The scale Journal Website: https://thescalejournal.com.ng/
An Interdisciplinary Journal of https://doi.org/10.5281/zenodo.20282037
The ACADEMIC STAFF UNION OF POLYTECHNICS - ZONE D
ISSN: 2992-3727 Published 30th May, 2026

EFFECT OF CONTRACT MANAGEMENT ON ORGANIZATIONAL EFFICIENCY OF THE BENUE STATE UNIVERSAL BASIC EDUCATION BOARD (SUBEB), NIGERIA

Ikyaan Ushahemba Cosmas [1]; Dr. Gwa, D. Patrick [2]; Zough K. Kenneth [3]
[1,2,3] Department of Accounting, Akawe Torkula Polytechnic, Makurdi Benue State, Nigeria
[1] ikyaancosmas@gmail.com, 09023833647, 09035874502
[2] +234 805 828 9216, patrickgwa24@gmail.com
Corresponding Author: [3] 08163644484, kwaghngee94@gmail.com

ABSTRACT
The study examined the effect of contract management on organizational efficiency of Benue State Universal Basic Education Board (SUBEB). Specifically, the study examined the effect of contract planning and contract negotiation on organizational efficiency in Benue SUBEB. The study employed a survey research design with a population of 44 staff of SUBEB. The study used census technique to arrive at 44 sample sizes for the study and made use of multiple regression analysis as tool for analysis. The study found out that contract planning and contract negotiation has significant effect on organizational efficiency of Benue SUBEB. The findings of the study revealed that contract planning has a positive and significant effect. The study recommended that; Benue SUBEB should adopt a thorough needs assessment process before initiating any project, which includes proper stakeholder consultations, site inspections, and feasibility studies to ensure projects are realistic, necessary, and aligned with educational goals.

Keywords: Contract Management, Contract Planning, Contract Negotiation, Organizational Efficiency.

INTRODUCTION

Organizational efficiency in the public education sector in Nigeria, especially in agencies like the State Universal Basic Education Board (SUBEB), largely depends on effective contract management practices. Ideally, contract management should ensure transparency, accountability, timely delivery, quality assurance, and value for money in the execution of education-related projects such as school construction, renovation, and supply of teaching materials. However, the situation in Benue State SUBEB reveals a significant disconnect between policy expectations and practical outcomes.

The ideal situation would be a robust contract management system that enhances transparency, ensures timely and cost-effective delivery of education projects, and supports SUBEB's mandate of providing quality basic education to all. In such a system, contracts would be clearly defined, properly awarded, closely monitored, and evaluated using performance indicators. Contractors would be held accountable and public funds would be utilized effectively for the benefit of the people.

Despite the availability of funds and policies guiding public procurement and contract execution, there is persistent underperformance in the implementation of education projects. Reports from Benue SUBEB (2023) have shown cases of abandoned school projects, poor-quality infrastructure, delayed project delivery, and failure to adhere to contract specifications. These issues point to weak contract planning, poor contractor selection, lack of effective monitoring, and widespread corruption and political interference.

To address these issues, the Nigerian government has established several policies and institutions aimed at strengthening contract and procurement systems. These include Public Procurement Act (2007) This Act established the Bureau of Public Procurement (BPP) and provides a legal framework for transparency, competitiveness, and accountability in public procurement and contract management across all government institutions. Also, Universal Basic Education (UBE) Act (2004) provides for the funding and implementation of basic education programs, requiring proper contract management for the execution of projects funded through the UBE intervention fund.

While several studies have examined public procurement and project execution in Nigeria, there is limited empirical research focused specifically on the link between contract management and organizational efficiency in SUBEB, particularly in Benue State. Most existing studies like; Akinsanya*et al*.,(2021); Okereke and Ezirim,(2022) focus on general procurement challenges in Nigeria but do not account for localized administrative, political, and logistical dynamics affecting SUBEB's operations. The study sought to examine the effect of contract management on organizational efficiency of the SUBEB Benue State, Nigeria.

Objectives of the Study

This paper therefore specifically sought to achieve the following set objectives;

1. examine the effect of contract planning on organizational efficiency of the Benue SUBEB.
2. analyze the effect of contract negotiation on organizational efficiency of the Benue SUBEB.

Hypotheses

$H0_1$: Contract planning has no significant effect on organizational efficiency of the Benue SUBEB.

$H0_2$: Contract negotiation has no significant effect on organizational efficiency of the Benue SUBEB.

LITERATURE REVIEW

Concept of Contract management

Contract management is a structured and continuous process that involves planning, executing, monitoring, and evaluating contractual agreements to ensure that all parties fulfill their obligations effectively. Within procurement systems, it serves as a mechanism for aligning contractual activities with organizational goals, ensuring compliance with regulations, and achieving value for money. Rather than being a purely administrative task, contract management plays a strategic role in improving operational performance and strengthening accountability.

Scholars have emphasized different dimensions of contract management. For instance, it has been described as a process that integrates contract formulation, execution, supervision, and closure in order to minimize risks and enhance performance outcomes. From a strategic perspective, contract management contributes to organizational success by ensuring that contractual objectives are consistent with broader institutional goals. It also facilitates transparency, efficient resource utilization, and improved relationships between contracting parties.

Conversely, Pinto (2016) broadens the definition, framing contract management as a strategic activity integral to organizational goals. He highlights the importance of alignment between contract objectives and overall business strategies, showcasing the role of risk management, compliance, and relationship building. This definition suggests that contract management transcends administrative functions, becoming a tool for competitive advantage. Similarly, Patterson *et al*. (2012) define contract management as the process of ensuring that procurement contracts deliver value for money. Their emphasis lies on monitoring and evaluation mechanisms, particularly in large-scale public

procurement projects, where accountability and transparency are critical. Other scholars, such as Onwe and Nwakoby (2018), view contract management as an interactive process that begins with pre-contract activities, such as negotiation and drafting, and extends to post-award activities, including dispute resolution and performance assessment. These varying conceptualizations highlight the discipline's dynamic and context-dependent nature. From this conceptualization, it can be inferred that, contract management involves but not limited to processes like, contract planning and contract negotiation.

In public sector organizations, effective contract management is particularly important due to the need for accountability in the use of public funds. Properly managed contracts help to reduce project delays, prevent cost overruns, and ensure that services or goods are delivered according to specified standards. Therefore, contract management is not only a control mechanism but also a driver of organizational efficiency.

The various dimensions of contract management

Contract planning

Contract planning represents the foundational stage of the contract management process, as it determines the direction and structure of subsequent activities. It involves identifying organizational needs, defining project scope, estimating costs, setting timelines, and establishing performance expectations. A well-developed contract plan provides clarity to all stakeholders and reduces the likelihood of misunderstandings during execution.

Effective planning also includes risk identification and mitigation strategies. By anticipating potential challenges such as delays, financial constraints, or regulatory issues organizations are better positioned to respond proactively. In addition, stakeholder involvement at this stage enhances coordination and ensures that all relevant perspectives are considered before decisions are finalized.

According to Patterson*et al.* (2012), a well-crafted contract plan ensures alignment between the objectives of both parties and minimizes ambiguity. Planning also establishes the terms and conditions that govern how changes to the contract will be handled, which is essential for managing uncertainties throughout the contract lifecycle (Tepper, 2016).

Another critical aspect of contract planning is the clear definition of the scope of work. When roles, responsibilities, and deliverables are explicitly stated, it minimizes ambiguity and reduces the chances of disputes. Conversely, poor planning often results in inefficiencies such as project abandonment, budget overruns, and substandard outcomes. Therefore, contract planning is essential for achieving efficiency and ensuring successful project implementation. According to Rajkumar and Pandey (2017), a well-defined scope is essential to mitigate these risks and to ensure that all parties understand what is expected of them. In addition, effective contract planning involves risk identification, where potential issues such as supply chain disruptions, regulatory changes, or environmental impacts are anticipated and mitigated (Chapman, 2016).

Effective communication with all stakeholders, including suppliers, contractors, and internal teams, is vital for successful contract execution. A study by Millar (2009) emphasized that engaging stakeholders early in the planning process allows for better alignment of expectations and facilitates smoother collaboration during the contract's implementation.

Ongoing performance monitoring helps to identify deviations from the plan early, allowing for timely corrective action (Hendrickson, 2009). The planning phase sets the foundation for this by deciding how and when performance reviews will occur and what tools will be used to measure success. Legal

considerations during the planning phase include addressing compliance with industry-specific regulations, tax laws, intellectual property rights, and environmental standards. According to Gichure (2016), a failure to address legal requirements during the planning phase can result in legal disputes and financial penalties that may derail the project.

Contract negotiation

Contract negotiation is a key phase in which the terms and conditions of an agreement are discussed and agreed upon by the involved parties. It is a collaborative process that requires effective communication, mutual understanding, and strategic decision-making. The primary objective of negotiation is to reach a balanced agreement that satisfies the interests of all parties while ensuring clarity and enforceability.

During negotiation, issues such as pricing, timelines, quality standards, risk allocation, and legal obligations are carefully examined. This process helps to eliminate ambiguities and establish a shared understanding of expectations. Successful negotiation not only reduces the likelihood of future conflicts but also builds trust and long-term working relationships between parties (Fisher, Ury, and Patton, 2011). Effective negotiation requires an understanding of the legal, financial, and operational needs of each party, and it often involves addressing any concerns or objections raised by the other side.

Throughout history, contract negotiations have evolved, especially with the rise of international trade, global business, and digital transactions. With advancements in technology, the negotiation process can now be conducted remotely, allowing for more flexibility and efficiency (Lewicki, Saunders, and Barry, 2015). Despite these changes, the core principles of negotiation—communication, preparation and mutual respect are the main fundamental principles towards reaching a fair and balanced agreement.

A key element of contract negotiation is the identification and mitigation of risks, as both parties need to ensure that they are protected from unforeseen circumstances that could affect the execution of the contract (Kluwer, 2012). The negotiation of terms such as price, delivery schedules, confidentiality, and liability are critical in managing these risks and securing a stable working relationship between the parties.

Organizational efficiency

Organizational efficiency refers to the ability of an organization to utilize its resources effectively in achieving desired objectives with minimal waste. It focuses on how well inputs such as time, labour, and capital are transformed into outputs, including goods and services. An efficient organization is one that maximizes productivity while maintaining high standards of quality.

Efficiency is closely linked to internal processes and management practices. Organizations that streamline their operations, adopt appropriate technologies, and maintain clear communication channels are more likely to achieve better performance outcomes. In contrast, inefficiencies often arise from poor planning, weak coordination, and inadequate monitoring systems (Jones & George, 2020)

In the context of the public sector, organizational efficiency is critical because it determines how effectively public resources are used to deliver services to citizens. Institutions that operate efficiently are better positioned to meet public expectations, enhance service delivery, and ensure accountability. As such, improving efficiency remains a key objective for government agencies and public organizations.

According to Daft (2016), organizational efficiency is concerned with the internal performance of an organization, focusing on how resources are utilized to produce desired outcomes effectively. It emphasizes doing things right ensuring that organizational processes and activities are well-structured, coordinated, and cost-effective.

Jones and George (2020) define organizational efficiency as the measure of how productive resources are used to achieve organizational goals. It assesses the relationship between inputs (such as capital, labor, and materials) and outputs (goods and services). An efficient organization minimizes waste, reduces operational costs, and maximizes productivity without compromising quality.

Similarly, Robbins and Coulter (2018) assert that efficiency involves optimizing organizational operations to ensure that output is achieved with minimal input while sustaining performance over time. They highlight that efficiency is not only about cost reduction but also about improving workflow, technological adoption, and employee performance to enhance overall organizational outcomes.

In the public sector context, organizational efficiency is critical for ensuring that limited public resources are managed judiciously and that service delivery meets the expectations of citizens. Armstrong (2020) noted that achieving efficiency requires strong leadership, effective planning, continuous monitoring, and accountability mechanisms. Therefore, organizational efficiency serves as a key indicator of an institution's performance and sustainability. It reflects the extent to which managerial and operational practices contribute to the optimal utilization of resources and the attainment of organizational objectives.

The Various Dimension of Organizational Efficiency.

Timely delivery

Timely delivery refers to the ability of an organization to complete projects or provide services within agreed timeframes. It is an important indicator of efficiency, as delays can disrupt operations, increase costs, and reduce stakeholder confidence. Achieving timely delivery requires effective planning, proper scheduling, and continuous monitoring of progress.

Organizations that prioritize time management and coordination are more likely to meet deadlines consistently. In contrast, poor contract management practices often result in project delays and inefficiencies, particularly in large-scale public sector projects.

Delays in delivery can lead to customer dissatisfaction, loss of business opportunities, and increased operational costs (Larson and Gray, 2011). Efficient time management, process optimization, and effective communication are key to achieving on-time delivery, particularly in industries like manufacturing, construction, and service sectors where deadlines are critical (Kerzner, 2013).

Adherence to budget

Adherence to budget involves managing financial resources in a way that ensures projects are completed within approved cost limits. It reflects an organization's ability to control expenditures and allocate resources efficiently. Budget discipline is essential for maintaining financial stability and achieving long-term sustainability. Effective budget management ensures that resources are allocated appropriately and helps prevent overspending, which can erode profit margins (Schilling, 2017). Companies that consistently meet their budgetary constraints demonstrate strong financial control and operational discipline, which are necessary for long-term sustainability and profitability. Failure to

manage budgets effectively can lead to resource wastage, financial instability, and missed opportunities for growth (Horngren*et al*., 2013).

BASELINE THEORY

Resource-based view (RBV) theory

The Resource-Based View (RBV), developed by Penrose's (1959), which she cites unused managerial resources as the primary driver of growth. Penrose recognized that internal managerial resources are both drivers and limits to the expansion any one firm can undertake. Unlike Agency Theory, which focuses on the external relationships between principals and agents, RBV examines how organizations can leverage their unique resources both tangible and intangible to achieve strategic objectives.

In the context of public sector organizations like SUBEB, contract management can be viewed as an essential organizational capability. Effective contract management is a resource that can enhance organizational efficiency by ensuring that educational infrastructure projects, such as school construction or the provision of learning materials, are completed on time, within budget, and to the required quality standards. The RBV framework posits that organizations must invest in developing their internal capabilities, such as staff expertise, monitoring processes, and contract management systems, to ensure that they can effectively manage contracts and achieve their strategic objectives.

Despite these critiques, RBV remains highly applicable to the study of contract management in public organizations like SUBEB. The theory's focus on internal resources and capabilities is particularly relevant in the context of improving contract management, as the success of contract management processes often depends on the organization's ability to develop effective systems, processes, and human capital. By applying RBV, this study explores how SUBEB can leverage its internal resources, such as procurement expertise and contract enforcement mechanisms, to enhance organizational efficiency and ensure the successful delivery of educational services.

These theoretical perspectives are highly relevant to the study of contract management in SUBEB, as they provide a framework for understanding the challenges the organization faces in managing procurement contracts and the strategies that can be employed to overcome these challenges. By integrating insights from RBV theory, this study seeks to identify the factors that contribute to effective contract management and, ultimately, to the improvement of organizational efficiency. This theory offers a comprehensive understanding of the internal factors that influence contract management outcomes, thereby providing a robust theoretical foundation for research.

METHODOLOGY

The survey research design was adopted for this study. The survey research design is a method where data are collected through questionnaire. This study made use of the questionnaire instrument to elicit responses from the sample that were being selected for the study.

The study population consists of 44 staff from Benue SUBEB. According to 2024 Records from the Human Resource Management Department of Benue SUBEB, there are 22 personnel in the procurement department and 22 personnel from other departments with responsibilities related to contract management. The study made use of census technique to determine 44 respondents who provided answers to the questionnaire. The data gathered from respondents were subjected to validity and reliability checks.

Model Specification

The study employed a regression model in testing the formulated hypotheses;

$$OGE = f(CTMGT) \quad (1)$$

$$OGE = f(CTP, CTN) \quad (2)$$

$$OGEi = \alpha + \beta 1CTPi + \beta 2CTNi \quad (3)$$

Where:

OGE= Organizational efficiency

CTP= Contract planning

CTN= Contract negotiation

α = Constant

i= Cross-section ($_i$)

U = Error term used in the model.

β = Beta coefficient of the independent variables.

Table 1: Regression Results

Variable	B	Std. Error	Beta	t-value	p-value
(Constant)	.416	.313		1.229	.185
CTP_i	.415	.060	.484	6.289	.001
CTN_i	.239	.061	.413	3.297	.001

R = .812
R^2= .876
Std. Error of the Est. =.904
Adjusted R^2 = .668
F (325) =53.639
P=0.000
Durbin-Watson = 1.797

a. Dependent Variable: OGE

Source: SPSS Output, 2025

Regression Results

The results presented in Table 1 indicate that the regression coefficient (R^2 = 0.812) reflects a strong positive relationship between the independent variables and the dependent variable. The coefficient of determination (R^2 A = 0.876) shows that approximately 87.6% of the variation in organizational efficiency can be explained by the combined influence of the independent variables, namely contract planning and contract negotiation. The Adjusted R^2 (0.668) , indicate the proportion of the total variation in the dependent variable that is explained by the independent variables, adjusted for model complexity. This demonstrates that these dimensions of contract management collectively account for more than half of the variability in organizational efficiency.

Furthermore, the F-value obtained from the ANOVA analysis is 53.639, with a significance level of 0.000, which is less than the 0.05 threshold ($P \leq 0.05$). This indicates that the overall regression model

is statistically significant, valid, and a good fit for the data. In practical terms, the results confirm that the independent variables have a positive and significant effect on organizational efficiency, and that the model can reliably predict changes in organizational performance based on contract management practices.

The Estimated Model Coefficients shows that the general form of the equation to predict PP from CMGT is: Predicted OGE = 0.416 + 0.415 (CTP_i) + 0.239 (CTN_i). The regression results in Table 1 indicate the individual effects of the contract management variables on organizational efficiency in Benue SUBEB. The coefficient for contract planning ($\beta_1 = 0.415$) suggests that a 1% increase in contract planning is associated with a 41.5% increase in organizational efficiency, assuming all other variables are held constant. This effect is statistically significant, as indicated by a t-value of 6.289 and a significance level of 0.000, which is below the 0.05 threshold.

Similarly, the coefficient for contract negotiation ($\beta_2 = 0.439$) implies that a 1% increase in contract negotiation leads to a 43.9% improvement in organizational efficiency, with a t-value of 3.897 and a significance level of 0.000, confirming its statistical significance. These findings demonstrate that all dimensions of contract management have positive and significant effect on organizational efficiency within Benue SUBEB.

Test of Hypotheses

The three hypotheses formulated in this study were tested as follows:

H_{O1}: Contract planning has no significant effect on organizational efficiency of Benue SUBEB.

To test this hypothesis, the strength of the relationship between contract planning and organizational efficiency of the Benue SUBEB was measured by the calculated p-value = 0.001 at a significance level (α) of 0.05. Since the computed p-value is less than the significance level (α) of 0.05 (*t-value* 0.000<α 0.05), the null hypothesis was rejected. This indicates that contract planning has a significant effect on organizational efficiency of the Benue SUBEB

H_{O2}: Contract negotiation has no significant effect on organizational efficiency of the Benue SUBEB.

To test this hypothesis, the relationship between contract negotiation and organizational efficiency of the Benue SUBEB was examined using the calculated p-value (0.001) at a significance level of α = 0.05. Since the p-value (0.001) is less than the significance level (0.05), the null hypothesis is rejected, and the alternative hypothesis is accepted. Consequently, it is concluded that contract negotiation has a significant effect on the organizational efficiency of Benue SUBEB.

Summary of findings

The findings of the study revealed that contract planning and contract negotiation has a significant effect on organizational efficiency in Benue State Universal Basic Education Board (SUBEB).The findings of the study revealed that contract planning has a significant effect organizational efficiency in Benue SUBEB (*t-value* 0.001 <α 0.05).

Also, the findings of the study revealed that there is significant relationship between contract negotiation and organizational efficiency in Benue SUBEB (*t-value* 0.001<α 0.05).

Conclusion and Recommendations

Following the above findings, the study revealed that contract planning and contract negotiation has a positive significant effect on organizational efficiency in Benue State Universal Basic Education Board

(SUBEB). The study concluded that contract management has a significant effect on organizational efficiency in Benue State Universal Basic Education Board (SUBEB).

The following policy recommendations are therefore made;

- ✓ Benue SUBEB should adopt a thorough needs assessment process before initiating any project. This includes proper stakeholder consultations, site inspections, and feasibility studies to ensure projects are realistic, necessary, and aligned with educational goals.
- ✓ Benue SUBEB should train its procurement and legal officers in professional negotiation skills, including cost analysis, dispute resolution, and contract drafting.

  This will enable them to secure more favorable contract terms and reduce inefficiencies

REFERENCES

Akinsanya, F., Akinyemi, T. andOladipo, J. (2021) 'Challenges of public procurement and contract management in Nigeria: Implications for service delivery', *Nigerian Journal of Management Studies*, 12(2), pp. 45–59.

Armstrong, M. (2020) *Armstrong's Handbook of Management and Leadership: Developing Effective People Skills for Better Leadership and Management*. 6th edn. London: Kogan Page.

Chapman, C. (2016) *Project Risk Management: Processes, Techniques and Insights*. 3rd edn. London: Routledge.

Daft, R. L. (2016) *Organization Theory and Design* (12th ed.). Boston: Cengage Learning.

Daft, R. L. (2016) *Organization Theory and Design*. 12th edn. Boston: Cengage Learning.

Fisher, R., Ury, W. and Patton, B. (2011) *Getting to Yes: Negotiating Agreement Without Giving In*. 3rd edn. New York: Penguin Books.

Gichure, J. (2016) 'Legal implications in contract planning and management', *Journal of Business Law and Ethics*, 4(2), pp. 34–45.

Hendrickson, C. (2009) *Project Management for Construction: Fundamental Concepts for Owners, Engineers, Architects, and Builders*. 2nd edn. Upper Saddle River, NJ: Prentice Hall.

Horngren, C. T., Datar, S. M. andRajan, M. (2013) *Cost Accounting: A Managerial Emphasis*. 14th edn. Boston: Pearson.

Jones, G. R. and George, J. M. (2020) *Contemporary Management*. 10th edn. New York: McGraw-Hill Education.

Kerzner, H. (2013) *Project Management: A Systems Approach to Planning, Scheduling, and Controlling*. 11th edn. Hoboken, NJ: Wiley.

Kerzner, H. (2017) *Project Management: A Systems Approach to Planning, Scheduling, and Controlling* (12th ed.). Hoboken, NJ: Wiley.

Kerzner, H. (2017) *Project Management: A Systems Approach to Planning, Scheduling, and Controlling* (12th ed.). Hoboken, NJ: Wiley.

Kluwer, R. (2012) *Negotiation and Risk Management in Contracts*. London: Kluwer Law International.

Larson, E. W. and Gray, C. F. (2011) *Project Management: The Managerial Process*. 5th edn. New York: McGraw-Hill.

Lewicki, R. J., Saunders, D. M. and Barry, B. (2015) *Negotiation*. 7th edn. New York: McGraw- Hill Education.

Millar, R. (2009) 'Stakeholder engagement in contract planning', *International Journal of Project Management*, 27(5), pp. 419–429.

Miller, J. and Thompson, R. (2021) *Strategic contract execution and organizational profitability*. Journal of Financial Management, 27(2), pp. 88–107.

Okereke, C. andEzirim, B. (2022) 'Procurement challenges in Nigerian public institutions: A review of empirical studies', *Journal of Public Administration Research and Theory*, 32(2), pp. 101–120.

Onwe, S. andNwakoby, N. (2018) 'Contract management: An iterative process for public procurement', *African Journal of Business and Management*, 6(1), pp. 12–28.

Patterson, C. (2012) *Contract Management: Strategic Guide to Negotiation, Planning and Administration*. London: Kogan Page.

Penrose, E. T. (1959) *The Theory of the Growth of the Firm*. New York: Wiley.

Pinto, J. K. (2016) *Project Management: Achieving Competitive Advantage* (4th ed.). Boston: Pearson.

Rajkumar, R. and Pandey, S. (2017) 'Scope definition and risk mitigation in contract management', *International Journal of Project Organization and Management*, 9(4), pp. 345–362.

Schilling, M. A. (2017) *Strategic Management of Technological Innovation*. 5th edn. New York: McGraw-Hill Education.

Tepper, S. (2016) 'Effective contract planning and execution', *Journal of Contract Management*, 10(1), pp. 23–38.