

**MANAGING HUMAN RESOURCE IN A CHANGED ENVIRONMENT: A STUDY OF  
KENYA'S *MATATU* INDUSTRY**

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**A RESEARCH PROJECT SUBMITTED TO GRADUATE SCHOOL IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF  
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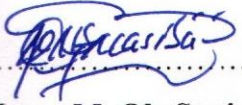
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## DECLARATION

I declare that this research project is my original work and has not been presented, either in part or full, for examination or degree in this or any other University.



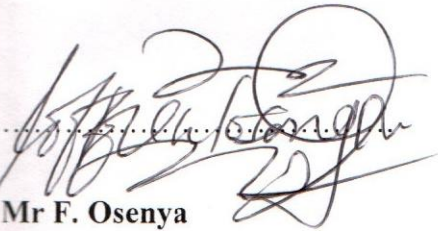
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## APPROVAL OF RESEARCH PROJECT

This research project is submitted for examination with our approval as University supervisors.



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## DEDICATION

To my dear wife, Mary Wamoro,  
and our great sons  
Kevin 'Bishop' Lemayian and Brian Mayiana

## ACKNOWLEDGEMENT

Learning at this level, just like the Human Resource Management practice itself, is a collective enterprise, a shared responsibility. Thus I wish to recognise here those of my classmates and instructors who contributed in one way or another to making the rigour of the MBA programme more tolerable. F. Lubanga and J. Kirui, were our class representatives and were always available to present our grievances and pass messages. Z. Magiri, toiled with me for long so I could make sense of Financial Accounting. My Human Resource Management colleagues included M. Mbaya, 'Mr Ngugi', T.C. Morogo, A. Manyara, J.D. Wamoto, A.W. Ndung'u ('Anastasha'), J. Sarangi, and J. Kirui. Their companionship always gave me 'Plan B'! G. Shibira and D. Shianda provided a welcome break in our tight time tables when they took time off to get married, providing us with badly-needed relief as we had occasion to actively take part in the wedding plans and ceremonies. I appreciate the lecturers we encountered; each provided a unique experience. Mr. F. Osenya's handling of the Seminar course and later the supervision of this work was exemplary. Ms. J. Moriasi made invaluable contributions to this effort. The then Dean and Chairman of the Department Messrs Kapsoot and Mr Onyango respectively provided the necessary stability whenever the zeal of our renewed youthful selves threatened to take over the entire MBA project. My colleagues at Genbell Computer Bureau, as usual, had to put up with my gruelling schedules. The campaign management team was at hand to remind me that after elections, I needed to finish my studies. My wife, Mary, was superb in working on the first draft! And so was Samuel, my brother, when it came to getting me computers. E. Lugairi, that amazing data analyst has a share in this, too. Guys at the Nakuru Town Campus Library - W. Muruku, W. Kipchumba, R. Maingi, and Emma - made contributions, too, as did the people at the Kabete Campus Library of the University of Nairobi. I must celebrate the efforts of my parents, Shadrack and Resper, who defied all odds to take us to school. Quite often I wonder how they managed. And the entire Ole Mutishoi Group in Kilgoris, particularly Perita, cannot be left out of this page. My late father-in-law, L. Kamau who left this world just as I finalised this work, 'Mum' Hannah and the whole family in Njoro motivated me. Undergraduate colleagues at the Nakuru Town Campus cannot be forgotten: they always stared in astonished amusement at how we, 'mature', students were also just like them! The role played by those not mentioned here is in no way inferior; I applaud it. Any shortcomings in this exercise are attributable neither to my colleagues nor the instructors: that responsibility remains mine, a master's candidate, alone.

## ABSTRACT

Human resource is a crucial component of Kenya's multi-billion shilling *Matatu* industry, which itself is a critical factor of national economic development, especially with growing need to address the problem of unemployment and poverty. The industry is not only beneficial in terms of easing demand for the growing passenger travel, it is also a big employer. But management problems have beset the industry leading to disorder and road accidents, which in turn has necessitated Government intervention. The objective of this study was to investigate the status of managing human resource in the industry in the face of the change imposed by the Government. The importance of the study lies in the need to safeguard the heavy investment in the industry through sound management, the need to effectively manage change, which is possible when research information is available, and the fact that the Government stands to reap tax benefits if sound management of human resource was to be institutionlised. The study covered the 14-seater public service vehicle vans that operate within the Municipal Council of Nakuru and from Nakuru town to other parts of the country from the year 1999 to 2006. Among the limitations of the study were: low or non-response due to suspicion; wilfully giving of inaccurate information by some of the respondents; limited sampling methods; illiteracy among many operators and workers, and inadequate existing literature. Non-probability sampling methods were used to pick the sample size of 50 vehicles as the specific *Matatu* vehicles from which 154 study elements were picked. Data was collected using interview schedules and some observation. It was analysed using the Statistical Package for Social Science, and presented in tables, bar graphs, and pie charts. The study established that the TLB rules were useful to the *Matatu* industry, the difficulties posed were not insurmountable except that the financial capacity to implement the permanent employment rule was limited, and that while human resource management as a management function may not be applicable to the industry, the human resource management principle is. It is recommended that the unsustainable aspects of the rules be reconsidered with the help of human resource experts and a human relations approach be used in introducing change in the industry. It is also recommended that further studies be carried out in future employing probabilistic sampling methods while also looking at human resource management in relation to the other aspects of the Transport Licensing Board rules such as speed limits and effects of limited passenger capacity.

## TABLE OF CONTENTS

DECLARATION .....	ii
APPROVAL OF RESEARCH PROJECT.....	ii
COPYRIGHT.....	iii
DEDICATION.....	iv
ACKNOWLEDGEMENT .....	v
ABSTRACT.....	vi
TABLE OF CONTENTS.....	vii
LIST OF FIGURES .....	ix
LIST OF TABLES.....	x
LIST OF ABBREVIATIONS.....	xii
CHAPTER ONE: INTRODUCTION.....	1
<b>1.1 Background to the study</b> .....	1
<b>1.2 Statement of the problem</b> .....	4
<b>1.3 Purpose of the study</b> .....	5
<b>1.4 Objectives of the study</b> .....	5
<b>1.5 Research Questions</b> .....	5
<b>1.6 Significance of the study</b> .....	6
<b>1.7 Scope and limitations of the study</b> .....	7
<b>1.8 Definitions of terms</b> .....	8
CHAPTER TWO: LITERATURE REVIEW .....	10
<b>2.1 The concept of human resource</b> .....	10
<b>2.2 Managing human resource</b> .....	11
<b>2.3 The <i>Matatu</i> industry in Kenya</b> .....	13
<b>2.4 Change in the <i>Matatu</i> industry business environment</b> .....	15
<b>2.5 Managing change</b> .....	17
<b>2.6 The conceptual framework</b> .....	18

CHAPTER THREE: METHODOLOGY .....	20
3.1 Research design .....	20
3.2 Location of the study .....	20
3.3 Study population .....	20
3.4 Sampling design .....	21
3.5 Sample size .....	21
3.6 Data collection methods .....	21
3.7 Data collection procedure .....	22
3.8 Data summarisation and presentation .....	22
3.9 Data analysis .....	22
CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION .....	23
4.1 Preliminary Findings .....	23
4.2 The changes that have taken place in the <i>Matatu</i> industry .....	33
4.3 The Usefulness of the TLB rules to the <i>Matatu</i> Industry .....	35
4.4 The difficulties of complying with the new TLB rules .....	57
4.5 Assessing the capacity of the <i>Matatu</i> industry to cope with the TLB rules .....	69
CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS .....	72
5.1 Summary .....	72
5.2 Conclusions .....	72
5.3 Recommendations .....	75
REFERENCES .....	79
APPENDIX I: INTERVIEW SCHEDULE FOR <i>MATATU</i> EMPLOYEES .....	82
APPENDIX II: INTERVIEW SCHEDULE FOR <i>MATATU</i> OWNER .....	87
APPENDIX III: INTERVIEW SCHEDULE FOR <i>MATATU</i> SACCO MANAGER .....	92
APPENDIX IV: LEGAL NOTICE NO. 161 .....	99
APPENDIX V: COPY OF DRIVER'S AND CONDUCTOR'S BADGE .....	102
APPENDIX VI: APPLICATION FORM FOR DRIVERS .....	103
APPENDIX VII: APPLICATION FORM FOR CONDUCTORS .....	104
APPENDIX VIII: <i>MATATU</i> DAILY WORKSHEETS .....	105
APPENDIX IX: PERMISSION TO COLLECT DATA .....	106
APPENDIX X: REQUEST TO COLLECT DATA .....	107



## LIST OF FIGURES

Figure 2.1. A conceptual framework for managing human resource in the <i>Matatu</i> industry.....	19
Figure 4.1. The frequency of drivers and conductors in the study .....	23
Figure 4.2. The proportion of owners and number of vehicles owned. ....	24
Figure 4.3. The types of service offered by the study subjects.....	25
Figure 4.4. The level of education attained by <i>Matatu</i> employees.....	26
Figure 4.5. The level of education attained by <i>Matatu</i> owners. ....	26
Figure 4.6. The level of education attained by the managers of SACCOs. ....	27
Figure 4.7. The mode of payment made to employees in the <i>Matatu</i> industry. ....	28
Figure 4.8. The frequency of annual leave with pay extended to employees.....	30
Figure 4.9. The frequency of rest days with pay extended to employees.....	31

**LIST OF TABLES**

Table 4.1 Frequency of receipt of house allowance by employees ..... 28

Table 4.2 Frequency of contribution to pension schemes..... 29

Table 4.3 The frequency of workers' contribution to the NSSF..... 29

Table 4.4 Contribution to the NSSF by *Matatu* SACCOs..... 29

Table 4.5 Number of hours employees work per day ..... 30

Table 4.6 The frequency of continuous work by employees ..... 31

Table 4.7 Responsibility for meeting medical expenses of workers ..... 32

Table 4.8 The frequency of contribution to the NHIF by SACCOs ..... 32

Table 4.9 The frequency of deduction of income tax from employees ..... 32

Table 4.10 Owners' submission of income tax returns..... 33

Table 4.11 Income tax deductions by *Matatu* SACCO employees ..... 33

Table 4.12 Frequency of submission of the returns to the government..... 33

Table 4.13 Usefulness of the security-vetting rule ..... 36

Table 4.14 Overall level of usefulness of the security-vetting rule ..... 38

Table 4.15 Usefulness of permanent employment rule ..... 39

Table 4.16 Overall level of usefulness of permanent salary and employment rule..... 42

Table 4.17 Usefulness of the identification rules..... 43

Table 4.19 Usefulness of testing-for-competence rule ..... 46

Table 4.20 Overall level of usefulness of the testing-for-competence rule ..... 47

Table 4.21 Overall level of usefulness to the <i>Matatu</i> industry of the TLB rules .....	48
Table 4.22 Specific benefits of the new rules to the employees.....	50
Table 4.23 Specific benefits of the new rules to the owners and SACCO managers .....	51
Table 4.24 Employer-employee relations .....	55
Table 4.25 Kind of employer-employee relations .....	56
Table 4.26 General difficulties faced by employees.....	58
Table 4.27 Specific difficulties the rules pose to employees.....	59
Table 4.28 Owners' and managers' difficulties with permanent employment.....	60
Table 4.29 Not difficult to comply with the TLB rules.....	61
Table 4.30 Level of difficulty of compliance with the TLB rules .....	63
Table 4.31 <i>Matatu</i> employees like the new rules .....	64
Table 4.32 Level of 'liking' of the TLB rules by <i>Matatu</i> employees.....	66
Table 4.33 <i>Matatu</i> owners like the TLB rules .....	67
Table 4.34 Level of owners' liking of the TLB rules .....	69

## LIST OF ABBREVIATIONS

BEF	Business Environmental Factors
GoK	Government of Kenya
HR	Human Resource
HRM	Human Resource Management
MCN	Municipal Council of Nakuru
MOA	<i>Matatu</i> Owners Association
MWA	<i>Matatu</i> Welfare Association
PSV	Public Service Vehicles
SACCO	Saving and Credit Co-operatives
TLB	Transport Licensing Board

## CHAPTER ONE: INTRODUCTION

### 1.1 Background to the study

The public service vehicle (PSV) industry is a subset of the transport sector. The sector is important for the economic development of the country since as Muchori (1998) observes, it plays an important role in the movement of people and goods. The importance of the sector is further underpinned by the fact that as a department of government, the sector is placed under the general authority of a cabinet minister. The transportation sector is, therefore, one of the key planks of the Kenyan economy having between 1991 and 1995 contributed 35% of the country's total output (Muchori, 1998).

The sector includes rail, air, water, and road transport. According to Ogonda (1992), road transport is the most important transportation mode when considering the extent and the level of service offered to the general public. The road transport itself comprises a number of other sub sectors that include goods transport, private motorists, and passenger travel. Road transport in Kenya is run by private enterprises but regulated by the Transport Licensing Board (TLB).

Passenger transport has attracted a great deal of attention in recent times because of the role travel plays in the lives of all Kenyans. As the country's population has increased so has the demand for public transport and hence the increase in the number of PSVs. Obudho and Obudho (1992) report that the current exceptional rates of urban growth have resulted in deterioration in urban transport. Since a majority of urban inhabitants fall in the low-income bracket, there is low level of private motor vehicle ownership, which has forced most people to rely on public transport. This is where the *Matatu* entrepreneur has come in.

This business has seen the number of players increase tremendously. Statistics from the TLB indicate that in 1990 there were 13, 200 PSVs registered in the country. In 1996, the number had reached 29, 800 and by 2004, the number had hit the 50, 000 mark (Opiyo, 2005). This phenomenal increase in the vehicle population has resulted in increased number of drivers, conductors, touts, cartels and even hanger-about. This in turn has led to chaos in the industry, a situation both the Government and citizens have been keen to see addressed.

The sticking issues in the *Matatu* industry, however, are not just a recent phenomena related to the huge number of vehicles and workers. In their paper 'The Post-Colonial Urbanisation Process', Obudho and Obudho (1992) observed that for a long time the *Matatu* business has been the object of persistent criticism. The business has been a victim of government restrictions with proposals having been made to abolish them. The *Matatu* has been viewed as unruly, uneconomical and a hazardous means of public transport, especially because they are often associated with road accidents. But they have also been considered beneficial especially with the growing demand for public transport. The fact that *Matatu* has triumphed where Government has failed, as the story of the collapsed Nyayo Bus Service attests, shows how important the industry is and how resilient it can be.

Obudho and Obudho (1992) add that the major problems faced by most urban public transport systems are those of congestion, poor roads, and inadequate terminal facilities. In its Development Plan for the Period 1979 to 1983, the Government of Kenya noted, '*Matatus*, which form a very important component of both urban and intra-urban passenger travel and which have enhanced substantially the effective competition in the passenger transport field, will be required to comply with the requirements of the Traffic Act as it relates to speeding, overloading, roadworthiness and insurance'.

One glaring omission in all the proposals aimed at enhancing the performance of *Matatu* PSVs has been the human resource component. There is general lack of an articulated philosophy about the people who work in this critical industry and how they contribute to its development or to the disorder for which it has become infamous. And yet it is widely acknowledged that the reason most change efforts fail is because of people-related factors (Bohalder et al, 2001). Where the Traffic Act mentions personnel, it is in terms of the dos and don'ts (GoK, 1993). Even researchers have tended to follow the same legalistic line. Muchilwa (2004) while acknowledging that *Matatus* have run into serious operational problems due to lack of visionary management among other factors, does not point out the role proper people management can play in shaping this vision. Lack of recognition of the human resource factors of the business could explain why the Government's approach to the industry has been legalistic, mechanical, and unilateral. Hence the usual backlash from other stakeholders whenever change is introduced.

As business units, *Matatu* operations need people to run; these include the owners/managers as well as workers. And like all business enterprises, competitiveness is to a large extent achievable through people. It is people who drive vehicles and organise passengers. Ncebere (1999) observes that operating a *Matatu* business calls for prudent management. This study postulated that the management of the workers in this business is especially crucial for its success.

Despite the strong points in favour of sound human resource management in the *Matatu* industry, most of the time, the owners or managers of these businesses are concerned with the management of the money and the vehicles but rarely with the human resource involved. And yet good management begins with people. The management of the human resource in the *Matatu* industry in Kenya is not institutionalised. Indeed most of the businesses are organised along very informal lines. It is this informality that makes the introduction of change quite intractable.

Like all other business entities, the *Matatu* businesses operate in the context of a dynamic environment from where they get inputs and discharge their outputs. Over the years, the sector has been undergoing changes, as has been the rest of the economy. The changes have been incremental and at times revolutionary. Introduction of the changes has always met with stiff resistance from the major stakeholders.

The latest of a series of changes to take place in the entire PSV began in September 2003 and continued in February 2004. They involved enforcement of The Traffic (Amendment) Rules, 2003, a code popularly referred to as TLB Rules, contained in a legal notice published by the Minister for Transport and Communications. The rules require PSV operators to fit their vehicles with speed governors and seat belts and to paint a continuous yellow line around the vehicle.

The most outstanding of the rules, however, are those related to the human resource and which require employees to be security-vetted, to wear prescribed badges, to undergo compulsory testing for competence every two years, display by drivers of their recent photograph –showing face and shoulder- in the vehicle, permanent salary and employment for the driver and conductor (GoK, 2003). The requirements have far-reaching implications on the industry that is used to operate in an informal, even *ad hoc*, manner.

## 1.2 Statement of the problem

The Government of Kenya and the public have been keen to see the *Matatu* industry operate under more strict and accountable conditions so as to guarantee the safety of passengers, the maintenance of law and order on the roads, and reduce road carnage brought about by accidents and the concomitant destruction of vehicular property. Many attempts have been made to enforce traffic rules but they have always met stiff opposition from the industry stakeholders that has at times involved withdrawal of vehicles from the roads. The first attempt was in 1999. In September 2003, the Government published The Traffic (Amendment) Rules, 2003, popularly known as TLB rules, to take effect from November 2003 and February 2004, which provided as follows: that all PSVs owners make substantive appointments of drivers and conductors; prospective employees to be security-vetted; staff wear prescribed badges and uniform at all times they are on duty; drivers display their recent photograph in the driver's cabin such that it can be seen by the passengers at the back seats of the vehicle; and compulsory testing of drivers after every two years to ascertain competence. The requirements had far-reaching implications both to employers and employees. These include, for example, the administration of a periodic pay; administration of pensions and other benefits; meeting of statutory requirements that go with permanent employment; the observance of employee rights such as leave, housing, and rest days among others; and observance of discipline and commitment on the side of employees. The operators were required to embrace these changes without having planned for them. Prior to the introduction of the rules, the *Matatu* operations were managed in an *ad hoc* manner with employment being voluntarist, the sole prerogative of the owner/manager. With the coming into force of the rules, operators have to be accountable to the government and other stakeholders such as the insurance industry. It was uncertain whether the operators in the *Matatu* industry understood and could cope with the serious human resource implications of the TLB rules, given that they were organised in an informal way. There was need, then, for an empirical study to establish the status of managing human resource in light of the changed regulatory environment.



### **1.3 Purpose of the study**

The purpose of this study was to describe the way the *Matatu* owners and managers were managing their workers in an industry that had been compelled to operate in a highly regulated business environment.

### **1.4 Objectives of the study**

The overall objective of the study was to find out how *Matatu* enterprises were coping with the management of their human resource in light of the changes in the regulatory environment. The specific objectives of the study were:

- (i) To outline the human resource related changes that have taken place in the *Matatu* industry.
- (ii) To assess the usefulness of the TLB rules to the *Matatu* industry as far as management of human resource is concerned.
- (iii) To evaluate the relevance of HRM principles to the *Matatu* industry.
- (iv) To establish the human resource-related difficulties the *Matatu* industry faced in implementing the TLB rules.
- (v) To assess the capacity of the *Matatu* industry to absorb the human resource-related implications of the TLB rules.
- (vi) To make recommendations from the findings thereof.

### **1.5 Research Questions**

The study aimed to answer the following questions:

- (i) What human resource-related changes have taken place in the *Matatu* industry during the study period?

- (ii) What is the usefulness of the human resource-related aspect of the TLB rules to the *Matatu* industry?
- (iii) How relevant are Human Resource Management principles to the *Matatu* industry?
- (iv) What difficulty does the *Matatu* industry face in implementing the human-resource related aspects of the TLB rules?
- (v) Does the *Matatu* industry have the capacity to absorb the human resource-related implications of the TLB rules?
- (vi) What recommendations can be made from the findings of the study?

### **1.6 Significance of the study**

The *Matatu* industry in Kenya is a multi-billion shilling venture and a major employer. This study will give insights into the working of the sector, which in turn could lead to improvements for enhanced performance. Thousands of Kenyans continue to invest their hard-earned savings in the industry. It is, therefore, an absolute imperative that these investments are safeguarded, so that the country can maximise the benefits accruing from it. This can be best achieved through more professional and efficient management, especially at the human resource level. According to Mullins (2004) effective people management is not only critical to business performance but it also outstrips emphasis on quality, technology, competitive strategy or research and development in its influence on the bottom line. The professional management of people in the industry will also be of significance to the Government, as it will lead to increased tax revenue. To bring law and order to the industry and finally safety is a concern of every stakeholder in the industry. A study of this nature will shade light on how effective change can be brought into force in the industry. The industry has also suffered academic neglect, which is intriguing considering its impact on the nation. This groundbreaking study is, therefore, of academic significance, as it will add on to the knowledge base in so far as this sector is concerned. The study will offer an opportunity for the government and the public in general to understand the effect of the change imposed on the PSV sector as a whole and how it can be made more effective.

### **1.7 Scope and limitations of the study**

The study covered the period from the year 1999, when the rules were first mooted, to 2006, two years after they were revised and enforced. It involved that category of PSVs known as the *Matatus*, which operate within Nakuru municipality and its environs and also those long-distance *Matatu* that operate from Nakuru to other parts of the country. The study was a descriptive one, which implies no relationship between variables was examined and far-reaching explanations were proffered. Illiteracy among some of the workers and owners in the sub sector limited the use of self-administered questionnaires and necessitated use of interview schedules, which had effects on the cost of the study with the need for research assistants although the limited the geographical area counterbalanced this disadvantage. The subjects of study were also mobile, which meant getting respondents was not only daunting but the interviews had to be hurriedly conducted after long waits for the drivers and conductors to return from their trips. There is also a serious shortage of literature in this area of inquiry, which is ironical considering the preponderance of the industry in the country. The study was limited to those PSVs that are not owner-managed but are instead managed by employed personnel. The study further restricted itself to the examination of the owners, drivers and conductors of the selected *Matatu* vehicle. The study employed non-probability sampling methods, which limited generalisability.

## 1.8 Definitions of terms

**Human resource:** In this study HR referred to drivers and conductors who have oversight over the vehicles on a day-to-day basis.

**Owner/manager:** referred to the owners or those who have a final say regarding the motor vehicle used for the *Matatu* business.

**Managing human resource/HRM.** In this study, HRM was used interchangeably with 'managing human resource' and referred to the administration of the following activities reward, human relations, and government relations as well as recognising employee concerns performed in the context of the changed legal/political environment constituted by the TLB rules. HRM was used as a new way of thinking about people and also as an operative function (Gupta, 2003) rather than a management function.

**Matatu:** A PSV van with a seating capacity of fifteen, including the driver and conductor.

**Touts:** young men who hang onto one side of the *Matatu* vehicle and call out for customers (Santoro, 1999).

**Reward:** Referred to fixed periodic salary, incentives and employee benefits such as retirement plans, medical payments and payments for periods not worked.

**Usefulness of the TLB rules:** Referred to the advantages that have accrued to the *Matatu* entrepreneurs and employees from the implementation of the TLB rules.

**Human relations:** Referred to the relations among workers and between the owner and the workers during the course of work.

**Government relations:** Response of *Matatu* industry to the legal/political environment by meeting statutory obligations.

**Managing change:** The disposition and activities of owner/manager to cope with the requirements of the TLB rules and to respond to the employee concerns while carrying out the traditional managerial activities in the *Matatu* industry.

**Employee concerns:** constituted by employee rights such as rest days and discharge procedures; and employee work attitudes.

**Employee rights:** Guarantees of fair treatment from employers (Bohlander et al 2001).

**Attitude:** Referred to a like or dislike of something (Atkinson et al, 1993) in this case the TLB rules and was tested using opinion statements.

**Environment:** The legal/political factors that influenced operations of the *Matatu* industry in Kenya during the study period and are represented by the Traffic (Amendment) Rules, 2003.

**Employee empowerment:** Referred to the amount of control exercised by members of a work group over work-related decisions relative to the control exercised by the manager of the group (Gupta, 2003) and ranges from high through moderate to low. In this study, members of the work-group were the driver and the conductor and the manager were the owners or managers.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 The concept of human resource

The concept of human resource is closely tied to the concept of human capital. The latter is constituted by the knowledge, skills and capabilities of individuals that have economic value to an enterprise (Bohlander et al, 2001). Even the Government of Kenya in its poverty reduction strategy paper considers people and their potential as the 'most precious' resource (GoK, 2000).

The HRM philosophy considers workers to be a resource whose potential enterprises ought to maximise and not a cost to be minimised. Atamba (2003) illustrates the futility of treating workers as costs that should be cut. In the study the researcher reports that after the retrenchment at Egerton University in the year 2001, there resulted work overloads in departments, which led to low morale and lack of motivation among the remaining staff. It also became expensive for the University as it opted to engaging contractual/seasonal workers besides paying heavily for overtimes. Even more serious was the fact that performance in key indices, as service delivery, did not improve as advocated by the proponents of the retrenchment exercise.

This study, therefore, adopted the view that workers in the *Matatu* industry are a resource just like the vehicles they operate or cash they collect on behalf of their employers. As Gibson et al (1997) emphasise the role of people in an enterprise, it is people who do the work. Successful management of human resource recognises that people are variable entities: they have unique needs, ambitions, personalities, and attitudes. Each person perceives the work place uniquely and managers must take into account these unique perceptions and behaviours and somehow direct them toward common purposes. For the human resource to unleash its human capital, there is need to empower employees (Bohlander et al, 2001).

Mwaura (2002) reported in a similar study that among the variables *Matatu* operators in Nairobi found important in the delivery of service to their customers included the ability of workers to perform the service dependably, 'well groomed and kempt workers', and good driving skills among others. These are important HR factors, which *Matatu* owners have to help their workers cultivate and nurture.

## 2.2 Managing human resource

The demand for human resource by business enterprises is derived demand because people help business enterprises perform services that customers require. Thus HR is not sourced for its own sake but to help enterprises achieve their business objectives. Successful management is one that is adept at bringing together different kinds of people to achieve a common purpose, which is the essence of managing human resource (HRM).

It is now widely accepted that businesses enhance their competitiveness a great deal when they manage people as a resource to be maximised rather than a cost to be minimised. Matchington and Wilkinson (2000) also agree that although it has become common practice for leading management scholars to extol the virtues of investing in people and treating employees as the vital component in the achievement of competitive advantage, there has been little systematic analysis of these claims. According to Bohlander et al (2001), maximising competitive advantage through people requires that the resource is of value, rare, difficult to imitate, and well organised.

The *Matatu* industry is fairly homogenous and stiffly competitive; hence, only through the competency and competence of people can maximum competitive advantage be gained. The human resource under consideration in the *Matatu* industry consists of the driver and conductor. The two have oversight over the day-to-day operations of the vehicles; consequently, the success or failure of the business rest on them. Value is increased when employees find ways of lowering operating costs (Bohalder et al, 2001). For example, the way the driver handles the *Matatu* vehicle on the road will determine whether maintenance costs skyrocket or remain low. HRM implies institutionalised management of the corporate human resource function. Stoner et al (1995) define HRM as the management function that deals with recruitment, placement, training, and development of organisation members. The function constitutes seven key activities: human resource planning; recruitment; selection; socialisation; training and development; performance appraisal; and promotions, transfers, and separations.

“Managing human resource’ connotes the operative function of HRM (the activity of ensuring the availability of people to work for the firm, arranging for their rewards, benefits and guaranteeing their rights). Although the two are used interchangeably, this study adopts the view

that HRM, as a management function, may not be applicable to the *Matatu* industry. Muchilwa (2004) reports that substantive appointments constitute an intractable challenge to *Matatu* operators in Nairobi when implementing the TLB rules although 60% of the cases studied were filing tax returns.

However, as a philosophy, HRM is founded on principles that are quite amenable to the management of HR in the *Matatu* industry. Armstrong (2004) informs us that the HRM concept could be understood as a philosophy that prescribes how workers should be treated but the philosophy can be applied diversely by diverse business enterprises. And Pinnington and Edwards (2000) assert that HRM constitutes a new way of thinking about how people should be managed as employees in the workplace.

As a way of thinking, it, therefore, follows that HRM can be utilised in the management of employees in the *Matatu* industry. Mullins (1999) observes that although smaller organisations may not justify a specialist human resource manager or a separate human resource department, they still need to have an effective personnel function, be it the responsibility of the owner of the business or of a manager. Mullins argues that even in the smallest organisations, or in organisations where a specialist department has not been established, there will be a need to recruit staff, to train them, to motivate and reward them, and to comply with the law relating to employment. Personnel work must still be carried out even if an organisation is too small to justify a separate department or chooses not to establish one (Mullins (1999)). The case for applying the principles HRM to the *Matatu* industry in Kenya is, therefore, strong.

There are many types of personnel in the *Matatu* industry but the human resource under study here includes the driver and the conductor as these two categories have been specifically provided for in the TLB rules. In this study, managing human resource will involve three dimensions: environmental challenges; HRM activities; and employee concerns. The environmental challenge is constituted by the need to manage change brought about by the traffic rules. The relevant HRM activities will be reward, human relations, and government relations. And finally the employee concerns will comprise of employee rights and work attitudes.



### 2.3 The *Matatu* industry in Kenya

Business units in industry employ resources to produce goods and services for sale. For the *Matatu* business, these resources include, among others, the human resource, comprising the driver and the conductor, who have become the subjects of the government's regulations. Most *Matatu* businesses are organised as single proprietorships though many also operate under cooperatives. *Matatu* means 'three' and the name emerged out of the 'thirty cents' – from Kikuyu *mang'otore Matatu* - that were initially paid as fare when the business began in the 1950s (Mukolwe, 2004). The *Matatu* business was formally recognised by the Government in 1973. In the beginning, the business was meant to be directly operated by the owner as it was supposed to be a 'poor man's' business. Indeed Ncebere (1995) notes that successful *Matatu* operators are those who have been directly involved in the business themselves. The business is risky and costs such as maintenance and insurance can run abnormally high hence the need for close supervision.

But not every owner can be directly involved in the business hence the need to hire the HR. Ncebere adds that the *Matatu* business paints a misleading picture to the public. It is not as rosy as it appears. Though few people have made money in it, most have lost energy and money in this business. Muchilwa (2004) notes also that some *Matatu* businesses have stalled operations due to lack of visionary management among other factors. The business, therefore, calls for prudent management, of the vehicle, money and people. In the past the industry was managed HR in an *ad hoc* manner. Mwaura (2002) suggests that it is the very chaotic style of the businesses that sustains them. 'Their secret, just-in-time labour force, no driver is permanently employed, no tout is permanently employed, if they cannot produce they can be jobless the next day.' Employment has been at the discretion of the owner of the business, a kind of unilateral or voluntarist approach to employment (Pinnington and Edwards, 2000). Perceived profits and lack of accountability has attracted thousands of investors into the industry.

According to the TLB, the number of PSVs on the roads dramatically shot up with the introduction of the retrenchment programmes in both public and private sectors. It appears that thousands of Kenyans invested their retirement benefits in the *Matatu* industry due to the notion of quick returns on investment. For instance in 1990, there were 13, 200 PSVs registered in the

country. Five years later, the figure shot up to 29, 800 and by the year 2003, the number stood at 50, 000 (Chesos, Irungu, Kadida, Kamau, Mutiga, Opiyo, 2005).

Apparently, this unregulated expansion led to a myriad of problems on the roads including road accidents that led to huge loss of lives and destruction of property. In a study, Muchilwa (2004) notes that the behaviour of *Matatu* drivers has been of concern to other road users and the Government of Kenya. It is this chaotic scene on the road that has compelled the Government to move in to effect changes. The measures, released in Legal Notice No. 161 require every commercial vehicle with a tare weight of more than 3048 kg to be fitted with a speed governor to limit speed to a maximum of 80 kph; the fitting of seat belts; painting of the yellow band; and specified but reduced seating capacity. The specific HR-related rules require drivers and conductors to wear badges and uniforms while on duty; to be security-vetted and issued with a certificate of good conduct from the Criminal Investigations Department (CID) before they present themselves for employment; to be employed on permanent basis; the driver to undergo compulsory testing for competence after every two years; and the displaying the driver's recent photograph in the vehicle such that it can be seen and identified by passenger seated on the rear seats (GoK, 2003).

The proposals attracted stiff resistance from the *Matatu* Welfare Association and the *Matatu* Owners Association; the Government, however, stood its ground. The industry appeared to yield but of late concerns have been raised in the media about the business going back to its 'old ways'. Muchilwa (2004) reports that substantive appointments were found to be most challenging to the *Matatu* owners in Nairobi, noting in particular, 'In response to tax returns, substantive appointments and working hours, of not more than eight, the concept was yet to be fully grasped. Most owners were flexible on appointments and working hours. This was mainly due to lack of formal employment structures in this sector. This factor inadvertently affected their view towards filling tax returns whereby about 60% do so. And during the study period, the Ministry of transport itself periodically released the registration number of vehicles whose crew members were found to have violated various provisions of the TLB rules.

## 2.4 Change in the *Matatu* industry business environment

All business organisations, including *Matatu* businesses, operate within an environment. The environment is made of business environmental factors (BEFs), which present both opportunities and threats. Johnson and Scholes (1997) group these factors into the political/legal, sociocultural, economic, and technological. In Kenya at present, the *Matatu* industry is under severe scrutiny from the legal environment, which comprises employment law; health and safety regulations; the National Social Security Act; the Traffic Act; Transport Licensing Act; Workmen's Compensation Act, and Trade Unions Act among others. Other relevant institutions include the Industrial Court, Ministry of Labour, the Ministry of Transport, and the Ministry of Local Government (Muchilwa, 2004). The legal environment is of serious concern to the business due to the potential exposure to liability (Greer, 2001).

This environmental factor has changed dramatically. The change has been triggered by the fresh impetus given to the traffic rules via Legal notice No. 161. The provisions that have implications on the HR are spelt out in Section 62A, which require that staff are paid a permanent salary, wear badges and uniforms, undergo compulsory testing every two years, and are security-vetted before employment (GoK: 2003). The imposed change, especially on permanent employment, has far-reaching ramifications on *Matatu* business when considered along the HR dimension. According to Owiti (1990), staff permanency - unlike temporary, 'on contract', probationary, casual, piece rate, part-time, or apprenticeship employment- means the members of staff hired have the option to work until they retire and are entitled to retirement benefits, which will have been accumulated during the years of employment. The accumulations will also have been either the joint effort of employer and employee or the employer alone. Bohlander et al (2001) observe that salaried employees are paid at fixed intervals and the pay is same for each pay period whether they work for more or less than the prescribed number of hours. The rules require the industry to institutionalise some HRM in their operations, a pre-requisite for effective management of permanent staff. HRM functions include planning, recruitment, selection, compensation, development, and separation.

But the most immediate challenge for *Matatu* industry is the legally imposed reward management system. The debatable aspect of the Government regulations is that they impose a

reward system on the industry while the trend in reward management today is to give employers more flexibility. Bohlander et al (2001) note that an outcome of today's dynamic business environment is that managers have needed to change their pay philosophies from paying for a specific position or job title to rewarding employees on the basis of their individual contributions to organisational success. This implies then that the reward system has to be tailored to meet the needs of the organisation and its employees. Imposition of a system from outside complicates this idea.

Managing human resource will also require paying attention to human relations. This involves being conscious of the interpersonal relations between workers and owners/managers and between workers and workers. Marchington and Wilkinson (2000) list the objectives of human relations as being minimisation of disruption, achieving greater stability, increasing productivity, and increasing co-operation and commitment. And also to be considered as a HRM activity is government relations. This will involve meeting the necessary legal conditions governing business and hence minimising conflict with the state.

The owners/managers in *Matatu* industry will also have to contend with employee concerns that include rights and attitudes. Bohlander et al (2001) define employee rights as the guarantees of fair treatment that the employees expect in protection of their employment status. These expectations become rights when they are granted to employees by the courts, legislatures, or employers.

Owiti (1990) says that ultimately, the duty to ensure a positive working environment falls squarely on the working people themselves since it is mainly through their collective strength, based on knowledge, that they can improve their working conditions. The workers in the *Matatu* industry, however, do not have any form of organisation or representation as the *Matatu* Welfare Association (MWA) and *Matatu* Owners Association represent (MOA) more the interests of the owners than those of workers.

This study explored the extent to which stakeholders in the *Matatu* industry were conversant with employee rights bestowed by the law in the changed business environment. Rights

considered included those such as injury while on duty being the responsibility of the employer, employer being legally responsible for wrongs committed by the employee while on duty, official working hours, leave and rest-days, notice on dismissal, claims on unauthorised dismissal, and payment on redundancy (Owiti, 1990, GoK, 1984).

## **2.5 Managing change**

As noted above, business enterprises operate within the context of very dynamic BEFs. This poses a challenge given that factors in the environments that create instability, which enterprises have to contend with, among them: uncertain economic conditions; globalisation and competition; government intervention; political interests; scarcity of natural resources; rapid development in new technology and the information age; increased demands for quality and customer satisfaction; greater flexibility in the structures of work organisations and patterns of management; the changing nature and composition of workforce; and conflict within the units. Change can also originate from within the entity (Mullins, 2005).

The change under review in this study, however, is imposed change, triggered by the legal/political environment. It is usually difficult for businesses to deal with imposed change for it often means being reactive rather than proactive. To be able to adapt to these environmental challenges, enterprises need to initiate change rather than just wait to carry out reactive change, that which occurs after external forces have already affected performance. Change has to be proactive, initiated to take advantage of targeted opportunities ((Pascale, et al 1997). Proactive, planned, change is less destabilising as compared to reactive change. It is this pro-activity by business entities in relation to change that is termed management of change. This type of organisational change has two interrelated objectives: fitting the business to its environment and changing the behaviour of employees (Hellriegel & Slocum, 1992).

In managing change, managers and team leaders can take four different approaches, namely: technology; structure; task; and people. People approaches attempt to change the behaviour of employees indirectly by focussing on changing their skills, attitudes, perceptions, and expectations (Hellriegel & Slocum, 1992: 734). The organisational development methods frequently used in this approach include survey feedback, conflict resolution, team building, and

improvement of interpersonal relations (Hellriegel & Slocum, 1992). The People Approach rests on two perspectives: the Individual Perspective and Group Dynamics School. The Individual Perspective advocates bringing change by focusing on the individual. It postulates that all behaviour is learned and individuals can be encouraged to adopt and maintain the desired behaviour while discouraged from practicing undesired behaviour. The Group Dynamics Perspective focuses on bringing about change through groups of people rather than individuals. All these tools of change management can be effective in managing change in the *Matatu* industry.

But in its quest to reform the *Matatu* industry, the Government appeared to emphasise legal mechanisms rather than focus on human factors of change. Successful change rarely occurs naturally or easily and most reasons why change efforts have failed come down to HR issues (Bohlander et al. 2001). Thus in one of its reports on cases of PSVs that infringed traffic regulations during the study period, the Ministry of Transport listed cases of violations that had everything to do with human resource factors. These included: 'dangerous, reckless, careless driving,' 'rude, arrogant, abusive crew', 'failure to drop passengers at the stage and failure to reach the specified destination', 'not wearing of uniforms and non displaying of photograph' among others (GoK, 2006).

## **2.6 The conceptual framework**

This study is based on the Harvard School of HRM otherwise known as the 'Soft' approach to managing human resource. This model considers the people who work for enterprises to be a valued asset, a source of competitive advantage through their commitment, adaptability and high quality in terms of skill and performance among other characteristics (Armstrong, 2004). The model advocates fostering employee commitment via involvement, communication and other methods of cultivating trust; and it advocates for the fusion of the interests of management with those of employee. The model contrasts with the Michigan School or the 'Hard' model, which treats employees as factor inputs, and hence costs that ought to be minimised.

Building on this view of people management, Bohlander et al (2001) have developed an overall framework, which this study adapts, for managing human resource that is three-pronged and

whose factors are: the competitive challenge the industry faces; the human resource management activity; and the employee concerns. The competitive challenge comprises globalisation, technology, managing change, human capital, responsiveness, and cost containment. Planning, recruitment, staffing, job design, training and development, appraisal, communications, compensation, benefits and labour relations constitute the human resource management activity. And employee concerns is made up of background and diversity, age distribution, gender issues, education levels, employee rights, privacy issues, work attitudes, and family concerns.

In this study, the competitive challenge was posed by the change in the legal-political environment brought about by the re-introduced TLB rules. Managing human resource activities included reward, human relations and government relations; and the rights and attitudes of employees represented the employee concerns in the new work environment. It was postulated that the imposed change would affect *Matatu* owners and managers and the way they would manage their workers in the new circumstances. It was also postulated that the employee concerns would have a bearing on the owners and managers and the way they managed the reward, human relations and Government relations. In turn the way owners and managers handled the HRM activities would have a bearing on employee concerns. The framework is as presented in Figure 2.1 below.

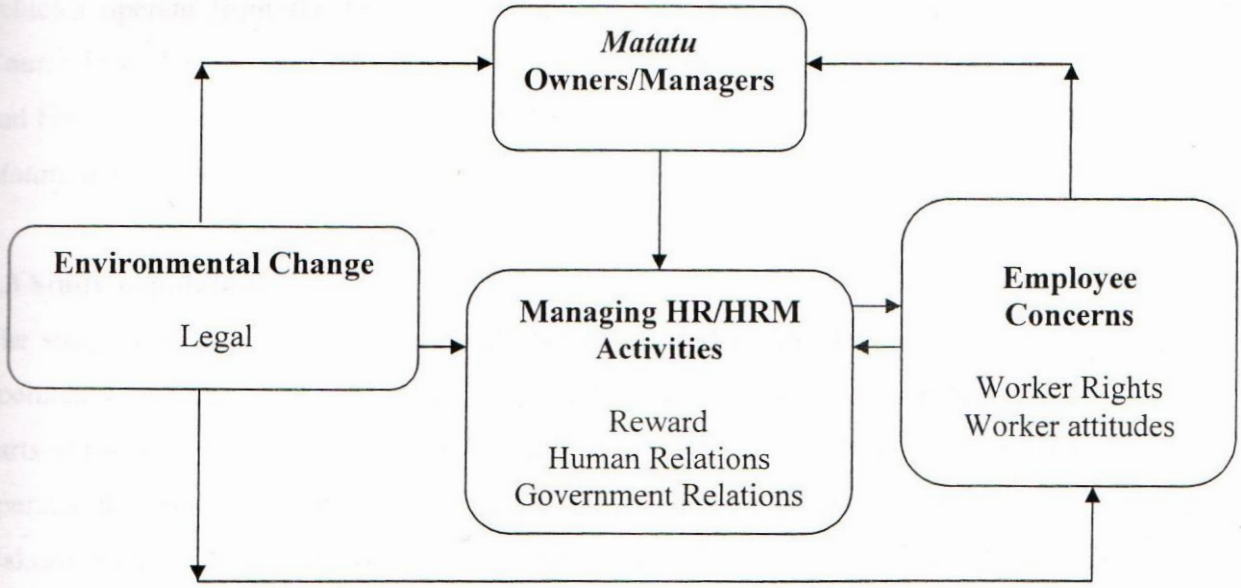


Figure 2.1. A conceptual framework for managing human resource in the Matatu industry

Source: Bohlander et al (2001).

## CHAPTER THREE: METHODOLOGY

### 3.1 Research design

The research was a descriptive survey study that involved collecting data in order to draw conclusions, make recommendations, and answer the research questions posed concerning the status of the management of the human resource in the *Matatu* industry. *Matatu* vehicles in Kenya number in tens of thousands -estimates range from 50, 000 to 75, 000 – (Opiyo, 2005 and Ncebere, 1999). In Nakuru municipality the number was not known]. It would, therefore, have been impractical to observe each of those vehicles directly. As a descriptive survey, this study sought to determine and report on the current HR issues in the *Matatu* industry and it neither gave causal relationships nor explanations (Babbie, 1992). It was essentially exploratory, and sought to describe the state of managing human resource in the *Matatu* industry in view of the changed legal/political environment.

### 3.2 Location of the study

The study was carried out in Nakuru town on the *Matatu* vehicles that operate within the Municipal Council of Nakuru (MCN) and those from Nakuru town to other parts of the country. As a major town in Kenya, Nakuru was ideal for data collection exercise because many *Matatu* vehicles operate from the town. The study covered five routes, namely: Langa Langa-Race Course-Lake View; Free Area-Lanet-Pipeline; Nakuru- Nairobi; Nakuru-Kericho-Kisii-Sirare; and Nakuru-Nyeri-Nanyuki-Meru-Embu. These represented both town service and long distance *Matatu* operations.

### 3.3 Study population

The study population was indeterminate but comprised all the 14-seater *Matatu* vehicles that operated within the MCN and its environs and those that operated from Nakuru town to other parts of the country. The sampling frame was obtained from the various *Matatu* associations that operated the following routes: Langa Langa-Race Course-Lake View; Free Area-Lanet-Pipeline; Nakuru- Nairobi; Nakuru-Kericho-Kisii-Sirare; and Nakuru-Nyeri-Nanyuki-Meru-Embu.



### **3.4 Sampling design**

The study employed non-probability sampling methods because of their economy in terms of time and cost when compared to probabilistic sampling designs. The Convenience, Judgmental, and Snowball sampling designs were used to select the sample size and the study elements from the study routes. The Convenience method was used to pick the size of the sample and the Judgmental method to ensure respondents from both the pre-TLB and post-TLB eras were represented. The Snowball method was useful in finding the owners who in most cases were occupied elsewhere and left the daily management of their vehicles to their employees; the researcher and the team of assistants were directed to where to find them by their colleagues who had earlier been interviewed.

### **3.5 Sample size**

A convenience sample of 50 *Matatu* vehicles was drawn from the population of *Matatu* vehicles plying the five routes to give an average of 10 vehicles per route. From the selected sample, the respondents, namely the employees, owners, and managers were picked judgmentally for inclusion in the interview. In all the study targeted 154 respondents divided into 100 employees (two from each vehicle), 50 owners, and four (4) managers.

### **3.6 Data collection methods**

Being a descriptive research, the study involved assessing attitudes, opinions and responses of *Matatu* players towards the TLB rules. Descriptive data are typically collected through questionnaires, interviews, or observations. The study employed the structured interview and observation to collect the required data. Besides the closed-ended questions on the interview schedule, the 5-point Likert Scale was also used to assess the attitudes of the respondents by asking them to rate given statements.

The interview schedule was preferred to take care of some of the players in the industry who were illiterate (Mwaura, 2002) and to whom self-administered questionnaires would have posed a challenge and thereby jeopardise the research exercise. Another advantage of interviewing was that it enabled attainment of a fairly higher response rates than would have been the case with mail surveys (Babbie, 1992 and Nachmias & Nachmias, 1996). It also ensured a standardised

response from the respondents and hence reduced interviewer bias. Gupta (2002) also recommended this method as being suitable for an intensive survey research.

Observation method was used mainly to take care of respondents' non verbal behaviour that was adjudged relevant to the study for example conduct, dress code, and the emphasis or lack of it in the way they responded to the interview.

Prior to the actual data collection exercise, the researcher conducted a training programme with the research assistants to familiarise them with the data collection methods and the research study environment in general.

### **3.7 Data collection procedure**

Permission to collect data was sought from the MCN with the assistance of Egerton University, Nakuru Town Campus. The researcher together with a team of ten assistants then visited *Matatu* termini over a period of five days to carry out the face-to-face interviews to collect primary data from drivers, conductors, and owner/managers of the sampled *Matatu* vehicles. Secondary data was also collected from MCN offices, *Matatu* SACCO offices, TLB offices, and newspaper reports. The secondary data was used mainly to answer research question number one and also to assist in the interpretation of the results analysed from the primary data collected.

### **3.8 Data summarisation and presentation**

The research results were summarised and presented using figures, tables, pie charts, and bar charts. This was for the purpose easing of interpretation, understanding, reading and discussion.

### **3.9 Data analysis**

The analysis of the research data proceeded through four major steps: data cleaning or editing; coding; tabulations; and interpretation of results (Peter, 1994). The data processing was carried out using the Statistical Package for Social Science (SPSS).

## CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

### 4.1 Preliminary Findings

The administration of the research instrument yielded a total of 92 respondents as follows: 68 were *Matatu* employees; 20 were owners of *Matatu* vehicles; and four (4) were managers of *Matatu* SACCOs/associations/companies. Out of a sample of 154, the response rate was 59.7%. And given that the SACCO/company/association managers represented more than 50 vehicles each then the overall response can be said to have been adequate for purposes of the study.

Of the 68 employees, 51.5% represented drivers and 48.5% were conductors (Figure 4.1). All employees were male. Majority (83.8%) of them began work before the new TLB rules were introduced while 16.2% were employed after the rules had come into force. Majority of employees (53%) were in the 25-31 years age bracket. 36.8% of the employees covered long distance routes while 63.2% covered town service routes. All employees reported wearing uniforms every time they were on duty but during the interviews, the researchers and the assistants observed incidences when some employees were not in uniform. All drivers said they displayed their photographs in the vehicles and 74.3% said they had been tested for competence. Majority of them (98.5%) said they wore badges every time they were on duty.

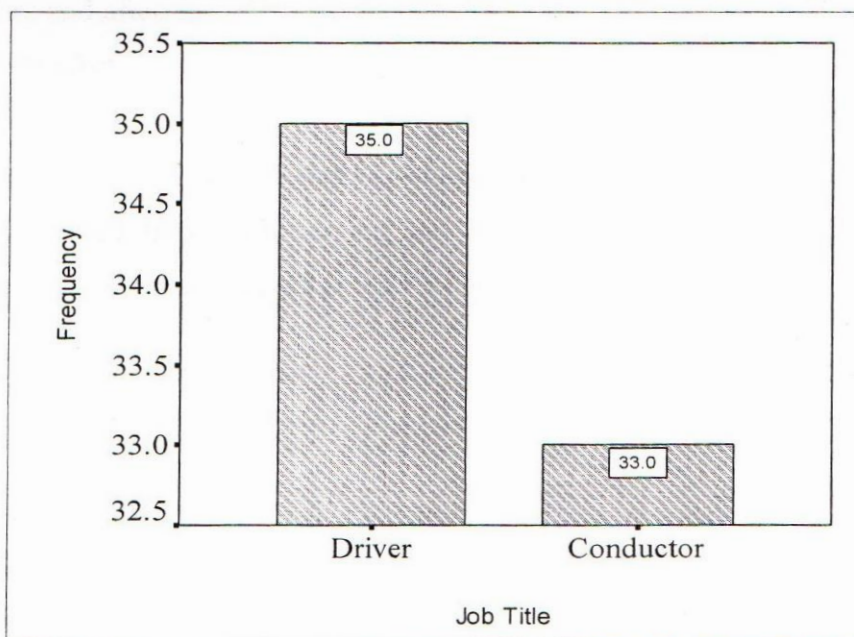


Figure 4.1. The frequency of drivers and conductors in the study

The study considered the number of vehicles owned by any one employer as it was presumed this had a bearing on their cash flow and hence a factor in coping with the rules. As Figure 4.2 below shows majority of the owners (61.5%) owned one vehicle.

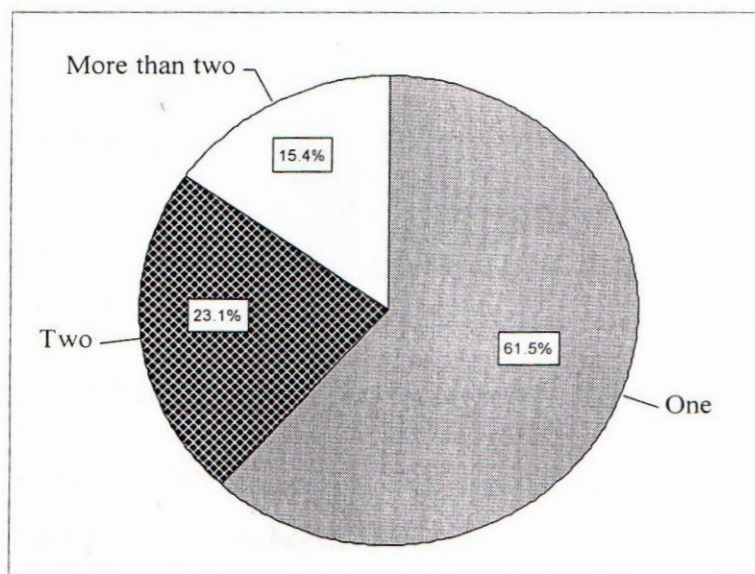


Figure 4.2. The proportion of owners and number of vehicles owned

Majority of the owners (76.9%) were male; women comprised 23.1%; a similar proportion began operation before and after the rules respectively. Most of the owners (53.8%) fell in the 40-year-and-above age bracket.

The type of service offered by the *Matatu* vehicles was also deemed to be of significance. The service was classified into town service and long distance service. 61.5% of the owners interviewed operated town service while 38.5% covered long distance routes (Figure 4.3).

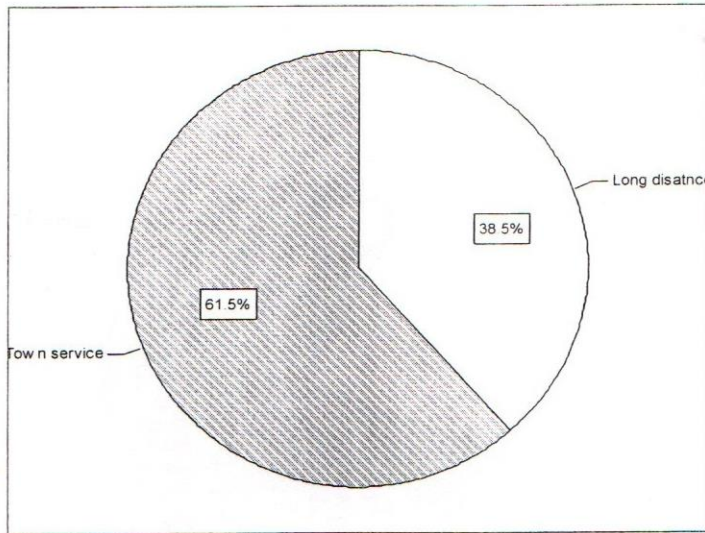


Figure 4.3. The types of service offered by the study subjects

The managers of the *Matatu* SACCO/companies who responded operated long distance routes and were all male. All groups operations began operations prior to the introduction of the rules; two had oversight over more than 100 vehicles and the other less than 100. The fourth interviewee in this category was the chairman of the association of the operators of one of the routes that covered town service and had oversight of 100 vehicles.

The study also considered the level of education of the respondents. The level of education was deemed to be a significant factor in the ability of the respondents to relate to the Government regulations.

Of the employees interviewed, 27.9% said they had primary level education, 61.8% had secondary level, 7.4% had tertiary level, and 2.9% said they had 'None' (Figure 4.4 below).

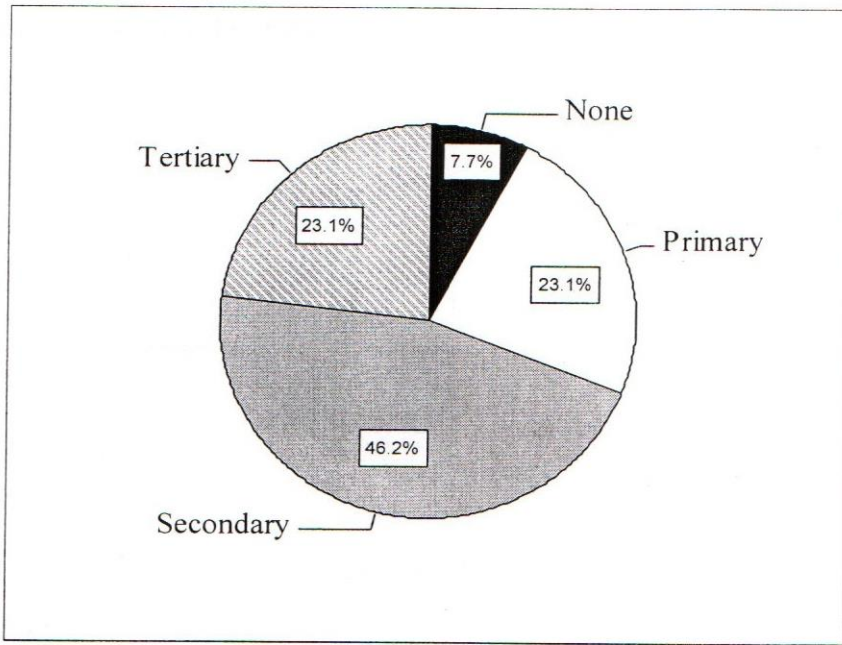


Figure 4.4. The level of education attained by *Matatu* employees

Most of the owners (46%) said they had secondary level education while primary level and tertiary level education each was represented by 23%. Those owners who said they had no formal education were represented by 7.7% of the study sample.

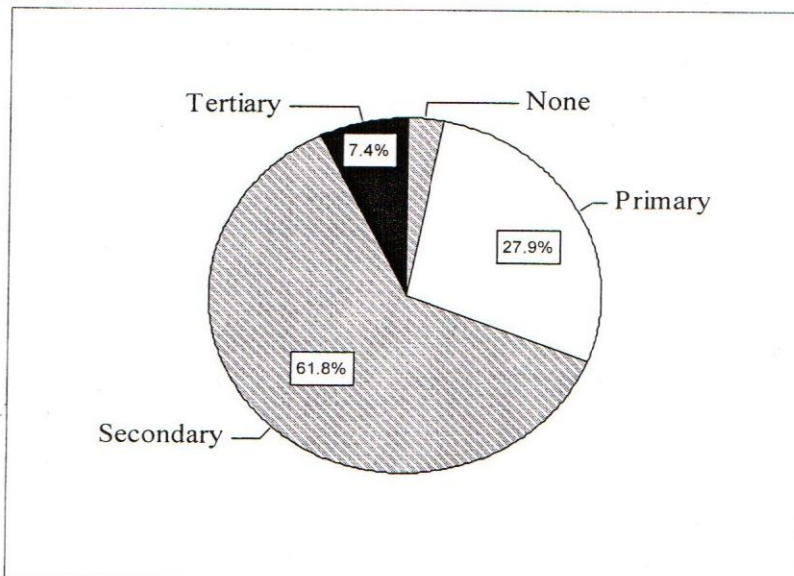


Figure 4.5. The level of education attained by *Matatu* owners

Of the *Matatu* SACCO managers interviewed, two had primary level education and the other two had tertiary level education (Figure 4.6).

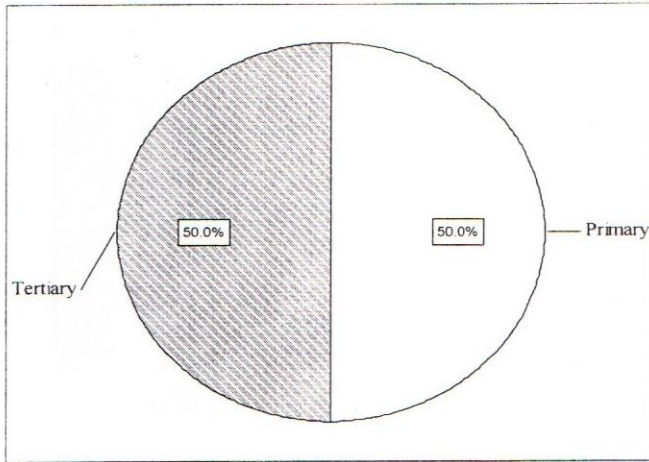


Figure 4.6. The level of education attained by the managers of SACCOs.

The Government regulations sought to ensure employees in the *Matatu* industry were employed on permanent terms. Hence the management of the reward system was central to this study. Aspects of the reward system that were used to assess whether the permanent employment rule was working included the mode of payment, pensions/NSSF, house allowance, and medical benefits.

As regards the mode of payment of the employees, the study found that majority of employees (51 or 75%) were paid on a daily basis, four (4 or 5.9%) were paid on a weekly basis, and 13 or 19.1% were paid on a monthly basis (Figure 4.7).

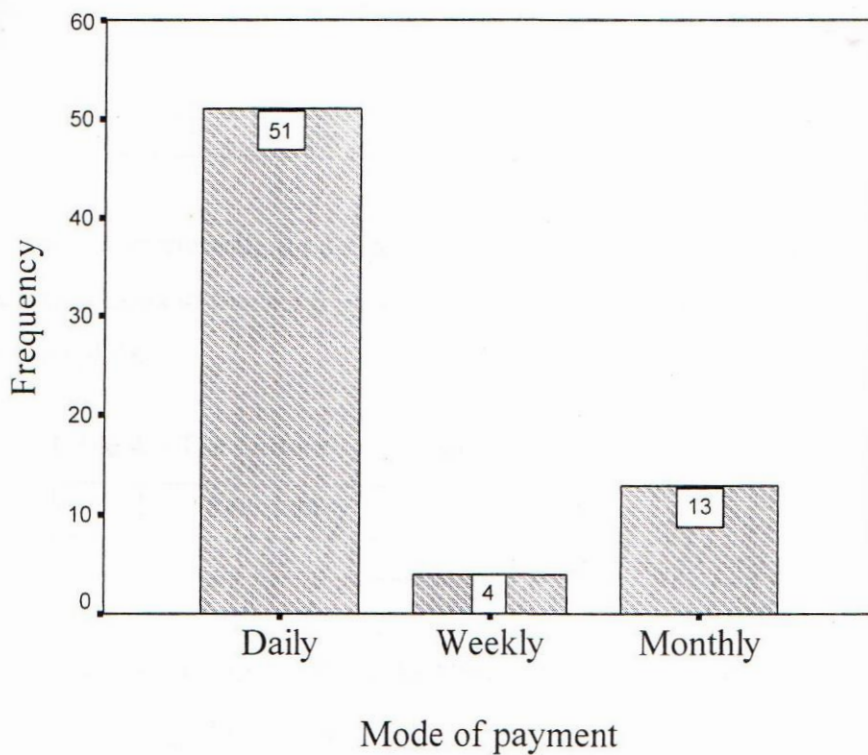


Figure 4.7. The mode of payment made to employees in the *Matatu* industry

As concerns the house allowance, majority (94.1%) of employees said they were not paid a house allowance; only 5.9% said they were paid (Table 4.1 below). This was also a manifestation that the employers in the *Matatu* were not only not adhering to the TLB regulations but they were also flouting the employment law.

Table 4.1 Frequency of receipt of house allowance by employees

	Frequency	%
Yes	4	5.9
No	64	94.1
Total	68	100.0

The study also considered the contributions by employees to their own retirement. As Table 4.2 below shows, none of the employees contributed to any retirement benefits scheme. Even those who reported being hired on permanent terms and paid a monthly salary were not contributing to their formal retirement benefits in any way.



Table 4.2 Frequency of contribution to pension schemes

	<b>Frequency</b>	<b>%</b>
No	68	100.0

Of the 20 owners interviewed, none reported either deducting money from employees or making their own contributions to the NSSF (Table 4.3 below). And none of the SACCOs contributed to the NSSF (Table 4.4).

Table 4.3 The frequency of workers' contribution to the NSSF

	<b>Frequency</b>	<b>%</b>
No	20	100.0

Table 4.4 Contribution to the NSSF by *Matatu* SACCOs

	<b>Frequency</b>	<b>%</b>
No	4	100.0

The study also considered employee rights among them the right to annual leave, rest days and specified number of working hour. As Figure 4.8 below shows, only four (4) employees reported being given annual leave. And of these, only two (2) said they were paid while on leave. 64 employees neither got leave nor any payment thereof. This is an indication that employee rights were not being adhered to in the *Matatu* industry.

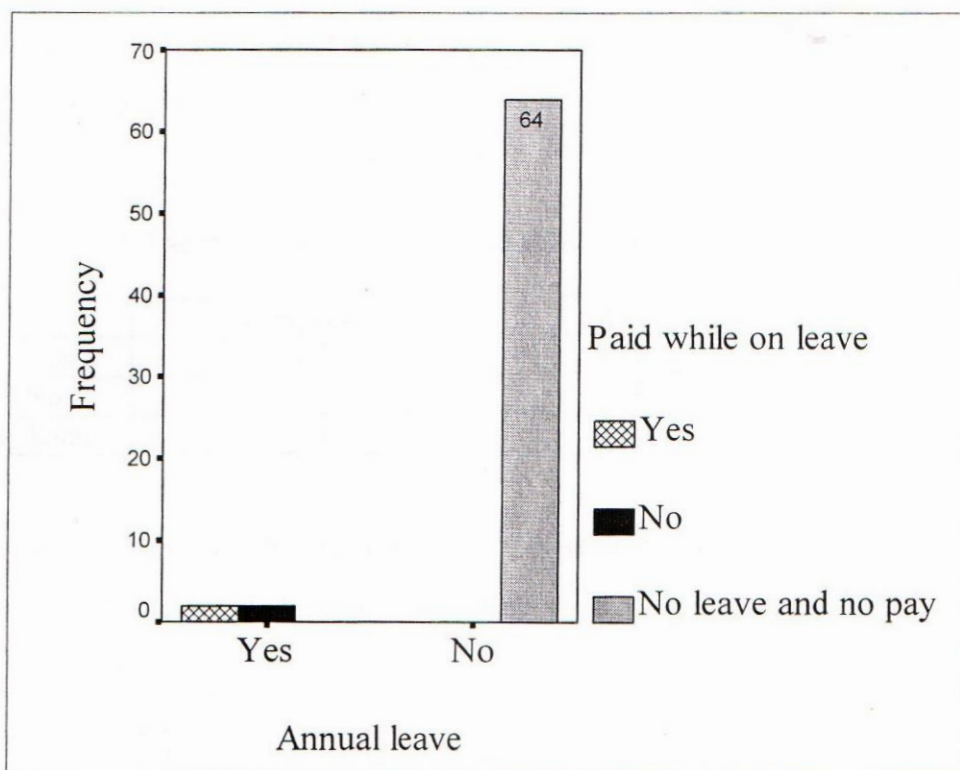


Figure 4.8. The frequency of annual leave with pay extended to employees

Employee rights were also considered in terms of the number of hours worked per day. As Table 4.5 below indicates, most employees (85.3%) in the *Matatu* industry reported working for more than eight hours. The employees reported that their working day always started before six in the morning and ended well after eight o'clock in the evening. Town service operators ended their day after nine o'clock in the evening.

Table 4.5 Number of hours employees work per day

	Frequency	%
Less than 8 hours	1	1.5
8 hours	9	13.2
More than 8 hours	58	85.3
Total	68	100.0

Besides the long working day, employees were also not entitled to breaks within the working day (Table 4.6 below). 92.6% reported working continuously, the only break being when they wait

for the vehicles to fill up but even then, they are engaged in hunting for the passenger. Quite often, they are engaged in *kusonga* (that is, whenever they find that the queue at the bus stand is long and they can carry passengers on the way as they await their turn to load within the bus stand).

Table 4.6 The frequency of continuous work by employees

	Frequency	%
Yes	63	92.6
No	5	7.4
Total	68	100.0

As to whether they were entitled to any rest days in the course of their work, seven employees said they were while 45 said they were not (Figure 4.10). The seven said they were paid whenever they on rest days.

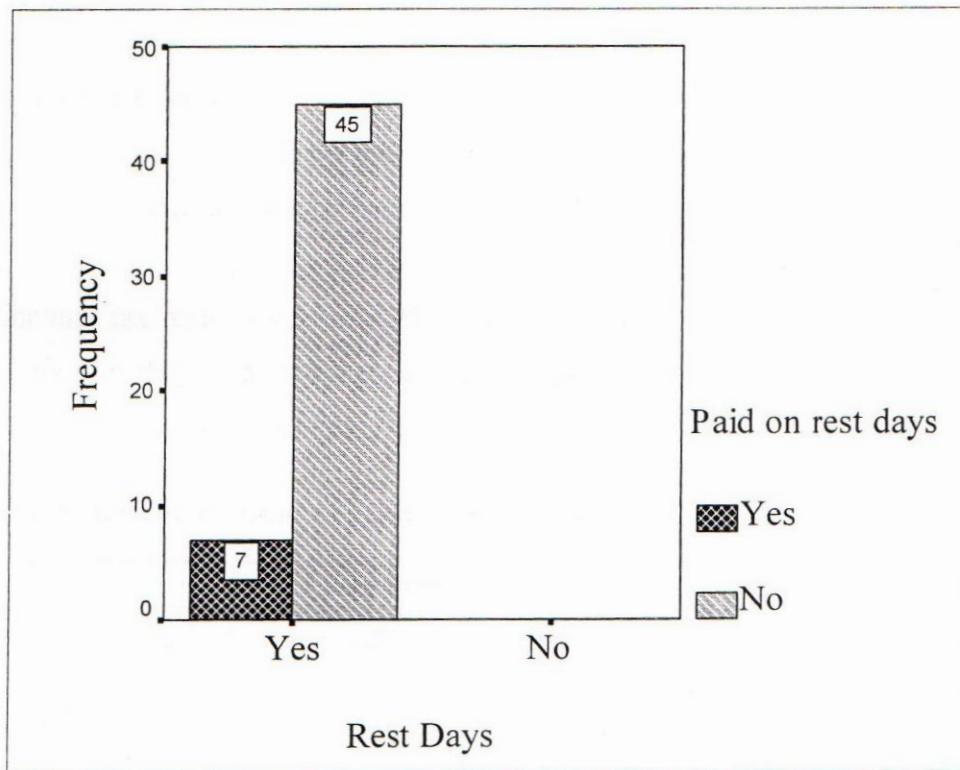


Figure 4.9. The frequency of rest days with pay extended to employees

As for medical benefits, only 20% of the owners shared in meeting the medical expenses of their employees (Table 4.7). Only 4.4% of employees said they received medical support from their employers and neither owners nor managers reported making any contributions to the NHIF (Table 4.8).

Table 4.7 Responsibility for meeting medical expenses of workers

	Frequency	%
Workers	18	90
Employer and workers	2	10
Total	20	100

Table 4.8 The frequency of contribution to the NHIF by SACCOs

	Frequency	%
No	4	100

And finally, the study also considered relations between the *Matatu* industry and the Government as indicated by compliance to statutory commitments, which included income tax deduction and the returns thereof, and other deductions such as NHIF and NSSF.

In relation to income tax deductions, only 23.1% of employees said they were deducted. And 20% of the owners said they deducted income tax from employees (Table 4.9) and remitted the same to the government within one month (Table 4.9).

Table 4.9 The frequency of deduction of income tax from employees

	Frequency	%
Yes	4	20
No	16	80
Total	20	100

Table 4.10 Owners' submission of income tax returns

	Frequency	%
One month	4	100

As for SACCO managers, 50% reported that they deducted tax (Table 4.11) and submitted the returns to the Government within one month. It is noteworthy that the researchers did not see documentation regarding these claims and when one SACCO manager was asked for records, the response that the records were secured in another office.

Table 4.11 Income tax deductions by *Matatu* SACCO employees

	Frequency	%
Yes	2	50
No	2	50
Total	4	100

Table 4.12 Frequency of submission of the returns to the government

	Frequency	%
One month	2	100

The research also yielded data from secondary sources, which was used mainly to answer research question number one.

#### 4.2 The changes that have taken place in the *Matatu* industry

The change that has taken place in the *Matatu* industry in so far as human resource is concerned has been presented in Chapter Two on Literature Review of the present study. The first serious attempt to introduce the TLB rules was made in 1999. Among the rules was one to phase out outs from the industry, especially from the bus stands, and replace them with staff from local authorities (Santoro, 1999). The workers were also required to acquire a certificate of good conduct, which is obtained from the Criminal Investigation Department (CID) upon payment of kshs 1, 000.00 (One thousand shillings). The applicant's fingerprints are then taken. The rules also required the workers to have a prescribed badge issued by the Kenya Revenue Authority, which also requires application on a prescribed form submitted along with Kshs 625.00 (Six

hundred and twenty-five) for drivers and Kshs. 50.00 (Fifty shillings) for conductors [Appendix VI and VII]. But the rules as then spelt out were silent on permanent employment, the photograph, compulsory testing of drivers after every two years, and the uniform and badge. The Government, however, backed off from implementing the rules when the operators called a strike. The rules were finally enforced in the year 2003 and reinforced in the year 2004 in a changed political environment.

The present study is not evaluative of these rules but concerns have been raised as to whether the change brought about by their implementation is merely nominal or it is real, substantive change. The present study found that all employees wore uniforms always while on duty, 98.5% wore badges always while on duty, and all drivers displayed their photographs always while on duty. The badge, uniform, photograph display was supposed to be merely symbolic, indicating that the industry's employees had undergone a change of heart. But this appears not to be the case. Statistics released by the Government during the course of the present study indicated that 20% of *Matatu* crew were reported to have 'rude and abusive' to their passengers. The drivers were reportedly reckless and had dangerous driving habits including over speeding and overtaking on the wrong side (GoK, 2006). This clearly negated the purpose of the certificate of good conduct although the rules could be said to have been effective to the extent that passengers could identify and report the violators.

The study also established that the permanent employment and salary rule was not being followed by most of the operators. Workers are still employed on casual basis, and in some cases, 'squad drivers' are used. These are drivers who are not employed and hang around *Matatu* stages to latch on to any vehicle whose driver may not be there at a particular time. Only 19.1% of employees reported being paid salary on a monthly basis while 15.4% of owners and 50% of managers said they paid their workers on a monthly basis. This could not, however, be verified. The study also found that other regulations related to this rule such as employee right of leave with pay, housing allowance, and statutory deductions were not being implemented. The study also found that the cartels were largely non-existent and owners of *Matatu* vehicles had complete authority on the hiring of their employees. In the past, what owners simply did was to surrender the vehicles to the cartels and a driver would be assigned to it. The study also found that the

incident of touting had declined remarkably and the stages were much less noisier. Those who organised the arrival and departures of vehicles were employees of the groups of owners who operated a given route. Critics have accused the Government of using the TLB rules to raise revenue rather than being interested in the qualitative change of the sub sector (Santoro, 1999). The revenue is in terms of the various fees payable to government agencies such as TLB for vehicle routes and advance tax. The non-enforcement of the employment rule could be used to justify this argument.

#### **4.3 The Usefulness of the TLB rules to the *Matatu* industry**

The Government-introduced TLB rules in the *matatu* were classified into four groups as follows: security-vetting system to screen prospective employees; permanent salary and employment of the employees who are then issued with certificates of good conduct from the CID offices; identification of the employees; and testing every two years of the vehicle drivers for competency. The Government required the industry to implement the rules. In order, therefore, to assess more effectively the usefulness of these new rules to the *Matatu* industry, they were considered type of rule separately and then all of them together.

##### **(i) Security-vetting system rule**

In order to assess the usefulness to the *Matatu* industry of the security-vetting rule, respondents were presented with four statements relating to security in the sub sector. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.13 below shows the distribution of their responses on these statements.

Table 4.13 Usefulness of security-vetting rules

Statement on security-vetting	Responses (%)														
	Employees					Owners					SACCO Managers				
	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
improves vehicle security	32.4	42.6	10.3	7.4	7.4	23.1	46.2	15.4	0	15.4	100	0	0	0	0
Improves security of cash	23.5	38.2	14.7	11.8	11.8	38.5	46.2	0	0	15.4	50	50	0	0	0
Improves employee safety	22.1	41.2	14.7	11.8	10.3	15.4	38.5	30.8	7.7	7.7	50	50	0	0	0
Improves passenger safety	27.9	47.1	13.2	4.4	7.4	38.5	46.2	0	7.7	7.7	100	0	0	0	0
<b>Total</b>	<b>68</b>					<b>20</b>					<b>4</b>				



As the table above shows, most of the respondents in the three categories agreed that the security-vetting rule was useful to the *Matatu* industry. A total of 75% of the employees, 69.3% of the owners and 100% of the managers interviewed agreed that security-vetting of prospective employees before being hired improved vehicle security. 61.7%, 84.7%, and 100% of employees, owners and managers respectively were in agreement that this particular rule improved the security of the cash collected. 63.3% of employees, 53.9% of owners, and all managers agreed that security-vetting improves employee security; and 75% of employees, 84.7% of owners, and all managers agreed with the statement 'security-vetting improves passengers safety'.

However, the level of undecidedness among the employees was significant, averaging 13.2%. The owners were significantly undecided in only two instances: security-vetting in relation to vehicle security (15.4%) and in relation to employee safety (30.8%).

This result indicates that majority of the stakeholders in the *Matatu* industry did not disagree with the introduction of the security-vetting of persons to be employed as drivers and conductors.

To evaluate the usefulness of the security-vetting rule as perceived by the respondents, the answer to each constituent statement was scored on a scale of 1 to 5. The individual scores were added up to form an overall score for each category of respondents. The overall score varied between 4, for strongly disagreeing with all the statements, and 20, for strongly agreeing with all the statements. The higher the score, the more useful to the *Matatu* industry was the security-vetting rule found to be and vice versa. This overall score was later divided into three ordinal levels in order to categorise the respondents depending on their scores. These ordinal levels included 4-9 (not useful), 10-14 (useful), and 15-20 (very useful). Table 4.14 below depicts the distribution of the overall usefulness of the security-vetting rules to the *Matatu* industry.

Table 4.14 Overall level of usefulness of the security-vetting rule

Level of usefulness	Employees	Owners	Managers
	%	%	%
Not useful	8.8	15.4	0
Useful	26.5	0.0	0
Very useful	64.7	84.5	100
Total	100.0	100.0	100

Source: Field data, 2005.

The analysis in the table shows that majority of the employees and owners surveyed (64.5% and 84.7% respectively), and all the managers found that the security-vetting rule was useful to the *Matatu* industry. This contrasts significantly with employees (8.8%), and owners (15.4%), and none of the managers who considered the rules not useful. The owners' responses to this question were, however, distributed dichotomously while employees' responses spread out, and those of managers were skewed.

This result could be explained by the feeling that security vetting is meant to remove from the industry persons with a criminal intent. One of the explanations the Government proffered for the introduction of the new regulatory measures was that the *Matatu* industry had been infiltrated by cartels and gangs that had membership dominated by people with criminal motives, who endangered the safety of passengers and discouraged genuine investors from the industry. This finding appears to lend credence to this explanation for it appears genuine owners and employees were never opposed to the regulations in the first place. But it could also be explained that the operators had come to terms with the reality of the rules and had decided to go the official line.

#### (ii) Permanent salary and employment rule

In order to assess the usefulness to the *Matatu* industry of the permanent salary and employment rule, respondents were presented with five statements relating to employment in the sub sector. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.15 below shows the distribution of their responses on these statements.

Table 4.15 Usefulness of permanent salary and employment rule

Statement on permanence	Employees					Owners (%)					SACCO Managers				
	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
Fosters commitment	23.5	38.2	13.2	13.2	11.8	23.1	15.4	0	46.2	15.4	0	0	50	50	0
Raises morale	35.3	35.3	11.8	11.8	5.9	15.4	38.5	0	23.1	23.1	0	0	50	50	0
Reduces turnover	27.9	38.2	11.8	13.2	8.8	23.1	30.8	0	38.5	7.7	0	50	0	50	0
Improves staff honesty	27.9	48.5	10.3	5.9	7.4	30.8	53.8	0	0	15.4	0	100	0	0	0
Improves daily income	23.5	44.1	13.2	8.8	10.3	38.5	30.5	0	23.1	7.7	0	50	0	50	0
Total	68					20					4				

As the table shows, there were mixed reactions from the three categories of respondents. While the responses of employees and managers on each statement took the form of a continuum, from strongly disagreeing through undecidedness to strongly agreeing, those of owners were dichotomous: they agreed and disagreed that. Most of the employees agreed with the five statements regarding the permanent salary and employment rule, with more than half of the respondents doing so (61.7%, 70.6%, 66.1%, 76.4%, and 67.6% agreeing in relation to commitment, morale, turnover, honesty, and revenue respectively). The level of disagreement averaged 19%, and that of undecidedness averaged 12%.

Apart from the concept of commitment (in which a majority of 61.6% disagreed), most of the owners agreed with the statements (53.9% for morale, 53.9% for turnover, 84.6% for honesty, and 69% for income or revenue). The level of undecidedness was zero, and that of disagreement averaged 40%. A half of the managers were undecided and another half disagreed with the statements in the two areas of commitment and morale. One half agreed and another half disagreed in relation to turnover and income/revenue. All managers, however, agreed with the statement on honesty.

Commitment is a critical human resource concept and it is of concern that employers in the *Matatu* industry did not consider permanent employment as fostering it. Commitment and morale are closely related and in this regard, the owners' response is inconsistent as they agreed with the statement at 53.9%. Managers, however, remained consistent, as they did not consider permanent employment as fostering employee morale.

The responses regarding permanent employment and honesty are remarkable. 76.4% of the employees, 85% of the owners, and all managers agreed that this rule enhances employee honesty. The entire industry hinges on the honesty of the employees; dishonesty has brought many operators into bankruptcy. Staff honesty translates into security of revenue collected as fares from passengers. The overwhelming agreement with the statement indicates how all the groups are alive to the critical question of honesty.

The overall agreement with the permanent salary and employment rule, however, contradicts the preliminary information collected in the research instrument in which only 19.1% of employees reported that they were paid salary on a monthly basis and only 30.8% of owners reported that they employees on permanent terms, and even this could not be verified. And only one of the managers of SACCOs reported hiring only three drivers on permanent terms, which could also not be verified. In addition, the other benefits that go with permanent salary and employment were reported to be limited or non-existent. For example, only 20.6% of employees reported to have been issued with letters of employment (this could not be verified) while only 50% of managers reported to keep records of employees including copies of appointment letters. Even more significantly, all employees reported non-deduction of pension and NSSF dues; all owners and manager also posted a similar response. And regarding annual leave, only 5.9% of employees reported benefiting from the right (this could not be authenticated).

The spread of employee responses on the statements regarding the rule staff permanence is also notable. The level of undecidedness was significant, averaging 12%. This illustrates the ambivalence of *Matatu* employees towards permanent employment. While they favour the benefits that accrue from a permanent salary and employment, majority of them preferred to be paid on a daily basis rather than wait till month-end. This is partly explained by the volatility of the *Matatu* business, especially with non-SACCO/company-organised, which does not guarantee employment the following day. The owners on the other hand were decisive regarding this rule: they agreed or disagreed. The managers showed undecidedness in only two items: commitment and morale.

The answer to each constituent statement was scored on a scale of 1 to 5. The individual scores were added up to form an overall score for each respondent. The overall score varied between 5 for strongly disagreeing with all the statements, and 25 for strongly agreeing with all the statements. The higher the score, the more useful were the permanent salary and employment rules in the *Matatu* industry found to be and vice versa. This overall score was later divided into three ordinal levels in order to categorize the respondents depending on their scores. These ordinal levels included 5-11 (not useful), 12-18 (useful), and 19-25 (very useful). Table 4.16

below depicts the distribution of the overall usefulness to the *Matatu* industry of the permanent salary and employment rule.

Table 4.16 Overall level of usefulness of permanent salary and employment rule

Level of usefulness	Employees	Owners	Managers
	%	%	%
Not useful	8.8	15.4	0
Useful	30.9	46.2	100
Very useful	60.3	38.5	0
Total	100.0	100.0	100

Source: Field data, 2005.

The analysis presented in the table above shows that majority of the employees (91.2%) and owners (84.7%), and all managers can be classified as having considered the permanent salary and employment rule as useful to the *Matatu* industry.

### (iii) Identification rules

In order to assess the usefulness of the identification rules in the *Matatu* industry, respondents were presented with five statements relating to employee identification in the sector. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.17 below shows the distribution of their responses on these statements.

Table 4.17 Usefulness of identification rules

Statement on identification rules	Responses (%)														
	Employees					Owners					SACCO Managers				
	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
Photograph improves self-discipline	39.7	30.9	10.3	8.8	10.3	23.1	15.4	30.8	15.4	15.4	100	0	0	0	0
Photograph checks unofficial driving	45.6	29.4	11.8	5.9	7.4	23.1	23.1	38.5	7.7	7.7	100	0	0	0	0
Photograph improves driver PR	19.1	19.1	16.2	20.6	25	30.8	30.8	7.7	30.8	0	100	0	0	0	0
Uniform checks worker conduct	45.6	27.9	10.3	11.8	4.1	23.1	38.5	15.4	15.4	7.7	100	0	0	0	0
Badge improves driver self-discipline	30.9	25	16.2	16.2	11.8	30.8	23.1	7.7	30.8	7.7	50	50	0	0	0
Total	68					20					4				

From the table, it can be seen that apart from the third statement on photographs and public relations, majority of the employees (70.6%, 75%, 73.5%, and 55.9%) agreed with statements regarding identification rules. On average, 13% were undecided and 24% disagreed. For owners, other than statement one on photographs and self-discipline, and statement two on photographs and non-drivers (unofficial drivers) being given vehicles, majority (61.6%, 61.6%, and 53.9%) agreed with the statements regarding the identification rules. On average, 20% of owners were undecided, with the first and second statements eliciting the highest level of undecidedness (30.8% and 38.5% respectively).

The responses of owners on the statement on photographs and self-discipline were fairly evenly distributed across the entire scale. All managers of SACCO/company agreed with all the statements regarding the identification rules. Of the three groups of respondents, owners were the most opposed to the photograph, 30.8% disagreeing with photographs and PR and 38.5% undecided about photographs and vehicles being given to non- drivers (unofficial drivers).

The answer to each constituent statement was scored on a scale of 1 to 5. The individual scores were added up to form an overall score for each respondent. The overall score varied between 5, strongly disagreeing with all the statements, and 25, strongly agreeing with all the statements. The higher the score, the more useful are the identification rules in the industry, and vice versa. This overall score was later divided into three ordinal levels in order to categorize the respondents depending on their scores. These ordinal levels included 5-11 (not useful), 12-18 (useful), and 19-25 (very useful). Table 4.18 below depicts the distribution of the overall usefulness of the identification rules in the *Matatu* industry.

Table 4.18 Overall level of usefulness of the identification rules

Level of usefulness	Employees	Owners	Managers
	%	%	%
Not useful	10.3	15.4	0
Useful	32.4	46.2	0
Very useful	57.3	38.5	100
Total	100.0	100.0	100

Source: Field data, 2005.



From the analysis in the table above majority of the employees and owners (89.7% and 84.7% respectively) and all managers can be classified as having found the identification rules to be useful to the *Matatu* industry.

**(iv) Testing for Competence rule**

In order to assess the usefulness of the ‘testing for competence’ rule in the *Matatu* industry, respondents were presented with four statements relating to vehicle maintenance and driver competence. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.19 below shows the distribution of their responses on these statements.

Table 4.19 Usefulness of testing rule

Statement on testing	Responses (%)														
	Employees						Owners						SACCO Managers		
	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
Improves vehicle maintenance	29.4	54.4	7.4	5.9	2.9	53.8	15.4	0	23.1	7.7	0	50	0	0	50
Leads to fewer mistakes and accidents	22.1	58.8	10.3	4.4	4.4	46.2	23.1	0	15.4	15.4	50	0	0	0	50
Leads to fewer arrests	20.6	44.1	8.8	11.8	14.7	30.8	23.1	15.4	23.1	7.7	0	50	0	0	50
Leads to fewer roads disputes	27.9	45.6	10.3	8.8	7.4	38.5	23.1	0	23.1	38.5	0	50	0	0	50
Total	68					20					4				

The table shows that the level of agreement among the employees was very high; it averaged 76%. The levels of disagreement and undecidedness were low, averaging 15% and 9% respectively. This was despite the fact that none of the drivers was yet to take the test which should be taken after every two year years. Since the rule came into force in the year 2004, a test was not due until the year 2006.

Majority of owners (64% on average) also agreed with the statements based on this rule. The level of undecidedness was nil in all but the third statement, on testing and arrests. As for the managers of *Matatu* SACCOs, 50% were in agreement and 50% disagreed on all statements. There were no undecideds. As noted above, this rule was yet to be applied to drivers since by the time of carrying out the survey, the two-year period had not expired. The responses seem, therefore, to have been based on what the respondents thought would happen. These results also confirm the researcher's fear that the respondents were agreeing with the statements to be seen to be complying with the law. For example, in the data yielded from the preliminary section of the research instrument, 74.3% of drivers reported having been tested for competence when in fact this rule was not due yet.

The answer to each constituent statement was scored on a scale of 1 to 4. The individual scores were added up to form an overall score for each respondent. The overall score varied between 4, for strongly disagreeing with all the statements, and 20, for strongly agreeing with all the statements. The higher the score, the more useful to the *Matatu* industry was the testing-for-competence rule found to be and vice versa. This overall score was later divided into three ordinal levels in order to categorise the respondents depending on their scores. These ordinal levels included 5-11 (Not useful), 12-18 (Useful), and 19-25 (Very useful). Table 4.20 below depicts the distribution of the overall usefulness to the *Matatu* industry of the testing rules.

Table 4.20 Overall level of usefulness of the testing-for-competence rule

Level of usefulness	Employees	Owners	Managers
	%	%	%
Not useful	5.9	15.4	0
Useful	29.4	30.8	50
Very useful	64.7	53.8	50
Total	100.0	100.0	100

Source: Field data, 2005.

The analysis from the table shows that majority of the employees (94.1%) and owners (84.6%) and all managers can be classified as having considered the testing-for competence rule to be at least useful to the *Matatu* industry.

**(v) Overall usefulness of the TLB rules**

An overall usefulness score of the TLB rules for each respondent was later computed by summing up all the above four scales (security-vetting, permanent salary and employment, identification and testing). The overall score varied between 18, for strongly disagreeing with all the statements, and 90, for strongly agreeing with all the statements. The higher the score, the more useful to the *Matatu* industry were the rules found to be and vice versa. This overall score was later divided into three ordinal levels in order to categorise the respondents depending on their scores. These ordinal levels included 18-41 (Not useful), 42-66 (Useful), and 67-90 (Very useful). Table 4.21 below depicts the distribution of the overall usefulness to the *Matatu* industry of the TLB rules.

Table 4.21 Overall level of usefulness to the *Matatu* industry of the TLB rules

Level of usefulness	Employees	Owners	Managers
	%	%	%
Not useful	0.0	15.4	0
Useful	42.6	15.4	50
Very useful	57.4	69.2	50
Total	100.0	100.0	100

Source: Field data, 2005.

As the analysis in the table above shows, no other category of respondents other than the owners of *Matatu* motor vehicles (15.4%) can be classified as having found the TLB rules to be 'Not Useful'. All employees in the survey found the rules to be useful, with 42.6% finding them 'Very Useful'. All managers also found the rules to be useful. The responses of owners were the most varied with 15.4% being classified as finding the rules 'Not Useful', another 15.4% as finding the rules 'Useful', and 69.2% as finding the rules to 'Very Useful'. This analysis illustrates the ambivalence with which stakeholders in the industry generally perceived the rules for they are like a double-edged sword that cut both ways: according to them, the rules could be good and

bad at the same time. For example, employees said they would have liked to be permanently employed; but then they were wary of the idea of waiting to be paid a permanent salary at the end of the month.

These results arouse curiosity given that the introduction of the traffic rules was met with stiff resistance from the industry. There are two possible explanations: either the stakeholders have come to realise that the rules were not bad after all or that those who opposed their introduction were actually not stakeholders and have been removed from the industry. If the latter explanation can be proved to be accurate, then the assertion by the Government that non-stakeholders had infiltrated the industry to cause confusion becomes very convincing. But again, quite curiously, the *Matatu* owners were not observing the permanent employment rule and the Government was not doing anything about it. This gives the impression that the rule was imposed loosely without thought being given to its implementability.

However, during the interviews, respondents especially employees and owners, were observed to openly express bitterness and resentment but still responded in the opposite manner. Evidently, they did not believe the rules were good but obeyed them as a matter of duty to the Government that had become firm in so far as the implementation of the rules was concerned. Answering in the affirmative may have been out of the need to be seen to be compliant.

**(vi) Specific benefits of the TLB rules to employees, owners and managers**

Employees, owners and managers were also asked to identify specific benefits accruing to them from the implementation of the TLB rules. Tables 4.22 and 4.23 show their responses.

Table 4.22 Specific benefits of the new rules to the employees

Rules	Benefits	Yes (%)	No (%)
Security-vetting	Security of the workers	63.2	36.8
	Passenger security	63.2	36.8
	Security of the vehicle	48.5	51.5
	Cash security	32.4	67.6
	None	16.2	83.8
Permanency	Regular income	63.2	36.8
	Pension	17.6	82.4
	Job security	57.4	42.6
	Benefits	29.4	70.6
	None	17.6	82.4
Uniforms	Save personal clothing	36.8	63.2
	Identify with colleagues	82.4	17.6
	Security	42.6	57.4
	None	10.3	89.7
Badges	Security	38.2	61.8
	Identify with colleagues	50.0	50.0
	Identification	66.2	33.8
	None	11.8	88.2
Compulsory testing	Improve driving skills	69.1	30.9
	Promotion	8.8	91.2
	Better prospects	33.8	66.2
	None	22.1	77.9
Photographs	Identification	70.6	29.4
	Security	25.0	75.0
	None	27.9	72.1

N = 68

From Table 4.22 above, majority of employees considered the security of passengers as well as their own to be the most significant benefit accruing from the security-vetting rule. Regular income was the foremost benefit of permanent salary and employment while identification was the most important benefit from the uniforms, badges and photograph. The employees also reported that compulsory testing improved, to some extent, the driving skills.

Table 4.23 Specific benefits of the new rules to the owners and SACCO managers

Rules	Benefits	Owner		Managers	
		Yes (%)	No (%)	Yes (%)	No (%)
Security vetting	Vehicle security	30.8	69.2	100	0
	Cash security	15.4	84.6	100	0
	Passenger security	61.5	38.5	100	0
	Employee security	30.8	69.2	100	0
	None	15.4	84.6	0	100
Permanency	Staff commitment	30.8	69.2	100	0
	Staff honesty	30.8	69.2	100	0
	Vehicle care	23.1	76.9	100	0
	Passenger care	7.7	92.3	100	0
	None	23.1	76.9	0	100
Uniforms	Identification	69.2	30.8	100	0
	Security	0.0	100.0	50	50
	Discipline	46.2	53.8	100	0
	None	0.0	100.0	0	100
Badges	Identification	61.5	38.5	100	0
	Security	7.7	92.3	0	100
	Discipline	30.8	69.2	50	50
	None	7.7	92.3	0	100
Compulsory testing for drivers	Improve skills	23.1	76.9	50	50
	Vehicle care	30.8	69.2	50	50
	Road discipline	53.8	46.2	50	50
	Reduced accidents	69.2	30.8	50	50
	Reduced road disputes	15.4	84.6	0	100
	None	7.7	92.3	50	50
Photographs	Security	0.0	100.0	0	100
	Identification	61.5	38.5	100	0
	Discipline	23.1	76.9	0	100
	None	23.1	76.9	0	100

N=20

N= 04

The owners of the *Matatu* vehicles found the security of passengers as the most significant benefit of the security-vetting rule; and identification as the most significant benefit of the uniform, the badge and the photograph. A small majority, however, found staff commitment and honesty as being benefits of the permanent salary and employment rule. All managers found the security of cash, passengers, and employees as significant benefits of the security-vetting rule; staff commitment and honesty, passenger and vehicle care as important benefits of the permanent

employment rule; and identification as the most significant benefit accruing from the uniforms, badges and photograph.

Generally, employees in the industry can be said to have been the most consistent in finding the rules useful. And the three groups each considered the rules to be a check on the other. For example, though the rules tamed the 'rogue' behaviour of employees, especially since owners have to sign the necessary documents before employees can be accredited and issued with the crucial badge. Indeed, any resentment of employees towards the badge was principally because of the owner's stranglehold over it. Employees on the other hand favoured the rules in that employers could not fire at a whim as getting to employ another person was costly in terms of time and financial resources. It was this mutual fear and suspicion that appeared to have tilted the responses to favourable perception.

#### **4.4 Assessing the relevance of the HRM principle to the *Matatu* industry**

In order to assess the relevance of the HRM principle to the *Matatu* industry, the respondents were presented with statements on the key HRM themes, namely: employee involvement; employee empowerment; reward system; negotiation and communication approaches; and employee-employer relations including employers' commitment to employees.

##### **(i) Employee involvement**

In order to test employee involvement, owners and managers were asked whether they told their workers the reason they were in business, who determined the routes vehicles plied, and whether workers generally shared in the business vision.

On whether they told their employees the reason for being in business (that is whether they shared their business vision with employees), 84.6% of owners said they did while 15.4% said they did not; and 50% of managers said they did involve their employees while another 50% said they did not. Regarding the determination of the routes to be plied, only 38.5% of the owners said they involved employees. All managers said they did not involve employees; the directors determine *Matatu* SACCO routes, and in most cases well in advance. The same questions were



posed to employees. Only 47.1% said employers told them why they (employers) were in business and 20.6% participated in determining the route the vehicles plied.

These results indicate that there was limited employee involvement in decision making in the industry. The *Matatu* operated under sole proprietorship showed more employee involvement than those administered under SACCOs.

### **(ii) Employee Empowerment**

Employee empowerment is measured by the level of delegated authority and participative decision-making. Empowerment helps to reveal and utilise untapped potential among employees (Gupta, 2003). This would especially be crucial for sole proprietors who spend most of their time monitoring what their employees are doing with their vehicles and in the process diverting their attention from what would be otherwise productive engagements elsewhere.

In the present study, owners and managers viewed employees with suspicion and it was common to hear them refer to employees during interviews as *mikora*-rogues. This attitude is inimical to employee empowerment. To assess employee empowerment, the owners and managers were required to show whether they assigned their employees other duties other than their designated ones. These other duties were indicated in the research instrument as banking of collected revenue, marketing of the service, negotiating vehicle hire charges, cleaning the vehicle, maintenance, and dealing with the traffic police. Only 23.3% of employees and 22.8% of managers said they assigned other responsibilities to their employees. Employees on the other hand reported being assigned other duties in only two areas: vehicle service and repair. The results point to a low level of employee empowerment in the *Matatu* industry.

### **(iii) Reward System**

On the reward system, the owners and managers were asked on how they determined the level of pay. All managers said pay was arrived at via negotiations. As for the owners, 15.6% said pay was dictated by the Government (they could not explain how though they said they paid above the minimum wage), 23.1% said it was pegged on daily earnings from the vehicle, 46.2% said the level of pay was negotiated, 7.7% said competitors played a role, and another 7.7% said pay

was set by the SACCOs. 58.8% of employees said their pay was negotiated with the employer. Generally, pay was fixed and was not related to performance.

**(iv) Negotiation and communication**

Regarding negotiations and communication approaches generally, all managers said they negotiated with employees individually while 53.8% of owners also said they did so. 82.4% of employees reported that they approached employers individually. Communication was, however, found to be predominantly one-way: only 48.5% of employees said that owners and managers allowed them to share their expectations. Sound HRM practice favours an individualistic approach to people management.

**(v) Employers' commitment to employees**

Owners' and managers' commitment to employees was also tested using their willingness to support employees adjust to changes in the business environment. 15% of the owners said they assisted employees financially and 84.6% said they gave support in terms of counselling and supervision. None of the managers reported giving financial support but all said they counselled employees and reminded them of the need to adhere to the new TLB regulations.

**(vi) Relationship between employer and employee**

In order to assess the relationship between employers and their employee in the *Matatu* industry, the SACCO managers and *Matatu* owners' respondents were presented with the seven statements describing their relationship with employees. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.24 below shows the distribution of their responses on these statements.

Table 4.24 Relationship between employers and their employees

Statement on relations	Responses (%)									
	Owners					SACCO Managers				
	SA	A	U	D	SD	SA	A	U	D	SD
Employers need to be treated with respect	61.5	38.5	0	0	0	0	100	0	0	0
Employers need to show true interest in workers	61.5	38.5	0	0	0	0	100	0	0	0
Employers need to understand workers	53.8	23.1	23.1	0	0	0	50	50	0	0
Employers need to communicate with workers	61.5	38.5	0	0	0	50	50	0	0	0
Employers need be open to workers at all times	38.5	30.8	7.7	23.1	0	50	0	0	50	0
Employers need not be too quick to judge workers	30.8	61.5	7.7	0	0	0	100	0	0	0
Employees are much more than workers	30.8	38.5	7.7	23.1	0	50	0	50	0	0
Total	20					4				

The table shows that all owners and managers agreed with the statement: 'Workers need to be treated with respect; employers should show genuine interest in workers; employers should communicate with workers.' 76.9% of owners agreed with the statement 'employers should understand workers at all times' while a half of the managers agreed and another half were undecided. 69.3% of the owners agreed with the statement 'employer should be open to workers at all times'; 23.1% disagreed and 7.7% were undecided. A half of the managers agreed with the statement and another half were undecided. 92.3% of the owners surveyed agreed with the statement 'employers should not be too quick to judge employees' and 7.7% were undecided. All managers were in agreement. 69.3% of owners agreed with the statement 'employees are much more than workers'. 23.1% disagreed and 7.7% were undecided. A half of the managers agreed and another half were undecided.

The answer to each constituent statement was scored on a scale of 1 to 5. The individual scores were added up to form an overall score for each respondent. The overall score varied between 7, for strongly disagreeing with all the statements, and 35, for strongly agreeing with all the statements. The higher the score, the better the relationship between employers and their employees was found to be, and vice versa. This overall score was later divided into three ordinal levels in order to categorise the respondents depending on their scores. These ordinal levels included 7-16 (poor relationship), 17-25 (moderate relationship), and 26-35 (good relationship). Table 4.25 below depicts the kind of relationship between employers and their workers in the *Matatu* industry.

Table 4.25 Kind of employer-employee relations

Kind of relationship	Owners	Managers
	%	%
Poor	0.0	0
Moderate	23.1	50
Good	76.0	50
Total	100.0	100

Source: Field data, 2005.

As the table shows, the survey established that both owners and managers view sound employer-employee relations as important for the business. The relationship was found to range from

'Moderate' (at 23.1% for owners and 50% for managers) to 'Good' (at 76.9% for owners and 50% for managers).

The need for favourable employer-employee relations arose from the realisation that the two groups need one another. And due to the TLB rules, mobility for employees is fairly restricted, at least in the short run. The fact that employers need to assent to the accreditation of employees makes employees somewhat subservient. Employers on the other hand are wary of antagonising their workers given that replacement is a tedious and bureaucratic process. These could account for the increasing amity among this pair of stakeholders.

But these results do not necessarily translate into practice in terms of good HRM. Good communication practice, for example, is two-way. While all owners and managers agreed with the statement 'Employers should communicate with workers', 61.8% of employees said employers shared what they (employers) expected of employees but only 48.5% of employees said employers allowed them to share their own expectations with them (employers). Only 47% of employees reported that their employers shared the business vision with them.

#### **4.4 The difficulties of complying with the new TLB rules**

To establish the difficulties *Matatu* operators encountered in implementing the TLB rules, this study sought to bring out both specific challenges faced as well as the attitude of the operators regarding the viability of the rules.

##### **(i) Difficulties of compliance by employees**

Employees were asked to name the specific difficulties they faced in complying with the TLB regulations. The application process and cost stood out as the most serious difficulties employees faced in trying to comply with the rules. 54.4% of employees surveyed said the application process was difficult. This is because in the early days of the new rules, the whole process was centralized in Nairobi. 45.6% of employees also said the cost of complying with the rules was a difficulty. The cost was in terms of travel, accommodation and subsistence, the fees payable to the Government offices, and even bribes to the licensing agents. The cost of the uniform was also

considered. 13.2% of employees reported their own attitude towards the rules as a difficulty and only 5.9% reported that their employers' attitudes presented a difficulty.

Most employees (63.2%) reported 'police' as a difficulty although this was because of crackdowns on non-compliance and cannot therefore be considered a difficulty of complying, except where the police harass even those who have complied to extort a bribe.

Table 4.26 General difficulties faced by employees

<b>Difficulties</b>	<b>Yes (%)</b>	<b>No (%)</b>
Police	63.2	36.8
Application process	54.4	45.6
Cost	45.6	54.4
Own Attitude	13.2	86.8
Owners	5.9	94.1

N = 68

As can be seen from the Table 4.28 above, employees identified 'Police' as the most significant difficulty encountered. This was followed by the application process and cost. But then the 'police' factor is an external element and has nothing to do with the rules themselves. What the employees found to be irksome was that the police department was intolerant when it came to enforcing the rules and even where there was compliance, they feigned excuses to confiscate the badges from employees.

When considering rule by rule, cost still emerged as the most serious difficulty, with 52.9% of employees citing cost as a difficulty in relation to security-vetting, 52.9% citing it as a difficulty in relation to the uniform, 58.8% citing it as a difficulty in relation to badges, 50% in compulsory testing and 47.1% in relation to the driver's photograph. For the rule on permanent employment, 'Unreliability' was reported as the most serious difficulty (51.5%).

Generally, however, employees found the listed specific difficulties to be less significant except the following: the cost related to the security vetting rule, uniforms, badges and compulsory testing; and unreliability in permanent employment.

Table 4.27 Specific difficulties the rules pose to employees

Requirement	Difficulty	Yes (%)	No (%)
Security-vetting	Cost	52.9	47.1
	Demeaning	8.8	91.2
	Discriminatory	7.4	92.6
	Centralised TLB offices	1.5	98.5
Permanent employment	Inflexibility	10.3	89.7
	Unreliability	51.5	48.5
	Not practical	36.8	63.2
	Illiteracy	5.9	94.1
Uhiforms	Cost	52.9	47.1
	Misuse by criminals	1.5	98.5
	Demeaning	19.9	80.9
Badges	Cost	58.8	41.2
	Limit one to one vehicle	5.9	94.1
	Demeaning	13.2	86.8
Compulsory testing	Cost	50.0	50.0
	Demeaning	4.4	95.6
	No value	13.2	86.8
Photograph	Cost	47.1	52.9
	Demeaning	14.7	85.3

N = 68

**(ii) Difficulties of compliance by owners and managers**

Other than the rule on permanent employment and salary, most employers and managers found the rules not to have any serious difficulties of compliance (Table. Among the difficulties presented by the rule on permanent employment were: cost and regularity of paying salaries; meeting the statutory requirements such as tax; disciplinary problems such as lateness, absenteeism and lawlessness; and demands for employee rights such as leave, rest days, safety and 8-hour working day.

Table 4.28 Owners' and managers' difficulties with permanent employment

Requirement	Difficulty	Owners		Managers	
		Yes (%)	No (%)	Yes (%)	No (%)
Permanent salary	Regularity	30.8	69.2	0.0	100.0
	Fixedness	23.1	67.9	50.0	50.0
	Amount	7.7	92.3	0.0	100.0
	Inexperience	0.0	100.0	50.0	50.0
	Lack of commitment	15.4	84.5	50.0	50.0
Income tax administration	Illiteracy	23.1	76.9	0.0	100.0
	Cost	15.4	84.6	100.0	0.0
	Bureaucracy	30.8	69.2	100.0	0.0
Pension	Cost	15.4	85.6	50.0	50.0
	Lack of expertise	15.4	85.6	0.0	100.0
Disciplinary problems	Lateness	46.2	53.8	50.0	50.0
	Carelessness	38.5	61.5	0.0	100.0
	Absenteeism	0.0	100.0	50.0	50.0
	Lawlessness	30.8	69.2	0.0	100.0
Employee demands	Leave	54.4	45.6	50.0	50.0
	Rest day	15.4	84.6	50.0	50.0
	Safety	30.8	69.2	50.0	50.0
	8-hour working day	7.7	92.3	50.0	50.0

N = 20 (owners)

N = 04 (managers)

**(iii) Levels of difficulties of compliance**

In order to assess the level of difficulties in complying with the TLB rules in the *Matatu* industry, respondents were presented with the six statements relating to these rules. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.26 below shows the distribution of their responses on these statements.



Table 4.29 Not difficult to comply with the requirements

Statement on difficulty	Responses (%)														
	Employees					Owners					SACCO Managers				
	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
Security vetting	23.5	52.9	10.3	5.9	7.4	30.8	46.2	7.7	15.4	0	50	0	50	0	0
Permanency	25.0	20.6	13.2	14.7	26.5	23.1	23.1	0	30.8	23.1	0	50	50	0	0
Uniforms	17.6	54.4	10.3	8.8	8.8	46.2	46.2	0	7.7	0	100	0	0	0	0
Badges	14.7	58.8	8.8	7.4	10.3	38.5	46.2	7.7	7.7	0	50	50	0	0	0
Testing	23.5	52.9	11.8	0	11.8	30.8	61.5		0	0	50	0	0	0	50
Photograph	14.7	58.8	10.3	4.4	11.8	7.7	53.8	15.4	0	23.1	50	0	0	50	0
Total	68					20					4				

Except for the rule on permanent employment, most employees reported that the rules were not difficult to comply with in so far as the statements they were presented with were concerned. 76.4%, 72%, 73.5%, 76.4, and 73% of the employees surveyed reported that the security vetting, uniforms, badges, testing, and photographs rules respectively were 'Not difficult to comply with'. Similarly, but for the rule on permanent employment and salary, most owners (77%, 92.4%, 84.7%, 92.3%, and 61.5% for security-vetting, uniforms, badges, testing, and photograph respectively) found the rules not difficult to comply with. All managers reported that the rule on uniforms and badges were not difficult to comply with, 50% of managers agreed and another 50% disagreed that the rules on testing and photograph were not difficult to comply with, and 50% agreed and another 50% were undecided that the rules on security-vetting and permanent employment were not difficult to comply with.

Regarding permanent employment, only 45.6% of employees and 50% of managers reported that the rule was not difficult to comply with. 53.9% of the owners disagreed. The level of undecidedness for managers was significant (50%) but that of employees was 13%. None of the owners were undecided indicating that they had a clear mind regarding permanent employment. This finding regarding the rule is consistent with what was established in the preliminary findings that majority of employers were not employing on permanent basis.

The answer to each constituent statement was scored on a scale of 1 to 5. The individual scores were added up to form an overall score for each respondent. The overall score varied between 6, for strongly disagreeing with all the statements, and 30, for strongly agreeing with all the statements. The higher the score, the lesser difficult is the compliance with the new requirements, and vice versa. This overall score was later divided into three ordinal levels in order to categorize the respondents depending on their scores. These ordinal levels included 6-13 (very difficult), 14-22 (difficult), and 23-30 (not difficult). Table 4.27 below depicts the level of difficulty in complying with the new requirements in the *Matatu* industry.

Table 4.30 Level of difficulty of compliance with the TLB rules

Level of difficulty	Employees	Owners	Managers
	%	%	%
Very difficult	7.3	0.0	0
Difficult	45.6	46.2	50
Not difficult	47.1	53.8	50
Total	100.0	100.0	100

Source: Field data, 2005.

As the table indicates, the respondents were roughly equally divided on their assessment of the level of difficulty experienced in complying with the TLB rules. A slight majority of employees (53%) found the rules to be difficult to comply with (7.3% for 'Very difficult' and 45.6% for 'Difficult'); 47.1% found the rules 'Not difficult' to comply with. Half of the managers found the rules 'Difficult' to comply with and the other half found them 'Not difficult'. Only the owners category had the majority of respondents (53.8%) who found the rules 'Not difficult' to comply with.

This analysis contradicts the ratings on the Likert Scale on which majority of employees said the rules were 'Not difficult' to comply with. But it can be explained by the fact that the negative response on permanent employment rules may have tilted the scale against the other rules.

#### 4.4.1 The Attitude of the *Matatu* operators towards the TLB rules

Alongside the other difficulties of complying with the new rules, the study sought to establish whether the attitude of the respondents was a factor in compliance. The attitude of the employees and owners was considered.

##### (i) The Attitude of *Matatu* employees

In order to assess whether the *Matatu* workers like the new rules in the *Matatu* industry, respondents were presented with the six statements relating to these rules. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.28 below shows the distribution of their responses on these statements.

Table 4.31 *Matatu* workers like the new rules

Statement	Employees					Responses (%)					SACCO Managers				
	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
Security vetting	29.4	50.0	5.9	7.4	7.4	15.4	69.2	7.7	0	7.7	100	0	0	0	0
Permanency	38.2	26.5	5.9	10.3	19.1	23.1	15.4	15.4	30.8	15.4	0	50	0	0	50
Uniforms	22.1	51.5	5.9	11.8	8.8	30.8	46.2	15.4	7.7	0	0	100	0	0	0
Badges	22.1	58.5	5.9	7.4	5.9	30.8	38.5	0	23.1	7.7	0	100	0	0	0
Testing	32.4	51.5	5.9	2.9	7.4	30.8	30.8	7.7	23.7	7.7	0	50	0	0	50
Photocopy	20.6	50.0	7.4	5.9	16.2	15.4	23.1	7.7	7.7	46.2	0	50	50	0	0
Total	68					20					4				

The table shows that most of the employees agreed with the statement 'Matatu employees like the new rules', at 79.4% for security-vetting, 64.7% for permanent employment, 73.6% for uniforms, 80.6% for badges, 83.9% for testing for competence, and 70.6% for photograph. The level of undecidedness was low, averaging 6%, while the level of disagreement with the statement averaged 19%. Except for the rule on permanent employment and photograph, most of the owners surveyed agreed with the statement, at 84.6% for security vetting, 77% for uniforms, 69.3% for badges, and 61.6% for testing for competence. A majority of 46.2% disagreed with the statement in relation to the rule on permanent employment and 15.4% were undecided. 53.9% disagreed with the statement in relation to the rule on the photograph. All managers agreed with the statement in relation to security-vetting, uniforms, and badges. One half agreed and another half disagreed with the statement in relation to permanent employment and testing rules while half of the managers agreed and another half remained undecided with the statement in relation to the rule the photograph.

As employers, the reason for owners' disagreement with the statement in relation to permanent employment can be understood as most of them considered it a difficult rule to comply with. As regards the photograph, most of them felt it did not serve any useful purpose. The same can be said of managers.

The answer to each constituent statement was scored on a scale of 1 to 5. The individual scores were added up to form an overall score for each respondent. The overall score varied between, strongly disagreeing with all the statements, and 30, strongly agreeing with all the statements. The higher the score, the more a worker likes the new requirements, and vice versa. This overall score was later divided into three ordinal levels in order to categorize the respondents depending on their scores. These ordinal levels included 6-13 (don't like), 14-22 (like), and 23-30 (very much like). Table 4.29 below depicts the level of workers' liking of the new requirements in the *Matatu* industry.

Table 4.32 Level of 'liking' of the TLB rules by *Matatu* employees

Level of 'liking'	Employees	Owners	Managers
	%	%	%
Don't like	4.4	7.7	0
Like	39.7	53.8	0
Very much like	55.9	38.5	100
Total	100.0	100.0	100

Source: Field data, 2005.

The analysis in the table above shows that majority of employees (95.6%) can be categorised as 'liking' the new TLB rules. Of this proportion, 55.9% can be said to 'Very much like' the rules and 39.7% to 'Like' them. Only 4.4% 'Don't like' the rules. 53.8% of the owners 'Like' the rules and 38.5% 'Very much like' the rules; only 7.7% of them can be said no to like the rules. All managers can be categorised as 'Very much like' the rules. Generally, it can be concluded that the operators in the *Matatu* industry 'like' the new TLB rules.

A number of explanations can be given for this result given that the rules were vehemently opposed when they were first introduced. One explanation is that those who opposed the rules were cartels that have since been forced out as the Government had explained. Or the operators misunderstood the rules but have now come to appreciate their utility. Or the operators were being hypocritical and only wanted the researchers to believe that they were following Government regulations. Whatever the explanations, the operators' initial hard line stance towards the TLB has waned and the Government could use the opportunity to streamline the industry implement further.

#### (ii) The attitude of *Matatu* owners

In order to assess whether the *Matatu* owners like the new rules in the *Matatu* industry, respondents were presented with the six statements relating to these rules. They were requested to indicate their degree of agreement or disagreement on a five-point range (1 for strongly disagree - SD, 2 for disagree - D, 3 for undecided - U, 4 for agree - A, and 5 for strongly agree - SA). Table 4.30 below shows the distribution of their responses on these statements.

Table 4.33 *Matatu* owners like the new rules

Statement on attitude	Responses (%)														
	Employees					Owners					SACCO Managers				
	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
Security vetting	41.2	42.6	5..9	5..9	4.4	61.5	15.4	23.1	0.0	0.0	100	0.0	0.0	0.0	0.0
Permanence	8.8	16.2	11.8	23.5	39.7	30.8	7.7	30.8	7.7	23.1	0.0	50.0	0.0	0.0	50.0
Uniforms	23.5	63.2	8.8	4.4	0.0	23.1	53.8	23.1	0.0	0.0	50.0	50.0	0.0	0.0	0.0
Badges	25.0	60.3	7.4	2.9	4.4	30.8	38.5	23.1	7.7	0.0	50.0	50.0	0.0	0.0	0.0
Testing	38.2	51.5	5..9	1..5	2..9	38.5	23.1	30.8	7.7	0.0	0.0	100	0.0	0.0	0.0
Photocopy	22.1	57.4	5..9	8.8	5..9	38.5	15.4	30.8	7.7	7.7	0.0	50.0	0.0	50.0	0.0
Total	68					20					4				

As can be observed from the table, most of the respondents generally felt *Matatu* owners have a positive attitude towards the TLB rules, with the exception of the rule on permanent employment and salary. For employees, 83.8%, 86.7%, 85.3%, 89.7%, and 79.5% agreed with the statement 'Matatu owners like the new rules' in relation to security-vetting, uniforms, badges, testing, and photograph respectively. But most of them (63%) disagreed with the statement in relation to the permanent employment rule. Generally, the level of disagreement and undecidedness with the statement in relation to other rules was low, averaging 9% and 7% respectively.

Majority of the owners also agreed with statement, again the exception being the permanent employment rule. Only 30.8% agreed with it in relation to this rule compared with 76.9% each for security-vetting and uniforms, 69.3% for badges, 61.6% for testing, and 53.9% for photograph. While the owners did not outrightly disagree with the statement in relation to permanent employment, the level of undecidedness was significant, at 30.8%. Generally, the owners showed a higher level of undecidedness with this statement: 23.1% each for security vetting, uniforms, and badges; and 30.8% each for permanent employment, testing, and photograph. But for the rules on permanent employment and the photograph, all managers agreed with the statement regarding owners' attitudes towards the rules. On permanent employment and the photograph, a half agreed and another half disagreed. There was no indecision on the part of the managers regarding their perception of owners' attitudes towards the TLB rules.

The answer to each constituent statement was scored on a scale of 1 to 5. The individual scores were added up to form an overall score for each respondent. The overall score varied between, strongly disagreeing with all the statements, and 30, strongly agreeing with all the statements. The higher the score, the more an owner likes the new requirements, and vice versa. This overall score was later divided into three ordinal levels in order to categorize the respondents depending on their scores. These ordinal levels included 6-13 (don't like), 14-22 (like), and 23-30 (very much like). Table 4.31 below depicts the level of owners' liking of the new requirements in the *Matatu* industry.



Table 4.34 Level of owners' liking of the TLB rules

Level of liking	Employees	Owners	Managers
	%	%	%
Don't like	2.9	0.0	0
Like	52.9	53.8	50
Very much like	44.1	46.2	50
Total	100.0	100.0	100

Sourced: Field data, 2005.

The analysis presented in the table above indicates that most of the respondents believed that the *Matatu* owners 'like' the new TLB rules. 97% of employees thought so of whom 44.1% thought owners 'Very much like' the rules and 52.9% thought owners 'Like' the rules. Only 2.9% thought owners 'Don't like' the rules. All owners surveyed can be categorised as having thought owners 'like' the new rules with 46.2% of them in the 'Very much like' group and 53.8% in the 'Like' category. None placed owners in the 'Don't like' category. All managers considered owners to like the rules with one half in the 'Very much like' category and another half in the 'Like' category. This is consistent with the general view of the stakeholders that while the rules may be difficult to comply with, none would want to see the rules scrapped. This leads to the question as to who was behind the vehement opposition to the rules at their inception.'

#### 4.5 Assessing the capacity of the *Matatu* industry to cope with the TLB rules

The capacity of the *Matatu* industry to absorb the implications of the new TLB rules was considered in terms of the knowledge and the skills of the operators as well as the cost. To assess the capacity in terms of knowledge and skills, the employees, owners and managers were presented, in the preliminary sections of the data collection instruments, with statements on level of education, namely primary, secondary, tertiary and none. Of the owners surveyed, 8% said they did not have formal education, 23% said they had primary level education, and 46% said they had tertiary level education. Those with tertiary level education preferred to have their vehicles managed through *Matatu* SACCOs. As for the managers, 16% said they did not have any formal education, 42% said they had primary level education, and another 42% said they had tertiary level education.

Most of the owners and managers interviewed did not consider inadequate knowledge and skills to be a factor in compliance with the rules. For example, when asked whether illiteracy was a difficulty in complying with the rules, only 6% of employees and 23% of the owners responded in the affirmative; and only 15% of owners and 50% of managers said lack of experience was a difficulty in managing permanent employment. All managers said illiteracy was not a difficulty. And in terms of pensions, only 15% of the owners and none of the managers said lack of expertise was a difficulty. Instead they blamed cost. Most of the employees (94%) also disagreed that 'illiteracy' presented a difficulty in compliance. In so far as the security-vetting and identification rules were concerned, therefore, both employees and owners interviewed had capacity to absorb the implications of the rules.

However, the limited education and training of the employers in the industry was evidently a hindrance to a certain extent. This was especially in the realm of the application of the HRM principles to their activities and especially their capacity to manage change effectively.

The capacity to absorb the implications of the rules was also considered in terms of the financial ability of operators to meet the costs, especially in relation to permanent employment and salary. The monetary costs involved include: expenses on security vetting, uniforms, photograph and badges; expenses on salaries and wages; licenses, tax, interest on loans and principal repayments; and 'police'. The cost of security vetting and identification rules was born by the employees in the industry. Asked whether cost was a difficulty of compliance, 52.9% of employees said it was in relation to security vetting and the uniform, 58.8% said it was in relation to the badge, 50% said it was in relation to compulsory testing of drivers, and 47.1% said cost presented a difficulty in relation to the photograph. Generally, however, the cost was not so prohibitive as to cause non-compliance with the TLB rules by the employees.

The requirement for owners to hire staff on permanent basis presents a number of monetary costs to the businesses. Besides the salaries, there are other statutory deductions to be made and in some cases, employers are required to contribute. Examples include NHIF, NSSF, and contributory pensions. Generally, the ability to pay is a major influence on pay (Cole, 2002) and the related obligations such house allowance, paid leave, pensions, sick off, and safety measures

among others. The *Matatu* industry as presently organised cannot afford to hire employees on permanent terms. Most of the owners operate as sole proprietors owning one vehicle whose operations are erratic such that a regular income is not guaranteed.

To assess the financial capacity, the *Matatu* operators were asked to compare their revenues and costs and whether this left sufficient room to cover especially for the payment of a permanent salary and related costs. Most of them (92.3% of each of the two) reported that their vehicles earned less than Kshs. 60, 000.00 (Sixty thousand Kenya shillings) a month, which fell short of their operating expenses were even before considering paying the expenses related to permanent employment.

## CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

### 5.1 Summary

The *Matatu* industry is part of the PSV sector, which has been characterised by a chaotic business environment leading to a public outcry. This drew the concern of the Government that moved in to institute change. The change was by way of legal gazette notice in which were published new rules that required among others permanent employment of staff, security-vetting of prospective employees, identification rules for staff, and biennial testing of drivers for competence.

Initially, the operators in the industry stiffly resisted the rules but the Government did not relent. The study was designed to establish how the industry was faring in so far as the rules affected its human resource. The objectives of the study were to outline the changes that had taken place hitherto, to evaluate the usefulness of the rules to the industry, to evaluate the relevance of HRM principles to the industry, to assess the capacity of the industry to cope with the new rules, and to make recommendations thereof.

The study was carried out in Nakuru Town in August 2005 on vehicles that operate within the MCN as well as those that cover long distance routes but are based in Nakuru town.

### 5.2 Conclusions

In this study, the researcher set out to answer six questions as follows:

- (i) What changes have taken place in the *Matatu* industry during the period under study?
- (ii) What is the usefulness of the TLB rules to the *Matatu* industry as far as the management of the human resource is concerned?
- (iii) What is the relevance of HRM principles to the *Matatu* industry in light of the new TLB rules?

- (iv) What difficulties does the *Matatu* industry face in complying with the new TLB rules?
- (v) Does the *Matatu* industry have capacity to cope with the TLB rules? and
- (vi) What recommendations can be made from the study?

### **The human resource related change that has taken place in the *Matatu* industry**

The change that has taken place in the *Matatu* industry was presented in Chapter Two on Literature Review. In summary, however, the changes include: security vetting ahead of employment (prospective employees are required to obtain a certificates of good conduct from the CID offices before they can be issued with PSV licenses); employing the *Matatu* crew on permanent terms; wearing of and uniforms by the crew while on duty and displaying the driver's photograph in the vehicle; and the testing for competence, after every two years, of all drivers in the industry. Other changes include the fitting of vehicles with speed inhibitors, specification of the routes to be plied, seat belts, and the continuous yellow line around the body of the *Matatu* vehicles. This study focused on the rules that directly affected the management of the human resource. The changes were mooted in 1999 but were only enforced in the year 2004 due to a changed legal-political environment.

### **Usefulness of the TLB rules to the *Matatu* industry**

The study revealed that except for the permanent employment and salary rule and testing drivers for competence, the rules are useful to the *Matatu* industry. Security vetting is useful as it helps weed out those with criminal record from the industry; and identification rules are useful both to colleagues within the industry and to the passengers who can easily know who is in charge of the vehicle. The rule on permanency is not only 'Not useful', but it is also impractical considering the way the *Matatu* business operates, especially under a one-vehicle sole proprietorship. On testing drivers for competence, no driver had been tested for competence by the time of the carrying out the survey; hence it may be premature to draw any conclusions on the usefulness of this rule.

### **Difficulties of compliance with the TLB rules**

Despite the difficulties that attend to the implementation of the TLB rules, majority of the stakeholders surveyed in this study did not want them scrapped. All managers, 62% of owners, and 52% of employees reported that they wanted the rules to remain. Those who reported to want the rules scrapped (38% of owners and 48% of employees) particularly reported frustrations with the permanent employment, identification, security vetting, limitation of routes and specified passenger capacity. Respondents who favoured the rules, however, wanted to see improvements such as consultation with *Matatu* stakeholders before far reaching changes are planned, treatment of *Matatu* workers and owners with respect, institutionalization of self-regulation as opposed to enforcement by police, decentralization of TLB offices to cut on red tape, and curbing of corruption in the industry. Specifically, employees wanted to see the badges transferable from one owner to another and be signed by the employee alone rather than the employer as the current procedure limits mobility.

Regarding the difficulties of complying with the new TLB rules, the respondents cited cost, bureaucracy, attitude, inflexibility, unreliability, corruption, and inexperience as hampering effective compliance with the rules. Despite these difficulties, and other than the rule on permanent employment and salary, *Matatu* employees, owners, and managers agreed, generally, that it is not difficult to comply with the rules.

### **Relevance of the HRM principle to the *Matatu* industry**

It is the objective of HRM to improve the quality of life of workers. The study established that while HRM as a management function cannot be employed in the *Matatu* industry, the principles of the HRM are applicable. Among these are the principles of employee involvement, employee empowerment, reward determination, communication, commitment, and sound human relations. These principles can be employed by proprietors to gain some competitive advantage. For example, a competent, honest driver is a rarity. The HRM principles are also relevant in the management of change in the industry. Principles such as employee assistance programmes (Korman, 1994) would help employees cope with the sudden changes they were required to embrace.

### **Capacity of the *Matatu* industry to comply with the TLB rules**

On the capacity of the industry to absorb the implications of the rules, the study revealed that the security vetting and the identification rules did not have serious implications on cost. They also did not need any specialized knowledge and skills to implement. However, permanent employment had serious cost implications that the *Matatu* businesses could not absorb. Permanent employment implies that the employer has to offer medical cover, house allowance, paid leave and deduct, contribute to, and remit statutory levies such as NSSF, NHIF, pension, and income tax. While this may work to a small extent for *Matatu* SACCOs, most operators can neither afford nor have the knowledge and skills to execute the concomitant managerial tasks that are quite sophisticated.

It is not clear whether business would cope with the rules were the Government to put its foot down and demand that employees be hired on permanent basis and be paid a salary.

### **5.3 Recommendations**

- (i) Security vetting rules. Most of the study subjects agreed that this rule was useful to the *Matatu* industry and it was, therefore, welcome. However, it is noteworthy that security-vetting alone does not guarantee good conduct by the employees. In its report on violators during the study period, the Government noted that of the cases reported, 20% of the *Matatu* crew were abusive and rude to their passengers and engaged in reckless driving such as over speeding and overtaking from the wrong side of the road. And yet all had the certificates of good conduct. It is recommended that the good conduct be built into the initial training of the drivers and a mechanism be found for instilling discipline in the conductors.
- (ii) Permanent salary and employment rules. This rule was found to be untenable; hence it should be reconsidered. The industry as presently organised cannot sustain permanent employment. No single vehicle is guaranteed to be on the road the following day considering the hazards and the ease with which the police can detain them. Revenues were extremely irregular even for the *Matatu* SACCOs that were better organised. Permanent employment sets in motion other numerous employee

rights such as paid leave, housing allowance, medical benefits, retirement schemes besides a host of other statutory provisions that operators must oblige to. All these require vast sums of money and highly skilled management, which were not available to the *Matatu* industry. Hence, the government needs to rethink this regulation and consult human resource experts on the best way to effect the rule.

- (iii) Testing drivers for competence. This rule is impractical for the reason that it would be too expensive and time-consuming to retest more than 40, 000 drivers every two years. Instead, the Government needs to reorient the existing training systems for drivers across the board, including non-PSV ones who, at times, exhibit incompetence on the road. At the time of carrying out the study, no single driver had been tested for competence, as the two-year period had not elapsed. The relevant TLB rule does not specify how the retesting will be carried out and the agencies to execute the function. It is unlikely that the Government itself has capacity to ensure all drivers are retested. Most of the respondents thought the Government should be more concerned with the initial training of the PSV drivers rather than focussing on retesting.
- (iv) Identification rules. There is need for flexibility in enforcing this rule. The study revealed that the badge hampers mobility of employees as they have to be endorsed by the employer. The employee has virtually no control over the badge and yet he/she cannot be hired without it. Fair trade demands that both employer and employee are on level ground. Respondents in this study thought the photograph has no value, since the badge and the driving license bear the photo. Since the photograph was mainly meant for passengers to identify drivers, it will be interesting to see how they respond should such study be carried out in future (see recommendation on the direction for future research). On uniforms, the employees should be involved in the choice of the colour as the conductors thought their maroon colour was very demeaning.
- (v) Institutional framework. Besides enforcement by the traffic police, there is need to develop and empower stakeholder institutions in the industry so as to foster the spirit of self-regulation. Such organisations as the MWA, MOA, and the various *Matatu*



SACCOs and companies are viable vehicles for self-regulation. Even before the TLB rules came into effect, some of the *Matatu* SACCOs were running their businesses in an efficient and disciplined manner.

- (vi) Government attitude. The Government's approach to the problems in the *Matatu* industry has been just as chaotic and at best legalistic. The industry has been treated like something noxious. The human relations approach needs to be employed when addressing the issues in the industry. Since the TLB appears concerned with licensing and enforcement, a separate department in the Ministry of Transport may be required to execute this humanistic approach. In the final analysis, *Matatu* owners and employees are both Kenyans and human beings who should be treated with dignity. Furthermore *Matatu* owners are investors the Government should be encouraging and not condemning wholesale.
- (vii) Corruption. The enforcement of the TLB rules, like all other traffic rules, is in the province of the traffic police department, which has been accused of being corrupt. While stakeholders would like to see the police continue to enforce the rules, they also want corruption wiped out.
- (viii) Work environment. There is need to improve the environment within which the *Matatu* workers operate. This is in relation to the roads and facilities at bus parks. At the time of carrying out the study, respondents complained that the road network was not conducive to safe driving and bus parks lacked basic facilities such as toilets and water.
- (ix) Management of change. Change is a fact of life and the introduction of the TLB rules is not going to be the last of such changes. The Government will need to involve other stakeholders in the *Matatu* industry whenever it wants to bring in change. It is widely believed that commitment to change is improved where those affected by it participate in its planning and implementation and where the interests of the change recipients are protected (Armstrong & Baron, 2002).

- (x) Direction for future research. This study looked only at the management of the human resource in the *Matatu* industry. But HRM cannot be conducted in isolation; the wider industry environment is important. It is recommended that studies be carried out on human relations within the industry in general. This will cover passengers or the customers as well.

Other relevant issues that should be considered include related rules such as maximum number of passengers, the yellow band around the body of the *Matatu* vehicles, specification of the routes to be plied, seat belts, and speed control. All these have implications on the operations of the HR in the *Matatu* industry.

Stakeholders would also like to see related studies especially the management of bus parks. Conversations by MCN officials during preparations for this study revealed that the local authorities were concerned with the management of bus parks and suggested that this study ventures into the same.

This study employed non-probabilistic methods. It is also recommended that probabilistic methods be employed in future studies so as to allow effective generalisation of the findings.

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## APPENDIX I: INTERVIEW SCHEDULE FOR MATATU EMPLOYEES

NOTE: Please tick in the box () as the respondent gives the answer to each question

### A PERSONAL AND PRELIMINARY DETAILS

1. Name:.....(Optional)
2. Gender:      Male            Female
3. Age:      18-24                    25-31            Above 31
4. Highest level of education:    None    Primary    Secondary    Tertiary
5. Job title:      Driver    Conductor
6. Date began service with this vehicle?      Before TLB rules    After TLB Rules
7. Do you have a letter of employment?      Yes                    No
8. After how long does your employer pay you?    Day    Week    Month
9. Are you paid a house allowance?    Yes    No.
10. Do you sign any vouchers whenever you receive your pay?    Yes    No
11. Does your employer deduct money from your pay for any of the following?  
Income Tax:      Yes    No     Pension:      Yes    No  
NSSF:            Yes    No     NHIF:        Yes    No
12. Do you have rest days in a week of working?      Yes            No
13. If yes, when do you rest?    Monday    Tuesday    Wednesday  
                                   Thursday    Friday    Saturday    Sunday
14. Does your employer pay you on rest days?    Yes            No
15. What time do you begin work?      Before 6.00 a.m.    After 6.00 a.m.
16. What time do you close?    At 6.00 p.m.    At 7.00 p.m.    After 8.00 p.m.
17. How many hours are you required to work?    Less than 8    8    more than 8
18. Do you work continuously from opening to closing?    Yes    No
19. If No, What time of the day are you required to work?    5.00 -9.00 a.m.  
                                   9.00 – 12.00 noon    12.00 noon – 4.00 p.m    4.00-7.00 p.m    7.00-10.00pm
20. Do you go on annual leave?    Yes            No
21. If yes, for how many days do you go on leave?    More than 21    Less than 21
22. Are you paid while on leave?      Yes            No
23. Does your employer sponsor you on any medical cover?    Yes    No

24. Who pays for your medical bill?  Myself  My Employer
25. Who pays for your spouse and children's medical bill?  Myself  My Employer
26. Are you paid whenever you are sick and cannot go to work?  Yes  No
27. Apart from the vehicle insurance, are you covered by any other insurance policy?  
 Yes  No
28. Who takes responsibility for the mistakes you make while on duty?  
 Driver  Conductor  Owner/manager
29. Who pays for the damages to the vehicle when an accident occurs?  
 Myself  Employer  Insurance
30. Who pays for accidentally lost revenue collected?  Driver  Conductor  
 Employer  Insurance
31. Who pays for passenger's lost property?  Driver  Conductor  Employer  
 Passengers
32. Who pays for the renewal of your license?  Myself  My employer
33. Who pays for uniforms and badges?  Myself  My employer
34. What benefits are you entitled to?  Medical  Insurance  
 Leave  Paid Off duty/Sick-off
35. Do you wear uniforms every time you are on duty?  Yes  No  Sometimes
36. Do you wear badges every time you are on duty?  Yes  No  Sometimes
37. Do you display your photograph in the vehicle? (Drivers only)  Yes  No  
 Sometimes
38. Have you been tested for competence? (Drivers only)  Yes  No

## B ON USEFULNESS OF THE RULES

Key: SD=Strongly Disagree; D=Disagree; U=Undecided; A=Agree; SA=Strongly Agree

39. Rate each of the following statements on the scale shown to the right.

	1	2	3	4	5
Security-vetting improves vehicles security.	SD	D	U	A	SA
Security-vetting improves security of cash.	SD	D	U	A	SA
Security-vetting improves employee safety.	SD	D	U	A	SA
Security-vetting improves passenger safety.	SD	D	U	A	SA
Permanent salary fosters commitment.	SD	D	U	A	SA

Permanent salary raises worker morale.	SD	D	U	A	SA
Permanent salary reduces turnover.	SD	D	U	A	SA
Permanent salary enhances staff commitment.	SD	D	U	A	SA
Permanent salary raises <i>Matatu</i> daily income	SD	D	U	A	SA
Photograph leads to self-discipline of driver.	SD	D	U	A	SA
Photograph ensures vehicle not given to non-driver.	SD	D	U	A	SA
Photograph ensures driver has good PR.	SD	D	U	A	SA
Uniform checks on the conduct of the worker.	SD	D	U	A	SA
Badges lead to staff self-discipline.	SD	D	U	A	SA
Testing improves vehicle maintenance.	SD	D	U	A	SA
Testing leads to fewer mistakes and accidents.	SD	D	U	A	SA
Testing leads to fewer arrests.	SD	D	U	A	SA
Testing leads to fewer road disputes.	SD	D	U	A	SA

40. What specific benefits accrue from each of the following?

- Security-vetting:     Security of Workers         Passenger Security  
                                Security of Vehicle         Cash Security         None
- Permanency:         Regular income     Pension     Job Security  
                                Benefits             None
- Uniforms:             Save personal clothing         Identify with colleagues  
                                Security                             None
- Badges:               Security             Identify with colleagues  
                                Identification         None
- Compulsory Testing:  Improve skills     Promotion     Better prospects     None
- Photograph:         Identification     Security         None

**C ON RELEVANCE OF THE HRM PRINCIPLE TO THE MATATU INDUSTRY**

41. Do you discuss business matters with your employer?     Yes         No
42. Does he/she tell you why he/she is in business?         Yes         No
43. Does he/she tell you how much to bring home every end of day?     Yes         No
44. Who decides which route(s) the vehicle should ply?     Driver     Conductor  
                                Owner/Manager     Touts         SACCO     Government



45. Does your employer share with you what he/she expects of you?  Yes  No
46. Does he/she allow you to share what you expect of him/her?  Yes  No
47. Do you make suggestions about the routes the vehicle should ply?  Yes  No
48. Do you discuss with your employer on how much you should be paid?  Yes  No

Which other areas do you make suggestions in?

- Vehicle service  Vehicle repair  Hire charges  Leave
- Rest Days  Allowances  Cash Management  Customer care

49. Do you approach your employer alone or jointly with others or through others?

- Alone  With others  Through others

## D ON DIFFICULTIES OF COMPLIANCE

50. What difficulties do you face with the TLB rules?

- Application process  Cost  Owners  Police  Attitude

51. What difficulties do you face with each of the following requirements?

- |                      |  |  |   |
|----------------------|--|--|---|
| Permanent employment | <input type="checkbox"/> Inflexibility | <input type="checkbox"/> Unreliability |   |
|                      | <input type="checkbox"/> Not practical | <input type="checkbox"/> Illiteracy    |   |
| Security-vetting     | <input type="checkbox"/> Cost          | <input type="checkbox"/> Demeaning     | <input type="checkbox"/> Discriminatory |
| Uniform              | <input type="checkbox"/> Cost          |  | <input type="checkbox"/> Demeaning      |
| Badges               | <input type="checkbox"/> Cost          |  | <input type="checkbox"/> Demeaning      |
| Compulsory Testing   | <input type="checkbox"/> Cost          | <input type="checkbox"/> Demeaning     | <input type="checkbox"/> No value       |
| Photograph           | <input type="checkbox"/> Cost          |  | <input type="checkbox"/> Demeaning      |

52. Rate the requirements in relation to the statement, 'it is not difficult to comply'

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

53. Rate the requirements in relation to the statement, 'Matatu workers like the rules'.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

54. Rate the requirements in relation to the statement 'Matatu owners like the requirements'.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

## F ON RECOMMENDATIONS

55. Would you like to see the TLB rules for *Matatu* scrapped?  Yes  No

56. If yes to 55 above, which particular rules would you like to see scrapped?

- Permanent employment  Uniforms  Badges  Photograph  Security-vetting  
 Compulsory testing

57. If no to 55 above, what would you like to see done to improve the rules?

- Treatment of *Matatu* workers and owners with respect  
 Institutionalise self-regulation as opposed to enforcement by police  
 Consult *Matatu* stakeholders when introducing change  
 Change of attitude towards *Matatu* industry

## APPENDIX II: INTERVIEW SCHEDULE FOR *MATATU* OWNER

(NOTE: Please tick in the box () as the respondent gives the answer to each question)

### A PERSONAL AND PRELIMINARY DETAILS

1. Name:.....(Optional)
2. Age:            18-28                       29-39                       Above 40
3. Gender:        Male                       Female
4. Highest level of education:    None    Primary    Secondary    Tertiary
5. When did you begin business?  Before TLB                       After TLB
6. Number of vehicles owned:    One            Two            More than two
7. Do you employ a driver?  Yes                       No
8. If yes, what are the terms?  Casual    Temporary    Part time    Permanent
9. If you do not employ a driver, who drives your *Matatu*?    Self    Family member
10. What are the duties of your driver?  
 Driving    Cash security    Vehicle security    Passenger safety
11. Do you employ a conductor?  Yes                       No
12. If yes, what are the terms?  Casual    Temporary    Part time    Permanent
13. What are the duties of your conductor?  
 Organising passengers    Collecting fare    Cleaning vehicle
14. Are your driver and conductor on equal terms?    Yes            No
15. Do you issue letters of appointment?            Yes            No
16. Do you deduct income tax from your employees?  Yes    No
17. If yes, after how long do you submit returns to the government?  One Month  
 Three Months    Six Months    Nine Months    One Year
18. Do you deduct money from employees for pension?  Yes    No
19. Do you keep records of your employees?  Yes    No
20. After how long do you pay your workers?  A Day    A Week    A Month
21. Is the pay fixed or variable?  Fixed    Variable
22. Is the pay above, equal to, or below the minimum wage set by the Government?  
 Above    Equal    Below    Do not know
23. Do workers sign any vouchers in receipt of their pay?  Yes    No
24. Do you and your workers contribute to the NSSF?  Yes    No

25. Who pays workers' medical expenses?  Employer  Workers
26. What safety measures do you have in place for your workers?  Insurance  
 Security checks  None

**B ON USEFULNESS OF THE RULES**

27. Rate each of the following statements on the scale shown to the right.

	1	2	3	4	5
Security-vetting improves vehicle security.	SD	D	U	A	SA
Security-vetting improves security of cash.	SD	D	U	A	SA
Security-vetting employee safety.	SD	D	U	A	SA
Security-vetting improves passenger safety.	SD	D	U	A	SA
Permanent salary fosters commitment.	SD	D	U	A	SA
Permanent salary raises morale.	SD	D	U	A	SA
Permanent salary reduces turnover.	SD	D	U	A	SA
Permanency increases staff honesty.	SD	D	U	A	SA
Permanent salary raises daily income.	SD	D	U	A	SA
Photograph leads to self-discipline of driver.	SD	D	U	A	SA
Photograph ensures vehicle not given to non-driver.	SD	D	U	A	SA
Photograph ensures driver has good PR.	SD	D	U	A	SA
Uniform checks the conduct of the worker.	SD	D	U	A	SA
Badge ensures self-discipline of staff.	SD	D	U	A	SA
Testing improves vehicle maintenance.	SD	D	U	A	SA
Testing leads to fewer mistakes and accidents.	SD	D	U	A	SA
Testing leads to fewer arrests.	SD	D	U	A	SA
Testing leads to fewer road disputes.	SD	D	U	A	SA

28. In your opinion, of what use is each of the requirements below?

- Security-vetting:  Vehicle security  Cash Security  
 Passenger Security  Employee Security
- Permanency  Staff Commitment  Staff Honesty  
 Vehicle care  Passenger care

- Uniform             Identification             Security     Discipline  
 Badge              Identification             Security     Discipline  
 Testing             Improved skills     Vehicle care     Road Discipline  
                        Reduced Accidents  Reduced Disputes with other road users  
 Photograph        Security     Identification  Security     Discipline

**C ON RELEVANCE OF THE HRM PRINCIPLE TO THE MATATU INDUSTRY**

29. Do you tell your workers why you are in business?     Yes             No
30. Who determines the routes the vehicle should ply?  
 Myself     Conductor             Driver             Myself and my employees
31. Do your workers share in your business vision?     Yes             No
32. What other activities do you assign your driver?  
 Vehicle service     Repair supervision             Dealing with traffic police  
 Spares purchase     Banking     Marketing     Negotiating charges
33. What other activities do you assign your conductor?  
 Banking             Marketing             Negotiating hire charges  
 Cleaning Vehicle     Maintenance             Dealing with traffic police
34. What determines the level of pay you give your employees?  
 Government     Daily earnings     Negotiations     Competitors             SACCO
35. Do you negotiate with your employees individually or in a group?  
 Individually             In a group
36. Do you communicate with employees directly or through SACCO?  
 Directly             Through SACCO
37. How do you assist employees cope with the new rules?  
 Financially             Counselling
38. Please rate the following statements on the scale indicated on the right:

	1	2	3	4	5
Workers need to be treated with respect:	SD	D	U	A	SA
Employers should show true interest in workers:	SD	D	U	A	SA
Employers should understand workers:	SD	D	U	A	SA
Employers should communicate to workers:	SD	D	U	A	SA

Employers should be open to workers at all times:	SD	D	U	A	SA
Employers should not be too quick to judge:	SD	D	U	A	SA
Employees are much more than workers:	SD	D	U	A	SA

**E ON DIFFICULTIES OF COMPLIANCE**

39. Rate the requirements against the statement, 'it is not difficult to comply with the following requirements.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

40. What difficulties do you experience in paying a permanent salary?

- Regularity                       Fixedness                       Amount                       Inexperience

41. What difficulties arise from income tax administration?

- Illiteracy                       Cost                       Bureaucracy

42. What difficulties do you face regarding pensions?  Cost                       Lack of expertise

43. What disciplinary problems do you face?

- Lateness                       Carelessness                       Absenteeism                       Lawlessness

44. What demands for employee rights do you face?

- Leave                       Rest days                       Safety                       8-hour working day

45. Please rate the requirements in relation to the statement, '*Matatu* workers like the TLB regulations'.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA

Photograph SD D U A SA

46. Rate the requirements in relation to the statement, 'Matatu owners like the new rules'.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

47. Do employees work harder or less with the new rules?

Worker harder     Work less     No change     Do not know

**F ON CAPACITY TO ABSORB THE IMPLICATIONS OF THE RULES**

48. On average, how much does each vehicle earn per month? (Ask for records)

>Sh. 30, 000.00     Sh30, 000 – 60, 000.00.     Sh. 60, 000 – 90, 000.00

49. What amount should the vehicle earn per month to cover the costs?

Sh. 30, 000.00     Sh. 60, 000.00     More than Sh. 90, 000.00

**G ON RECOMMENDATIONS**

50. Would you like to see the TLB rules for *Matatu* scrapped?  Yes     No

51. If yes to 55 above, which particular rules would you like to see scrapped?

Permanent employment     Uniforms     Badges     Photograph     Security-vetting  
 Compulsory testing

52. If no to 55 above, what would you like to see done to improve the rules?

Treatment of *Matatu* workers and owners with respect  
 Insitutionalise self-regulation as opposed to enforcement by police  
 Consult *Matatu* stakeholders when introducing change  
 Change of attitude towards *Matatu* industry

### APPENDIX III: INTERVIEW SCHEDULE FOR MATATU SACCO MANAGER

(NOTE: Please tick in the box () as the respondent gives the answer to each question)

#### A PERSONAL AND PRELIMINARY DETAILS

1. Name:.....(Optional)
2. Name of SACCO/Company:.....
3. Gender:       Male                       Female
4. Highest level of education:  None    Primary    Secondary    Tertiary
5. When did you begin business?  Before TLB                       After TLB
6. Number of vehicles in the SACCO:  <50       50-100       >100
7. Who employs the driver?  Owner                       SACCO/Company
8. If yes, what are the terms?  Casual    Temporary    Part time    Permanent
9. What are the duties of your driver?  
 Driving     Cash security    Vehicle security    Passenger safety
10. Do you employ a conductor?  Yes                       No
11. If yes, what are the terms?  Casual    Temporary    Part time    Permanent
12. If yes to (11), What are the duties of your conductor?  
 Organising passengers    Collecting fare    Cleaning vehicle
13. If yes to (11), are your driver and conductor on equal terms?       Yes       No
14. Do you issue letters of appointment to the workers?       Yes       No
15. If yes to (14), do you keep copies?       Yes       No
16. Do you deduct income tax from your employees?  Yes    No
17. If yes to (16), after how long do you submit returns to the Government?  One Month  
 Three Months       Six Months       Nine Months       One Year
18. Do you deduct money from employees for pension?       Yes       No
19. Do you keep records of your employees?       Yes       No
20. After how long do you pay your workers?  A Day    A Week    A Month
21. Is the pay fixed or variable?       Fixed       Variable
22. Is the pay above, equal to, or below the minimum wage set by the Government?



Above     Equal     Below     Do not know

23. Do workers sign any vouchers in receipt of their pay?     Yes     No
24. Do you and your workers contribute to the NSSF?     Yes     No
25. Do you and your workers contribute to the NHIF?     Yes     No
26. Who pays workers' medical expenses?     Employer     Workers
27. What safety measures do you have in place for your workers?     Insurance  
 Security checks     None

**B ON USEFULNESS OF THE RULES**

28. (a) Rate each of the following of rules on the scale shown to the right according to the statement, 'The TLB rules are useful to the SACCO/Company.'

	1	2	3	4	5
Security-vetting.	SD	D	U	A	SA
Permanent employment.	SD	D	U	A	SA
Photograph display.	SD	D	U	A	SA
Uniform wearing.	SD	D	U	A	SA
Badge wearing.	SD	D	U	A	SA
Testing after every two years.	SD	D	U	A	SA

(b) Rate each of the statements on the scale shown to the right.

	1	2	3	4	5
Security-vetting improves vehicle security.	SD	D	U	A	SA
Security-vetting improves security of cash.	SD	D	U	A	SA
Security-vetting employee safety.	SD	D	U	A	SA
Security-vetting improves passenger safety.	SD	D	U	A	SA
Permanent salary fosters commitment.	SD	D	U	A	SA
Permanent salary raises morale.	SD	D	U	A	SA
Permanent salary reduces turnover.	SD	D	U	A	SA
Permanency increases staff honesty.	SD	D	U	A	SA
Permanent salary raises daily income.	SD	D	U	A	SA
Photograph leads to self-discipline of driver.	SD	D	U	A	SA

Photograph ensures vehicle not given to non-driver.	SD	D	U	A	SA
Photograph ensures driver has good PR.	SD	D	U	A	SA
Uniform checks the conduct of the worker.	SD	D	U	A	SA
Badge ensures self-discipline of staff.	SD	D	U	A	SA
Testing improves vehicle maintenance.	SD	D	U	A	SA
Testing leads to fewer mistakes and accidents.	SD	D	U	A	SA
Testing leads to fewer arrests.	SD	D	U	A	SA
Testing leads to fewer road disputes.	SD	D	U	A	SA

29. In your opinion, of what use is each of the requirements below?

- |                   |   |  |
|-------------------|---|--|
| Security-vetting: | <input type="checkbox"/> Vehicle security                                 | <input type="checkbox"/> Cash Security   |
|                   | <input type="checkbox"/> Passenger Security                               | <input type="checkbox"/> Employee Security                                     |
| Permanency        | <input type="checkbox"/> Staff Commitment                                 | <input type="checkbox"/> Staff Honesty   |
|                   | <input type="checkbox"/> Vehicle care                                     | <input type="checkbox"/> Passenger care  |
| Uniform           | <input type="checkbox"/> Identification                                   | <input type="checkbox"/> Security <input type="checkbox"/> Discipline          |
| Badge             | <input type="checkbox"/> Identification                                   | <input type="checkbox"/> Security <input type="checkbox"/> Discipline          |
| Testing           | <input type="checkbox"/> Improved skills                                  | <input type="checkbox"/> Vehicle care <input type="checkbox"/> Road Discipline |
|                   | <input type="checkbox"/> Reduced Accidents                                | <input type="checkbox"/> Reduced Disputes with other road users                |
| Photograph        | <input type="checkbox"/> Security <input type="checkbox"/> Identification | <input type="checkbox"/> Security <input type="checkbox"/> Discipline          |

### C RELEVANCE OF THE HRM PRINCIPLE TO THE MATATU INDUSTRY

30. Do you tell your workers why you are in business?  Yes  No
31. Who determines the routes the vehicle should ply?  
 Myself  Conductor  Driver  Myself and my employees
32. Do your workers share in your business vision?  Yes  No
33. What other activities do you assign your driver?  
 Vehicle service  Repair supervision  Dealing with traffic police  
 Spares purchase  Banking  Marketing  Negotiating charges
34. What other activities do you assign your conductor?  
 Banking  Marketing  Negotiating hire charges  
 Cleaning Vehicle  Maintenance  Dealing with traffic police

35. What determines the level of pay you give your employees?

Government  Daily earnings  Negotiations  Competitors  SACCO

36. Do you negotiate with your employees individually or in a group?

Individually  In a group

37. Do you communicate with employees directly or through SACCO?

Directly  Through SACCO

38. How do you assist employees cope with the new rules?

Financially  Counselling

39. Please rate the following statements on the scale indicated on the right:

	1	2	3	4	5
Workers need to be treated with respect:	SD	D	U	A	SA
Employers should show true interest in workers:	SD	D	U	A	SA
Employers should understand workers:	SD	D	U	A	SA
Employers should communicate with workers:	SD	D	U	A	SA
Employers should be open to workers at all times:	SD	D	U	A	SA
Employers should not be too quick to judge:	SD	D	U	A	SA
Employees are much more than workers:	SD	D	U	A	SA

### E ON DIFFICULTIES OF COMPLIANCE

40. Rate the requirements against the statement, 'it is not difficult to comply with the rules'.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

41. What difficulties do you experience in paying a permanent salary?

- Regularity  Fixedness  Amount  Inexperience  None

42. What difficulties arise from income tax administration?

- Illiteracy  Cost  Bureaucracy

43. What difficulties do you face regarding pensions?  Cost  Lack of expertise

44. What disciplinary problems do you face?

- Lateness  Carelessness  Absenteeism  Lawlessness

45. What demands for employee rights do you face?

- Leave                       Rest days                       Safety                       8-hour working day

46. Rate the requirements in relation to the statement, 'Matatu workers like the new rules'.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

47. Rate the requirements in relation to the statement, 'Matatu owners like the new rules'.

	1	2	3	4	5
Security-vetting	SD	D	U	A	SA
Permanency	SD	D	U	A	SA
Uniforms	SD	D	U	A	SA
Badges	SD	D	U	A	SA
Testing	SD	D	U	A	SA
Photograph	SD	D	U	A	SA

48. Do employees work harder or less with the new rules?

- Worker harder                       Work less                       No change                       Do not know

**F ON CAPACITY TO ABSORB THE IMPLICATIONS OF THE RULES**

49. On average, how much does each vehicle earn per month? (Ask for records)

- >Sh. 30, 000.00                       Sh30, 000 – 60, 000.00.  Sh. 60, 000 – 90, 000.00

50. What amount should the vehicle earn per month to able to cover the costs?

- Sh. 30, 000.00                       Sh. 60, 000.00                       More than Sh. 90, 000.00

## G ON RECOMMENDATIONS

51. Would you like to see the TLB rules for *Matatu* scrapped?  Yes  No

52. If yes to 55 above, which particular rules would you like to see scrapped?

- Permanent employment  Uniforms  Badges  Photograph  Security-vetting  
 Compulsory testing

53. If no to 55 above, what would you like to see done to improve the rules?

- Treatment of *Matatu* workers and owners with respect  
 Institutionalise self-regulation as opposed to enforcement by police  
 Consult *Matatu* stakeholders when introducing change  
 Change of attitude towards *Matatu* industry

APPENDIX IV: LEGAL NOTICE NO. 161

LEGAL NOTICE NO. 161 OF 2003 PROMULGATING THE NEW TLB RULES

Kenya Gazette Supplement No. 79

(Legislative Supplement)

LEGAL NOTICE NO. 161

THE TRAFFIC ACT

(Cap. 403)

IN EXERCISE of the powers conferred by section 119 (1) of the Traffic Act, the Minister for Transport and Communications makes the following Rules:—

THE TRAFFIC (AMENDMENT) RULES, 2003

1. These Rules may be cited as the Traffic (Amendment) Rules, 2003.

2. The Traffic Rules are amended—

Sub. Leg.

(a) in rule 22A—

(i) by deleting the class of vehicles and the manner of fitting of seat-belts specified in subparagraph (ii);

(ii) by inserting the following new paragraphs (6) and (7) immediately after paragraph (5)—

“(6) With effect from the 2nd November, 2003, every public service vehicle including motor omni-buses, *matatu* and private hire vehicles shall be equipped and fitted with a seat-belt in the manner specified in this paragraph—

MANNER OF FITTING

A seat-belt per seating position in the motor vehicle, and if seating accommodation is provided for more than two persons abreast, whether by means of a continuous seat commonly known as a “bench seat” or by separate seats, the seat-belts for the persons other than those seated next to the body of the car, may consist only of the cap-strap position of the seat-belt.

(7) No public service vehicle including motor omni-buses, *matatus* and private hire vehicles shall be used or driven on a road after the 2nd November, 2003, unless it is fitted and equipped with seat-belts in accordance with paragraph (6) and the owner of any vehicle driven in contravention of this paragraph shall be guilty of an offence and liable to a fine of five hundred shillings in respect of each seat-belt that is not fitted or which is fitted but is not of the proper standard or specification.”

(b) by deleting rule 41A and substituting therefor the following new rule—

“41A. (1) With effect from 1st February, 2004, the engine of—

- (a) every public service vehicle except taxis and private hire vehicles;
- (b) every commercial vehicle whose tare weight exceeds 3,048 kg. shall be fitted with a speed governor which—
  - (i) is of a type approved in writing by the Minister; and
  - (ii) is adjusted so that at all times and in any load condition the vehicle cannot exceed 80 kph.

(2) In this rule "governor" means a device to control the speed of the engine by any method.

(3) Every public service vehicle purchased after 31st December, 2003, shall be fitted with a speed governor before it can be licensed to operate."

- (c) in rule 55 by renumbering the existing paragraphs (b) and (c) as paragraph (c) and (d) and inserting the following new paragraph (b)—

"(b) the route number the vehicle operates on;"

- (d) by inserting the following new rule 65A immediately after rule 65—

"65A (1) With effect from 31st December, 2003, every driver and every conductor of a public service shall wear a special badge and uniform.

(2) The badges will be provided by the Registrar of Motor Vehicles upon payment of a prescribed fee.

(3) With effect from 1st February, 2004, every driver of a public service vehicle shall undergo compulsory testing after every two years to ascertain his or her competence.

(4) Every owner of a public service vehicle shall employ one driver and one conductor who shall be security vetted.

(5) Every conductor or driver of a public service vehicle shall only take up employment as such upon being vetted pursuant to paragraph (4) and shall be paid a permanent salary by the owner of the public service vehicle.

- (e) in Part VII by deleting Part VII and substituting therefor the following new Part VII—

**"PART VII—SPECIAL PROVISIONS RELATING TO TAXICABS AND MATATUS**

70. (1) With effect from 1st January, 2004, every taxicab or matatu shall have painted on both sides and on the rear a continuous horizontal yellow band having a width of 150 millimetres and of a consistency sufficient to enable such band to be clearly visible by day at a distance of not less than 275 metres.

Yellow bands.



(2) If the main body-work of a taxi-cab or matatu is so coloured that the yellow band required under this rule does not contrast prominently therewith so as to be clearly visible at a distance of at least 275 metres, then the main body-work, or so much of it as runs parallel to and at a distance of not less than 75 millimetres on either side of and contiguous to the aforesaid yellow band, shall be painted a dark colour of sufficient consistency to enable the yellow band to be clearly visible at the distance aforesaid.

71. There shall be prominently exhibited in every taxicab or *matatu* a recent photograph of the head and shoulders of the driver who for the time being has charge of the taxicab or *matatu* and the photograph shall be taken full face without hat, of postcard size and such photograph shall be—

Photographs.

- (a) of such nature and so displayed as to enable any person riding in the back of the taxicab or *matatu* clearly to identify the driver thereof with the photograph; and
- (b) approved by a police officer of or above the rank of Assistance Superintendent and having endorsed on the reverse of the photograph the particulars of the driver's identity card, public service vehicle licence and taxi driver's or *matatu* driver's licence, and the signature of such police officer signifying such approval as aforesaid.

72. Any person who—

- (a) contravenes or otherwise fails to comply with the provisions of this Part; or
- (b) owns, drives, causes to be driven or has charge of a taxi-cab or *matatu* other than in accordance with the provisions of this Part, shall be guilty of an offence and liable to a fine not exceeding six hundred shillings or, in default of payment, to imprisonment for a term not exceeding two months or to both."

Penalties under this Part.

3. Legal Notice No. 351 of 1987, is repealed.

Dated the 24th September, 2003.

JOHN MICHUKI,  
Minister for Transport and Communications.

APPENDIX V: COPY OF DRIVER'S AND CONDUCTOR'S BADGE

(Reproduced with permission)



This badge remains the property of K.R.A.  
 In case of loss, please send it to  
 The Commissioner General  
 Kenya Revenue Authority  
 P.O. Box 48240  
 NAIROBI  
 Or to the nearest police station  
 N.B. This badge is not a P.S.V. LICENCE



This badge remains the property of K.R.A.  
 In case of loss, please send it to  
 The Commissioner General  
 Kenya Revenue Authority  
 P.O. Box 48240  
 NAIROBI  
 Or to the nearest police station



# Kenya Revenue Authority

FORM XVI

THE TRAFFIC ACT  
( Cap. 403, Section 98 (3) )

## APPLICATION FOR LICENCE TO DRIVE A PUBLIC SERVICE VEHICLE

<p><b>(A) APPLICATION</b></p> <p>I (Surname).....</p> <p>Other names.....</p> <p>Nationality .....</p> <p>Identity Certificate No. ....</p> <p>Postal Address.....</p> <p>.....</p> <p>Residing .....Road,</p> <p>.....Town / District,</p> <p>being the holder of a valid driving licence No. ....</p> <p>hereby apply for a Public Service Vehicle driver's licence.</p> <p>I am _____ years of age.</p> <p>.....</p> <p style="text-align: center;"><i>Signature of Applicant</i></p> <p>Date .....</p>	<p style="text-align: center;">For Official Use</p> <p>Serial Number of licence and badge .....</p> <p>Prepared by .....</p> <p>Checked by .....</p> <p style="text-align: center;">Date-stamp</p>
--	--

**(B) POLICE CERTIFICATE**

I certify that the applicant is a fit and proper person to hold a public service vehicle driver's licence.

.....

*To be signed by a police officer of or above the rank of Assistant Superintendent.*

### IMPORTANT

**Manner of application.** – Complete this form where indicated and present it to a police officer (Assistant Superintendent of higher rank) of the district where you reside. After the officer has completed the certificate (B) the form should be presented to a licensing officer, together with a fee of Sh. 625/=.

**Note.** – To be forwarded to the Registrar of Motor Vehicles, P.O. Box 30440, Nairobi.



# Kenya Revenue Authority

THE TRAFFIC ACT  
(Cap. 403, Section 98 (3))

## APPLICATION FOR LICENCE TO ACT AS CONDUCTOR OF PUBLIC SERVICE VEHICLE

(A) APPLICATION

I (Surname).....

Other names.....

Nationality .....

Identity Certificate No. ....

Postal Address.....

Residing ..... Road,  
..... Town / District,

for Official Use

Serial Number of licence and badge .....

Prepared by .....

Checked by .....

herby apply for a licence to act as the Conductor of a public service vehicle.

I am        years of age.

.....  
*Signature of Applicant*

Date.....

Date-stamp

(B) POLICE CERTIFICATE

I certify that the applicant is a fit and proper person to hold a public service vehicle conductor's licence.

.....  
*To be signed by a police officer of or above the rank of Assistant Superintendent*

### IMPORANT

Manner of application. --- Complete this form were indicated and present it to a police officer (Assistant Superintendent of higher rank) of the district where you reside. After the officer has completed the certificate (B) the form should be presented to a licensing officer, together with a fee of Sh.50.

Note.--- To be forwarded to the Registrar of Motor Vehicles, P.O. Box 30440, Nairobi.

DAILY WORKSHEETS SHOWING AVERAGE INCOME AND EXPENDITURE

**P.S.V. DAILY WORKSHEET**

Sob. 200 400 500 100

VIREC. NO. START KMS. CLOSE KMS

FROM	TO	SIIS	TRIP TOTAL	EXPENSES	SIIS	CTS
NKU	NDE	550		Fuel-Diesel	1800	
NKE	NKU	600	1150	B/fast/Lunch	100	
NKV	NW	400		Salaries		
NTV	NKV	400	800	Parking Fee		
NKU	EST	550		Line	150	
CB	NKV	520	1040	PERMASH	100	
NKV	NDE	600		Puncture	50	
NDE	NKV	510	1170	Services	1440	
				Greasing		
				Garage	300	
				Others	11 200	
TOTAL EXPENSES						
SUMMARY						
TOTAL SIIS				EXPENSES	NET SIIS	
4460				4240	80	

**P.S.V. DAILY WORKSHEET**

00 400 500 200 400

VIREC. NO. START KMS. CLOSE KMS

FROM	TO	SIIS	TRIP TOTAL	EXPENSES	SIIS	CTS
NKU	EST	400		Fuel-Diesel	1800	
NKAF	NKV	410	810	B/fast/Lunch	100	
NKV	EST	410		Salaries	600	
CB	NKV	520	930	Parking Fee		
NKV	EST	550		Line	300	
CB	NKV	520	1070	Car Wash		
NKV	NW	450		Puncture		
NKV	NKV	340	740	Services		
NKV	EST	570		Greasing		
CB	NKV	500	1070	Garage		
				Others	11 200	
TOTAL EXPENSES						
SUMMARY						
TOTAL SIIS				EXPENSES	NET SIIS	
4620				3000	1620	

**P.S.V. DAILY WORKSHEET**

200 200 500 500 300

VIREC. NO. START KMS. CLOSE KMS

FROM	TO	SIIS	TRIP TOTAL	EXPENSES	SIIS	CTS
NKV	EST	520		Fuel-Diesel	2000	
EST	NKV	520	1040	B/fast/Lunch	100	
NKV	EST	650		Salaries	600	
EST	NKV	650	1300	Parking Fee		
NKV	EST	400		Line	450	
EST	NKV	310	710	Car Wash	100	
NKV	NKE	540		Puncture	200	
NKE	NKV	600	1140	Services		
NKV	NW	450		Greasing		
NKE	NKV	410	810	Garage		
NKV	EST	410		Others	11 200	
NW	NKV	190	600			
TOTAL EXPENSES						
SUMMARY						
TOTAL SIIS				EXPENSES	NET SIIS	
5600				3650	1950	

**P.S.V. DAILY WORKSHEET**

300 300 500 400 400

VIREC. NO. START KMS. CLOSE KMS

FROM	TO	SIIS	TRIP TOTAL	EXPENSES	SIIS	CTS
NKV	NKE	550		Fuel-Diesel	2100	
NKE	NKV	600	1160	B/fast/Lunch	100	
NKV	NW	500		Salaries	600	
EST	NKV	520	1020	Parking Fee		
NKV	NKE	540		Line	350	
NKE	NKV	570	110	Car Wash	100	
NKV	EST	550		Puncture		
CB	NKV	530	1080	Services	1200	
NKV	EST	520		Greasing		
CB	NKV	420	940	Garage		
				Others	11 200	
TOTAL EXPENSES						
SUMMARY						
TOTAL SIIS				EXPENSES	NET SIIS	
5310				4610	700	



The To Clerk  
Nakuru Municipal Council  
P.O Box 24 00 200  
NAKURU

DEC  
REF  
DATE 28/7/05

Thro'

The Dctor  
Nakuru Town Campus  
Egerton University  
P.O B 13357 00 200  
NAKURU

forwarded  
28/7/05

28/7/05  
C/3/A

ASSEMBLY  
Linda  
for  
assistance

Dear,

**RE: PERMISSION TO COLLECT RESEARCH DATA**

I am second year student of Egerton University at the Nakuru Town Campus pursuing the Master of Business Administration [Human Resource option] degree.

At the moment, I am involved in research work as part of the fulfillment of the requirements of the degree. The title of my research project is Making Human Resource in a Changed Environment: A Study of Kenya's Matatu Industry. The study is based in Nakuru Municipality. To be able to carry out this research, I need data from matatu owners, drivers and conductors.

I would, therefore, like to ask you to give me permission to collect data from the various bus termini within Nakuru Town.

I, together with my assistants, intend to carry out the exercise between July 27 and August 10. Your assistance in this regard will not only be highly appreciated but also acknowledged.

Thank you.

EGERTON UNIVERSITY LIBRARY

Yours faithfully,

Isaac Ole Sopia - CM11/0135/03  
Tel. 0735 935 202

Monday July 25 2005

market together  
Please visit me. I have  
information regarding  
matatu conductors.  
107  
18/2/05