

**PERFORMANCE IN THE PRINTING INDUSTRY
AND DETERMINANT FACTORS: A CASE
OF TWO FIRMS IN KENYA**

BY

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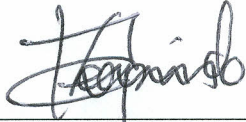


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DEDICATION

DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.



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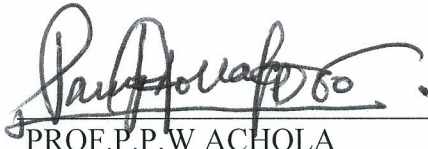
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DEDICATION

To my parents, Pius Opondo and Margaret Aoko, for their financial support and encouragement without which this level of education could have not been achieved.

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ABSTRACT

Over three and a half decades the policy of the Government has been to increase the role of indigenous entrepreneurs on the economy. While the efforts that have been made have led to remarkable progress, there are persistent observations that local entrepreneurs have continued to experience considerable difficulties with respect to profitable and competitive operations. Similarly Ikiara (1988) observed that past efforts toward industrialization have failed and argued that it was necessary to put a new strategy in place.

The aim of this study was to examine factors that have influenced performance of indigenous entrepreneurs in Kenya. It focussed on two firms in the Printing Industry, one owned by an African entrepreneur and the other owned by an Asian entrepreneur.

The principal objective of the study was to compare the performance of the two firms over a period of five years in order to identify changes that occurred and factors that influenced those changes.

The study aimed to identify the contribution of investment, experience, and the educational background of the entrepreneurs, and training in enhancing performance in the two printing firms. Subsequently, four hypotheses were examined in the study. One of the theoretical perspectives adopted was that besides policy intervention measures that have been implemented by the Government, characteristics of the entrepreneurs in terms of investment, experience educational background and training would enhance performance in business development.

Data for this study were collected using questionnaires and interview schedule. In addition, primary data were also obtained through management records. More data were obtained from the Department of the Registrar of Industries, presently under the Ministry of Industrial Development.

The study found that the characteristics of the entrepreneurs notably investment, experience, education and training, influenced performance in the two printing firms. It was observed that the nature of investment influenced the levels of production and development of infrastructure in the two printing firms. It was observed also that the years of experience of the entrepreneurs in the printing industry influenced the difference in the management and operations of the two printing firms. Further, it was observed that education provided capacity to entrepreneur and workers for adoption of production and management techniques printing industry and enabled them to take advantage of the available opportunities for competitive and sustainable operations. Similarly training of the workers enabled the entrepreneur, and employees to carry out appropriate management, production and marketing activities.

It was noted that capital accumulation through loans and savings played a considerable role in business initiation and development.

The study recommends that intervention measure be directed to enhancing access to capital, training on management, and technical operations and business counseling.

Definition of terms.

Entrepreneur	A person who owns and controls capital invested in an enterprise.
Education	Level of formal school attainment (number of years and level reached in school).
Training	learned techniques and procedures of carrying out a task (relevant courses taken).
Performance	progressive gains from business enterprise and improvement in infrastructure, improvement in working conditions (growth in sales, profits and business expansion)
Policy	plan of action adopted by a government or business organization.
Economic development	Increase in capital formation, income per capita, increase in employment opportunities and improvement in infrastructure such as roads and electricity.
Capacity building	A comprehensive, process which includes the ability to identify constraints, and to plan and manage the development process. It involves the development of human resources and institutions in a favourable policy environment.
Innovation	Invention and introduction of a new product or technique.

Abbreviations

SAPs	Structural adjustment programmes.
MNCs	Multinational corporations.
ICDC	Industrial commercial development corporation.
AFC	Agricultural finance corporation.
KNTC	Kenya national trading company.

Organisation Of Study

Chapter one presented, the background on the factors that have influenced the development of entrepreneurs in Kenya and outlined the problem of disparity between African and Asian entrepreneurs. It also outlines the objectives, hypotheses, significance and scope of the study.

Chapter two in this study deals with the review of relevant literature on historical and current theoretical perspectives. This chapter also outlines policy measures that have been pursued by the Government in order to promote enterprise growth. In order to provide the theoretical underpinnings for this study this considered theories on entrepreneurship development and identifies the one most suitable to the present study.

Chapter three outlines the research methodology adopted in the study. This examined the nature and structure of the printing industry in Kenya. This chapter also discusses the process of data collection through use of both primary and secondary sources. Data analysis would be carried out at the quantitative and qualitative levels.

Chapter four presents the research findings and examines the relationships between key variables and the proposed hypotheses. It also discusses factors that influence business growth.

Chapter five offers some conclusions and recommendations based on the research results, and suggests areas for further investigation.

CHAPTER ONE

1:1

BACKGROUND

Existing literature have reported consistently that the performance of indigenous entrepreneurs has been less competitive since 1960s as compared to the performance of Multinational entrepreneurs. Langdon (1981) reported that Multinational corporations (MNC's) have had tendencies and mechanisms to control the growth and performance of local industries. Similarly, Eglin (1978) argued that competition from MNC's have restricted indigenous enterprises to concentrate in industries that create limited linkages and opportunities, which subsequently limited their production capacity and potential. Indeed these studies observed that local firms have tended to concentrate on meeting the demand of the market sectors in which foreign firms had little interest.

For nearly half a century, business development in Eastern Africa including Kenya was dominated by Europeans followed by Asians and Africans last (Swainson1978). The fundamental goal at independence was to reverse this order.

At the onset of independence, the principal objective was to transfer the control of the economy to the indigenous entrepreneurs (Sessional Paper No.10, 1965, Development Plan1966).

After independence, efforts were carried out by nations in this region to reverse this order and to transfer control of business endeavours to the indigenous Africans.

It has been widely argued that the efforts to reverse foreign domination and to transfer control of the economy into the hands of indigenous people have been largely ineffective.

Indeed studies carried out in the 1970's and 1980's (Langdon 1981, Kaplinsky

1978, House 1977, ILO 1972) indicated consistently that the operations of the African entrepreneurs has tended to be less competitive as compared to the operations of the Asians and foreign entrepreneurs.

It was important therefore, to review intervention efforts and characteristics of the indigenous entrepreneurs that have contributed to the reversal of the pre-independence, trends and capacities that have been developed to meet emerging challenges, including liberalization.

Besides the structure and relationship between multinationals and local entrepreneurs, differences have been reported in operations and performance among local entrepreneurs, notably State Corporations, Co-operatives and private enterprises (Sessional paper No. 10,1965,Kiplinsky 1978 and Langdon, 1981). More important, the same literature reported substantial differences in 1960s and 1970s among entrepreneurs from different communities, particularly between African and Asian entrepreneurs. However, these differences and factors that have been responsible have not been examined and documented in light of development in the 1980's and 90's.

Notable developments that occurred in the, mid 1980s included adoption. Some of the policies to induce liberalization and a notable shift from State based economy to a market driven economy focused on the private sector (Sessional paper No11986).

This study was necessary therefore to identify ways in which the private sector has developed the capacity to respond to renewed challenges of MNCs, disparities within the local business communities and liberalization of the economy. This study was aimed at identifying factors that have influenced performance of entrepreneurs in the printing industry, mainly of its relatively easy access to a wide range of

entrepreneurs. For example, of the 50 registered printing firms 16% were substantially owned by foreign entrepreneurs, 12% by local Asian entrepreneurs and 72% by African entrepreneurs. The printing industry was also selected because empirical studies in this important sector have been limited.

Various development plans (1970, 1974, 1978, 1984) have identified some of the problems facing indigenous entrepreneurs such as shortage capital shortage, lack of technical, inadequate managerial skills, and poor infrastructure. Others reports (Schatz 1977) have identified constraints to development of business in the private sector in terms of experience, training and knowledge for competitive operations.

It has also been reported mainly from economic perspective that an entrepreneur may have a viable project but lack the necessary capital. Other scholars (Kaplinsky 1976, Adedeji 1989) have also reported constraints related to technological transfer in terms of obtaining equipment, suitable personnel and infrastructure.

At the micro-level, studies (Langdon 1978, Anderson 1969) have, reported the history and or the background of entrepreneurs as an important factor and presented data that support a pattern of organizational evolution, which begin from single proprietorship to family firms, followed by the hiring of workers from outside the family.

House (1974) classified micro-business development in three categories, namely stagnant enterprises, transitional enterprises and modern enterprises. It is observed in these stages that some firms never expand or grow from one stage into the next. House examined the nature of entrepreneurs in Kenya and was concerned about, whether there were potential entrepreneurs in the informal sector or it was merely a pool of surplus

labour waiting for employment opportunities in the modern wage sector of the economy.

In the search for factors that would accelerate or induce economic development, economists have concentrated on the importance of variables such as limited profits margins, inadequate capital and incentives for entrepreneurs. On the other hand, Sociologists stress the importance of the capacity and capabilities of entrepreneurs to mobilize resources. Indeed sociologists, Kilby (1971) have argued that low economic growth is due to the inexperience of entrepreneurs and shortage of managerial skills. These sociologists have argued further that mobilization of necessary resources requires at least basic application of scientific principles arising from some level of education. It has been reported that during the revolution in Europe entrepreneurs adopted scientific technology and allowed workers to learn on the job. The important question then is in what ways education has contributed to entrepreneurship development. Hammeed (1974)

In respect to sociological perspective and studies that have been carried out it can be concluded that experience and education are important characteristics for a promising entrepreneurship development and this study will focus on the contribution of these factors in the printing industry.

1:1.2

Statement of the Problem

The concern in entrepreneurship development in Kenya has been the disparity between entrepreneurs of African origin and those of Asian background. Efforts have been made to enhance the capacity and capabilities of African entrepreneurs, and

renewed strategies are required to eliminate the observed disparity.

As mentioned above relevant theories and available literature have argued that development of entrepreneurs depend substantially on capabilities and capacity in terms of past and present experience, education and training opportunities. This study therefore focused specifically on the ways in which nature of investment, past and present experience, education and training have influenced the performance of both African and Asian entrepreneurs, and the ways in which these factors have contributed to the reduction of the disparity the two types of entrepreneurs.

The purpose of this study therefore was to identify characteristics of African and Asian entrepreneurs and the ways in which those characteristics have enhanced performance towards competitive and self-sustaining operations, taking into account intervention measures that have been carried-out and emerging conditions under market driven environment. More specifically, the aim of the study was to examine performance in the printing industry using two firms with different backgrounds in terms of entrepreneurs. The characteristics of the entrepreneurs examined were the nature of investment, experience in the printing industry, educational background, and training and the way these aspects have influenced performance in this sub-sector. One of the firms selected was Colourprint, which was owned, and managed by an Asian entrepreneur and the other was City Printing Works, owned and managed by an African entrepreneur.

Performance was assessed in terms of growth rates in sales, profits, employment, productivity and business expansion. The principal aim of the study was to identify factors that have influenced the performance in the two firms in the last 5

years (1993 - 1997).

In this respect, the study was based on printing industry because of its high potential for growth, technical and competitive requirements. In addition, nearly all categories of entrepreneurs are found in this industry.

1:1.3 **Objectives**

Specifically, this study was intended to accomplish the following aspects:

1. To, identify the nature of investment in the two firms and ways in which it has influenced business development.
2. To, establish the contribution of the experience of the entrepreneurs in enhancing performance in business development.
3. To, examine the contribution of the education of the entrepreneurs and workers in enhancing performance in business development.
4. To, establish the contribution of training in enhancing performance in business growth.
5. To identify gaps in policy initiative towards entrepreneurship development.
6. To make necessary recommendations based on the results of this research.

1:1.4 **Hypotheses**

It was expected that the education of the entrepreneurs and employees' equipped the entrepreneurs with skills for adoption and application of viable technologies in the printing industry. It was further expected that training gained by the entrepreneur and the workers facilitated effective operations in terms of management, production and

marketing of the printed products. It was also noted that on-the-job training was the method used in the two firms to generate required skills and management techniques.

1. “It was predicted that the nature of investment would influence the rate of business development.”
2. “It was also predicted that the longer the experience of the entrepreneur in the industry, the higher possibilities of better performance in entrepreneurial development.”
3. “It was also predicted that the higher the education of the entrepreneur, the higher the performance in business development.”
4. “It was also predicted further that the nature of training that the entrepreneur has experienced the greater the chances for better performance in business development.”

1.1.5 **Significance of the Study**

This study is of considerable importance because of the persistent need to enhance the role of indigenous entrepreneurs, and because of the on-going reforms, which are shifting responsibility for industrialization and economic development from quasi-government entrepreneurship to private sector entrepreneurship. Such shift will need ensuring that local entrepreneurs have the capability to provide leadership in industrial and economic development.

In addition, it will be necessary to ensure that indigenous entrepreneurs will be

competitive to offset likely adverse effects that may arise from multinational entrepreneurs. The awareness that indigenous entrepreneurs lacked the capability to sustain a market driven economy, was the reason for adoption of another strategy, namely the use of parastatals and co-operatives. The new orientation directs economic activity to the entrepreneur and where the local entrepreneur may not have the necessary capabilities for competition, it is important to examine how these capabilities can be enhanced.

The concern was specifically to identify constraints that hinder development of business enterprises owned by indigenous people consequently. This would help understand the shortfalls in Government policy intervention initiatives.

Finally, the findings of this study would identify the policy initiatives that would be more promising in promoting and strengthening African enterprise.

1:1.6 **Scope and Limitation.**

This study was limited to an examination of the contribution of the nature of investment, experience, education and training to the performance of the entrepreneurs in the printing industry.

This study concentrated on two firms and not all categories of entrepreneurs in this industry because of the need to examine the management and production records in greater detail. This was also dictated by financial and time constraints.

This study examined two firms in the Printing Industry in Nairobi, which make it difficult to generalize the findings. The study also relied on interviews and questionnaires as well as records about the management of the firms over a period of

five years. Long-term observations on the management practices were not possible to be made. In this sense, the findings from the interviews and questionnaires are strictly self-reports, which may or may not be entirely accurate in reference to the performance of the two firms.

CHAPTER TWO

2.0 Review Of Relevant Literature and Theoretical Framework.

This section outlines previous literature and research findings on various aspects of entrepreneurship growth.

The idea and development of entrepreneurship can be traced to Weber on the protestant ethic and spirit of capitalism. This concept was, formalized in modern theoretical perspectives, by Schumpeter and Hirschman.

In the same way, Schumpeter (1934) gave prominence to the critical role of the entrepreneur in development, in a way a kin to Marx and Hirschman who argued that entrepreneurs also know how to manipulate resources. Schumpeter argued that entrepreneurs use money to push for invention, innovation, new products and new markets and focussed on the characteristics of entrepreneurship, the key being innovation, including changing basic technological and demand parameters of the economy.

In Marx's view, history consists of stages characterized by given levels of technology (forces of production). This is development by people, in which Marx emphasised the role of technology but failed to use the term entrepreneur. In contrast, Weber emphasized the role of ideas and people's altitude exhibited through thorough rationalization of all aspects of enterprise (Harrison1989).

Kilby (1971) noted the important place of entrepreneurship. He argued that the various activities required of industrial entrepreneurs are individually reinforced or impeded by previous technical and economic experience and social structural factors. In the late developing economies the critical entrepreneurial inputs relate to achieving and

maintaining efficient production as opposed to innovation and marketing activities. According to these authors, the role of entrepreneurs was the way in which management techniques are adopted. Schumpeter stated that, industrialization in the west, was driven by entrepreneurs. But for Habakkuk and Kilby the characteristics of entrepreneurs constitute the primary causal factor in adoption of new techniques of management and production.

In Kenya since independence, the development process has been outlined in a series of development plans and sessional papers. The notable ones have been the sessional paper No. 10 of 1965, which emphasized a mixed economy, with state investment in basic infrastructure and productive activities through parastatals, in addition to co-operatives because indigenous entrepreneurs lacked the necessary capabilities to compete against foreign entrepreneurs. In contrast, sessional paper No. 1 of 1986 was a reversal of the previous one and formed the basis of the current structural adjustments. It called for the removal of government agencies from investment and the removal of policy controls to create a competitive environment rather than protectionism. The 1984 - 88 Development plan gave attention on the need to expand local entrepreneurship capability and industrial management. In a like manner, the 1994 - 96 Development plan noted that all aspects of development benefit entrepreneurship, and that an entrepreneurial approach can be used to harness potential human resources by inculcating an enterprise culture to prepare individuals to take advantage of existing and emerging business opportunities. This plan also shifted emphasis to what the government must do to facilitate more private sector investment in productive activities.

2.1.1 Nature of Investment

Investment is an important component of business development. Capital for investment can be in the form of savings and credit. This is required for initial installation of all enterprise structures such as premises, labour and equipment.

According to Kalu (1986) some local industrialists do not get priorities while trying to invest. Industrialists move, into projects they are unable to execute within reasonable time. As a result resources get locked up leading to cash flow and return-on investment problems. The lack of financial planning by most of the indigenous industrialists therefore is a big handicap for entrepreneurship growth. In addition, business operations require critical decision on key investments such as purchase of capital equipment. Investment decisions set the framework for the firm's future growth and therefore are major determinants of efficiency, competitive power and productivity.

Investment in business is usually undertaken for three major purposes. One concerns the replacement of existing facilities and capital equipment. The second, relates to the maintenance or expansion of existing equipment. Finally, the fifth is to increase the output capacity arising from innovation or competition and the displacement of old technology by the new. This includes for instance investment in labour saving or capital saving equipment. Decisions on investment include choosing among the available investment opportunities open to a firm.

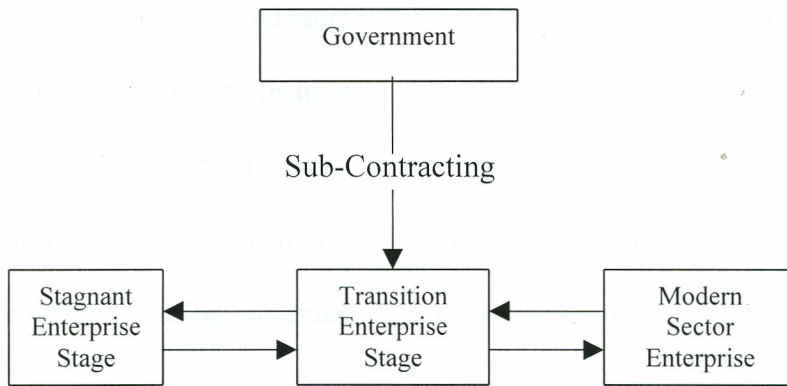
For this study it is important to identify the investment strategies utilised by the two printing firms.

2:1.2 **Experience**

Swainson (1978) showed that between 1907-22 company formation in Kenya saw limited scope of investments restricted to agricultural production and property by white settlers. While the period after 1922 marked the emergence of an Asian business class. During this period the white settlers began to face competition from Asian and foreign firms. After 1945, British development policy aimed at increasing agricultural production and secondary industry. This period marked African entry and the creation of Kenya National Trading Corporation to cater for African traders. After independence the government pursued a policy of forcing Asian and foreign firms to employ Africans not only for wages but also for technology transfer and experience acquisition.

In a survey of Nairobi's informal sector, House (1977) questioned whether the informal sector is an example of dynamic entrepreneurs or merely represents a pool of surplus labour. The concern was how to push enterprises to graduate from the stagnant stage and the transitory stage into the modern sector. Arguably, one way of accomplishing this is by strengthening links between the informal sector and the formal sector, and government agencies through subcontracting.

This can be illustrated in the following way:



Entrepreneurs move from low performance to greater productivity. One way of doing this is through sub-contracting.

Kaplinsky (1976) pointed out that for multinational corporations to maintain their technological monopoly subsidiaries in developing countries only perform few institutionalized inventive activities. What they do is of the trouble-shooting variety. Therefore, the process of skill formation in developing countries centres on operational skills such as supervision, back-up skills, maintenance and repair, and adaptive skills while, managerial entrepreneurial functions are primarily stuffed by home country personnel or manpower from other developed countries.

In a discussion of constraints to industrialisation, Hodder (1968) argued that the problem of manpower resolves into a question of training and experience. Hodder argued further that capital alone cannot produce anything but must be harnessed and invested in productive activities. This investment requires the services of some agent who initiates, organises, makes decisions, takes risks, innovates, and sometimes manages. This is the critical function of entrepreneurship. In the words of Hirschman, decision making of this kind is the scarcest talent in developing countries.

In Kenya, Marris and Somerset (1971) found out that Africans recognized

experience as the dominant advantage enjoyed by Asians and Europeans. For Asians, the advantage was not only in monetary terms but also relatives in business who will take them on and teach them.

Child (1973) studied of some factors that affect performance and profitability such as, capital hoarding, tolerance for disorder, communication disorder, planning horizon, quality of workmanship and innovative behaviour. Child concluded that successful prior experience in all these factors was of great value. Similarly, Kamau (1965) maintained that for Africans, greatest difficulties lay in management capacity. Only a small number of businessmen keep any accounts, and that managerial skills can be acquired through experience and training but that experience cannot be taught.

Staley and Morse (1965) observed that studies carried out in some newly industrializing countries, on the social and occupational backgrounds of industrial entrepreneurs point to potential sources such as merchants, exceptional craftsmen having an enterprising spirit, skilled workers or technicians who have had experience in large-scale manufacturing firms. Graduate engineers who have had some experience as employees in larger firms before starting their own small factory. Staley and Morse identified the major problems as quality in terms of motivation, initiative, drive and skill in organization and leadership.

In the printing industry in Nigeria, Harris (1977) found out that entrepreneurs responded favourably to profitable opportunities within their technical and managerial skills. Capital shortage did not significantly inhibit growth. Major difficulties lay in technical and managerial skills, which limited the ability of many entrepreneurs to exploit the opportunities they perceived to exist.

Zuvekas (1979) argues that the demand for entrepreneurship did not automatically bring forth the necessary skills because potential individuals will initially make mistakes due to their inexperience in areas such as production layout, marketing, use of credit, and other aspects of business. However, some will manage to improve their skills through on-the-job training, and trial and error. Zuvekas suggested that entrepreneurial skills be increased through government policy by providing motivation, training and credit to carefully selected individuals.

The main source of managerial ability according to Ramaswani (1971) is likely to be the large or medium corporate enterprises. The public sector may provide a source of useful managerial talent and build a pool of managers by providing requisite training and experience on the job, while the development of a large professional managerial class is critical for industrialization.

Mountjoy (1975) argued that success in business hinges upon the smooth organisation of many factors, both human and material. Entrepreneurs in the developed countries can rely on their considerable body of managerial ability, while opportunities for acquiring such experience in developing countries are rare. There is a shortage of competent men, who possess the necessary technical and commercial knowledge and the ability to organize labour for efficient production because there is no nursery of a highly organised business society.

The ILO (1972) report argued that the foreign enterprise controls a very large part of the gross product and a larger part of the surplus in the manufacturing sector of upto 70% compared to 30% by the local enterprises. It maintained that, small scale and rural industries have a great potential for employment promotion and income

equalization. It also presented an action programme to deal with the present constraints of industrial planning at the local and district level developing subcontracting, change of government contracting and tender methods, and establishing industrial extension services in the ministry of commerce.

2.1.3

Education

According to Dinwiddy (1974), the entrepreneurship found in Africa has been largely imitative rather than innovative. Some exceptional entrepreneurs have been successful, but many have gone into business because of their lack of formal education and the consequent exclusion from more secure and prestigious forms of employment.

Papanek (1969) maintained that education in the family business enterprise, hard work, thrift-and-risk taking is more useful than the kind of knowledge acquired from the formal system of education. And that many entrepreneurs obtained their education from business-oriented families and learning on the job. Papanek also argued that poorly educated industrialists do just as well as their educated counterparts whether they run large or small firms. Papanek noted that education should be of particular importance with larger and more complex enterprises that require specialists, technicians and professional managers.

Jolly (1971) focussed on the skilled entrepreneur constraint to economic development in Zambia and reported that lack of skilled and educated entrepreneurs was the major constraint to expansion after independence. The growth witnessed though rapid, was not as rapid as it would have been if skilled entrepreneurs had been in optimal balance with other resources.

Adedeji (1989) discussed, the skill supply problem and argued that Africa's education system are not geared to supplying, in numbers, the technical mix and quality manpower and entrepreneurs. Africa needs entrepreneurs to conceive, design, and install and manage productive enterprises, for the exploration, evaluation and conversion of semi-finished and finished products. This is what industrial development means and without basic education in the appropriate disciplines namely technology and management it is difficult for programmes of high-level on-the-job training to work. The implication is that education is critical to enterprise growth because it determines the allocation and utilization of available resources.

Casson (1982) argued that further education is advantageous, but not essential for the private entrepreneur so long as the entrepreneur knows how to delegate to professionals and motivate his employees. Further, Casson observed that education positively disadvantage the entrepreneur, since formal education has an opportunity cost in terms of on-the-job training foregone; time spent in school could have been spent learning the trade as a delegate entrepreneur. Moreso, formal education granted qualifications, which give exemption from practical training. Consequently, an entrepreneur begins a career by delegating tasks he has never performed before, resulting in poor motivation and supervision. Formal education may also inculcate uniform attitudes thereby destroying the individuality and diversity of views held by entrepreneurs.

Abuodha and King (1992), on the relationship between firm sizes and incomes, in the informal sector concluded that higher educational levels meant more stable firms. Moreso, better educated, entrepreneurs tend to be responsive to policy.

Ramaswami (1971) observed that education is important for the development process because it teaches the skill of basic literacy and numeracy, and enables the recipients to think in an adaptive manner.

Milimo (1991) contends that Research is important because it can give the necessary enlightened and informed guidance to any development process. Research also generates an understanding of reality that in turn informs action. This may lead to the invention of new techniques and products.

Marris and Sommerset (1971) mentioned the assumption that, the larger the business or the more profitable it is, then it is likely that those running it will have been to school for several years. However, if this was the case, educated entrepreneurs were encouraged to enter business career. But the evidence obtained from the Industrial, Commercial, and Development Corporation (ICDC) supported businesses showed that the advantage of more education disappeared at the point where the scale of operation began to be large enough to attract educated recruits. Marris and Sommerset concluded that education is associated with the size and nature of business an individual attempts but does not improve the chances of success beyond a simple level of activity.

2.1.4. Training

High skills are required of workers in industrial production. The real policy question is how other formal and on-the-job training can be geared towards industrialisation in a period of tightened budgetary constraints for the Government. For Kenya this calls for policies that encourage private sector participation in the provision of education.

On technology transfer in Nigeria Kalu (1986) maintained that technological development can be pursued through the strategy of 'Copy engineering'. Local entrepreneurs should be encouraged to copy, to modify and to manufacture goods presently being imported. The copied technology must be adapted to local environmental conditions. From the beginning what is produced through copy engineering may appear crude but after intensive research and development better goods can be produced.

Kalu also argued that small-scale firms can play an important role in providing opportunities for training and experience acquisition. Small-scale firms provide the opportunity for entrepreneurs and workers to understand factory work and management, simple machines suitable for local needs and for which spares can be locally manufactured.

The argument on copy engineering is applicable to the acquisition of management knowhow. Small-scale firms make it possible to learn within a small setting on how to plan, to organise, to supervise and to improve existing products. Small-scale operations can gradually teach what is known as 'flow of industrial products'. This begins with the conception of a product that is defined in terms of possible applications. The second stage would entail the study of the mechanical, electrical and other design aspects over a product. The last stage is, tooling-up for production and trial production, which inevitably requires the need for storage, transportation and sales strategy.

2:1.5

Performance

Cochran, Harris, Kilby and Narfziger identify the domain of technology and production management as the major bottleneck to indigenous industrial development. Kilby observed that scarce indigenous entrepreneurial resources and poorly carried out managerial functions appear to be the main causes of inefficiency in parastatals and government departments. Performance is also affected on the production side by, failure to regularly maintain equipment, inadequate co-ordination of raw material purchases with product orders, aversion to written records for purposes of control, and the absence of conscientious supervision in the work place (Kilby 1971).

Nyongo (1988), contends that Kenya has the capacity and skills to produce most of the intermediate goods and some capital goods from domestic foundries and metal engineering workshops. Nyongo identified the existence of excess capacity in the Kenya Railways workshops due to lack of demand imposed by statute. Since the workshops cannot accept outside jobs due to legal limitations. This is a clear case of protection working against self-sufficiency.

Coughlin (1988) also argued, that the capacity to produce many currently imported items is idle. This is due to the government's failure to have a timely policy to favour certain infant industries such as ceramics, pumps and hand tools manufacture. For example, Kenya engineering industries was making screw-drivers but was forced to stop by inadequate protection against cheap Chinese imports and currently the equipment is lying idle.

At the centre of the discussion in the book edited by Coughlin and Ikiara (1988) is the question of technological capability and transfer in the informal and modern

sectors of the economy. Since MNC's bring technology with conditions that determine the extent of access to it so that even under what conditions can technological transfer be realised.

Sverrison (1993) studied wood furniture manufacture in Nakuru and Mutare by small scale and intermediate enterprises. For survival in business entrepreneurs minimised risks by purchasing based on orders, customers financing, and flexible production that emphasised scope rather than scale. Other survival strategies employed include, diversification, vertical expansion, trading in the products of other carpenters and gradual mechanization.

2:1.6 **Other Factors**

According to Hart (1970), small-scale entrepreneurs in Ghana were often primarily employed in other occupational roles and their highly diversified enterprises were rarely organized like established firms. Hart observed that the preoccupation with the problems of firms and businessmen ignores the activities of those currently performing the entrepreneurial function and that attempts to promote entrepreneurial activity have suffered from the pre-conceived notions of what a businessman is. However, this does not negate the important contribution of part time entrepreneurs as opposed to those more easily identified as businessmen. "The scarcity of entrepreneurs is thus a fiction resulting from the ethnocentric blinkers through which most economists have looked at Ghanian society". The solution lies in encouraging existing entrepreneurial skills when indigenous initiative is fertile and examining illiteracy in the context of small-scale business.

Dinwiddy (1974) identified certain aspects such as difficulty in raising capital, obtaining credit, the lack of appropriate knowledge, experience and skills, and non-African competition, as among the constraints to entrepreneurship.

According to Remchukov (1993) besides the privatisation programmes and restructuring schemes in less developed countries, there is an emphasis on small and medium-scale enterprises. But small-scale and medium-scale enterprises operate in difficult and costly infrastructures where the cost of gathering information, communication and transactions is expensive and prohibitive.

In a study of Government lending in Nigeria, Schatz (1965) argued that capital shortage is usually considered the immediate constraint to domestic private investment and economic growth. This view is mistaken, because record demonstrates that, rather than a larger number of viable projects vainly seeking capital, capital had been vainly seeking viable projects. Moreso many projects are prevented from materializing because of deficiency in entrepreneurial capacity. Commercial lenders regard many entrepreneurs as poor feasible projectors.

Besides lack of capital, there is a tendency for some enterprises to be overcapitalized when scarce capital was tied up in excessive stock and misdirected investment equipment (Child 1973, McCormick 1993).

Entrepreneurs seek a stable business environment before investing or increasing production. This can be improved by removing undue regulatory constraints, protecting property broadening financial and information systems, stimulating markets for instance, through infrastructure linkages and private sector competition to provide public services, and encouraging associations that help entrepreneurs pool interests and

mobilize resources (World Bank 1989).

Meier (1990) commented that successful entrepreneurship depends on individual motivation, ability, and a permissive environment that provides incentives and opportunities to entrepreneurs. While economists emphasized a favourable economic environment, McClelland, in the theory of achievement motivation predicted that in the population who will take greater advantage of increased opportunities are those few individuals who have a high need to achieve and that education creates and strengthens the need to achieve. The policy implication is that efforts must be undertaken to instill a higher need to achieve in a larger segment of the population and that abilities, values and attitudes of people must be changed in order to accelerate the process of development.

The ILO (1972) report also identified weaknesses in the credit system. It argued that there is no institutionalized system where African businesses in which capital shortage is a constraint on development can be identified and their credit-worthiness evaluated. The extension of credit needs to be separated from the provision of other types of assistance and advice which way may be equally important, or the absence of which may be more important constraints on development.

Lisk (1996) stated that the development experience in sub-sahara Africa illustrated the importance of capacity building to the development process. This was related to the ability to manage economic and social processes as well as policy formulation and analysis. The focus of capacity building is an institution to develop human and material resources and administrative capabilities. Institutional capacity building therefore seeks to improve the outputs and impacts of institutions concerned

with economic management, public administration, project management, and enterprise development.

This is relevant at the macro level where planning institutions are required for better economic management especially in relation to mobilisation, allocation and utilisation of both human and material resources efficiently. At the micro level, human and institutional capacity is critical to sound project management and public administration.

Up to 1940, the Commercial Sector was in the hands of Europeans. However, the agitation for independence and the subsequent declaration of emergency in 1952 created uncertainty on the continuation of the colonial economy and the security of foreign investment. This resulted in massive capital flight involving transfer of capital to other countries.

The European based capital flight led to the expanded role of Asians in the economy. In the 1960s over 67 percent of all locally owned industrial enterprises with over 50 employees were Asian owned. During this period, Africans took over the political control of the country. Europeans and Asians were insecure and hesitant about investing locally and took every opportunity to send their assets abroad. Therefore, they withdrew capital from trade and what they could not export was held in liquid deposits Leys (1973).

Faced with the problem of capital flight a large scale, the government became pre-occupied with halting the outflow of capital and restoring confidence among foreign investors Langdon (1978).

The Sessional Paper Number 10 of 1965 outlined measures to promote foreign

investment. This included the right to repatriate profits, loans, and interests on loans. Investors were also assured that no approved enterprise would be compulsorily acquired except under the provisions of the constitution requiring justification for example in terms of public interest, the right to appeal and prompt payment of compensation.

At the same time, the government put in place institutions to enlarge the participation of Africans in the economy. This included the creation and expansion of state corporations such as I.C.D.C (Industrial and Commercial Development Corporation), KNTC (Kenya National Trading Company) and A.F.C (Agricultural Finance Corporation). They were to provide education, training and experience to equip Africans for entrepreneurial and management functions. In addition, they were to make capital available to Africans at small down payments and at low interest rates, and to assist African traders and businessmen directly besides direct investments. However, by 1970sm a few African entrepreneurs had ventured into trade and manufacture.

In the 1990s, the uncertainty created by the multi-party politics environment occasioned another period of capital especially by Asian entrepreneurs.

The significance of capital flight was highlighted in the 1997 – 2000 Development Plan, which recognized that investors would not risk long term investment where political, social and economic stability does not prevail. An unstable business climate discourages new investment while encouraging dis-investment, capital flight and speculative investments.

Therefore, in the 1980's and 1990's the government adopted an initiative to promote African entrepreneurs whereby a 5-10 percent bidding bids was in favour of African owned firms. However, this strategy was difficult to operationalize because

internationally open bias in business is unacceptable because it was a form of captive markets.

2:1.7.

Theoretical Framework

A number of theories have been formulated and used to explain economic development and specifically entrepreneurship development. This section provides an overview of theories that have been used to explain entrepreneurial development and to identify the most appropriate one to the present study.

One of the theories that have been used in the study of entrepreneurship is innovation. According to Habakuk (1958), Schumpeter (1930) and Cooper (1991) innovation occurs when a technique is invented and adopted by a few individuals and subsequently spread by way of diffusion. The proponents of this orientation have pointed out that entrepreneurship development occurs through adoption of business skills and methods, which are spread by, relatively experienced entrepreneurs. In the context of Kenya, African entrepreneurs have had to learn and adopt business methods and techniques from their European and Asian counterparts. In a similar way the sessional paper No. 2 of 1996 gave considerable attention to the examples of the Newly Industrialising countries of Asia, for relying on agro-processing and light manufacturing such as textiles, which require less technology, and skills, to produce for export. The problem for Kenya in the application of this perspective arises from limited capital, experience and infrastructure. This perspective emphasizes the spread of innovations through diffusion but fails to identify the capacity required for promoting this vital process for business growth.

The second theory that has been applied to explain entrepreneurship development is capital accumulation Rostow (1963), Harrison (1989), Lewis (1967) and Dasgupta (1985). Economists maintain that capital accumulation for investment is the principal agent that sets the economy in motion, (Dasgupta 1985). These authors have argued that the higher the capital investment the higher the performance of entrepreneurs. Rostow argued that after attaining a 10% growth rate, a country's economy would reach the take-off stage into sustained growth. Indeed, the renowned sociologist, Max Weber (1930) explained the process of capital accumulation as involving savings, investing and rational expenditure. Weber was specifically concerned with the origin of the culture of saving because what is saved is invested for business expansion. It is critical to determine the context of Kenya whether indigenous entrepreneurs have, adopted the culture of saving, know the areas in which to invest, and manage their businesses rationally. This economic approach provides one independent variable, which is capital but fails to recognize that, capital, can also be created by entrepreneurs.

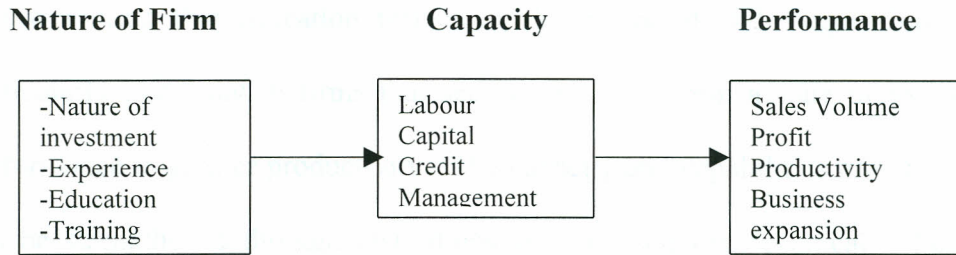
The third perspective that has been adopted and used is institutional capacity theory Lewis (1967), Todaro (1981) and Lisk (1996). This perspective assumes that high performance results from different institutional capacity because enterprises are, run differently by entrepreneurs using varied managerial structures leading to different levels of performance. As a corollary, Lewis (1967) argued that institutional capacity is one of the important pre conditions for take-off into self -sustained growth. This is because, no matter the level of savings, if there is no institutional capacity to support investment, economic growth might not be accelerated. Examples of such capacities include education, management techniques, marketing strategies and consultancies.

The fourth theoretical view adopted is entrepreneurship development Harrison (1989), Schumpeter (1934), Kilby (1971) and House (1977). According to these authors entrepreneurs capabilities influence the nature and rate of capital formation, and market expansion. Indeed, Schumpeter argued that capital alone is not a sufficient condition for competitive and sustainable operations since, it must be manipulated by an agent who happens to be the entrepreneur. These authors argue that, entrepreneurship growth can be enhanced by, education, experience, training and enabling policies.

It is noted that the first three theories explain important elements of entrepreneurship development. However, they fail to identify appropriate measures that can be utilized to enhance the capacity and capabilities of entrepreneurs. This study finds the entrepreneurship development theory, which concentrates on the ways and means of inducing the capacity and capabilities of entrepreneurs for competitive performance more suitable. This is particularly important in the context of developing economies and more so, with adoption of market driven policies and the need for entrepreneurship growth. The focus was on capabilities and capacity of entrepreneurs with respect to the nature of investments in terms of sources of credit and capital. The implication for experience was that success in business requires entrepreneurs to take risks, organize capital, put together the necessary permits, skilled labour, and to contact buyers and suppliers. Education was considered important because it provides for a wider horizon to manipulate the environment and was operationalized in terms formal schooling attained by the entrepreneurs and his workers. Training was examined in terms of the technical skills acquired in formal training institutions as well as by learning on - the - job.

The links highlighted above are illustrated schematically.

Linkages, showing the direction of enterprise growth.



Having discussed the theoretical framework based on the literature review, a number of hypotheses were postulated, as follows: -

1. “It was hypothesized that the level of capital investment is positively related to the level of business growth”. This hypothesis was important because it showed that capital investment was necessary to initiate a business enterprise and expand the scale of operation.

The capital accumulation theory lends credence this hypothesis because it predicted that the process of capital accumulation involves savings, and rational investment and expenditure, this was enhanced by more experience in business.

2. “It was predicted that the longer the experience of the entrepreneur and the workers, the higher the level of business growth”. This hypothesis directs attention to the importance of experience in business undertakings. It was noted that the innovation theory emphasized the spread and acquisition of new techniques through diffusion by relatively experienced entrepreneurs. But the entrepreneurship development theory supports this hypothesis by concentrating on ways and means of enhancing the capacity and capabilities of entrepreneurs.

3. "It was also predicted that the higher the education of the entrepreneur and the workers then the higher the performance in business growth." It is noted literature review section that education influences the nature of skill acquisition. This is particularly important in firms that seek to graduate from a state of low or poor performance to greater productivity. The capacity and capabilities of entrepreneurs can be strengthened through institutions such as, schools, technical colleges and marketing strategies.

4. "It was hypothesized that the more exposure to training of the entrepreneur and workers, the higher the performance in business growth." This hypothesis was important because it postulated that training had a positive contribution in business growth. Training was one way of enhancing the capabilities of indigenous entrepreneurs.

CHAPTER THREE

3:0

Research methodology

This section outlines the way in which this study was conducted. Data were collected with two approaches. First, data were collected to assess the overall pattern of firms in the printing industry. Secondly, data were collected for the detailed analysis of the two firms in the printing industry. This design was considered appropriate for analysis of the evolution of the two firms that were selected for in-depth investigation.

3:1

Structure of The Printing Industry

The structure of the printing industry was examined in terms of the number of registered firms, the distribution, capital investment, ownership and employment. Data obtained from the Department of the Registrar of Industries, in the then Ministry of Industrial Development was used to examine the structure of the printing industry.

The first aspect examined the number of registered printing firms over a 10-year period. In this respect, two sources of data were considered. One was the statistical abstract published in 1990-1994 by Central Bureau of Statistics, which provided a range of 21 to 26 registered large-scale printing firms. The second source of considerably reliable data was the directory of printing firms from the Ministry of Industrial Development, which contained a list of 53 firms. However, it was noted that other printing firms operated as quasi Jua-Kali enterprises without registration at the registrar of industries. This was a strategy to operate under the law and therefore avoid taxation and inspection.

Table 1: Registered Firms, 1947 - 96

Duration of Registration	Number of Firms	Percentage
1947-1956	2	3.8
1957-1966	8	15.1
1967-1976	13	24.5
1977-1986	16	30.2
1987-1996	14	26.4
TOTAL	53	100

Source: the then min. of industrial development.

It can be noted from the above table that most firms were registered in the last two decades, between 1977 and 1986 with 30.2% and between 1987 to 1996 with 26.4% respectively.

The second aspect considered was the distribution of the printing firms in the country as follows: -

Table 2: Distribution of registered firms

Area	Number of firms	Percentage
Nairobi	38	71.7
Mombasa	6	11.3
Nakuru	4	7.5
Kisumu	1	1.9
Nyeri	2	3.8
Eldoret	2	3.8
Total	53	100

Source: the then min. of industrial development.

Based on data presented above, it can be noted that most of the printing firms have been concentrated in Nairobi followed by Mombasa. Indeed, over 70% of the firms are located in Nairobi and over 10% are located in Mombasa making for a total of 80%.

Another aspect examined was the level of capital investment of printing firms as follows: -

Table 3: Level of capital investment of firms.

Investment kshs	Average	No: of firms	Percentage
1,000-9,999	1,340	3	17.6
10,000-99,000	36,667	6	11.8
100,000-999,000	301,312	22	43.1
Over 1,000,000	6,832,819	14	27.5
TOTAL	7172138	51	27.5

Source: the then min. of industrial development.

Data in table showed that the capital investment for firms, 43% was kshs 301312. It is interesting to note that 28% of the firms are characterized by investment exceeding kshs 1,000,000.

The fourth aspect assessed the structure of ownership in the printing industry and the data are presented in the table below.

Table 4: Ownership of Firms

Ownership	No: of firms	Percentage
Local (Indigenous)	26	51.0
Asian	17	33.3
Foreign	7	13.7
1 Closed	1	2.0
TOTAL	51	100

Source: the then min. of industrial development.

Data on ownership was available for only 51. Data in the table shows that 51% of the firms in the printing industry are by African entrepreneurs, 33% by Asian entrepreneurs and 14% by foreign entrepreneurs. Only one firm was listed as closed during.

The last aspect examined the level of employment as follows.

Table 5: The level of Employment by category

Employment	Average	No: of Firms	Percentage
1-24	12.3	24	48.9
25-49	32.9	12	24.5
50-99	67.5	6	12.2
100-199	130.8	4	8.2
Over 200	690.7	3	6.1
TOTAL	934.7	49	100

Source: the then min. of industrial development

Data on employment was available for only 49 firms. From the data in this table, it is noted that the firms in the category of 100 to 199 and over 200 had the highest number of workers.

Most of the firms, 48.9%, employ an average of 12 people, with a variation of between, 1 to 24 firms. Another considerable proportion, 24.5% of the firms employ an average of 33 people, with a variation ranging between, 25 to 49. A small proportion of the firms, employ an average of 131 people, with a variation ranging between, 100 to 199. An equally smaller, proportion of firms, 8.2% employ an average of 691 people in the category of over 200 workers.

3:1.2

Sampling.

The above statistical data on the structure and distribution of the firms in the printing industry provided the basis for selection of two firms for in-depth assessment

of the management practices and performance.

A purposive sampling was made of two firms to enable a comparison of the characteristics of African and Asian entrepreneurs. This would provide the opportunity to examine the unique aspects of the selected firms. The two firms, colourprint and City printing works vary in terms of ownership, scale of operation and management. Indeed the two firms provided opportunity to examine the background techniques and performance in production.

3:1.3 **Data Collection**

Quantifiable and qualitative data were obtained using both primary and secondary sources mainly, questionnaires, interviews, discussions and management records.

Questionnaires consisted of both open-ended and closed-ended questions. Open-ended questions enabled respondents to react freely, while closed-ended questions prompted response within a given range of choices. The questionnaires were directly administered by the researcher to enhance the recording of information.

Interviews and discussions were carried out to clarify information obtained through other sources. Management records were examined to identify critical stages in the growth of the selected firms. Several data collection instruments were employed to ensure that various aspects on entrepreneurship growth were taken into account.

3:1.4 **Procedure of Data Analysis**

Data analysis was carried out to identify the critical stages and incidences in

development in two firms. Over-time statistical data for the two firms were analyzed in respect to sales volume, profits, employment and market expansion. Quantitative analysis was done using descriptive statistics including averages and growth rates were used in order to identify periods of high growth and factors that accounted for such trends. Data were also analyzed qualitatively by descriptive and intuitive interpretation for unquantified data. The results of this study are presented in the form of tables, figures and explanatory texts. This presented the relationships between important variables.

CHAPTER FOUR

4:0

Research Findings

As stated earlier, the purpose of this study was to examine the performance in the printing industry using two firms with different background in terms of entrepreneurs. One of the firms selected Colourprint, is owned and managed by an Asian entrepreneur while the other, City Printing Works, is owned and managed by an African entrepreneur. It will be recalled that performance was to be assessed in terms of growth rates in sales, profits, printing equipment, employment and market expansion. The principal aim of the study was to identify factors that have influenced the performance in the two firms in the last 5 years (1993-1997).

From the theoretical perspective used in the study, five aspects were to be examined and to assess their impact on the performance of the two firms.

The first aspect was to examine the nature of investment and the impact on performance with a prediction that the sources and amount of investment affect the level of performance in a positive manner.

The second consideration was that the nature of experience of the entrepreneurs and the impact on performance, the assumption was that the number of years in which the entrepreneur had been in the industry would have positive influence on performance.

The third aspect was to assess the nature of education and the impact on performance. The expectation was that the level of education attained in the formal school system would influence the performance in a positive way.

The fourth variable considered was the, nature of training acquired by the

entrepreneur, and the workers and the impact on performance. The prediction that acquired professional and vocational skills would influence performance positively.

In addition, it was predicted that education and training would have substantial impact over and above capital and experience on the performance.

4:1 **Determinant factors (independent variables)**

With the theoretical perspective applied in this study, priority determinant factors identified were the nature of investment, experience, educational background and training. It was predicted therefore that these factors would explain the variations in the performance of the two firms in the printing industry.

4:1.1 **Nature of Investment**

It will be recalled that we defined the nature of investment as the way in which the printing enterprises was established, amount and source of capital invested as well as supporting linkages.

It was predicted in this study that the scale of capital investment influenced or determined the level of performance in terms of sales, profit and employment. Colourprint was initiated in 1966 with a capital base of ksh. 2,000,000 while City Printing Works was bought in 1975 at a cost of ksh. 1,000,000, reflecting a difference by a factor of 2. In addition, Colourprint had a bank loan of ksh. 25,000,000 payable over 10 years beginning in 1990 whereas City printing works also had a bank loan of ksh. 18,000,000 payable over 10 year as from 1993.

When the bank loans are taken into account, Colourprint operate with a capital

of kshs. 27,000,000 and City Printing Works had a capital base of kshs. 19, 000,000 which results to a difference by a factor of 1.4. This difference in the level of investment explains the difference on the performance of the two firms. It can be noted that the difference on performance in 1993 between the two firms was higher by a factor of 2, which is nearly the same factor on investment.

It was noted earlier in table 3 that 28% of the registered printing firms are characterized by investment exceeding ksh 1,000,000. This compares well with those of the two selected firms, whose initial capitalization ranged from ksh 2,000,000 from Colourprint and ksh 1,000,000 for city printing works.

Capital investment was also examined in terms of the equipment owned by the two printing firms. The table 6 shows the number of printing machinery and expenditure on maintenance. The investment on equipment for Colourprint increased from Ksh. 17,600,000 to Ksh. 22,000,000 and for City Printing Works from Ksh. 6,600,000 to Ksh. 14,400,000.

Table 6: Number of Machines, 1993 – 1997.

Year	Colourprint			City Printing Works			Ratio
	No.of Machines	Acc. Cost ksh	Unit cost	No. of Machines	Acc. Cost ksh	Unit cost ksh	
1993	16	17,600,000	1,100,000	6	6,600,000	1,100,000	2.7
1994	16	17,600,000	1,100,000	7	6,600,000	942,859	2.7
1995	18	19,800,000	1,100,000	9	10,800,000	1,200,000	1.8
1996	20	22,000,000	1,100,000	9	10,800,000	1,200,000	2.0
1997	20	22,000,000	1,100,000	12	14,400,000	1,200,000	1.5

Table 6 above showed that Colourprint had more printing machines, which increased from 16 in 1993 to 20 in 1997 reflecting 25% growth. While, those of City Printing Works increased from 6 in 1993 to 12 in 1997 reflecting 100% growth.

The difference between, the two firms in terms of equipment range reflected difference by a factor of 2.7 in 1993 to 1.5 in 1997. The values for Colourprint were higher by a factor of 2.7 in both 1993 and 1994, and 2.0 in 1996. But declines were lower by a factor of 1.8 in 1995 and 1.5 in 1996.

It was established from the interview and discussions that, Colourprint registered higher maintenance costs for the machines because a large number were old and therefore more expensive to maintain.

The higher maintenance costs for the printing machines incurred by Colourprint range from ksh 800,000 in 1993 to ksh 1,400,000 in 1997 as compared to the values incurred by City printing works which ranged from ksh 270,000 in 1993 to ksh 660,000 in 1997,

Table 7: Annual Expenditure on Maintenance, 1993 – 1997

Year	Colourprint	City printing works	Ratio
1993	800,000	270,000	3
1994	800,000	315,000	2.5
1995	1,080,000	450,000	2.4
1996	1,200,000	450,000	2.7
1997	1,400,000	660,000	2.1

The table above shows that Colourprint had higher expenditure on maintenance

than City Printing Works of a factor of 3 in 1993. This explains the substantially higher performance for Colourprint in 1993, which was higher by a factor of 1.9. Indeed, the decline on maintenance expenditure between 1994 and 1997 for Colourprint is also associated with decline on performance.

4:1.2 **Experience**

It was also predicted that the nature of experience would influence performance in the printing business. Colourprint has been involved in printing since 1966 and therefore has relatively more experience than City printing works, which was bought in 1975 resulting in a difference of 9 years. Additional information obtained from interviews and discussions showed that the manager of Colourprint had 25 years experience in the printing business and the manager of City printing works had 20 years of experience in the printing industry.

Data in table 8 and table 9 indicated that Colourprint had higher values for productivity by a factor of 1.2 in 1993 and 1994. However, at the same time both firms recorded almost identical levels of growth rates on productivity in 1994 of 1.19 for Colourprint and 1.02 for City Printing Works.

This indicated that other factors affect productivity besides the level of capital investment and scale of operation. In terms of labour productivity, this included motivation and work environment.

The managers of the two firms have had sustained experience in the printing industry and this enabled them to enhance control by horizontal and vertical integration of the operations of the two firms through delegation of duties to reliable heads of

departments and supervisors. Workers with primary school education had over 14 years experience in printing at Colourprint, while those at City printing works had over 12 years experience on the job in printing. During interviews and discussions, it was indicated that experience was an important factor in employment.

4.1.3 Educational Background.

Further, it was expected that the higher levels of education influenced performance in printing. However, it was noted that education was important because it created a capacity for the adoption of new management techniques and new technology. Education was examined on, the basis of years in school and certificates.

Table 8: Education Levels at Colourprint. (%)

Year	Diploma	%	Secondary	%	Primary	%	Total
1993	13	22.4	30	51.7	15	25.9	58(100)
1994	18	29.0	28	45.6	16	25.6	62(100)
1995	17	26.2	30	46.2	18	27	65(100)
1996	21	31.8	30	45.5	15	22.7	66(100)
1997	23	32.9	32	45.7	15	21.7	70(100)

Table 9: Education levels for City printing works.

Year	Diploma	%	Secondary	%	Primary	%	Total
1993	8	21.1	20	52.6	10	26.3	38(100)
1994	10	23.3	23	53.5	10	23.3	43(100)
1995	10	25	19	47.5	11	27.5	40(100)
1996	10	28.6	20	47.6	10	23.8	42(100)
1997	12	25	26	54.2	10	20.8	48(100)

In respect to table 8 and table 9, most of the employees at the two firms had secondary education and above. In the five years studied, over 70 % of workers in each of the two firms had secondary level and diploma education. Nonetheless, a slightly higher proportion of the workers in Colourprint certificates as compared to City printing works.

The manager of Colurprint had a degree certificate as compared to the manager of City printing works who had a higher national diploma certificate. Colourprint, all departments were headed Asians.

During the interview and discussion, the managers reported that education equipped the management with the awareness about the requirements and market conditions in the printing sector which in turn influenced business practices such as customer service, labour relations, quality control as well as financial and accounting procedures.

The manager of City printing works maintained control by delegating relevant tasks to section heads and supervisors. While at Colourprint all departments were

headed by Asians. This reflected an element of ethnic bias in terms of delegation of responsibility.

It was established that the owner of City Printing Works had form four level of education, this prompted the recruitment of a manager with a higher national diploma in printing and factory operations to run the business. The owner of the business relied on daily reports as a means of retaining authority over important strategic decisions especially on investment in equipment and labour. On the other hand, Colourprint was a family business.

Education influenced the nature of employment at the two firms. First, the personal networks of the managers enabled them to recruit individuals to work in areas vital to business operations mainly in the factory because some production processes and quality control require technical knowledge. This explained the employment of technicians holding diploma certificates.

4:1.4 **Training**

It was expected in this study that training influenced the level of performance in printing. It was further noted that a variety of skills were necessary to run a printing business successfully particularly in areas such as machinery operation, product design, accounting and marketing.

Table 10 (a): The number of departments and staff at Colourprint.

Year	Management	%	Production	%	Sales	%	Total
1993	8	13.8	38	65.5	12	20.7	58
1994	8	13.3	38	63.3	14	23.3	60
1995	9	14.5	39	62.9	14	22.6	62
1996	10	15.2	42	63.6	14	21.2	66
1997	10	14.3	47	67	13	18.6	70

Table 10(b): The number of departments and staff at City printing works.

Year	Management	%	Production	%	Sales	%	Total
1993	6	15.8	26	68.4	6	15.8	38
1994	6	14.3	29	69	7	16.7	42
1995	5	12.5	29	72.5	6	15	40
1996	6	14.3	30	71.4	6	14.3	42
1997	7	14.5	33	68.8	8	16.7	48

Data in table 10(a) and table 10(b) indicates that the majority of workers at the two firms are involved in production. While, the management and the sales departments have the lowest number of workers.

During the interview and discussion sessions, it was reported that the level and nature of training determined the positions in which staff was deployed. Those with sales and marketing certificates were employed in the sales department while those with technical knowledge about the operation of machines and product design were

employed in the production department. This is because some production processes are mechanised and therefore require a work force with the necessary technical skills whereas other aspects of production can be labour intensive such as the handling of raw materials which was of a general and routine nature.

Data provided by the two firms also showed that 16 employees of city printing works had benefited from training programmes at the Kenya Polytechnic as compared to 10 workers at Colourprint. This demonstrated the effort to upgrade and re-orient existing skills for enhanced productivity in both firms.

The management of Colourprint emphasized the importance on-the-job training but noted its drawbacks because new recruits learnt the same old methods of doing things, which slowed down the process of upgrading skills.

4:1.5 **Market expansion.**

Marketing is the strategy of offer that aims to optimize the flow of goods or services from producers to consumers. This was examined in terms of major clients and other strategies adopted in promoting product sales.

Table 11: A list of major clients.

Colourprint	City printing works
East African building society	Kenya Breweries Ltd
Sarova Hotels	BOC Gases
Agha Khan Foundation	Agricultural Society of Kenya
Hindu council	British American Tobacco
East African seed company	Armed forces canteen organisation

Table 11, listed the major clients for both firms. These were large-scale organizations in the public and private sector. Colourprint was patronized by, Asian controlled firms and City printing works by African controlled firms.

It was noted from the interviews and discussions that Colourprint advertised in the media about the products and services it offered on Kenya Television Network (KTN) and newspapers (The People). This was at the beginning and end of each year.

In contrast the failure by the management of City Printing Works to use advertising as a marketing device was based on the consideration that public relations and sales promotion measures had to be comprehensive and intensive marketing access strategies. The management argued that in case advertising was undertaken, on the basis of trial and error it became a wasteful and costly exercise. Instead, the owner of City printing works repatriated profits to other businesses, thereby denying the printing firm capital. This fact brought the issue of diversification into focus.

The managers of the two firms also, argued that, high quality products enhanced the marketing strategies used. However, this required additional expenditure on raw materials such as ink, paper, printing plates, machinery, and equipment and skilled workers to operate them.

Pricing policy was used as a sale tool at the two firms. That is competitive prices relative to those offered by competitors in printing. Information obtained from the discussions showed that City printing works charged relatively lower prices as compared to Colourprint.

Further, it was observed that competition affected performance sales volume, profits, employment and market expansion as an intervening factor. Though the data

was inadequate on competition, it is a fact to be considered based on the available information. However, secondary interviews with the management of two firms indicated that they have competitors as follows, and this was examined on the basis of a list of perceived major competitors.

Table 12: Major competitors in printing for the two firms.

Colourprint	City printing works
The Jomo kenyatta foundation	Kenya litho
Kenya litho	Print pak
General printers	Signal press
Ruaraka printing press	Modern lithographic ltd
Diamond press	General printers

The firms in table 12 are large and medium scale firms that have larger capital bases, technology and personnel. The two firms had a bias on Asian controlled firms as major competitors. City printing works named the Jomo kenyatta, which is a parastatal as a competitor.

It also was noted that the two firms dealt in and produced similar products. These included packaging material, calendars, cards, receipt books, labels, posters, diaries, newsletters, brochures, magazines, and company publications.

The two firms served a seasonal or cyclic market. The manager of Colourprint stated that the demand for their products and services was high at the beginning and end of each year due to increased demand for calendars, diaries and Christmas cards especially between the months of August to march.

This study observed that competition for market also come from Jua-kali or third party printers who carried out their operations as commission agents. Such firms took their business to those firms that offered the highest commissions.

It was noted that enclave or captive markets presented a serious obstacle to growth and survival in the printing industry. This interfered with nature of the tendering public and private enterprises. In many cases only certain favoured printing firms were awarded contracts. However, the difficulty of quantifying the extent of this phenomenon was noted.

4.1.6 **Diversification**

Another important factor noted, in this study was diversification. Entrepreneurs diversify investments as an insurance against the risk of losses. Data provided by the management of City Printing Works showed that the owner of the firm had invested in real estate, and agriculture specifically in coffee and tea as a counter against possible negative impacts of competition in printing. Diversification as a business strategy is not bad in itself. The problem is that it diverts resources from the productive function in printing thereby limiting or reducing the rate of growth and hence performance. At Colourprint there was no diversification.

4:2 **Performance**

As discussed in the methodology section, performance was the dependent variable, and was assessed in terms of growth rates in sales, profits, productivity, employment and business growth. It was observed that increases in the values of the

performance indicators reflected, positive growth in the operations of the two firms. It was also expected that, performance in the two firms would be illustrated by, different levels of growth rates over the last five (5) years, 1993 - 1997.

4:2.1 Sales

The sales of the printed products indicated the level of performance in the two printing firms. Average aggregate sales over twelve (12) months period was taken to obtain annual sales for the two printing firms. Table 13 presented the average annual sales for the two printing firms in which the values for Colour Print are relatively higher ranging from 4,600,000 to 6,000,000 as compared to those for City printing works, which ranged from ksh 2,400,000 to ksh 4,000,000.

Table 13: Annual Sales for two Firms and Growth Rates (ksh), 1993 – 1997.

Colourprint			City printing works		
Year	Sales	Growth rates	Sales	Growth rates	Ratio
1993	4,600,000		2,400,000		1.9
1994	4,900,000	10.7	2,800,000	12.0	1.8
1995	5,200,000	10.6	3,400,000	12.1	1.5
1996	5,600,000	10.8	3,700,000	10.9	1.5
1997	6,000,000	10.7	4,000,000	10.8	1.5

From the data in table 13, it can be noted that the sales values for Colourprint have been generally higher as compared to those of City Printing Works by a factor of 1.5 in the last three years. However, the same data also showed that the difference in

sales between the two firms became smaller as shown by a declining ratio from 1.9 in 1993 to 1.5 in 1997. Indeed, The sales values for City Printing Works increased by a higher proportion as compared to those of Colourprint in the last 5 years.

Besides the difference in the volume of sales, it was also essential to consider the growth rate in the sales between the two printing firms.

The same data indicated that City Printing Works recorded relatively higher annual growth rates between 1994 and 1997 in which the highest were achieved in 1994 and 1995. However, the two firms recorded nearly identical growth rates in 1996 and 1997. The growth rates for City Printing Works may for example be attributed to more expenditure on printing machines, which increased by 100 percent. In respect, to sales it was observed that city printing works had an advantage over Colourprint.

4:2.2

Profit

Another indicator of performance that was examined is the annual profit, considering that sales and profit are conceptually different aspects of performance. In contrast to the volume of sales, profit depends largely on management of the production and distribution costs.

Table 14 presented the average annual profits of the two firms. The data shows that the profit values for Colourprint are generally higher ranging from Ksh. 874,000 to Ksh.1, 440, 000 in comparison to those of City Printing Works that range from Ksh. 456,000 to Ksh 1,000,000 over the five years period.

Table 14: Annual profits of the two firms and Growth rates (ksh), 1993-1997.

Colourprint			City printing works		
Year	Sales	Growth rates	Sales	Growth rates	Ratio
1993	874,000		456,000		1.9
1994	1,029,000	17.7	560,000	22.8	1.8
1995	1,196,000	16.2	720,000	28.6	1.7
1996	1,288,000	7.7	792,000	10,0	1.6
1997	1,440,000	11.8	1,000,000	26.3	1.4

The difference in the two firms with respect to profits, range from a ratio of 1.9 in 1993 to 1.4 in 1997 indicating that the profit levels for Colourprint have been declining steadily as compared to those of the City Printing Works.

Table 14 also showed that the growth rates for City Printing Works remained consistently higher between 1994 and 1997 as compared to those of the Colourprint. Indeed, the growth rates on profit for City Printing Works were particularly higher in 1997 and 1995. This for example, was attributed to purchase of more printing machines, educated and trained workers, which resulted in lower operation costs. In this case, 16 workers from City printing works had trained at the Kenya polytechnic in comparison to 10 at Colourprint.

4:2.3 Productivity

Productivity was also taken as an indicator of performance in the two printing firms and was obtained by dividing yearly sales and profits by the number of workers. Given that commercial enterprises are profit motivated it was necessary to examine the nature of employment.

Table 15 shows the average annual productivity levels of the two printing firms. The results indicate that the values for Colourprint were relatively higher ranging from ksh 79, 310 in 1993 to ksh 85, 714 in 1998 as compared to the values for Colourprint which range from ksh 63,158 in 1993 to ksh 68,966 in 1997.

Table 15: Annual Productivity and Growth Rates, 1993 – 1997.

Colourprint			City printing works		
Year	Productivity Ksh.	Growth rates	Productivity Ksh.	Growth rates	Ratio
1993	79,310		63,158	1.0	0.01
1994	79,032	0.99	65,117	1.3	0.3
1995	80,000	1.0	85,000	1.3	0.3
1996	84,848	1.0	88,095	1.0	0.0
1997	85,714	1.0	83,333	1.9	0.1

The data in table 15 shows that the productivity levels for Colourprint were lower than those of City Printing Works only in 1995 and 1996 by a factor of 1.1 and 1.0 respectively.

The same data also shows that, differences in the productivity level, of the two firms was, small as reflected by the low ratios. From the table, data on the growth rates of productivity indicate that City Printing Works had a competitive edge over Colourprint.

4:2.4 **Employment**

It was also anticipated that the nature of the employment would have an impact on performance in the two printing firms. The table shows the number of employees in the two firms over the five years period.

In principle, with respect to table 5, Colourprint had more staff over the five years period as compared to those of the City Printing Works.

Table 10: Annual Employment Records, 1993 – 1997.

Year	Colurprint	Growth rates	City printing works	Growth rates	Ratio
1993	58		38		1.5
1994	62	1.1	43	1.1	1.4
1995	65	1.0	42	1.1	1.5
1996	66	1.0	42	1.1	1.5
1997	70	1.1	48	1.1	1.5

The number employees of Colourprint ranged from 58 in 1993 to 70 in 1997 while for those City Printing Works ranged from 38 in 1993 to 48 in 1997. Indeed, the staffing level for Colourprint was higher compared to City Printing Works by a factor of 1.5 over the years under study.

It was noted that, while Colourprint had relatively higher sales, profit levels, productivity and employment City Printing Works had relatively higher growth rates in sales, profit levels, and employment. These observations indicate that a relatively higher rate of expansion occurred in City Printing Works.

It was also observed earlier in table 5 that 12% of the printing firms in the category of 50 to 99 workers had an average of 68 employees. This compares well with the level of employment in the two firms. At ColourPrint the number of workers ranged from 58 to 70 workers between 1993 and 1997. While at City Printing Works the number of workers ranged between 38 to 48 over the same period.

CHAPTER FIVE

Conclusions and recommendations

5:0 Conclusions.

This study examined the nature of performance of two firms in the printing industry, Colourprint (Asian owned) and City printing (African owned). The aim was to identify factors that have enhanced the performance of the entrepreneurs in the two firms. It will be recalled that performance was assessed in terms of growth rates in sales, profits, productivity, employment and market expansion. It also sought to examine factors that have influenced the competitive and sustainable operations in the two firms over last 5 years (1993-1997).

The study used the two firms to compare the performance and advantages of African and local Asian entrepreneurs. The aim was to identify factors that would be promising for enhancement of the capacity of African entrepreneurs in view of the fact that foreign entrepreneurs dominate most sectors of the Kenyan economy.

Under the theoretical perspective used in the study, five aspects were to be examined, to assess their impact on the performance in the printing industry.

The first aspect was to examine the nature of investment and the impact on performance with a prediction that the sources and amount of investment affect the level of performance.

The second aspect was to examine the nature of experience of the entrepreneurs and the impact on performance; with the assumption that the number of years in which the entrepreneur had been in the industry will influence performance.

The third focus was to assess the level of education and the impact on

performance with the expectation that the level of education attained in the formal school system will influence business growth.

The fourth task was to examine the nature of training and the impact on performance, with the prediction that acquired vocational skills will be found to have influenced the management system and performance.

It was in fact predicted that education and training would have substantial impact over and above capital and experience on the performance. Furthermore, it was also predicted that the nature of competition has an impact on the performance of firms in the printing industry.

The principal observations arising from the study can be summarized as follows. With respect to the first hypothesis which stated, that the level of investment would influence business growth. It was noted that capital investment either in the form of loans or savings was necessary at the initial establishment of the two firms in the printing business. Initial investment by Colour Print was ksh. 2,000,000 and by City Printing ksh. 1,000,000 used to purchase of, or rent business premises, machinery and equipment, payment of labour as well as setting up supply and distribution channels for raw materials and the final products. This difference amounting to the ratio of 2:1 is essentially responsible for the difference in operational expenditure and profit margins. However, in terms of investment in equipment City printing works recorded a 100% growth and therefore had the advantage over Colourprint, which had recorded 25% growth.

In terms of the second hypothesis, concerning the years of experience in the printing industry, it was noted that Colourprint had been in operation since 1966 and

City Printing since 1975 resulting in a difference of nine (9) years. The manager of Colourprint had 25 years experience, while the manager of City printing works had 20 years experience reflecting a difference of five years. Similarly, this difference is basically responsible for the difference on the levels of investment and operational expenditure at the two firms.

In respect to the third hypothesis, concerning the role of the educational background, it was observed that an average of 28.5% of the workforce of Colourprint had diploma certificates, 46.8% attained secondary education and 24.7% attained primary education. In the case of City Printing Works on average of 24.6% workers hold diploma certificates, 54.2% secondary education and 24.3% primary education. More specifically, the workforce with diploma and above are 28.5% for Colourprint and 24.6% for City Printing Works resulting to a difference of 3.9% while those who obtained Secondary education and above are 78.6% for Colourprint and 75.0% for City printing Works resulting to a difference of 3.6%. Though the, differences in the educational background of the workers was small, it was observed that education played a significant role in business growth because it influenced the acquisition of new skills and business methods.

The fourth hypothesis stated that training would enhance business growth. More workers of City printing workers were trained at Kenya polytechnic as compared to 10 workers at Colourprint. In addition, interviews with the management of the selected firms showed that on-the-job was one way of skill acquisition. It was also observed that training institutions in this country need to adapt their training programmes to the needs of the printing industry.

On the whole it can be concluded from available data that City printing works registered steady growth rates in sales, profits, equipment and productivity resulting in increased competitiveness. However, City printing works was unable to close the gap in actual performance with Colourprint.

5:1 **Recommendations**

Based on the results of this study, a number of recommendations were formulated as strategies to influence policies on entrepreneurship development in Kenya.

It was recommended that intervention policy measures should be focused on providing entrepreneurs with enhanced access to cheap capital and credit for investment.

This study noted that experience was an important factor in business growth it is therefore recommended that measures be put in place to enable entrepreneurs to acquire the relevant business skills and experience. This could be achieved through sub-contracting between large and small firms.

It was noted that education played a positive role in entrepreneurship development. It was then recommended that policy measures on education should aim to enhance business education in learning institutions as well as guidance and business counseling. The problem of scarcity of skilled labour in printing could be solved by on-job-training programmes in addition to training in technical institutions which should re-orient existing course to suit the needs of the printing industry. This is critical to the printing industry in view of the rapid technological developments in printing technology

including computer based desk- top publishing.

It was further observed that the two firms had not developed strategies to exploit market opportunities created by liberalization in Kenya and the East African region. Under liberalization expansion may involve mergers, buy-outs of smaller firms and setting up of branches in other parts of the country and the E. African region. This could be achieved by revitalizing the activities of agencies such as the National Chamber of Commerce and Industry and the investment promotion centre as major sources of information.

This study also identified some of the problems that constrain enterprise growth. Some of the problems these problems require government intervention particularly investment in infrastructure, to improve the state of roads and electricity supply.

In addition, a level playing field is necessary in a free market economy so that the best products from any firm can achieve success rather than the case of enclave or captive markets.

5:2 **Areas For Further research**

The present study makes a unique contribution to policy on entrepreneurship development in Kenya and provides impetus for further research. This study aimed to underscore the importance of sociological factors on economic development, specifically the entrepreneurship.

Consequently, there is need to move from a descriptive study of this nature to an in-depth analysis of the various factors that affect entrepreneurship development. It is therefore necessary to:

1. Examine the importance of technology transfer. The objective should be to identify locally available technology presupposing those suitable to local conditions as well as the cost and suitability of alternative technologies in business development.
2. There is need to examine the reasons for diversification in business by local firms as opposed to concentration of resources in one particular business undertaking and the possible impact on business growth.
3. There is need to replicate the objectives of this study on a broader scale in the printing industry in particular and other sectors of the economy in general, by using a wider sample of firms.

APPENDIX 1

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APPENDIX 2

QUESTIONNAIRE

This questionnaire seeks statistical data of a general nature to determine factors that influence entrepreneurship development in the printing industry in Kenya. The data will be used only for academic study, and it will be treated very confidentially. The findings based on the provided data will be used to propose recommendations, which can promote growth and competitiveness of firms in Kenya's printing industry. Therefore, the accuracy of the provided data will be highly appreciated. Thank you in advance for your support with this study.

What do you consider to be your

a) Primary occupation? _____

b) Secondary occupation? _____

2. What level of education have you attained? _____

3. What training have you had to support you operate this printing business? _____

4. When did you start this printing business? _____

5. How much capital did you use to start this printing business? _____

6. What were your sources of capital? _____

7. How many main product line do you print per month? _____

8. Provide at least five (5) primary clients _____

9. Provide at least five (5) secondary clients _____

10. What is the volume of your printing for outside Kenya for the last five years?

Year	Volume of Products	Gross Value
1993		
1994		
1995		
1996		
1997		

11. What was the volume of your printing for use inside Kenya for the last five (5) years?

Year	Volume of Products	Gross Value
1993		
1994		
1995		
1996		
1997		

11. What was the total volume of your assets and profits for the last five (5) years?

Year	Assets	Profits
1993		
1994		
1995		
1996		
1997		

12. What was the number of your workforce for the last five (5) years?

Year	Permanent Staff	Temporary Staff
1993		
1994		
1995		
1996		
1997		

13. What was the range of certificates of your workforce for the last five (5) years?

Year	Diploma	Certificate	Primary	Total
1993				
1994				
1995				
1996				
1997				

14. What problems have you experienced in recruiting and retaining staff?

15. How many people did you recruit and retain in the last (5) years?

15. How many Departments and personnel do you have?

Year	Departments	Number of Staff	Total
1993			
1994			
1995			
1996			
1997			

18. What management strategies have you found useful in operating this printing business? _____

19. What marketing tools have you found useful in the printing industry in the last five (5) years? _____

20. In the last five (5) years, who have been your major competitors? _____

21. Name the locations of at least five (5) of your main competitors _____

22. During the last five (5) years, what have you found to be the major constraints in the printing business? _____

INTERVIEW SCHEDULE

These questions aim to elicit information that has a great bearing to this research. All information given will be treated confidentially.

1. (a) In what way does the experience you have gained in this industry affect your operations?
(b) How does the previous experience gained by your workers affect your operations?
2. What types of experience are relevant to the printing industry?
3. Is education important in the printing industry.
4. What are the education levels of your workers?
5. What role does education play in staffing of the departments in your firm?
6. (a) Have you undergone any training that is in line with your occupation?
(b) What kinds of training have you undergone?
7. What types of training have your workers undertaken?
8. (a) Do you have any training programmes for your staff?
9. (b) What are these programmes?
10. (a) Do you use the services of other firms in your operations.
(b) If you do?, in which areas.
11. What problems do you encounter in your activities?

NO	NAME OF FIRM	REG. SECT	POSTAL ADDRESS	PHONE	FAX	DISTRICT	PROVINCE	TOWN	PHYSICAL LOCATION	ISIC CODE	YEAR CONCEP
1	BIZONE LIMITED	18 AGRO	P O BOX 47969 NAIROBI	558254/554235		NAIROBI	NAIROBI	NAIROBI	NAIROBI-BUSIA ROAD	3420	1975
2	OFFICE SUPPLIES LTD	22 AGRO	P O BOX 45197 NAIROBI	540727/558088		NAIROBI	NAIROBI	NAIROBI	NAIROBI-OFF DAR-ES-SALAAM ROAD	3420	1969
3	DATA PROCESSING PRINTING & SUPPLIES LTD	95 AGRO	P O BOX 78350, NAIROBI	333855		NAIROBI	NAIROBI	NAIROBI	NAIROBI-NANYUKI ROAD	3420	1970
4	PRINTFOLD	110 AGRO	P O BOX 72256, NAIROBI	555038		NAIROBI	NAIROBI	NAIROBI	NAIROBI-SOLAI ROAD	3420	1970
5	SLUMBERLAND (K) LTD	111 AGRO	P O BOX 17951, NAIROBI	545038/9/40	541295	NAIROBI	NAIROBI	NAIROBI	NAIROBI-KAMPALA ROAD	3420	1987
6	D L PATEL PRESS (K) LTD	123 AGRO	P O BOX 20097, NAIROBI	338750		NAIROBI	NAIROBI	NAIROBI	NAIROBI-COMMERCIAL STREET	3420	1963
7	ORIENTAL PRINTERS & STATIONERS LTD	133 AGRO	P O BOX 47881, NAIROBI	332434/332198		NAIROBI	NAIROBI	NAIROBI	NAIROBI-RODONALD NGALA STREET	3420	1985
8	CAPITOL PRINTERS LTD	145 AGRO	P O BOX 46422, NAIROBI	22462/22464		NAIROBI	NAIROBI	NAIROBI	NAIROBI-DUBOIS ROAD	3420	1961
9	N D SHAH & SONS (K) LTD	146 AGRO	P O BOX 10548, NAIROBI	21801/25897		NAIROBI	NAIROBI	NAIROBI	NAIROBI-OFF KIRINYAGA ROAD	3420	1977
10	NEW WORLD PRINTERS LTD	147 AGRO	P O BOX 41869, NAIROBI	540234/5/6/7		NAIROBI	NAIROBI	NAIROBI	NAIROBI-LUSAKA ROAD	3420	1980
11	BAPTIST PUBLICATIONS HOUSE	153 AGRO	P O BOX 30370, NAIROBI	802261		NAIROBI	NAIROBI	NAIROBI	NAIROBI-THIKA ROAD	3420	1962
12	PROCESS LITHO	192 AGRO	P O BOX 53414, NAIROBI	221589		NAIROBI	NAIROBI	NAIROBI	NAIROBI-MFANGANO STREET	3420	1978
13	BIRDS OFFICE STATIONERY & EQUIPMENT LTD	226 AGRO	P O BOX 48238, NAIROBI	48238		NAIROBI	NAIROBI	NAIROBI	NAIROBI-KIABE STREET	3420	1963
14	PRESSMASTER LIMITED	231 AGRO	P O BOX 17560, NAIROBI	25394		NAIROBI	NAIROBI	NAIROBI	NAIROBI-BUSIA ROAD	3420	1980
15	PRINTING INDUSTRIES LTD	296 AGRO	P O BOX 18538, NAIROBI	554410	22949	NAIROBI	NAIROBI	NAIROBI	NAIROBI-ATHI RIVER ROAD	3420	1980
16	GAKAARA PRESS LTD	365 AGRO	P O BOX 207 KARATINA	71165		NYERI	CENTRAL	KARATINA	KARATINA-RAGATI ROAD	3420	1965
17	TAWIS LIMITED	488 AGRO	P O BOX 40611, NAIROBI	531364/5/6/7	545560	NAIROBI	NAIROBI	NAIROBI	NAIROBI-ADDIS ABABA ROAD	3420	1960
18	CENTENARY PRINTING WORKS	526 AGRO	P O BOX 31888, NAIROBI	747814		NAIROBI	NAIROBI	NAIROBI	NAIROBI-SOSAI ROAD	3420	1984
19	YOGIE SCREEN PRINTING	727 AGRO	P O BOX 18234, NAIROBI	558981/557515		NAIROBI	NAIROBI	NAIROBI	NAIROBI-SOLAI ROAD	3420	1979
20	THE STANDARD LIMITED	569 AGRO	P O BOX 35080, NAIROBI	540280	558333	NAIROBI	NAIROBI	NAIROBI	NAIROBI-LKONI ROAD	3420	1902
21	GENERAL PRINTERS LIMITED	571 AGRO	P O BOX 18001, NAIROBI			NAIROBI	NAIROBI	NAIROBI	NAIROBI-FACTORY STREET	3420	1967
22	METALBOX SECURITY PRINTING	572 AGRO	P O BOX 109, THIKA	21231	21237	NAIROBI	NAIROBI	NAIROBI	NAIROBI-LUNGA LUNGA ROAD	3420	1966
23	NAKURU PRESS LTD	862 AGRO	P O BOX 2, NAKURU	211815		NAKURU	RIFT VALLEY	NAKURU	NAKURU-KNITTING HOUSE ROAD	3420	1983
24	COLOURPRINT LTD	598 AGRO	P O BOX 44468, NAIROBI	335210		NAIROBI	NAIROBI	NAIROBI	NAIROBI-KIRINYAGA ROAD	3420	1967
25	TARGET MARKET SERVICES LTD	727 AGRO	P O BOX 11430, NAIROBI	340214		NAIROBI	NAIROBI	NAIROBI	NAIROBI-KIABE STREET	3420	1985
26	SUN STATIONERS & PRINTERS LTD	745 AGRO	P O BOX 19028, NAIROBI	331462/332393		NAIROBI	NAIROBI	NAIROBI	NAIROBI-MOKHTAR DADAH STREET	3420	1986
27	RADIO PRINTING PRESS LTD	779 AGRO	P O BOX 41452, NAIROBI	25362		NAIROBI	NAIROBI	NAIROBI	NAIROBI-BIASHARA STREET	3420	1983
28	TOP IN TOWN PRINTING WORKS LTD	780 AGRO	P O BOX 28654, NAIROBI	337370		NAIROBI	NAIROBI	NAIROBI	NAIROBI-KAMAE LANE	3420	1987
29	GILANO FOOTWEAR INDUSTRIES LTD	831 AGRO	P O BOX 98384, MOMBASA	493634		MOMBASA	COAST	MOMBASA	MOMBASA-MJ-KENDA STREET	3420	1988
30	UASIN GISHU WEEKLY ADVERTISER LTD	880 AGRO	P O BOX 62, ELDORET	22417		UASIN GIS	RIFT VALLEY	ELDORET	ELDORET-ELUAH CHENUT STREET	3420	1979
31	ASSOCIATED PAPER & STATIONERY LTD	892 AGRO	P O BOX 41311, NAIROBI			NAIROBI	NAIROBI	NAIROBI	NAIROBI-CHOGORIA ROAD	3420	1971
32	INTERFACE PRINTERS LTD	924 AGRO	P O BOX 68014, NAIROBI	553310		NAIROBI	NAIROBI	NAIROBI	NAIROBI-FACTORY STREET	3420	1989
33	DEWJI PRINTERS LTD	1005 AGRO	P O BOX 83837, MOMBASA	311126		MOMBASA	COAST	MOMBASA	MOMBASA-NKURUMAH ROAD	3420	1975
34	NAIROBI EXPRESS LITHO	1035 AGRO	P O BOX 42881, NAIROBI	23775		NAIROBI	NAIROBI	NAIROBI	NAIROBI-MOKHTAR DADAH STREET	3420	1987
35	BUSSINESS FORMS & SYSTEMS LTD	1084 AGRO	P O BOX 49726, NAIROBI			NAIROBI	NAIROBI	NAIROBI	NAIROBI-LKONI ROAD	3420	1975
36	MEGAPRINT	1112 AGRO	P O BOX 45112, NAIROBI	556949/559714		NAIROBI	NAIROBI	NAIROBI	NAIROBI-3M BUILDING, DAR-ES-SALAAM	3420	1988
37	SUPREME STATIONERS LTD	1146 AGRO	P O BOX 83965, MOMBASA	200608 311728		MOMBASA	COAST	MOMBASA	MOMBASA-MERU ROAD	3420	1971
38	LADWA PRINTERS	1152 AGRO	P O BOX 1969, NAKURU	42283		NAKURU	RIFT VALLEY	NAKURU	NAKURU-KUFANYA ROAD	3420	1987
39	HUSEINI PACKAGING & PRINTING LTD.	1157 AGRO	P O BOX 80167, MOMBASA	23341/23574		MOMBASA	COAST	MOMBASA	MOMBASA-TAITA STREET	3420	1968
40	KENYA NATIONAL FEDERATION OF CO-OPS.	1215 AGRO	P O BOX 78046, NAIROBI	558713		NAIROBI	NAIROBI	NAIROBI	NAIROBI-NANYUKI ROAD	3420	1968
41	HARDCORE CLOTHING LTD	1251 AGRO	P O BOX 43088, NAIROBI	543311/544543	541283	NAIROBI	NAIROBI	NAIROBI	NAIROBI-FUNZI ROAD	3420	1987
42	RUBY PRINTERS (K) LTD	1288 AGRO	P O BOX 48860, NAIROBI	338848/331335		NAIROBI	NAIROBI	NAIROBI	NAIROBI-SHEIKH KARUME ROAD	3420	1981
43	TAPTOK LIMITED	1295 AGRO	P O BOX 60115, NAIROBI	26806/336159		NAIROBI	NAIROBI	NAIROBI	NAIROBI-UTALI STREET	3420	1988
44	ADVERTISING MATERIAL SUPPLIES	1313 AGRO	P O BOX 99486, MOMBASA	495882		MOMBASA	COAST	MOMBASA	MOMBASA-LUMUMBA ROAD	3420	1984
45	KENYA LITHO LIMITED	1394 AGRO	P O BOX 40775, NAIROBI	555244		NAIROBI	NAIROBI	NAIROBI	NAIROBI-CHANGAMWE ROAD	3420	1960
46	TEXPRINT LIMITED	1407 AGRO	P O BOX 98100, MOMBASA	312643/23301		MOMBASA	COAST	MOMBASA	MOMBASA-MWABUNDU ROAD	3420	1987
47	EXECUTIVE PRINTING WORKS LTD	1448 AGRO	P O BOX 22677, NAIROBI	750515/23981		NAIROBI	NAIROBI	NAIROBI	NAIROBI-KIABE STREET	3420	1976
48	LAKE PRINTERS AND STATIONERS LTD	1458 AGRO	P O BOX 394 KISUMU	44913/44195	43705	KISUMU	NYANZA	KISUMU	KISUMU-AIRPORT ROAD (K.I.E SHEDS N	3420	1989
49	COLOUR LABELS LTD	1501 AGRO	P O BOX 59648, NAIROBI	553801/553539		NAIROBI	NAIROBI	NAIROBI	NAIROBI-NANYUKI ROAD	3420	1980
50	KUD TOWN PRINTING PRESS LTD	1568 AGRO	P O BOX 781, NYERI	2831		NYERI	CENTRAL	NYERI	NYERI-KIMATHI WAY	3420	1990
51	TOP-LINE PRODUCTS LTD	1574 AGRO	P O BOX 2306, ELDORET	33504	33117	UASIN GIS	RIFT VALLEY	ELDORET	ELDORET-OFF KENYATTA STREET	3420	1990
52	CHAPA INDUSTRIES	1606 AGRO	P O BOX 659, NAKURU	44093		NAKURU	RIFT VALLEY	NAKURU	REAR OF BAISHARA AVENUE	3420	1991
53	HIGHLAND PRINTING PRESS LTD	1624 AGRO	P O BOX 19, NAKURU	44573		NAKURU	RIFT VALLEY	NAKURU	KENYATTA AVENUE	3420	1947

REGISTERED AGRO BASED INDUSTRIES BY INVESTMENT AND (%) OWNERSHIP (PRINTING, PUBLISHING & ALLIED INDU

No.	REG. No.	INVESTMENT		OWNERSHIP	
		LOCAL (KSHS.)	FOREIGN (KSHS.)	% LOCAL	% FOREIGN
1	18	200,000	0	100	0
2	22	298,000	2,000	99	1
3	95	CLOSED			
4	110	180,500	0	100	0
5	111	5,208,000	0	100	0
6	123	1,531,260	968,740	61	39
7	133	300,000	0	100	0
8	145	1,900,000	600,000	76	24
9	146	180,000	120,000	60	40
10	147	500,000	0	100	0
11	153				
12	192	1,041,000	0	100	0
13	226	29,000	7,000	81	19
14	231	900,000	0	100	0
15	296	10,000,000	0	100	0
16	365	100,000	0	100	0
17	488	14,580,000	0	100	0
18	526			100	0
19	527	41,000	0	100	0
20	569	0	3,397,000	0	100
21	571	15,000,000	5,000,000	75	25
22	572	10,280,000	30,000,000	26	74
23	662	2,000,000	0	100	0
24	698	2,716,000	0	100	0
25	727	162,000	0	100	0
26	745	20	0	100	0
27	779	100,000	0	100	0
28	780	2,000	0	100	0
29	831	40,000	0	100	0
30	880	20,000	0	100	0
31	892	3,050,000	45,000	99	1
32	924	2,000	0	100	0
33	1005	200,000	0	100	0
34	1035	387,373	0	100	0
35	1084	500,000	0	100	0
36	1112	360,000	240,000	60	40
37	1146	400,000	0	100	0
38	1152	150,000	0	100	0
39	1157	104,000	96,000	52	48
40	1215	2,900,000	0	100	0
41	1251	2,500,000	2,500,000	50	50
42	1288	700,000	0	100	0
43	1295	200,000	0	100	0
44	1313	325,000	0	100	0
45	1394			100	0
46	1407	0	3,000,000	0	100
47	1448	100,000	0	100	0
48	1458	300,000	0	100	0
49	1501	70,000	30,000	70	30
50	1568	22,953,200	0	100	0
51	1574	20,000	0	100	0