European Journal of Business and Management
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.5, No.18, 2013

Privatization Conundrum in the 21st Century:a Study of Privatized Companies Quoted at the Nairobi Security Exchange

Gabriel Waweru
School of Business and Economics, Department of Accounting and Finance
Meru University, Kenya P.O Box 9656-00300 Nairobi.
John Mbogo
School of Business and Economics, Department of Accounting and Finance
Meru University, Kenya. P.O Box 9656-00300 Nairobi
Mohamed Shano
School of Business and Economics, Department of Accounting and Finance
Meru University, Kenya. P.O Box 9656-00300 Nairobi
*E-mail of the corresponding author: gabuwaweru@yahoo.com

Abstract
The aim of this study was to analyse the profitability of companies privatized and quoted in the Nairobi Security Exchange. The research focused on those companies, which were recently privatized and were quoted at the Nairobi Security Exchange. Secondary data was collected and analysed from both published and unpublished reports. Published data mainly came from the financial reports of these companies, journals and prospectus. Unpublished data was obtained from research papers.
Various ratios were computed for the companies five years before privatization and five years after privatization and the student's t- distribution was used to determine whether there were significant differences in profitability before and after privatization.
The general conclusion from the study shows that there were no significant changes in the profitability of companies before and after privatization.
Key words: Privatization, Profitability, NSE

Abbreviations and Acronyms

NSE	Nairobi Security Exchange
ROCE	Return on Capital Employed
GPM	Gross Profit Margin
NPM	Net Profit Margin
ROI	Return on Investments
SOE	State Owned Enterprises

1. Introduction

The main focus in the public enterprises sector during the colonial period was
Concentrated on infrastructure and farming although some efforts were made to venture into the manufacturing sector. This was done through the establishment of Industrial Development Corporation (ICDC) (Mwale 2000). The expansion of the public sector gained momentum around 1920's and 1930's as the colonial government tried to create and improve facilities and marketing of agricultural commodities through the creation of marketing boards.

When Kenya attained her independence in 1963, the government continued expanding the public sector. This expansion was done through participation in production, financial and commercial enterprises by the state. The government also encouraged nationalism, which further led to creation of more State Owned Enterprises (SOE'S). By the end of 1970's, the government held equity in about 250 commercially oriented firms engaged in production of goods and services. The government was the majority shareholder in over a half of these firms. By 1990, 60% of the public enterprises were in manufacturing and mining, 18% in distribution, 5% in the financial sector and the rest in the public infrastructure facilities such as transport and communication and power generation and distribution. (Nyong'o 2000). A research conducted on the state owned enterprises showed that they contributed for some 17% of the Gross Domestic Product (GDP) by the early 1980's. (Kihumba 1994).

Various factors contributed to the poor performance of the state owned enterprises. Poor performance in public sector has been associated with poor management (Government Printer, 1979). There has been lack of professionalism in the management of money in public institutions. Top position appointments have been in most cases determined by political factors and not on merit or efficiency (Oyugi 1997). In the government commissioned report on parastatals, it was observed that there is clear evidence of prolonged inefficiency, financial mismanagement and malpractices in many parastatals (Nyong'o 2000). Another factor that contributed to the poor performance of the public sector was nature of relationship among enterprises themselves. In many cases they were interlinked together through input output relations. Inefficiencies of one spread to the rest in that manner (Nyong'o 2000).

Under the flexible pricing regime, firms were generally free to sell their products at the prevailing global markets. This system was common in agricultural and marketing parastatals dealing with the key exports like Tea, Coffee and Pyrethrum. Firms served the farmers operations with the principal of "no profit no loss or break even". Frequently prices were set below or above the market clearing prices leading to surpluses or shortages resulting in an overall inefficiency particularly in the financial parastatal firms like banks (Nyong'o 2000).

By 1980's, most of the public enterprises in Kenya were heavily entangled in red tape and other government regulations. In view of the high levels of under capitalization and low liquidity, many enterprises frequently faced serious leverage problems. For example some sugar companies began their production with borrowed funds while Kenya Tea Development Authority (KTDA) and National Cereals and Produce Board (NCPB) operated with negative working capital.

In 1980's and 1990's most parastatals reported significant losses. The sector had grown too large to finance its resources (Oyugi 1997). In the agricultural sector, there were heavy losses in the National Cereals and Produce Board (NCPB), South Nyanza Sugar Company (SONY), Nzoia Sugar Company and Kenya Meat Commission (Nyong'o 2000). Parastatals, which were not performing well in the infrastructure sector, were Kenya Airways, Kenya Railways, Kenya Power and Lighting Company, Kenya Ports Authority and Kenya Post and Telecommunications Corporation (Oyugi, 1997).

The Government of Kenya, the World Bank and other stakeholders had a number of objectives, which they hoped would be achieved through privatization. The government undertook privatization. The government was prompted to privatize these companies mainly due to their poor performance. Among the objectives of privatization were improvements of the company's profitability. Many companies were listed for privatization but the government has not privatized them yet. No study has been done to find out if the objectives of privatization have been achieved. This study was therefore aimed at finding out whether the objectives of privatization were achieved or not. The significance of changes in the company's profitability before and after privatization was tested using students t-test.

2.0 Review of Relevant Literature Review

2.1 Origin of privatization

Privatization is the transfer of ownership of an enterprise through the sale of assets from the public to the private sector (Kibera 1996). Privatization is also defined as the supply-side economics, which hinges on neo-classical hypothesis that private enterprises bring better efficiency and more rapid growth of such organizations (Oyugi 1997). Privatization may also be defined as a generic term employed to describe a range of policy initiatives designed to alter the mix of ownership or management away from the government in favour of the private sector (Nyong'o 2000).

The beginning of Kenya public sector can be traced back to the years soon after the country became a British colony in the early 20th century. The British government in its bid to stamp out its authority to the newly acquired territory established State Owned Enterprises (SOEs) as well as civil service to help administer the colony. The great trading companies of the early period of European empire building, such as the British South Africa Company and the East Indies Company, were in private hands until they were taken over by the governments as part of the rise of the global foreign policy interests in the imperialism of the nineteenth century (Cowan 1990).

The present trend of privatization was initiated by the Thatcher government in Britain in the early 1980's is today followed by numerous other governments (Oyugi & Akeno 1997). France and Britain are the pioneers in the present wave of privatization in the western European economies. In Britain, vital industries like telecommunication, gas and electricity have been sold to the public. In France large industries and financial conglomerates have constituted the main bulk of privatized enterprises. Germany, Italy and Netherlands had, by 1992, started to sell part of the shares they held in some of the state owned enterprises. However, large utilities were not up for privatization (Nyong'o 2000).

In the former Soviet bloc countries, privatization has meant a sudden shift of economic and political power from state bureaucrats to the private sector. Since the introduction of liberalized market economy is totally new, this change has come with tremendous shock to the societies with large-scale unemployment as a major outcome. Thus privatization in these countries has had a negative impact.

In Latin America, Chile and Argentina have had some of the most comprehensive and far-reaching divestiture programs. Argentina's privatization program was characterized by its scope and speed, as well as the intensity of the World Bank Support (Nyong'o 2000). Generally France, Italy and Spain in Europe, Brazil, Chile, Honduras, Mexico and Jamaica in Latin America and the Caribbean, Japan, Thailand, Singapore, Malaysia, Srilanka and Turkey in Asia and Middle East have become notable proponents of privatization. Some have concrete and successful results in the transfer of the assets of the public sector into the private hands (Oyugi 1997).

2.2 Privatization in Africa

Privatization in Africa is on the rise. Although many public enterprises remain in the government portfolios, acceptance of the need to reduce the size of the public enterprise sector has grown. By the end of 1996, just fewer than 2700 privatization transactions had taken place in the Sub-Saharan Africa with a total sales value of $2.7 billion (Campbell & Bhatia 1997). At the beginning of 1990 a dozen countries in Africa had undertaken some form of privatization. By 1993 that number had doubled and by the end of 1996 all but 5 countries had divested some of the public enterprises. In terms of the number of transactions most of the privatization activity has been concentrated in a few countries. Of the 2689 reported privatization transactions that took place between 1988 and 1996, 1891 (over 790%) were concentrated in ten countries namely Mozambique, Angola, Ghana, Zambia, Kenya, Tanzania, Guinea, Madagascar, Nigeria and Uganda (Campbell & Bhatia 1997).

2.3 Privatization in Kenya

Kenya was ranked 5th in respect of the number of privatization transactions in Africa. By 1996, Kenya had 152 transactions after Mozambique's 548, Angola 331, Ghana 191 and Zambia 191 (World Bank 1997). Kenya's sales value of the state owned enterprises by 1996 out of the 152 transactions amounted to $184.6 Million (World Bank 1997).

The introduction of the aid conditions requiring a reduced state holding caused the state to rethink its role as outlined in the Sessional paper of 1982 on development prospects and policy. Due to external pressure from the International Monetary Fund (IMF) and the World Bank, the state finally committed itself to privatization as a key economic policy. In 1992 the government followed by two agreements in the years 1993 – 1994 and 1994 – 1997 between the World Bank and the government. This policy paper affirmed the government's commitment in implementing comprehensive public enterprise reform program (Nyong'o 2000).

Two instruments, the public enterprise reform program (PERP) and the privatization program would be used in achieving the objectives of privatization. In 1991 the president appointed a high level policy making body, the Parastatal Reform Policy Committee (PRPC) with the mandate to divest and liquidate non strategic parastatals. The PRPC was charged with:

- Supervising and coordinating the implementation of the parastatal reform program.
- Prioritizing and scheduling the sale of such non-strategic enterprises.
- Approving the operational guidelines such as the criteria and procedures to be followed by the executive secretariat and technical unit (ESTU) in divestiture decisions.
- Giving final approval or rejection for the sale of public enterprise.
- Providing political impetus for privatization, participating in building public awareness and national consensus in support of the program (Nyong'o 2000).

The government of Kenya short-listed a number of companies, which were to be privatized. Some of these companies have already been privatized while others are yet to go through the process (Government of Kenya Printers 1992).

2.4 Reasons for privatization

One of the major reasons for privatization of state owned enterprises (SOES) by the Kenyan government was as a result of aid conditions by International Monetary Fund (IMF) and World Bank. This external pressure from the two organizations made the government finally commit itself to privatization as a key economic policy (Nyong'o 2000).

The pressure used by the Bretton Woods Institution to Kenya and other countries was that of No Reforms No Aid. Privatization was also seen as providing an alternative to the poorly performing public enterprises. Apart from dismal financial performance, the public sector did not satisfactorily fulfill the social and economic goals for which they were created (Oyugi 1997).

Another reason why the government needed to privatize was because it was concerned with criticism by the public in respect to government involvement in running the public sector. As such privatization was a reactive measure to address the criticism from the public (Oyugi 1997). The enterprises were viewed as draining the government resources and thus the need for privatization (Oyugi & Akelo 1997). The treasury could not continue funding these enterprises and hence the need for privatization. Most of the state owned enterprises were not making any profits and thus were mainly depending on the funding from the government. The government viewed privatization as a source of getting additional revenues for the treasury from the state owned assets.

Whenever privatization occurs, the government realizes substantial returns (Oyugi & Akelo, 1997). Another reason for privatization in Kenya was that there was dissatisfaction with the performance of many state owned enterprises. These enterprises could not meet popular expectations for product quality and quantity. As such many of these organizations could not compete with the private sector. Technological advances have made some of the products or services provided by SOE'S obsolete. As such the government has justified privatization as a way of meeting the changing consumer demand (Oyugi 1997).

2.5 Methods of privatization

The following are some of the methods and techniques, which are used in privatization:

(a) Commercialization.

This involves no change of ownership only that the enterprise becomes self-sustaining just like any other business. The organization is expected to make profits and be self-sustaining free from government funding just like any organization in private sector.

(b) Divestiture.

Divestiture is defined to mean any transactions by which the government transfers title in or sells all or some assets or shares in an enterprise regardless of any transfer or control (Oliver & Banita 1997).

(c) Sale of equity.

This involves selling all or part of the shares of the enterprise to an investor or a group of investors. The sale could either be direct i.e. competitive tender or auction or it could be a public offering of shares (Saden 1995).

(d) Liberalization

This involves encouraging the emergence of private firms by the government. The government initiates the transfer of its assets to the private hands thus removing any kind of monopoly, which prevents the emergence of the private sector (Saleemi 1999).

(e) Deregulation

Deregulation involves reforms on the rules of control and regulations adopted by the Government or removal of price control.

(f) Concessions and lease agreements

This is a technique where the government decides against a complete transfer of ownership. As a result the government can rent out the assets for a specific period.

2.6 Expectations after privatization

According to the Government of Kenya (GOK 2003) the following have been outlined as expectations after privatization:

(i) The improvement of infrastructure and delivery of public services by the involvement of private capital and enterprises.

(ii) The reduction of demand on government resources

(iii) The generation of profits and improvement of market share of these enterprises

(iv) The improvement of the efficiency of the Kenyan economy by making it more responsive to market forces.

2.7 Controversies on privatization

There are three schools of thought concerning relative efficiency between state owned and private owned enterprises (Oyugi 1997). In a study on impact of privatization on the financial sector in Chile, it was found that there were a lot of policy contradictions, which profoundly contributed to the 1982 – 83 financial crises. Various economists have had different opinions in respect to the effects of privatization in the economy.

2.7.1 Public sector enterprises are more efficient

Economists traditionally view SOES as a way of allocating resources in an optimum manner by the government. The government therefore may establish public enterprises under its control with the objective of maximizing social welfare and improve the decisions of the public enterprises when monopoly power externalities introduce divergence between private and social objectives (Oyugi 1997).

2.7.2 Private enterprises are more efficient

An assessment by the World Bank on the impact of privatization in 1992 generally concluded that privatization had a positive impact on economic performance measured in terms of increased investments, improvement on productivity, output growth and diversification. This study however left out the Sub-Saharan Africa (Oyugi 1997). In another study it was concluded that there is robust evidence that state enterprises and mixed enterprises are less profitable than private operations. Another conclusion was that there is virtually universal consensus that privatization improves efficiency (Oyugi 1997). In his research, Oyugi argued that the same level of output could be provided at substantially lower costs if the private rather than the public sector produced output. In another study, it was observed that the ownership of public enterprise is usually diffused or poorly allocate (Galal 1991). Public sector undertaking, power generation and even municipal services have lately emerged as serious contenders for privatization because of the government's inability to deliver goods (Oyugi 1997).

2.7.3 There is no clear-cut difference in performance between public and private enterprises

According to the research on privatization done by Cook and Kirkpatrick (1995), it was observed that there has been little impact o fprivatization on African economies.

Moreover, substantial impact of privatization in any economy only occurs when infrastructure has been privatized. This sector, by 1993, accounted for 35% of the revenue generated from privatization (Sader 1993). The sectors in most of the African countries are yet to be privatized. The above findings from different researchers have touched on different issues on privatization. Their different findings have generated the controversies as to whether privatization has positive or negative impact.

2.8 Related studies

A research in Nairobi to analyse the factors hindering privatization in Kenya concluded the following as the main hindrances of privatization in Kenya;

i. Political influence and lack of government commitment. Companies are not privatized because there is a hidden hand of the government.
ii. Lack of proper guidelines to privatization process.
iii. There has been lack of equal playing ground for bidders
iv. Existence of conflict by the officials involved in the process
v. Underdeveloped capital market, which way shy away investors in most cases foreign investors.
vi. Low savings and investments by the locals. This is so because most Kenyans (50%) are living below poverty line (Mutuku 2002). Mutuku's study showed that 77% of the respondents believed that the efficiency of the public sector was enhanced after privatization, 20% believed that public expenditure on the public sector was reduced while 3% believed that privatization has enabled the former public enterprises to operate on the basis of market principles, operational autonomy and the enhancement of accountability.

Another research on "ownership structure and bank financial performance in Kenya" found out that there was no significant difference in performance between the banks owned by the government and the non-government owned banks. Out of the total 48 banks examined 86% of the banks in Kenya have no government ownership, 10% are partially government owned and only 4% are entirely owned by the government. In this study it was established that there is no significant relationship that exists between the extent of government ownership and the financial performance of the Kenyan banks. Thuku (2002). In his research "An evaluation of the financial performance of non banking financial institutions that converted into commercial banks in Kenya", Koros (2001) established that there was no improved performance by such banks. Those institutions, which took the bold step of converting into commercial banks, did not register improved performance as anticipated. In fact, most performance indicators showed a declining trend.

A research was conducted in Nairobi to compare the financial performance of public enterprises and the privately owned firms concluded that public enterprises are poor in performance as compared to the private ownership. Private sector was found to perform better than state owned enterprises. The degree of indebtness was found to be the same in the two sectors (Ogeto,1994).

3.0 Data and Methodology

The population of interest for this study comprised corporations that were initially government owned and which have been privatized and their shares quoted on the Security exchange. A total of nine companies were included in this research. Mumias Sugar Company was omitted from the study due to lack of data. The company did not have financial reports for five years after privatization since it was privatized in 2001.

Due to the small size of the privatized companies quoted on the Security exchange a census study was carried out covering all the nine companies.

Secondary data was used entirely for the purpose of this research. The data was collected from the annual financial reports of companies under study.

Ratio analysis was used to compare the profitability of the companies before and after privatization. Profitability ratios were computed for each company five years before and five years after privatization.

The following ratios were computed for each company five years before and five years after privatization.

(i) Return on capital employed (ROCE)

$$ROCE = \frac{\text{Net profit before tax x 100\%}}{\text{Capital Employed}}$$

(ii) Gross profit margin

$$= \frac{\text{Gross profit x 100}}{\text{Net sales}}$$

(iii) Net profit margin

$$= \frac{\text{Net profit after tax x 100}}{\text{Net sales}}$$

(iv) Return on investments = $\frac{\text{Net profit after tax x 100}}{\text{Shareholders funds}}$

The mean and standard deviation for each ratio were computed for each company before and after privatization. t student's distribution was then used to test for the difference between means of all companies then at 95% confidence level. This confidence level was chosen since other researchers in similar studies used it. Student's distribution is recommended where sample size is below 30 (Lucy 1992).

The hypotheses were tested using the student's t-distribution as follows

$$t = \frac{u_1 - u_2}{\sqrt{(N_1 - 1)\sigma_1^2 + (N_2 - 1)\sigma_2^2}\sqrt{\frac{N_1 - N_2}{N_1 + N_2}}}$$

Where

t = test statistic
u_i = Ratio before privatization
u_2 = Ratio after privatization
N_1 = Number of years before privatization
N_2 = Number of years after privatization
$_1$ = Standard deviation before privatization
$_2$ = Standard deviation after privatization

4.0 Analysis and Results

Data for the study was obtained from company annual reports and prospectuses of nine companies quoted on the Nairobi Security Exchange. Data was collected from all the companies targeted by the study translating to a response rate of 100%. The various ratios meant to indicate the level of profitability related to periods before and after privatization were computed.

4.1 Tests for profitability

Profitability is one of the measures of performance. Four ratios were used to measure the profitability of companies five years before and five years after privatization. These four ratios included Return on Capital Employed, Gross Profit Margin, Net Profit Margin and Return on Investment. The results on the measures of profitability are shown below.

4.1.1 Return on Capital Employed

Return on capital employed was computed for all the companies and the t- test results are presented below:

Table 1: Return on capital employed

Company	**Return on Capital Employed**
	t- test results
C.M.C. Ltd	2.202
Bamburi Cement	-1.09
B.O.C Kenya	0.127
Firestone E/A Ltd	-4.123
East African Portland	1.214
Kenya Airways	1.431
Housing Finance Corporation of Kenya	-0.304
National Bank of Kenya	3.048
Kenya Commercial Bank	5.24

A two tail t- test on return on capital employed at 95% confidence level, 8 degress of freedom showed the results as indicated in the above table. The t- critical at the same confidence level for all companies was 2.306. Out of the total population of nine companies, six companies representing 67% had their t-statistic within the cceptable region. The six companies showed no significant change in return on capital employed before and after privatization. Three companies representing 33% had the t- statistic outside the acceptance region. The three companies showed a significant change in return on capital employed before and after privatization.

4.1.2 Gross Profit Margin

Gross profit margin was computed for all the companies and the t- test results are presented below:

Table 2: Gross profit margin

Company	Gross Profit Margin
	t- test results
C.MC Ltd	-4.512
Bamburi Cement	-17.29
B.O.C Kenya	-2.700
Firestone E/A Ltd	2.366
East African Portland	-7.150
Kenya Airways	.983
Housing Finance Corporation of Kenya	-5.899
National Bank of Kenya	-2.332
Kenya Commercial Bank	-3.515

A two tail t- test on return on capital employed at 95% confidence level, 8 degrees of freedom showed the results as indicated in the above table. The t- critical at the same confidence level for all the companies was 2.306. Out of the total population of nine companies, one company representing 11% had their t statistic within the acceptable region. This company showed no significant change in Gross profit margin before and after privatization. Eight companies representing 89% had the t- statistic outside the acceptance region. The eight companies showed a significant change in Gross profit margin before and after privatization.

4.1.3 Net Profit Margin

Net profit margin was computed for all the companies and the t- test results are presented below:

Table 3: Net Profit Margin

Company	Net Profit Margin
	t- test results
C.MC Ltd	-3.247
Bamburi Cement	-5.688
B.O.C Kenya	2.514
Firestone E/A Ltd	3.709
East African Portland	0.313
Kenya Airways	0-0.486
Housing Finance Corporation of Kenya	.0.799
National Bank of Kenya	2.024
Kenya Commercial Bank	2.215

A two tail t- test on Net Profit Margin at 95% confidence level, 8 degrees of freedom showed the results as indicated in the above table. The t- critical at the same confidence level for all the companies was 2.306. Out of the total population of nine companies, five companies representing 56% had their t-statistic within the acceptable region. The six companies showed no significant change in Net Profit Margin before and after privatization. The four companies showed a significant change in Net Profit Margin before and after privatization.

4.1.4 Return on investment

Return on investment was computed for all the companies and the t- test results are presented below:

Table 4: Return on investment

Company	Return on investment
	t- test results
C.M.C Ltd	-1.060
Bamburi Cement	-4.153
B.O.C Kenya	-1.309
Firestone E/A Ltd	7.048
East African Portland	0.858
Kenya Airways	0.068
Housing Finance Corporation of Kenya	1.885
National Bank of Kenya	2.202
Kenya Commercial Bank	-3.346

A two tail t- test on return on investment at 95% confidence level, 8 degrees of freedom showed the results as indicated in the above table. The t- critical at the same confidence level for all the companies was 2.306. Out of the total population of nine companies, six companies representing 67% had their t- statistic within the acceptable region. The six companies showed no significant change in return on investment before and after privatization. Three companies representing 33% had the t- statistic outside the acceptance region. The three companies showed a significant change in return on investment before and after privatization.

Conclusion of the Study

Four ratios were computed as a measure of profitability. Out of the four ratios, only one showed a significant change in profitability before and after privatization. Gross profit margin did show a significant change for most companies. However the net profit did not show a significant change and this could be due to the operating expenses which remained the same after privatization. Despite the improvement in profitability as shown by the gross profit margin, operating costs may have increased which may have led to lower net profit margin in most of the companies studied.

The results of research revealed that different companies experienced changes after privatization in profitability, However most of the companies did not indicate a significant change in as far as profitability is concerned.

The calculated t- test on three ratios which were used t measure profitability, showed the same results. Return on capital employed, showed that a majority of companies did not experience any significant change in return on capital employed, net profit margin and return on investment for majority of the companies. Gross profit margin was the only ratio measuring profitability that showed a majority of companies having a significant change.

The three ratios measuring profitability did not show a change after privatization due to the operating costs which may not have been taken care of. After privatization the companies need to have reduced the operating cost and this would have an effect on profitability of the companies. This is evident due to the fact that the gross profit margin of the majority companies changed after privatization.

References

Campwell, O., & Bhatia, A. (1997), *"Privatization in Africa",* World Bank, Washington DC, pp 1 – 24.
Cowan, G. (1997), *"Privatization in developing world",* Greenwood Press, New York.
World Bank, Washington DC, pp 1 – 12.
Galal, L. et al. (1994) *"Welfare consequences of selling public enterprises, an Empirical Analysis",* World Bank, Washington DC, pp 14 – 22.
Government of Kenya, (2003), *Privatization Bill*, Government Printer, Nairobi PP 1-12.
Kay J, Mayer C, (1996) *"Privatization and economic Performance",* Oxford University Press, London.
Kibera, F. (1996), *"Introduction to business, a Kenyan perspective"* Unpublished seminar paper, Nairobi, pp 1 – 10.
Kihumba, J. K. (1996),*"Privatization",* unpublished Seminar paper, Nairobi, pp 2-3.
Koros, K. G. (2001), *"An evaluation of financial performance in non banking financial institutions that converted into commercial banks in Kenya",* Unpublished MBA Project, University of Nairobi.
Lucy, T.(1992), Quantitative Techniques, Third edition, DC Publishers, London.
Mutuku, M.(2002), *"Factors hindering privatization in Kenya",* Unpublished MBA project, University of Nairobi.
Mwale, S. M. (2002), *"Genesis and evolution of privatization policy in Kenya",* Unpublished MBA project, University of Nairobi.
Nyong'o, O. (2000), *"The context of privatization in Kenya"* Academy of African series, Nairobi, pp 1 – 30.
Ogeto, D. M. (1994), *"Financial Performance of public enterprises and privately owned firms compared"*, Unpublished MBA project, University of Nairobi.
Oyugi, A. & Akelo, O. (1997), *"Privatization in Africa",* Oxford University Press Nairobi. , PP 1 – 34.
Sader, F. (1995), *"Privatizing Public enterprises and foreign investment in developing countries"*, World Bank, Washington D C, PP 5-9.
Saleemi N. A. (1999), Advanced Financial Accounting N A Saleemi Publishers, Nairobi.
Thuku, D. (2002), *"Ownership structure and bank financial performance in Kenya",* Unpublished MBA project, University of Nairobi.