

**THE INFLUENCE OF CONTRACT RELATIONSHIP PRACTICES OF EFFECTIVE
COMMUNICATION, TRUST BUILDING AND CONFLICT RESOLUTION IN THE
PUBLIC SECTOR**

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DECLARATION

I ODERE ANDREW EMMANUEL declare that this dissertation entitled “The influence of contract relationship practices of effective communication, trust building and conflict resolution in the public sector “is my original work and I have duly acknowledged all sources and materials used. I confirm that this work has not been previously presented to any individual before for any award of a degree or qualification and I have attributed and quoted the work of others. I have complied with the ethical guidelines of Uganda Christian University, and any other collaborative efforts have been properly acknowledged. This declaration signifies my commitment to the authenticity, integrity and adherence to the ethical standards of this research.

Sign



Date



ODERE ANDREW EMMANUEL.

Approval.

This dissertation titled “The influence of contract relationship management practices of effective communication, trust building and conflict resolution on public contract completion” A case study at JCC” has been submitted for examination with the approval of my supervisor.

Signed 

Date 2015/2025

MR MLOOSI PASCAL

Acknowledgement.

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ACRRONYMNS USED.

PPDAPublic Procurement and Disposal of Public Assets.

JCC... Jinja City Council.

CRM... Contract Relationship Management.

NEC... National Enterprise Cooperation.

ABSTRACT.

The study sought to examine the influence of contract relationship management practices of effective communication, building trust and conflict resolution in the public sector, a case study on Jinja City Council (JCC). The study was guided by three objectives; examining the influence of effective communication on contract completion, examining the influence of trust building on contract completion in the public sector and examining the influence of conflict resolution on contract completion in the public sector.

The study was carried out using cross-sectional research design where only a quantitative research approach was utilized. Questionnaires were used to collect data from a sample of 48 respondents and although 43 of them responded at JCC.

The findings revealed that JCC is committed to maintaining positive contract relationships. It ensures that there are multiple communication channels that encourage effective communication and ensures that conflicts are managed quickly to avoid conflict escalation which ensures that there is a positive working environment between JCC and its contractors to ensure contract completion.

Finally, the study recommended JCC to involve contractors on the conflict resolution committee to ensure that small conflicts are managed at ground level to save time and other resources. It also recommended JCC to balance backward and forward communication to ensure clarity and eliminate conflicts so as to attain contract completion

CHAPTER ONE.

1.1 INTRODUCTION

This chapter will consist of the following. background of the study, statement of the problem, purpose of the study, justification of the study, limitations and conceptual framework of the study.

1.2 BACKGROUND OF THE STUDY.

Government is taken as one of the biggest buyers or customers on the market. However, unlike individuals and some organizations that may lack a proper buying department, governments have pronounced procurement units that carry out organized government purchasing and expenditure programs through a bidding process that guides in acquiring the needed items for efficient operations that yield value for money during service delivery to people (Kakwezi,2012). After a successful bidding process, contracts are awarded and managed. These contracts are managed with the main aim of attaining value for money, ensuring transparency, meeting quality and compliance while maintaining relationships so as to attain the set objectives in the set timelines (Mchopa 2015). Public procurement contracts are estimated to account for 10-15% of the global Gross Domestic Product (Siyal and Xin 2020) of which further estimation shows that 9-13% of it is attributed to public procurement processes from developing economies with Uganda being part (Obanda et al,2019).

Despite the great importance of contract management, many countries globally are facing problems in contract management for example, delayed contract completion, low value for money

and failed contract relationships (Mchopa,2015) with the latter carrying more cause and impact than others. Contract Relationship Management (CRM) encompasses effective communication, building trust and resolving conflicts to ensure unity and collaboration between the public and its contractors to attain contract completion. Recent studies indicate that there is a positive correlation between proper Contract Relationship Management and contract completion (Mwangi,2020). CRM measures quality service delivery by the local governments (Komakech, 2020). In the construction industry, CRM is said to have great impact on the final output (Daboun et al,2023). In Uganda, many public projects have failed due to relational issues (Ssenyange, 2017). These include, the Lubowa hospital that has been termed as a failed promise by the natives of Lubowa. This project has stalled because the government of Uganda has failed to coordinate and collaborate with the ROKO and Finasi construction companies. The Jinja-Kampala high way construction under the Energo Projekt has also still failed, the Ssezibwa bridge renovation under the Omega Construction Company limited that has delayed to be completed the Karuma bridge project that is under a joint venture between China Railway Seventh Group and National Enterprise Corporation (NEC). NEC is the engineering arm of Uganda Peoples Defense Force (UPDF). The Karuma bridge project is also facing uncertainty on the exact date of completion. in project completion.

Particularly these failed contracts are mainly attributed to failure of the Ugandan public sector to fully manage and respect contract relationship practices of effective communication, trust and conflict resolution (Kenyi and Barasa 2021).

Jinja City Council also faces similar issues of failing to manage contract relationships and has faced contract completion issues for example, the delayed construction of Jinja Central Market that was attributed to failed relationships between the vendors and the Council, Jinja referral hospital construction delay and the delayed water projects in 2015. Government and JCC being an integral arm of government have tried to carry out reforms to ensure that its contracts succeed (Agaba and Shipman, 2017). These reforms include: Technological integration, regular audits and reporting, litigation to solve conflicts in public contracts and manage relationships. As a result of these implemented strategies, some success has been noticed for example, the TowerCo of Uganda Telecom expansion, the Shikun and Binui construction and infrastructure contract between Uganda and Israel, Raghwani partnership that was undertaken to construct Portbell in Kampala, ROKO company partnership for construction of Uganda-Sudan, Uganda-Congo and Uganda-Rwanda highway roads. A minimum success however is not enough to claim that the public sector has managed to maintain its relationships with its contractors. As discussed earlier, there are more of failed than completed contracts all being attributed to government failure to

manage contract relationships. With reference to the case study, Jinja City Council still faces issues with construction of Kayunga-Ighogolo Road, renovation of Mpumudde Methodist Primary School due to hot relationships characterized by poor communication, lack of trust and failure to manage conflicts with its contractors like Kraft construction company limited and the delayed construction of Rubasi market.

All these problematic and delayed contracts are attributed to failed relationships between JCC and its contractors. This research will therefore aim at evaluating the influence of contract relationship management practices of effective communication, trust and dispute resolution and management on contract completion.

RELATIONAL CONTRACT THEORY BY IAN RODERICK MACNEIL.

This theory views contracts not as mere agreements but rather ongoing relationships with implicit demands from both the contractor and contracting body in the agreement. He disagrees with the traditional way of managing contracts depending on contractual clauses and legal inclusions. He advocates for relationship management as being key to contract management because it ensures that trust and collaboration, effective communication and disputes are minimized in contracts.

Trust can be attained through prioritizing long term contracts over short-term operations and through ensuring that contracting parties act in good faith through transparent information flow in the contract. Reciprocity principles of the theory also ensure fair regard for each other in the contract thereby enhancing trust between the public sector and contractors and minimizing conflicts. Minimizing the contract disputes ensures that stoppages of contract operations are eliminated and contracts are performed quickly for completion.

Macneil's norm of mutuality ensures that communication in contracts between the public sector and its contractors is effective. This is because it advocates for open dialogue between contractors and the public sector with the aim of aligning public goals with contractor goals. Mutuality also manages and lowers chances of conflicts happening because it ensures fairness. Open communication also enables contracting entities to address emerging issues so as to manage the risks of them happening and therefore managing these risks ensures that contracts are completed.

However, it should be noted that Macneils relational contract management theory mainly advocates for informal principles for proper contract management. Relying solely on these principles without considering the law like adding contract clauses to contracts to safeguard against uncertainty and change further makes contracts prone to failure in cases where relationships practices of effective communication, building trust and dispute resolution fall short contracting bodies.

1.3 STATEMENT OF THE PROBLEM.

Ideally contract management in the public sector aims at creating a collaborative working relationship characterized by high degree of trust, effective communication and conflict resolution with the aim of attaining contract completion in a collaborative and unified manner. Research shows that trust plays a critical role in contract completion because it ensures that contracts are less detailed as trust grows between parties (Brown et al. 2007). Effective communication improves overall understanding of the contract between contracting parties (Leje et al,2019). Effective conflict resolution ensures that there is enhanced efficiency and attainment of set contract goals by promoting trust and cooperation between contracting parties (Parolia et al,2015).

However, my empirical research shows that many public projects have still failed and this has been attributed to failed relationships between the public sector and its contractors. These failures outline an existence of simple and disregarded causal relationship between the public sector and its contractors and further highlight how contractors create problems for each other (Soomro and Zhang,2013). Some of the failed projects include, the lubowa hospital that has been termed as a failed promise by the natives of lubowa. This project has stalled because the government of Uganda has failed to coordinate and collaborate with the ROKO and Finasi construction companies. The Jinja- Kampala high way construction under the Energo Projekt has also still failed, the Ssezibwa bridge renovation under the Omega Construction Company limited that has delayed to be completed the Karuma bridge project that is under a joint venture between China Railway Seventh Group and National Enterprise Corporation (NEC). NEC is the engineering arm of Uganda Peoples Defense Force (UPDF). The Karuma bridge project is also facing uncertainty on the exact date of completion.

Efforts have been undertaken to address this issue through technological integration increased litigation and increased reporting about public contracts but the challenges have still persisted (Gibbson,2020). This has highlighted the limited effectiveness of adversarial contracts (Gibbson,2020). These adversarial contracts put emphasis on legal contracts that have undermined the importance of relational contracts. Legal contracts are characterized by high level of bureaucracy, limited information flow, low trust and high level of conflicts and disputes as a result of closed information flow which undermine the effectiveness of relational managed contracts. Research suggests that legal contracts can work as complementary to relational contracts other than being used as substitutes (Poppo and Zenger,2000,2002). To address the above issue, the public sector is advised to address this issue by adopting relational contracts that are characterized by effective communication, trust and conflict resolution to ensure contract completion (Poppo and Zenger,2002).

This research will therefore emphasize the influence of relational contracts by assessing the impact relationship practices of trust, effective communication and conflict resolution on contract completion in the public sector.

1.4 PURPOSE OF THE STUDY.

The study mainly evaluated the influence of contract relationship practices of effective communication, building trust and conflict resolution on contract completion in the public sector at JCC. It further elaborated on how proper contract relationship management ensures that public contracts are attained in the set timeframe.

1.4.1 RESEARCH OBJECTIVES.

1. To evaluate the influence of effective communication to contract completion in the public sector at JCC.
2. To analyze the influence of trust building to contract completion at JCC.
3. To assess the influence of conflict resolution mechanisms in ensuring contract completion at JCC.

1.5 RESEARCH QUESTIONS.

1. To what extent does effective communication influence contract completion at JCC?
2. How does trust building influence contract completion in the public sector at JCC?
3. How do conflict resolution mechanisms in public procurement contracts ensure that contracts are completed at JCC?

1.6 SCOPE OF THE STUDY.

This defines the boundaries and parameters of the research. The study will have the following key areas. Geographical scope, time scope and the subject scope.

1.6.1 GEOGRAPHICAL SCOPE.

The research was conducted in Uganda mainly at Jinja City Council (JCC) in Eastern Uganda, Busoga region. Jinja City Council happens to be one of the newly promoted districts that were granted a city status. This means that its contract management practices increased as a result of increase administrative status and therefore this requires more management of contract relationships of the many different contracts that the new city has to manage to meet increased service demands. The study mainly focused on activities of the procurement and contracts committee of Jinja City Council in assessing how contract relationship management practices of effective communication, building trust and conflict resolution ensured contract completion at JCC.

1.6.2 SUBJECT SCOPE.

The scope of this study was narrowed down to determining the influence of contract relationship management to timely contract execution. It further discussed and evaluated key contract relationship management practices of effective communication, building trust and conflict resolution and their influence on contract completion.

1.6.3 TIME SCOPE.

The study took on a cross-sectional design and it was carried out in the month of May to June, 2025. This period was used for collecting and analyzing data to aid in accurate and meaningful research reporting about the research findings.

1.7 JUSTIFICATION OF THE STUDY.

This research was justified by its focus on managing contract relationships which is key in public contract management. This was because it ensured that contractual obligations are carried out in a conducive and favorable environment to yield benefits like dispute management/ conflict resolution, enhances open communication that is vital for building trust and collaboration among contracting parties. However, despite the many benefits attributed to it, many public contracts have failed to manage their relationships. This has resulted into quality failure and delayed contract execution. This study is therefore valid because it will aim at outlining the different key activities like open communication, dispute resolution and collaboration and will further discuss them to ensure that contract relationships in the public sector are managed to ensure timely contract execution.

1.8 SIGNIFICANCE OF THE STUDY.

The study clearly evaluated the importance of managing contract relationships in attaining contract timelines.

The study was expected to guide government through its procurement and contract committees in managing relationships in the contracts so as to meet contract completion.

The study was also expected to be of help to the procurement and disposal units in managing contract relationships like proper communication and transparent reporting necessary for attaining contract obligations in the set timeliness.

It was further expected to provide information that can be used for reference or further research by other learners and researchers to credit or critique its findings for better results.

1.9 LIMITATIONS OF THE STUDY.

Focus on quantitative data.

The research mainly took quantitative data and failed to capture qualitative data which is also vital for creating a comprehensive understanding of the research topic.

Limited time scope.

The study only took two months and failed to capture all the vital information needed which could only be attained after a long time.

Limited geographical scope.

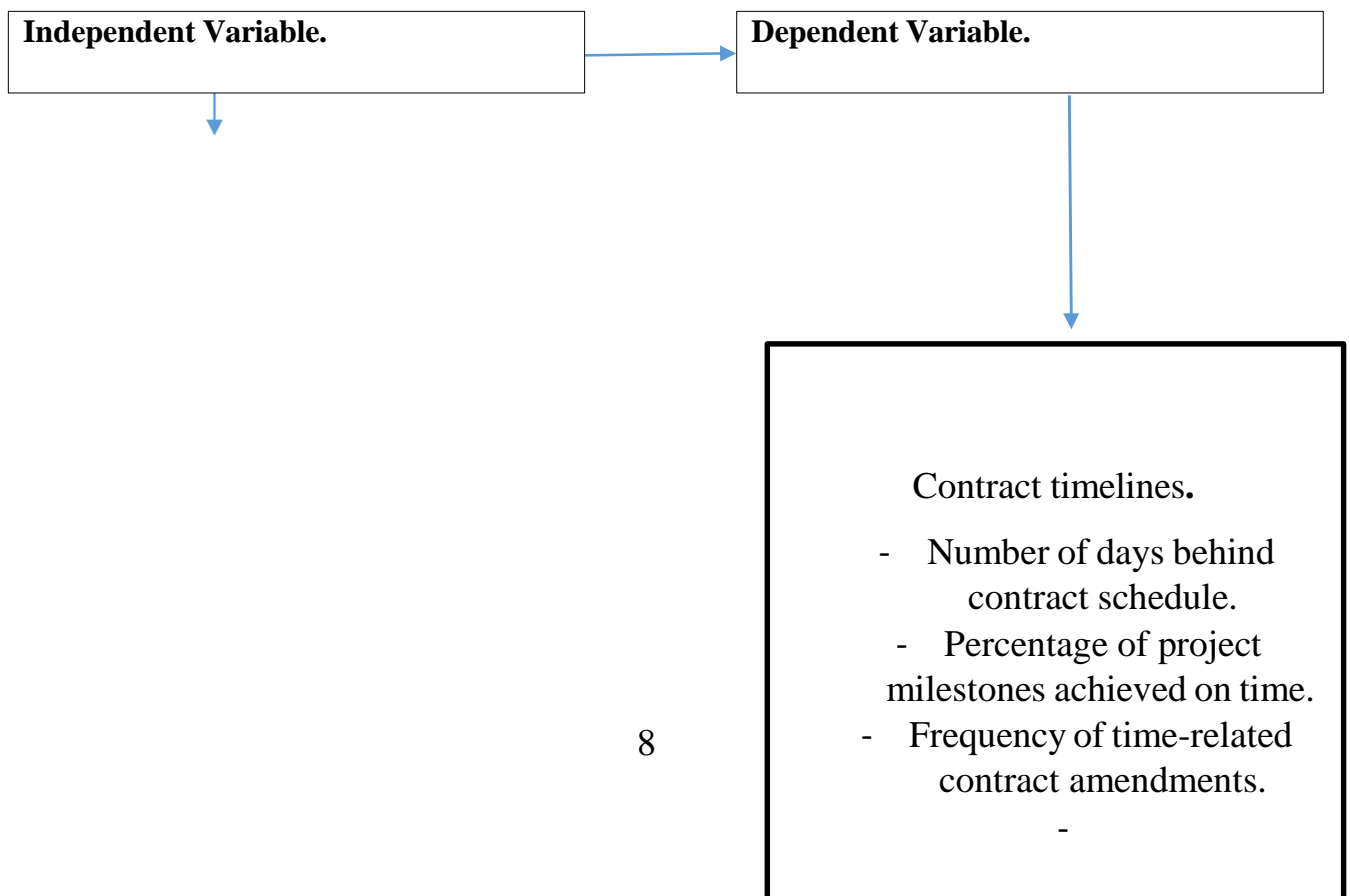
The study was conducted at Jinja City Council (JCC) only and therefore failed to capture similar instances that happened in other public entities.

DELIMITATIONS OF THE STUDY.

Secondary data was also used that captured insights from qualitative data to reduce the information gap of the study.

Further research was also recommended to other researchers to take on longitudinal research to respond to the cross-sectional research that was undertaken.

.10 CONCEPTUAL FRAMEWORK.



contract management **relationship**

Communication effectiveness.

- Frequency of updates between parties.
- Clarity and completeness of shared information.
- Responsiveness to queries and feedback.

Trust and Commitment

- Reliability in meeting agreed responsibilities
- Transparency in contract dealings
- Willingness to collaborate beyond contractual terms

Conflict Resolution Mechanisms

- Existence of formal conflict resolution procedures
- Timeliness in resolving disputes

