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### THE SIGNIFICANCE OF LEADERSHIP SUPPORT TOWARDS EFFECTIVE CONTRACT MANAGEMENT

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#### ABSTRACT

This study examines the role of leadership support in contract management within the Ministry of Defence, focusing on the asset and equipment maintenance crucial for national security. It aims to assess the current level of leadership support among Supply & Secretariate Officers in the Royal Malaysian Navy and their understanding of its importance. By addressing this gap, this study intends to improve contract management practices for enhanced national security within the ministry. A quantitative survey was used to obtain data through stratified random sampling. The survey was initiated in April 2022 and lasted five months. The questionnaires were distributed to the Supply & Secretariate Officers who handle the asset and equipment maintenance contract of the Ministry of Defence. A total of 206 questionnaires were distributed through electronic means, such as email and WhatsApp. Out of 206 questionnaires, only 204 has been analysed as the other two were not complete. The results revealed that leadership commitment significantly improves contract-related activities. When top executives prioritize contract management, it creates a corporate environment in which rules are followed, responsibility is clear, and employees are more diligent. This commitment leads organizations to allocate resources, set clear contract guidelines, and invest in advanced contract

technology, making contract management more efficient. In summary, leadership commitment fosters a culture of excellence in contract management, emphasizing the importance of contracts, compliance, and attention to detail, ultimately improving overall operational efficiency.

**Keywords:** Leadership Support, Effective Contract Management, Royal Malaysian Navy, Supply & Secretariate Officers

## INTRODUCTION

Leadership support is a cornerstone of organizational success, especially in the realm of contract management within the Ministry of Defence. Supply & Secretariate Officers in this highly specialized and sensitive domain are tasked with executing contracts that directly influence national security and resource allocation. Defence-related contracts are intricate, with detailed specifications, strict compliance requirements, and substantial financial implications (Matthews, 2019). Effective contract management is essential for procuring crucial goods and services such as military equipment and logistical support, while maximizing efficiency, protecting taxpayer funds, and upholding legal and ethical standards (Azizi, Hassan, Akanmu & Melan, 2019). Proficient contract management in the Ministry is paramount for national defence capabilities and responsible resource allocation, underscoring the pivotal role of leadership support in ensuring successful contract execution.

However, the existing literature on contract management within the Ministry of Defence lacks a comprehensive exploration of the influence of leadership support on its effectiveness. While leadership support is widely recognized as a determinant of success in various sectors, its nuanced implications in the ministry's unique operational context remain underexamined (Lei, Nguyen, & Le, 2019). This research is motivated by the urgency to fill this gap in scholarly discourse. Through a thorough investigation of leadership support and its multifaceted impact on contract management practices in the Ministry of Defence, this study seeks to provide valuable insights for policy development and managerial decision-making. Ultimately, this research aims to enhance efficiency, transparency, and accountability in the execution of defence-related contracts, contributing to a deeper understanding of how leadership support and effective contract management intersect in sensitive public sectors.

The Ministry of Defence, akin to many governmental entities, is extensively involved in contractual agreements to acquire indispensable supplies, equipment, and services. The intricacy and sensitivity inherent in these contractual arrangements necessitate a stringent and meticulous approach to their management. Nevertheless, challenges and inefficiencies are recurrent in the management of these contracts, manifesting as delays, cost overruns, disputes, and, on occasion, even contractual breaches. These recurrent issues give rise to apprehensions regarding the efficacy of contract management practices within the ministry.

A pivotal factor that may contribute to the aforementioned challenges pertains to the extent of leadership support extended to the Supply & Secretariate Officers entrusted with the stewardship of contract management. Leadership support encompasses not only the allocation of material and human resources, but also entails guidance, advocacy, and unwavering commitment from higher-ranking officials within the Ministry (Berman, Bowman, West, & Van Wart, 2021). Despite its potential influence in mitigating the aforementioned challenges, there is a palpable dearth of empirical research delineating the precise manner in which leadership support exerts its direct impact on the efficacy of contract management within the unique purview of the Ministry of Defence.

The extant body of literature concerning contract management predominantly directs its focus towards the delimitation of general principles and conventional practices, thereby affording limited consideration to the characteristic challenges encountered by governmental institutions, particularly those ensconced within the ambit of defence ministries. Furthermore, within this scope of restricted research attention, the specific role of leadership support remains inadequately explored. Consequently, a considerable gap persists in our understanding of how leadership support intricately shapes and influences the effectiveness of contract management practices, particularly within the unique purview of the Ministry of Defence.

The present study endeavours to bridge this conspicuous gap in the literature by embarking on a comprehensive examination of the dynamics of leadership support and its intricate interplay with the attainment of effective contract management within the Ministry of Defence. In doing so, the research aspires to furnish invaluable insights that hold the potential to inform and guide policy formulation and practical implementation within the ministry. Furthermore, the study anticipates that its findings may contribute to the augmentation of efficiency and transparency in the prevailing contract management processes, not only benefiting the Ministry itself but also enriching the broader discourse on the governance and allocation of resources within the sensitive domain of public sector activities.

In conclusion, leadership support is a critical yet under-explored factor in the context of contract management within the Ministry of Defence. Patel (2006) states with the support of top management, all employees will be more likely to comply with the various policies and regulations in force. In conjunction with that, a very strong and highly committed leadership support will pave the way to an effective management of contracts as it is essential for national security, fiscal responsibility, and ethical governance. Again, having a good leadership support is not suffice as it must come with a competent leadership support. Rendon (2015) state, just as individual competence will lead to greater performing contract management tasks and activities, organizational process maturity will ensure consistent and improved results for the agency. Therefore, understanding the extent to which leadership support influences contract management can lead to improved practices and outcomes. This study endeavours to shed light on this vital aspect and contribute to the body of knowledge that can benefit not only the Ministry of Defence but also other government institutions facing similar challenges in contract management. Ultimately, the findings of this research may pave the way for more efficient, accountable, and successful contract management practices within and beyond the ministry.

## **RESEARCH METHODOLOGY**

### **Research Design**

This study employed a quantitative approach using a structured questionnaire to investigate the level of understanding on the significance of leadership support towards effective contract management (Rashid, Rasheed, Amirah, Yusof, Khan, & Agha, 2021). The questionnaire quantified the impact of leadership support factors on contract management aspects, such as compliance, risk mitigation, and overall performance. This approach establishes statistically significant relationships, offering empirical and numerical insights into the role of leadership. Data-driven design provides precise, generalizable findings valuable for contract management decision-makers and practitioners.

### **Population and Sample of the Study**

This study focuses on Supply & Secretariate Officers' responsibility for contract management to support organizational operations. The population of Supply & Secretariate Officers are 314 personnel. Stratified random sampling was used to create representative samples (Nguyen, Shih, Srivastava,

Tirthapura, & Xu, 2021). This involved dividing the sample based on criteria such as units, formations, and headquarters. The Supply & Secretariate Officers were appointed from various units, formations and headquarters such as Naval Headquarter (Materiel Department), Western and Eastern Fleet Supply Depots and Western and Eastern Logistics Headquarters. Out of 314 from the population, 206 were used as the sample of the study. This approach aims to capture variations in contract management practices across different organizational segments. Within each stratum, random sampling was employed to select participants. This ensures the representativeness of the sample and allows for insights into the experiences of Supply & Secretariate Officers in various units. This approach strengthens the validity and generalize ability of the study to a broader organizational context.

### **Instrumentation**

A structured questionnaire was administered to a voluntary sample of 206 respondents over a five-month period, commencing in April 2022. To reach potential participants, electronic means, including email and WhatsApp, were used. The questionnaire was thoughtfully designed and structured into three distinct sections: demographic profile, leadership support, and effective contract management. Its development drew upon an extensive literature review encompassing leadership support, as elucidated by Manu et al. (2019), as well as effective contract management, informed by the works of Azizi et al. (2019). The first section of the questionnaire aimed to collect fundamental demographic information, such as gender, age, qualifications, branch, rank, and years of service. The subsequent two sections comprised 10 questions each, delving into the domains of leadership support and effective contract management, respectively.

### **Data Collection and Analysis**

Out of the 206 questionnaires received, 204 were included in the analysis after excluding two with missing data. The survey data were subjected to descriptive examination, primarily using frequency and single-level statistical analysis techniques. While many research studies employ more sophisticated statistical methods, such as multivariate analysis, this study chose to concentrate on exploring factors beyond demographics. The aim was to uncover underlying characteristics that might shed light on some of the demographic connections while simultaneously controlling for other relevant variables. This approach allowed for a comprehensive investigation of the significance of leadership support in contract management, beyond mere statistical complexities.

### **Demographic Profile of Respondents**

In this study, the Supply & Secretariate Officers were questioned about their level of understanding of the significance of leadership support towards effective contract management. The results for the demographic profile were analysed using descriptive analysis that consisted of gender, age, qualifications, and years in service of 204 valid respondents who voluntarily participated in this study. The summary of the demographic profile for respondents is depicted in Table 1.

Table 1

*Demographic Characteristics of Survey Respondents*

<b>Characteristic</b>		<b>Frequency</b>	<b>Percentage (%)</b>
Gender	Male	132	64.7%
	Female	72	35.3%
Age	21-30 years old	34	16.7%
	31-40 years old	97	47.5%
	41-50 years old	54	26.5%
	51 years and above	19	9.3%
Qualification	Diploma	13	6.4%
	Bachelor's degree	117	57.4%
	Master's degree	72	35.3%
	Doctor of Philosophy	2	1.0%
Years in Service	Less than 5 years	19	9.3%
	6 years to 10 years	35	17.2%
	11 years to 15 years	33	16.2%
	16 years and above	117	57.4%

## **FINDINGS**

### **Leadership Commitment**

These findings emphasize the substantial influence of leadership commitment on the overall effectiveness of activities related to contracts. When senior executives and managers prioritize contract management, it fosters a corporate environment marked by heightened adherence to regulatory standards, a heightened sense of responsibility, and an elevated level of diligence exhibited by the workforce. This commitment is palpably discernible in organizations that steadily allocate the necessary resources, establish clear and coherent contractual guidelines, and make investments in sophisticated contract management technologies. This collective dedication invariably culminates in an amplification of operational efficiency and efficacy throughout the contract management lifecycle.

In essence, the pronounced impact of leadership commitment reverberates throughout the organizational landscape, imbuing it with a culture of contract management excellence. This culture, nurtured by dedicated leadership, not only underscores the significance of contractual obligations but also reinforces a commitment to upholding regulatory compliance, accountability, and meticulousness in all contract-related activities. It becomes evident that Organizations underpinned by such steadfast leadership commitments are naturally inclined to optimize their contract management processes, resulting in heightened operational efficiency and effectiveness across the board.

### **Communication and Collaboration**

The effectiveness of contract management is intrinsically intertwined with the establishment of robust communication channels and the cultivation of a collaborative culture within an organizational framework. Empirical evidence has provided substantial validation of the pivotal role of leadership support in nurturing an environment conducive to fostering open lines of communication among diverse departments engaged in the multifaceted contract lifecycle. Steadfast leadership underscores the paramount importance of cross-functional collaboration, orchestrating the harmonious integration of legal, procurement, financial, and operational teams in the intricate administration of contracts. This concerted collaborative approach serves the dual purpose of mitigating misunderstandings and curtailing contract disputes while concurrently elevating the overall precision and quality of contract execution. Thus, it is underscored as a hallmark of significance in the realm of contract management.

Essentially, the intricate web of communication and collaboration woven through the fabric of contract management demonstrates the profound influence of leadership support in orchestrating organizational synergy. This intricate tapestry, nurtured under the guidance of resolute leadership, not only underscores the paramountcy of contractual matters but also reinforces a dedication to harmonizing efforts across multifarious departments. Such endeavours are instrumental in mitigating potential pitfalls, fostering clarity, and enhancing the overall calibration of contract execution, thereby underscoring the importance of leadership support in the expansive domain of contract management.

### **Strategic Alignment**

Scholarly viewpoints underscore the importance of aligning contract management practices with an organization's strategic imperatives. Within this context, leadership support assumes a pivotal role in ensuring the synchronization of contract terms, conditions, and performance expectations with overarching corporate objectives. Leaders' active engagement in the intricacies of the contract management process serves as a conduit for this alignment. Once established, this strategic congruence not only amplifies the inherent value encapsulated within contracts but also functions as a robust safeguard against potential risks. Moreover, it expedites the attainment of long-term business objectives, thereby underscoring the central role of leadership support within the holistic framework of contract management.

In essence, the synchronization of contract management with strategic organizational goals buoyed by leadership support emerges as a linchpin in navigating the intricate terrain of contract management. This alignment, thoughtfully fostered under the guidance of proactive leadership, not only augments the intrinsic worth of contracts but also serves as a resilient defense against prospective hazards. Additionally, it expedites the realization of enduring business aspirations, unequivocally emphasizing the pivotal stature of leadership support within the comprehensive spectrum of contract management.

## **DISCUSSION**

Leadership support is the linchpin of effective contract management, transcending mere oversight to encompass active involvement and unwavering commitment from organizational leaders. When leaders prioritize contract management, it instil a culture of accountability and responsibility that permeates the organization. This culture ensures that upholding contracts, complying with legal mandates, and adhering to ethical standards are shared obligations among all members, ultimately leading to more successful contract outcomes. The involvement of leaders in this process sends a clear signal that contract management is not merely a functional task but a vital aspect of the organization's mission and values. In this way, leadership support creates a synergy that promotes effective contract management, benefiting the organization as a whole.

Leadership support plays a pivotal role in shaping resource allocation and decision-making processes. Effective contract management frequently necessitates the allocation of both financial and human resources, and engaged leaders are well-equipped to make informed decisions in this regard. Their active involvement expedites the allocation of resources, ensuring that contracts are executed promptly and efficiently. Additionally, leaders with a deep understanding of the importance of contract management are more likely to align decisions with the organization's overarching strategic goals, thereby advancing broader objectives. Leadership support serves as a catalyst for optimized resource utilization and decision alignment, which are critical elements in achieving successful contract management outcomes.

Leadership support plays a crucial role in risk mitigation and dispute resolution within the context of contract management. Given the inherent risks associated with contract management, disputes can arise at various stages of the process. Engaged leaders are instrumental in establishing an environment where risks are not merely reacted to, but proactively assessed, managed, and mitigated. Their active involvement fosters open communication and collaboration among relevant stakeholders, expediting and enhancing the effectiveness of dispute-resolution efforts. This approach minimizes disruptions and conserves valuable time and resources, making leadership support an indispensable component of effective contract management. In summary, leadership support extends its influence to shaping organizational culture, decision-making, and the effective management of risks and disputes in contract management.

## **CONCLUSION**

Leadership support is essential for effective contract management. Throughout this exploration, this study has discerned its pivotal role in ensuring the successful execution of contracts, particularly within complex and sensitive domains like defence. The Ministry of Defence, along with other organizations, must recognize that fostering a culture of leadership support is not merely a managerial nicety but also a strategic imperative. Embracing and nurturing leadership support will undoubtedly fortify the foundations of effective contract management, resulting in not only enhanced operational efficiency and cost-effectiveness but also the safeguarding of national security interests and the responsible stewardship of public resources. This study underscores the imperative of acknowledging and harnessing the transformative potential of leadership support in the arena of contract management, highlighting its significance as a linchpin for organizational success and the fulfilment of broader national objectives. For the purposes of future research, it is suggested that the scope of the study as well as the population to be extended to other services such as the Army, the Royal Malaysian Air Force and the Royal Malaysian Police. It aims to see how each of these services manages and administers their respective contract management based on the logistics support factors in their respective services. By doing this, the researcher may be able to identify what similarities and differences may exist in the service compared to what is practiced in the Royal Malaysian Navy. Thus, the Royal Malaysian Navy, specifically the Supply & Secretariate Officers will have the opportunity to improve the methods and approaches that have been used in contract management over the years.

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