

**THE EFFECTS OF REGULATION ON THE PROFITABILITY OF
MANUFACTURING COMPANIES IN KENYA: A CASE OF EVEREADY EAST
AFRICAN COMPANY**

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ABSTRACT

The purpose of this study was to investigate the impact of regulation on the profitability of manufacturing companies in Kenya. The study was guided by the following specific objectives; to investigate if price control affects profitability of manufacturing companies in Kenya, to establish if entry regulations affect profitability of manufacturing companies in Kenya, to determine if taxation affects profitability of manufacturing companies in Kenya and to find out if environmental regulations affect profitability of manufacturing companies in Kenya. The study adopted a descriptive survey research design and used a population of 252 employees of Eveready Kenya comprising of senior managers, middle level management, officers and subordinates. The sample of this study was 75 respondents sampled from the target population. The study used primary data and secondary data which were collected through use of a structured questionnaire. Quantitative data obtained from the questionnaire was analysed using the Statistical Packages for Social Sciences (SPSS) version 20. This analysis helped to generate descriptive statistics and inferential statistics. Descriptive statistics was used in analysis of percentages, frequencies and mean of responses while inferential statistics generated correlation to show the relationship between the variables under study. The findings showed that majority of the respondents agreed with the statements implying variables under investigation affected profitability of manufacturing companies in Kenya. The study further carried out a correlation analysis to show the relationship between independent variables and dependent variable. The results showed that price control, taxation and entry regulation had a positive and significant relationship with profitability. Based on the findings, the study concluded that the price controls, taxation and entry regulations have a significant relationship with profitability of manufacturing companies in Kenya. The study recommended that policy makers who are concerned with formulating price controls, taxation policies and entry regulations should engage the investors in manufacturing industry when coming up with price controls to mitigate their effects.