of the company's contract management practices and their impact on procurement performance. Holtom (2022) stated that the high response rate improves the accuracy and generalizability of the data. 7.826% were unreturned. It is noteworthy that the non-responses were attributed to the absence of participants during the data collection process.

**Table 1: Contract Negotiation Practice**

	SD	D	N	A	SA	Mean	Std. Dev.
RITCO effectively engages in a collaborative approach during contract negotiation.	0 0.0%	1 0.9%	2 1.9%	49 46.2%	54 50.9%	4.47	.589
Conflict resolution mechanisms are consistently applied during contract negotiation.	0 0.0%	1 0.9%	9 8.5%	51 48.1%	45 42.5%	4.32	.670
Compliance with policies and regulations is prioritized in the negotiation process.	1 0.9%	3 2.8%	21 19.8%	48 45.3%	33 31.1%	4.03	.845
Effective communication and documentation practices are followed during contract negotiation.	0 0.0%	1 0.9%	2 1.9%	31 29.2%	72 67.9%	4.64	.572
The negotiation team actively seeks a collaborative approach with stakeholders of RITCO.	7 6.6%	20 18.9%	5 4.7%	40 37.7%	34 32.1%	3.70	1.281
The negotiation team is skilled in resolving conflicts that may arise during negotiations.	0 0.0%	4 3.8%	12 11.3%	66 62.3%	24 22.6%	4.04	.703
<b>Overall</b>						4.20	.776

**Source: Research Findings (2024)**

Table 1 represents findings regarding the effect of contract negotiation practice on procurement performance of Rwanda Interlink Transport Company (RITCO). The findings indicate that 50.9% of respondents strongly agreed and 46.2% agreed that RITCO effectively engages in a collaborative approach during contract negotiation, yielding a very high mean score of 4.47 and a standard deviation of 0.589, indicating a very strong positive agreement and heterogeneity in responses among respondents. Additionally, 48.1% of respondents agreed and 42.5% strongly agreed that conflict resolution mechanisms are consistently applied during contract negotiation, giving a high mean score of 4.32 and a standard deviation of 0.670, indicating a strong positive agreement and some heterogeneity in responses. Regarding compliance with policies and regulations, 45.3% of respondents agreed and 31.1% strongly agreed that it is prioritized in the negotiation process, resulting in a high mean score of 4.04 and a standard deviation of 0.845, showing a strong positive agreement and heterogeneity in responses.

Effective communication and documentation practices followed during contract negotiation were strongly agreed upon by 67.9% of respondents and agreed upon by 29.2%, with a very high mean score of 4.64 and a standard deviation of 0.572, indicating a very strong positive agreement and heterogeneity in responses. However, the negotiation team actively seeking a collaborative approach with stakeholders of RITCO was strongly agreed upon by 32.1% and agreed upon by 37.7%, with a high mean score of 3.70 and a standard deviation of 1.281, indicating strong positive agreement and significant heterogeneity in responses. Lastly, the

skill of the negotiation team in resolving conflicts that may arise during negotiations was agreed upon by 62.3% and strongly agreed upon by 22.6%, resulting in a high mean score of 4.04 and a standard deviation of 0.703, indicating strong positive agreement and some heterogeneity in responses.

The overall high mean score for the effect of contract negotiation practice on procurement performance of RITCO is 4.20, indicating a strong positive agreement, with a standard deviation of 0.776 highlighting heterogeneity in responses across all statements among respondents.

The findings aligned well with Kieha and Achuora (2021) emphasized that clear negotiation goals optimize procurement processes. This supports the findings that RITCO's effective negotiation strategies, particularly in conflict resolution and compliance, positively impact procurement performance. Both studies highlight the significance of communication, skilled negotiation teams, and defined goals in enhancing organizational success in procurement and supply chain management.

**Table 2: Contract Relationship Management Practice**

	SD	D	N	A	SA	Mean	Std. Dev.
Communication in contract relationships is transparent and open.	1 0.9%	1 0.9%	6 5.7%	61 57.5%	37 34.9%	4.25	.687
Trust is consistently fostered and maintained in contract relationships.	1 0.9%	0 0.0%	3 2.8%	28 26.4%	74 69.8%	4.64	.635
Collaboration is actively encouraged and practiced in contract relationships of RITCO.	0 0.0%	1 0.9%	9 8.5%	62 58.5%	34 32.1%	4.22	.633
Effective conflict resolution strategies are applied in contract relationships.	0 0.0%	1 0.9%	10 9.4%	68 64.2%	27 25.5%	4.14	.608
Communication practices contribute to a positive and trusting relationship.	1 0.9%	1 0.9%	3 2.8%	13 12.3%	88 83.0%	4.75	.645
Trust-building activities are integral to contract relationship management of RITCO.	2 1.9%	6 5.7%	14 13.2%	64 60.4%	20 18.9%	3.89	.843
<b>Overall</b>						4.31	.675

**Source: Research Findings (2024)**

Table 2 presents the findings regarding the effect of contract relationship management practice on procurement performance of Rwanda Interlink Transport Company (RITCO). A notable number of respondents agreed that communication in contract relationships is transparent and open (34.9% strongly agreed and 57.5% agreed). The very high mean score of 4.25 indicates a very strong positive agreement among respondents. The standard deviation of 0.687 highlights heterogeneity in their responses.

Also, a significant majority of respondents agreed that trust is consistently fostered and maintained in contract relationships (69.8% strongly agreed and 26.4% agreed). The very high mean score of 4.64 reflects a very strong positive agreement among respondents. The standard deviation of 0.635 highlights heterogeneity in their responses. Regarding collaboration, a notable number of respondents agreed that collaboration is actively encouraged and practiced in contract relationships of RITCO (32.1% strongly agreed and 58.5% agreed). The very high mean score of 4.22 signifies a very strong positive agreement among respondents. The standard deviation of 0.633 shows heterogeneity in their responses.

Furthermore, a notable number of respondents agreed that effective conflict resolution strategies are applied in contract relationships (25.5% strongly agreed and 64.2% agreed). The high mean score of 4.14 indicates a strong positive agreement among respondents. The standard deviation of 0.608 highlights heterogeneity in their responses. Moreover, a significant majority of respondents agreed that communication practices contribute to a positive and trusting relationship (83.0% strongly agreed and 12.3% agreed). The very high mean score of 4.75 indicates a very strong positive agreement among respondents. The standard deviation of 0.645 shows heterogeneity in their responses. Lastly, a notable number of respondents agreed that trust-building activities are integral to contract relationship management of RITCO (18.9% strongly agreed and 60.4% agreed). The high mean score of 3.89 signifies a strong positive agreement among respondents. The standard deviation of 0.843 highlights heterogeneity in their responses.

The overall high mean score for the effect of contract relationship management Practice on procurement performance of RITCO is 4.31, indicating very high agreement and a very strong positive agreement among respondents. The standard deviation of 0.675 highlights heterogeneity in responses across all statements among respondents.

The findings supported by Ismail and Alban (2022) emphasized that effective contract relationship management positively influences procurement performance. This supports the findings that transparent communication, trust-building activities, and collaboration significantly contribute to enhancing procurement performance at RITCO. However, the study also indicates the importance of addressing contract management difficulties, as they can hinder the beneficial effects of supplier development on procurement performance.

**Table 3: Contract Dispute Resolution Practice**

	SD	D	N	A	SA	Mean	Std. Dev.
Provisions for managing contract violations are clearly defined.	2	4	5	16	79	4.57	.895
	1.9%	3.8%	4.7%	15.1%	74.5%		
Coordination of party responsibilities is effectively addressed in RITCO.	6	6	2	31	61	4.27	1.126
	5.7%	5.7%	1.9%	29.2%	57.5%		
Strategies for comprehending conflict dispute resolution methods are well-established.	5	4	1	30	66	4.40	1.030
	4.7%	3.8%	0.9%	28.3%	62.3%		
RITCO is well-prepared to manage and resolve contract disputes.	4	11	25	29	37	3.79	1.144
	3.8%	10.4%	23.6%	27.4%	34.9%		
The process for handling contract violations is clearly communicated to all parties.	3	2	2	28	71	4.53	.864
	2.8%	1.9%	1.9%	26.4%	67.0%		
Parties involved in contracts understand their respective responsibilities.	2	7	0	29	68	4.45	.937
	1.9%	6.6%	0.0%	27.4%	64.2%		
<b>Overall</b>						4.33	.999

**Source: Research Findings (2024)**

Table 3 shows the effect of contract dispute resolution practice on procurement performance of Rwanda Interlink Transport Company. The findings showed that respondents agreed on the statement that provisions for managing contract violations are clearly defined, where 74.5% strongly agreed and 15.1% agreed. This showed a very strong positive agreement and heterogeneity in responses among respondents (mean score of 4.57, which is very high, and the standard deviation of 0.895). Respondents also agreed on the statement that coordination of party responsibilities is effectively addressed in RITCO, where 57.5% strongly agreed and 29.2% agreed. This showed a very strong positive agreement and heterogeneity in responses among respondents (mean score of 4.27, which is very high, and the standard deviation of 1.126). The findings showed that respondents agreed on the statement that strategies for comprehending conflict dispute resolution methods are well-established, where 62.3% strongly agreed and 28.3% agreed. This showed a very strong positive agreement and heterogeneity in responses among respondents (mean score of 4.40, which is very high, and the standard deviation of 1.030).

Furthermore, respondents agreed on the statement that RITCO is well-prepared to manage and resolve contract disputes, where 34.9% strongly agreed and 27.4% agreed. This showed a strong positive agreement and heterogeneity in responses among respondents (mean score of 3.79, which is high, and the standard deviation of 1.144).

Moreover, respondents agreed on the statement that the process for handling contract violations is clearly communicated to all parties, where 67.0% strongly agreed and 26.4% agreed. This showed a very strong positive agreement and homogeneity in responses among respondents (mean score of 4.53, which is very high, and the standard deviation of 0.864). Lastly, respondents agreed on the statement that parties involved in contracts understand their respective responsibilities, where 64.2% strongly agreed and 27.4% agreed. This showed a very strong positive agreement and heterogeneity in responses among respondents (mean score of 4.45, which is very high, and the standard deviation of 0.937).

The overall high mean score for the effect of contract dispute resolution practice on procurement performance of RITCO is 4.33, indicating very high agreement and a very strong positive agreement among respondents. The standard deviation of 0.999 highlights heterogeneity in responses across all statements among respondents.

The findings supported by Ahmed and Jane (2023) emphasized that effective contract dispute resolution significantly influences procurement performance, aligning with the high agreement observed in RITCO's assessment. This supports the findings that clear provisions for managing contract violations, coordination of party responsibilities, and well-established strategies for conflict resolution contribute to enhanced procurement performance. RITCO's proactive approach to resolving disputes reflects industry trends, suggesting a pathway for improving procurement efficiency in similar ways.

**Table 4: Procurement performance of Rwanda Interlink Transport Company**

	SD	D	N	A	SA	Mean	Std. Dev.
Cost-saving measures are actively implemented in RITCO procurement.	3	4	3	38	58	4.36	.928
	2.8%	3.8%	2.8%	35.8%	54.7%		
The quality of services in procurement meets or exceeds expectations.	0	6	2	48	50	4.34	.779
	0.0%	5.7%	1.9%	45.3%	47.2%		
Lead time in procurement activities of RITCO is effectively managed.	5	6	5	30	60	4.26	1.098
	4.7%	5.7%	4.7%	28.3%	56.6%		
Supply chain performance is consistently evaluated and optimized.	8	5	1	29	63	4.26	1.190
	7.5%	4.7%	0.9%	27.4%	59.4%		
RITCO logistic performance is efficient.	0	7	22	53	24	3.89	.832
	0.0%	6.6%	20.8%	50.0%	22.6%		
RITCO contract performance is regularly assessed.	2	0	1	53	50	4.41	.701
	1.9%	0.0%	0.9%	50.0%	47.2%		
<b>Overall</b>						4.25	.921

**Source: Research Findings (2024)**

Table 4 presents the outcomes related to the procurement performance of Rwanda Interlink Transport Company (RITCO). The findings indicate that 54.7% of respondents strongly agreed and 35.8% agreed that cost-saving measures are actively implemented in RITCO procurement. This yielded a very high mean score of 4.36 and a standard deviation of 0.928, indicating a very strong positive agreement and heterogeneity in responses among respondents. A notable number of respondents agreed that the quality of services in procurement meets or exceeds expectations, with 47.2% strongly agreeing and 45.3% agreeing. The very high mean score of 4.34 indicates a very strong positive agreement among respondents, with a standard deviation of 0.779 showing some heterogeneity in responses. The findings showed that respondents agreed on the statement that led time in procurement activities of RITCO is effectively managed, where 56.6% strongly agreed and 28.3% agreed. This showed a very strong positive agreement and heterogeneity in responses among respondents, with a mean score of 4.26 and a standard deviation of 1.098.

Regarding the evaluation and optimization of supply chain performance, 59.4% strongly agreed and 27.4% agreed that supply chain performance is consistently evaluated and optimized. The mean score of 4.26, which is very high, and the standard deviation of 1.190 indicate a very strong positive agreement and heterogeneity in responses among respondents. A notable number of respondents agreed that RITCO logistic performance is efficient, with 22.6% strongly agreeing and 50.0% agreeing. The high mean score of 3.89 indicates a strong positive agreement among respondents, with a standard deviation of 0.832 showing some heterogeneity in responses. The findings showed that 47.2% strongly agreed and 50.0% agreed that RITCO contract performance is regularly assessed. This resulted in a very high mean score of 4.41, indicating a very strong positive agreement, and a standard deviation of 0.701, indicating some heterogeneity in responses.

Overall, the table reflects a high level of agreement among respondents regarding the effectiveness of procurement performance at RITCO, with an overall very high mean score of 4.25 and a standard deviation of 0.921, indicating a very strong positive agreement but with some heterogeneity in responses. The findings supported by Bayarara *et al.* (2020) emphasized that organizational performance hinges on financial success, product market performance, and shareholder returns. This aligns with the findings that at RITCO, cost-saving measures are actively implemented, supply chain performance is consistently evaluated, and contract performance is regularly assessed. These actions reflect an organization's commitment to effectively managing its financial and market-related objectives, ultimately contributing to enhanced procurement performance.

**Table 5: Correlations**

			Contract Practice	Negotiation Practice	Contract Relationship Practice	Contract Resolution Practice	Dispute Practice	Procurement Performance
Contract Practice	Negotiation Practice	Pearson Correlation	1					
		Sig. (2-tailed)						
		N	106					
Contract Practice	Relationship Practice	Pearson Correlation	.409**					
		Sig. (2-tailed)	.000					
		N	106					
Contract Practice	Dispute Practice	Pearson Correlation	.481**					
		Sig. (2-tailed)	.000					
		N	106					
Contract Practice	Resolution Practice	Pearson Correlation	.409**					
		Sig. (2-tailed)	.000					
		N	106					
Contract Practice	Performance	Pearson Correlation	.704**					
		Sig. (2-tailed)	.000					
		N	106					
Contract Practice	Relationship Practice	Pearson Correlation						
		Sig. (2-tailed)						
		N						
Contract Practice	Dispute Practice	Pearson Correlation						
		Sig. (2-tailed)						
		N						
Contract Practice	Resolution Practice	Pearson Correlation						
		Sig. (2-tailed)						
		N						
Contract Practice	Performance	Pearson Correlation						
		Sig. (2-tailed)						
		N						

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

#### Source: Research findings (2024)

Table 5 presents a correlation matrix examining the relationships between contract negotiation practice, contract relationship management practice, contract dispute resolution practice and procurement performance of Rwanda Interlink Transport Company (RITCO). The results show strong and statistically significant positive correlations between each predictor and procurement performance. Contract negotiation practice exhibits a strong positive relationship ( $r = 0.704$ ,  $p = 0.000 < 0.05$ ) with procurement performance, indicating that effective contract negotiation practice is associated with higher procurement performance. Similarly, contract relationship management practice demonstrates a moderate positive relationship ( $r = 0.572$ ,  $p = 0.000 < 0.05$ ) with procurement performance, indicating that good management of contract relationships corresponds to improved procurement outcomes.

Additionally, contract dispute resolution shows a significant positive relationship ( $r = 0.690$ ,  $p = 0.000 < 0.05$ ) with procurement performance, highlighting the importance of effectively resolving disputes to influence positive procurement outcomes. The low p-values indicate that the observed associations are unlikely to have occurred by chance, affirming the reliability of the positive correlations observed between the different aspects of contract management and procurement performance.

The findings align with Arvidsson & Melander (2020), emphasizing that effective contract management and procurement performance are crucial for organizational success. The positive correlations observed between



contract negotiation, relationship management and dispute resolution with procurement performance underscore the significance of these factors in achieving positive outcomes. This supports Arvidsson & Melander's assertion that optimized contract management and procurement processes contribute to organizational resilience, innovation, and sustained success, aligning with the study's findings.

**Table 6: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.859 <sup>a</sup>	.738	.730	.15058

a. Predictors: (Constant), Contract Dispute Resolution Practice, Contract Relationship Practice, Contract Negotiation Practice

**Source: Research findings (2024)**

An examination of regression Table 6 displays the model summary. Contract dispute resolution practice, contract relationship management practice, and contract negotiation practice were shown to have a significant positive relationship with the dependent variable, procurement performance of Rwanda Interlink Transport Company (RITCO), as indicated by the R value of 0.859. With an R-squared value of 0.738, the model's independent variables explain about 73.8% of the variance in the procurement performance outcomes at RITCO. Furthermore, taking into consideration the potential for overfitting, the Adjusted R-squared score of 0.730 accounts for the number of variables in the model and signifies that 73.0% of the variability is covered. The findings aligned with Mariko (2021) emphasized that in today's competitive global economic climate, effective contract management is essential for companies aiming to thrive. This is corroborated by the significant positive relationship found between, dispute resolution, relationship management, negotiation, and procurement performance at RITCO. These results support the idea that comprehensive contract administration, including all lifecycle stages, is integral to achieving anticipated project outcomes and enhancing overall organizational performance.

**Table 7: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.503	3	2.168	95.594	.000 <sup>b</sup>
	Residual	2.313	102	.023		
	Total	8.816	105			

a. Dependent Variable: Procurement Performance

b. Predictors: (Constant), Contract Dispute Resolution Practice, Contract Relationship Practice, Contract Negotiation Practice

**Source: Research findings (2024)**

The Analysis of Variance (ANOVA) results in Table 7 indicate a highly significant F-statistic of 95.594 ( $p = 0.000$ ). The F-statistic assesses the overall significance of the regression model, testing whether there is a significant difference between the model with predictors (Contract dispute resolution, Contract relationship management, Contract negotiation) and the dependent variable (Procurement performance). In this case, the small p-value ( $p = 0.000 < 0.05$ ) associated with the F-statistic indicates that the predictors jointly have a significant impact on explaining the variance in the dependent variable (Procurement performance). The findings aligned with Chebet (2023) emphasized that strengthening legal infrastructure and implementing rigorous oversight are essential to prevent issues within procurement management. The significant F-statistic ( $p = 0.000 < 0.05$ ) in Table 7 supports this, indicating that contract management factors collectively impact procurement performance. This resonates with Chebet's suggestion for improved governance and oversight to mitigate financial losses and maintain integrity in procurement practices.

**Table 8: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	.028	.262			.105	.917
Contract Negotiation Practice	.327	.055	.366		5.951	.000
Contract Relationship Practice	.271	.048	.314		5.629	.000
Contract Dispute Resolution	.404	.054	.436		7.514	.000

a. Dependent Variable: Procurement Performance

**Source: Research findings (2024)**

Table 8 presents the regression coefficients for the model predicting the procurement performance. The constant, representing the intercept, is 0.228 with a standard error of 0.262. This constant indicates that when all predictor variables (Contract negotiation practice, Contract relationship management practice and Contract dispute resolution practice) are zero, the estimated mean procurement performance score is 0.028. Each predictor variable's coefficient reflects its impact on procurement performance: Contract negotiation practice has an unstandardized coefficient of 0.327 ( $p = 0.000 < 0.05$ ), indicating that for a one-unit increase in contract negotiation, the predicted change in procurement performance is 0.327 units. Contract relationship

management practice has an unstandardized coefficient of 0.271 ( $p=0.000<0.05$ ), signifying that a one-unit increase in contract relationship management practice is associated with a predicted increase of 0.271 units in procurement performance.

Contract dispute resolution practice has an unstandardized coefficient of 0.404 ( $p=0.000<0.05$ ), implying that a one-unit increase in contract dispute resolution corresponds to a predicted increase of 0.404 units in procurement performance.

All predictors show significant positive relationships with the dependent variable, reinforcing their importance in influencing procurement performance. The findings aligned with Anderson and Schmidt (2023) emphasized that European countries adopting new contract management strategies, as per EU procurement guidelines, aim to reduce corruption and enhance efficiency. This is supported by the findings indicating significant positive relationships between contract negotiation practice, relationship management practice, dispute resolution practice and procurement performance. Legal education and system optimization are highlighted as crucial elements, supporting the study's emphasis on these factors.

**Table 9: Summary of Hypotheses Results**

Hypothesis Formulated	Beta ( $\beta$ )	p – values	Decision
<b>Ho1:</b> Contract negotiation practice does not have significant effect on procurement performance of Rwanda Interlink Transport Company.	.327	.000	<b>Rejected</b>
<b>Ho2:</b> There is no significant effect of contract relationship management practice on procurement performance of Rwanda Interlink Transport Company.	.271	.000	<b>Rejected</b>
<b>Ho3:</b> There is no significant effect of contract dispute resolution practice on procurement performance of Rwanda Interlink Transport Company.	.404	.000	<b>Rejected</b>

The table 9 summarizes the results of hypotheses testing regarding the effectiveness of various factors on the procurement performance of Rwanda Interlink Transport Company (RITCO). The findings indicate that all formulated null hypotheses (Ho1, Ho2 and Ho3) are rejected, suggesting significant effects on procurement performance.

Specifically, for Ho1, which stated that contract negotiation practice does not have a significant effect on procurement performance, the beta coefficient ( $\beta$ ) is .327 with a p-value of .000, indicating a rejection of the null hypothesis. Similarly, for Ho2, stating that there is no significant effect of contract relationship management practice on procurement performance, the beta coefficient ( $\beta$ ) is .271 with a p-value of .000, also leading to the rejection of the null hypothesis. Regarding Ho3, which stated that there is no significant effect of contract dispute resolution practice on procurement performance, the beta coefficient ( $\beta$ ) is .404 with a p-value of .000, resulting in the rejection of the null hypothesis.

These results provide strong empirical support for the significant impact of contract negotiation practice, contract relationship management practice and contract dispute resolution practice on the procurement performance of Rwanda Interlink Transport Company (RITCO).

## V. CONCLUSIONS & RECOMMENDATIONS

### 5.1 Conclusions

The general objective of this survey was to assess the effect of contract management practice on procurement performance of Rwanda Interlink Transport Company. Specifically, the survey followed the following objectives:

The effect of contract negotiation practice on procurement performance of Rwanda Interlink Transport Company where the study showed that contract negotiation is a crucial element in influencing the procurement performance of Rwanda Interlink Transport Company. The high level of agreement among respondents indicates the significance of contract negotiation. This objective significantly impacts procurement performance of Rwanda Interlink Transport Company, as evidence to reject the null hypothesis.

The effect of contract relationship management practice on the procurement performance of Rwanda Interlink Transport Company where the study showed that contract relationship management is a crucial element in influencing the procurement performance of Rwanda Interlink Transport Company. The high level of agreement among respondents indicates the significance of contract relationship management. This objective significantly impacts procurement performance of Rwanda Interlink Transport Company, as evidence to reject the null hypothesis.

The effect of contract dispute resolution practice on procurement performance of Rwanda Interlink Transport Company where the study showed that contract dispute resolution is a crucial element in influencing the procurement performance of Rwanda Interlink Transport Company. The high level of agreement among respondents indicates the significance of contract dispute resolution. This objective significantly impacts procurement performance of Rwanda Interlink Transport Company, this gives the right to reject the null hypothesis.

## 5.2 Recommendations

RITCO should implement structured negotiation training programs for procurement teams to enhance their negotiation skills and strategies.

It is recommended for RITCO to establish clear communication channels between negotiation teams and stakeholders to ensure alignment with organizational goals and objectives.

RITCO is recommended to develop and implement a strong contract relationship management framework that emphasizes transparent communication and trust-building activities with stakeholders.

It is advised for RITCO to regularly review and update contract relationship management policies and procedures to adapt to changing business environments and stakeholder needs.

RITCO should establish a dedicated dispute resolution mechanism with predefined procedures to swiftly address any conflicts that may arise during contract execution.

It is recommended for RITCO to provide comprehensive training to procurement staff on conflict resolution techniques and negotiation skills to effectively manage contract disputes and minimize their impact on procurement performance.

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