

Factors Influencing Projects Success in Rwanda; Case Study of Hotels business Projects in Kigali 2012-2017

Jean Luc Ndahimana

Master Student, Department of Entrepreneurship, Technology,
Leadership and Management in the School of Entrepreneurship, Procurement and Management,
Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya.
ndahjluc@yahoo.fr

Dr. Patrick Mulyungi

PhD. Lecturer
Jomo Kenyatta University of Agriculture and
Technology, Nairobi, Kenya

Dr. Muchelule Yusuf

PhD. Lecturer
Jomo Kenyatta University of Agriculture and
Technology, Nairobi, Kenya

Abstract

The government of Rwanda allocated many efforts in attracting foreign investors and incentivizing local entrepreneurs to establish sustainable business projects contributing in the country's development. This study analyzed the factors influencing business projects in Rwanda, using a case study of hotels in Kigali for the period of 2012 to 2017. The population is the 212 registered hotels in Kigali stratified in three constituting districts and the Slovin's sampling formula allowed 178 hotels. The data collection used a Likert scaled questionnaire to identify the factors influencing project success and the analysis used the mean and the standard deviation to generate the overall respondents' perceptions and their level of divergences. The findings present that a hotel to succeed, human resources motivation through both financial and non-financial incentives are essential and contribute to the success of the hotels, applying suitable technology solutions and marketing mix strategies as well the selection of a suitable location contributes in realizing success measures of hotel entities which rely on financial soundness, the stakeholders' satisfaction as well as the operations efficiency.

Keyword —Business, Projects, Project success.

1. Introduction

Business projects face increasing challenges today in their routine activities as the environment become more dynamic with increasing uncertainties in technology, markets etc. thus the project managers should be equipped with the tools and techniques to monitor the business project success and regularly verify a number of indicators that critically influence the undertaken success (Infosys, 2013). The current study therefore, identifies what are the influencing factors for the success of the business projects, particularly in Rwandan tourism industry with emphasis on hotel sub sector context. The impact of hospitality on our global economy is significant; across the world, the travel and tourism industry encompasses 266 million jobs, and contributes 9.5% of gross domestic product (GDP) globally (EY, 2015). With travel and tourism sector growth forecast to expand by 3.9% during 2015, the sector has been increasingly recognized as a key driver

of economic growth at the local, regional and global level (MINICOM, 2009)

Zakic et al. (2008) found that success of business projects requires comprehensive and continuous innovations, as well as the sustained research and developments; they also found that cooperation between different functions. Millis K. (2004) states that project cannot always be seen as a complete success or a complete failure; he also clarified, the words success or failure, as the words good or bad, are differently perceived by the project participants.

The study has been guided by the following specific objectives:

1. To determine factors influencing business project success in relation to human resources
2. To examine how Information Communication Technologies solutions, influence business project success,
3. To assess how a strategic geographical location influences the business project success
4. To analyze the marketing strategies that influence the business projects success

2. Literature Review

Project success is a dependent element on more than one factor that can be classified in terms of internal factors and external factors, again titled environmental. The present subsection deals with all the above factors starting with internal ones. Previous research regarding project management concentrate mostly on project's sustainability on cost, time and quality Atkinson (1999). There is a lack of research on the detailed internal and success factors of project considering the long-term horizon of project and its sustainability.

2.1. HUMAN RESOURCES AS A FACTOR OF PROJECT SUCCESS

Hrout and Mohamed, B. (2014) presented that professionalism, manpower development and frequent motivation are the cardinal drive towards successful hotel business. They also argued that regular training of frontline personnel in the area of communication skills goes a long way in upgrading the frontline staff in their service delivery to their prospective customers which

ensures competence skills as well as professional skills and lack of adequate training among the hotel staff has been counterproductive because this has often resulted in low performance and commitment in the hotel business. Cole (2009) clarifies that motivated employees constitute a significant resource for the firm's sustainability and they are motivated through a complex mix of rewards ranging from financial security and bonuses to promotion and peer recognition, and from taking on new challenges to making a difference to the things they care about. Kazlauskaitė and Buciniene (2008) presents that some authors maintain that sustained competitive advantage lies in the human resources and not in human resources management practices, as the latter are well known as it does not suffice to hire best people in order to gain the competition. Ongori, K. et al., (2013) indicated that quality control among the hotels and restaurants can be addressed by recruiting right employees and providing them with excellent training, trained employees are competent, courteous, and trustworthy and make fewer mistakes. Arthur et al (2008) argues that competent, trained and well informed employees with the right attitude to offer prompt and reliable services with the help of modern equipment and information technology can be a source of competitive advantage and success to organizations.

2.2. GEOGRAPHICAL LOCATION OF THE PROJECT AS SUCCESS FACTOR

Cohen and Soto (2007) say the importance of human capital to the knowledge economy, much of the recent research in location theory explores how firms select sites that either appeal to their current workforce or attract new workers to the area, or where the requisite skilled labor already resides. Kala et al. (2010) presented that most important factor of entrepreneurship and small business development is the strategically location of the business which could include the nearness to raw material, accessibility to business premises, good road network, the busyness of the area of the business etc. Minai and Igwe (2011) concluded that the location factor is an important factor in entrepreneurship development and must be adequately considered as it has been found to contribute significantly to the development of entrepreneurship and the success of the entrepreneurs. Lockyer (2005) found the four major factors of selecting a suitable location imply the price, location, facilities and cleanliness. Wen Hua et al (2009) found that the important considerations for initial hotel selection and return of frequent travelers were clean and comfortable rooms, convenient location, prompt and courteous service, safe environment and friendly and courteous employees.

2.3. ROLE OF MARKETING PRACTICES IN THE SUCCESS OF PROJECT

Moorman and Rust (1999) explored the role of the marketing function in market oriented firms, and found that subunits contribute to financial performance, customer relationship performance and new product performance beyond the contribution of a market orientation. Kotler, P & Armstrong, G. (2004) noted that

marketing mix is one of the major concepts in modern marketing and is often brought up in general discussions of marketing. Marketing mix is a set of marketing tools that a company uses to pursue its marketing objectives in the target market using the product, price, place and promotion; in the hospitality industry, the products are primarily designed to satisfy the needs and wants of business and leisure travelers. In the hospitality industry, the place of business is many times the key to success. Bowie & Buttle (2004) mentions that pricing decisions influence the demand and profitability. In a hotel setting for example the rack rates and agreeing to discount for key accounts are crucial and require a lot of attention and careful consideration. Promotion is usually the function of most marketing and sales departments and it includes all the tools that a company can use to communicate with customers. They also specify that brands help consumers to identify what the product or the company is.

2.4. ROLE OF INFORMATION TECHNOLOGY IN BUSINESS SUCCESS

Nikoloski, K. (2014) stated that with the deployment of faster and more reliable broadband networks, we are experiencing yet another technology driven transition where technology-based businesses can be referred to as businesses that engage in technology related products, processes and services, in this manner, information technology enables businesses to operate efficiently and profitably. Lad, E. (2008) presents that by simplifying and consolidating an organization's Information Technology there is: reduced or lowered costs, improved efficiency and increased consistency, easier overall administration, ability to respond quicker to change, and better use resources (hardware, software and people). Bhatt, L.M. (2013) says that hotels need information technology & communication to manage their inventory, to operate a property management system (PMS) that enables them to integrate their 'back-office' operations. Frew and Horam (1999) present that information technology allows the use of a computer reservation system (CRS) to administrate a database with all reservations, rates, occupancy, and cancellations.

2.5. EXTERNAL ENVIRONMENTAL FACTORS

Akanni et al. (2015) specify that the project environmental factors that have been generally identified include; political, legal, institutional, cultural, sociological technological resource, economic, financial, and physical infrastructure According to Ajayi et al. (2010) the four most important external environmental factors in decreasing order include community issues, weather conditions, economic situation (boom or meltdown) and government policy. Thomas and Martin (2004) believed that no project exists in a vacuum but is rather subject to an array of influences from regulatory control to political and industrial intervention and opined that managers of the construction project takes cognizance of the political aspect that can produce an uncertain environment such as unstable government, unpredictable shifts in the economy and unexpected changes in consumer demand. The legal environment

facing organizations is becoming more complex and affecting businesses more directly. It has become increasingly difficult for businesses to take action without encountering laws and regulations (Akanni et al. 2015). However, Martin and Thomas (2004) observed that changes to industrial, safety, taxation and environmental laws are not uncommon and problems may arise when the law changes during the life of a project. The socio-cultural dimensions of the environment consist of customs, lifestyles, and values that characterize a society (William, 2002) while population demographics, rising educational levels, norms and values, language and attitudes toward social responsibilities are examples of socio-cultural variables.

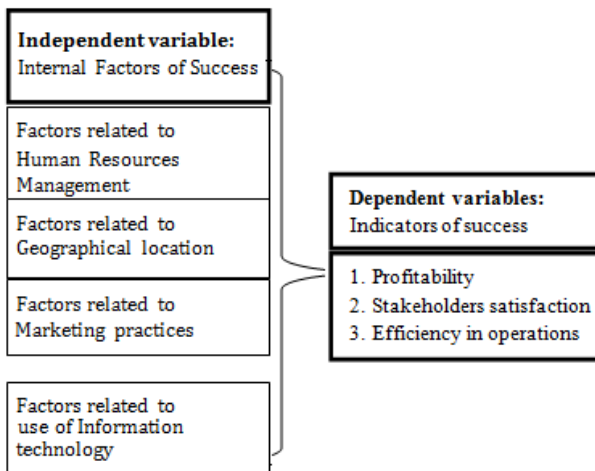


Figure 1: Project success model

2.6. SUCCESS INDICATORS IN HOTEL INDUSTRY

Despite the development of performance measurement systems for the hospitality industry, researchers including Kala and Bagri (2014) have pointed to the reluctance of hotels to use balanced measures and rely solely on financial measures, especially profit based and short-term oriented, unbalanced (Harris & Mongiello, 2001), unsatisfactory for competitive advantages (Evans, 2005), past based (Atkinson & Brander Brown, 2001) and little market oriented and non-holistic (Phillips & Louvieris, 2005).

Due to limitations of financial measures and the impact of global and increasing competition in the hotel industry, hotels should rethink their current performance measurement based on financial to a more balanced measurement which has both financial and non-financial dimensions (Atkinson & BranderBrown, 2001). Therefore, to remain competitive, organizations now need to consider non-financial or operational results. Several research findings (Harris and Mongiello, 2001) in performance management are advocating an emphasis on both financial and non-financial dimensions such as competitiveness, service quality, customer satisfaction, organizational flexibility, resource utilization, and technology. Satisfaction is understood to be predicted by service quality concluded that the hotel sector should focus

especially on providing quality service with respect to the factors of perceived quality that are the most important to customers (Carol Lu, et al. 2015). Wadongo, et al. (2010) identifies the financial and non-financial key performance indicators of hotels such as total revenue achieved, food and beverage sales, total operating costs, total sales, customer satisfaction surveys, relative market share, room occupancy, and delivery speed flexibility. Denton and White (2000) justifies the relevance of both financial and nonfinancial measures for balanced performance of the hotel. Kala and Bagri (2014) presents the success of a hotel in a comprehensive way composed of financial performance, competitiveness, employee performance, operational efficiency, innovation and service quality.

3. Methodology

3.1. Sample size determination

To conduct this research a five scale questionnaire has been designed and administered to collect primary data in hotel business. The researcher referred also to documentary technique which helped in getting through with what other people, authors, writers say and experienced about factors. A research sample has been determined using Slovin's sampling formula (Kalimba et al, 2016)

$$n = N / (1 + Ne^2)$$

Where, n = Sample Size N = Number of Population and e stands for the Significant Error Term (0.05).

The sample size of the target population of 178 hotel managers in Kigali city distributed in Gasabo, Kicukiro and Nyarugenge districts as follows:

**Gasabo district $n = 106 / [1 + 106(.05)^2]$
= 84 respondents**

**Kicukiro district $n = 48 / [1 + 48(.05)^2]$
= 43 respondents**

**Nyarugenge district $n = 58 / [1 + 58(.05)^2]$
= 51 respondents:**

Stratified sampling technique has been used in this research, since it helps in grouping the population into relatively homogeneous/standardized subgroups, and avoids overlapping of the strata, before sampling and it ensures better coverage of the population, always achieves greater accuracy, and the results from each stratum can be analyzed separately.

3.2. Data Analysis Procedures

The data collected was analyzed using SPSS. This involved data coding, editing and tabulation especially quantitative data. The purpose of all these was to make the information clear and understandable for other people. Qualitative analysis techniques were used. The Qualitative analysis techniques were complemented with some statistics that was mainly obtained from the secondary data that was obtained through documentary analysis from the case study organization. Mean and standard deviations presentations gave clear understanding of the research interpretations for clear and easy understanding of the phenomenon studied.

The Mean (X) According to Aggesti and Franklin (2009), Mean (x): is the average value calculated by adding up the values of each case for a variable and dividing by the total number of cases.

3.3. Mean

The mean refers to “averaging”, adding up the data points and dividing by how many there are (Agresti & franklin, 2009). Mean (\bar{x}): is the average value calculated by adding up the values of each case for a variable and dividing by the total number of cases. By formula: $\mu = \frac{1}{n} \sum_{i=1}^p xi$

The best known and frequently used measure of the center of a distribution of a quantitative variable is well known as the mean.

Table 1: Evaluation of the mean

Mean	Evaluation
1-1.49	Very weak
1.5-2.49	Weak
2.5-3.49	Strong
3.50-5	Very Strong

3.4. Source: Aggesti and Franklin (2009)

3.5.

3.6. The standard deviation

The standard deviation helps to measure how far or near from the mean (Agresti & franklin, 2009). A measure of the center is not enough to describe a distribution well.

Table 2: Interpretation of the standard deviation

Standard deviation	Level spreading
SD=0.5	Moderate
SD<0.5	Homogeneity
SD>0.5	Heterogeneity

Source: Aggesti and Franklin (2009)

It tells the researcher about the spread of the data. In summary, we have σ is typical distance from the mean, larger values of σ represent greater spread, and $\sigma = 0$ means that all observations take the same value. $\bar{x} - \sigma$ denotes the value one standard deviation below the mean. $\bar{x} + \sigma$ denotes the value one standard deviation above the mean, and $\bar{x} \pm \sigma$, denotes the values that are one standard deviation from the mean in either direction.

$$\text{Standard deviation (s)} S = \sqrt{\frac{\sum (x - \bar{x})^2}{n-1}}$$

This standard deviation helps to measure how far or near from the mean. A measure of the center is not enough to describe a distribution well. It tells the researcher about the spread of the data. The table 2 explains how the standard deviation is explained.

4. Findings and Discussion

4.1. FACTORS RELATING TO HUMAN RESOURCES IN INFLUENCING PROJECT SUCCESS

There are several reasons why employee motivation is important, mainly because it allows management to meet the company’s goals. Motivated employees can lead to increased productivity and allow an organization to achieve higher levels of output with efficiency. Motivation brings employees closer to organization and human resources become loyal to the company. For a project to succeed, the most important factor is related to motivation of human resources. The following table presents the Perceptions of respondents on the success factors relating to motivation of human resources

success factors relating to human resources	N	Mean	Std. Dev
Wages and salaries	178	4.17	0.40
Contract sustainability	178	3.96	0.58
Bonus	178	3.97	0.47
Retirement benefits	178	3.96	0.69
Medical insurance	178	3.93	0.65
Appreciation of work	178	4.00	0.70
Competition among employees	178	3.85	0.76
Employees Group incentive	178	3.71	0.81
Participation in management	178	3.74	0.94
Opportunities for career growth	178	3.80	0.85
Capacity building	178	3.97	0.73
Overall average	178	3.91	0.69

Table 3: Perceptions of respondents on the success factors relating to motivation of human resources

Source: Primary data, 2018

This table presents all the motivation strategies to human resources so that they contribute to the success of the projects. Therefore, the strategy of whether the wages and salaries motivates labour for the success of the project was ranked agree with the mean (4.1) which indicates that it is strong and has the standard deviation of (.40); which indicates the homogeneity of respondents’ perception. The statements which show if the sustainability of employment contract motivates labour to contribute in the success of the hotel has a mean of (3.96) interpreted as a very strong and it has a standard deviation of (.58) that indicates the heterogeneity of respondents’ perceptions on this variable. The statement mentioning bonus as a motivation for labour to contribute in the success of hotel has a mean of (3.97) which is very strong, it also has a standard deviation of (.47) indicating the homogeneity of respondents’ perceptions towards the

variable. The variables on the weather retirement benefits and medical insurance motivate labour to contribute in the success of hotels have both a mean of (3.9) and a standard deviation of (.6) presenting the heterogeneity of respondents' perceptions towards these variables. The variable related to appreciation of work done whether it motivates employee and contributes in the success a hotel project has a mean of (4.0) which is very strong, while its standard deviation of (.70) mentions that respondents' perceptions are heterogeneous. The variables of competition among employees and the employee group incentive have respective mean of (3.8) and (3.7) whereby they're very strong, and their standard deviations are respectively (.76) and (.81) clearly show that respondents' perceptions are heterogeneous. The variables of participation in management and opportunity for career growth have respective means of (3.7) and (3.8) which are very strong, their standard deviations are (.9) and (.8) which heterogeneous. It is also known that trainings and capacity building is among the motivation strategies of employees, this variable has a mean of (3.9) which is very strong and the standard deviation of (.73) which is heterogeneous. The overall mean is (3.9) which is very strong and standard deviation of (.69) which is heterogeneity of respondents' perceptions towards all the variables. This indicates that managers agree with the motivation of labour force contributes to the success of hotels. The above findings comply with Armstrong (2009) where the two types of motivation are intrinsic motivation and extrinsic motivation; where Intrinsic motivation can arise from the self-generated factors that influence people's behavior while extrinsic motivation occurs when things are done to or for people to motivate them. These include rewards, such as incentives, increased pay, praise, or promotion.

4.2. FACTORS RELATING TO INFORMATION TECHNOLOGY IN INFLUENCING PROJECT SUCCESS

The success of every business depends on certain factors; some of which are accurate analysis, choosing the right technology and the future vision. It also provides you many tools which can solve complex problems and plan the scalability (future growth) of your business. The following table presents the Perceptions of respondents on the success factors relating to use of Information Technology. The given table 4 summarizes the respondents' perceptions on the usefulness of information technology in contributing to the project success, especially in hotels undertaking. The variable of use of electronic reservation system has a mean of (4.9) which is very strong while the standard deviation is (.25) which indicates the homogeneity of respondents' perceptions towards this variable. The variable of using online procurement in hotels, it has a mean of (4.70) interpreted as a very strong and the standard deviation of (.44) indicating the respondents' perception towards this variable is homogeneous.

Table 4: Perceptions of respondents on the success factors relating to use of Information Technology Solutions.

Project success factors relating to Information Technology	N	Mean	Std. Dev
Electronic reservation Systems online	178	4.9326	0.251
procurement	178	4.7472	0.448
Yields management systems	178	4.8539	0.354
Electronic billing systems	178	4.7079	0.425
property management systems	178	4.8146	0.503
Inventory management software	178	3.9607	0.288
Overall average	178	4.66948	0.378

Source: Primary data, 218

The yield management system is used in managing revenues in hotels undertakings. Its use has been ranked with a mean of (4.85) interpreted a very strong and a standard deviation of (.35) which explains the homogeneity of respondents' perceptions towards this variable. The use of electronic billing system helps to appropriately issue invoices to clients for both collecting revenues and taxes, this variable has been ranked by respondents with a mean of (4.7) this is interpreted to be very strong and a standard deviation of (.42) indicating the homogeneity of respondents' perceptions. Both special property management systems, such as rooms and conference halls for hotel and inventory software are useful for appropriately run and ensure a hotel is successful, both have been ranked by respondents with a mean of respectively (4.84) and (3.96) which are very strong to witness the high importance in running such hotels undertaking, they also have a standard deviation of respectively (.50) which is moderate and (.28) indicating the homogeneity of respondents' perceptions on these variables. the overall mean for variables relating to use information technology solutions has been (4.66) which are very strong and the overall standard deviation of (.37) is indicating the homogeneity of respondents' opinion towards the usefulness of using suitable information technology solutions. This also indicates that business projects without updated technologies are least competitive on the market and leads to meager market share, poor financial soundness and in the long run may collapse. This has also been confirmed by Rob, L et al (2009) where the tourism and hospitality industries have widely adopted information technology [IT] to reduce costs, enhance operational efficiency, and most importantly to improve service quality and customer experience.

4.3. FACTORS RELATING TO GEOGRAPHICAL LOCATION IN INFLUENCING PROJECT SUCCESS

The location of a business is one of the most important variables in determining potential success. Businesses need to establish locations that generate the most customer traffic. The impact of geographical location on business success is substantial; however the factors differ depending on the business nature. The following table summarizes the factors relating to geographical location in influencing hotel business success.

Table 5: Perceptions of respondents on factors relating to geographical location in influencing hotel business success

success factors relating to Geographical location	N	Mean	Std.Dev
Nearness to basic utilities	178	4.16	0.398
Nearness to transportation facilities	178	4.06	0.130
High traffic flow of people	178	2.3	0.479
Sanitation & cleanliness of the area	178	4.1	0.348
Business accessibility	178	4.2	0.458
Safety of the surrounding	178	3.9	0.288
Overall average	178	4.15	0.350

Source: primary data, 2018

From the above table presenting the factors influencing hotel success relating to geographical location, the variable of nearness to basic utilities has been ranked with a mean of (4.19) which is very strong while it has the standard deviation of (.39) indicating the homogeneity of respondents' opinion. In this case the basic utilities required for a hotel location are such water, electricity, and internet. The variable on nearness to transportation facilities has been ranked with a mean of (4.00) which is very strong and the standard deviation of (.13) indicating the homogeneity of respondents' perception towards this variable. The factor of high traffic flow of people has been ranked with mean of (2.32) which is weak, while the standard deviation is (.47) which indicates the homogeneity of respondents' perceptions. This said the location of hotels in high traffic flow of people is less important, not even desired for high standing hotels requiring tranquility. The cleanliness of the area standing for the sanitation of the area, as geographical factor for hotel success has been ranked with a mean of (4.14) which is very strong and the standard deviation is (.34) that indicates the homogeneity of respondents' perceptions. Both the accessibility and the safety of the location are considered as geographical factors impacting the hotel success, their respective mean are (4.2) and (3.9) which are both very strong and this signifies their level of importance in the hotel success is high, their standard deviations are respectively (.45) and (.28) both mentioning the respondents' perceptions are homogeneous. The findings are similar to Shoal et al

(2011) presenting that at a practical level, tourists highlight the importance of hotel location as a critical factor influencing consumption patterns within a destination, with broad implications for both product development and destination marketing. While it is recognized that tourism is a spatially selective activity and the spatial selectivity is driven largely by hotel location

4.4. FACTORS RELATING TO MARKETING PRACTICES IN INFLUENCING PROJECT SUCCESS

The marketing mix practices used to combine the pricing strategies, promotional, the place convenience and the product or service presentation. These four components are analyzed as per the following subsections.

Table 6: Perceptions of respondents on factors relating to Pricing Strategies in influencing hotel business success

Project success factors relating to marketing practices	N	Mean	Std. Dev
Pricing Strategies	178	4.1234	0.30
promotion & Advertisement	178	4.1067	0.32
Place convenience & attractiveness	178	4.9663	0.27
Product/Service presentation	178	4.9607	0.30
Overall average	178	4.3968	0.28

Source: primary data, 2018

The pricing strategy is one of the marketing practices that allows the firm to realize capable sales to cover both the running costs and prevail the sustainability. The following table 6 presents the most suitable pricing strategy for hotel businesses. The above table summarizes the methods of pricing applied in hotels, whereby almost all methods are used in hotels and their mean is very strong (4.12) and their standard deviation (.30) indicates the respondents have homogeneous point of view.

Businesses use advertising to accomplish diverse goals and companies place those ads in diverse media; while promotion is a key element in putting across the benefits of your product or service to the customers. The perceptions of respondents on factors relating to promotion and advertisement methods in influencing hotel business success present a very strong mean of (4.10) and a standard deviation of (.32). The role of promotion and marketing refers to increase brand awareness, increase customer traffic and helping in market segmentation.

The place of accommodation institutions has to be convenient and attract clients; its diversified products and the quality of service delivery contribute a lot on their reputation of the institution and clients' attractiveness. In case of the insufficient satisfaction of clients, the firm is imperatively under failure status. The perceptions of respondents on factors relating to facilities and services attractiveness in influencing hotel business success have a very strong mean of (4.96) and a standard deviation of (.27) interpreting the

homogeneity of respondents' perception. The product and service presentation is another component of marketing practices, a crucial one for accommodation facilities. The above table summarizes the perceptions of respondents on factors relating to product and service presentation whereby the mean is (4.96) interpreted to be very strong and a standard deviation of (.30) indicating the homogeneity of respondents' perception. For financially succeeding, a hotel is imperatively required to have facilities and service delivery that satisfies the client's expectations. To achieve this success firms act on the basis of their market knowledge, and this market knowledge diffusion is significantly correlated with the firm's ability to exploit new market opportunities in particular and innovation performance more generally, improved marketing capability by the use of customer and relevant business intelligence, enhanced customer or market research and analysis, and improved marketing and delivery process leads to innovation and financial performance of firms in global market. This has been confirmed by Talabi, J. (2015) presented that most of the hotels rely on marketing in almost all of their business operations; to them marketing encompasses more than just creating awareness of their products and services, rather it is a whole process that involves everything they do; from the research and development, human resources, to their accounting and finance.

4.5. FACTORS RELATING TO EXTERNAL ENVIRONMENT IN INFLUENCING PROJECT SUCCESS

External environment factors, which include political environment, economic environment and social environment are beyond the control of business project manager and directly affect the success of business projects. The macro environment consists of forces that originate outside of an organization and generally cannot be altered by the actions of the organization. Dimensions of the macro environment consist of socio cultural factors, technological factors, political-legal elements, economic factors, and international elements. **A firm needs** to study these elements of its environment, as they have potential to affect how the organization should operate to attain and maintain its competitive advantage. Following table presents perceptions of respondents on factors relating to external environment in influencing hotel business success. The given table 7 presents that external environment factors affecting the success of business imply the political and legal environment, economic factor as well as the socio-cultural factors. The respondents ranked these entire variables with an overall mean of (3.96) which is very strong interpreted as agreeing on their impact of the hotel business; their overall standard deviation is (.28) which is indicating the homogeneity of respondents' opinion. Helmut, B. (2013). presented that a company can only be successful if it can manage to use its own potentials and to attune to the company's environment. For being successful, any business in general and a hotel in particular have to adapt and link its own strategy on the

one hand to the structure and culture of the company itself (internal fit) and on the other hand it has to consider also the requirements of the environment (external fit) and to link it the strategic direction.

Table 7: Perceptions of respondents on factors relating to external environment in influencing hotel business success

External environment factors Influencing Hotel Project success in Kigali	N	Mean	Std. Dev
Political and Legal environment	178	3.93	0.42
Economic factors	178	3.97	0.23
Social and Cultural environment	178	3.98	0.18
Overall average	178	3.96	0.28

Source: primary data, 2018

4.6. INDICATORS OF HOTEL PROJECT SUCCESS IN KIGALI

The indicators of business success depend on the nature of the business and the perspective. For hotel, it has been identified that the profitability, the clients and stakeholders' satisfaction as well as the efficiency in operations indicates the success of a hotel business. Following table presents the Perceptions of respondents on Indicators of Hotel Project success in Kigali

Table 8: Perceptions of respondents on indicators of Hotel Project success in Kigali

Indicators of Hotel Project success in Kigali	N	Mean	Std. Dev
The profitability	178	3.97	0.22
The clients' satisfaction	178	4.97	0.26
The stakeholders' satisfaction	178	3.97	0.18
Efficiency in Operations	178	4.96	0.27
Overall average	178	4.47	0.23

Source: primary data, 2018

The above table mentions that the variable of profitability has been ranked with a mean of (3.97) which is strong and respondents agreed on this indicator to be a proof of success, the standard deviation allocated to this variable is (.22) indicating the homogeneity of respondents' opinion. Similarly, the other variables have been ranked with an overall mean of (4.47) which is very strong and an overall standard deviation of (.23) meaning a homogeneity of respondents' perceptions on the success indicators in hotels. This also stands to indicate that the lack of such indicators in business of hotels prevail a poor performance proof. As hotel industry is a people-oriented industry, non-financial indicators of PM are

also important. They are valuable supplements to financial measures as they are expected to supply information that would improve the financial outcome and support and monitor the strategic initiatives (Haktanir, 2006). Atkinson and Brander Brown (2001) emphasize the increasing recognition within the hotel industry of the importance and value of people, employees as well as guests. Therefore, the economic and financial success of a hotel depends on the attitude and behavior of employees, development of new products and services, as well as customer satisfaction. Hotel General and Department Managers must recognize equal importance to the goals of all stakeholders and not only of their shareholders. The achievement of objectives of all stakeholders (guests, employees, strategic partners, community etc.) can be measured by both financial and non-financial measures (Ivankovič et al., 2010).

5. Conclusion

The findings present that for a hotel to succeed, human resources motivation both financial and non-financial incentives are essential and contribute to the success of the hotels, applying suitable technology solutions to manage resources also contribute to the hotel's success. Applying marketing mix strategies as well the selection of a suitable location contributes in realizing success measures of hotel entities which rely on financial soundness, the stakeholders' satisfaction as well as the operations efficiency.

References

- [1]. Infosys, (2013). Top 10 challenges banks face when implementing core banking transformation, <https://www.edgeverve.com/wp-content/uploads/2017/03/Top10-Challenges.pdf>
- [2]. EY, (2015). Global hospitality insights Top thoughts for 2015, [http://www.ey.com/Publication/vwLUAssets/ey-global-hospitality-insights-2015/\\$File/ey-global-hospitality-insights-2015.pdf](http://www.ey.com/Publication/vwLUAssets/ey-global-hospitality-insights-2015/$File/ey-global-hospitality-insights-2015.pdf)
- [3]. MINICOM (2009) Rwanda Tourism policy, Kigali, November 2009, www.minicom.gov.rw/fileadmin/minicom.../policies/Tourism_Policy_Cleaned_.pdf
- [4]. Zakic, N. et. Al (2008). External and internal factors affecting the product and business process innovation, Series: Economics and Organization Vol. 5, No 1, 2008, pp. 17 - 29
- [5]. Milis, K., (2004). Using Probabilistic Feature Models to Determine Success Criteria for ICT Projects. Retrieved July 15, 2017, on <http://www.csrc.lse.ac.uk/asp/aspecis/20040109.pdf>.
- [6]. Atkinson, R. (1999). Project management: cost, time and quality, two best guesses and a phenomenon, it's time to accept other success criteria, International Journal of Project Management Vol. 17, No. 6, pp. 337-342, available at https://notendur.hi.is/vio1/Project_management_Cost_time_and_quality.pdf
- [7]. Hroust, A. and Mohamed, B. Human Resource Management Practice Tourism and Hotel Industry, SHS Web of Conferences 12, 01076 (2014).
- [8]. Cole, G. A (2009) Personnel and Human Resource Management, (5th ed.). Book Power. London.
- [9]. Kazlauskaitė, R., & Balciuniene, I. (2008). The role of human resources and their management in the establishment of sustainable competitive advantage. Inzinerine Ekonomika- Engineering Economics (5), 78-84.
- [10]. Ongori, K. et al. (2013). Factors affecting performance of hotels and restaurants in Kenya: a case of Kisii county, interdisciplinary journal of contemporary research in business, vol.4, no 12, pp. 897-928
- [11]. Arthur, T., Strickland, A. & Gamble, J. (2008). Cracking and Operating Strategy. The quest for competitive advantage concepts and cases (14thed.), New Delhi, McGraw Hill.
- [12]. Cohen, D., and M. Soto. 2007. Growth and human capital: Good data, good results. Journal of Economic Growth 12(1): 51-76.
- [13]. Kala, S. S. & Guanghua, W. (2010). Firm location choice in cities: Evidence from China, India, and Brazil. China Economic Review, 21,113-122
- [14]. Minai, S. and Igwe, E. (2011). The Conceptual Framework of the Effect of Location on Performance of Small Firms, Asian Social Science Vol. 7, No. 12, pp. 110-117
- [15]. Lockyer, T., (2005). The Perceived Importance of Price as One Hotel Selection Dimension. Journal of Tourism Management, Vol. 26, No. 4, pp. 529-537.
- [16]. Wen Hua et al (2009) Critical Success Factors and Customer Expectations in Budget Hotel Segment — A Case Study of China, <https://www.tandfonline.com/doi/full/10.1080/15280080802713702>
- [17]. Moorman, C. and Roland T. (1999). The Role of Marketing. Journal of Marketing 63 (Special Issue): 180-197.
- [18]. Kotler, P & Armstrong, G. (2004) Principles of Management, [http://library.aceondo.net/ebooks/Business_Management/Principles_of_Marketing\(14th.Edition\).pdf](http://library.aceondo.net/ebooks/Business_Management/Principles_of_Marketing(14th.Edition).pdf)
- [19]. Bowie & Buttle (2004). Hospitality Marketing An introduction, <https://images.template.net/wp-content/uploads/2015/10/01204854/Free-Hotel-Marketing-Plan-Template.pdf>
- [20]. Nikoloski, K. (2014). The Role of Information Technology in the Business Sector, International Journal of Science and Research (IJSR), Volume 3 Issue 12, December 2014, pp 303-309, <https://www.ijsr.net/archive/v3i12/U1VCMTQzMjA=.pdf>
- [21]. Lad Enterprises, Inc. (n.d). View of Information Technology's Relationship to Business, Available on <https://www.ladenterprises.com>, June 2008
- [22]. Batth, L.M. (2013). Hospitality Industry and the Role of Information Technology, paripex indian journal of research, Vol. 3, Issue 5, June 2013.

- [23]. Frew, A. and Horam, R. (1999) ecommerce in the UK hotel sector: a first look. *International Journal of Hospitality Information Technology*, 1, 77-87.
- [24]. Akanni P.O. et al (2015) Impact of environmental factors on building project performance in Delta State, Nigeria; *HBRC Journal* (2015) 11, 91-97, Retrieved July 15, 2017, from https://ac.els-cdn.com/s1687404814000200/1-s2.0-s1687404814000200-main.pdf?_tid=df03aae-e621-11e7-9803-00000aab0f02&acdnat=1513842062_3b7ff1a14af844a8715d32cc2aa40cb4
- [25]. AJAYI ET AL. (2010) FACTORS AFFECTING PERFORMANCE OF CONTRACTORS ON CONSTRUCTION PROJECTS IN LAGOS STATE, NIGERIA AVAILABLE ON [HTTPS://UPDOC.TIPS/QUEUE/FREE-PDF-EBOOK-FACTORS-AFFECTING-PERFORMANCE-OF-CONTRACTORS?&QUEUE_ID=5B0942D94BF1CBC7028B4568&V=1527437913&U=MTA1LJE3OC4ZMI4XNDY=](https://UPDOC.TIPS/QUEUE/FREE-PDF-EBOOK-FACTORS-AFFECTING-PERFORMANCE-OF-CONTRACTORS?&QUEUE_ID=5B0942D94BF1CBC7028B4568&V=1527437913&U=MTA1LJE3OC4ZMI4XNDY=)
- [26]. THOMAS E.U., MARTIN L. (2004) ESSENTIALS OF CONSTRUCTION PROJECT MANAGEMENT, FIRST ED., UNIVERSITY OF NEW SOUTH WALES PRESS LTD., AUSTRALIA, 2004.
- [27]. WILLIAMS, W. (2002). CITIZENSHIP QUESTIONS AND ENVIRONMENTAL CRISIS IN THE NIGER DELTA: A CRITICAL REFLECTION, *NORDIC J. AFR. STUD.* 11 (3), 377-382.
- [28]. Kala, D. Bagri, C.S. (2014). Key performance indicators for hospitality industry: a study from the tourist state of uttarakhand, India, *tourisms: an international multidisciplinary journal of tourism* Volume 9, Number 1, Spring-Summer 2014, pp.187-206 UDC: 338.48+640(050)
- [29]. Harris, P.J., & Mongiello, M. (2001). Key performance indicators in European hotel properties: General managers' choices & company profiles. *International Journal of Contemporary Hospitality Management*, 13 (3), 120-127.
- [30]. Evans, N. (2005). Assessing the balanced scorecard as a management tool for hotels. *International Journal of Contemporary Hospitality Management*, 17 (5), 376-390.
- [31]. Atkinson, H. & Brander-Brown, J. (2001). Rethinking performance measures: Assessing progress in UK hotels. *International Journal of Contemporary Hospitality Management*, 13 (3), 128-135.
- [32]. Phillips, P. & Louvieris, P. (2005). Performance Measurement Systems in Tourism, Hospitality, and Leisure Small Medium-Sized Enterprises: A Balanced Scorecard Perspective. *Journal of Travel Research*, 44, 201- 211
- [33]. Wadongo, B. et al. (2010). Key performance indicators in the Kenyan hospitality industry: A managerial perspective. *Benchmarking: An International Journal*, 17 (6), 858-875.
- [34]. Denton, G.A. & White, B. (2000). Implementing a Balanced Scorecard approach to managing hotel operations. *Cornell Hotel & Restaurant Administration Quarterly*, 41 (1), 94-107.
- [35]. Carol L. et al (2015). Service quality and customer satisfaction: qualitative research implications for luxury hotels, *International journal of culture, tourism and hospitality research* vol. 9 no. 2 2015, pp. 168-182
- [36]. Kalimba et al (2016). Effect of Credit Management System on Financial Performance of Development Bank in Rwanda: Case Study of Development Bank of Rwanda, *The International Journal Of Business & Management*, pp. 521-531, available on <http://www.theijbm.com/wp-content/uploads/2016/05/63.-BM1604-009.pdf>
- [37]. Agresti and Franklin. (2009). *Statistics, the art and science of learning from data* (2nd ed.) United States: Pearson international edition.
- [38]. Armstrong, S. (2009). *Armstrong's handbook of Human resources management practices*, 13th Edition available on https://otgo.tehran.ir/Portals/0/pdf/Armstrong's%20Handbook%20of%20Human%20Resource%20Management%20Practise_1.pdf
- [39]. ROB, L. ET AL. (2009). INFORMATION TECHNOLOGY APPLICATIONS IN HOSPITALITY AND TOURISM: A REVIEW OF PUBLICATIONS FROM 2005 TO 2007, *JOURNAL OF TRAVEL & TOURISM MARKETING*, 26:5-6, 599-623, DOI: 10.1080/10548400903163160
- [40]. SHOVAL, N. ET AL. (2011). HOTEL LOCATION AND TOURIST ACTIVITY IN CITIES, *ANNALS OF TOURISM RESEARCH*, VOL. 38, NO. 4, PP. 1594-1612, 2011, DOI:10.1016/J.ANNALS.2011.02.007
- [41]. TALABI, J. (2015). THE ROLE OF MARKETING IN HOTEL INDUSTRY CASE (SIX SUCCESSFUL HOTEL UNITS IN ABUJA AND JAKOBSTAD), AVAILABLE ON [HTTPS://WWW.THESEUS.FI/BITSTREAM/HANDLE/10024/103657/TALABI_JUWON.PDF?SEQUENCE=1](https://WWW.THESEUS.FI/BITSTREAM/HANDLE/10024/103657/TALABI_JUWON.PDF?SEQUENCE=1)
- [42]. HELMUT, B. (2013). INFLUENCE OF MACRO-ENVIRONMENTAL FACTORS TO THE PROCESS OF INTEGRATING A FOREIGN BUSINESS ENTITY, [HTTP://WWW.FM-KP.SI/ZALOZBA/ISBN/978-961-266-148-9/PAPERS/MIC1119.PDF](http://WWW.FM-KP.SI/ZALOZBA/ISBN/978-961-266-148-9/PAPERS/MIC1119.PDF)
- [43]. Haktanir, M. & Harris, P. (2005). Performance measurement practice in an independent hotel context - A case study approach.

AUTHOR'S PROFILE



Mr. Jean Luc NDAHIMANA is a holder of bachelor's degree in business studies and master's degree scholar in the Department of Entrepreneurship, Technology, Leadership and Management in the School of Entrepreneurship, Procurement and Management;

Jomo Kenyatta University of Agriculture and Technology. He is having an extensive experience in projects and supply chain management.