

Relationship between Labour Management and Customer Service in the Public Road Transport Sector in Kenya

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Abstract: The Public Road Transport sector Kenya is one of the sectors that has a significant contribution to economic growth by 23%. It is approximated that 75% of the Kenyan population depend on Public Road Transport despite the informal nature of the sector. Despite the industry regulation formulated under the Traffic Act Cap 403 legal notice 161 to regulate the activities of the key players under Sacco's, customers have continued to experience substandard services thus underperformance of the sector in terms of service quality. It is evident that players in the Public Road Transport sector have not yet complied with the regulations of Traffic Act Cap 403. Increased rate of accidents, violation of National Transport and Safety Authority (NTSA) and traffic rules is evident and rampant in the Kenyan Public Road Transport Sector. The study sought to establish the relationship between labour management and customer service in the Public Road Transport Sector Sacco's in Kenya.. The study was anchored on three theories; Labour Process Theory, Rational Choice Theory and Theory of Reason Action and Planned Behavior. The study adopted descriptive research design to investigate the problem under investigation. A sample size of 384 public road commuters was purposively selected in Meru County. Structured questionnaires were used as instruments of data collection. Regression data analysis was used to establish the statistical relationship between the variables. It was established that there was a statistical significant relations between labour management and customer service in public transport sector Sacco's Meru County, Kenya. It was concluded that unless the Government takes appropriate initiatives through Independent Police Oversight Authority, NTSA and Traffic Police curbing non-compliance of regulation by Sacco's will be an uphill task. It was recommended that public road transport sector Sacco's should ensure that formulated regulations are implemented with minimal resistance.

Keywords: Labour Management, Public Transport Sector, Customer Service.

I. INTRODUCTION

The important role public transport plays in the economic growth and economic development of a country cannot be overemphasized. Apart from creating employment, the sector facilitates the mobility of labor, raw materials and finished products from one location to another [1]. In developed countries modes of public transport mostly include: bus, light rail, commuter rail and trams and in developing countries public transport modes include: buses, minibuses (paratransit), shared taxis and motor scooters (Adesanya, 2011). According to [2] customer service refers to the intergration of or a series of activities outlined to improve the degree of customer satisfaction before the provision of service, during and after with the goal that the product or service meets customer expectations. Further, [2] notes that it is this that informs customers' differentiation of a company from its competitors as it provides measures such as; access time, courtesy of staff and level of empathy.

[3] report that while public transport in the global north is effective and efficient enhancing customer service quality, the global south experiences chaotic public transportation especially in the paratransit industry characterized by: divergence from approved routes, overloading of passengers and the tendency to break speed limits and/or obstruct traffic laws all

these resulting to high road carnage. These they contend has over the years necessitated governments in developing countries to implement industry regulations to ensure that members of the public travelling using any modes of public transport and in particular paratransit experience high-quality and customer-focused services [3].

[4]observed that despite the existence of laws related to; restrictions on working hours and minimum remuneration, owners of kombis vans operating in most South American cities were exploiting their drivers and touts in terms of remuneration and working hours. This they noted affected the psychological state of Kombis vans' drivers and touts resulting to them engaging in abusive language with commuters and also overloading passengers to make extra money in these public transport vehicles negatively affecting customer service [4]. [5]also demonstrated that the operation of paratransit in a non-regulatory environment that relates to labour practices was a big challenge in the integration of these public transport vehicles in the provision of high quality service to customers. This they further argued did result to the existence of non-licensed drivers that engaged in careless driving practices such as over speeding and overlapping placing the lives of passengers at risk.

[6] found evidence that the non-existence of labour management regulations in the Agnkots paratransit public transport vehicles industry did result to high job mobility among Agnkots drivers and touts. This they contend was as a result of the long working hours and poor salaries and other harsh conditions that the Agnkots crews were exposed to compelling most of them to hike fares and failing to comply with regulations on designated routes [6]. Similarly in their study [7] found evidence that the non-existence of labour management regulations in the Agnkots public transport industry did result to poor pay for Agnkots' crews despite them working for long hours.

2. STATEMENT OF THE PROBLEM

According to [9], 77% of the regulations are not adhered to by public road transport Sacco's in Kenya. Despite the contribution of the sector in economic growth, a number of issues need to be addresses ranging from professionalism of employees, customer service delivery and compliance to regulations. Whilst public transport plays a significant role in the mobility of populations, goods and services from one location to another leading to socio-economic development, customer service in most public service vehicles is still wanting. Emanating from failure by most industry operators especially in the Matatu industry to observe regulations governing the industry, commuters still complain of poor customer service in these vehicles characterized by; the overloading of passengers adversely affecting their comfort while boarding, alighting and during travel, passenger harassment by touts, the charging of overrated fares, route divergence without prior notice, poorly maintained vehicles that have low seat density, poorly aired and with broken windows and over speeding and reckless driving behavior by unlicensed drivers leading to fatal accidents [8].

According to [9], there were an estimated 3,057 fatalities of road accidents mostly involving Matatus arising from unroadworthy vehicles coupled with over speeding, reckless driving and overloading of passengers. Further, in Meru County Matatus operating under SACCOs offering public transport totally disregard traffic laws which address the charging of reasonable fares, vehicle seating capacity, vehicle condition and route adherence resulting to poor customer service in these public transport paratransit characterized by; harassment of passengers by touts, exorbitant fares, overloaded vehicles, poor air quality in vehicles and the failure by Matatu SACCOs to manage their staff as required by Legal Notice 161 of Traffic Act Cap 403 which has resulted to poor quality customer service especially that relates to safety during travel [10]. This is also reported to have resulted to fatal road accidents involving 5 Matatus leading to over 83 passenger deaths in 2015 [9]. However, from the findings of empirical studies, none of the studies addressed the variable of this study and focused on public road transport Sacco's in Kenya. Therefore, it is on this background this study sought to address the relationship between labour management on customer service in public road transport Sacco's in Meru County, Kenya.

3. LABOUR MANAGEMENT AND CUSTOMER SERVICE

A study by [7] found evidence that the non-existence of labour management regulations in the Agnkots public transport industry did result to poor pay for Agnkots' crews despite them working for long hours. This they argue did result to dissatisfaction among drivers and touts which resulted to the hiking of fares, overloading of passengers and shortening of routes to earn more daily incomes negatively affecting customer service [7].

Further, [11] also observed that the enactment of road traffic regulations, aimed at curbing increasing road accidents, required that all *Tro-tro* drivers to undertake re-training classes for the renewal of their driving licenses. The regulation

was however silent on working hours creating room for *Tro-tro* owners under the Ghana Private Road Transport Union (GPRTU) overworking their drivers. The drivers struggled to meet their daily fixed revenues resulting to overloading of passengers in the public transport vehicles and detouring from scheduled routes, contributing to hiked fares thereby adversely affecting customer service [11].

[12] also demonstrated that the non-existence of a trotro industry labour regulation did lead to the poor remuneration, overworking of trotro mates (touts) and the recruitment of unprofessional driver mates. This she noted did contribute to the poor service quality that trotro commuters receive including the use of abusive language [12]. **Error! Reference source not found.** found evidence that exhibited that despite the enactment of the National Land Transport Transition Act 1999, which among many other industry regulations on minibus taxis' operation was the formalization of labour practices, labour working in this industry continued to be informal.

It is noted that impasse between government and the South African National Taxi Council (SANTACO) on the implementation of regulations had resulted to the continued abuse of labour regulations in the minibus taxis industry resulting to drivers working for more than the recommended 8 hours and created room for unlicensed drivers to recklessly drive these passengers vehicles negatively affecting the service rendered to commuters **Error! Reference source not found.** [13] in his study found evidence that most drivers working for minibus taxi owners registered under the SANTACO charged with the supervisory role for the implementation of labour management regulations were not only overworked but their wages were not equivalent to work. This he argues resulted to most minibus taxi drivers failing to adhere to their designated routes either by shortening routes or taking detours to earn more income both of which negatively affected the quality of service extended to passengers [13].

Further in their study, [15] noted that the weak regulatory environment not only creates room for Daladalas' crew not to comply with uniform regulations but it also allows owners to overwork their drivers and touts. They also observed that the inadequate enforcement of traffic regulations did result to most Daladala crews failing to comply with designated routes to raise fixed daily revenues for owners while they earn meager wages a situation that jeopardized the quality of service for passengers [15].

[8] observe that labor management in the Matatu industry that operate under Savings and Credit Cooperatives (SACCOs) and Transport Management Companies (TNCs) is guided by regulations under Legal notice 84 and 161 and Traffic Act Cap 403 which specifically mentions; that all drivers should have driving licenses, the crew should wear uniforms and Traffic Act no. 65A(6) 2009 which requires that remunerations should be monthly with daily working hours restricted to 8 hours. However, they observed rampant breaking of these regulations by *matatu* owners, such as working hours and monthly remunerations. Furthermore, in a bid to increase ridership, *matatu* crews resolve to over speeding, and fail to adhere to their designated routes, all directed towards earning more. All these vices put together adversely affects the passengers' travel experience [8].

4. RESEARCH METHODOLOGY

The study adopted the descriptive survey research design to investigate the relationship between industry regulations and customer service Customer Service in Public Road Transport Sector Sacco's in Meru County. Descriptive survey research design assisted the researcher to gather both qualitative and quantitative data on the relationship between labour management and Customer Service in Public Road Transport Sector Sacco's in Meru County. The target population for this study were 9520 public Road commuters in Meru County. The sample size of the study were 384 respondents selected using Opurum scientific formula

$$n = \frac{p(1-p)}{\left(\frac{e}{z}\right)^2 + \frac{p(1-p)}{N}}$$

According to the formula:

n= the sample size

p= the proportion of trips made the 3 busiest days of the week

e= an estimated error (expressed as a proportion) = 0.05

z= standard normal variate value for the required confidence level =1.96

N= estimate of the population size =9,520 commuters

Using the formula the sample size for the alighting public road commuters in Meru County was:

$$n = \frac{0.5(1 - 0.5)}{\left(\frac{0.05}{1.96}\right)^2 + \frac{0.5(1 - 0.5)}{9,520}}$$

$$n = \frac{0.25}{6.50 + \frac{0.25}{9,520}} \quad n = \frac{0.25}{6.50}$$

=384

Primary data for this study was collected through the use of questionnaires and an interview guide. According to Jankowicz, (2005) a questionnaire is a well-constructed research tool that enables researchers to acquire information from respondents on their characteristics, present and past behavior, code of conduct or attitudes and their beliefs and or reasons for action with respect to the topic under investigation. The choice of this instrument was in line with its advantages such as; it was free. Drop and pick later method was adopted during questionnaire administration. Validity of the research instruments was tested using experts and supervisors. The study adopted internal consistency procedure, through which the researcher used Cronbach Alpha to check the reliability of instruments. To check reliability of the research instruments, the researcher also conducted a pilot study on a total of 38 respondents from different strata in the main sample size. The results of the pilot study were conclusive on the reliability of the research instrument. Alpha values ranged from 0 to 1 and a co-efficient of 0.7 was acceptable with 0.8 and or higher indicating good reliability of the instruments **Error! Reference source not found.** Qualitative data was also analyzed using content analysis. Data was analyzed using SPSS version 22.0. Quantitative data was analyzed using descriptive and inferential statistics such as multiple regression. The regression model was of the form $Y = \beta_0 + \beta_1 X_1 + \epsilon$. Where: Y = Customer Service in Public Road Transport Sector Sacco's in Meru County, β_0 = Constant Term, β_1 = Beta coefficients, X_1 = Labor Management, ϵ = Error term

5. RESEARCH FINDINGS

The study targeted a total of 384 public road commuters in Meru County. 341 questionnaires were received from the field, 43 were poorly or inappropriately filled and therefore they were not used in the analysis. A total of 341 questionnaires were used in the analysis, this represented 89 % response rate which was above the adequate 50% as recommended by **Error! Reference source not found.** and **Error! Reference source not found.**. Therefore, a rate of 89% was justifiable in this scientific study.

The respondents of the study were asked to indicate the influence of labour management regulations on customer service in public transport sector Sacco's Meru County, Kenya and the following were the findings as shown in Table 4.1

Table 1 Labour Management

Items	N	Mean	SD
Remuneration policy for Matatu drivers and touts affects customer service	341	3.78	.884
The number of hours drivers and touts work affect their hospitality to commuters	341	3.61	.664
The existence of Matatu crew with uniforms affects in-vehicle security	341	3.58	.587
Matatu's drivers with driving licenses and PSV enhance safety during travel	341	3.47	.673
Remuneration policy of drivers and touts affects the affordability of service provided.	341	3.33	.596

As shown in Table 4.6, it was revealed that majority of the respondents agreed that remuneration policy for Matatu drivers and touts affected customer service with a mean of 3.78. The number of hours worked by drivers and touts also affected the quality of services with a mean of 3.61. It also emerged that existence of Matatu crew with uniforms affected in-vehicle security with a mean of 3.58. It was also established that Matatu's drivers with driving licenses and PSV enhanced safety during travel with a mean of 3.47. Further, it was revealed that remuneration policy of drivers and touts affected the affordability of service provided with a mean of 3.33.

The findings implied that the amount of money paid to drivers and touts was one of the determinants of quality customer service. It was evident that drivers and touts were not dedicated to quality of services provided to commuters due to lack of proper compensation policies by their Sacco's. It was established that majority of the Sacco's did not have compensation policies to determine the amount of money to be paid to drivers and touts but they were engaged on temporal basis. The extra number of hours worked by drivers and touts was not considered in their wages received from their Sacco's. To some extent it was revealed that touts and drivers overcharged commuters in order to recover for the extra time worked. Therefore, this findings corresponds with [18] who established that drivers and touts were likely to give quality services to commuters if they were satisfied with their work. Poorly paid drivers and touts were likely to offer a poor services to their customers and vice versa. In extension, it was established that job security among drivers and touts also enhanced quality commuter services in public road transports sector [18].

Table 2: Results of Logit Regression Analysis

Variable	β	Wald's X^2	Odd Ratio Exp (B)	P-Value
Labour Management	1.669	6.832	5.308	0.009

Test of Hypothesis:

H_{01} : There was no significant relationship between labour management and customer service among public road commuters in Meru County.

The results in Table 4.15 show that; ($\beta=1.669$, Exp (B) =5.308 and $P < 0.05$). Based on this results, the null hypothesis was rejected at 95% confidence level since predictor variable (labour management) had a significance value of 0.009 which is less than 0.05 and odd ratio (exp (B) value of more than 1 [21]. This implied that labour management influences customer service among public road commuters in Meru County. The beta (β) value of 1.669 implies that a unit increase in labour management will lead to 1.669 times increase in the log-odds of customer service among public road commuters in Meru County. The odds ratio of 5.308 means that a unit increases in labour management will increase the likelihood of customer service among public road commuters in Meru County by 5.308 times. This is consistent with past research by [15] which revealed that provision of job security among workers was one of the aspects that contributed to improved service quality to customers and vice versa.

Table 3 Summary of Hypothesis Testing

	Hypothesis	Hypothesis test	Overall decision
H_{01}	There was no significant relationship between labour management and customer service among public road commuters in Meru County.	$\beta=1.669$ Exp (B) =5.308 P = 0.009 Reject H_0 if p-value ≤ 0.05 Fail to reject H_0 if p-value >0.05	Hypothesis was rejected at 95% confidence level

6. SUMMARY OF MAJOR FINDINGS

From the findings of the study, it was revealed that more than 72% commuters of the public road transport indicated that they received poor services from drivers and touts due to unsatisfactory employment terms. Some touts were engaged on a daily basis and consistency of services was not a practice of the Sector. It also emerged that some drivers and touts overcharged commuters in order to recover for the wages not paid for the number of days worked. Lack of the proper

employment terms among Matatu Sacco's was a contributing factor to poor services in the public road transport in the Kenyan road.

7. CONCLUSION

It can be concluded from the findings of the study that, unless various stakeholders agree to work together like Police Independent Oversight Authority, Kenya Anti-Corruption Commission, NTSA and Traffic Police department, sanity in the Kenyan Public Roads will be an uphill task. Ethical values need to be observed by industry players in compliance with industry regulations. Further, the Ministry of Transport should go further to establish interventions that can be put in place to ensure that policies formulated are implemented in order to enhance service delivery in the public road transport sector.

It is recommended by the study that management of public road transport sector Sacco's should comply with labour laws of Kenya by engaging drivers and conductors on permanent basis rather than temporal basis. To enhance customer service in the Matatu Sector, Sacco's should employ drivers and conductors on permanent basis and pay them competitively. From the research findings, some policy implications can be drawn to guide performance of Sacco's in the Public Road Transport in Kenya. Based on the results from this research finding, Sacco's in the Public Road Transport in Kenya should ensure formulated policies by NTSA and Traffic Department are implemented to the letter.

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