

**UTILIZATION OF APPROACHES AND DEVELOPMENT OF SELECTED
COMMERCIAL ENTERPRISES IN KIGALI, RWANDA**

A Thesis

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DECLARATION A

"This thesis is my original work and has not been presented for a Degree or any other academic award in any University or Institution of Learning".

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DECLARATION B

"I confirm that the work reported in this thesis was carried out by the candidate under my supervision".

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DEDICATION

With great love and affection, joy and honor, appreciation and thanks, consideration and remembrances, I dedicate this work to my lovely wife UWIMBABAZI Rosette.

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ABSTRACT

This report is a result of an academic research entitled "Approaches and development in selected commercial enterprises in Kigali, Rwanda". The main purpose of this study was to determine the degree of effectiveness of approaches in development of commercial enterprises in Kigali city. The study was guided by the three research questions. i) What is the extent of approaches in commercial enterprises in Kigali city? ii) What is the level of development of commercial enterprises in Kigali city? iii) Is there a significant relationship between the extent of approaches and the level of development of commercial enterprises in Kigali city? A sample of 163 of entrepreneurs, accountants and other employees of selected commercial enterprises in Kigali city was selected from a target population of 276. Participants were selected through a simple random sampling process. A questionnaire addressed to the sample was constructed to gain more information to the subject. SPSS was used to analyze all data. The data were processed using frequency distribution, mean, interpretation, and Pearson's linear correlation coefficient. It was discovered that through approaches factors, commercial enterprises have been able to make a positive change in income. Therefore, the researcher discovered that there is a significance relationship between the extent of approaches and the level of development of commercial enterprises in Kigali and rejected the null hypothesis. The study concluded that commercial enterprises have a profound influence on the economic status, decision making power, knowledge and self worthiness of people. It was recommended that the government of Rwanda especially Ministry of commerce and Rwanda Revenue Authority should increase the trainings about strategic management and advices given to entrepreneurs in order to enable them to use the appropriate strategies and credits for their good business performance.

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ACRONYMS AND ABBREVIATIONS

RWF	:	Rwandan Francs
MBO	:	Management by Objectives
RCGD	:	Research Centre for Group Dynamics
IOMC	:	Inter- Organization Programme for the Sound Management of Chemicals
IFCS	:	Intergovernmental Forum on Chemical Safety
OD	:	Organization Development
IT	:	Information Technology
IR	:	Impôt sur le revenu (Income tax)
VAT	:	Value Added Tax
TPR	:	Taxe Professionnelle
ACCA	:	Association of Chartered certified Accountant
SBU	:	Strategic Business Unit
SWOT	:	Strength Weaknesses Opportunity Threat

CHAPTER ONE

THE PROBLEM AND ITS SCOPE

Background of the Study

To start business is not difficult but to maintain it is very difficult for all entrepreneurs. In Rwanda many people try to create enterprises but to maintain them is a big problem .you can visit an enterprise this year and after three years you cannot see it in operations.

This research is about how organizations can employ a strategic approach to attain sustainability. It is a case study that examines the commercial enterprises of Kigali center in Rwanda and their approaches to development.

Commercial enterprises started business in Kigali center since several years ago and businesses operate increasingly competitive and volatile. But the changes in Rwanda Revenue Authority and in their environment in general present opportunities as well as threats to commercial enterprises, and the most threatened enterprises decided to close their businesses that have an important role in society. The commercial enterprises create value for their entrepreneurs and customers and participate in the economic system in order to deliver that value. Understanding these roles within a sustainability context requires an understanding of the business' interactions with ecosystem processes as well as social systems within the larger social and economic system of society within the biosphere. This is specific to each organization, and includes factors related to geographic location and business sector as well as business model.

The business case for sustainability is well documented as a solution, a business strategy, and a catalyst for business development. Many organizations are interested in moving in that direction. The stage is set for a shift in business towards sustainable practices and value creation.

Applying sustainability in business is a challenge for managers and for entrepreneurs. A business model is essential to every organization, and is a tool that can help with link the strategic purpose and vision of an organization to its operational processes. Business models are, at heart, stories that explain how enterprises work.

The basis for this study, therefore, is the desire to understand the key concepts of organizational development and how can apply to commercial enterprises of Kigali in its endeavors to adapt to a dynamic and increasingly turbulent environment.

The companies identified for the purposes of this research were commercial enterprises of Kigali center, headquartered in Kigali, Rwanda. It was envisaged that a detailed study of this company would provide useful insights into the management processes and strategies that result in organizational development.

Statement of the Problem

The commercial enterprises of Kigali in Rwanda have in the past five years seen renewed activity in the form of mergers and takeovers following entry by the new comers. These enterprises suffer from lack of excessive competition with most firms dealing in globalization and liberalization, without forget the variation of taxation.

One of the biggest problems in the commercial enterprises has been that of credibility whereby the customers take the goods by credit because of large competition; and enterprises end up in a big ratio of bad debts .There is continuing change of entrepreneurs in that area; after two years you cannot meet the same entrepreneurs in that area .To address this problem, the commercial enterprises must innovate new ways to practice business. There is also lack of self confidence in their businesses. They don't see well the importance of their activities for them and for their country; reason why they don't give their opinions about taxation or other rules talk about them. They are the entrepreneurs who practice the fraud of taxation in order to survive and they end up by a big debt of Rwanda Revenue Authority. The companies must, therefore, develop strategies that would help them to their sustainability.

Commercial enterprises of Kigali center are many and if there is an entrepreneur who has innovated something, others tend to do the same like him; and this process causes the failure for the all. There is a need, therefore, to educate them on their benefits .Faced with this and problems, commercial enterprises have to develop approach if they are to survive and excel in dynamic and turbulent environment.

Due to these environment changes, commercial enterprises need to know how they can operate strategically and yet constantly in order to achieve development.

Purposes of the Study

The reasons why this study is proposed are as follows:

1. To test the hypothesis of no significant relationship between approaches and development of commercial enterprises in Kigali, Rwanda.
2. To generate new information based on the findings on this study.
3. To validate existing information about approach and development based on the theory to which this study is based.
4. To bridge the gaps identified in the related studies.

Research Objectives

General objective

To investigate the relationship between approaches and organizational development on selected commercial enterprises in Kigali, Rwanda.

Specific objectives

The specific objectives of this study are:

1. To determine the profile of the respondents in terms of age, gender, educational background, position in the organization, long term of service in the organization.
2. To establish the extent of utilization of approaches applied in the selected commercial enterprises in Kigali, Rwanda.
3. To determine the level of development of selected commercial enterprises in Kigali, Rwanda.

4. To determine if there is a significant relationship between the extent of utilization of approaches and the level of development of selected commercial enterprises in Kigali, Rwanda.

Research Questions

1. What is the profile of the respondents in terms of age, gender, educational background, position in the organization, long term of service in the organization?
2. What is the extent of the utilization of approaches applied in the selected commercial enterprises in Kigali, Rwanda?
3. What is the level of development of selected commercial enterprises in Kigali?
4. Is there a significant relationship between the extent of approaches and the level of development of selected commercial enterprises in Kigali, Rwanda?

Null Hypothesis

There is no significant relationship between the utilization of approaches and the development of commercial enterprises in Kigali, Rwanda.

Scope

Geographical scope

The study focuses at commercial enterprises of Kigali in Rwanda sited around bus station called "Nyabugogo".

Theoretical scope

The Theory of the Firm and Development by Coase (1967) was proven.

Content scope

The study examined the extent of utilization of approaches applied in the selected commercial enterprises, the level of development of commercial enterprises and the relationship between the independent variable (utilization of approaches) and dependent variable (development).

Significance of the Study

The following disciplines will benefit from the findings of the study.

The **entrepreneurs** of the selected commercial enterprises will recognize the strategies that can help their enterprises to sustainability and development.

The **future researchers** will utilize the findings of this study to embark on a related study.

Kampala international university will utilize the research to increase the existing literature in the library.

The **managers** of the selected commercial enterprises will understand how effective approach can help their enterprises to develop through the recommendations given out after the study, hence strengthening the weak points and maintaining the strong point in their systems.

The **Ministry of commerce** will use the findings as empirical information to monitor entrepreneurs about strategies in order to achieve sustainable development in businesses.

Operational Definitions of Key Terms

For the purpose of this study, the following terms are defined as they are used in the study:

- **Utilization of Approach** is the method of strategy utilized by an enterprise in its activities.
- **Extent of approaches** is the degrees to which objectives are achieved.
- **Level of development:** business development has different levels. Those levels are about product, commercial and corporate. For our study, we are interested by commercial level which means pure prospection in resources.
- **Commercial enterprises:** are enterprises that buy and sell the final products in order to have profits.
- **Development:** is a progressing in different resources (human resource, financial resource and physical resource).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Concepts, ideas, opinions from authors / experts

Utilization of Approach

The Association of Chartered Certified Accountant (ACCA) defines an utilization of approach as a pattern of activities that seek to achieve the objectives of the organization and adapt its scope, resources and operations to environmental changes in the long-term.

Elements of strategic planning process

The ACCA21 Paper 3.5 defines strategic planning as the process of developing and maintaining consistency between the organization's objectives and resources and its changing opportunities; it aims to define and document an approach to doing business that leads to satisfactory profits and growth. The strategic planning process turns the organization's vision, more commonly referred to as its mission, into strategies and concrete actions.

Steps of strategic planning

Step 1 Establishment of objectives. A company with a product which has, say, a 5 percent share of market might state "we want to have a 10 percent share by Year 5; this becomes their objective – their long-term plan.

Step 2: Current state analysis. This step aims to ascertain where the company is now, that is, at the start of the exercise. It focuses on resources of tangible and intangible assets and finance; product brand and markets; operating systems such production and distribution; internal organization; current results; return to stockholders.

Step 3. This step is for management to analyze the circumstances and conditions likely to prevail during the plan period such as demand for products, competition, and technology. Many firms adopt the SWOT Analysis to assess the position of the business in relation to the firm's strengths, weaknesses, opportunities, and threats.

Step 4: Once the long-term plan has been decided upon, the next stage is to set it in motion. To achieve desired objective requires operational planning of the intervening short-term periods. (Storey, 2002)

Advantages of strategic planning

A good strategic plan has a number of advantages to an organization

- It serves as a framework for decisions
- It gives a sharper focus on what is strategically important.
- It provides a basis for detailed short-term planning.
- It explains the business to stakeholders in order to inform, motivate involve them in the business transactions.
- It gives an improved understanding of the rapidly changing environment.
- It assists in benchmarking and performance monitoring.
- It stimulates change and become building block for next plan.

Limitations of strategic planning

Strategic planning has a number of limitations that should be taken in consideration during strategic planning process. They include:

- It may be complex and time consuming for multidivisional corporations
- The future doesn't unfold as anticipated which can become frustrating

- It can be expensive especially for small or non- profit making organizations.
- Strategic planning emphasizes long term benefits which in some cases can overlook immediate results
- Impedes flexibility. Some organizations develop a strategic management process that become excessively formal and thus, lack innovation and creativity and can stifle the ability of the organization to develop creative strategies. (Koontz &Heinz, 1990)

Approaches of organization

Expansion is a business strategy in which growth is obtained by increasing the number of stores in which customers can buy a company's products and services. Unlike relocation, business expansion entails opening up new stores in different physical locations while still maintaining the current business locations. *(French, 2007)*

Retrenchment is a corporate-level strategy that seeks to reduce the size or diversity of an organization's operations. Retrenchment is also a reduction of expenditures in order to become financially stable. Retrenchment is a pullback or a withdrawal from offering some current products or serving some markets. In a military situation a retrenchment provides a second line of defense. Retrenchment is often a strategy employed prior to or as part of a Turnaround strategy. *(Themnozhi, 1998)*

Specialization-Competitive strategy where a firm equips itself with multi-use equipment, multi-skilled employees, and innovative executives, in order to adjust very quickly to a fast changing marketplace and business environment. *(Rosemberg, 2003)*

Differentiation strategy is a competitive business strategy whereby firms attempt to gain a competitive advantage by increasing the perceived value of their products and services relative to the perceived value of other firm's products and services. *(Themnozhi, 1998)*

Products sold by two different firms may be exactly the same, but if customers believe the first is more valuable than the second, then the first product has a differentiation advantage. The existence of product differentiation, in the end, is always a matter of customer perception but firms can take a variety of actions to influence these perceptions.

Diversification is a form of corporate strategy for a company. It seeks to increase profitability through greater sales volume obtained from new products and new markets. Diversification can occur either at the business unit level or at the corporate level. At the business unit level, it is most likely to expand into a new segment of an industry that the business is already in. At the corporate level, it is generally very interesting entering a promising business outside of the scope of the existing business unit. *(Koontz, 1990)*

Horizontal integration is the merger of companies at the same stage of production in the same or different industries. When the products of both companies are similar, it is a merger of competitors. When all producers of a good or service in a market merge, it is the creation of a monopoly. If only a few competitors remain, it is termed an oligopoly. *(Minzberg, 1998)*

vertical integration is the process in which several steps in the production and/or distribution of a product or service are controlled by a single company or entity, in order to increase that company's or entity's power in the marketplace. (*Wheelwright, 2004*)

Intensification

According to the Provincial Growth Plan, "*Places to Grow*", intensification is defined as the development of a property, site or area at a higher density than currently exists through: redevelopment, including the reuse of brown field sites; the development of vacant and/or underutilized lots within previously developed areas; infill development; or, the expansion or conversion of buildings. (*Themnozhi, 1998*)

Development of organization

The word 'development' is extremely widely used in a variety of contexts. Its primary connotation is of 'moving forwards' or 'progressing' to a state that is in some way 'better' or 'more advanced' than that which currently exists. The Collins English Dictionary (1986, p. 422) gives six definitions of 'development', and fifteen of the verb 'to develop'. The primary definition of 'development' is "the act or process of growing, progressing or developing", and that for 'to develop' is "to come or bring to a later or more advanced or expanded stage". This suggests that in general usage the word 'development' is *dynamic*, in that it implies comparison of two states of being, but also that it is *subjective*, in that it requires an evaluation of which of the two states is 'better'.

In economics the word development carries a more specific usage. It has been applied most noticeably to *label* the processes of

enhancement of economic life to which countries are believed to aspire. Moreover, it is used to *label* countries themselves with respect to their progress in terms of these processes. A variety of specific terms are used to label countries with respect to their 'development'; a country can be 'developed', 'developing', 'less developed', 'under developed' and 'least developed', amongst others. For simplicity, we confine ourselves to the trio of 'developed', 'less developed' and 'developing'. The latter two terms loosely refer to those economies in Africa, Asia, Latin America and Eastern Europe that have not yet reached the levels of 'economic advancement' and 'prosperity' of the 'developed' countries in Western Europe, North America, Australasia and East Asia. However, while they are often used almost interchangeably, there is a sense in which there is a fundamental difference between the two terms. 'Less developed' describes a country with a lower *level* of development than the advanced industrial economies (the 'developed' countries). 'Developing country', however, says nothing about the level, but comments solely on the *process* of development. It is *dynamic* rather than *static*, and implies that some change for the better is actually occurring. Thus in practice (common usage - as opposed to economists' usage), it is possible for a country to be 'less developed' but not 'developing', or indeed to be 'developed' and yet still 'developing'.

Common to all three terms is the fact that they rely on a specific concept of economic development for their definition. A country can only be 'less developed' or 'developing' relative to a given notion of what it is to be 'developed' or 'to develop'. Crucially, the relevant concept may differ according to the views of different groups or even individuals. For example, one group may argue that movement towards a free-market society constitutes development. A developed

country would then be one that was largely liberalised, a less developed country one where significant controls on the market remained, and a developing country one where liberalisation of controls was occurring. It could be argued, for instance, that such a view is consistent with the IMF/World Bank approach to development under the Washington consensus and as practised in their various programmes (Williamson, 1993; Taylor, 1997). Alternative groups, however, may see development as being reflected primarily by rising income, or they may view it in the context of education/knowledge, health, poverty, equality, communication, or other aspects of society. The labels 'less developed', 'developed' and 'developing' are hence open to different interpretations, and carry with them the views of those that use them. Indeed, Seers (1969, 1972, p. 22) describes 'development' as "inevitably a normative concept, almost a synonym for improvement", while Rist (1997) cites Poerksen (1995) in labelling 'development' a 'plastic' word. While "it first had a clear and precise meaning", it "has now been so widely adopted in technocrat parlance that it no longer means anything – except what the individual speaker wishes it to mean" (Rist, 1997, p. 11). There is hence considerable room for subjectivity in determining how 'developed' a particular place is thought to be, or whether it is 'developing'. Indeed, that the word is used at all in a labelling sense is perhaps unfortunate.

Local Development Aims

In the light of the preceding analysis, we question the appropriateness of 'external' criteria for development. It would seem to us that if 'development' is "the act or process of growing, progressing or developing", then it is more appropriate to define what it means to "grow" or "progress" with relation to the people who are seeking to do so. After all, a tenet of the market system is that others are not best

placed to decide what is appropriate for an individual or organisation; for example, government is not best placed to decide what a firm should do. An implication is that evaluations of what is desired from development should come from inside countries themselves, indeed from the localities and communities existing *within* countries. Judgements on 'development' can then bear direct reference to the aims and desires of the specific communities whose 'development' is under consideration, and, when met, development objectives are likely to be *efficient* in the sense that they reflect what is actually desired from the process.

Classifications such as those used by the World Bank or UNDP, however, fundamentally impart 'external' notions of development. Such judgements, particularly when expressed by influential actors in the world system, inevitably impact on the choices of individual communities, and in cases may deny the possibility of uncovering a strategy that comes from within their own concepts of what constitutes progress. This critique applies not only to narrow evaluations of development such as those based on income or an index, but also has relevance to a broader approach. Indeed, the World Bank and UNDP provide a wide range of statistics to evaluate development, and there has been recent movement by the World Bank, United Nations and OECD towards a joint indicator-based approach. Agreement has been reached between these organisations to focus development efforts on a series of key goals in partnership with less developed countries, and as monitored by a core set of statistical indicators. It is interesting, however, that this agreement originates from three organisations whose roots lie not in the conventionally termed less developed world, but in the developed nations. If we argue that it is important for

development to reflect the aims of the developing communities, then this approach requires that the indicators decided upon correspond to those aims.

Communities within less developed countries are indeed likely to seek many of the goals reflected in the chosen indicators; in this case partly because there has been emphasis on partnership between the international organisations and the less developed countries. They will certainly be influenced by what they see in other, richer, countries, and are likely to seek similar objectives so that they will be seen as successful in the eyes of others, not least those providing funds for development. It would be absurd, for example, to state that communities might be opposed to 'better' access to clean water, or 'improved' schools or health facilities, and their perception of what is 'better' is likely to be influenced by what is observed elsewhere.

It would be equally absurd, however, to expect that all communities in all parts of the world would ideally seek exactly the same as that observed in the 'developed world' (itself containing considerable diversity), and reflected in a single set of chosen indicators. They may, for example, seek a system of education or healthcare that is based on different principles to those prescribed from outside. An example might be the recent debate on HIV-AIDS in South Africa. Thabo Mbeki, the South African President, has been severely criticized for recent comments regarding the link between HIV and AIDS.

However, abstracting from Mbeki's comments over medical proof of the link, the South African government's underlying argument appears to be that HIV-AIDS needs to be treated differently in an African context, because what is unfolding is a uniquely African catastrophe, where

severe poverty and HIV-AIDS are working together. This, it is argued, demands a holistic and uniquely African solution. To take another example, communities might desire a pattern of employment growth and/or income distribution that differ from those seen in parts of the developed world. Washington consensus policies, for instance, are geared towards facilitating domestic and foreign investment in activities that reflect static comparative advantage. This implies a mode of employment generation corresponding to that comparative advantage, which, in many less developed countries, will occur in low-skilled, cheap labour. Such a setting arguably delivers a process of employment generation that perpetuates poverty, increases inequality, and generates poor quality employment relationships. Even if we appreciate the logic behind such policies for an isolated country, Kaplinsky (1993) has noted a fallacy of composition, whereby any value is eroded by simultaneous adoption in competing countries, leading to a process of competitive devaluation - what might be termed a "race to the bottom" (Bruyn, 1999). Crucially, this does not afford localities significant scope to determine their own development, as they are in danger of becoming pawns in the process of competing for inward investment. Indeed, different communities may have different concerns with regards to, for example, the existence of inequality in society or the role of work in everyday life. Different localities may therefore seek models of employment generation based on different principles, and such preferences clearly require channels of expression in the setting and evaluation development objectives.

We suggest, therefore, that goals and processes of development cannot be homogenized. Indeed, it is acknowledged by the UNDP (1997, p. 44) that "the concept of human development is much richer

and deeper than...can be captured in any composite index or even by a detailed set of statistical indicators". While indicators can be useful in comparative analysis; communities should ultimately be free to embark on a strategy for development that is rooted in their own history and culture, and that reflects their own development priorities. Inevitably there will be influence from elsewhere - from perceptions that communities in poorer parts of the world have of life in richer areas - and in this respect community-centred development processes are likely to incorporate concern with many of the issues considered important by the developed world and the international institutions. It is also desirable to exchange experiences and advice with other localities, both 'developed' and 'less-developed', so that mistakes can be avoided and horizons broadened. The danger inherent in making and forcefully expressing external evaluations, however, is that parameters become set in a way that may stifle innovative approaches to societies' problems, originating directly from the people concerned. A rigid external approach reflects an arrogant assumption that the optimum 'end' and 'process' have already been discovered, and that these apply uniformly across communities. Most disturbingly, this ignores the wealth of opportunity that human imagination in different community settings may hold for forging development processes that avoid some of the pitfalls of the currently predominant system.

Theoretical Perspectives

Theory of the Firm and Development

The starting point for most economic analysis of the firm is the seminal contribution by Coase (1967). Coase sought to present a definition of the firm that was both realistic and tractable by the fundamental

economic principle of substitution at the margin. In reconciling the two he developed a view of the firm as one way of organising production, an *alternative* to the price mechanism: "The main reason why it is profitable to establish a firm would seem to be that there is a cost of using the price mechanism" (p. 390). For Coase, therefore, a firm is "the system of relationships that come into existence when the direction of resources is dependent on an entrepreneur approaches" (p. 393), the question at the margin always being "will it pay to bring an extra exchange transaction under the organising authority" (p. 404).

This focus on the firm as an *alternative* to market exchange has been the departure point for a great deal of subsequent economic analysis of the firm. Coasian propositions form the basis of the important 'transaction cost analysis' or 'internalisation' framework, which seeks to explore the conditions under which 'firms' will be preferred over 'markets' in co-ordinating production. Influential in developing these ideas has been Williamson (1975, 1985, 1986, and 1996). His approach centres on analysis of the appropriateness of alternative governance structures (markets versus hierarchies in the simplest case) as being determined by the nature of the transactions (and their costs) required in production activity. What he (1996, p. 54) describes as "transaction cost economics" essentially takes a "contractual approach to the study of economic organisation". It employs the assumption of 'bounded rationality' (following Simon, 1947), together with a self-interest seeking assumption often described as 'opportunism', to "help distinguish between feasible and infeasible modes of contracting" (p. 56).

Such an approach plays a prominent role in much of the large body of literature concerned with analysing the transnational firm. Hymer (1960) and Kindleberger (1969) first developed the idea that firms operating abroad must face disadvantages with respect to local incumbents, and that in order to compete they must therefore boast some counterbalancing advantage. Moreover, for them to become transnational it must be beneficial to utilise that advantage themselves rather than sell it to local firms. Their theory has thus opened the way for an exploration of the transnational in terms of transactions costs. Important contributions by Buckley and Casson (1976, 1985), Casson (1982), McManus (1972) and Rugman (1980, 1981), for example, are rooted in the internalisation approach, and internalisation advantages also play a central role in Dunning's 'eclectic paradigm' (1976, 1977, 1985).

One view, however, is that the predominant interpretation and extension of Coase's analysis has been concerned essentially with analysing the distinction between market and non-market exchange rather than with analysing the fundamental nature of firms' activities. Tomlinson (1984, pp. 591-2), for example, argues that "simple-maximising theories [of the firm] are predominantly neoclassical" and "their primary purpose is *not* the analysis of production but of markets." Cowling and Sugden (1987, pp. 9-10) pursue this line, making the point that "the co-ordination of market exchange is seen as a benchmark, departures from which have to be explained". They reject the consequent focus of the mainstream literature on markets, and "challenge the Coasian view at a more fundamental level" (*ibid.*, p. 9). Specifically, in seeking to develop a theory of the transnational firm, they argue that rather than a focus on the *type* of exchange

(market or non-market), what should be of concern is the *nature* of the exchange: "it should be some underlying quality which is the foundation of analysis because it can only be the essential characteristics which really distinguish exchanges, not superficial attributes" (*ibid.*, p. 9). Indeed, in a later paper (Cowling and Sugden, 1998) they note that Coase (1991, p. 65) himself is critical of the "undue emphasis" within economic theory on contractual relationships, which has meant that "economists have tended to neglect the main activity of a firm, running a business".

Cowling and Sugden (1987, 1994, 1998) root their alternative approach to the theory of the firm in a re-evaluation of Coase, returning analysis "to *his* real starting point, the notion of economic planning" (1998, p. 61). Indeed, Coase (1937, p. 388) argues that "there is planning within our economic system which is quite different from the individual planning mentioned above and which is akin to what is normally called economic planning". In doing so he cites Robertson (1923, p. 85), noting that we find "islands of conscious power in this ocean of unconscious co-operation like lumps of butter coagulating in a pail of butte

Integration of Development with Business Utilization of Approaches

The enterprise's product and process design approach must be linked to the business strategy. Hayes and Wheelwright define five dimensions to competition: cost, quality/performance, flexibility, dependability and innovativeness. A world class manufacturer must be effective in all five dimensions, but can only excel in one or two dimensions. An enterprise's strategy must be considered in the

approach to product and process design. For example, the low cost producer must optimize the product design to the company's production system and consider high volume, highly automated production processes. The flexible producer with lower production volume would develop flexible production processes and a design engineering function with greater degrees of design freedom and flexible, automated product and process design capabilities. *(Hayes & Wheelwright, 2004)*

In any case, a general strategy for manufacturers is to move toward focused factories which concentrate on doing a few things well. This implies focused product and process design which further implies standardization and simplification of products and parts within each focused facility. (If the product has been designed intelligently, it will be possible to provide a great deal of product variety through combining assembly modules and adding product options late in the manufacturing process.) Through standardization and simplification, a company will be able to focus its attention on the predictability of its preferred parts and products. These standardized families of parts and products will require a more limited set of manufacturing processes. A company can then focus on developing these products and processes considering its selected dimensions of competition. *(Hayes & Wheelwright, 2004)*

Create a Strategic Approach to Sustainable Development

Sustainability means being able to continue indefinitely by minimizing environmental and social impacts and ensuring financial stability. *(Baghai & White, 2000)*

Developing your business more sustainably can help you reduce your costs, control risk, improve your reputation and create new business opportunities. For example, you might reduce wasted energy, water or raw materials and make the best of new markets for innovative or better performing products. As well as helping the environment and society at large, becoming more sustainable directly benefits the financial performance of your business. But while one-off improvements are worthwhile, you should use a strategic approach to make the most of your opportunities. For example, you might drive long-term change by establishing key objectives and implementing a management system to help you achieve them. This guide outlines how to create and use a strategic approach to sustainable. (Baghai & White, 2000)

Related Studies

Several studies were related to this study and some researchers gave their opinions on approaches and development.

Neeltje (2005), "Approach to Development Management and Development communication." This paper is based on the premise that sustainable development depends on managing development as a business through the application of strategic management principles (and not by means of philanthropy, social responsibility or any other traditional non-profit making approach). Likewise, a strategic approach to development communication could form the foundation for successful sustainable development actions in the same way that strategically practiced corporate communication is considered a key to excellence in business organizations.

In support of the above argument, this research identified and conceptually analyzed the assumptions of major approaches in the domains of development management, development communication, strategic management and corporate communication with a view to identify relevant assumptions for a strategic approach to development management and development communication. By using grounded theory as a qualitative research methodology, this paper suggests meta-theoretical frameworks for both strategic development management and for strategic development communication.

The integration of assumptions of selected approaches from the strategic management and development management domains, as well as from the corporate communication and development communication domains, yielded a meta-theoretical framework for the strategic management of development programs, and for strategic development communication in the post-modern era. Such a framework could possibly contribute to the improvement of the sustainability of development programs in developing economies.

Patrick, (2003) "Approaches to Human resource".

The research found that the content, process, and evaluation of the HR strategies can each be classified as focusing primarily on the HR function, the people of the firm, or the business.

Therefore, for the purpose of discussing the findings, the researcher will break them down into three categories: process, content, and evaluation. Process issues deal with the actual process these firms used to develop their HR strategies, including who was involved, how long it took, how it was devised, and how it was disseminated. Content issues dealt with the issues the strategy addresses, the goals for the strategy, and its time horizon. Finally, evaluation issues are concerned

with the way in which the function seeks to assess the effectiveness of the strategy, particularly focusing on metrics.

CHAPTER THREE

METHODOLOGY

Research Design

This study employed the descriptive correlation research design to demonstrate and establish the approaches utilized in development of selected commercial enterprises. The quantitative data have been obtained using structured questionnaires from entrepreneurs, chief accountants and other employees of selected commercial enterprises in Kigali city. This research design was intended to be flexible to allow for consideration of many different aspects of the problem and hence the exploratory approach.

Research Population

The target population includes a total of 276 people with 55 entrepreneurs whose list is attached in appendix and categorized in different sector of activities such as: trade of rice and sugar, trade of clothes, trade of cosmetic products, trade of cooking oil, drinks and so on, 55 chief accountants and 166 employees.

Sample Size

The sample size was determined by using simple random sampling because everyone in the population has the same probability of being selected as part of the sample, and the researcher used the SLOVEN'S FORMULA for determining the number of respondents.

N

Formula to get sample: $n = \frac{N}{1 + N (0.05)^2}$

Where n = sample size

N = study population

0.05 = level of significance.

The application of the formula in the previous section as shown below gives 163 respondents. The number of respondents of each category was determined by using legal of three simple.

This table shows the number of respondents such as population and sample.

Table 1

Respondents	Population	Sample
entrepreneurs	55	32
chef accountants	55	33
Other employees	166	98
Total	276	163

Sampling Procedure

The selection of the respondents sample size were based on the simple random sampling which is a type of sampling technique that allows researchers to collect data in which each element in the population has

a known and equal probability of selection. This technique was convenient to achieve the research objectives because the respondents had the same chance to be in sample.

Research Instrument

This study uses a researcher's devised questionnaire as a main instrument of collecting data. Then the researcher used also interview schedules and unstructured questions.

The researcher chose questionnaire like main instrument because it is not expensive to administer, as the respondents feel free to express their views.

Validity and Reliability of the Instrument

The research main instrument that the researcher intended to use was questionnaire.

The test –retest technique was used to determine the reliability (accuracy) of the researcher devised instruments to ten qualified respondents from commercial enterprises. The respondents were not be included in the actual study. In this test-retest technique, the questionnaires will be administered twice to the same subjects. If the test is reliable and the trait being measured is stable, the results were consistent and essentially the same in both times.

Questionnaires were cross examined for approval by a research expert, to ensure that the information they would generate is appropriate and consistent. Before going out to carry out the study, the researcher first consulted his supervisor, to make sure that these instruments would generate relevant information during the study.

To improve the validity of the data collection instruments, (mainly the questionnaire), the number of relevant questions were divided by the total number of questions, and the outcome was above optimal.

$$V = RQ/TQ = 31/34 = 0.91$$

Where:

V= Validity

RQ= Relevant questions

TQ= Total number of questions

The above expression, indicates that, the number of questions on the questionnaire, were above the required 0.7. Hence, the instrument used was valid.

Data Gathering Procedures

Before the administration of the questionnaires

The researcher got the letter of recommendation from CHDR. The researcher will also seek for authorization to conduct study from respondents' institutions. Then the researcher reproduce more than enough questionnaire for distribution and select a research assistant who assisted in data collection ;brief and orient them in order to be consistent in administering the questionnaires .once contacts are made and questionnaires are responded , researcher started a data analysis which ended up with writing final research project .

During the administration of the questionnaires

The respondents were requested to answer completely and not to leave any part of the questionnaires unanswered.

The researcher and assistants emphasized retrieval of the questionnaires within three days from the date of distribution.

On retrieval, all returned questionnaires were checked if all are answered.

After the administration of the questionnaires

The data gathered were collated, encoded into the computer and statistically treated using the statistical package for social sciences (SPSS)

Data Analysis

The frequency and percentage distribution were used to determine the profile of the respondents.

The mean was applied for the levels of utilization of approach, and development. An item analysis illustrated the strengths and weaknesses based on the indicators in terms of mean and rank. From these strengths and weaknesses, the recommendations were derived.

The following mean range will be used to arrive at the mean of the individual indicators and interpretation:

A. For the level of approach

Mean Range	Response Mode	Interpretation
3.26-4.00	Very effective	Very satisfactory
2.51-3.25	Effective	Satisfactory
1.76-2.50	Slightly effective	Fair
1.00-1.75	Not effective	Poor

B. For the level of organizational development

Mean Range	Response Mode	Interpretation
3.26-4.00	Strongly agree	Very satisfactory
2.51-3.25	Agree	Satisfactory
1.76-2.50	Disagree	Fair
1.00-1.75	Strongly disagree	Poor

The descriptive statistics were used in this study based on Frequencies and percentage distributions on the profile of respondents. Means were used to analyse the data on the extent of utilization of approaches and the level of development of selected commercial enterprises in Kigali. The Pearson's Correlation coefficient was used to test hypothesis and to establish whether there is a significant relationship between utilization of approaches and development of commercial enterprises.

Regression analysis was used to test the effect of independent variable on dependent variable.

Ethical Considerations

To ensure that ethics is practiced in this study as well as utmost confidentiality for the respondents and the data provided by them, the following were done: (1) coding of all questionnaires; (2) the respondents were requested to sign the informed consent; (3) authors mentioned in this study were acknowledged within the text, (4) findings shall be presented in a generalized manner.

Limitations of the Study

The anticipated threats to validity in this study will be as follows:

1. Intervening or confounding variables which were beyond the researchers control such as honesty of the respondents and personal biases. To minimize such conditions , the researcher will request the respondents to be as honest as possible and to be impartial / unbiased when answering the questionnaires
2. The research environments are classified as uncontrolled settings where extraneous variables may influence on the data gathered such as comments from other respondents, anxiety, stress, motivation on the part of the respondents while on the process of answering the questionnaires .Although these are beyond the researcher's control, efforts shall be made to request the respondents to be as objectives as possible in answering the questionnaires.
3. Testing: the use of research assistants may render inconsistencies such as differences in conditions and time when the data shall obtained from respondents .This will be minimized by orienting and briefing the research assistants on the data gathering procedures.
4. *Instrumentation:* The research instruments on resource availability and utilization are not standardized. Therefore a validity and reliability test will be done to produce a credible measurement of the research variables.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

This chapter presents data from the field, using questionnaires and interviews guide, analysis and their interpretation. It placed more emphasis on the interpretation and analysis of primary data in reference to the research questions and research objectives .The findings are from primary data presented in table means and ranks.

The profile of the respondents and the major findings are presented as follows:

Respondents in this study were described in terms of age category, educational background, gender, and length of experience. Their responses were summarized using frequencies and percentage distributions as indicated in table 2 below.

Table 2

Profile of the Respondents

Category	Frequency	Percentage (%)
Gender		
Male	102	63
Female	61	37
Total	163	100
Age		
20-39 (Early adult hood)	60	37
40-59 (Middle adult hood)	96	59
60 and above (Late adult hood)	7	4
Total	163	100
Educational Qualifications (Under Education Discipline)		
Certificate	93	57
Diploma	51	31
Bachelors	17	11
Masters	2	1
PhD	-	-
Qualifications Other Than Education Discipline	-	-
Total	163	100
Number of Years Trading Experience		
6 months -1 year	70	43
2 years - 4 years	74	45
5 years - 7 years	10	6
8 years and above	9	6
Total	163	100

Source: Primary Data 2012

Based on above table: 63% of the respondents were the male and 37% were the female; the number of male was bigger than the number of female; indicating that the area of the study is dominated by men as compared to the women.

According to the age, the biggest percentage is for 40-59.

Regarding education level, results indicate that commercial enterprises in Kigali are relatively educated with 1% having bachelor's degrees, 11% with diploma level education, 31% with certificate and 57 with under education discipline. Educational qualifications showed that the biggest number of the respondents was under education discipline; and many had experience that is between 2 and 4 years. They are not qualified to the jobs but they are licensed for them.

Presentation of the Study Findings in Relation to the Study Objectives

The Major purpose of the study was to determine the relationship between approaches, and organizational development in commercial enterprises in Kigali, Rwanda .As such the study pursued in the other objectives; to examine the degree of effectiveness of approaches towards the success of commercial enterprises and lastly the researcher was striving to determine the level of organizational development of commercial enterprises in Kigali, Rwanda in relation with approaches.

The independent variable in this study was approaches. Approaches were measured using qualitative questions in the questionnaire; All items on approaches were presented using four points ranging between 1= not effective, 2= slightly effective, 3= effective, 4=very effective. To determine the level of approaches, the respondents were required to indicate the extent to which they apply approach with each of the items or statements by ticking the number that best describes their perceptions. Their responses were analyzed using SPSS's summary statistics showing the means, as indicated in table 3.

Table 3

Extent of Approaches

	Mean	Interpretation	Rank
Specialization	3.086	Very satisfactory	1
Diversification	2.522	satisfactory	2
Intensification	1.871	fair	3
Differentiation	1.749	poor	4
Vertical integration	1.638	poor	5
Expansion	1.399	poor	6
Horizontal integration	1.313	poor	7
Average mean	1.9397	fair	

Source: questionnaires returned, 2012

Mean Range

3.26 – 4.00	Very satisfactory
2.51 – 3.25	Satisfactory
1.76 – 2.50	Fair
1.00 – 1.75	Poor

The above table indicates that the degree of effectiveness of approaches towards the success of commercial enterprises is fair with overall mean= 1. 9397.

On approaches for commercial enterprises, table 3 above shows that respondents agreed that the approaches are determined by specialization with (Mean = 3. 086) while they also agreed that diversification is other indicator of approaches (Mean =2. 522). The respondents indicated that commercial enterprises practice differentiation with (Mean =1. 749); they also indicated that the

expansion is used by commercial enterprises with (Mean =1.399);Horizontal integration (Mean =1.313) Vertical integration (Mean =1.638) and intensification (Mean = 1.871)

These results show that the specialization in commercial enterprises is utilized very effectively while horizontal integration is the last of not effectively utilized.

Table 4
Level of development of Commercial Enterprises

	Mean	Interpretation	Rank
Appropriate instructional time is maximized	3.295	Very satisfactory	1
The employees are satisfied in their respective jobs	3.190	satisfactory	2
Wages and other expenses are well paid on time	3.153	satisfactory	3
Employees are involved in planning and evaluating profession development activities	3.129	satisfactory	4
Repairs and maintenance of fixed assets are financially supported regularly	3.098	satisfactory	5
Employees and managers function as a team	3.086	satisfactory	6
Objectives' drop out and failure rates are low	2.988	satisfactory	7
The employees have a variety of skills and experiences	2.982	satisfactory	8
Enterprise facilities contribute to a positive enterprise climate	2.963	satisfactory	9
An atmosphere of respect and trust exists in the enterprise	2.957	satisfactory	10
Employees and managers have a positive attitude toward the enterprise	2.908	satisfactory	11
Entrepreneur, managers, and employees assume responsibility, as appropriate	2.877	satisfactory	12
Entrepreneur and employees are aware of the enterprise's goals and objectives	2.871	satisfactory	13
Administrative and academic activities are financially supported	2.828	satisfactory	14
Enterprise objectives are high, appropriate, and achievable	2.681	satisfactory	15
The decisions are involved in the instructional process	2.669	satisfactory	16
Frequent communication occurs between entrepreneur and employees	2.601	satisfactory	17

Managers communicate instructional goals to employees	2.503	fair	18
Physical and human resources are allocated funds for full operations of the enterprise	2.472	fair	19
The communication system encourages employees to participate in leadership roles	2.331	fair	20
The enterprise plan is revised, monitored, and reviewed periodically	2.190	fair	21
Physical resources are enough for a company	2.153	fair	22
Managers have enough knowledge to conduct enterprises	2.061	fair	23
Employees are involved in developing and reviewing the enterprise's mission and goals	2.055	fair	24
Employees are involved in monitoring the implementation of enterprise policies and procedures	2.037	fair	25
The commercial enterprise has the enough income to facilitate its sustainability.	2.012	fair	26
The employees' performance in general is satisfactory	1.945	fair	27
Enterprise objectives are communicated to the employees	1.890	fair	28
Employees perceive that they can influence enterprise decisions	1.865	fair	29
The property, plant and equipment are enough in an organization	1.841	fair	30
Infrastructures for expansion and improvements are visible	1.816	fair	31
Promotion rate for employees is high	1.767	fair	32
The commercial enterprise has budgets to facilitate its projects	1.712	poor	33
Internal control system complete fair and meaningful evaluations of each section of enterprise	1.675	poor	34
Average mean	2.488	fair	

Source: Questionnaires returned , 2012

Mean Range

3.26 – 4.00 Very satisfactory

2.51 – 3.25 Satisfactory

1.76 – 2.50 Fair

1.00 – 1.75 Poor

The dependent variable in this study was development which was measured using qualitative questions in the questionnaire, with

presentation between one to four, where 1 = disagree with no doubt at all; 2 = Disagree with some doubt; 3 = Agree with some doubt; and 4 = agree with no doubt at all. Their responses were analyzed using SPSS's summary statistics showing the means, as indicated in table 4.

The above table indicates that the level of development towards the success of commercial enterprises is fair with overall mean 2.488 level of Agree. On the other hand table 4 above shows that respondents agreed that the commercial enterprise has budgets to facilitate its projects is major factor that have contributed to the organizational development in commercial enterprises with (Mean = 1.712). Wages and other expenses are well paid on time is another factor that effect on the organizational performance in commercial enterprises with (Mean =3.153). With Administrative and academic activities are financially supported with (Mean =2. 828). Repairs and maintenance of fixed assets are financially supported regularly (Mean = 3. 098). Infrastructures for expansion and improvements are visible with (Mean =1. 816). Physical and human resources are allocated funds for full operations of the Enterprise with (Mean=2. 472). The commercial enterprise has the enough income to facilitate its sustainability (Mean =2. 012). Enterprise facilities contribute to a positive enterprise climate with (Mean = 2. 963). An atmosphere of respect and trust exists in the enterprise with (Mean =2.957). The property, plant and equipment are enough in an organization (Mean =1. 841). Entrepreneur, managers, and employees assume responsibility, as appropriate with (Mean =2. 877); and so on.

These results show that Appropriate instructional time is maximized in commercial enterprises very effectively while Internal control system

complete fair and meaningful evaluations of each section of enterprise is the last of not effectively utilized.

Testing of Relationships between Variables

Significance Relationship between Utilization of Approaches and Development of Commercial Enterprises in Kigali, Rwanda

One of the objective/question in this study was to determine the significance relationship between approaches and development of commercial enterprises in Kigali, Rwanda. The approaches numerical index was correlated with the development numerical index computed using the SPSS's "Transform>Compute" procedure. In correlating the two indices, the researcher was testing a null hypothesis that the two numerical indices are not significantly related. In testing this hypothesis, the Pearson's Linear Correlation Coefficient (PLCC) was used, results of which are indicated in table 5.

Table 5

**Relationship between Utilization of Approaches and
Development of Commercial Enterprises**

Variables correlated		Approaches	Development	Interpretation	Decision on Ho
Approaches	Pearson Correlation		.919	Positive and significant relationship	Rejected
	Sig.		.003		
	N	7	7		
Development	Pearson Correlation	.919			
	Sig.	.003			
	N	7	34		

Source: Questionnaires returned, 2012

The results in table 5 show that there is a significance relationship between the extent approaches and the level of development of commercial enterprises in Kigali. It was discovered that since the findings of the significant relationship in the extent of organizational development and approaches are as follow sig. value (0.003) and r. value (0.919) and it was concluded that, the research rejected the null hypothesis and affirmed that there is a significant relationship between the extent of approaches and the level of organizational development in selected commercial enterprises Kigali, Rwanda.

Table 6

Regression Analysis between the Dependent (Development) and Independent (Utilization of Approaches) Variables

	Sum of Squares	Df	Mean Square	Adjusted R ²	F	Sig.	Interpretation	Decision on Ho
Regression	.046	1	.046	.813	27.097	.003	Significant effect	Rejected
Residual	.008	5	.002					
Total	.054	6						

Source: questionnaires returned, 2012

The regression analysis R^2 (coefficient of determination) has been computed to determine the influence of the independent variable (approaches) on the dependent variable (development).

Eighty one per cent (81.3%) of the dependent variable (development) is explained by the independent variable (utilization of approaches) ($R^2 = 0.813$).

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presented the summary of the findings, conclusions, recommendations following the study objectives and pertinent hypothesis and areas of future research.

FINDINGS

This study was set out to establish the relationship between approaches and development in commercial enterprises in Kigali , Rwanda which was guided by the following objectives;to determine the profile of the respondents in terms of age, gender, educational background , position in the organization ,long term of service in the organization ;to establish the degree of effectiveness of the approaches applied in the development of commercial enterprises in Kigali , Rwanda ; to determine the level of development of commercial enterprises in Kigali , Rwanda; to determine whether there is a significant relationship between approaches and development of commercial enterprises in Kigali , Rwanda .

The following are findings based on each object:

1. Demographic characteristics of respondents

- a) The majority of the respondents are male (63%)
- b) The majority of the respondents are aged between 40-59 years (59%)
- c) The majority of the respondents are in under education discipline (57%)

- d) The majority of the respondents have number of years trading experience that is between 2-4 years (45%).
2. Data was analyzed using SPSS's descriptive statistics for means and showed that; level of approaches (specialization , diversification ,differentiation ,expansion ,horizontal integration ,vertical integration , intensification) (mean = 1.9397) was fair.
 3. Level of development in commercial enterprises in terms of financial resource, physical resource, and human resource (mean= 2,488) was fair.
 4. There is a significant relationship between approaches and organizational development of selected commercial enterprises in Kigali, Rwanda(r value=0.919, sig. = 0.003), here the null hypothesis was rejected.
 5. Regression analysis results indicated that the independent variable (approaches) included in the model significantly influences changes in the dependent variable (organizational development) ; which led to a conclusion that approaches significantly explains the high rates of performance of selected commercial enterprises in Kigali , Rwanda.

CONCLUSION

The purpose of this study was to determine the extent of approaches and the level of development in selected commercial enterprises in Kigali, Rwanda. The foregoing analysis indicates that there was a fair level of approaches among commercial enterprises in Kigali. There was also a fair level of development of commercial enterprises in terms of financial resource, physical resource, and human resource.

The level of approaches in commercial enterprises in Kigali is significantly correlated with development of selected commercial enterprises, indicating that the fair level of approaches is significantly responsible for the fair level of development of selected commercial enterprises conflict in this city.

RECOMMENDATIONS

This section deals with recommendations arising from the pertinent findings and conclusions of this study, following the study objectives and hypotheses.

Based on the findings of this research, it is recommended that:

1. Commercial enterprises should embrace strict approach systems. This will enable the commercial enterprises to safeguard their development. Commercial enterprises should lay emphasis on customer satisfaction to ensure sustainable development.
2. Rwanda revenue authority should be vigilant on enforcing commercial enterprises training about approaches and development not only to be there for collecting the taxes. Without appropriate approaches, there will be no development for companies and also there will be no taxes to develop the country.
3. Commercial enterprises should lay emphasis on enlightening their employees on the importance of profitability. It was apparent during this study that respondents were either apathetic or not knowledgeable in this area.
4. The government should create the strategies economic management; through reduction of barriers and procedures to

get investment permits, increasing the access to loans to set up businesses to increase revenue collection and improve welfare of the people.

5. The commercial enterprises should look into the factors of organizational development (people, process, structure and technology) and make a deep analysis on how their organization is progressing or regressing.

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APPENDICES

APPENDIX I

TRANSMITTAL LETTER



**KAMPALA
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**OFFICE OF THE COORDINATOR, BUSINESS AND MANAGEMENT
SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH (SPGSR)**

August 27, 2011

**RE: REQUEST FOR SEMANYWA FAUSTIN MBA/31320/102/DF
TO CONDUCT RESEARCH IN YOUR ORGANIZATION**

The above mentioned is a bonafide student of Kampala International University pursuing a Masters of Business Administration (Finance and Accounting).

He is currently conducting a field research of which the title is **"Approach and Development in Commercial Enterprises in Kigali, Rwanda."**

Your organization has been identified as a valuable source of information pertaining to his research project. The purpose of this letter is to request you to avail him with the pertinent information he may need.

Any information shared with him from your organization shall be treated with utmost confidentiality.

Any assistance rendered to him will be highly appreciated.

Yours truly,

**Mr. Malinga Ramadhan
Coordinator
Business and Management, (SPGSR)**

APPENDIX II

CLEARANCE FROM ETHICS COMMITTEE

ASSOCIATION DES COMMERÇANTS
(ACGDR)
B.P. : 5446 KIGALI
Tel : 0788502291
VILLE DE KIGALI

THE COORDINATOR
BUSINESS MANAGEMENT
(SPGSR) K.I.U.
P.O BOX 20000
KAMPALA – UGANDA

SEMANYWA Faustin's research

According to your letter dated 27/08/2011 requesting for the above mentioned student of your University to conduct his research in our organization he reported at our office and was given all chances to do his research as you requested.

Wishing him success.

Thank you

Yours

MWENZANGU Laurent
Chairman Association des Commerçants (ACGDR)



APPENDIX III

INFORMED CONSENT

SEMANYWA Faustin

Dear Sir/Madam,

Greetings!

I am a candidate for Masters in business administration at Kampala International University with a thesis on Non-Monetary Rewards and Employee Performance in selected commercial enterprises of Kigali. As I pursue to complete this academic requirement, may I request your assistance by being part of this study?

Kindly provide the most appropriate information as indicated in the questionnaires and please do not leave any item unanswered. Any data from you shall be for academic be kept with utmost confidentiality.

May I retrieve the questionnaires 2 weeks after you receive them? Thank you very much in advance.

Yours faithfully

Masters, Candidate

APPENDIX IV
RESEARCH INSTRUMENT

APPENDIX IVA

FACE SHEET: PROFILE OF THE RESPONDENTS

Gender (please tick): (1) male

(2) Female

Age : _____

Qualifications Under Education Discipline (Please Specify):

(1) Certificate _____

(2) Diploma _____

(3) Bachelors _____

(4) Masters _____

(5) Ph.D. _____

Other qualifications other than education discipline

Number of Years trading Experience (Please Tick):

____(1) Less than/Below one year

____(2) 1- 2yrs

____(3) 3-4yrs

____(4) 5-6yrs

____(5) 7 years and above

APPENDIX IVB

QUESTIONNAIRE TO DETERMINE UTILIZATION OF APPROACHES

Direction 1: Please write your rating on the space before each option which corresponds to your best choice by using the rating system below:

Response Mode	Rating	Description	Legend
Very effective	(4)	Very satisfactory)	VE
Effective	(3)	Satisfactory	E
Slightly effective	(2)	Fair	SE
Not effective	(1)	Poor	NE

UTILIZATION OF APPROACHES

- ____ 1.Specialization: The commercial Enterprises practice the business of the same product.
- ____ 2.Diversification: The commercial enterprises have enough money to have agencies in other areas.
- ____ 3.Differentiation: The commercial enterprises have budget to facilitate investment in the quality of products.
- ____ 4.Expansion: Infrastructures for expansion and improvements are visible.

- ____ 5. Horizontal integration: The commercial enterprises at the same level have budget to facilitate implementation of the same administration and commercial activities.
- ____ 6. Vertical integration: The commercial enterprises at the different level have budget to facilitate implementation of the same administration and commercial activities.
- ____ 7. Intensification: Increasing of Markets and products are visible.

QUESTIONNAIRE TO DETERMINE THE LEVEL OF DEVELOPMENT OF COMMERCIAL ENTERPRISES

Direction: On the space provided before each option, indicate your best

Choice by using the rating system below:

Response Mode	Rating	Description
Strongly Agree	(4)	You agree with no doubt at all
Agree	(3)	You agree with some doubt
Disagree	(2)	You disagree with some doubt
Strongly disagree	(1)	you disagree with no doubt at all

ASPECTS ON FINANCIAL RESOURCE

- ____ 1. The commercial enterprise has budgets to facilitate its projects.
- ____ 2. Wages and other expenses are well paid on time
- ____ 3. Administrative and commercial activities are financially supported.
- ____ 4. Repairs and maintenance of fixed assets are financially supported regularly.
- ____ 5. Infrastructures for expansion and improvements are visible.
- ____ 6. Physical and human resources are allocated funds for full operations of the Enterprise
- ____ 7. The commercial enterprise has the enough income to facilitate its sustainability.

ASPECTS ON PHYSICAL RESOURCE

- ____ 8. Enterprise facilities contribute to a positive enterprise climate.
- ____ 9. An atmosphere of respect and trust exists in the enterprise.

- _____10. The property, plant and equipment are enough in an organization.
- _____11. Entrepreneur, managers, and employees assume responsibility, as appropriate.
- _____12. Appropriate instructional time is maximized.
- _____13. Physical resources are enough for a company.

ASPECTS ON HUMAN RESOURCE

- _____14. Managers have enough knowledge to conduct enterprises.
- _____15. Frequent communication occurs between entrepreneur and employees.
- _____16. The decisions are involved in the instructional process.
- _____17. Internal control system complete fair and meaningful evaluations of each section of enterprise
- _____18. The communication system encourages employees to participate in leadership roles.
- _____19. Entrepreneur and employees are aware of the enterprise's goals and objectives.
- _____20. Managers communicate instructional goals to employees.
- _____21. The enterprise plan is revised, monitored, and reviewed periodically.
- _____22. Employees and managers have a positive attitude toward the enterprise.
- _____23. Enterprise objectives are high, appropriate, and achievable.
- _____24. Enterprise objectives are communicated to the employees.
- _____25. Objectives' drop out and failure rates are low.
- _____26. The employees' performance in general is satisfactory.
- _____27. The employees have a variety of skills and experiences
- _____28. Promotion rate for employees is high.
- _____29. The employees are satisfied in their respective jobs.

- ____ 30. Employees are involved in planning and evaluating profession development activities.
- ____ 31. Employees are involved in developing and reviewing the enterprise's mission and goals.
- ____ 32. Employees are involved in monitoring the implementation of enterprise policies and procedures.
- ____ 33. Employees perceive that they can influence enterprise decisions.
- ____ 34. Employees and managers function as a team

APPENDIX V

List of Entrepreneurs

Names of entrepreneurs	Sector of activities
1.NYIRANEZA Jeanne	Trade of rice and sugar
2.RWACOM	Trade of clothes
3.MUKARUTAGANA	Trade of cosmetic products
4.RUTAYISIRA Assuman	Trade of cooking oil
5.MUKABARISA Pelagie	drinks
6.MUKABARANGA Cecile	Trade of rice and sugar
7.NYIRANEZA Jeanne	Trade of cosmetic products
8.MURAMUTSE	Trade of clothes

9.KABANDA	drinks
10.MUREKATETE Olive	Trade of cosmetic products
11.YVONNE	Trade of rice and sugar
13.KWIRINGIRA	Trade of clothes
14.KAYITARE	Trade of cosmetic products
15.DUHAMIC ADRI	Trade of rice and sugar
16. BITWAYIKI Andre	Trade of clothes
17.ERI	Trade of cooking oil

18. IBAMBASI Stiven	Trade of cooking oil
19.KABUNGO	Trade of clothes
20.MUKARUTABANA Lydie	Trade of cosmetic products
21. YADUFASHIJE Goddbelte	Trade of rice and sugar
22.MUSHAKARUGO Gervais	Trade of cosmetic products

23.MUJAWAMARIYA	Trade of clothes
24.MUKANYINDO	Trade of cosmetic products
25.MUKABARISA	Trade of cosmetic products

26.NYIRANEZA Media	Trade of cosmetic products
27.YADUFASHIJE	drinks
28.MUKANYINDO Esperance	Trade of rice and sugar
29.MUKARITABANA LYDIE	Trade of rice and sugar
30. MUKANYINDO Esperance	Trade of cooking oil
31.MUKAMULIGO Elizabeth	drinks
32.MUKAYIJE Anitha	drinks
33.NYIRANDUNGUTSE Beatrice	Trade of rice and sugar

34.RUTAYISIRE Edouard	Trade of cooking oil
35.NSENGIYUNVA Donatien	drinks
36.ROBA Gerard	Trade of rice and sugar
37. MUNYABARAME Cyprien	drinks
38.NYIRANDUNGUTSE	Trade of rice and sugar
40.RUKIKANSHURO Jean Bosco	Trade of rice and sugar
41.BARABWIRIZA Pascal	Trade of rice and sugar
42.BUGIRINFURA Veneranda	Trade of cooking oil

43.MUKAMULIGO Elizabeth	drinks
44.RUTAYISIRE Edouard	Trade of clothes
45. HAKIZIMANA Charles Louis	Trade of cooking oil
46.AGABA Christine	Trade of cooking oil
47.RUTAYISIRE Edouard	drinks
48.MUKAMULIGO Cheroy	drinks

49. KAMURU Trading	Trade of clothes
50.MURAMUTSE Shop	Trade of cooking oil

51.HABIMANA Callixte	Trade of cooking oil
52.NYIRAMINANI Julienne	drinks
53.SEBAHINDA Emmanuel	Trade of clothes
54.HABIMANA Bonaventure	drinks
55.MUKAGIHANA Emeritha	Trade of clothes

RESEARCHER'S CURRICULUM VITAE

Personal Profile

NAME : SEMANYWA FAUSTIN

GENDER : MALE

DATE OF BIRTH : 1/1/1969

MARITAL STATUS : MARRIED

NATIONALITY : RWANDAN

PLACE OF BIRTH : NYABINONI

PROFESSION : ACCOUNTANT

ADDRESS : TEL NO: +250 788523185

+250 788606084

E-mail: semanywafaustin@yahoo.fr

EDUCATION BACKGROUND

YEARS	INSTITUTION	AWARD
2010-2011	Kampala International University College of Higher Degrees and Research	Masters in Business Administration (Finance and Accounting)
2000-2005	Kigali independent University	Bachelor of management.
1985-1991	Ecole de science Byimana	Rwanda Advanced Certificate of science.
1976-1984	shaki Primary School	Primary Living Examination

WORKING EXPERIENCE

YEARS	PLACE	RESPONSIBILITIES
1991-1992	Nyabinoni primary school	teacher
1993-1994	Nyabikenke secondary school	teacher
2000-2009	ESEMAF (enterprise)	Director of finance

PERSONAL QUALITIES

I am hardworking, God-fearing, social, approachable, humble, trustworthy, open to corrections, ready to learn from others and very responsible to duties assigned.

HOBIES

I like making friends, reading novels, travelling, watching football match and listening to music.

LANGUAGES

OFFICIAL	LOCAL	LEVEL
English		Very good
French		Good
	Kinyarwanda	Fluent

PUBLICATIONS

YEAR	TOPICS	AWARD
2004-2005	Analyse de la strategie et des constraints des PME Rwandaise.	Bachelors Degree of management
2010-2011	Strategic approaches and development in commercial enterprises of Kigali center in Rwanda.	In progress for the award of Master of finance and accounting

OTHER SKILLS

Computer basic skills, Good communication skills and Leadership skills.

CERTIFICATION

I, the undersigned, certify to the best of my knowledge and belief that, this information correctly describe my qualifications, experience and me.

SEMANYWA FAUSTIN

15th April 2011

