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THE EFFECTS OF CONTRACTUAL REQUIREMENTS ON FINANCIAL PERFORMANCE: A CASE STUDY OF MANDERA COUNTY HEAD OFFICE CONSTRUCTION PROJECT

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ABSTRACT

This study evaluated the effects of contractual requirements on financial performance: a case study of Mandera County Head Office. A project to build the head office of the Mandera County Government. Agency Theory, Strategic Choice Theory served as the study's guiding principles. For this study, a case study research design was adopted. The target population was 120 respondents. A stratified random sampling method was used in the study. The sample size was 92. Using surveys, secondary data, and annual reports, the data was acquired. Data analysis was done using quantitative techniques. Quantitative data was evaluated using the SPSS software, version 21, and descriptive statistics such the mean, percentages, and standard deviation. Multiple regression analysis and variance analysis were used to compare the dependent and independent variables in the study in order to ascertain their associations. Tables were used to show the analysis' findings. The research findings were important to Mandera County government institutions, the Kenyan government, other researchers, and county employees. The findings showed that, on average, respondents perceive the companies undertaking the projects to have some level of experience, but there was notable variability in these perceptions among respondents. Respondents believed that the companies participating in the bidding process had a relatively lower level of participation. Results showed that financial performance of projects was significantly influenced by procedures. The financial performance of projects was significantly influenced by procedures with relatively little variation in this perception among respondents. Respondents agreed that clear and well-defined contracts indicated project milestones, with relatively less variability in these perceptions. Respondents agreed that clear and well-defined contracts indicated project milestones, with relatively less variability in these perceptions. It was concluded that respondents generally perceived the companies undertaking the projects as having some level of experience, a reasonably good reputation, decent financial and managerial ability, and the necessary work permits. Respondents generally believed in the importance and effectiveness of pre-qualification practices in project management. Respondents generally believed in the importance and effectiveness of supervision practices in project management. Respondents generally agreed that clear and well-defined contracts, indicate project-associated penalties, and to some extent, the project scope of work. The study Recommended that companies involved in these projects should communicate their experience, reputation, financial stability, and compliance with regulations. Companies should work on promoting their participation in the bidding process to improve their perception among stakeholders. Companies should communicate their effective supervision practices more effectively to stakeholders, emphasizing the impact on financial performance and the avoidance of delays.

Key Words: *Compliance, Pre-Qualification Procedures, Supervision Practices, Contracts*

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INTRODUCTION

In 2013, organizations of the United Nations system issued more than US $16 billion in contracts for goods and services to fulfill their mandates and perform their programs. This collection of resources exemplifies the degree of risk exposure that businesses face when working with contractors (Muute, 2019). For the US Navy and the US Department of Defense (DoD) in particular, managing contracts is still an active function that is becoming more and more crucial. The amount of money spent on procuring goods and services by the DoD, the United States government's main contracting agency, keeps rising. The DoD committed the equivalent of $290 billion in contracts for key systems of weapons, equipment, and services in fiscal year 2019, of which $84 billion came from the US Navy. The DoD procurement workforce professionals oversee millions of contract actions for the purchase of necessary goods and services, including commercial-type goods, the Federal Procurement Data System-Next Generation (2019) lists significant defense weapon systems, sophisticated IT systems, and professional and administrative services.

Contract management is not a priority at European firms, according to the findings of a recent BearingPoint poll. Low levels of centralization and investment in contract management resources and procedures are revealed by the study, which is based on information from more than 100 businesses in 18 countries (Ola and Michael, 2017). These findings are intriguing and somewhat antithetical to prior knowledge. Of course, everyone is aware of the wide disparities in European attitudes on contracts and commercial management. Although these are typical locations inside common law nations, the situation elsewhere is substantially different. While some business units may choose to hire professionals with contract or negotiation abilities, many have not. Business units typically operate with a great deal more autonomy (Rasheli's, 2017).

Several of these developing countries, like Rwanda, Uganda , Kenya. the DRC, etc., building roads is expensive, and as a result, the quality of the finished roads is often poor. This is primarily because suppliers of building supplies and services often hold a monopoly, which leads to increased inefficiency and decreased quality. In Sub-Saharan Africa, contract management is still difficult because contractors don't always carry out their obligations as agreed upon, claim Pheng and Quan (2016). The majority of them lack sufficient staff, tools, and financial resources. Poor money and contract management, which frequently results in cancellation and the World Bank has stopped supporting a number of road projects., is partially to blame.

Like the majority of governments throughout the world, the Kenyan government is the sole purchaser of products, services, and works in the nation. Kenya spends about 30% of its annual national budget on procurement. Therefore, public procurement is crucial to the Kenyan economy and a key driver of economic expansion. The government and every public organization must use limited resources wisely and efficiently (Njau and Omwenga, 2019). In the last eight years without much change, the Kenyan due to cancelled contracts, poor service, abandoned projects, or the tainted product delivery, the government has lost hundreds of millions of tax payer funds. According to verified figures, the Kenyan government spends anywhere from 10% to 30% of its GDP on only procurement. Due to improper contract administration, 5% of that amount is wasted. Due to these economic circumstances, the International Monetary Fund and World Bank were forced to interfere by imposing strict conditions on the government's ability to borrow money, which reduced economic growth by 2.1 percent (Njau and Omwenga, 2019).

When examining the effects of contractual requirements on the financial results of the Mandera County Head Office project, there may be several study gaps that warrant further investigation. A thorough analysis of the contractual requirements associated with the Mandera County Head Office project is necessary. Analyzing the administration and compliance of contractual requirements throughout the project lifecycle is important. This involves studying the effectiveness of contract administration processes, including documentation management, record-keeping, and adherence to reporting obligations. Understanding the impact of contract administration practices on financial performance can help identify areas for improvement and risk mitigation (Moffat and Mwangangi, 2019).

Statement of the Problem

The majority of nations in the globe have made contract management for government projects the norm; but, in some nations with insufficient independent contractor industries, construction projects are typically forced into existence or negotiated awards to state construction agency. In many of these nations, monopoly control among providers of building supplies and services contributes to high costs and low quality in addition to increased inefficiency and declines in product quality (Sabiti and Mulyungi, 2018).

A transaction cost approach was used in Rasheli's (2017) study on procurement contracts management in Tanzanian local government bodies (LGAs). According to the study's findings, lack of competition, inefficient public procurement chains, low accountability, openness, and the efficiency contributed to the expenses associated with procurement contract management. However, the study ignored KeNHA in favor of focusing entirely on the Tanzanian setting. Moffat and Mwangangi (2019) investigated how contract management procedures affected the performance of Kenya's Kiambu County. The study's conclusions showed that managing contract relationships and managing costs considerably and favorably impacts performance. Kwamesa , Magutu , Nyamwange , Ongeri , Bosire and Nyaoga (2021) conducted a study to ascertain the CMS's level of adoption in KENHA and to establish the impact of contract management techniques on project success in KENHA. The study's findings indicated a positive and significant correlation between contract management strategies and projects success. The report also reveals that 83% of projects performance at KEN-HA was impacted by the adoption of CMS.

Kenya public sector incurs financial losses through incorrect procurement procedures, particularly from subpar contract management techniques. This frequently occurs in the nation's state corporations as a result of problems like corruption, legal disputes, contract cancellations, and the delivery of subpar goods or services. There are various challenges and issues that hinder efficient and effective contract management. These challenges include inefficient procurement chains, low accountability, lack of competition, openness, and efficiency, as well as inadequate adoption and implementation of contract management strategies and techniques. These issues and challenges have negative consequences on project success and overall performance.

Based on above studies, the knowledge gap is the lack of comparative analysis or cross-contextual examination of contract management practices in different settings or organizations. While each study provides insights into contract management within its specific context, there may be a need for research that compares and contrasts contract management practices across different regions, sectors, or types of organizations. This informed the current study on contract management practices and financial performance of projects**:** A case of construction of Mandera County Government Head Office Project.

Purpose of the Study

The main purpose of the study was to evaluate the effects of contractual requirements on financial performance: a case study of Mandera County Head Office. The study was guided by the following specific objectives;

- To determine the effect of compliance with regulations and standards on projects financial performance of Mandera County Government Head Office Project.
- To establish the effect of compliance with pre-qualification practices on projects financial performance of Mandera County Government Head Office Project.
- To investigate the effect of compliance with supervision practices on projects financial performance of Mandera County Government Head Office Project.
- To determine the effect of clear and well-defined contracts on projects financial performance of Mandera County Government Head Office Project.

This research was specifically geared towards the answering the following questions:

- How does compliance with regulations and standards affect financial performance of Mandera County Government Head Office Project?

- How does compliance with pre-qualification practices influence financial performance of Mandera County Government Head Office Project?
- How does compliance with supervision practices affect financial performance of Mandera County Government Head Office Project?
- How do clear and well-defined contracts influence financial performance of Mandera County Government Head Office Project?

LITERATURE REVIEW

Empirical Review

Effect of compliance with regulations and standards on projects financial performance

Government regulations serve as the equivalent of blueprints for the execution of construction projects. They lay forth the guidelines and requirements that construction projects must follow in order to be carried out sustainably. Regulations ensure that construction projects have the least negative effects on the environment. To reflect the shifting demands of society and the needs of the times, the building sector needs progressive government rules and ongoing monitoring. The effectiveness of these policies is increased by stakeholder involvement and education (David, Queen and Samson, 2019).

David et al., (2019) conducted a study to look at how Kenyan government construction projects performed in light of the moderating effect of regulations. The study chose a sample from among the registered architects and project managers working on Initiatives from the government in Nairobi, Kenya, through means of descriptive study approach and simple random selection. As a result, the 728 registered architects and project managers in Nairobi serves as unit of the observation and the government building projects serves as analysis unit. The sample size was 251 individuals. The study yielded qualitative as well as quantitative information. After being gathered by questionnaires, the information was assessed using SPSS. The study's findings demonstrate a significant and favorable correlation between Kenyan government construction projects' success and the moderating influence of governmental regulations. According to the study's findings, government restrictions in Kenya had a statistically significant moderating effect on how well government building projects performed. Keywords: Kenya, project, rules, and performance.

Effect of compliance with pre-qualification practices on projects financial performance

The choice of an appropriate the successes of a project is significantly influenced by the contractor. The qualifications of contractors must be evaluated through pre-qualification prior to tendering in order to avoid choosing an incompetent contractor. The pre-qualification process, however, exhibits prejudice and vagueness. Multiple models have been created as a result to address the pre-qualification difficulties. To help in choosing of preliminary qualification metrics while maintaining the project and the client's objectives in mind, it is important to consider the way the pre-qualifying criteria effect the criteria for project success before building these kinds of models (Acheamfour, Kissi, Adjei-Kumi, 2019).

Acheamfour et al. (2019) conducted research to determine the association between pre-qualification criteria for factoring in contractors and project performance. Data showed a significant correlation between project performance and contractor pre-qualification. Implications for Practice It is clear that the lowest bidder selection method will not yield the intended results for a project. As a result, It is advised that the contractor's technical qualifications be given more weight, expertise, commitment to health and safety, and managerial skills, as these factors have been demonstrated to significantly correlate with project success. By demonstrating how various pre-qualification standards can affect project success standards, This research broadens the field of literature on the symbiotic link between pre-qualification and project success.

Effect of compliance with supervision practices on projects financial performance

Rigorous supervision practices help ensure that project activities adhere to the planned budget. Through regular monitoring and oversight, supervisors can identify potential cost overruns or deviations from the budget early on, enabling prompt corrective action. This proactive approach to financial management helps maintain the project's financial health and can prevent unnecessary financial strain (Muute, 2019). Supervision practices play a crucial role in identifying and mitigating risks that may impact project financial performance. By enforcing compliance with risk management protocols, supervisors can anticipate potential financial risks and implement measures to prevent or minimize their impact. This includes assessing and addressing potential financial risks such as delays, resource shortages, or unforeseen expenses, ensuring that the project stays on track financially (Njau and Omwenga, 2019).

Effective supervision practices involve monitoring the quality of work and deliverables throughout the project lifecycle. By ensuring compliance with quality standards and specifications, supervisors can minimize the likelihood of costly rework or project failures. This contributes to maintaining the project's financial performance by preventing additional expenses associated with rectifying substandard work or addressing customer dissatisfaction (Kimingi, and Olango, 2020). Compliant supervision practices facilitate prompt decision-making and issue resolution, which can have a direct impact on the project's financial performance. Timely identification and resolution of project-related issues can prevent delays and cost overruns, ensuring that the project remains within the allocated budget and timeline. Swift action in response to emerging challenges can help maintain financial stability and prevent the escalation of financial risks (Salome, 2018).

Effect of clear and well-defined contracts on projects financial performance

Clear and well-defined contracts play a crucial role in project financial performance. By having precise, comprehensive, and unambiguous contracts, projects can establish a strong framework for financial management and risk mitigation. This clarity reduces the likelihood of costly disputes, helps manage project scope effectively, ensures timely payments, and enables smoother project execution, ultimately contributing to improved financial performance (Debelo and Weldegebriel, 2022).

Debelo and Weldegebriel (2022) conducted a study to examine the process major contractors use to select subcontractors and to assess the impact of this connection on project performances. This study employed a descriptive survey method to examine the underlays traits that affect how well construction projects are performed and how they affect the interaction between the primary contractor and subcontractors. According to the study's findings, most contractors use subcontractor to carry out what they do. As a result, how well the building endeavor turns out is greatly influenced by the choice and management of subcontractors. The subcontractor frequently completes between 20% and 50% of the assignment, it was also discovered. Subcontractors were generally used by main contractors to provide skilled labor, reduce overhead costs, and relieve their own workload and financial stress.

Theoretical Framework

Agency Theory

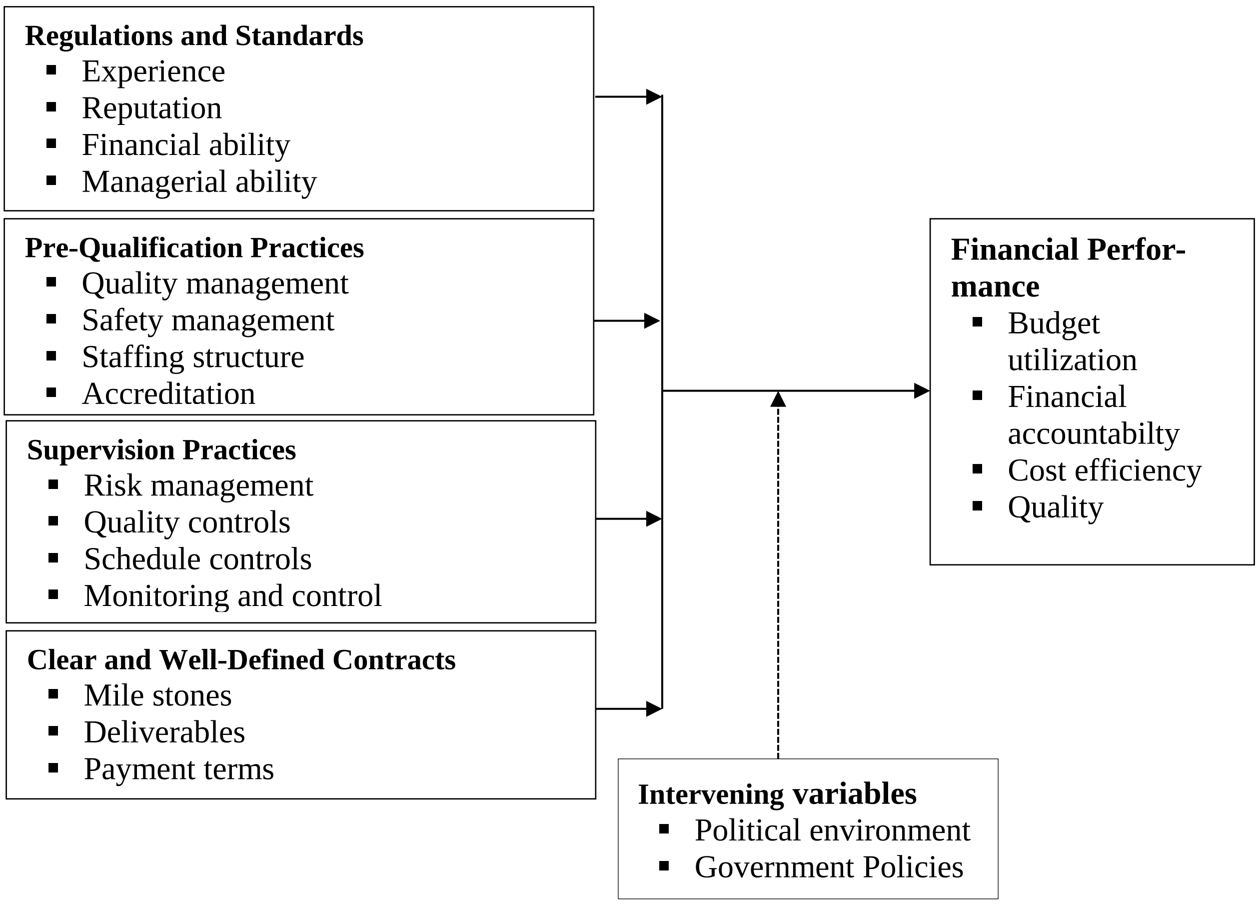
The agency theory, which explores the presence of a contracts when one or more people (principals) hire others to do a variety of tasks on their behalf. The decision of the agent and the welfare of the principals as it relates to profit maximization typically diverge. In this relationship, owners are focused in maximizing the value of their shares, whilst managers are more concerned with fostering the expansion of the businesses and general private consumption (Ruhnka and Boerstler, 2021). Their main goals in this agent-principal relationship are to make sure they can maximize their usefulness while spending the least amount of money. Both the principal and the agent will decide on a course of action that guarantees a rise in their utility costs based on a circumstance where alternatives are required. It is crucial to make investments in information systems that bring out features of the behaviors that the agent explains to principals. Here, auditors evaluates the financial statements that the agents has created for the principal and determines whether they accurately portray the business (Edmans and Gabaix, 2020).

According to the Agency Theory, partnerships should be set up so that one party decides what has to be done and another person actually completes the task. The principals and agents are both motivated through their own interests, according to agency theory. This assumption of self-interest makes internal conflicts within agency theory inevitable. Agents are therefore likely to pursue their own interests if both sides are driven by self-interest objectives that are contrary to or diametrically opposed to those of the principal. However, agents must only act in the best interests of their principals (Khanna and Poulsen, 2021).

Strategic Choice Theory

The connection between a company's conduct and outcomes is explained in detail by strategic choice theory. This theory elaborates on the connections between management decisions, performance, and all environmental interactions. According to this hypothesis, top management decisions and the environment around a corporation have an impact. The senior management decides whether or not to embrace a particular practice and how it will affect performance. To achieve the objectives of the firm, make or buy decisions should be balanced between dependence and value. It provides recommendations on how to implement construction contract management decisions to increase project outcomes' quality, expedite delivery, and cut costs (Chong et al., 2011).

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Source: Researcher, (2023)

Summary of Variables

Regulations and standards: Regulations and compliance practices can have a substantial effect on financial performances of a project. Adherence to regulations can add costs, such as those associated with obtaining permits and following environmental guidelines (David et al., 2019). On the other hand, failure to comply with regulations can result in fines and legal consequences, further impacting the financial performance of a project. Moreover, regulations can also limit the scope of a project and limit the available options for funding, which can also affect its financial performance. On the positive side, following regulations and best practices can enhance the reputation of a project and increase its perceived value, which can lead to better financial performance (Pedo, 2018).

Pre-Qualification Practices: The financial success of projects might benefit from pre-qualification procedures. Pre-qualification is the process of evaluating potential contractors or suppliers before inviting them to bid on a project (Acheamfour et al., 2019). This process helps to ensure that only qualified and capable organizations are to be included in the bidding process, reducing the risk of contract disputes, delays, and cost overruns. Proper pre-qualification practices can enhance financial results of a project by reducing the risk of cost overruns, enhancing competition, and improving the quality of the work performed. By pre-qualifying contractors and suppliers, project managers can reduce the risk of selecting an unqualified contractor or supplier, which can result in poor quality work, delays, and additional costs (Ola and Michael, 2017).

Supervision Practices: Supervision practices can have a substantial effect on a project's financial performance. Effective supervision ensures that the work is carried out according to the project plan and within budget, and helps to identify and resolve potential issues early on. Regular monitoring and controlling of project costs can help ensure that the project stays within budget (Salome, 2018). Effective supervision of the project schedule can help to avoid delays, which can result in increased costs and reduced profit margins. Proper supervision can help to ensure that the work is carried out to the required quality standards, reducing the need for rework and minimizing potential cost overruns. Good supervision practices can help to identify and mitigate potential risks, reducing the likelihood of unexpected costs and delays (Muute, 2019).

Clear and well-defined Contracts: Contracts should be precise, comprehensive, and unambiguous. They should clearly outline the scope of work, deliverables, milestones, payment terms, and any associated penalties or incentives. This helps avoid misunderstandings and reduces the likelihood of costly disputes or changes in scope (Debelo and Weldegebriel, 2022).Clear contracts help ensure that all parties have a shared understanding of the project's scope, objectives, and deliverables. This minimizes the risk of misunderstandings that can lead to costly disputes or rework. When the contract clearly defines what is expected, both parties can align their efforts and resources accordingly, reducing the likelihood of financial losses due to miscommunication (Dalia et al., 2022).

METHODOLOGY

Due to the simultaneous collection of qualitative and quantitative data as well as the simultaneous distribution of all research instruments to the respondents, the study used a mixed approach. The researcher used a case study methodology strategy, which entails a thorough analysis of a particular case or instances during a particular amount of time. The government employees of Mandera County and contractors to the project was the study's target demographic. There were 154 employees in the interest departments according to the Mandera County Government HR Department (2020). Due to the heterogeneity of the population, stratified random sampling was used for the study. The sample size of 86 was used in the study.

The researcher employed content validity to guarantee instrument validity by cross-checking questionnaire applicability with the supervisor. To make sure the surveys are valid, the unclear items were removed and harmonized. The researcher undertook a pilot study to help spot questionnaire errors. Participants received the questionnaire, and reliability scores were computed for this study.

The gathered data was modified to ensure that it was accurate and comprehensive, thereby minimizing biases, enhancing precision, and achieving consistency. Using SPSS software version 26.0 for regression analysis, the data was investigated using descriptive statistics, which were given as mean, correlation, standard deviation, and percentages. Making conclusions after summarizing data that has previously been captured and putting it through the appropriate statistical analysis are all parts of data analysis. The analysis was then represented visually using graphs, frequency tables, and charts. A multivariate regression model was employed in the study to examine the relationships between the different variables. Compliance with regulation practices, Compliance with pre-qualification practices, Compliance with supervision practices, and subcontracting practices are independent variables whereas financial performance is treated as the dependent variable in the model. By calculating the mean percentage score depending on response obtained from the Likert scale questions, the performance responses were evaluated.

The equation for the relationship looked like this:

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Whereby:

Y = Financial Performance

$\beta_0$is the Constant

$\beta_1, \beta_2, \beta_3, \beta_4$= coefficients of Contract management

X_1, X_2, X3, X4= Independent Variables explaining variance *y*

X_1 = Compliance with regulations and standards

X_2 = Compliance with pre-qualification practices

X_3 = Compliance with supervision practices

X_4= Clear and well-defined Contracts

ε= Error term

FINDINGS AND DISCUSSIONS

Descriptive Statistics

Table 1: Regulations and Standards

	N	Mean	Std. Dev.
The company undertaking the project are experienced in the job	90	2.3889	.57464
The company undertaking the project have good reputation	90	2.5222	.50230
The company undertaking the project has the financial ability	90	2.7444	.43862
The company undertaking the project has the managerial ability	90	2.9444	.23034
The company undertaking the project has the required work permits	90	3.0111	.10541
Regulations have limited the scope of a project	90	3.0556	.23034
Regulations have limited the project funding	90	3.5333	.50168

Source: Researcher (2023)

Table 1 presented data related to various aspects of regulations and standards. It provides each aspect's mean score, standard deviation, and the total number of respondents (N). The company undertaking the project is experienced in the job: The mean score for this aspect is 2.3889, with a standard deviation of 0.57464. This suggests that, on average, respondents perceive the companies undertaking the projects to have some level of experience, but there is notable variability in these perceptions among respondents.

The company undertaking the project has a good reputation: The mean score is 2.5222, with a standard deviation of 0.50230. This indicates that, on average, respondents view the companies as having a reasonably good reputation, with some variability in opinions among respondents. The company undertaking the project has the financial ability: The mean score is 2.7444, with a relatively low standard deviation of 0.43862. This suggests that, on average, respondents perceive the companies as having decent financial ability, and there is relatively less variability in these perceptions. The study findings disagrees with Odhiambo et al., (2022) who argues that the study came to the conclusion that regulatory frameworks that require construction enterprises to engage in constructive activity efficiently aided c

The company undertaking the project has the managerial ability: The mean score is 2.9444, with a small standard deviation of 0.23034. This implies that respondents generally view the companies as having good managerial ability, with limited variability in opinions among respondents. The company undertaking the project has the required work permits: The mean score is 3.0111, with a very small standard deviation of 0.10541. This indicates that respondents, on average, believe that the companies have the necessary work permits, and there is minimal variation in this perception among respondents. The study findings agrees with Odhiambo et al., (2022) who argues that the study came to the conclusion that regulatory frameworks that require construction enterprises to engage in constructive activity efficiently aided compliance before any significant issues could arise

Regulations have limited the scope of a project: The mean score is 3.0556, with a standard deviation of 0.23034. This suggests that, on average, respondents perceive those regulations have had some impact on limiting project scopes, with limited variability in opinions among respondents. Regulations have limited the project funding: The mean score is 3.5333, with a standard deviation of 0.50168. This indicates that, on average, respondents perceive those regulations have had a more substantial impact on limiting project funding, with somewhat more variability in opinions among respondents. The study findings disagrees with Odhiambo et al., (2022) who argues that the study came to the conclusion that regulatory frameworks that require construction enterprises to engage in constructive activity efficiently aided.

Table 2: Pre-Qualification Practices

	N	Mean	Std. Dev.
The company undertaking the project participated in the bidding pro-cess	90	1.8222	.38447
Prequalification enhances competition	90	1.9889	.10541
The company undertaking the projects have complied with quality standards	90	2.6000	.49264
The company undertaking the project has the safety management procedures	90	2.9889	.10541
The company undertaking the project has qualified staff	90	3.0000	.00000
The company undertaking the project has the required accreditation	90	3.0000	.00000
By pre-qualifying contractors and suppliers, project managers can reduce the risk of selecting an unqualified contractor	90	3.1556	.36446

Source: Researcher (2023)

Table 2 presented data related to pre-qualification practices in the context of project management. It gives the total number of respondents (N), the average score for each factor, and the standard deviation. The company undertaking the project participated in the bidding process: The mean score for this aspect is 1.8222, with a standard deviation of 0.38447. This indicates that the views of participants of the participating businesses are generally positive in the bidding process have a relatively lower level of participation. The study findings agrees with Limo et al., (2017) who argued that Prequalification is a useful strategy for finding out more about particular supplier groups with the main objective of lowering costs and risk for both providers and buying entities. The mean score is 1.9889, with a very small standard deviation of 0.10541. This indicates that respondents, on average, strongly agree that prequalification enhances competition, and there is minimal variation in this perception among respondents. The study findings agrees with Limo et al., (2017) who argued that prequalification is a useful strategy for finding out more about particular supplier groups with the main objective of lowering costs and risk for both providers and buying entities.

The company undertaking the projects have complied with quality standards: The mean score is 2.6000, with a standard deviation of 0.49264. This implies that respondents, on average, believe that the companies have complied with quality standards, but there is notable variability in these perceptions among respondents. The study findings agrees with Ola and Michael (2017) who argued that the contractor prequalification standards have a variety of effects on the quality performance of projects on civil engineering. The ability of contractors prequalification criteria to forecast the quality performances of civil engineering projects varies. Some of the contractors' prequalification criteria showed to be weak some factors have been significant predictors of the quality of civil engineering projects, while others have not. The company undertaking the project has safety management procedures: The mean score is 2.9889, with a very small standard deviation of 0.10541. This suggests that respondents, on average, strongly agree that the companies have safety management procedures, and there is minimal variation in this perception among respondents.

The company undertaking the project has qualified staff: The mean score is 3.0000, with a standard deviation of 0.00000. This means that all respondents rated this aspect as the highest possible score, indicating unanimous agreement that the companies have qualified staff. The company undertaking the project has the required accreditation: Similar to the previous aspect, the mean score is 3.0000, with a standard deviation of 0.00000, indicating unanimous agreement that the companies have the required accreditation. By pre-qualifying contractors and suppliers, project managers can reduce the risk of selecting an unqualified contractor: The mean score is 3.1556, with a moderate standard deviation of 0.36446. This suggests that, on average, respondents agree that pre-qualification is effective in reducing the risk of selecting unqualified contractors, with some variability in opinions among respondents. The study findings agrees with Limo et al., (2017) who argued that prequalification is a useful strategy for finding out more about particular supplier groups with the main objective of lowering costs and risk for both providers and buying entities.

Table 3: Supervision Practices

	N	Mean	Std. Dev.
Supervision practices have a significant impact on the financial performance of projects	90	2.7625	.12295
Effective supervision of the project schedule can help to avoid delays	90	1.8333	.50280
The company undertaking the project has risk management practices	90	2.2889	.45579
The company undertaking the project engage in quality control practice-es	90	2.4778	.50230
The company undertaking the project engage in schedule control practices	90	2.8889	.31603
The company undertaking the project carry out monitoring and control practices.	90	3.0111	.10541

Source: Researcher (2023)

Table 3 provides data related to supervision practices in the context of project management. It provides each aspect's mean score, standard deviation, and the total number of respondents (N). Project financial performance is significantly impacted by supervision procedures: The mean score for this aspect is 2.7625, with a standard deviation of 0.12295. This suggests that respondents, on average, believe that supervision practices have a significant impact on the financial performance of projects, with relatively little variation in this perception among respondents. The findings agrees with Njau and Omwenga (2019) who showed that effective building construction project implementation in Kenya was strongly and favorably related to communication, resource planning, monitoring, and top management support.

Effective supervision of the project schedule can help to avoid delays: The mean score is 1.8333, with a standard deviation of 0.50280. This indicates that, on average, respondents agree that effective supervision of project schedules can help avoid delays, but there is significant variability in these perceptions among respondents. The study findings agrees with Salome (2018) who argued that due to an adverse project environment and subpar project management on the part of the main contractor, subcontractors occasionally find themselves unable to execute to their full potential.The company undertaking the project has risk management practices: The mean score is 2.2889, with a standard deviation of 0.45579. This suggests that respondents, on average, believe that the companies have some risk management practices in place, but there is notable variability in these perceptions among respondents. The study findings agrees with Salome (2018) who argued that due to an adverse project environment and subpar project management on the part of the main contractor, subcontractors occasionally find themselves unable to execute to their full potential.

The company undertaking the project engages in quality control practices: The mean score is 2.4778, with a standard deviation of 0.50230. This implies that respondents, on average, believe that the companies engage in quality control practices, but there is significant variability in these perceptions among respondents. The study findings agrees with Kimingi, and Olango (2020) who argued that increased oversight of the budgeted and high-quality road performance construction projects. The company undertaking the project engages in schedule control practices: The mean score is 2.8889, with a standard deviation of 0.31603. This suggests that, on average, respondents believe that the companies engage in schedule control practices, with relatively less variability in these perceptions. The company undertaking the project carries out monitoring and control practices: The mean score is 3.0111, with a very small standard deviation of 0.10541. This indicates that respondents, on average, strongly agree that the companies carry out monitoring and control practices, and there is minimal variation in this perception among respondents.

Table 4: Clear And Well-Defined Contracts

	N	Mean	Std. Dev.
Clear and well-defined Contracts can have an impact on the financial performance of projects	90	3.5667	.52037
Clear and well-defined Contracts indicates the project mile-stones	90	2.7540	.23266
By outsourcing to experienced contractors, projects can bene-fit from increased quality	90	3.0556	1.43285
Clear and well-defined Contracts indicates the project payment terms	90	2.5556	.54280
Clear and well-defined Contracts indicates the project deliverables	90	2.8000	.50168
Clear and well-defined Contracts indicates the project scope of work	90	3.2222	2.04872
Clear and well-defined Contracts indicates the project associated pen-alties.	90	3.2444	.54692

Source: Researcher (2023)

Table 4 provides data related to clear and well-defined contracts in the context of project management. It provides each aspect's mean score, standard deviation, and number of respondents (N). Clear and well-defined contracts can have an impact on the financial performance of projects: The mean score for this aspect is 3.5667, with a standard deviation of 0.52037. This suggests that respondents, on average, strongly agree that clear and well-defined contracts can have a substantial impact on the financial performance of projects, with relatively little variation in this perception among respondents. The study findings agrees with Debelo and Weldegebriel, (2022) who argued that clear and well-defined contracts play a crucial role in project financial performance. By having precise, comprehensive, and unambiguous contracts, projects can establish a strong framework for financial management and risk mitigation.

Clear and well-defined contracts indicate the project milestones: The mean score is 2.7540, with a small standard deviation of 0.23266. This indicates that, on average, respondents agree that clear and well-defined contracts indicate project milestones, with relatively less variability in these perceptions. By outsourcing to experienced contractors, projects can benefit from increased quality: The mean score is 3.0556, with a relatively high standard deviation of 1.43285. This suggests that, on average, respondents believe that outsourcing to experienced contractors can increase project quality, but there is significant variability in these perceptions among respondents.

Subcontractors were generally used by main contractors to provide skilled labor, reduce overhead costs, and relieve their own workload and financial stress. The study findings agrees with Debelo and Weldegebriel (2022) who argued that clear and well-defined contracts indicate the project payment terms: The mean score is 2.5556, with a relatively high standard deviation of 0.54280. This implies that respondents, on average, agree that clear and well-defined contracts indicate project payment terms, but there is notable variability in these perceptions. The study findings agrees with Debelo and Weldegebriel (2022) who argued that clear and well-defined contracts indicate the project.

Clear and well-defined contracts indicate the project deliverables: The mean score is 2.8000, with a standard deviation of 0.50168. This suggests that, on average, respondents agree that clear and well-defined contracts indicate project deliverables, with notable variability in these perceptions among respondents. Clear and well-defined contracts indicate the project scope of work: The mean score is 3.2222, with a relatively high standard deviation of 2.04872. This indicates that, on average, respondents believe that clear and well-defined contracts indicate the project scope of work, but there is significant variability in these perceptions. Clear and well-defined contracts indicate the project associated penalties: The mean score is 3.2444, with a standard deviation of 0.54692. This suggests that, generally, responders concur that clear and well-defined contracts indicate project-associated penalties, with some variability in these perceptions.

Table 5: Financial Performance

	N	Mean	Std. Deviation
Projects are completed withing the budget	90	3.9778	.70277
Projects have low-cost overruns	90	3.2286	.49199
Projects have realized the return on investment	90	3.7667	1.25465
The projects have realized the net present value	90	3.5444	.50081
The project has realized financial internal rate of return	90	3.8000	.45469
The project has realized the quality standards.	90	4.0444	.25577
The project has realized user requirement	90	4.4000	.49264

Source: Researcher (2023)

Table 5 provided data related to financial performance in the context of project management. It provides each aspect's mean score, standard deviation, and the overall number of respondents (N). On whether projects are completed within the budget. The mean score for this aspect is 3.9778, with a standard deviation of 0.70277. This suggests that, on average, respondents strongly agree that projects are completed within the budget, with some variability in these perceptions among respondents. On whether projects have low-cost overruns. The mean score is 3.2286, with a standard deviation of 0.49199. This indicates that, on average, respondents agree that projects have low-cost overruns, with relatively less variability in these perceptions.

On whether pprojects have realized the return on investment. The mean score is 3.7667, with a relatively high standard deviation of 1.25465. This suggests that, on average, respondents believe that projects have realized a return on investment, but there is significant variability in these perceptions among respondents. On whether the projects have realized the net present value. The mean score is 3.5444, with a standard deviation of 0.50081.

This implies that respondents, on average, agree that projects have realized the net present value, with relatively less variability in these perceptions.

On whether the project has realized financial internal rate of return. The mean score is 3.8000, with a standard deviation of 0.45469. This indicates that, on average, respondents believe that projects have realized the financial internal rate of return, with relatively less variability in these perceptions. On whether the project has realized the quality standards. The mean score is 4.0444, with a standard deviation of 0.25577. This suggests that, on average, respondents strongly agree that projects have realized the quality standards, with relatively little variation in these perceptions. On whether the project has realized user requirements. The mean score is 4.4000, with a standard deviation of 0.49264. This indicates that, on responses generally strongly concur that projects have realized user requirements, with relatively less variability in these perceptions.

Correlation Analysis

Table 6 presents a correlation analysis among several key variables: Regulations and Standards, Pre-Qualification Practices, Supervision Practices, Clear and Well-Defined Contracts, and Financial Performance. The table includes Pearson correlation coefficients and their associated p-values.

Table 6: Correlation Analysis

		REGULATIONS AND STANDARDS	PRE-QUALIFICATION PRACTICES	SUPERVISION PRACTICES	CLEAR AND WELL-DEFINED CONTRACTS
REGULATIONS AND STANDARDS	Pearson Correlation	1	.223*	.037	.188
	Sig. (2-tailed)		.035	.729	.077
	N	90	90	90	90
PRE-QUALIFICATION PRACTICES	Pearson Correlation	.223*	1	-.183	.019
	Sig. (2-tailed)	.035		.085	.857
	N	90	90	90	90
SUPERVISION PRACTICES	Pearson Correlation	.037	-.183	1	-.276**
	Sig. (2-tailed)	.729	.085		.009
	N	90	90	90	90
CLEAR AND WELL-DEFINED CONTRACTS	Pearson Correlation	.188	.019	-.276**	1
	Sig. (2-tailed)	.077	.857	.009	
	N	90	90	90	90
FINANCIAL PERFOMANCE	Pearson Correlation	.262*	.016	.193	.052
	Sig. (2-tailed)	.013	.883	.069	.628
	N	90	90	90	90

Source: Researcher (2023)

There is a moderate positive correlation (0.262) between compliance with regulations and standards and financial performance. The correlation is statistically significant at the 0.05 level ($p = 0.013$), suggesting that as compliance with regulations and standards increases, financial performance tends to improve. There is a very weak positive correlation (0.016) between pre-qualification practices and financial performance. However, this correlation is not statistically significant ($p = 0.883$), indicating that there is no meaningful relationship between pre-qualification practices and financial performance in this dataset.

There is a weak positive correlation (0.193) between supervision practices and financial performance. However, this correlation is not statistically significant at the 0.05 level ($p = 0.069$), suggesting that the relationship between supervision practices and financial performance may not be strong in this dataset. There is a very weak positive correlation (0.052) between clear and well-defined contracts and financial performance. Similar to pre-qualification practices, this correlation is not statistically significant ($p = 0.628$), indicating that there is no meaningful relationship between contract clarity and financial performance in this dataset.

The analysis reveals that compliance with regulations and standards has a statistically significant moderate positive correlation with financial performance. This suggests that companies should focus on ensuring compliance with regulations and standards as it is associated with improved financial outcomes. However, pre-qualification practices, supervision practices, and clear and well-defined contracts do not show statistically significant correlations with financial performance in this dataset. Therefore, while these aspects are important in project management for various reasons, they may not directly impact financial performance in the context of this study. Based on these findings, it is recommended that companies prioritize and emphasize compliance with regulations and standards to enhance financial performance in their projects. Further research and analysis may be needed to explore additional factors that influence financial performance in project management.

Regression Analysis

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.325[a]	.105	.063	.45880

a. Predictors: (Constant), Clear and Well-Defined Contracts, Pre-Qualification Practices, Regulations and Standards, Supervision Practices

Source: Researcher (2023)

Table 7 presented the Model Summary for a regression analysis involving several predictors (independent variables) and an outcome variable. The table gives details about the regression model's goodness of fit and overall effectiveness. In this instance, the R value is 0.325. The correlation between the model's predicted values and the actual values of the dependent variable (financial performance) is represented by this number. It displays the significance and axis of the linear relationship between the independent and dependent variables. The independent variables in the model can account for about 10.5% of the variance in the dependent variable (financial performance), according to the R Square value of 0.105. In other words, just a small part of the overall variability in financial performance is explained by the model.

0.063 is the adjusted R Square value. This value modifies R Square in accordance with the number of predictors in the model. It is often considered a more accurate measure of model fit when there are multiple predictors. The adjusted R Square suggests that after adjusting for the number of predictors, the model still explains only about 6.3% of the variance in financial performance. This value, 0.45880, represents the standard error of the residuals, which is a measure of how well the model's predictions match the actual data. It measures the usual gap between the observed data points and the model's projected values.

The Model Summary indicates that the regression model, which includes predictors such as Clear and Well-Defined Contracts, Pre-Qualification Practices, Regulations And Standards, and Supervision Practices, has a relatively low R Square value (10.5%). This suggests that the included independent variables explain only a small portion of the variance in Financial Performance. The Adjusted R Square value (6.3%) accounts for the several predictors in the model and indicates that even after this adjustment, the model's ability to explain financial performance remains limited. Overall, the regression model in its current form does not provide a strong explanatory power for financial performance. This may suggest that other unaccounted for factors or variables not included in the model are influencing financial performance to a greater extent.

Table 8: Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.107	4	.527	2.503	.048[b]
	Residual	17.893	85	.211		
	Total	20.000	89			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Clear and Well-Defined Contracts, Pre-Qualification Practices, Regulations and Standards, Supervision Practices

Source: Researcher (2023)

The outcomes of an Analysis of Variance (ANOVA) for a regression model with the dependent variable are shown in Table 8. "Financial Performance" and several independent variables (Clear and Well-Defined Contracts, Pre-Qualification Practices, Regulations and Standards, Supervision Practices). ANOVA is used to assess whether the regression model as a whole is statistically significant in explaining the variance in the dependent variable.

The regression model's squared sum is 2.107. The model has 4 predictors (independent variables), so the degrees of freedom for the regression are 4. The mean square for the regression is 0.527, this is determined by dividing the degrees of freedom by the sum of squares. The F-statistic is 2.503. The significance value (p-value) associated with the F-statistic is 0.048 (noted as 0.048b). The sum of squares for the residuals (unexplained variance) is 17.893. The residuals have 85 degrees of freedom. The mean square for the residuals is 0.211, calculated as the sum of squares divided by the degrees of freedom for residuals. The total sum of squares is 20,000, which represents the total variability in the dependent variable. The ANOVA table provides a test of whether the regression model is statistically significant in explaining the variance in the dependent variable (Financial Performance).

The ANOVA results show that the regression model, which includes the predictors Clear and Well-Defined Contracts, Pre-Qualification Practices, Regulations and Standards, and Supervision Practices, is statistically significant at the 0.05 significance level ($p = 0.048$). This means that the model as a whole has some explanatory power in predicting financial performance. However, it's important to note that while the model is statistically significant, the explained variance (R Square) is relatively low (10.5% as indicated in a previous analysis). This suggests that although there is a statistically significant relationship, the model explains only a small proportion of the variance in Financial Performance.

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.327	.830		2.804	.006
	Regulations and Standards	.496	.220	.244	2.251	.027
	Pre-Qualification Practices	-.003	.102	-.003	-.030	.976
	Supervision Practices	.231	.127	.200	1.822	.072
	Clear and Well-Defined Contracts	.048	.085	.061	.560	.577

a. Dependent Variable: Financial Performance

Source: Researcher (2023)

The regression model's coefficients for the dependent variable "Financial Performance" are shown in Table 15. and several independent variables (Regulations and Standards, Pre-Qualification Practices, Supervision Practices, Clear and Well-Defined Contracts). These coefficients help us understand the relationship between each independent variable and the dependent variable.

When all of the independent variables are set to zero, the constant represents the intercept of the regression equation. The constant in this situation is 2.327.

The Regulations and Standards variable has a positive unstandardized coefficient of 0.496, indicating that an increase in compliance with regulations and standards is associated with an increase in Financial Performance. The standardized coefficient (Beta) of 0.244 indicates that this relationship is moderate in strength. The t-value of 2.251 is significant at the 0.05 level ($p = 0.027$), suggesting that compliance with regulations and standards has a statistically significant impact on Financial Performance.

The Pre-Qualification Practices variable has a very small unstandardized coefficient of -0.003, indicating that it has negligible impact on Financial Performance. The standardized coefficient (Beta) is also close to zero, suggesting no significant relationship. The t-value of -0.030 is not statistically significant (p = 0.976), confirming that Pre-Qualification Practices do not have a meaningful effect on Financial Performance in this model.

The Supervision Practices variable has a positive unstandardized coefficient of 0.231, indicating a positive association with Financial Performance. The standardized coefficient (Beta) of 0.200 suggests a moderate relationship. However, the t-value of 1.822 is not statistically significant at the 0.05 level (p = 0.072), indicating that the impact of Supervision Practices on Financial Performance is not statistically reliable in this model.

The Clear and Well-Defined Contracts variable has a small positive unstandardized coefficient of 0.048, suggesting a slight positive relationship with Financial Performance. The standardized coefficient (Beta) of 0.061 indicates a weak relationship. However, the t-value of 0.560 is not statistically significant at the 0.05 level (p = 0.577), indicating that the impact of Clear and Well-Defined Contracts on Financial Performance is not statistically reliable in this model.

CONCLUSION AND RECOMMENDATIONS

On average, respondents perceive the companies undertaking the projects to have some level of experience, but there is notable variability in these perceptions among respondents. Respondents view the companies as having a reasonably good reputation, with some variability in opinions among respondents. On average, respondents perceive the companies as having decent financial ability, and there is relatively less variability in these perceptions. Respondents generally view the companies as having good managerial ability, with limited variability in opinions among respondents. On average, believe that the companies have the necessary work permits, and there is minimal variation in this perception among respondents. On average, respondents perceive those regulations have had some impact on limiting project scopes, with limited variability in opinions among respondents. On average, respondents perceive those regulations have had a more substantial impact on limiting project funding, with somewhat more variability in opinions among respondents.

On average, respondents believe that the companies participating in the bidding process have a relatively lower level of participation. Respondents, on average, strongly agree that prequalification enhances competition, and there is minimal variation in this perception among respondents. Respondents, on average, believe that the companies have complied with quality standards, but there is notable variability in these perceptions among respondents. Respondents, on average, strongly agree that the companies have safety management procedures, and there is minimal variation in this perception among respondents. All respondents rated this aspect as the highest possible score, indicating unanimous agreement that the companies have qualified staff. The company undertaking the project has the required accreditation: Similar to the previous aspect, the mean score is 3.0000, with a standard deviation of 0.00000, indicating unanimous agreement that the companies have the required accreditation. On average, respondents agree that pre-qualification is effective in reducing the risk of selecting unqualified contractors, with some variability in opinions among respondents.

Respondents, on average, believe that supervision practices have a profound effect on the financial performance of projects, with relatively little variation in this perception among respondents. On average, respondents agree that effective supervision of project schedules can help avoid delays, but there is significant variability in these perceptions among respondents. Respondents, on average, believe that the companies have some risk management practices in place, but there is notable variability in these perceptions among respondents. Respondents, on average, believe that the companies engage in quality control practices, but there is significant variability in these perceptions among respondents. On average, respondents believe that the companies engage in schedule control practices, with relatively less variability in these perceptions. Respondents, on average, strongly agree that the companies carry out monitoring and control practices, and there is minimal variation in this perception among respondents.

Table 10 provides data related to clear and well-defined contracts in the context of project management. It provides each aspect's mean score, standard deviation, and the total number of respondents (N). Clear and well-defined contracts can have an impact on the financial performance of projects: The mean score for this aspect is 3.5667, with a standard deviation of 0.52037. This suggests that respondents, on average, strongly agree that clear and well-defined contracts can have a significant impact on the financial performance of projects, with relatively little variation in this perception among respondents.

Rrespondents agree that clear and well-defined contracts indicate project milestones, with relatively less variability in these perceptions. Respondents believe that outsourcing to experienced contractors can increase project quality, but there is significant variability in these perceptions among respondents. Respondents, on average, agree that clear and well-defined contracts indicate project payment terms, but there is notable variability in these perceptions. Respondents agree that clear and well-defined contracts indicate project deliverables, with notable variability in these perceptions among respondents. Clear and well-defined contracts indicate the project scope of work: Respondents believe that clear and well-defined contracts indicate the project scope of work, but there is significant variability in these perceptions. Respondents agree that clear and well-defined contracts indicate project-associated penalties, with some variability in these perceptions.

CONCLUSION

Based on the results, it can be concluded that respondents generally perceive the companies undertaking the projects as having some level of experience, a reasonably good reputation, decent financial and managerial ability, and the necessary work permits. Respondents also believe that regulations have had some impact on limiting project scopes and, to a greater extent, project funding. The lower standard deviations in most items indicate a relatively consistent perception among respondents, while the higher standard deviation for project funding limitations suggests some variability in opinions. Further qualitative investigation and analysis could help provide insights into specific concerns and potential strategies to mitigate the impact of regulations on project scope and funding.

Based on the results, it can be concluded that respondents generally believe in the importance and effectiveness of pre-qualification practices in project management. They strongly agree that prequalification enhances competition, that companies have safety management procedures, and that companies have qualified staff and required accreditation. Maintaining transparency, adherence to quality standards, and effective pre-qualification practices are recommended to enhance the perception of companies in the context of pre-qualification in project management.

Based on the data in Table 9, it can be concluded that respondents generally believe in the importance and effectiveness of supervision practices in project management. They strongly agree that supervision practices have a significant impact on financial performance and that the companies undertake monitoring and control practices. However, there is more variability in perceptions regarding other aspects, such as the effectiveness of supervision in avoiding delays, the presence of risk management practices, engagement in quality control practices, and engagement in schedule control practices.

Respondents generally agree that clear and well-defined contracts have a positive impact on the financial performance of projects, indicate project-associated penalties, and to some extent, the project scope of work. There is a mixed response regarding whether clear contracts indicate project milestones, project payment terms, project deliverables, and the benefit of outsourcing to experienced contractors. The variability in responses is particularly high for the statements about outsourcing and the project scope of work.

RECOMMENDATIONS

Companies involved in these projects should communicate their experience, reputation, financial stability, and compliance with regulations more effectively to alleviate any concerns among stakeholders. Companies should ensure that they have all the required work permits and adhere to regulations to the best of their ability to minimize negative impacts on project scopes and funding. Companies and project managers should conduct thorough risk assessments to proactively address any potential issues arising from regulatory limitations. Companies should actively manage their public image and reputation, addressing any negative perceptions that may exist.

Companies should work on promoting their participation in the bidding process to improve their perception among stakeholders. Companies should continue to emphasize their compliance with quality standards to maintain positive perceptions. Highlighting safety management procedures can further improve the reputation of the companies. Companies should continue to maintain their required accreditations and qualified staff to instill confidence in stakeholders. Companies and project managers should communicate the importance of pre-qualification in reducing the risk of selecting unqualified contractors to stakeholders.

Companies should communicate their effective supervision practices more effectively to stakeholders, emphasizing the impact on financial performance and the avoidance of delays. Companies should work on improving their risk management practices and communicating these efforts to enhance stakeholder confidence. Enhancing quality and schedule control practices and demonstrating their effectiveness can improve stakeholder perceptions. Companies should aim for consistency in implementing and communicating their supervision, monitoring, and control practices to maintain trust and confidence among stakeholders.

Given the importance of clear contracts in project management, it may be beneficial to focus on improving contract clarity and communication regarding financial aspects and associated penalties. For areas with mixed responses, consider conducting further surveys or discussions to better understand the reasons behind the varying opinions, especially for outsourcing decisions and project milestones. When outsourcing, pay close attention to the selection of experienced contractors to ensure quality benefits are realized, as this statement had a moderate level of agreement but high variability.

Recommendations for Further Studies

Further study comparative studies should be carried out with similar construction projects in different regions or countries to assess the generalizability of the findings. Further study should explore how the impact of contractual requirements on financial performance evolves over the different phases of a construction project. Further study should be conducted to investigate the role of contractual requirements in risk management strategies and their influence on financial outcomes. Further study should be incorporate the perspectives of various stakeholders, including contractors, subcontractors, and government agencies, to gain a comprehensive understanding of the effects of contractual requirements. Further study research innovative contractual models or approaches that can enhance financial performance while ensuring compliance with regulations and standards. These areas can help provide a comprehensive understanding of how contractual obligations impact the financial aspects of the organization. Some suggested areas for further study include:

- Contractual Compliance and Financial Outcomes: Investigate the correlation between adherence to contractual requirements and the financial performance of the Mandera County Head Office. This study can involve an analysis of how fulfilling contractual obligations affects the budget, revenue generation, and overall financial stability of the organization.
- Risk Management and Contractual Agreements: Explore the impact of contractual terms and conditions on risk management strategies within the context of the County Head Office. Analyse how different contractual clauses influence financial risk exposure and whether there are specific risk mitigation measures associated with contractual requirements.
- Contract Negotiation and Financial Efficiency: Examine the relationship between the negotiation of contracts and the financial efficiency of the Mandera County Head Office. This study can focus on determining how effective negotiation tactics impact cost-saving measures, resource allocation, and the overall financial health of the organization.

- Performance evaluation and contractual fulfilment: Assess the effectiveness of performance evaluation metrics in ensuring the fulfilment of contractual obligations. Investigate how performance indicators influence financial decision-making and resource allocation, and whether they contribute to improving or hindering the financial performance of the County Head Office.
- Contractual Disputes and Financial Implications: Investigate the financial implications of contractual disputes within the Mandera County Head Office. This study can analyse the impact of legal disputes on the organization's budget, resource allocation, and overall financial stability, as well as the effectiveness of dispute resolution mechanisms in mitigating financial losses.
- Transparency and Accountability in Contractual Agreements: Explore the role of transparency and accountability in managing contractual requirements and their impact on the financial performance of the County Head Office. Investigate how transparent and accountable practices influence financial reporting, budget allocation, and public trust, thus affecting the overall financial well-being of the organization.

These areas for further study can provide valuable insights into how contractual requirements impact the financial performance of the Mandera County Head Office, contributing to the development of effective strategies for improving financial management and operational efficiency within the organization

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