

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The Sulfo-Rwanda industries limited is a manufacturing company based in Kigali capital city of Rwanda. It is located at rue du Lac IHEMA No. 10, in front of the general direction of the company ESWA (Energy, Water and Sanitation Authority).

According to the company profile (2012), the Sulfo Rwanda industries limited was established by Tadjin Hussain Jaffer in 1962. It officially began its activities in 1964. Feasibility studies and project installation of manufacturing soap was designed in 1961.

Subsequently, a techno-economic study was conducted for three years to determine its profitability, the nature of products to be manufactured, the total cost of the plant, the method of management, market potential and the socio-economic impact the development of the country. By then, it was a work for the grandiose industrialization prospects of Rwanda. It became a limited liability company (LLC) in 1964. The years 1970-1980 were a period of expansion, diversification and consolidation.

In 1980 the Development Bank of Rwanda commonly referred to by its French name *Banque Rwandaise de Développement* (BRD) became a shareholder of Sulfo Rwanda industries SA with a contribution of 20% of the share capital amounted to FRW 225 million.

According to forecasts of the new law of 1988 on commercial companies, all companies using capital greater than or equal to FRW 100 million were classified as corporations. It is in this context that the Sulfo Rwanda industries SA changed its status into a limited company. Since then, it has grown and is now part of the group of large industrial plants in east and central Africa. The BRD withdrew from the company in 1998 as part of privatization and its shares were repurchased by the remaining shareholders.

Like many other companies, the Sulfo Rwanda Industries has not escaped the effects of the war and genocide of 1994. Much of his property was stolen and damaged others. Thus, a portion of its workforce was killed and another left for exile. At the end of all these problems, the company reopened after the war and new strategies had been developed, new products had been identified and the extension of sales was implemented.

1.1.1 Mission and Objectives of the Sulfo Rwanda Industries Ltd

Initially, the company's main mission has been;

- Local production of laundry soaps;
- The creation of employment;
- Contribution to the development of the country.

As a result of the changing economic environment, the goals set for the company are:

1. produce better quality goods;
2. Create customer in areas still unknown;
3. add value to local raw materials by converting them into finished products;
4. promote the development of the country by the regular payment of taxes and tax wages to employees;
5. Protect the environment by preventing the production of products that pollute nature.

At the moment, The Sulfo Rwanda Industries Ltd is the company which process:

- The manufacture of all kinds of soaps and detergents;
- Import, processing chemicals, plastics and food;
- processing and manufacturing all kinds of cosmetics;
- The manufacture of all kinds of confectionery;
- The manufacture of candles;
- General trade, import and export.

1.1.2 The company management structure

As many companies Sulfo Rwanda Industries has management structure in which superiors communicate with employees through communication channels in order to achieve company' objectives. Its structure involved the general assembly, the board of directors, president general director, the directorate-general, production management, administrative management, the management of supply, the sales department and the finance and accounting department.

1.1.3 The general assembly

Yassin (2007) stated that the company established the General Assembly which is constituted by the shareholders' meeting. The General Assembly regularly constitutes and represents all partners. Its decisions are taken in accordance with the law and the statutes require all partners, even absent, dissident or not.

Invitations containing the agenda and setting the date, time and place of the meeting must be sent to shareholders by registered or hand delivered letter with acknowledgment of receipt at least eight days before the date of the Assembly. The General Assembly deliberates on matters referred to the agenda. However, it can make decisions outside the agenda or meeting without notice if all the partners agree.

The Annual General Meeting is held each year at the headquarters last Friday of May at 10.00 am at the invitation of Chairman of the Board of Directors. The Ordinary General Assembly is responsible for:

- a. ruling on the balance sheet, profit and losses and the distribution of profits;
- b. to discharge granted by the General Meeting Auditors; discharge granted by the General Assembly bodies of the company is only valid if the balance sheet, profit and loss and the report do not include any error or omission;
- c. appoint and dismiss directors and auditors;
- d. determine the remuneration of the directors and the auditors;
- e. Decide on any matter which is not reserved to the Board of Directors or the Extraordinary General Meeting.

Extraordinary General Meetings may be convened as often as the interest of the company requires. Such General Meetings shall be convened by the Board of Directors or by the college of auditors, or by the liquidators, or by an agent duly justice required by shareholders holding at least one tenth of votes.

The Extraordinary General Meeting is authorized to make changes to the statutes and to transact any other matter considered serious and urgent for society.

1.1.4 The board of directors

Yassin explains that the company is managed by a Board of Directors composed of at least three members, persons or entities associated or not. Directors are elected for three years by the General Assembly by an absolute majority. They may be dismissed at any time by the decision of the said Assembly or be reappointed. The duties of directors who are not re-terminate immediately after the Annual General Meeting.

The Board meets at least twice a year and whenever the interest of the company requires or whenever requested by the Administrators. The Board of Directors may only deliberate if a majority of its members are present in person. Each Director may give written authority to represent him at a particular meeting of the Board of Directors and vote in his place and stead.

The minutes of the Board are recorded in a special register kept at the company's headquarters. The minutes are approved and signed by the members present including the Chairman of the Board. Copies or extracts of the minutes are signed by the Chief Executive Officer or his delegate Yassin (2007).

1.1.5 President General Director

The Board entrusts the daily management of the company to the President as the Chief Executive Officer (CEO) to carry out daily management assisted by a General Manager, Directors, one or more Deputy Executive. President as Chief Executive Officer has the authority entrusted to him by the Board of Directors to hire and dismiss staff and fix their duties. The mandate of the Chief Executive Officer goes for a term of three years but is renewable. The CEO attends meetings of the Board of Directors and the Presidency (Yassin 2007).

1.1.6 The directorate-general

The CEO is responsible for the daily management of the company, for the general supervision, control and coordination of various services. He represents the company in the public acts and judicial actions. It ensures a good relationship with national and international organizations. He establishes the balance sheet accounts operations, profit and loss and management reports. He is also responsible for implementing the decisions of the Board of Directors.

The flowchart of Sulfo Rwanda Industries Ltd provides the position of Deputy Managing Director. This assists the CEO in the tasks mentioned above. In addition, the Deputy Director General, High technician training, deals with technical matters.

1.1.7 Production management

Production management is directly supervised by the Deputy Managing Director of the company. He has under his command a leader in each production department. This directorate is the largest of the company directorates. It reflects the *raison d'être* of this

business. Production management is divided into five production departments, which correspond to production workshops, namely: The soap, Confectionery, Cosmetics and plastic products, the plant pots and metal containers and the cardboard.

1.1.8 Administrative management

Administrative leadership approaches the branch level as decision-making power without being confused. The service staffs are attached under the responsibility of the Chief of Staff. The company employs skilled and unskilled personnel. The number rises to 740 employees including 19 expatriates assigned to key senior positions within the company. The other 721 are all local Rwandans.

1.1.9 The management of supply

This department takes care of the supply of raw materials, auxiliary materials and other supplies necessary for the proper functioning of the company. The Supply contracts are signed between the company and local and foreign suppliers. At the local level, it procures relatively small amounts of cassava for the production of cement, sugar for making sweets, boxes and plastic waste for the production of bottles for packaging liquid and powder products. As for raw materials, they come from abroad.

1.1.10 The sales department

It performs the function of marketing using appropriate techniques to publicize products, attract customers and expand sales. It takes care of the preparation of packaging and shipping products to different audiences.

The outlets are now scattered in different corners of the country including set up branches in the district of Rusizi and Rubavu, all of the Province of West, Bujumbura (Burundi), Goma and Bukavu (Republic Democratic of Congo), but it has opened its branch in Huye in the Southern Province and other provinces of the country closer to the Sulfo products users. The department has vans inscribed on them drawings and adverts of different products of the company. They distribute items to customers or distribution points (branches). In its communication, the company uses local and regional Radio stations; public and private televisions, national print media, posters and advertising signs convey the same message to several places.

The Department is in close and constant contact with other departments in particular production which provides information on the development of manufacturing Yassin (2007).

1.1.11 The finance and accounting department

This department is responsible for:

- a) holding regular all financial transactions and transmit reports to senior management;
- b) preparing the accounting records according to the list;
- c) providing quality control of raw materials and finished goods inventories;
- d) collecting all the funds of the company;
- e) placing orders for materials for the enterprise;
- f) Keeping in good condition all accounting documents.

According to the profile of the Sulfo Rwanda Industries Ltd, the finance management and accounting is divided into three sections:

1. Accounting;
2. Importation;
3. Computing (appendix 1).

Communication channels theories have been advanced to enhance basic communications in organizations. The most popular theory has been the Media Richness Theory that was developed by Daft and Lengel (1986). They hold the view that certain media in organizations are more effective for certain assignments or tasks than others. In a study conducted by Anthony Tyrone Payne (2008) about management and media choice, it was found that managers selected e-mail as the richest media choice in their company compared to other media choices. Face to face communication in personnel situations was selected second, whereas telephone was selected as the least used medium of communication.

In the proceeding of the 29th Annual Hawaii International Conference on System Sciences, Webster, J., Trevino, L., K., & Stein, E. (1996) suggested that the personal nature of messages may influence media choices in a way that they are somewhat different from ambiguous messages. They mentioned that face-to-face meetings, telephone, voicemail, and letters are more preferred as private and more selected for personal messages. However, they described email, fax, and memos to have been more effective in public messages.

According to Kinney, Watson, & El-Shinnawy (1998), Media Richness Theory (MRT) is one of the more noticeable theories to describe the relationship between media communication channels and performance variables. The theory was first established and verified using traditional media, and later extended to include contrasts of other sorts of newer technologies such as voicemail or electronic mail with more traditional communication media (El-Shinnawy and Markus, 1997).

Further recently, combinations of media types are developing successfully (Negroponte, 2000). This development has encouraged researchers to compare various systems of newer communication methods such as videoconferencing, electronic mail, facsimile, voicemail, and others (El-Shinnawy and Markus, 1997).

A media form's level of richness is evaluated on a continuum with the richest media on one end and the leanest media on the other end. The MRT literature places face-to-face communication as the richest communication tool and text-based arrangements such as memos and email as the leanest communication tools (D'Ambra, Rice & O'Connor, 1998).

The MRT examines the differences in performance, such as judgment or decision value and decision time, resulting from the use of different communication channels (Dennis and Kinney 1998). The MRT advises that the context of the duty, task or position is a key determinant of the influence media richness will have toward performance measures. The MRT explains two basic classifications of task features that help to determine the suitable media system to use. First, the level of ambiguity existent in the task is said to influence the choice of communication tools (e.g., El-

Shinnawy & Markus, 1997). Galbraith (1973); El-Shinnawy & Markus (1997) defined ambiguity or uncertainty as the difference between the quantity of information required to perform a task and the information already possessed. Second, the level of equivocality included in the task influences media choice (El-Shinnawy & Markus, 1997). Equivocality refers to ambiguity (Daft, Lengel & Trevino, 1987) of a situation with various and sometimes disagreeing interpretations (Weick 1979; Daft & MacIntosh 1981). In equivocal positions, clear answers or responses are normally unobtainable (March & Olsen, 1976). When a given task has a great level of equivocality, richer communication channels produce better-quality response (D'Ambra, *et al*, 1998).

The MRT conditions that lean, text-based communication channels are better suited for non-equivocal tasks (Daft and Lengel, 1984). Furthermore, text-based communication is also more suitable and more favoured for communication including statistical information (El-Shinnawy & Markus, 1997). Also, El-Shinnawy & Markus (1997) found that employers and managers choose text-based communication channels when the requirement of statistically based information is existent in the condition.

In companies such as Sulfo Rwanda Industries, the concept of efficiency and effectiveness are very vital in determining the performance of the employees. However, the most challenging task has been the appropriate decision of deciding an effective and efficient medium of communication channel in a big company like Sulfo Rwanda Industries.

1.2 STATEMENT OF THE PROBLEM

The choice of communication has been a bane in Sulfo Rwanda Industries; this company embed some many subsidiaries or divisions in the country. Despite the importance of the effective of communication to the industries and the country at large the problem still persists. Several literatures have shown that ambiguous communication between employees and employers will lead to negative relationship coupled with low productivity (Dabla-Norris, 2015).

Similarly, staffs with negative communication media with their superiors are likely to be incapacitated in coping with organizational fluctuation notwithstanding (Manzoor et al (2011). The lack of appropriating choice of communication in big companies has been responsible for organizational bad image and low performance (Reynolds and Seeger 2012). Hence, contribute insignificantly to the nations' economic growth. However, the present study intends to measure the communication channels in both quality and quantity as well as official and unofficial formal means of communication.

In the role understanding competency it is the responsibility of the manager to provide clear messages to their employees. It is their role to ensure that the messages are clearly received and understood (Greenbaum, 1972). The present study therefore tries to find out whether the managers of Sulfo Rwanda industries meet these challenges of bridging these communication gaps.

1.3 RESEARCH QUESTIONS

The study is guided by the following research questions:

RQ1: What is the most perceived rich communication channel among (face-to-face, addressed documents, mobile (cellular) telephone calls, land (fixed) lines telephone calls, SMS, e-mails and Facebook) based on Office assignments, Company time / schedules and Company official announcements (Role Understanding Competency)?

RQ1a: Is there a significant relationship between Office assignment and Level of effectiveness of communication channel in the Sulfo Rwanda Industries?

RQ1b: Is there a significant relationship between Company time / schedules and Level of effectiveness of communication channel?

RQ1c: Is there a significant relationship between Company official announcements and Level of effectiveness of communication channel in the Sulfo Rwanda Industries?

RQ2: What is the most perceived rich communication channel among (face-to-face, addressed documents, mobile (cellular) telephone calls, land (fixed) lines telephone calls, SMS, e-mails and Facebook) based on Core values of the company, rules of the company and Code of conduct (Organization's Culture Awareness Competency)?

RQ2a: Is there a significant relationship between Core values of the company and Level of effectiveness of communication channel in the Sulfo Rwanda Industries.

RQ2b: Is there a significant relationship between the rules of the company and Level of effectiveness of communication channel in the Sulfo Rwanda Industries.

RQ2c: Is there a significant relationship between Code of conduct and Level of effectiveness of communication channel in the Sulfo Rwanda Industries.

RQ3: What is the most perceived rich communication channel among (face-to-face, addressed documents, mobile (cellular) telephone calls, land (fixed) lines telephone

calls, SMS, e-mails and Facebook) based on Company activities (Employees' Performance Competency)?

RQ3a: There is a significant relationship between Company activities and Level of effectiveness of communication channel in the Sulfo Rwanda Industries.

RQ4: What are the ways of communication that are used regularly among managers and employers in the Sulfo Rwanda Industries?

RQ5: How and why stakeholders select particular communication channel instead the others communication in one situation or another?

RQ5a: How stakeholders choose specific communication channel instead the others communication in certain situation?

RQ5b: Why stakeholders choose certain communication channel instead the others in particular position?

1.4 OBJECTIVES OF THE STUDY

The underlying objective of the study is to examine the most efficient and effective channels of communication of Sulfo Rwanda industries between the managers and employees. The specific objectives are:

1. To identify the most perceived rich communication channel among (face-to-face, addressed documents, mobile (cellular) telephone calls, land (fixed) lines telephone calls, SMS, e-mails and Facebook) based on Office assignments, Company time / schedules and Company official announcements (Role Understanding Competency).
2. To determine the most perceived rich communication channel among (face-to-face, addressed documents, mobile (cellular) telephone calls, land (fixed) lines

telephone calls, SMS, e-mails and Facebook) based on Core values of the company, rules of the company and Code of conduct (Organization's Culture Awareness Competency).

3. To examine the most perceived rich communication channel among (face-to-face, addressed documents, mobile (cellular) telephone calls, land (fixed) lines telephone calls, SMS, e-mails and Facebook) based on Company activities (Employees' Performance Competency).
4. To explore the ways of communication among managers and employers in the Sulfo Rwanda Industries.
5. To investigate how and why stakeholders choose particular communication channel instead the others communication in specific circumstances.

1.5 SIGNIFICANCE OF THE STUDY

The significance of this study is reflected in its contribution to communication practices between the company employees and the managers. The researcher hopes that the results of the study would improve practices of communication among employees in carrying out company tasks through face-to-face, addressed documents, telephone calls (mobile and land lines), SMS, e-mails and Facebook types of media. At the moment, the company uses traditional channels of communication such as radio announcements, use of posters. The study investigates whether or not modern channels of communication such as ICT-mediated communication E-mails, Facebook, and SMS do have significant impact of communication in the company.

In addition, the results of the study added value to the existing body of literature about face-to-face, addressed documents, telephone calls (mobile and land lines), SMS, e-mails and Facebook in the promotion of information transmission.

Further, the results of study brought feedback from employees of the company to the managers on how face-to-face, addressed documents, telephone calls (mobile and land lines), SMS, e-mails and Facebook types of media can improve communication for better performance.

1.6 LIMITATIONS OF THE STUDY

This study has three limitations the first one is that concerns the media choices made by employees of Sulfo Rwanda Industries. It will narrow itself to seven types of media channels namely 1- face-to-face; 2- Addressed documents; 3- mobile telephone calls; 4- Fixed lines phone calls; 5- SMS; 6- E-mails and, 7- Facebook. The study does not include other channels such as video teleconferencing and Twitter because they are perceived to be unpopular in company. The second one is that the Sulfo Rwanda Industries has branches inside and outside Rwanda. However, the researcher shall only be delimited to the main headquarters and its branches that are situated in Kigali, Rwanda. The results of the study shall therefore be delimited to only employees from headquarters and its branches inside Kigali. The exclusion of the other branches outside Rwanda has been because of different work environment with different languages especially in Uganda and Kenya.

The third limitation is that the study did not use research approaches like observations and phenomenological study because of time constraint. However, the

researcher was only limited to the quantitative questionnaire survey and qualitative interviews.

1.7 DEFINITIONS OF TERMS

The definition of terms is a systematic research, explanation, identification, items, terms and understanding of the aspects or factor that associated with the study. In this research the definitions of terms includes the theoretical framework and items that were measured during data collection and analysis. In addition, these definitions were followed in terms findings interpretation and recommendation. The study was guided by the following definitions;

1.7.1 Media choice

Media is plural and its singular is medium. Media choice refers to the type of communication a person chooses to use when communicating. Payne (2008). However, Fulk & Boyd, 1991 showed that “A better understanding of media choices can contribute to the design of communication and information systems”. This study refers to media choice as types of communications used among managers and employees of Sulfo Rwanda industries.

1.7.2 Face-to-face

It is defined by Business Dictionary (<http://www.businessdictionary.com>) as communication information by senders and receivers in real time. However, face-to-face is among of oral communication, it is usually suggested when the communication means is of momentary kind or where a direct interaction is compulsory. Face to face communication like meetings, lectures, conferences and interviews is significant so as

to build a rapport and trust (management study guide). According to Zachary Fenell (2010) face-to-face communication is most effective because one's nonverbal communications can reaffirm one's message. In this study it is referred to face-to-face as a tool of communication used between managers and employees of Sulfo Rwanda industries.

1.7.3 Addressed documents

Business Memo Memoranda, commonly referred to as a memo are brief written records or communications, typically having a specific format and style, which may be specific to a single office, level of government, or other institutions. Business people first made their internal communications on the familiar business letter. However, as organizations grew, the memo was invented to cover the special demands of internal communication (Agre, 1995). However, dictionary.reference.com (n.d) described addressed documents like letters as a written or printed communication addressed to a person or organization and usually transmitted by mail. In this research, addressed documents are described as printed tests communications channels used between managers and employees of Sulfo Rwanda industries.

1.7.4 Mobile phone calls

Any wireless telephone that operates over a relatively large area, such as a cellular phone or PCS phone. Also it is called mobile telephone. (Dictionary.com n.d) defines cellular telephone, sometimes called mobile telephone; it is a type of short-wave analogy or digital telecommunication in which a subscriber has a wireless connection from a mobile telephone to a relatively nearby transmitter. Rouse (2007) explained that the transmitter's span of coverage is called a cell. Generally, cellular telephone

service is available in urban areas and along major highways. As the cellular telephone user moves from one cell or area of coverage to another, the telephone is effectively passed on to the local cell transmitter. In this study, the mobile phone is referred to as a cellular tool of communication used between managers and employees of Sulfo Rwanda industries.

1.7.5 Fixed line telephone

This is a landline or the ITU's (2007) defined as fixed telephone lines in operation as a main line connecting the subscriber's terminal equipment to the public switched network and which has a dedicated port in the telephone exchange equipment. This term is synonymous with the term main station or Direct Exchange Line (DEL) that are commonly used in telecommunication documents. It may not be the same as an access line or a subscriber (ITU, 2007). Fixed-line telephones are defined by University of oxford dictionary as communications devices, the primary purpose of which is the transmission and receipt of spoken messages via a cabled or wired public electronic communications service. In this research a landline is referred to a fixed line which is utilized as a communication tool between managers and employees of Sulfo Rwanda industries.

1.7.6 Facebook

Parker (2011) described Facebook as a social networking service that allows users to connect with anyone in the world. What make Facebook different from other social networks are its extensive privacy controls, its development platform, and its large and quickly growing user base. Facebook has been called the "thinking person's" social network. According to Rouse (2009) Facebook is described as a popular free social

networking website that allows registered users to create profiles, upload photos and video, send messages and keep in touch with friends, families and colleagues. However, Facebook is a top social networking website that was originally created as an online community for college students. Since it was launched back in 2004, the network has opened up to other types of members including high school students, business employees. Today, the platform is open to the general public (Hudson horizons). In this study, it is referred as a social network communication channel that is used between managers and employees of Sulfo Rwanda industries.

1.7.7 Electronic mail (e-mail)

It is usually referred to as electronic mail and abbreviated as e-mail or email. (Kurth, 1987) defined it as mail composed and transmitted in a computer system attached to network. Email is about the transfer and exchange of information, applications, multimedia, and other content, where the exchange can happen anytime and anywhere with low cost and ease of use (Blum & Litwak, 1995). Email has become an essential tool in today's organization; people use email to exchange information and ideas, keep in touch over distance, and collaborate on work-related projects (Sean, David, Albert, & Shin-Yuan, 2007). In this study email is referred to as type of communication that transfers information through computer system between managers and employees of Sulfo Rwanda industries.

1.7.8 Short Message Service

The is a Short Message Service (SMS) type of communication that limits the number of characters or words per message sent from one person (sender) to another (receiver) through using a cellular phone or mobile device. This definition of SMS is

interchangeable with the definition of texting, Talbott (2011). According to the free dictionary by (Farlex, n.d) SMS can also be used through computer telecommunications). However, (Short Message Service) is the common text messaging services available on cell phones and other handheld devices. Due to the billions of cell phones in use, SMS is the most ubiquitous messaging system on the planet. Typing text messages (texting), which are limited to 160 characters in length, can be done on basic cell phones with only numeric keys, although QWERTY keyboards make the job easier. Messages are sent to regular telephone numbers or to shorter numbers for commercial use (Encyclopaedia). This research refers to SMS a text messaging type of communication tool used between managers and employees of Sulfo Rwanda industries.

1.7.9 Role understanding competency

This study refers the role understanding competency as competence derived from the behaviour that encompasses the knowledge, skills, and attributes required for successful performance of the employees LaRocca. M. (n.d) & Payne (2008)

1.7.10 Organization's culture awareness competency

The study refers to it as the underlying characteristics of a person, (such as traits, habits, motives, social roles, and self-image, as well as the environment around them) that enable him or her to deliver superior performance in a given job, role, or situation LaRocca, M. (n.d). Decisions must be made to uphold the company's core value system, rules and code of conduct Payne (2008).

1.7.11 Employees' performance competency

The study defines it as a competency that determines the employee's specific competencies that are characteristic of high performance and success in a given job. Competency modelling can be applied to a variety of human resource activities LaRocca, M. (n.d). Competency involves the ability to clearly assess a subordinate's performance and give guidance where necessary (Payne 2008).

1.10 SUMMARY OF CHAPTER ONE

The chapter summarises the background of the study and the statement of the problem. It explains the purpose of the study and indicates research questions. The chapter also highlights the significance of the study and its limitation, and operational definitions of terminologies have been presented.