

The Impact of Privatization in Improving Management in Industrial area

A case Study of the White Nile)
Leather Industries Co. Ltd. –
” (Sudan

أثر الخصخصة في تحسين الإدارة في
المنطقة الصناعية (دراسة حالة شركة النيل الأبيض
للصناعات الجلدية المحدودة – السودان)
اعداد

Dr. Ensaf Siddig Mohamed Ayoub –
Onaizh colleges

Ensafsiddig@oc.edu.sa



مجلة تكنولوجيا العلوم الإنسانية والإدارية

المجلد (الثاني) - العدد (السادس) - مسلسل العدد (٠٦) - نوفمبر ٢٠٢٥

ISSN-Print: 3009-6812

ISSN-online: 3009-6006

موقع المجلة عبر بنك المعرفة المصري

https://tssa.journals.ekb.eg/issue_54755_55781.html

المجلد الثاني - العدد السادس - نوفمبر ٢٠٢٥

Abstract

This study focuses on investigates the impact of privatization in improving management in industrial sector, at Whit Nile Leather Industries Co. Ltd. (White Nile Tannary) before and after privatization. The study discuss the management practice in the past and present interrelation to the functions of management: Planning, Organizing, Directing and Controlling. The study found that there is a sort of improvement in management after privatization of the Tennary, compared with past. Although privatization has advantages in improving the style of management results and facts that the Miss-management was the basic problem of the WNT. there is improvement in management after it has been privatized The study put several recommendations, with the most important being that the academic qualifications, the matter which affect the production in the company as well as the standard of work and in consequence the whole, so that academic qualifications must be put into Consideration the appointment of workers and employees.

Keywords: Management process, Managers, Organization, Privatization

المستخلص

تركز هذه الدراسة على دراسة أثر الخصخصة في تحسين الإدارة في القطاع الصناعي بشركة وايت النيل للصناعات الجلدية المحدودة (دباغة النيل الأبيض) قبل وبعد الخصخصة. تناقش الدراسة ممارسة الإدارة في الماضي والحاضر وعلاقتها بوظائف الإدارة: التخطيط، التنظيم التوجيه والسيطرة. وتوصلت الدراسة إلى وجود نوع من التحسن في الإدارة بعد خصخصة شركة تيناري مقارنة بما كانت عليه في الماضي. على الرغم من أن الخصخصة لها مزايا في تحسين أسلوب نتائج الإدارة والحقيقة أن سوء الإدارة كان المشكلة هناك تحسن في الإدارة بعد خصخصتها وضعت الدراسة عدة توصيات أهمها أن تكون WNT الأساسية للمؤهلات العلمية هي الأمر الذي يؤثر على الإنتاج في الشركة وكذلك مستوى العمل وبالتالي كله، لذا يجب أن تؤخذ المؤهلات العلمية بعين الاعتبار عند تعيين العمال والموظفين .

الكلمات المفتاحية: العملية الإدارية، المدراء، التنظيم، الخصخصة

Introduction:

The Management Process involves planning, organizing. Leading and controlling, how these functions are performed will determine to great extent whether the organization will successfully meet its objectives. The challenges for the managers is how to be more efficient, to use their resources more effectively, to be in position to adjust themselves to the frequent changes to satisfy customer's requirements.

Most of the public enterprises in the Sudan facing some managerial problems which lead to decline on the improving style of management, the main factors responsible for this declining are irresponsibility of the a administration and employees and mismanagement of the resources.

Therefore the government has issued a decision in March 1991 to privatize some of the public enterprises as a solution of that declining, The White Nile Leather Industries Company Ltd. one of the industrial privatized enterprises represent a sample of the industrial privatized enterprises to reflect the effect of privatization in improving management and solving its problems.

Study Problem:

The study try to investigate and evaluate the effect of privatization which applied by the Government in improving the management of the industrial enterprises.

Moreover the **study aiming to:**

1. Examine the management activities before and after privatization.
2. Survey the effect of privatization on the enterprise's employees.
3. Find out the different organization structure before and after privatization.

Study hypothesis:

1. The transformation of public enterprises into private enterprises will lead to construct a successful managerial structure.
2. Privatization gives management ability to work in the free market system successfully in order to achieve more success and high profit.
3. The economic success of the industrial enterprises depend mainly on mainly on management efficiency.
4. Private enterprises can adapt new technology, and appointed who are highly skilled and motivate them by giving more wages, salaries and other incentives.
5. The private operation tend to use low manpower levels and this make more efficient use of their capital and machines, while public operation tend to use high manpower and this sometimes make less efficient.

Importance of the study:

The public services provided by the state are most be described as insufficient, in adequate also the management and employees performance are with less care. For this reasons this study takes its importance because it focuses on the management improvement in (White Nile Leather Industries Company Ltd.) one of the vital institution for economic development in the Sudan, and it is the oldest enterprise, which has been privatized.

Methodology

The method will be used in this study is a descriptive one through case study and source of information will depend mainly on the primary and secondary data. The primary data used obtained from discussion and interviews with managers in top level of the company and official in departments. These interviews were concerned with how the managers perform their managerial functions before and

after privatization. Secondary data obtained from the internal records of the (White Nile Leather Industries Company Ltd.) and seminar papers by the technical commit of planning and finance ministry.

Previous studies

Numerous studies addressed privatization in all of its facets, and the researcher will go over a few of them here:

Mohammed Fatthy Mahmoud (1992):

This study dealt with the privatization a solution to problems of public enterprises, the aim of this study is to evaluate privatization as a method of overcoming the problems facing public enterprises. It examines the factors contributing to the poor performance of public enterprises and outlines the objectives of privatization.

CHAPTER TWO

Literature Review

Definitions of Management: Koontz, D'onnel (1976) defined management as "the process of utilizing organizational resources to achieve specific objectives through the functions of planning, organizing, leading and controlling"

Koontz and Weihrich (1988) defied management as "the process of designing and maintaining an environment in which individuals, working together in groups, accomplish efficiently selected aims. The basic definition needs to be expanded".

Definitions of management functions:

In any study regarding management the important effective management depend on best understanding of these following functions as been interrelated the effectiveness of each one depends on the effectiveness of the other.

Planning: is very crucial in the management of organization because other components of management depend on it. The essential nature of planning can be highlighted by four major principles (**Koontz et al., 1980, p. 157**):

a) Contribution to purpose and objective: The purpose of every plan and all derivative plans is to facilitate the accomplishment of enterprise purpose and objectives.

"Plans alone cannot make an enterprise successful. Action is required; the enterprise must operate. Plans can, however, focus on purposes. They can forecast which actions will tend toward the ultimate objective, which tend away, which will likely offset one another, and which are merely irrelevant. Managerial planning seeks to achieve a consistent, coordinated structure of operations focused on desired ends. Without plans, action must become merely random activity, producing nothing but chaos." (**Koontz et al., 1980, p. 157**).

b) Primacy of planning: Planning is the primary management function, the one that precedes and is the basis for the organizing, influencing, staffing, leading and controlling functions of managers

c) Pervasiveness of Planning: planning is a function of all managers, although the character and breadth of planning will vary with their authority and with the nature of policies and plans outlined by their superiors.

d) Efficiency of Plans: The efficiency of a plan is measured by the amount it contributes to purpose and objectives as offset by the costs and other unsought consequences required formulating and operating it. A plan can contribute to the attainment of objectives, but at too high or unnecessarily high costs. This concept of efficiency implies the normal ratio of input to

output, but goes beyond the usual understanding of inputs and outputs in terms of pounds, labor hours, or units of production to include such value as individual and group satisfactions.

Organizing: Organizing is the process of assembling and assigning the human, financial, physical, informational, and other resources needed to achieve goals (**Bateman & Snell, 2013**). The core of the organizing function is leveraging the resources to align with the determined goals. Organizing human resources means first attracting a labor force that can help you pursue your goal. Within the organization, managing the human element means assigning tasks, delegating authority, determining a structure and hierarchy.

The organization structure takes on specific form depending upon management's response to each of these decisions. In addition, it can be effective: if it facilitates the contribution of individuals in the attainment of enterprise objective, and if it facilitates accomplishment of objectives by people with the minimum cost.

Leading: Leading is stimulating high performance by members of the organization (**Bateman and Snell, 2013**). This function is getting members of the organization on board with your plan.

Directing includes four elements: Firstly, it includes the issuing of orders that are clear, complete and within the capabilities of subordinates to accomplish. Secondly, it implies continual training activity in which subordinates are instructed to carry out the particular assignment in the existing situation. Thirdly, it necessarily involves the motivation of workers

to try to meet the expectations of the managers. Fourthly, it consist of maintaining discipline and rewarding those who perform properly.

Controlling: Control is installing processes to guide the team towards goals, monitoring performance towards goals and making changes to the plan as needed (**Batemen & Snell, 2013**). Healthy control processes involve putting systems in place to make sure your organization is on track to meet the goals you established in the planning process.

The essential elements of any control system are:

1. A predetermined goals, plan, policy, standard, norm, decision, rule, criterion or yardstick.
2. A means of measuring current activity (quantitatively if possible)
3. A means for comparing current activity with a criterion.
4. Some means of correcting the current activity so as to achieve the desired result.

The four functions of management (plan, organize, lead, and control) serve as the foundation for everything else you will study in your business education. Mastering these tools at the most basic level, as well as the more sophisticated levels in classes you will take later, will best prepare you as a business professional (**Dolechek et al, 2019**).

The Theory of Privatization:

The concept of privatization is based on the neoliberal school of thought. It is based on the doctrine of competition and profit motive founded on free market pricing and freedom from the interfering hands of state regulation (Wikipedia 2011). Privatization, according to this theory could reap the advantages of the market system and competition, namely; effectiveness,

productivity, and efficient service. Privatization would thus strengthen market forces with some degree of deregulation, economic liberalization. Relaxation of wage and price controls (Ugorji, 1995). Privatization has become an important instrument that government can use to promote economic development, improve the production and distribution of goods and services, stream– line government structure, and reinvigorate the industries controlled or managed by the state (Adeyemo, 2005)

According to Ugorji (1995), privatization has become an acceptable paradigm in the political economy of states. It is a strategy for reducing the size of government and transferring assets and service functions from public to private ownership and control. Privatization is based on four core beliefs:

1. Government is into more things than it should be. It is intruding into private enterprise and lives
2. Government is unable to provide services effectively or efficiently
3. Public officials and public agencies are not adequately responsive to the public
4. Government consumes too many resources and thereby threatens economic growth.

Privatization is defined as the transfer of function, activity of organization from the public to the private sector.

(Privatization is abroad concept encompassing the general reassignment of property rights from the state to individuals, contracting out the delivery of services to the private sector or relinquishing some state activities to allow greater chance for private initiatives). (Donnelly, Gibson, Ivancevich, 1987)

The word privatization is came from the process of transfer the ownership of public projects to the private sectors with the aim of improving the economic

performance, and to insure better use of available resources, and to enhance management efficiency.

Privatization is an umbrella term to describe a variety of policies, which encourage competition and emphasis the role of market forces.

The concept of privatization is not new; it can be found in the writing of Adam Smith as early as 1762.

It started first in industrial countries after the Second World War and it increased and spread in different sectors in the beginning of 60s especially in British, which it became a matter of national policy with the coming to power of the Thatcher Government, which undertook the largest privatizations ever to take place—British Telecommunications and British Gas.

Privatization efforts have spread throughout Western Europe, particularly France, but not as extensively as in the United Kingdom. **(Pirie, 1988)**

In last years, the notion expand too many developing countries, Latin America, Africa and Arab countries.

Its first appearance in a dictionary came in 1983 with increased usage, its meaning has broadened to include the economic setting in which Privatization occurs.

Privatization is not an end rather it is a mean for effective use of economic resources.

Objectives of Privatization: the main objectives of privatization summarized in the following:

- (1) The reduction of the state sector.
- (2) Promotion of wide share ownership

(3) Greater efficiency within privatized entities, coupled with profit motivated decisions.

(4) Raising revenue for the government.

(5) Reduced government interference, increasing speed of decision-making.

(6) Introduction or enhancement of competition.

(7) Exposure to the disciplines and opportunities of private sector markets for capital and other resources.

The above objectives need not be equally important for all state-owned enterprises. In addition, these goals are not mutually exclusive (**J. A. Kay, C. P. Mayer and D. J. Thompson**) Obviously, the government in each country will need to consider local factors and individual industry circumstances in determining the mix of goals.

Forms of Privatization:

Privatization takes three main forms:

1. Contracting – out of Government Services.
2. De-regulation of monopolies.
3. Sale of public assets.

(Include direct sale – management contract – joint venture – share offering).

Steps of Privatization:

The steps of privatization which followed by the Sudan Government are :

The first step, was the issue of three years programme under the Name of National Economic Salvation Programme 1990–1993 issued at June 1990 which includes economic policies mainly:

- (a) Areas for production growth and investments.
- (b) Financial Policies.
- (e) Monetary and credit policy
- (d) Commercial and foreign exchange policy.
- (e) Energy.

The second step, which is the responsibility of identification committee, is to explain and evaluate the factors influencing the selection of methods and implement process, it includes:

- (a) Define the overall strategy for privatization.
- (b) Sectorial selection of enterprises priorities.
- (c) Analysis economic impact on employment, external debt and investment.
- (d) Specific privatization methodology.

The third step, includes the duties of technical committee which

- (a) To prepare a full list of lands and buildings of the enterprise.
- (b) Compile a full list of all fixed asset and other properties of the Enterprise and evaluate these assets technically and financially.
- (c) Prepare circulars and use any available media for promoting the Enterprise.
- (d) List all outstanding claims against the enterprise.
- (e) Revise the fund available for payment of staff indemnity in accordance to relevant laws and to complete the fund to meet all liabilities in that respect.

(f) To issue financial and administrative procedure to be adopted in the enterprise during the period preceding the final transfer of the enterprise of the private sector.

(h) To prepare and organize the methods of placing and avail potential purchaser to visit and inspect the enterprise.

(g) To receive offers, analysis and submit to the high committee for final aproval of the offers.

(k) To appoint sub-technical committee in different sectors.

Fourth step, includes the responsibilities of sub-technical committee

Which are:

(a) Schedule showing number and value of each building, land and Properties.

(b) Schedule number and values of all fixed assets.

(c) Value of all current asset, liabilities and outstanding.

(d) An estimated value of the net worth.

Fifth step, valuation the Ministry of Finance circulated the basis of

Valuating the enterprises to the sub-committee in all sectors which were

Summarized as follows:

(a) Market value.

(b) Replacement value.

(c) Economic value.

On the other hand, valuation of shares could be arrived at, by the

Choice of the following basis.

(a) Capitalization of future earnings.

(b) Valuation of different assets.

(c) The current price as quoted in stock exchange.

Stages of Privatization: Include Implementation Stage:

The first stage in implementation was the issue of general recommendation by identification committee. The recommendations include both the organizations to be privatized and the modality of privatization.

The modality includes:

- (a) Direct sale for private sector.
- (b) Participation.
- (c) De-relegation.
- (d) Use of wider ownership through issue of small value shares.

The list of enterprises recommended for privatization in different economic sectors include the following number of big corporations:

- (a) Agriculture sector five corporations.
- (b) Industrial sector twelve Mill and Factories.
- (c) Transport and communication four big corporations.
- (d) Tourism for 5 stars hotels.

The second stage, in implementation was the adoption by the high ministerial committee was the review of these recommendations in each sector after breaking down the contents of each corporation and issue the suitable decision. Before issuing its decision the ministerial committee had to make sure of proper evaluation.

The third stage, ministerial committee issued the following decisions concerning each sector during 15 month

But in this study I' concentrate on industrial sector. In this sector, the ministerial committee has decided to privatize about 15 units.

Some of these units are now in the preparation stage such as valuation or negotiation with respective buyer. Some units had been contracted sold to the private sector.

Completely contracted for and under handing process:

1. Rea confectionary Factory.
2. Kricab Factory.
3. White Nile Tannery – handed over.
4. Kenaf Abu Naama – handed ver.
5. Aroma cardboard Packing Factory – handed over

Argument and reasons for privatization:

Three basic arguments underlie the privatization option (**Seminar paper on various approach to privatization 1992**):

Firstly, the alleged inefficiency of the public enterprises. Viewed from historical perspective, agreed majority of public enterprises have not lived up to expectations.

Secondly, reason for privatization relates to an ideological preference for the private sector. Here it is argued that the state is a poor entrepreneur.

Thirdly, there is argument to reduce the size of the government and its deficit. Public enterprises are seen as a continuous drain on treasury resources by way of the farther provision of investment funds, coverage of deficit and through direct and guaranteed lending.

The efficiency gains from privatization are:

- (1) To establish a set of prices which more closely match costs.
- (2) To use technology which minimizes economic costs as opposed to employee welfare.

(3) To set a level of output which more closely matches marginal costs with marginal benefits.

(4) To reduce the cost of inefficiencies which lead to a greater need for subsidization in the current institutional framework. (**M. R. Bishop and J. A. Kay, 1988**).

Management in public and private enterprises:

As a mention before management is essential element in successful of any business enterprise.

Although there are very few studies comparing the management performance of the public enterprises in a competition with the private enterprises, there is a belief that the public enterprises are less efficient than private enterprises.

Also the majority of public enterprises suffering from many problems, which have led to low productivity.

This means the public enterprises face lack of decision-making, fail to achieve their objectives, failed to learn how to take handle with these problems and how to make new policies to solve these problems. This means that these organizations have been unable to play the most important role for which they were intended in the national development of the Sudan.

In the private enterprises, the plans are clearly made and the objectives are well set, also the manager of each department has a full delegation of authority to take any decision regarding the benefits of his debarment.

Regarding the organization structure in the public enterprises, it is un-clear and complex, this lead to ineffective control and communication system. While in

the private enterprises, it is simplest and it facilitates the missions of individuals to achieve the enterprise objectives more efficiency and with minimum cost.

Besides these there is a lack of incentive system in public enterprises, but in the private enterprises there is more concentration on incentive system, which encourage employees and workers to work effectively and efficiency.

From all the above facts of insufficient performance and miss-management of public enterprises. This provide the basis for analyzing the motives behind the proclaimed need for privatization of public enterprises.

CHAPTER THREE

Background information about the case study

Before and after privatization

Location: The White Nile Tennary west horse racing field, in Khartoum city southern, its area is about 80,000 square meter. The Tennary erected in 1975 as a one of the public sector institutions. A contract was signed between the Republic of the Sudan and Invest-Import of Yougoslavia. It started by capital of one million Sudanese pounds.

The production capacity of "WNT" was about:

- 850 Cow heads daily.
- 3000 Sheep and Goat leather daily.

This constitute 45% of the country needs from the leathers manufacturing and 55% from production capacity exported. The return from hard currency was about 3000 dollar annually.

In 1993 the Tennary has been privatized and its name was changed to White Nile Leather Industries Company Ltd. "WNLI" Co. Ltd. which was owned by:

- Faisal Islamic Bank.
- Bash for Investment Co. Ltd.
- Rida for Investment Co.
- Sudanese Investors Co. Ltd.
- Al Rawasi Sharity Co.

It started by the capital a mounted of 8 million dollar which was shared equally among them. It was rehabilitated by purchasing a new machines and applying advanced technology to develop leather manufacturing in order to satisfy local and international required specification needs.

By the first year of the company, the production capacity was increased by double for both local and international market.

The production capacity of "WNLI" Co. Ltd. increased to:

- 1000 Cow-heads daily (50% for the Local Market and 50% for International market).
- 6000 Sheep and Goat skin daily (75% for Exporting and 25% for the Local market).

The process for transferring the (WNT) from public sector to the private sector creates clear changes in the structure of the organization and the managerial activities.

These changes lead to improve and develop the managerial performance and hence the production was increased.

Objectives:

Before privatization the objectives were:

- (1) Transfer the raw leather into Tannage leather for the purposes of manufacturing.

(2) To meet the needs of the local market.

These objectives were planned by the Tannage and Manufacturing leather Company which report to Ministry of Industry.

After privatization the objectives were:

(1) Transfer the raw leather to tannage leather.

(2) Transfer the tannage leather to finished leather ready for manufacturing in good quality and quantity in order to maximize the profit.

(3) To satisfy the needs of local and international market.

The Board of Director of the Company planned these objectives.

Management and Organization Structure:

The (WNT) was managed by the Tannage of Manufacturing Leather Co., which report to Ministry of Industry. The (WNT) was divided administratively into five departments with General Manager, Secretary and Internal Auditor. And the departments: Technical department, Engineering department, Commercial department, Managerial department and Financial department.

The (WNLI) Co. Ltd. is managed by a Board of Director, which has a general manager, with four main departments which are, Technical department, Secretary and Managerial department, Financial department and Commercial department.

Technical Department:

Before privatization this department was consist of three main sections, which were:

1. Wet section 2. Dry section. 3. Control of quality section.

The number of workers was about 220 with 25 Technicians, 5 Engineers and 190 workers. They were producing 1000 Sheepskin and 100 Cowhides daily.

The duties carried on by this department are, receive the leathers from persons or obitoars either wet or dry. Then the Technical work start by classifying and weighting the leather.

After that, the Tannage Process start by the following steps:

Firstly, soking to wet-back the skin to wash and healing substances this is followed by addition of chemicals to remove hair by lime and salphide, this is followed by mechanical action to clean the flash side.

Secondly, this step known as pickling in which means the clean skin is putting in containers with salt, acid and anticipatal and it can be antiseptic ported in this stage.

Thirdly, the actual tanning in which they use Crome salphide to obtain wet-blue which is also suitable for export.

Fourthly, tannage by vegetable materials such as accia or synsitic materials, then dry the product to get the crust leather (this is the end of wet section).

The dry section start by puffing, coloring and ironing according to the demand of the customers and all the finished product for the local market.

After privatization:

The number of workers was reduced to 114, with 6 Technicians, 3 Engineers and 106 workers although the production was increased to 3000 Sheep skin and 6000 Cow hides daily.

This classic change in production was due to many factors:

1. The Management, which has full authority of decision making on the spot without waiting the instructions from the Ministry of Industry,
2. Increase in payment for the workers to encourage them to produce more.

3. All the needs inputs, raw materials, chemicals, spare parts were decide and purchase internally without following the routine of governmental procedures.
4. Marketing policies of the production were in complicated.
5. The communication and response are done rapidly and easily and this enhance the continuation of production and marketing.
6. The free hand of the manager to recruit or dismiss persons according to their performance, also added another benefit to privatization.

Commercial Department:

Before privatization the Commercial department was consist of four sections which were:

1. Internal purchases section.
2. External purchases section. Posting.
3. Local sales section.
4. External sales "Exporting".

The Number of employees was about 18.

The duties carried on by this department were:

1. To purchase the internal and external needs for the factory.
2. To sell its product locally and externally "Export".
3. Following up the market situation.
4. Supply the factory by cash from selling the products.

The tannary exports its product in the shape of pickled leather to the following countries :

Germany, Italy, U.S.A, Turkia, France, Yougoslavia, Egypt and Romania.

After privatization:

There is no change in the number of sections.

The number of employees was reduced to 5. The volume of duties were increased although the number of employees were decreased and the number of sections are remained constant.

The factors which led to improve and promote this department, work after privatization are:

1. The manager has full authority to make any decision regarding his department without return to the top manager.
2. Importing of new machines which increase the production from 3000 to 6000 unit daily.
3. Sudanese leather prices became acceptable in the international market.
4. The government issued decision to prevent exporting leather the stage of pickled.

Financial Department:

Before privatization, the financial department was about 6 sections which were:

1. Salaries section. 2. Payments section. 3. Store account section.
4. Auditing section. 5. Registrations section. 6. Treasury,

The number of employees were about 23.

The duties carried on by this department are:

Payment of salaries, determine the prices of leather. Payment of all cliences "such as electricity and water invoices" Good handling, review the selling invoices, control of the stores, cheques receive and cash delivery, Budget.

After privatization the number of sections reduced to 4 sections which are :

1. Salaries and payment section
2. Store account section.
3. Auditing section. 4. Treasury.

Also the number of employees was reduced to 11.

In spite of the amalgamation of some sections in one section and reduction in the number of employees, the duties are carried out in the best way regardless of the increasing in their missions.

The factors, which led to improve and promote the performance of the work in this department after privatization are:

1. The departmental manager was given a sort of delegation to make any decision concerning with the benefits of his department without returning to the top manager.
2. The department manager has free mobility to take any decision regarding the purchase of the needed material in the spot without waiting for instructions from the Ministry of Finance.
3. Wages and salaries were increased into double and paid to the workers in time without delay, a thing which encourage them to produce more.
4. Closing of final account on time.

Managerial Department:

Before privatization the Managerial Department was consist of the following:

1. Head manager. 2. Secretary. 3. Personnel section.

The number of employees was about 24 employees and 43 workers.

The duties carried on by this department were:

1. To construct the structure of the organization chart, wages and salaries and enacting managerial regulations.
2. To create the general order spirit among the employees.
3. To reflect the existing problems and find the solution for them through an effective managerial ways which helped in improving the work.

4. To plan for the policies which assist in the stability of the work in order to motivate the employees to perform more.
5. To communicate with all organizations which concerning with the rules and regulations of the work such as labor union, Sudan Laborers Federation.
6. To consider and adopt the opinions and suggestions of the employees, and workers.
7. To keep the employees safe and to keep the assets of the company from fire, thief's through the industrial rules of work.

After privatization:

The number of sections remains the same. But the number of employees was reduced to 7 and the number of workers increased to 63.

Concerning the duties – It does not change in spite of the increasing of the mission for the employee resulting from the reduction of number of employees.

Changes, which led to improve the work of management department, are:

1. Full delegation of authority given to the manager in making decision concerning with the benefit of the work.
2. Increase of wages and salaries to motivate the employees to work effectively.
3. Modifying service conditions regulation to give more allowances to the employees.

CHAPTER FOUR

Analysis and Evaluation

This chapter embodies the result of the interviews, which analyzed and evaluated. Consequently, I am going to take the managerial functions (planning, organizing, directing and controlling) before and after privatization of the case study and try to find how effectively these functions are performed.

4.1 Planning:

When we look at the objectives, which represents the most important step and the basic on which planning is depend we found that there is absence of clear program or plan to achieve these objectives before privatization the thing which does not found after it have been privatized.

The reason for this is a weakness of departmental planning such as weak communication, unclear definition of objectives and ineffective policies.

Also before privatization, the manager had no chance to make any decision outside the public rules and policies. While now he has a full delegation to make any decision concerning the benefit of his department and work.

Concerning the rules and policies before privatization, they were more complex and took long time this affected negatively in the performance of the work.

4.2 Organizing:

My investigation has shown that there is no well-specified and defined organization structure before privatization. However in reality a form as an organizational structure exist which defined roles and specified objectives but this form of organization create more problems than it solves them, for many managers are afraid to make decision and play this role so they fell that this form of organization is legally indicated by authorities.

The net result of this is that sometimes delayed decision making because the subordinate managers were unable to decide even in the simple decision because there was no law protect them if make decision.

However, after privatization the organization structure is put in simple and clear way this facilitate communication system among departments, also the departmental managers are given full authority this mean they can be free to make any decision in order to improve the performance of their departments.

4.2.1 Staffing:

Every organization should be concerned with proper management of its human resources so that organization must set the right person in the right job. According to G. Yarrow "It will be impossible to privatize most government enterprises without affecting adversely both the employees of the enterprise and some groups of consumers".

Before privatization, there is no proper ways to select the employees because the Civil Service Affairs did the selection. This procedure results in neglection of the specific personnel recruitment, which cause conflict in the performance either because those applicants were not suitable to fit this job or undesired of applicant to fit this job so they cannot do their work in proper way.

But after privatization the selection of employees is done by the company and it depend on experience rather than qualification because all private organization prefer those who serve its benefit. There for I' found that private enterprises tend to use low manpower with more efficiency of the work.

Regarding training (the more management training and development are integrated with the management process and enterprise objectives. the more

effective the development programs and activities will be) **Koontz, Weihrich, 2020.**

In spite of this, training after privatization has no place in (WNT) because it considers consume more money and time, so it depends mainly on experience in order to maximize its production with the minimum cost.

While before privatization, the training was the one important function of staffing, because it can help upgrading the general level of skills of its workers and employees to maintain and improve the overall skill efficiency of the Tennary.

4.3 Directing

My investigation shows that the employees of the (WNT) directed through order from the top manager. While in the (WNLI) Co., the direction is done through persuasion.

The direct result of directing by order was a big extend of direction to the superior manager because I' found that they care to direct even the small things, which may can delegate to their subordinate. Thus I' found them neglected other responsibilities of management.

Moreover, frustration of the employees because the manager treat them as a machines which give the order to do so and so and have no right to reject. The result of this is delaying of work.

But the direct result of persuasion is more effective way to encourage the employees to achieve their jobs effectively and also give them chance to participate in management decision and this lead to minimize the burden of responsibilities of the top manager in order to solve a big problem which face the Company.

Concerning incentives, the manager used many ways to motivate their subordinates towards goals achievement.

I' can notice that dominant incentive way was used in the (WNT) is the financial incentive for all employees regardless of the productivity of each one. The reason behind ineffective of this type of incentive is the difficult economic situation in the Sudan which let the Sudanese people always in case of financial need in order to satisfy basic needs, rewards are useful until these needs are satisfied.

But now in the (WNLI) Co. the picture is different and financial rewards became effective way of incentive because the financial incentive is given according to the productivity of each employees. Another way of incentive is to increase wages and salaries.

4.4 Controlling:

Before privatization, the practice of control function did not far better than the other managerial functions. It suffered from neglect, ineffective tools and ignorance of modern system. There was no regular and systematic mean where by the government as the owner of the tannary can be exercised control. Many factors were behind the absence of effective control, which were firstly, weakness of planning, the lack of equate planning was important reason, weak planning of course, made enable control impossible. Secondly, inadequate information, if any management reports existing something on the paper no one try to find the value of it. Thirdly, the weakness of budgeting and. fourthly, the lack of motivation.

But after privatization, according to the response of interviews, the practice of control function is performing effectively than before this is due to: Firstly,

discipline in working time. Secondly, the reports provided by the managers and sent to supervisors. Thirdly, the estimated budget.

Also the Co. has free mobility, so it plays an effective role in the Market system through increasing its production by double.

Comparison: “The Company “before and after Privatization

The period before privatization was different in all aspects of company’s behavior. After privatization came, the conclusion of comparing before and after privatization, taking in consideration managerial functions (Planning, organizing, directing and controlling) are listed below in the Table 1.

Table 1: Comparison: “The Company “before and after Privatization

	Before Privatization	After Privatization
Production capacity	About 850 Cow heads daily, and 3000 Sheep and Goat daily	Increased to 1000 Cow heads daily, and 6000 Sheep and Goat daily
Management and Organization Structure	The (WNT) was managed by the Tannage of Manufacturing Leather Co., which report to Ministry of	The (WNLI) Co. Ltd. is managed by a Board of Director, which has a general manager, with four main

	Industry. The (WNT) was divided administratively into five departments with General Manager	departments
Planning	Weakness of departmental planning such as weak communication, unclear definition of objectives and ineffective policies.	Stronger of departmental planning, New Policies, procedures, good communication, clear objectives.

Organizing	Organizational structure exist which defined roles and specified objectives but this form of organization create more problems, many managers are afraid to make decision and play this role so they fell that this form of organization is legally indicated by authorities. There is no proper ways to select the employees because the Civil Service	Organizational structure is put in simple and clear way this facilitate communication system among departments, also the departmental managers are given full authority The selection of employees depend on experience rather than qualification because all private organization prefer those who serve its benefit.
-------------------	---	--

	Affairs did the selection.	
--	----------------------------	--

Directing	The (WNT) directed through order from the top manager. Lack of delegation, and neglected other responsibilities of management.	The (WNLI) Co., the direction is done through persuasion. encourage the employees to achieve their jobs effectively and also give them chance to participate in management decision and this lead to minimize the burden of responsibilities of the top manager.
Controlling	It suffered from neglect, ineffective tools and ignorance of modern system. There	The practice of control function is performing effectively due to, discipline in working time.

	was no regular and systematic mean where by the government as the owner of the tannary can be exercised control.	The reports provided by the managers and sent to supervisors.
--	--	---

CHAPTR FIVE

Conclusion and Recommendations

5.1 Conclusion:

The result of the analysis of interviews concerning the managerial actions before and after privatization shows the following:

Planning, the absence of clear plan, clear definition of objectives effective policies before privatization affected the performance of employees. Also the manager authority in decision making is limited and he had to return to the Ministry of Industry every time which tied his ability to run the enterprise successfully. Also the rules and policies are simplest after privatization.

Organizing, no well specified and defined organization structure which result in creating of more problems and slow decision making. But after privatization the structure is put in simple and clear way. Managers are given full authority to improve the performance of their departments.

Selection of employees before privatization is done by Civil Services Affairs (Governmental organs) and in many cases it affected by political decisions, by

nepotism and favoritism. But after privatization appointment is carried on by the company itself, the matter which disappointed all the old defects such as nepotism and in particular the so called disguised unemployment.

Directing, before privatization direction comes from up to down this disadvantage and affect production. After privatization, the direction is done by persuasion, which has good result on production. Also motivation through incentive is given according to the productivity of each one but before privatization incentive was given to all.

Controlling, before privatization the system of control was very weak, in adequate information and weak budgeting. All these has been voided after privatization.

It is clear from the above results and facts that the Miss-management was the basic problem of the WNT. But there is a noticeable improvement in management after it has been privatized.

Although privatization has advantages in improving the style of management, it has some limitations:

- Privatized enterprises carry no social responsibility because it runs only after maximize its profit and this appear in creation of idealness through the reduction of the number of employees.
- Privatization leads to concentrate some of the vital institutions in hand of certain levels of owners in the time which these institutions represent basic source of fund for the state.

5.2. Recommendations:

1. Due to the importance of training in improving the work performance has a found that there is no training department in the WNL Co., so I recommend

that the Company must put this point into consideration by establishing a training department.

2. The "WNLT" Co., suffer from poor working conditions such as stationary, air condition, electronic typing machine, so I recommend the Co. to provide all departments by these things, so as the employees do their jobs with high moral and in better way.

3. I observe that the appointment of workers and employees in the "WNLI" Co. rely on experience only i.e there is no consideration given to the academic qualifications, the matter which affect the production in the company as well as the standard of work and in consequence the whole, so I recommend that academic qualifications must be put into Consideration the appointment of workers and employees.

References

- Adeyemo D.O (2005): Public Enterprises Reform in Nigeria: A Review © Kamla-Raj 2005 J. Soc. Sci., 10 (3): 223–231 (2005)
- Bateman, T., & Snell, S. (2013). M: Management (3rd ed). McGraw Hill / Irwin: New York, NY
- Dolechek, R., Lippert, T., Vengrouskie, E. F., & Lloyd, R. A. (2019). Solving a whale of a problem: Introducing the four functions of management in a management principles course. International Forum of Teaching Studies, 15(2), 29–35.
- J. A. Kay, C. P. Mayer and D. J. Thompson, Privatization and Regulation: The UK Experience, Oxford: Oxford University Press, 1986.
- Kay, J.A. and Thompson D. J., Privatization: A policy in search of a Rationale, The Economic journal, Vol. 96, June 1986,pp. 18 –32.

- Lloyd, Robert and Aho, wayne, "The four functions of management – An essential guide to management principles" 2020, pp.11 – 15
- La Porta, R., & López-de-Silanes, F. (1999). The Benefits of Privatization: Evidence from Mexico. Quarterly Journal of Economics.
- M. R. Bishop and J. A. Kay, The Impact of Privatization on the Performance of the UK Public Sector, A paper presented at the The 15th Annual Conference of Earie, Rotterdam, 1988.
- Megginson, W., & Netter, J. (2001). From State to Market: A Survey of Empirical Studies on Privatization. Journal of Economic Literature.
- Koontz, Weihrich, July 2020, Essentials of Management. 9th Edition. McGraw–Hill, Page 387
- Pirie, 1988, Privatization theory practice and choice, Wildhood House Ltd.
- Shirley, M., & Walsh, P. (2000). Public vs. Private Ownership: The Current State of the Debate. World Bank Policy Research Working Paper
- Seminar paper on various approach to privatization in Africa – Khartoum, 34–28 October 1992, PP. 3– 4.
- Ugorji, E.C (1995): Privatization/ Commercialization of State–owned Enterprises in Nigeria. Strategies for Improving the Performance of the Economy Comparative Political Studies, 27(4), PP: 537 – 560.
- Wikipedia (2011): <http://www.wikipedia.com>
- Yarrow, G., Privatization in Theory and Practice, Economic Policy, April 1986, P. 323.
-

APPENDIX: (Interview sheet)

The interview executed to obtain information about management practice before and after privatization

Planning:

1. What in your opinion are the objectives of the company?
2. Do you think that the objectives of the company are clearly determine?
3. Are there any obstacles bindering the company in achieving its objectives?
4. Who determine the objectives of the company?
5. Does the company lay specific plans or program for achieving its objectives?
6. Does the management tell the employees about the policies it decided?
7. Have you ever participate in making policies of the company especially when they relate to your specialization?
8. What is your opinion about the procedures followed in the company?
9. What is your opinion in rules and regulations of the government towards business before privatization?

Organizing:

1. Is there a well-specified organization structure for the company?
2. Is there a Board of the Director for the Company?
3. Do you feel that you need authority to do your job better?
4. From where does the company select its employees?
5. Is there any training unit in the company?
6. What are the basis of promotion in the company?

Directing and motivating:

1. How are you directed to do your work?
2. What incentives does the company used?
3. What is your opinion in your boss as a leader?
4. Do you think that the company help its employees develop their leadership skills?
5. What are the most important channels for exchanging information in the company?
6. Can you get the required data at the right time?

Controlling

1. Does the company apply any control system to the employees?
2. What kind of control system does the management use?
3. On which area does the company concentrate control?