

GROWTH FACTORS PERFORMANCE AND COMPANY GROWTH A CASE STUDY OF RWANDA CONSTRUCTION COMPANIES

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ABSTRACT

The purpose of this research was to establish the performance of company growth factors, the growth performance of construction firms, the most critical or most important or key factors for a consistent growth performance of the construction companies and how the growth factors can be utilized in the formulation of strategic plans of the firms. The growth of firms is an important indicator of a thriving economy. Most firms, in general, have multiple objectives relating to sustaining and succeeding in their business endeavors. For short term, firms pay more attention to profit maximization. For long term, however, profit is no longer the prime focus because one of the objectives which may dominate the management of a firm is its growth. Growth of a firm is influenced by growth factors, the interplay of this factor together with intervening variables in firm's strategic planning is what brings about growth performance. The main objective of this research was to identify the factors of growth that play key roles in determining growth performance of construction companies in Rwanda and to analyze the impact of the factors on growth of the companies. The other key objectives that was the subject of importance in this study revolves in the following areas, and that is: assessing the growth factors performance towards the growth of construction companies in Rwanda, determining the growth performance of the companies, and evaluating the most critical factors of growth that can be employed by firms in their strategic plans in order to experience consistent growth.

The findings of this study are of significance to construction firms, the firm's management teams and planners, and at large to the national economy since the most important factors of growth were identified from the research findings and recommendations provided on which of those factors have the greatest impact on the firm's growth performance and its growth. Application of this knowledge will assist firms in shaping up their growth patterns into the future. Thus the findings of this study will also assist companies to focus and apply critical growth factors in order to grow in a consistent manner and tap from the benefits of growth. As the companies grow, so is the workforce implying more employment opportunities created which eventually trickles down well to the national economy. The factor under examination were the ones that have greater impact on growth and how those factors can be put to use by firms in Rwanda to bring about consistent growth that can withstand environmental changes.

Data collection for the purpose of this study was done through a questionnaire survey which involved 143 respondents from 25 construction companies out of the 101 operational firms which forms a 30% sample size. The returned questionnaires represented a response rate of 76.88%. Six respondents being selected from each firm which included managing directors, engineers, architects, quantity surveyors, Project managers and general managers from each firm. Data was analyzed by using relevant statistical methods such as frequency distribution of the respondent's background and also the firm's background, relative important index (RII) was used to rank the factors responsible for growth performance. The findings of the study revealed that the construction industry in Rwanda experienced high growth levels in terms of turnover growth and employment growth. Availability of bank loans and credit, good management, skilled workers,

good team players and technical expertise formed the top performing factors that have influenced the high growth levels.