

Identifying the challenges faced by a private bus operator

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ABSTRACT

The present economic climate in which public transport companies operate is highly competitive and presents various challenges that hinder the growth of many operators. The public transport sector includes both subsidised and non-subsidised operators, and operators in the formal sector are more regulated than operators in the informal sector. Considering the resulting great variation in the operational environments within which operators function, external factors may have as much influence on the management of the company as internal factors. Therefore, it is beneficial for companies to identify the challenges that affect the industry of operators in the private sector, specifically bus operators.

While various studies have been conducted on either the informal sector or the subsidised sector within the transport industry and the challenges operators face, literature on crucial factors influencing bus operators, particularly in the private sector, is lacking. This knowledge gap prevents the operators in this sector from remaining competitive and viable in the future. This study will enable managers and owners of passenger transport companies in the private bus operators sector to recognise the challenges faced in order to strategically align policies and operational strategies for future sustainability.

This mini-dissertation is based on an analytical study that was conducted to identify the challenges faced by a private bus operator, and thereby offering insight into the operating environment. The findings and insights around these challenges will help management identify and incorporate operational and strategic elements into their short and medium term strategies that will secure a more sustainable continuation of business for their company.

This study consists of four chapters. Chapter 1 provides the nature and the scope of the study, the background to the study, the research problem, objectives, methodology, and limitations. Chapter 2 provides a theoretical literature review of the public transport industry in South Africa and the challenges bus operators face. Chapter 3 involves an empirical review and content analysis. Lastly, Chapter 4 includes an overall overview and conclusion of the study, and recommendations for future research.

KEYWORDS:

Bus operator, commuter, fuel price, minibus taxi industry, passenger transport, public transport, road infrastructure, road transport, taxi intimidation, transport industry.

TERMINOLOGY:

Bus:	A motor vehicle designed to carry more than 35 persons, including the driver.
Bus operator:	A person that controls, or directs, the operations of a bus service in connection with a business, or activity, involving the transport of passengers. In this study, bus operators refer to all registered and legal bus operating companies in South Africa. This includes all long distance, contractual, commercial, and touring operators that own buses and provide a transport service in the transport market to clients requesting transport.
Commuters:	People who travel regularly by means of public transport. For this study, commuters include passengers, private clients, governmental institutions, and corporate entities making use of bus transportation.
Commute:	Travelling daily between home and work by means of public transport services.
Contracts:	Corporate entities and/or governmental institutions requiring specific transport on a contractual basis as stipulated in a contract between the operator and entity.
Road transport:	The movement of people from one place to another.
Long distance service:	A scheduled or unscheduled public transport service other than commuting that is provided beyond the boundary of the area covered by an integrated transport plan where passengers are charged fares individually.
Operator:	A person carrying on the business of operating a public transport service.

Private hires: Transport services rendered to individuals, organised groups, governmental institutions, and corporate entities requiring transport services on a specific time and date, for a specific cause to a specific location.

SABOA: South African Bus Operators Association is a transport body that represents the interest of the public transport industry at government level and advancing the status of the bus industry.

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CONTENTS

CHAPTER 1: NATURE AND SCOPE OF THE STUDY	1
1.1 Introduction	1
1.2 Background to the study	1
1.3 Problem statement	2
1.4 Objectives of the research	4
1.4.1 Primary objective	4
1.4.2 Secondary objectives	4
1.5 Research questions	5
1.6 Research methodology	6
1.6.1 Literature study	6
1.6.2 Empirical investigation	6
1.6.2.1 Research design	7
1.6.2.2 Study population	7
1.6.2.3 Sample	9
1.6.2.4 Collection of data	10
1.6.2.5 Analysis of data	10
1.7 The scope of the current study	12
1.8 Ethical considerations	13
1.9 Contribution of the study	14
1.10 Layout of the study	14
1.11 Chapter summary	16
2.1 Chapter introduction	17
2.2 The transport sector of South Africa	17
2.2.1 Economical benefits of public transport in SA	19
2.2.2 Regulation and legality in the transport industry of South Africa	23
2.2.3 General statistics on public transport in South Africa	25
2.3 Bus transportation as a form of public transport in South Africa	28
2.3.1 Overview	28
2.3.2 Types of operators	30

2.4	Challenges faced by the bus operators in South Africa	32
2.4.1	Decline of the mining sectors' life expectancy cycle	33
2.4.1.1	Overview of challenge	33
2.4.1.2	Challenge to bus operators deriving from the decline of the mining sectors' life expectancy cycle	35
2.4.2	Technological advancements, market innovation and urbanisation	36
2.4.2.1	Overview of challenge	36
2.4.2.2	Challenge to bus operators deriving from technological advancements, market innovation and urbanisation	37
2.4.3	Subsidisation and competition	38
2.4.3.1	Overview of challenge	38
2.4.3.2	Challenge to bus operators deriving from subsidisation and competition	40
2.4.4	Current economic climate and rising operational costs	41
2.4.4.1	Overview of challenge	41
2.4.4.2	Challenge to bus operators deriving from the current economic climate and rising operational costs	43
2.4.5	Customer satisfaction and quality of service	44
2.4.5.1	Overview of challenge	44
2.4.5.2	Challenge to bus operators deriving from customer satisfaction and quality of service	46
2.4.6	Safety	46
2.4.6.1	Overview of challenge	46
2.4.6.2	Challenge to bus operators deriving from safety aspects	48
2.4.6.2.1	Human error (driver fitness and fatigue)	49
2.4.6.2.2	Maintenance and reliability	49
2.4.7	Taxi intimidation	50
2.4.7.1	Overview of challenge	50
2.4.7.2	Challenge to bus operators deriving from taxi intimidation	51
2.4.8	Industrial action and labour strikes	52
2.4.8.1	Overview of challenge	52
2.4.8.2	Challenge to bus operators deriving from industrial action and labour strikes	53
2.4.9	B-BBEEE Compliance	54

2.4.9.1 Overview of challenge.....	54
2.4.9.2 Challenge to bus operators deriving from B-BBEEE requirements.....	55
2.5 Chapter summary.....	55
CHAPTER 3: EMPIRICAL INVESTIGATION.....	57
3.1 Introduction.....	57
3.2 Research methodology.....	57
3.2.1 Description of participants.....	57
3.2.2 Data collection.....	58
3.2.3 Data collection and analysis process.....	61
3.2.3.1 Qualitative.....	61
3.2.3.2 Quantitative.....	62
3.3 Qualitative statistical analysis.....	63
3.3.1 Themes identified.....	64
3.3.2 Presentation and interpretation of the results.....	71
3.3.2.1 Theme 1: Socio-economic implications.....	72
3.3.2.2 Theme 2: Legal and safety requirements.....	75
3.3.2.3 Theme 3: Driving patterns and driver behaviour.....	77
3.3.2.4 Theme 4: In-house operations.....	79
3.3.2.5 Theme 5: The way forward.....	81
3.3.3 Discussion of the interpreted results.....	82
3.3.3.1 External challenges.....	82
3.3.3.2 Sustainable future strategies.....	85
3.3.4 Summary of the qualitative results.....	87
3.4 Quantitative statistical analysis.....	88
3.4.1 Introduction to quantitative statistical analysis performed.....	88
3.4.2: Presentation of results (frequency, mean and standard deviation).....	89
3.4.2.1 Results and interpretation of section A (personal and demographics).....	89
3.4.2.2 Results and interpretation of section B (driver behaviour and patterns).....	94
3.4.2.3 Results and interpretation of section C (driver challenges).....	98
3.4.3 Descriptive statistics interpretation.....	102
3.4.3.1 Age groups.....	103

3.4.3.2 Driver tenures	105
3.4.3.3 Driver divisions of employment	109
3.4.4 Summary of the quantitative results.....	111
3.5 Chapter summary.....	112
CHAPTER 4: CONCLUSION AND RECOMMENDATIONS.....	114
4.1 Introduction.....	114
4.2 Main conclusions from the study.....	115
4.2.1 Conclusion on the literature study.....	115
4.2.2 Conclusion on the empirical study	117
4.2.2.1 Qualitative research results	117
4.2.2.2 Quantitative research results	117
4.3 Evaluation of the achievement of the study objectives.....	118
4.3.1 Primary objective re-visited.....	118
4.3.2 Secondary objectives re-visited	118
4.4 Recommendations and managerial implications.....	119
4.5 Study limitations	120
4.6 Recommendations for future research	121
4.7 Conclusion	122
LIST OF REFERENCES.....	123
ANNEXURES.....	141
APPENDIX A: QUANTITATIVE QUESTIONNAIRE	141
APPENDIX B: QUALITATIVE INTERVIEW SCHEDULE	144
APPENDIX C: QUALITATIVE ALPHABETIC ATLAS.TI CODE REPORT	145
APPENDIX D: LANGUAGE EDITING.....	189

LIST OF FIGURES

Figure 2.1: South Africa's total road network.....	18
Figure 2.2: Key connections in transport and economic development	20
Figure 2.3: Average South African Household expenditure.....	21
Figure 2.4: Public transport strategy and policy milestones	25
Figure 2.5: Monthly household income per capita spending on public transport	27
Figure 2.6: Vehicle retail sales by type	30
Figure 2.7: Global and local influences on mining companies with South African operations	33
Figure 2.8: Gold mining long-term decline.....	34
Figure 2.9: Growth in transport, storage and communications	42
Figure 2.10: Fuel price increase 2008-2010.....	43
Figure 2.11: Quality of service attributes	45
Figure 2.12: South African Road Fatalities 2007 – 2016	47
Figure 2.13: Number of strikes in South Africa (1999-2014)	52
Figure 3.1: Data analysis for qualitative research	59
Figure 3.2: Schematic layout of design employed	60
Figure 3.3: Coding process to final themes	62
Figure 3.4: Main themes identified	64
Figure 3.5: Socio-economic implications and outside influences	72
Figure 3.6: Legal and safety implications	75
Figure 3.7: Bus drivers: Driver behaviour and driving pattern influences	77
Figure 3.8: In-house: Management, procedural structures and communication alignment	79
Figure 3.9: Sustainable way forward	81
Figure 3. 10: Passenger transport journeys percentage change	83
Figure 3.11: Tourism's impact on employment in South Africa	87
Figure 3.12: Age of drivers	90
Figure 3.13: Employment tenure	91
Figure 3.14: Depot representation.....	92
Figure 3.15: Main priority of the company	92
Figure 3.16: Operational divisions	93
Figure 3.17: Licence codes	94

LIST OF TABLES

Table 2.1: GDP Contribution of transport and communication sectors	22
Table 2.2: Public transport usage by work sector	26
Table 2.3: Key differences between the commuter bus and minibus taxi industry	28
Table 2.4: National government allocation for public transport.....	38
Table 2.5: Operating subsidies per trip for public transport	39
Table 2.6: National Vehicle, Road and Human Factors for 2014	48
Table 2.7: Types of intimidation	51
Table 3.1: Quotations per participant	58
Table 3.2: Empirical research sections.....	63
Table 3.3: Main identified themes, sub-themes, and supportive quotations	65
Table 3.4: Descriptive statistical analysis	88
Table 3.5: Reliability statistical analysis	88
Table 3.6: Section A (frequency results)	89
Table 3.7: Section B: Driver behaviour and patterns	94
Table 3.8: Section C: Driver challenges	98
Table 3.9: Age (mean and standard deviation)	103
Table 3.10: Age (ANOVA)	104
Table 3.11: Age (multiple comparisons)	105
Table 3.12: Driver tenures (mean and standard deviation)	106
Table 3.13: Driver tenures (ANOVA)	107
Table 3. 14: Driver tenures (multiple comparisons)	108
Table 3.15: Driver divisions (mean and standard deviation).....	109
Table 3.16: Driver divisions (ANOVA)	110
Table 3.17: Driver divisions (multiple comparisons)	110

ABBREVIATIONS

AA	Automobile Association
ANOVA	Analysis of Variance
B-BBEE	Broad-Based Black Economic Empowerment
CPI	Consumer Price Index
DORA	Division of Revenue Act
DoT	Department of Transport
GCM	Gross Combined Mass
GDP	Gross Domestic Product
GVM	Gross Vehicle Mass
HR	Human Resources
LCS	Living Conditions Survey
LRA	Labour Relations Act
MTSF	Medium Term Strategic Framework
NAAMSA	National Association of Automobile Manufacturers of South Africa
NATMAP	National Transport Master Plan
NHTS	National Travel Household Survey
NPTR	National Public Transport Regulator
NTLA	National Land Transport Act
NWU	North-West University

PDP	Public Driving Permit
PTISG	Public Transport Infrastructure and Systems Grant
PTNOG	Public Transport Network Operations Grant
PTOG	Public Transport Operations Grant
RSA	Republic of South Africa
RTA	Road Transportation Act
RTMC	Road Traffic Management Corporation
S&P	Standard & Poor's
SA	South Africa
SABOA	South African Bus Operators Association
SAICA	South African Institute for Chartered Accountants
SANTACO	South African National Taxi Council
SARPBAC	South African Road Passenger Bargaining Council
SBO	Small Bus Operator
SMME	Small, Medium and Micro Enterprises
STATS SA	Statistics South Africa

CHAPTER 1: NATURE AND SCOPE OF THE STUDY

1.1 Introduction

Economic uncertainty, tough business conditions, and the deprived trading climate reflected in the economic contraction (Rossouw, 2017) drive management of organisations to persistently search for competitive advantages within their market of operations. Within the highly competitive market of passenger transport, organisations are continuously striving to expand their business and grow profits while aiming to lower operating costs. The rising cost-drivers and the current economic climate have led to increased competition, tighter margins, and the need for improved efficiencies (Dote, 2015).

Public transport is unquestionably one of the most substantial priorities concerning the socio-economic development in South Africa. Transport and transport services are a critical element in the daily lives of the country's citizens. South Africa should shift its focus to developing infrastructure and a society that will provide a safe, dependable, efficient, effective, and affordable public transport system to all South Africans (Mudali, 2017:4).

1.2 Background to the study

According to Statistics South Africa's (STATS SA) 2017 midyear estimations, South Africa's population is estimated to be 56.52 million people (STATS SA, 2017). With an unemployment rate at a 14-year high at around 27.7% (Peyper, 2017), government is once more feeling the pressure of an economy on the brink of junk status. Furthermore, the quarterly employment statistics show that the biggest decrease in gross earnings was suffered by the services sector, with R13.6 billion quarter to quarter and specific

employment declines in the transport and communications sector, observed at 5 000 jobs (STATS SA, 2017).

The constant population growth has led to an increasing number of people having to rely on public transport to commute to work. Data by STATS SA's National Household Travel Survey (NHTS) of 2013 reveals that 39.1% of workers relied on public transport as their main mode of travel (STATS SA, 2017), which indicates that public transport is essential for creating and growing competitive economies (Petterson, 2016).

Moreover, following the country's downgrading by credit rating agencies Standard & Poor's (S&P), and Fitch, the possible consequences in the form of significant capital outflows, severe exchange rate depreciation, higher inflation, and rocketing interest rates could deal a devastating blow on an already economically strained country (Mellet, 2017). On average, 20% of the monthly income from more than 60% of households is spent on transport (Petterson, 2016). Considering the current South African economic climate, passenger transport companies should make work of understanding and promoting internal and external environments toward addressing and overcoming the challenges brought on by the economic crunch and the industry challenges that affect not only their prosperity but also the welfare of their clients. In so doing these companies can contribute to economic growth and continue to improve the welfare of the citizens in this country so dependent on public transport.

1.3 Problem statement

Public transport plays an increasingly important role in South Africa's economy and in society at large. The bus industry has made a vital contribution to South Africa's economic development by providing millions of people dependent on public transport with mobility and creating jobs. Statistics shows that 80% of South Africa's population

depends on public transport with around 80 000 buses serving 850 million passengers with transport annually. The value of these buses are estimated to be R25 billion with the bus industry employing approximately 30 000 people (Mellet, 2017). Economic data indicates that public transport contributes exponentially to the economy, led by a 6.5% contribution to SA's Gross Domestic Product (GDP) (NATMAP, 2017:2).

Though barriers to mobility have been significantly reduced, the transport industry is not without obstacles and various challenges remain for the bus industry. This study will focus on the internal and external challenges faced by the bus industry which include but are not limited to:

- The decline of the mining sector's life expectancy cycle, resulting in a decline of passengers for long distance bus operators.
- Costly technological advancements and rising fuel and maintenance costs which increase operational costs.
- Market innovation and urbanisation leading to suppressed demand.
- The economic downturn resulting in market contractions.
- Fleet mismanagement, poor maintenance, and driver behaviour that threatens passengers' safety.
- Operational challenges deriving from taxi intimidation and industrial action.
- High capital costs for fleet replacement, hindering non-subsidised operators from gaining entry into new markets.
- Revised Broad-Based Black Economic Empowerment (B-BBEE) compliance legislature, hindering acquirement of contracts for non-compliant operators.

By analysing a bus operator's threats and opportunities within the external market, critical information about the market dynamics and subsequent strategic direction and management can be obtained for future viability of the industry's operators. This study

will investigate the roots of the identified challenges that threaten private bus operators' work security and wellness in order to understand the underlying causes and dynamics and to determine the solutions best suited to minimise the impact thereof toward ensuring sustainability, profitability, and economic growth.

1.4 Objectives of the research

The outcome of this study will be led by a primary objective followed by secondary objectives.

The private passenger transport sector's operational scope differs from those of the subsidised and public sectors. This study will primarily focus on identifying the challenges that a private, non-subsidised bus operator in South Africa faces. Moreover, this study will aim to find methods that could align internal strategies for counteracting the effects of both internal and external challenges on such a private, non-subsidised bus operator.

1.4.1 Primary objective

To identify the challenges influencing a bus operator in the private sector within South Africa.

1.4.2 Secondary objectives

The secondary objectives of this research study are:

- To determine which critical factors are industry-specific to a private bus operator operating in South Africa.
- To explore the origin, nature, and dynamics of the identified factors in this study that deters economic sustainability and advancement of the bus operator in the South African private sector.
- To determine the functional implications of these factors and possible solutions that could counter the effects on operators with similar challenges in the South African private bus operator's sector.
- To present conclusions on the findings about these identified factors.

1.5 Research questions

This study aims to identify and research the internal and external challenges that influence a bus operator in the private sector. The research questions set to meet the above objectives are:

- What are the internal organisational challenges faced by a private bus operator in the public transport sector of South Africa?
- What are the external environmental challenges faced by a private bus operator in the public transport industry of South Africa?
- Which of these challenges have the biggest impact on the private bus operator operating in South Africa?
- Which strategies, both organisational and strategic, can the private bus operator adopt for the industry-specific challenges identified?

1.6 Research methodology

To achieve the set objectives, a hybrid research approach was followed using qualitative and quantitative data.

1.6.1 Literature study

The comprehensive literature review will produce recent knowledge pertaining to the research question, which forms the foundation of this study. The literature allows the researcher to construct a convincing argument for the cause of this study (Machi & McEvoy, 2016), and it also allows for the acknowledgement of current findings pertaining on the topic.

The literature review will explore the theoretical aspects and framework of the public transport industry within South Africa, followed by the internal and external challenges that influence the transport industry. It will then proceed to narrow the focus to bus operators; since a gap exists in academic research on private bus operators. The theoretical literature has been gathered from published academic journals, articles, internet and database searches, and governing bodies to ensure credibility and reliability of information.

1.6.2 Empirical investigation

The empirical investigation will include a mixed-method study, as described by Creswell (2014:22-24), involving collection and integration of both qualitative and quantitative data to neutralise the weaknesses that each form of data presents. The quantitative approach will allow for a broader selection of data collected from a range of subjects,

thereby broadening the scope and thus guaranteeing a more reliable study, whereas the qualitative approach will allow for the collection of richer, more in-depth data from focus groups and subjects with expert knowledge in their fields.

Following the hybrid approach with a purposeful sampling method (Creswell, 2014:294), the qualitative data was collected from semi-structured interviews and the quantitative data was gathered through independent distribution of questionnaires at a single private bus operator in order to identify the challenges that affect the day-to-day operations, management, and the strategic position of such an operator. These challenges were then assessed and documented according to the extent of their impact to enable private bus operators to strategically align operations and thereby reduce the effect and possible impact thereof.

1.6.2.1 Research design

The research design of this study follows a qualitative and quantitative approach. In particular, the convergent parallel mixed method was applied, for which the quantitative and qualitative data were used respectively in the data interpretation so that a comprehensive analysis of the research problem could be formulated (Creswell, 2014:44). The research will mainly contribute to future managerial decision making in regard to strategy alignment, operational planning, budgeting, asset replacement policies, customer retention and ultimately long term sustainability.

1.6.2.2 Study population

Deciding on a sample or unit of analysis should include consideration of the feasibility of collecting and analysing the data, the validity thereof, the knowledge of the target

population, and should align with the study aim (Bickman & Rog, 2009). Geographical considerations, time constraints and convenience of access to the population led to the selection of a single bus operator operating in the private sector, and subsequently two provinces form part of the operator's base of operations, namely the North West and Gauteng provinces. The population consists of all employees from the chosen bus operator. A functional business approach was followed with the following criteria:

Operator

- Operator registered as a private bus operating company in South Africa.
- Classified as a large bus operator with fleet consisting of more than 30 buses.
- Operation in more than one division (e.g. long distance passenger transport, private hires and contracts).
- Staff compliment of more than 150 employees.
- Defined as a company as set out in the 2008 Companies Act.
- Member of South African Bus Operators Association (SABOA).

Employees

- Bus drivers with all legally required documents and relevant experience (valid Public Driving Permit (PDP) and valid driver's license with applicable code).
- Management with relevant experience of minimum five years at a transport company (e.g. Fleet/ Operations/ Depot / Traffic/ Human Resources (HR) / Financial, and Technical).

Documents and other systems

- Financial statements audited by a qualified auditor that is a member of a regulated governing body such as the South African Institute for Chartered Accountants (SAICA).

- Financial data can be verified by supporting documents and captured on a reliable accounting system (e.g., Pastel etc.).
- Passenger figures and operating routes made available for research purposes.

Factors that were not taken into consideration

- Age: Any person above 18 years of age could participate.
- Race: Any race that complied with above mentioned criteria could be included.
- Sex: No preference to Male or Female.

1.6.2.3 Sample

In business research, researchers seldom have the time to send out questionnaires, and interview and observe all possible units appropriate to the study, therefore sampling is used (Bryman & Bell, 2015). A sampling decision is made whenever a choice must be made about when, where, who or what a study should observe or focus on (Bickman & Rog, 2009:235). Selecting the right sample size is crucial, as a sample size that is too small could lead to insufficient representation where an otherwise larger sample size could yield more accurate findings (Maree, 2016:178).

According to a source adapted from McMilan & Schumacher (2001: 177-180), eight factors influence sample size, namely the type of research, research hypothesis, financial constraints, importance of results, number of variables studied, methods of data collection, level of accuracy required, and population size.

According to Patton (2015:264-265), purposeful sampling is specifically relevant to qualitative research that is used for in-depth studies and information-rich cases, which

enable the researcher to learn much about the subject in respect of the purpose of the study. Therefore, purposeful sampling was used to choose the unit of analysis

Considerable thought was given to carefully and intentionally choose the unit of analysis that would compromise two different units to meet the research objectives. These units offer the necessary skills sets, expert knowledge, relevant experience and industry insight to validate, support, and provide high-quality data for conducting successful research. This enabled the researcher to gather the most appropriate and relevant data to answer the research question and offer a scope of the challenges, how and why they exist, and what can be done to circumvent or redirect their impact.

1.6.2.4 Collection of data

The research consisted of a mixed-method approach, involving collection and integration of both qualitative and quantitative data (Creswell, 2014:32). A functional business approach ensured that the quantitative data would involve the collection, measurement, and analysis of closed ended questionnaires. Semi-structured interviews were constructed and used to purposefully select data that would fit the parameters of the qualitative design. The qualitative component allowed for a more thorough, rich and comprehensive collection and understanding of the data through various perspectives and measurements of affected parties within the parameters of this study.

1.6.2.5 Analysis of data

The data analysis techniques analysed quantitative and qualitative data respectively. Each of these categories will be addressed separately.

Quantitative data techniques

It is important to correctly interpret the data collected and come to the correct conclusion to answer the research question. To this end, the Statistical Consultation Services of the North-West University (NWU) Potchefstroom campus, who specialises in data extraction and analysis, were engaged to perform the data analysis.

The instrument used for the quantitative data was a self-compiled questionnaire by the researcher, which aimed to support the findings of the qualitative data. The questionnaire is included under Appendix A. The data was analysed by means of descriptive statistics, in which the data from the questionnaire represents values from sliding scales that is seen as ordinal variables from which a median can be calculated. The values of these numbers represent the following options:

- 1. Always
- 2. Usually
- 4. Rarely
- 5. Never

Qualitative data techniques

To start analysing qualitative data, the data should be managed and reduced. Qualitative research entails large volumes of data, and coding can be used to condense data as an approach to qualitative data analysis (Bryman *et al.*, 2014). This process starts with the transcription of data followed by the coding of each transcript (Bryman & Bell, 2015). The qualitative analysis was facilitated using ATLAS.ti version 8 software.

The procedure followed for the analysis involved a thematic approach to coding (Braun & Clarke, 2014:1). The thematic approach follows steps of familiarisation with the data, creating quotations from the transcribed data and assigning codes to the segments that

capture the essential meaning of each quotation. This process is followed by arranging the codes with similar concepts and then grouping these codes to create themes. The coding takes place on two levels. The first level of coding, also known as open-coding, consists of creating quotations from the transcriptions that are transformed into codes which are later organised. The second level of coding, also known as selective or axial coding, involves comparing these codes to establish patterns and how they interrelate with each other. This allows the researcher to interpret and form meaningful explanations on a conceptual level of analysis.

Creswell (2014:246) describes the steps in the procedure of analysing the data firstly as a general procedure and secondly by following the steps embedded within specific qualitative designs that involve generating categories of information (open coding), selecting a category and positioning it within a theoretical model (axial coding), after which selective coding reveals how the categories interconnect.

1.7 The scope of the current study

The scope refers to the parameters under which the study exists and the delimitations arise from the scope by defining the boundaries of the study through inclusion and exclusion decisions made during the development plan (Simon & Goes, 2013:1). The scope of this study entails research in the bus operating industry within South Africa. The study aims to research a single bus operator that operates in the private sector with operational divisions in the long distance transport, the tourist industry, and the contract based market.

1.8 Ethical considerations

Having a solid understanding of ethical practices is crucial for the quality of the research (Byerley *et al.*, 2017). Ethics is a code of values that guides our choices and actions and determines the purpose and course of our lives (Nairn, 2014:9).

This study focuses on the public transport system and more specifically on the private bus transport industry. The primary focus of this study is to identify the challenges a private bus operator face. This study is a mixed method study that consists partly of a qualitative approach, which involves human interaction. The researcher took careful notice of the ethical considerations involving interaction with participants.

All participants signed a consent form prior to commencing with the interviews or completing the questionnaires. All information will remain confidential and participants' personal information will remain anonymous. For respondents who preferred the questions to be asked in their first language, an impartial translator was used. The questionnaires were piloted through company employees to ensure questions are kept relevant and industry-specific.

An independent registered research psychologist was engaged to analyse and interpret the data separately to ensure transparency and to avoid the possible bias of having an in-company researcher publish on company proceedings and data of the day-to-day operations and challenges of the bus operator.

1.9 Contribution of the study

This study aims to identify challenges, develop an effective strategy to overcome said challenges, and suggest operational alignment that will enable a private bus operator to manage the impact of challenges faced in this sector toward successfully maintaining sustainable economic growth from which not only the company and its employees would benefit, but also the local community, in addition to it contributing positively to the country's economic growth.

Finding ways to address and counteract the impact of these challenges will enable management of the organisation to align internal strategies for future existence. By developing an appropriate solutions strategy this study could also enable future operators to better understand the possible factors that could influence a bus operator in the private sector, which will prepare and equip them for the industry better. Whether the operator works as a single proprietor or consist of a multi segmented company, knowing which challenges exist and how to counteract these challenges will help them successfully manage their company and/or play a vital role in building a flourishing first class public transportation system in South Africa.

Lastly, the study will provide management with essential information on market views and perceptions that will give them a competitive advantage by focusing on good customer relations and enhancing customer satisfaction through strategic alignment of internal structures and procedures.

1.10 Layout of the study

The layout of this research consists of four chapters that cover the following:

Chapter 1: Nature and scope of the study

Chapter 1 serves as an introduction to the study that offers a background on the transport industry and highlights the need to identify the challenges that influence private bus operators. This chapter then introduces the problem statement, research objectives and research methodology.

Chapter 2: Literature review

Chapter 2 is a literature review that offers an overview of the public transport industry in South Africa followed by research pertaining to the internal and external challenges faced by bus operators. The focus is then narrowed to bus operators in the private sector.

Chapter 3: Empirical investigation

Chapter 3 evaluates the results of the empirical study and the impact of these factors is discussed based on the results obtained from qualitative and quantitative research methods.

Chapter 4: Conclusion and recommendations

Chapter 4 concludes with an assessment, recommendations and implication of the findings in the study in respect of the objectives, and offers suggested topics for future research.

1.11 Chapter summary

The challenges that bus operators in the transport industry face are a significant and immediate threat to the economic growth possibilities of the industry. It is critical to find solutions to these challenges, and co-operation from all related parties including government and law enforcement agencies is required so that operators can continue to add value to the welfare and prosperity of this country.

This chapter provided an outline of the structural framework of the study. The research question and objectives were set and the problem statement formulated. The next chapter will compromise an extensive literature review of the public transport industry in South Africa that includes the internal and external environment as well as critical factors that influence bus operators and the passenger transport industry in South Africa.

CHAPTER 2: LITTERATURE REVIEW

2.1 Chapter introduction

This chapter presents an overview of the transport industry and public transport sector in South Africa, and documents the different challenges identified impacting the industry and specifically bus operators. It consists of a literature overview and thorough research of all elements that involve and influence the transport industry in order to form the basis and framework for the empirical study that will follow to develop and adopt the best strategy alignment solution for future sustainability.

2.2 The transport sector of South Africa

A country's transport infrastructure is vital for economic growth and development, and as such it plays a fundamental role in creating jobs and achieving socio-economic objectives. A proper transport network ensures competitiveness in global markets, as it defines mobility, supports economic activity, and influences trade flows (Mayekiso, 2015:2).

The transport sector is at the heart of South Africa's development, with millions of people taking to its roads for their daily commute, many never even considering just how essential transport is. Transport is the backbone of the economy, providing an efficient transport system that allows South Africans mobility and access to services while simultaneously driving tourism, regional integration and ensuring human interaction (Public Sector Manager, 2016:6-7).

Road networks and infrastructure provide access to land uses of national significance and mobility to promote economic development. South Africa's road network, as depicted in Figure 2.1, consist of 750 000 km of which 154 000 km paved and 454 000 km gravel roads fall under the national, provincial and municipal road jurisdiction while the rest of the roads remains un-proclaimed (State of Economic Infrastructure, 2012:47).



Figure 2.1: South Africa's total road network

Source: State of Economic Infrastructure (2012:48)

Government plays a vital role when it comes to funding and the development of transport infrastructure. Speaking to the Public Sector Manager publication during transport month in October 2016, the then Minister of transport Dipuo Peters reiterated the government's responsibility to provide safe, reliable, affordable and convenient public transport. She stated: "The department has a humongous task of ensuring that

the infrastructure is maintained, upgraded and built...” (Public Sector Manager, 2016:10). In addition to providing safe public transport, government’s spending plans focus on supporting the aspirations of the National Transport Master Plan (NATMAP) 2050 with a medium term budget for 2015 to 2018 of R339.2 billion for transport and logistics, which accounts for 42% of the total public-sector infrastructure budget for this period (NATMAP, 2017:8). Government has emphasised their commitment to “keeping the wheels turning” with transport infrastructure investments that will address many economic challenges, assist in economic growth, and position the country as an attractive investment destination.

2.2.1 Economical benefits of public transport in SA

An efficient transport system is a crucial component of economic development, both globally and nationally. The availability of transport affects economic growth and development and remains of critical importance to any country as it brings significant benefits to communities through access to hospitals, schools, markets and places of employment (Chakwizira & Mashiri, 2009:4). Transport systems should consistently be advanced through technological improvements, regulatory changes, infrastructure upgrades, enhanced accessibility and expansion investments if they are to enable economic growth. These advancements should include improvements in safety, travel conditions, accessibility, the environment, integration, and social inclusion to create increased opportunities for trade, competition, employment and long term sustainability (Ministry of Transport, 2016:12). Transport is undoubtedly directly connected to economic development as depicted in Figure 2.2 below.

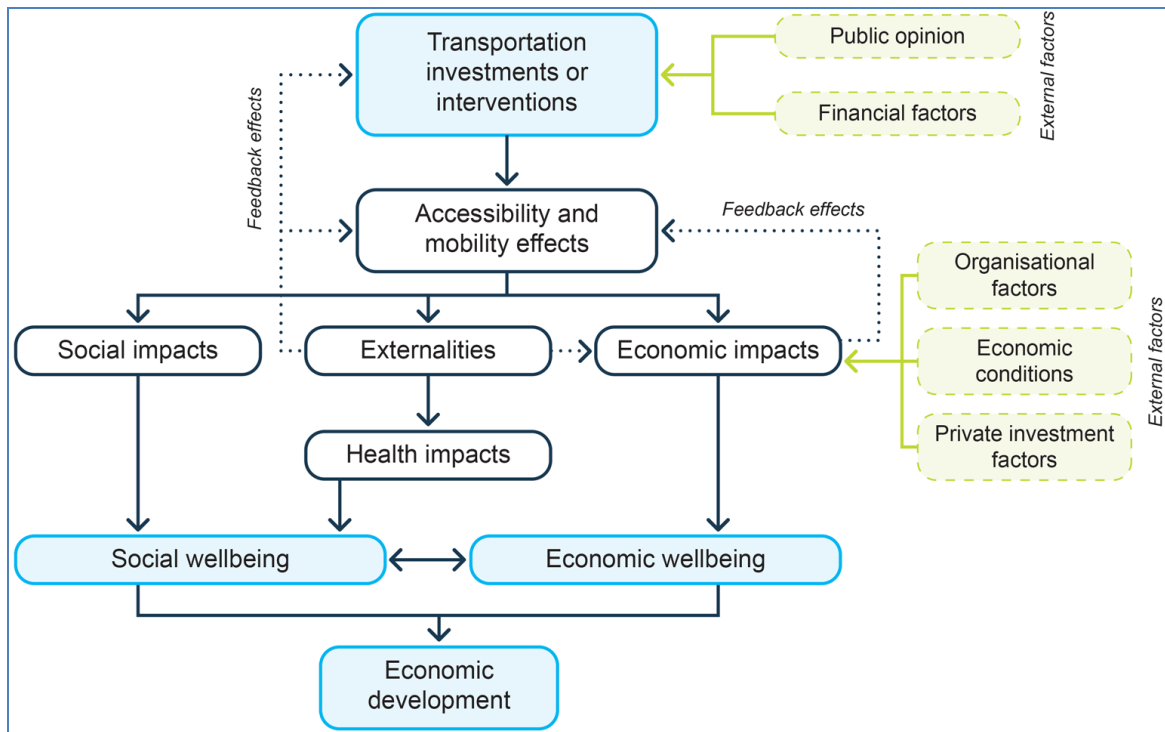


Figure 2.2: Key connections in transport and economic development

Source: Ministry of Transport (2016:5)

According to the 1996 White Paper on Transport Policy, the affordability measure for public transport is set at 10% of spendable earnings per household. The affordability of public transport has a direct impact on the welfare of society, which in turn influences the economic growth of the country (STATS SA, 2015:31). If transport costs are too high, low income households cannot take full advantage of opportunities of employment, which leads to higher unemployment rates. In South Africa, the average disposable income spent on transport is well above the standard for affordability. The Living Conditions Survey (LCS) of 2014/2015 found that average South African households spend more than 16% of their income on transport (depicted in Figure 2.3), making transport the second biggest expense for most South Africans (LCS, 2014/2015:29).

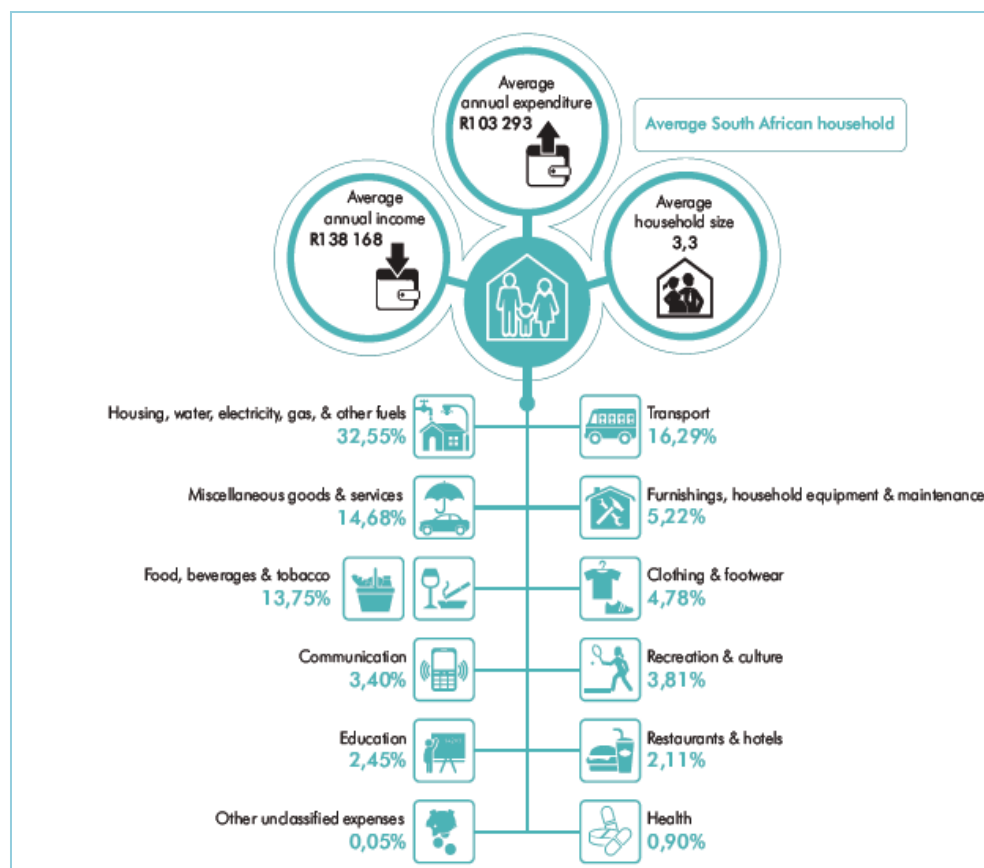


Figure 2.3: Average South African Household expenditure

Source: STATS SA (2017:36)

In support of the significant contribution of public transport to the economy, the in-depth analysis of the NHTS 2013, noted in the measure of household expenditure on public transport's technical report, found that 76.7% of households use public transport as mode of commuting. This loosely translates to more than three quarters of households nationally, from which 21.2% are learners travelling to educational institutions and 39.1% are workers travelling to places of employment (STATS SA, 2015:18). The transport and communication sector also shows an average GDP contribution of more than 8% for the period 2008 to 2014, as can be seen in Table 2.1 below (Transport statistics bulletin, 2014; 2017:6).

Table 2.1: GDP Contribution of transport and communication sectors

	2008	2009	2010	2011	2012	2013	2014
R'million							
GDP at market prices	2,708,601	2,666,940	2,748,008	2,836,287	2,899,247	2,963,389	3,008,576
Transport, storage and communication	226,136	354,870	229,499	236,439	236,439	247,062	252,648
Percentage Contribution of Transport, Storage & Communication to GDP	8.35%	13.31%	8.35%	8.34%	8.16%	8.34%	8.40%

Source: Annual transport statistics bulletin (2017:6)

Furthermore, NATMAP 2050 (2017) outlines the direct benefits and contributions of transport to economic development (NATMAP, 2017).

Network effects:	Linking more locations increases the value of transport.
Performance improvements:	Reducing time and cost for passengers increases transport's contribution to economic growth.
Reliability:	Improves time performance and reduces loss and damage.
Market size:	Access to wider markets increases economic growth
Productivity:	Transport increases productivity.

To compete with international economic counterparts and build a first class transport system, the government together with the private sector should invest in infrastructure, develop plans, and facilitate projects to advance the transport sector. They should also align objectives with the National Development Plan (NDP) 2030, which calls for sustainable transport infrastructure, the National Government's Nine-Point plan to

stimulate development and job creation, and the National Transport Master Plan (NATMAP) 2050.

2.2.2 Regulation and legality in the transport industry of South Africa

The responsibility of regulating and co-ordinating transportation in South Africa lies with the Department of Transport (DoT). South Africa has three acts that serve as the main legislation governing road transport namely, the Road Transportation Act (74 of 1977), the National Land Transport Transition Act (22 of 2000), and the current National Land Transport Act (5 of 2009). The latter National Land Transport Act (NLTA) provides regulation of road-based public transport to all operators that offer transportation to passengers for reward. NLTA of 2009 includes operators providing the following services (NLTA, 2009):

- Taxi services
- Bus services
- Contract services
- Metered taxi services
- Special events transport services
- Tourism-based transport services
- Chartered services

The Act requires all the above mentioned to be in possession of a valid operating license issued to each vehicle. An operating license is a document that permits a person to transport passengers for public gain. Prior to NTLA Act, passenger and freight transportation were covered by the Road Transportation Act (RTA) (74 of 1977), which issued permits for operation. All permits issued in terms of the RTA and other laws predating the current Act should be converted to operating licenses.

Overseeing the NTLA is the National Public Transport Regulator (NPTR), a regulatory body that was established to regulate and enforce the legislation in terms of Section 20 of the NLTA of 2009. According to the NPTR, the overall function of the body is to promote safe, reliable, effective, efficient, coordinated, integrated and environmentally friendly public transport through the development of norms and standards that guide the development of public transport for passengers (NPTR, 2018). The regulator is further responsible for:

- overseeing and monitoring public transport,
- approving accreditation of tourist and other transport services,
- approving applications of inter-provincial operating licenses,
- overseeing fares charged for public transport, and
- advising the Minister of Transport on regulation pertaining to fares or fare structures.

Over and above the main acts that govern the road transport industry, numerous other acts have contributed to providing the foundation and shaping the future of the transport industry. These acts include the Road Traffic Act (93 of 1996), the Cross Border Road Transport Act (4 of 1998), the National Roads Act (7 of 1998), the National Road Safety Act (9 of 1972), the South African Roads Board Act (74 of 1988), and the Transport Deregulation Act (80 of 1988). From the White Paper on National Transport (1996) to the current NLTA (2009), the figure below (Figure 2.4) depicts the milestones for public transport policies and strategies.

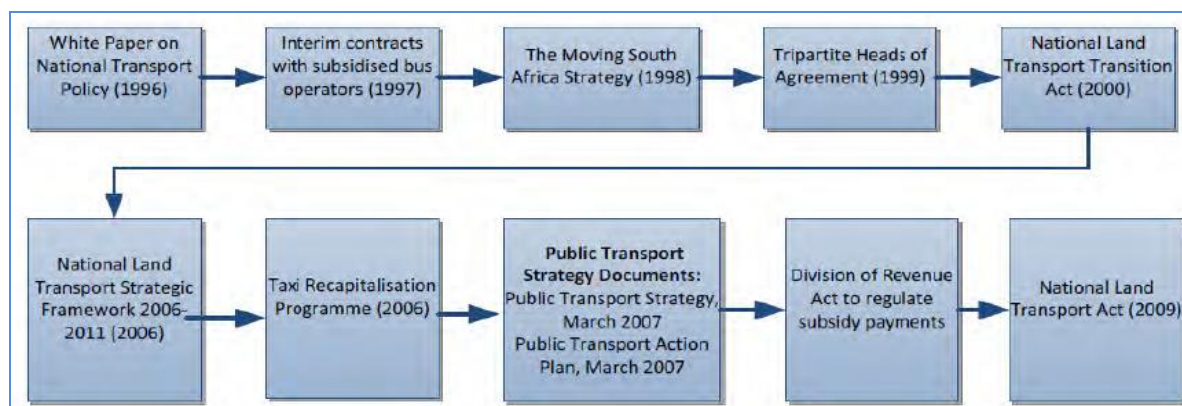


Figure 2.4: Public transport strategy and policy milestones

Source: Walters, J (2018:6)

2.2.3 General statistics on public transport in South Africa

The transport budget set aside by the DoT for the 2016/2017 financial year was R 56.63 billion – 4.5% higher than the preceding year, of which R24.5 billion was allocated for road transport and R11.7 billion for public transport. The DoT has further communicated an expected increase of 11% for the 2017/2018 financial year that will see the monetary value increase to R59.3 billion (DoT, 2018).

While the government has committed to unprecedentedly high levels of funding for the coming years of the Medium Term Strategic Framework (MTSF) with regards to the transport sector, other general transport-related trends contrasted the positive budget allocation with a decrease in employment in the transport sector by 9.6% for 2014 compared to 2013, and a 1.9% increase in fatal road accidents. According to a compendium of various transport statistics presented in a comprehensive annual transport report, the road fatality figures have been a cause for concern about the safety of the country's roads (Annual transport statistics bulletin, 2017).

The National Household Transport Survey (NHTS) of 2013 have echoed the importance of public transport by stating that public transport patterns have changed significantly over the 10 years since their previous survey in 2003. According to the NHTS (2013) survey, more and more citizens have become dependent on transport with an increase in usage of taxis by 10% (from 59% to 69%), buses by 3.6% (from 16.6% to 20.2%), and trains by 4.2% (from 5.7% to 9.9) (NHTS, 2013).

Furthermore, the increase in workers relying on public transport has increased from 5 million to 5.4 million in the period from 2003 to 2013. Taxis were the dominant mode of transport, followed by buses and trains. Of those workers approximately 4.3 million were employed in the formal sector, whereas the remaining workers were from the informal sector, as depicted in Table 2.2 below (NHTS, 2013).

Table 2.2: Public transport usage by work sector

Public transport mode	Statistics ('000)	Work sector		
		Formal sector	Informal sector	Total
Train	Number	593	108	700
	Per cent	13,6	9,9	12,9
Bus	Number	868	193	1 061
	Per cent	20,0	17,7	19,5
Taxi	Number	2 883	787	3 670
	Per cent	66,4	72,4	67,6
Total	Number	4 344	1 087	5 431
	Per cent	100,0	100,0	100,0

Source: STATS SA (2015:46)

The NHTS (2013) also documented the expenditure on transport of the survey participants, where five million of the households' travel cost information was available. These statistics showed that three million (60%) spent more than 20% of their monthly household income per capita on transport, with 1.1 million spending between 10% and 20%, and less than one million within the prescribed standard of affordable transport

spent 10% and less (NHTS, 2013). Figure 2.4 provides a visual breakdown of the monthly spending on public transport by workers per household.

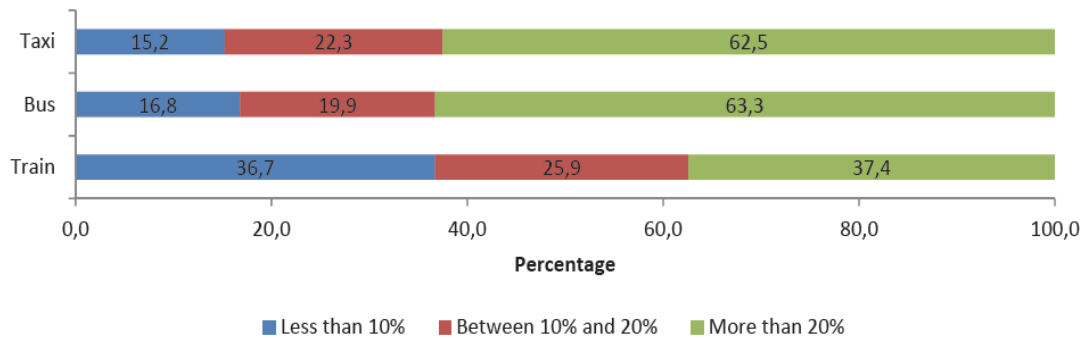


Figure 2.5: Monthly household income per capita spending on public transport

Source: STATS SA (2015:34)

The national average transport expenditure, as previously reported in Figure 2.3, accounts for round one-sixth of the total household consumption expenditure in South Africa, estimated to be 16.29% (LCS, 2014/2015:40).

From the literature and data it is evident that transport plays a key role not only in the country's economic welfare, but also in the welfare of every citizen of the country. With expenditure on transport being second highest in the basic needs category (housing, water and electricity), the government and all private sector participants should strive to provide efficient, safe, reliable, and cost effective transport to secure economic growth.

The following section will explore bus transport as a form of public transport and the challenges that bus operators face.

2.3 Bus transportation as a form of public transport in South Africa

2.3.1 Overview

South Africa's transport industry consists of both freight and passenger transport and further distinguishes between transport services provided in the public and private sectors. In the passenger transport industry are three modes of land transport, namely the commuter rails system, the subsidised and non-subsidised commuter bus industry, and the minibus taxi industry (Walters, 2014:1).

The minibus taxi industry remains the main mode of public transport, followed by the bus transport industry, and lastly the commuter rails industry. According to STATS SA's media release on the Household Expenditure Technical Report on Public Transport (2015), taxi's remain dominant at 51%, followed by buses at 18%, and trains at 8% (STATS SA, 2015). Contrary to the preference however, taxis are also the most expensive transport of the three. Though both modes operate within the passenger transport industry, there are key distinctions between the taxi and the commuter bus industry. Table 2.3 summarises the distinct differences between the two modes.

Table 2.3: Key differences between the commuter bus and minibus taxi industry

	Commuter bus industry	Minibus taxi industry
Time-tables	Must adhere to prescribed timetables and depart irrespective of load	No prescribed timetables, usually only departs when fully loaded
Contract monitoring	Contracted services independently monitored for contract compliance	No independent monitoring of contracts
Fares	Prescribed in contracted services	No independent fare control
Labour conditions of service	Labour rates and conditions of employment determined by SARPAC	Difficult to enforce minimum wages and working hours

Infrastructure	Investment in infrastructure such as depots, maintenance facilities and office space	No large investments in infrastructure in regards to operations
Roadworthy	Compulsory six monthly	Required every twelve months
Effect of exchange rates	Directly impacted due to imports of chassis, mechanical parts, etc.	Not so vulnerable as most minibuses are manufactured locally

Source: SABOA (2018:14-15)

The bus industry of South Africa has around 25 000 buses of which roughly 19 000 provide services in the formal public transport sector. The latter have an estimated replacement value on R4 billion and travel estimates are around 40 billion kilometres annually, consuming 506 million litres of diesel and making approximately 912 million passenger trips (Megabus, 2017). Furthermore, the industry also supports a wide range of suppliers including fuel companies, tyre companies, spare part companies, insurance companies, and bus and chassis manufacturers.

The industry enjoyed relatively good growth and expansion with a constant increase in operators over the last decade. This is reiterated by the figures obtained from the National Association of Automobile Manufacturers of South Africa (NAAMSA). This projects the annual vehicle retail sales with bus sales to increase year on year. Figure 2.5 displays the sales of buses for the period 2008 to 2014 as published in the Annual Transport Statistics Bulletin of 2014.

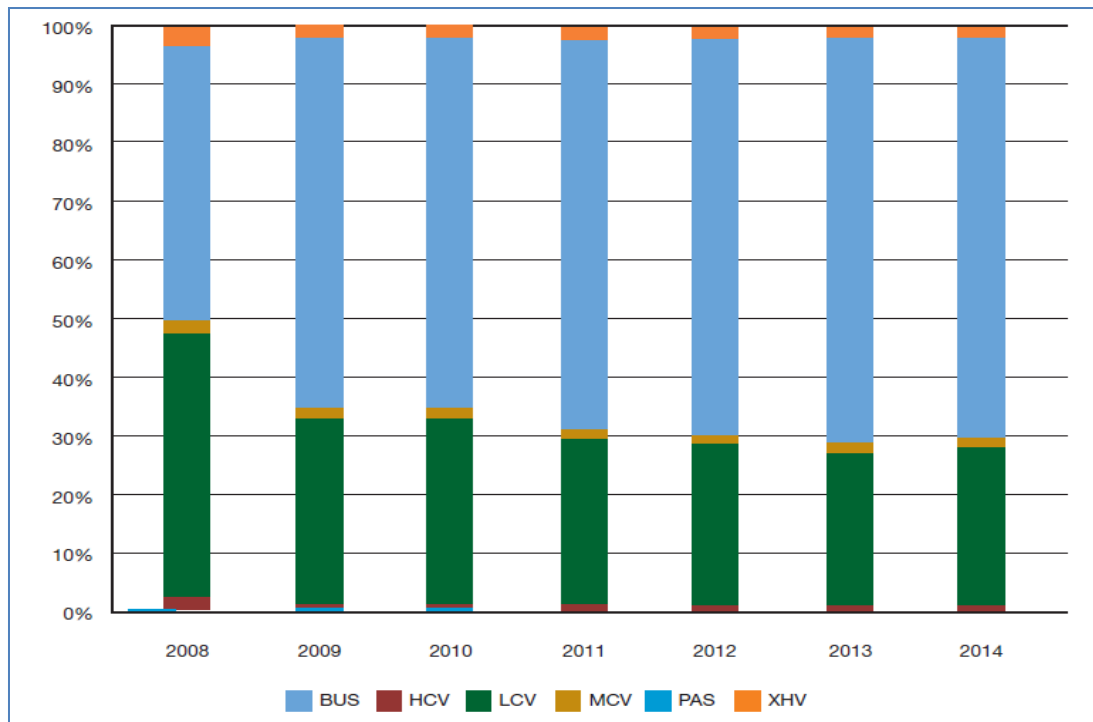


Figure 2.6: Vehicle retail sales by type

Source: Annual Transport Statistics Bulletin (2014:22)

2.3.2 Types of operators

The South African bus transport industry consists of various groups of operators, focusing on different service categories within the industry. These different categories, as referred to in the NLTA of 2009 (NLTA, 2009), range from commuter services, scholar transport services, contract services, charter transport services, tourist transport services, and long distance transport services, including cross border transport services.

The type of operator is not formally defined within the NTLA of 2009, specifically bus operators. The National Small Business Act (102 of 1996) defines small businesses for

various industries, including the transport industry. In the bus operators industry, this definition is seen as very broad and therefore not applicable since it caters for a number of industries. According to Cornelius (2018), the South African Bus Operators Association (SABOA) draws an informal distinction between big and small operators. A small operator is seen as an operator with 10 buses or fewer, a medium operator as having between 11 and 30 buses, while a large operator has 30 or more buses.

SABOA is a non-profit association that refers to itself as “the voice of the bus and coach industry”, and is focused on creating an industry that is transformative and sustainable. The association is governed by a national council that consists of established members and represents the interests of the bus and coach industry at government and stakeholder level. SABOA represents approximately 13 000 of the 19 000 buses offering public transport services in South Africa. This roughly translates to about 70% of the industry, which makes SABOA a key role player within public transport. The remaining 6 000 buses are run for in-house requirements by the government, and commerce and industry (SABOA, 2018).

The member profile of SABOA consists of 38 members in the large operator category and 912 members in the small to medium operator category. The latter two include mostly small, medium and micro-enterprises (SMMEs) that represent the vast majority at 96% of members (SABOA, 2018). Small, medium and micro-enterprises (SMMEs) contributes considerably to the economy. In South Africa between 1985 and 2005, 90% of all new jobs were created by SMMEs. Small and micro enterprises contribute between 27% and 34% to South Africa’s GDP and about 55% of all jobs (Timm, 2012).

Small-bus operators (SBOs) in South Africa operate on the periphery of the economic mainstream of scheduled subsidised commuter transport where little progress has been made in getting these operators into the more formal subsidised industry. There is also

a lack of information about the challenges these operators face in participating in the public transport industry (Walters & Manamela, 2016). As with small-bus operators, all other operators also face substantial challenges pertaining to operations and the industry. These challenges have a profound effect on the sustainability of the industry and like the Minister of Transport, Joe Maswanganyi, said in Daveyton at the launch of transport month in October 2017: *"If the transport sector fails, the whole system collapses because goods and services cannot be moved and people cannot get to their places of work to generate economic activity that so vitally contributes to our gross domestic product (GDP),"* (Maswanganyi, 2017). It is critical to identify and address these challenges so that bus operators can continue to contribute to the GDP and growth of the economy as a whole.

2.4 Challenges faced by the bus operators in South Africa

The South African government has put forward many policies and strategies aimed at improving public transport throughout the years, but even with these efforts, not much has changed. Recent projects such as the Gautrain and Rapid-Bus-Transit (RBT's) are still referred to as stand-alone efforts due to the fact that it is not integrated into the broader public transport system (Walters, 2014:1).

Moreover, the bus transport industry continues to be plagued by various issues, as reported in SABOA's 2016/2017 annual report. The report lists issues like taxi intimidation, wage negotiations, and other major risk factors identified including fuel, labour, and bus maintenance (SABOA, 2017:11-17). The following sub-sections investigate and report on some of the issues that are of concern to the industry and the challenge these present to bus operators.

2.4.1 Decline of the mining sectors' life expectancy cycle

2.4.1.1 Overview of challenge

From a global perspective, mining companies are facing some significant economic, financial, and operational challenges. South Africa is no different to global trends, putting the industry at a crossroad. Local mines face uniquely local challenges with profound operational implications as shown in Figure 2.7.

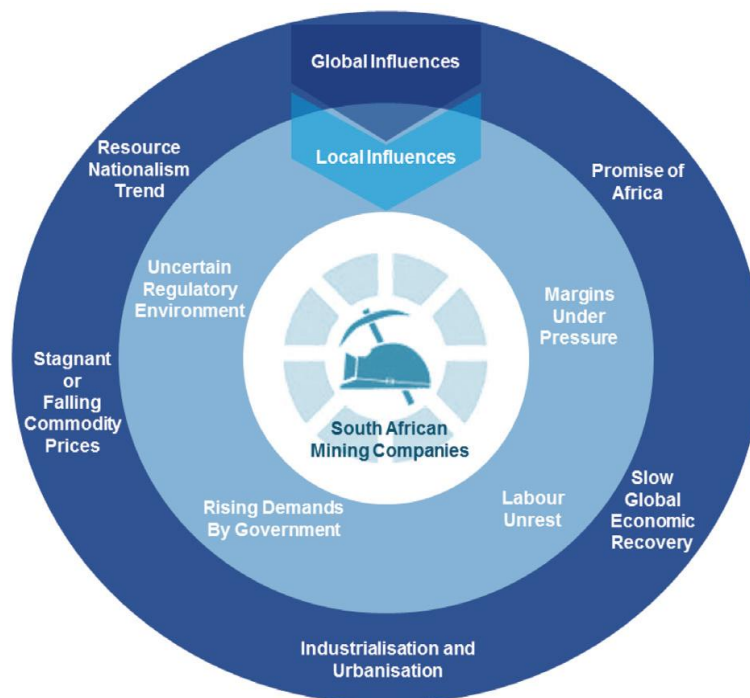


Figure 2.7: Global and local influences on mining companies with South African operations

Source: Lane *et al.* (2015:472)

A combination of declining global commodity prices and rising input costs is forcing mines to make difficult decisions in order to sustain short term operations while still remaining operational long term. With increases in labour and energy costs, rising

demands by the government as to the roles mines should play in fulfilment of social needs, decisions made are critical to the long term sustainability of mining operations in South Africa (Lane *et al.*, 2015:471-479). According to Peyper (2017:10-16), the mining industry that was once the heart of the country's economy and accounted for a fifth of the GDP, only contributed just over 7.3% in 2016 with industry profits before tax plunging by 48%.

In 2015, predictions were made in regard to the mining industry of large scale write offs of millions of dollars, closures of mines, and thousands of job cuts, which have now become a reality (McKay, 2015:12-16). The recent process of introducing a Section 189 process by Anglo Gold Ashanti of its Vaal River No 9 shaft Kopanang and Savuka section of Tau Tona in the West Wits region will see some 8 500 jobs cut (McKay, 2017). This is just one example that the decline of the mining sector of South Africa is a concerning reality. According to the STATS SA report of mining: winners and losers of 2017, this trend was echoed by stating that gold production in SA has only had four positive growth years since 1990. The continued long-term decline in the gold mining sector is shown in Figure 2.8 below (STATS SA, 2018).

Figure 2.8: Gold mining long-term decline



Source: STATS SA (2018:1)

2.4.1.2 Challenge to bus operators deriving from the decline of the mining sectors' life expectancy cycle

Bus operators have long relied on mineworkers travelling to and from neighbouring countries as their primary source of income. TEBA Ltd. was founded in 1902 to recruit labourers in order to bring the gold mines back into production (TEBA, 2002). When mining companies shifted from surface mining to underground mining, many more workers were required and TEBA was able to provide these labourers. Trains were the main mode of transport in the early years, but from the 1980s onwards trains were mostly replaced by buses due to the reduction in travelling time. TEBA switched to bus transport companies to fulfil the transport need.

According to the website of one such company, Vaal Maseru Bus Service, they have been supplying long distance transport to mining communities for over 35 years (Vaal Maseru, 2017). This claim is supported by Gary Kynoch in his book titled "We are fighting the world: A history of the Marashea Gangs of South Africa", where he refers to mineworkers dependant on Vaal Maseru for commuting to Lesotho since before 1994 (Kynoch, 2005:144). At the peak of their long distance transport career, in the 1990s to 2000s, Vaal Maseru Bus Service transported around 55 000 workers monthly from their three main depots on all long distance routes to Mozambique, Lesotho, and the former Transkei (Prinsloo, 2018). However, recent data indicate that this figure has declined to almost below 10 000 (Vaal Maseru, 2018). Moreover, STATS SA's (2018) mining production and sales statistics for 2017 show that gold mining employees declined with more than 50%, from about 380 000 in 1995 to just around 119 000 in 2014, reiterating the fact that long distance bus operators are feeling the crunch of the diminishing mining industry of South Africa.

2.4.2 Technological advancements, market innovation and urbanisation

2.4.2.1 Overview of challenge

Harnessing technology will become inevitable in future business. According to Botha (2015), a study conducted by the University of Oxford revealed that 47% of American jobs run a high risk of being replaced by robotics within the next 20 years. In addition, the World Bank estimates that an additional 500 million people will locate to cities within the next 25 years (Campbell, 2018:12). Large scale infrastructure developments are needed, especially in the transport sector, to accommodate the growing number of people. Additionally, technology should be incorporated into these developments to satisfy the needs of the new-world citizens.

In the South African transport industry, affordability and the political will to drive the change of alternative technologies will be vital in mapping the course of the industry's future (SABOA BUS, 2018/1:4). In addition, legislation to facilitate these changes would need to be in place to open the way for success. Although the government has rolled out many projects addressing the future of the transport industry such as the National Development Plan 2030 and the National Transport Master Plan 2050, Rencken (2016:48-49) suggests that a sustainable transport system should meet the current transport and mobility needs without compromising the ability of future generations to meet their own transport needs. However, technology, whether good or bad, is the shape of things to come and begs the question: will the bus industry be ready?

2.4.2.2 Challenge to bus operators deriving from technological advancements, market innovation and urbanisation

Implementing newly developed technologies and innovative market strategies can be rewarding, but also costly. For many operators the cost far outweighs the benefits. According to Walters (2014:6) difficulty in replacing old buses is one of the main challenges for SMME operators. This, together with the lack of government support and difficulty in attracting funding, are challenges with the highest impact. Modern, luxury buses, especially those marketed to the tourism industry, cost upward of R3 million. This is an escalation of about 400% in the last 15 years, compared to similar buses of their time in 2004 (Prinsloo, 2018). Moreover, the new era of tourism coach travellers are connected in many ways and technology plays a major role in their requirements for transport. In order to provide travellers with all the luxury and connectivity requirements, operators would have to invest enormous amounts in acquiring new fleet. In addition, urbanisation leads to market reductions for operators that operate in the more rural areas of the country, leaving them with less profit to invest in newer fleet.

Over and above the cost implication, transport innovations like Uber, electric vehicles, and self-driven vehicles are also threats to traditional commuter bus operators. This industry simply cannot compete with a company such as Uber that offers transport on a large scale without even owning any vehicles. Technology is changing the dynamics of transport, but is the industry ready? At the SABOA (2017) annual conference, Prof. Heath stated that technology is eating the world by all sectors, and by all indications the information and technology based world is growing exponentially while strategies, structures and systems remain linear, posing a real challenge to the coach industry.

2.4.3 Subsidisation and competition

2.4.3.1 Overview of challenge

The NLTA (5 of 2009), defines subsidisation in relation to services as financial assistance for passengers in affording services not otherwise affordable, or to encourage public transport usage. The three main bus commuter subsidies are: 1) the Public Transport Operating Grant (PTOG); 2) the Public Transport Infrastructure and Systems Grant (PTISG); and 3) the Public Transport Network Operating Grant (PTNOG). The PTOG is a subsidy for the conventional bus services, and the PTISG and PTNOG are the capital and operating subsidies for the newly Integrated Rapid Public Transport networks and Bus Rapid Transport projects (Public Transport Infrastructure and Systems Expenditure and Performance Review, 2014:7). Though the subsidised bus industry receives a reasonably high subsidy allocation from national government, this subsidy has seen a steep decline since 2010/2011, depicted in Table 2.4 below.

Table 2.4: National government allocation for public transport

KEY NATIONAL SUBSIDIES (R billion)	2006/07 to 2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Public Transport Operating Grant (PTOG)	16.53	4.15	4.32	4.55	4.83	5.05	5.32
Public Transport Infrastructure & Systems Grant (PTISG)	10.91	4.61	4.88	4.67	4.97	5.10	5.10
Public Transport National Operating Grant (PTNOG)	0.00	0.00	0.00	0.88	0.90	1.04	1.36

Source: Public Transport Infrastructure and Systems Expenditure and Performance Review (2014:31)

The objective of subsidies is to address social, economic, political, and environmental goals of the government; however, they also have the potential to distort the market and affect the competition between different modes of transport (SABOA, 2018). Table 2.5 depicts the variation in operating subsidies per passenger trip for the different transport modes.

Table 2.5: Operating subsidies per trip for public transport

Mode	Operating subsidy per passenger trip
Municipal bus services	R 16.75 – R 24.36
Conventional bus services	R11.40 – R 16.89
Bus rapid transport	R11.76 –R15.12
Minibus taxis	R 0.00
Gautrain	R60.03

Source: Public Transport Infrastructure and Systems Expenditure and Performance Review (2014:33)

According to SABOA (2018), in their presentation to the competition commission, the Division of Revenue Act (DORA) (7 of 2003), funds the commuter bus services for interim, tendered, and negotiated contracts, while the department of education and provincial transport departments fund the scholar bus services. On the opposite side, the interprovincial, intercity and international bus services are non-subsidised. The latter, consisting of mostly private bus operators, have to depend on offering their product to different markets.

Mellet (2018) suggests that competition in the public transport sector is an evocative word. He further argues to the decidedly uneven playing field of public transport, whereby non-subsidised operators find it difficult to compete with government-subsidised operators that offer lower fares. Recent and frequent occurrences of violent acts within the industry, especially the minibus taxi industry, have led the Competition Commission of South Africa to launch an enquiry into the nature of competition in the public transport sector. This study, titled “The Land-Based Public Passenger Market Enquiry”, highlighted the following findings pertaining to the commuter bus services (Competition Commission, 2018):

- Non-subsidised commuter bus services do not generally compete with subsidised operators due to the competitive advantage that subsidised operators have.
- The subsidy system is a driver of competition.
- Current subsidy allocation for subsidised services is not adequate to cover costs in order to operate profitable.
- Incorporation of SMME operators into current regime is hindered by access to finance for fleet replacement and infrastructure.
- Commuters are concerned about safety, fare increases, and aging fleet.

2.4.3.2 Challenge to bus operators deriving from subsidisation and competition

In addition to the aforementioned results of the enquiry, Kruger (2016:6-7) argues that operators are under increasing economic pressure because of subsidy revenues failing to keep track with the high inflation that leads to escalated maintenance, operational costs, and fuel costs. Bus operators are caught in a downward spiral where loss in revenue, passengers, and subsidy leads to cash flow shortages, which in turn results in poor bus reliability and maintenance (Heyns, 2015). Furthermore, in presenting issues that affect the bus industry at the SABOA annual conference, Heyns (2015) indicates

that while revenue of a typical commuter bus operator increased by 30% over five years, the subsidy portion only increased by 12.7% and the total cost by an exponential 50%. The need for adequate subsidy funding for commuter bus operators is crucial for continued effective service delivery. If not made available, operators will have to consider withdrawing non-subsidised services (SABOA, 2016).

2.4.4 Current economic climate and rising operational costs

2.4.4.1 Overview of challenge

Many of the challenges faced by South African business leaders are results of factors not within their control. These are environmental or external challenges that include political elections, political volatility, local and global economic stagnation, and fluctuating rand strength, to name a few. According to Knee (2014:12), some of the major reasons for the increasing negative assessments of South Africa are the declining economic growth, the budget deficit of the government, and the growing vulnerability of the current account deficit. This unfavourable economic climate is reflected within the transport, storage, and communication sectors, and move along a steady and continued downward growth path as illustrated in Figure 2.9 below.

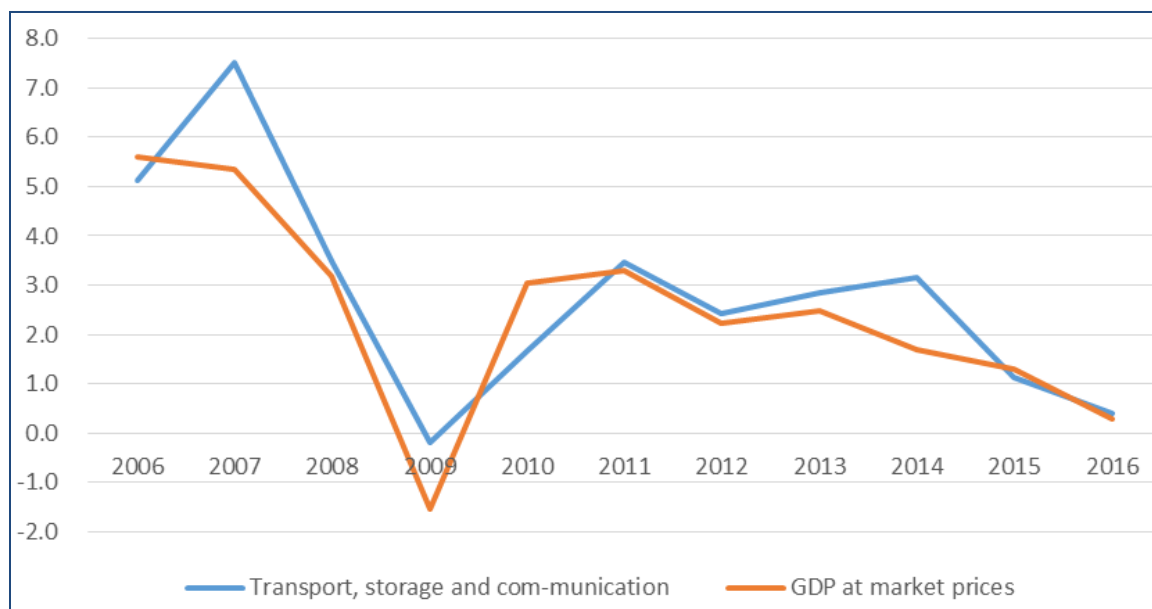


Figure 2.9: Growth in transport, storage and communications

Source: SABOA (2018)

The plummeting rand, rising fuel- and operational costs, not to mention new regulations, are all hindrances and serious operational hazards to the transport industry (Stubbs, 2016:10). STATS SA's (2018) Consumer Price Index (CPI) reflected a rise in the annual fuel inflation of an astonishing 25.3% for July 2018, loosely translating to motorists paying 25.3% more for fuel on average, compared to July 2017. Figure 2.10 illustrates the monthly rise in fuel price per litre for inland 95-octane petrol since 2008.

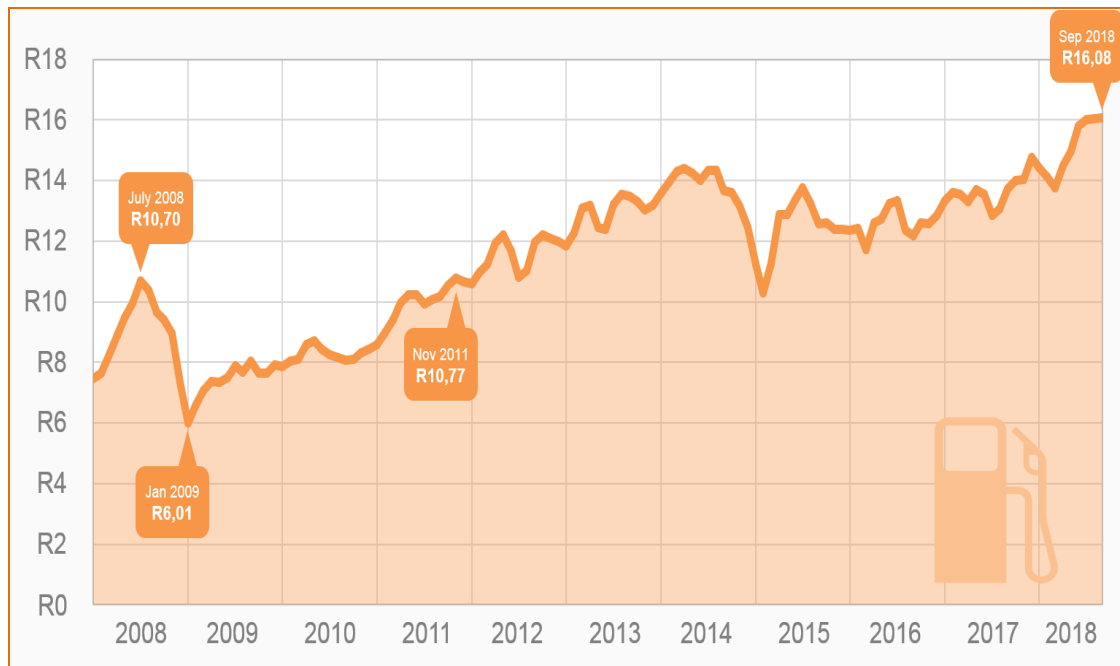


Figure 2.10: Fuel price increase 2008-2010

Source: STATS SA (2018:1)

The rising fuel price is of enormous concern to the transport industry since fuel is a major expense for transport operators. Moreover, consumers have less spendable money for transport because the fuel price affects all other goods and services purchased by them.

2.4.4.2 Challenge to bus operators deriving from the current economic climate and rising operational costs

All the aforementioned factors have a significant impact on the sustainability of transport companies. Rising costs are either recovered from clients or absorbed by the operators, both negatively influencing the profitability of the operators, which in turn has a detrimental effect on the industry. From the aforementioned sections it is clear that the biggest expense for transport operators is fuel and maintenance costs. Over a five-year

period, expenditure of a typical commuter bus operator increased by 20% more in relation to revenue increase, mostly due to the fact that fuel cost increased from 15% of total cost in 1997, to 28% of total cost in 2014 (Heyns, 2015).

Moreover, a study on global competitiveness by reducing transport costs (DoT, 2018:29), has also noted that besides fuel costs being the leading transport cost driver, fuel prices are also extremely volatile. In addition to the continued and rapid rise in fuel prices, the transport industry will certainly suffer the impact with far reaching consequences from the continuation of cost absorption and countering measures.

2.4.5 Customer satisfaction and quality of service

2.4.5.1 Overview of challenge

Lamb *et al.* (2015:28) define customer satisfaction in terms of the constructive correlation of customer retention and profits. In the case of services, customer satisfaction is defined as a judgement regarding the extent to which customer expectations were met following a service encounter (Grigoroudis & Siskos, 2010). In addition, Mokonyama (2015) argues that customer satisfaction not only provides a benefit to the customer, but also positively impacts business performance and customer loyalty.

In the public transport industry, the quality of transport services depends on five key elements, as described by Vilikazi and Govender (2014:260). These elements consist of 1) reliability; 2) comfort; 3) service; 4) safety; and 5) affordability, as depicted in Figure 2.11 below.

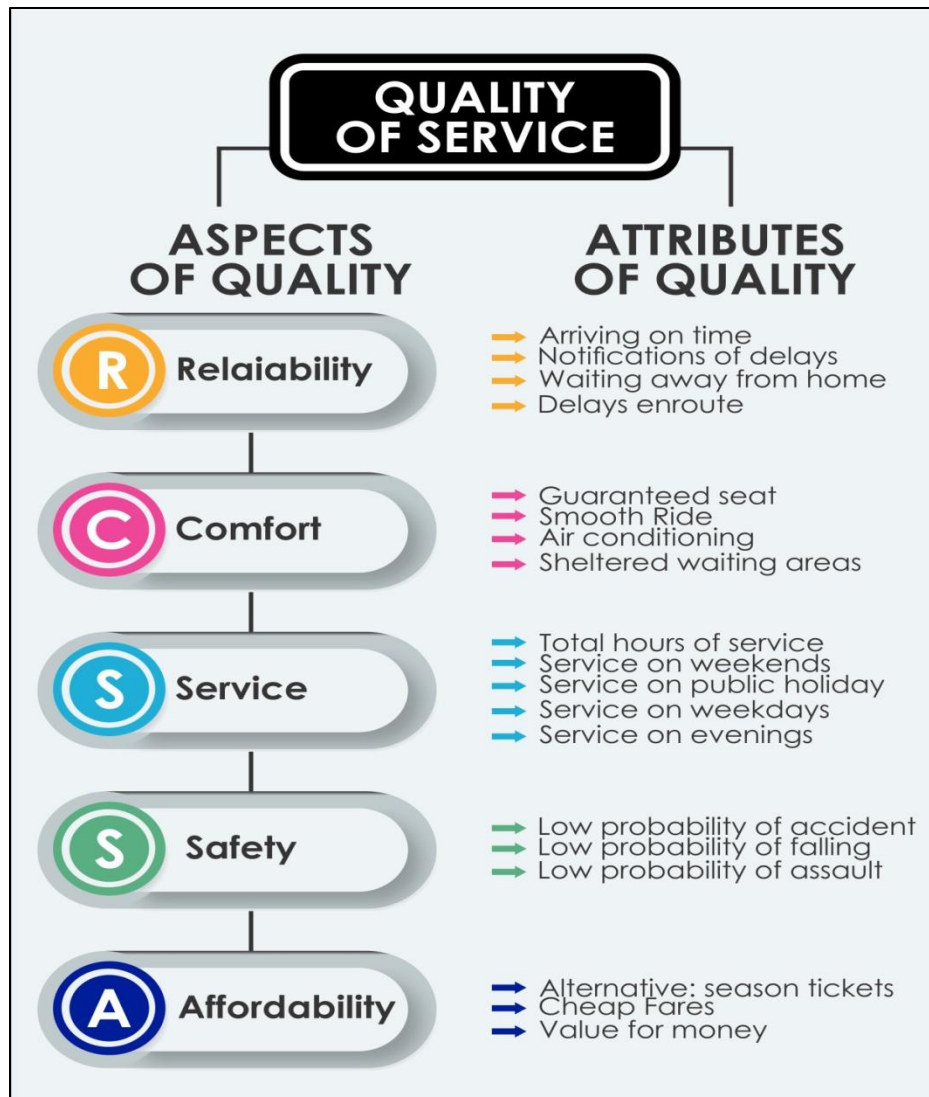


Figure 2.11: Quality of service attributes

Source: Vilikazi & Govender (2014:260)

According to the study findings (Vilikazi & Govender, 2014:267), buses were perceived overall as being more punctual, comfortable, affordable, and safer than minibus taxis, thus buses generally have a higher customer satisfaction rate. Budiono (2009:43) also supports these findings in respect of service perceptions regarding public transport by stating that travel time and safety have a high correlation to overall customer satisfaction. Moreover, Mokonyame *et al.* (2010:759) found that customers evaluate

service as a whole, and continuously training staff in customer care is essential to customer satisfaction.

2.4.5.2 Challenge to bus operators deriving from customer satisfaction and quality of service

One of the objectives of an efficient public transport system is taking passengers to their destination in a timely, safe, and comfortable manner (Govender, 2014), and any changes to service should not compromise on quality (Mokonyame *et al.*, 2010:760). The transport industry is highly competitive when it comes to low cost switching between alternative modes of transport, therefore dissatisfied passengers can easily look for alternative means of transport. In order to retain existing customers and attract potential new customers, operators should ensure their public transport service is of high quality (Budiono, 2009:45). With the connectedness that technology brings to everyone's fingertips, service satisfaction and dissatisfaction can easily and instantly be shared, with consequence for the service provider. Ensuring that passenger's needs are met at a satisfactory level is of utmost importance to retain customers.

2.4.6 Safety

2.4.6.1 Overview of challenge

According to the Public Sector Manager (2017:11), South Africa is regarded as one of the most dangerous countries when it comes to driving. In addition, South Africa is also ranked worst out of 36 countries for road fatalities, costing the country over R300 billion annually, this according to statistics from the International Transport Forum (Sutherland, 2015:23). Moreover, SABOA Bus (2018/4:5) reports that a study conducted by the RTMC shows an excess of 45 people losing their lives daily in road traffic accidents,

with an estimated cost of road traffic collisions on South African roads at an astonishing amount of approximately R142.95 billion per annum. However, the real cost is the impact of accidents on the lives of passengers and road users, with a total of 12 702 fatalities in 2014, amounting to a 7.2% increase from 2013 (Annual Transport Statistics Bulletin, 2014:49). Figure 2.12 depicts the road fatalities on South African Roads from 2007 to 2016.

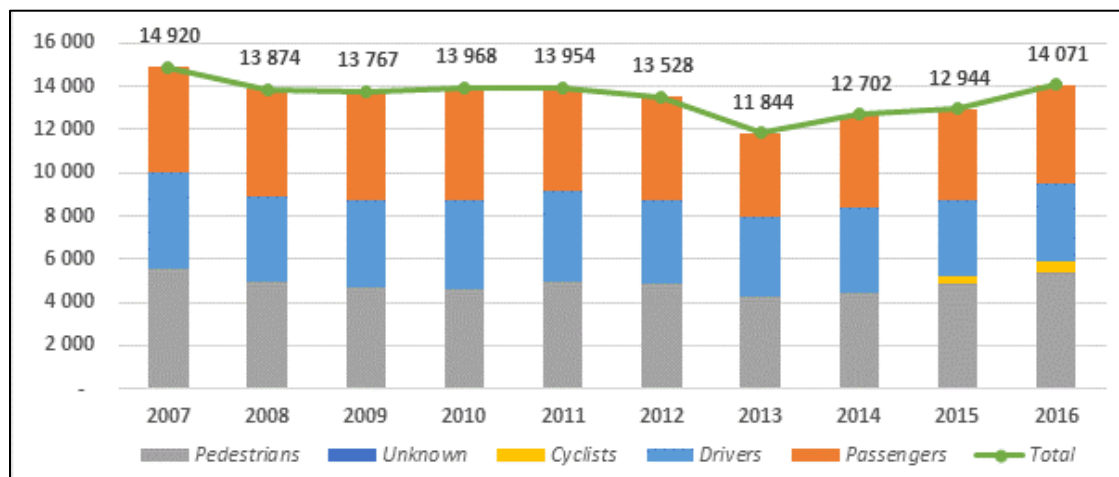


Figure 2.12: South African Road Fatalities 2007 – 2016

Source: Wheels24 (2017)

Traffic accidents have a major impact on society, with 14 000 fatalities occurring in 2017 alone. According to the Public Sector Manager (2018:8), the government is aiming to reduce this number by 50% with the National Road Safety Strategy by the year 2030. The strategy has four objectives in aim, namely:

- changing road user behaviour,
- developing infrastructure for improved pedestrian safety,
- building effective governance, and

- improving data and knowledge management.

2.4.6.2 Challenge to bus operators deriving from safety aspects

Although the literature indicated that buses are generally perceived to be safer than taxis, accident statistics present a different narrative. All public transport operators should regard safety as their main priority of business. According to Haler (2016:3), research indicates that 80% of accidents involve elements of human error, while vehicle mechanical failure and road conditions play a lesser role in the cause of accidents. Table 2.6 shows the three primary causes of accidents with percentage contribution of each contributing factor.

Table 2.6: National Vehicle, Road and Human Factors for 2014

Vehicle Factor	% contribution
Brakes: Faulty	4.8
Lights: Faulty, not switched on, etc	4.8
Overloading: Cargo/ Passengers	9.5
Tyres: Bursting	42.9
Tyres: Smooth	9.5
Unroadworthy vehicle	14.3
Vehicle maintenance poor/ Inadequate	14.3
Road Factors	% contribution
Animals: Stray/Wild	10.0
Poor condition of road surface	20.0
Road surface slippery/wet	30.0
Road works	20.0
Sharp bend	20.0
Human Factors	% contribution
Disregard: red traffic light/stop sign/yeild sign	4.0
Drive in wrong lane	20.2
Driver fail to keep a proper lookout	3.0
Fail to keep vehicle under control	32.3
Fatigue/ Driver fell asleep	1.0
Intoxicated Driver	5.1
Overtook when unlawful/ unsafe	14.1
Speed too high for circumstances	16.2
Turn in front of oncoming traffic	2.0
U-turn	2.0

Source: Annual Transport Statistics Bulletin (2014:50)

While road conditions is an external factor, the human and vehicle factors are under control of the operator and are thus internal in nature. These factors are addressed in the sections to follow.

2.4.6.2.1 Human error (driver fitness and fatigue)

According to Campbell (2016:3), the human factor is by far the leading cause in collisions, with driver error estimated to be the cause of 80% of accidents. Some of the major errors include use of alcohol and drugs, use of cell phones, driver fatigue, and speeding.

Sutherland (2015:23) argues that although there are many different forms of non-compliant drivers, fatigue most certainly contributes fundamentally towards road accidents. This can take different forms including physical exhaustion, drowsiness from taking medication or poor dietary habits. In addition, the Public Sector Manager (2016:7) states that almost all fatal road accidents involve traffic violation, thus operators should prioritise addressing driver behaviour since countless drivers hold no regard for the law (Haler, 2016:3).

2.4.6.2.2 Maintenance and reliability

Another primary cause of road accidents is unroadworthy vehicles. The number of unroadworthy buses in 2014 was recorded at 6 191 while the number of unlicensed buses was recorded at 1 303 (Annual Transport Statistics Bulletin, 2014:45-46). Moreover, roadworthiness tests only indicate the condition of a vehicle at the time of the test (Campbell, 2016:32-33), which in the case of a bus, is only compulsory once every six months. With the number of kilometres travelled by buses, this period is too long to

assure that buses remain in roadworthy condition. Table 2.6 indicates that the primary vehicle-related cause of accidents is bursting tyres, followed by unroadworthy vehicles and poor maintenance. The age of the fleet also influences maintenance and reliability of buses, but the high costs associated with a fleet replacement policy remains a significant hindrance for many operators. This is reiterated in the Annual Transport Statistics Bulletin (2014:33) with the average vehicle age being above five years for 2014, recorded at over 150 000 vehicles for all three passenger vehicle categories carrying more than 12 persons.

2.4.7 Taxi intimidation

2.4.7.1 Overview of challenge

The South African law clearly states that any person without a lawful reason and with intent, and which compels a person to do, or abstain from doing something, or to abandon a standpoint, or cause any physical harm, or threaten a person, shall be guilty of an offense (Intimidation Act, 72 of 1982).

Research conducted by Walters and Manamela (2016:6) on challenges faced by SMMEs indicates that taxi operator intimidation affects approximately 20% of small bus operators moderately and approximately 35% in a major way. Speaking at the SABOA National Conference of 2016, Vaal Maseru Bus Service operational director, Johan Pienaar, stated that incidents of taxi intimidation are no longer isolated, and are an escalating phenomenon in an unchallenged environment (Pienaar, 2016). Furthermore, according to Haler (2017:7), Molaba Hawk Tours is operating only one of its eight routes due to taxi intimidation and see no positive outcome for the present situation. Table 2.7 below depicts the types of intimidation occurring with corresponding examples.

Table 2.7: Types of intimidation

	Type of intimidation	Corresponding example
1	Intimidation not to render service or withdraw from commercial contract.	Cannot enter into contract with existing client in another region, or existing commercial contracts forced to stop and taken over by taxi industry.
2	Intimidation of a fee payable to the Taxi Association before loading passengers.	Payment is required in order to load passengers for private hires in certain areas regarded by the Taxi Association as their area of operation.
3	Intimidation of long distance services in regard to pickup and delivery in rural areas.	Intimidation from taxis in rural areas by demanding buses only load from one destination; and that taxis will bring passengers to them. Buses are not to pick up these passengers from various locations.
4	Intimidation of buses to operate duplication of services within the framework of approved timetable.	Though busy periods allow for operating duplication of services on operating licenses, taxis do not allow this, and passengers are forced to wait for taxis to do the shuttle at higher fares.
5	Intimidation of buses on scheduled inter-city and interprovincial services.	Bus operators are forced to load with taxis, while illegal operators are also able to load, since they have "bought" loading times from taxis.
6	Physical intimidation of passengers.	Passengers are subjected to physical intimidation by being forcefully removed from buses or assaulted not to enter buses.

Source: Pienaar (2016:3-13)

2.4.7.2 Challenge to bus operators deriving from taxi intimidation

Taxi intimidation remains a current and ongoing threat to bus operators, and it seems as though the responsible parties are reluctant to come to a settling agreement over this feud. In light of the ongoing intimidation, SABOA requested the Minister of Transport to appeal to the taxi industry to refrain from intimidating bus operators. Though the minister had discussions with the South African National Taxi Council (SANTACO), thus far no improvements have followed (SABOA Bus, 2017:11-17).

In summary, in his presentation on taxi intimidation at the SABOA annual conference held in March 2016, Pienaar (2016) concluded that the effect of taxi intimidation has far reaching consequences that entail a monopoly in public transport, which is unhealthy to the economy and denies passengers their freedom of choice, forcing them to use more expensive, unsafe alternatives that could see to the permanent closure of many operators.

2.4.8 Industrial action and labour strikes

2.4.8.1 Overview of challenge

The Labour Relations Act (LRA) (Act 66 of 1995) defines a strike as partial or complete refusal to work, or obstruction of work by persons who are or have been employed by the same employer or different employers, for the purpose of remedying a grievance or resolving a dispute in respect of any matter of mutual interest between the employer and employee. According to Williams (2017:69-70), the main reasons for strikes are wages, bonuses and compensation, and strikes are undertaken in demand of higher salary increases to meet increasing socio-economic needs. However, strike action does not only influence the employee, but it also impacts on the employer and economy as a whole. Murwirapachena and Sibanda (2014:556) argue that strikes have far reaching consequences to the economy with widespread cost implications. Williams (2017:45) depicts the number of industrial action strikes in South Africa from 1999 to 2014 as shown in Figure 2.13 below.

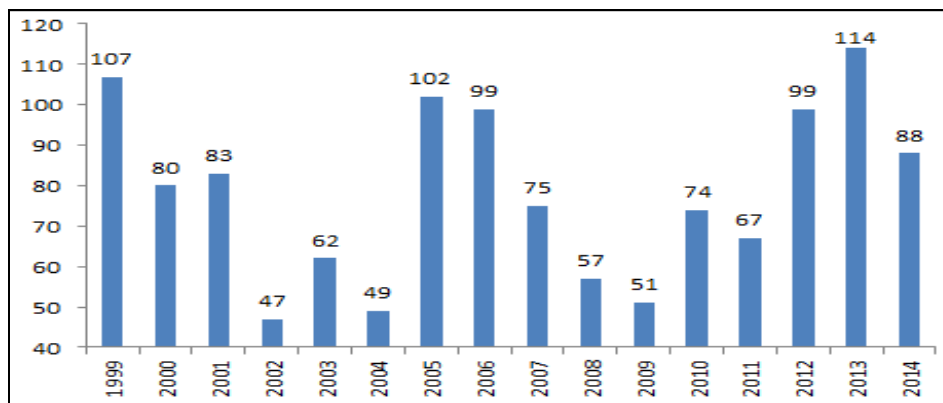


Figure 2.13: Number of strikes in South Africa (1999-2014)

Labour unrest and strikes in the transport industry cause major disruption to the daily lives of commuters that rely on public transport to get them to work on time. According to Dickson (2017:26-28), transport strikes are potentially the most disruptive strikes of any, not only is it unsettling to travellers and commuters, but the bus drivers are also affected. Mare (2017) supported this statement by claiming that although buses make a tremendous difference in the lives of the working class, nothing is quite as unsettling as a situation where buses are suddenly unavailable.

2.4.8.2 Challenge to bus operators deriving from industrial action and labour strikes

On 12 April 2017 bus drivers across South Africa embarked on a national wage strike that affected both local and long distance commuters. According to public relations officer of Putco, they had to cancel a total of 682 buses booked to Morija for the Easter break (Mahopo, 2017). The effects of this particular strike have resulted in a huge loss for many bus operators seeing that Easter weekend is one of the peak periods for numerous long distance transporters, and for some, this strike was one too many in an already strained economic climate.

In 2018 the bus transport industry was once again involved in large scale labour strikes. Malope (2018) reported that further strikes in 2018 could see the country losing R589 million per week due to ongoing bus strikes. The industrial action in the transport industry poses a major threat to bus operators, as the inability to afford the wage increase demands is what sparked the strikes in the first place. With the additional loss in revenue due to strikes, together with all the pressing challenges operators face, industrial action could be the final nail in the coffin to a premature collapse of the bus transport industry.

2.4.9 B-BBEEE Compliance

2.4.9.1 Overview of challenge

According to Kleynhans and Kruger (2014:1), Broad-Based Black Economic Empowerment (B-BBEE) is fast becoming a tremendously important determining factor for many in the South African business environment. The Employment Equity and Affirmative Action plan was developed by the South African government in order to increase black ownership and management of companies in the private sector with the focus on enhancing, empowering, uplifting, and developing the previously disadvantaged groups.

The DoT (2008) states in the Integrated and Subsector B-BBEE Charter of Transport that the Charter will seek to address challenges in the transport sector like low levels of Black ownership, low levels of skills of employees, and inadequate representation of Black women within the workforce. The B-BBEE scorecard measures a company's compliance to B-BBEE requirements (Kleynhans & Kruger, 214:4). During the SABOA 2017 annual conference, Selokane (2017) presented an overview of the draft B-BBEEE bus commuter and coach sector charter. The scorecard categories consist of the following elements:

- Ownership
- Management control
- Skills development
- Enterprise and Supplier development
- Socio-Economic Development

Companies' compliance is rated according to the score received and awarded a level of compliance.

2.4.9.2 Challenge to bus operators deriving from B-BBEEE requirements

Although B-BBEE does not affect companies in all the sectors, the correlation is industry and target market related (Kleynhans & Kruger, 2014:8). For bus operators in the private sector with a target market of governmental institutions for transport services and mining companies for transport contracts, non-compliance to B-BBEE requirements directly affects their profitability and competitiveness since all government procurement and mining companies are obligated to consider the B-BBEE compliant status of suppliers. Recently revised compliancy policies and more stringent amendments have made it harder for previously low scoring companies to even obtain any level of compliance.

2.5 Chapter summary

In summary, SABOA's 2016/2017 annual report states that the main issues and challenges that the bus industry still face include policy issues, subsidisation, renewal of operating licenses, driver training and road safety, fragmentation in government planning, poor implementation of existing policy, and taxi intimidation (SABOA Bus, 2017).

It is evident from the literature set out in this chapter that the challenges faced by the bus transport industry are crucial and significant factors influencing sustainable and profitable operations. The contribution of public transport is of vital importance to the economy, and the literature review made it evident that the identified factors play a

crucial role in the performance and internal strategy decision-making efforts of a bus operator. Developing, adopting, and entrenching a proactive strategy culture, and aligning strategic direction to combat the threats from the external environment is at the order of the day for these organisations to grow profits that will lead to better infrastructure, employment opportunities, self-sustainment development, and welfare for the country.

If the economy can recover from the current downward cycle, then certainly economic growth will stimulate the transport industry positively by providing much needed relief from the constant rising of operational costs, allowing companies to focus on successfully managing sustainability and growth. The government should also focus on investment projects and plans to promote the transport infrastructure to the benefit and support of public transport operators.

Chapter 3 will look at the empirical investigation of some of these identified challenges. Once the analysis of the data collected is complete, recommendations can be formed from the interpreted data.

CHAPTER 3: EMPIRICAL INVESTIGATION

3.1 Introduction

This chapter focuses on the research methodology and analysis of the data collected to identify the challenges faced by a private bus operator. The participant profile, method and data collection, and data analysis are discussed. This is followed by the results and interpretation, and finally, the empirical findings are summarised.

3.2 Research methodology

3.2.1 Description of participants

In this mixed methodology, the participants of the study consisted of two groups. The first group formed part of the qualitative research component, and the second group formed part of the quantitative research component. From the qualitative research, a total of six participants in key management positions participated in semi-structured interviews, for which the participants were chosen by purposeful sampling, as defined by Patton (2015:264), to provide the most relevant knowledge pertaining to the research question and objectives.

These participants had more than 50 years of combined management experience within the passenger transport industry. Each of these participants had contributed equally to the research study. Table 3.1 below depicts the number of quotations that were generated from each participant during the interviews.

Table 3.1: Quotations per participant

Participant	Number of quotations
1	26
2	32
3	31
4	36
5	29
6	25

Source: Self-compiled from ATLAS.ti qualitative data report

During the initial open-coding process of the qualitative data, one of the repetitive codes highlighted the important role that bus drivers play in all the spheres of the business. This led to the second group of participants (bus drivers of the private bus operator) for the quantitative research, to whom questionnaires were given to capture the essence of challenges and behaviour experienced from their perspective, and to validate and support the findings from the qualitative participants. A total of 90 questionnaires were independently distributed between all three depots, and 80 questionnaires were returned. The process of this concurrent parallel mixed method approach follows.

3.2.2 Data collection

The data collection method was a mixed method, one method for the qualitative data and one for the quantitative data. The qualitative data followed the research method for qualitative research designs as set out by Creswell (2014:247). The framework for this method is depicted in Figure 3.1 below.

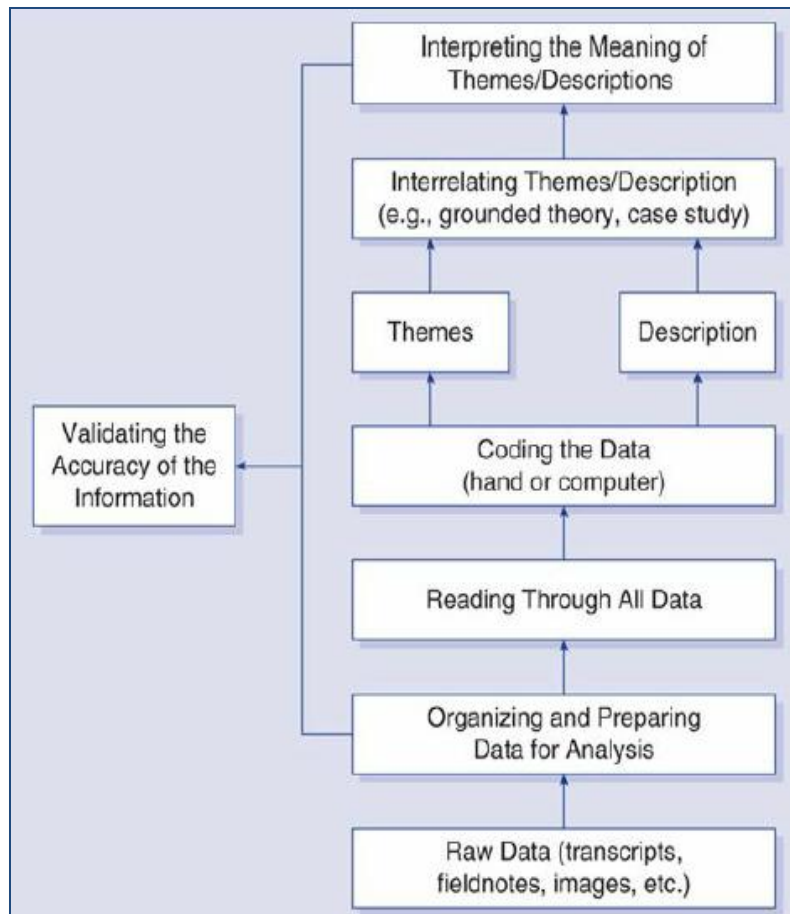


Figure 3.1: Data analysis for qualitative research

Source: Creswell (2014:247)

The design for the process followed for both the qualitative and quantitative data is illustrated in Figure 3.2 below.

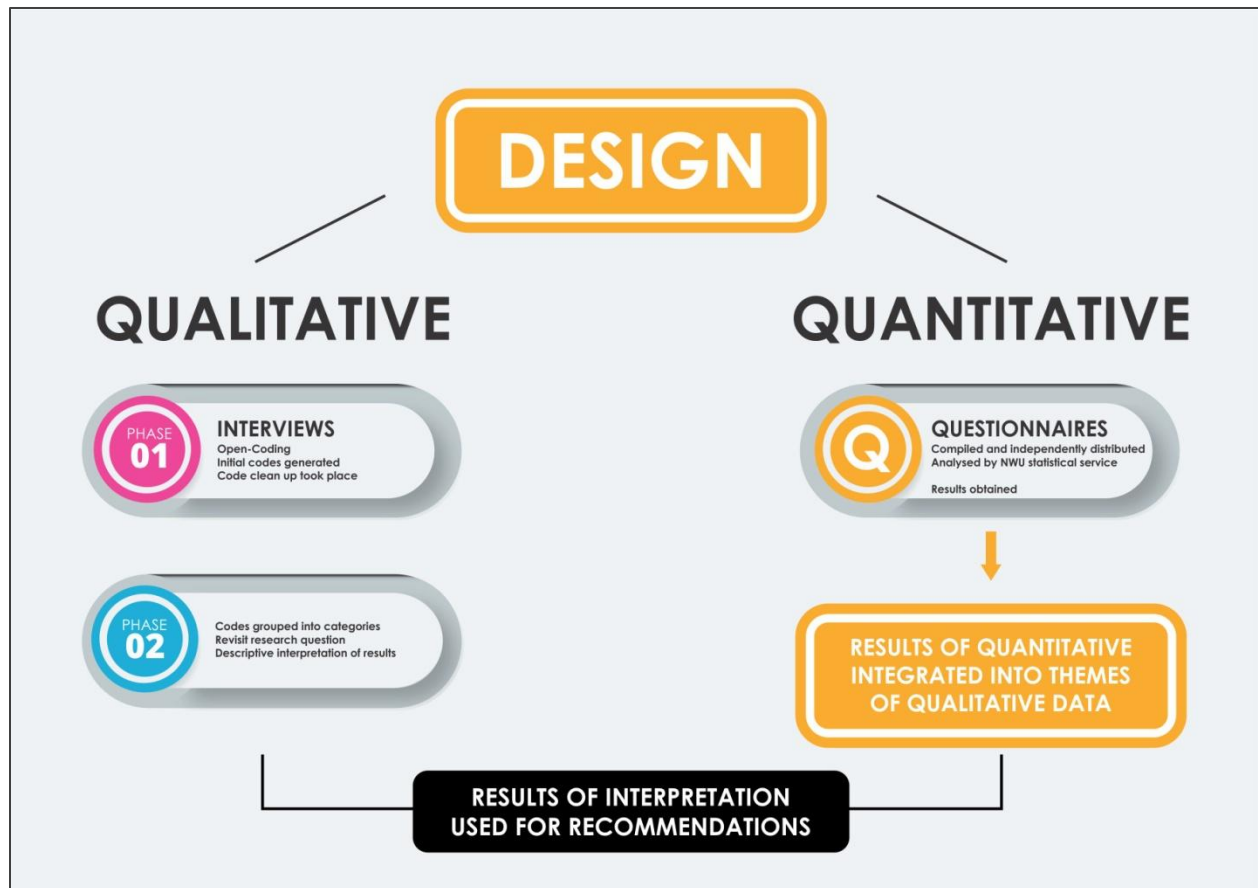


Figure 3.2: Schematic layout of design employed

Source: Self-compiled

The following section will discuss the data analysis process followed. It consists of two sub-divisions; one for the qualitative data analysis used to extract the data into codes followed by generating themes from the interviews, and one for the data analysis of the quantitative data extraction.

3.2.3 Data collection and analysis process

As detailed in Chapter 1, the research approach was outlined. This section explains the process of how strategies were rolled out and integrated.

3.2.3.1 Qualitative

The initial process started with the transcribing of the interview data. The transcriptions were done through free transcription, after which phase one was initiated by an independent, registered research psychologist for separate analysis and interpretation of the transcripts to ensure accuracy and transparency. The qualitative data analysis consisted of two phases of thematic analysis, as suggested by Braun & Clarke (2006:77-101). During the first phase, the transcripts were reviewed to correct mistakes and ensure completeness and correctness. This step was followed by the preparation of data through highlighting the relevant paragraphs, after which coding was done (open-coding) and which generated the initial code list of 157 codes, as suggested by (Creswell, 2014:247). Step three compromised a code clean-up to merge similar codes, leaving a final code list of 102 codes.

The second phase consisted of grouping the codes into categories and revisiting the research question to align the categories with the purpose of the research. This step was followed by descriptive interpretation where networks were extracted to initiate the development of themes. All 102 codes were arranged and sorted under main and sub-themes (see alphabetic codes in Appendix C) according to impact. Figure 3.3 demonstrates the coding steps followed to conclude the themes.

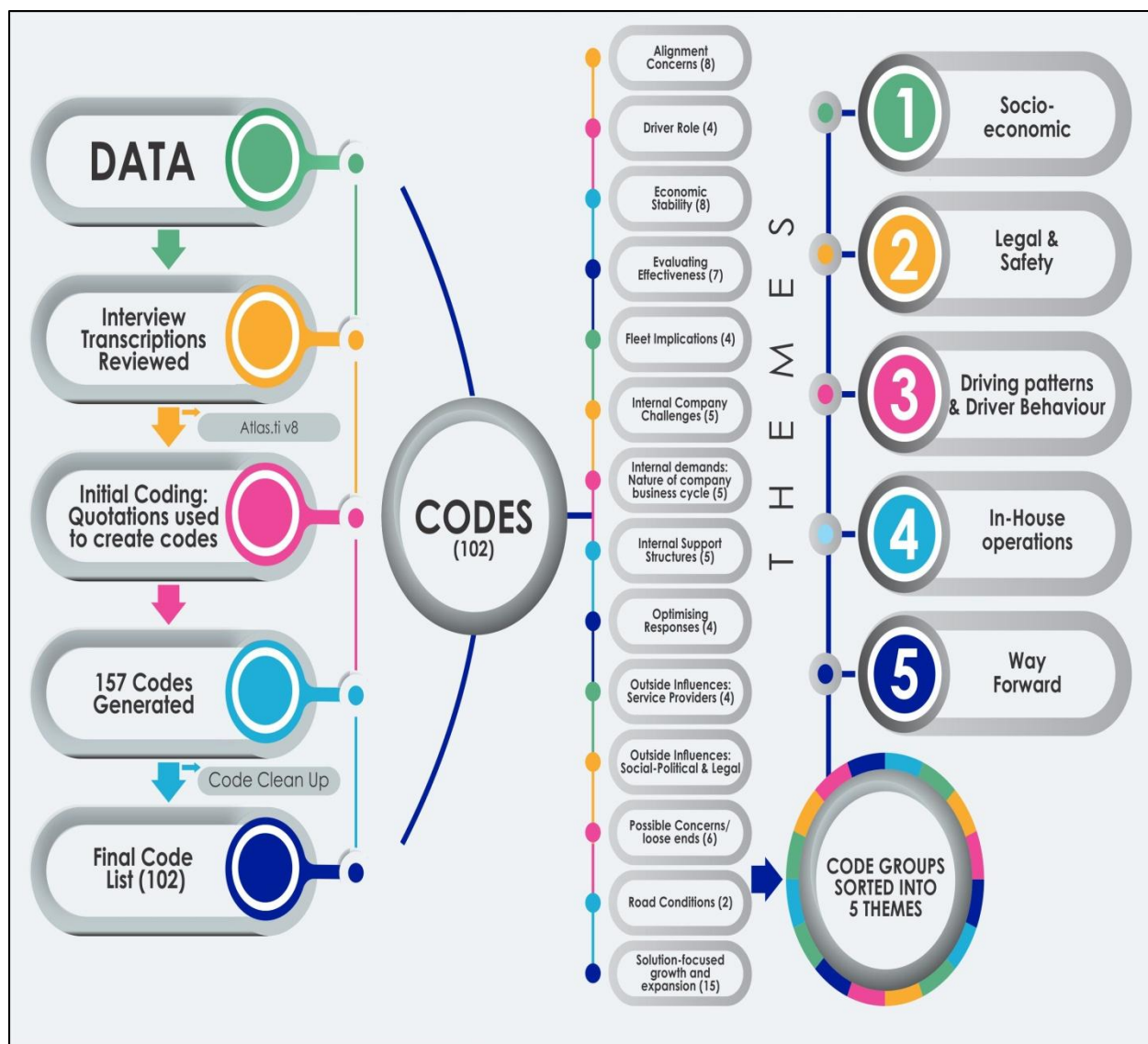


Figure 3.3: Coding process to final themes

Source: Self-compiled from ATLAS.ti reports

3.2.3.2 Quantitative

The quantitative research consisted of a questionnaire that was developed by the researcher to support the qualitative findings and test the driver behaviour and patterns, as well as highlight the challenges that bus drivers face. Creswell (2014:209) suggests

following five steps for quantitative data analyses and interpretation. These steps involve reporting the information about the sample, discussing the method by which response bias will be determined, providing descriptive analysis for all variables such as the means, standard deviation and range of scores, providing a plan to develop scales, and testing the major inferential questions. If the study cannot proceed beyond descriptive approaches or the number of participants is too small, more advanced analyses should not be pursued and the study should stop with the descriptive analysis, which was the case with this study.

The process that was followed consisted of, firstly, collecting data by means of a questionnaire with 56 questions. Personal and demographical questions such as age, years of employment, and division employed were asked. Secondly, the Statistical Services of the NWU were employed for performing the statistical analysis. Cronbach's alpha statistics were used to test for reliability and internal consistency and analysis of variance (ANOVA) was used to test for significant differences between means. Table 3.2 below shows the sections and associated questions.

Table 3.2: Empirical research sections

	Section	Questions
A	Personal and demographics	Section A:Q1 to Q6
B	Driver behaviour and driving patterns	Section B: Q1 to Q30
C	Operational obstacles and challenges faced	Section C: Q1 to Q20

3.3 Qualitative statistical analysis

This section elaborates on the findings of the empirical study and interprets the results. The first sub-section 3.3.1 provides a brief analysis on the themes generated from the qualitative research whereas the second and third sub-sections 3.3.2 and 3.3.3 depicts

the interpretation and discussion of the qualitative results as illustrated in the foregoing Figure 3.2. The quantitative results are discussed afterwards in section 3.4 and its sub-sections.

3.3.1 Themes identified

After the initial 157 codes were extracted, they were refined through sorting, merging, and collapsing irrelevant codes, also known as code clean-up, which resulted in the final number of 102 codes. The research question and objectives were revisited, where after themes were identified, under which the codes were sorted and grouped. Figure 3.4 represents the five main themes identified.



Figure 3.4: Main themes identified

Source: Self-compiled from ATLAS.ti reports

Table 3.3 below presents the evidence for the supportive quotes to the main identified themes. It should be noted that participants of the interviews are onwards referred to as *P1, P2, P3, P4, P5, and P6*.

Table 3.3: Main identified themes, sub-themes, and supportive quotations

Theme 1: The socio-economic implications of external factors impacting bus operators	
Sub-themes:	Evidence/supportive quotes:
1.1 Outside socio-political requirements/conditions impacting operations.	<p><i>“With a more stable economy and less stringent legal requirements, better opportunities will be available to ensure growth of the company and greater contribution to the economy through expansion and employment opportunities.” (P1)</i></p> <p><i>“If the current economical climate does not improve and the currency exchange rate continues to plummet and the government does not intervene with the taxi intimidation and skills are not retained within the company, the result will be detrimental to our company.” (P4)</i></p> <p><i>“If municipal services are improved, then service delivery protest and unrest can be resolved so that roads are not blocked, and we are able to deliver the intended services with no additional and unnecessary costs incurred.” (P5)</i></p> <p><i>“With a more stable and stronger economy and business scenario, it will be possible to invest in resources, newer fleet, and new technology that will benefit the company. It will also lead to more spendable money for clients and therefore higher income for the company.” (P3)</i></p>
1.2 Outside competitors impacting client base	<p><i>“There are many substitute services and we will need to streamline the business to keep the quality and standards and maintain all the infrastructures.” (P6)</i></p> <p><i>“Competitors may also ... many competitors... buy their own school buses...who are acquiring their own buses and this takes away business from us, because they transport their own scholar children to sport events, to excursions and</i></p>

	<p><i>that means they will not book with us anymore, shrinking our client base.” (P4)</i></p> <p><i>“Taxi intimidation on the long distance segment is also an obstacle for us. It has led to route closures, because we lose clients from the intimidation and then the routes become unprofitable with less and less passengers.” (P5)</i></p> <p><i>“I would say outside competition with lower price structures. Governmental subsidised bus operators versus non-subsidised bus operators. We cannot compete with subsidised operators in regards to prices.” (P1)</i></p> <p><i>“Currently the substitute services of the fast growing taxi industry that is entering our market and offering the same services.” (P3)</i></p>
1.3 Fuel pricing impacting operational cost	<p><i>“Other external aspects include the rise in cost of resources used such as the fuel price increases. If the fuel prices remains at an all-time high and maintenance cost keep on rising, there will be less profit and less customers as the prices have to increase to afford covering the expenses.” (P1)</i></p> <p><i>“Most definitely the high fuel prices and increase in parts necessary for maintenance of the fleet, especially the imported parts.” (P2)</i></p> <p><i>“Also looking at the cost factors, the diesel price increases that make our cost basis very high. The high fuel costs results in having to reduce other overheads such as employee costs, and this is directly linked to service delivery.” (P3)</i></p> <p><i>“I will start with high fuel prices that are continuously increasing, this impacts the company directly as it is one of our biggest expenses.” (P4)</i></p> <p><i>“I would say the high fuel prices are a very big challenge for us currently. The fuel price is always a very big cost factor.” (P5)</i></p>
1.4 Exchange rates impacting operational cost	<p><i>“The high fuel prices and maintenance parts that we import for the maintenance of the buses have a big impact on our costs and profit.” (P6)</i></p> <p><i>“Most definitely the high fuel prices and increase in parts necessary for maintenance of the fleet, especially the imported parts.”</i></p>

	<p>(P2)</p> <p><i>“Secondly, the currency and exchange rate also plays a role as 60% of our mechanical parts are imported, which leads to an increase in maintenance cost. With the poor exchange rate, more money has to be spent on maintenance parts, which mean the profit margin keeps on decreasing. This also impacts the cost of acquiring new buses, because most of the buses in South Africa are imported. So the poor exchange rate means you are paying a lot more for a new bus which means it almost impossible to acquire new buses.” (P4)</i></p>
Theme 2: The legal and safety requirement implications impacting bus operators	
Sub-themes:	Evidence/ supportive quotes:
<p>2.1 Outside socio-political requirements / conditions</p>	<p><i>“Definitely, social, legal as well as technological changes that would for example be the BEE requirements and then also political and social influences. The transformational policies instated by the government has a huge impact on procurement processes and puts pressure on the company as it is not easily achieved” (P1)</i></p> <p><i>“Labour unrest also impacts the company, because when the workforce embarks on labour strikes like the one of Easter weekend in 2017, the company incurs huge losses due to non-service delivery and it impacts our customer satisfaction in a big way.” (P5)</i></p> <p><i>“If the intimidation tactics cannot be stopped, then the income from the long distance service will keep on declining to a point where all long distance services will become less and less profitable to a point where we will not be able to provide the service any longer.” (P6)</i></p> <p><i>“The cost of insurance and the licensing of the buses I would say are also challenges to the company. Legislation pertaining to acquiring of operating permits can also sometimes be frustrating and time consuming.” (P2)</i></p>
<p>2.2 System use check-points to monitor safety</p>	<p><i>“The in-house workshops and inventory systems allows for excellent maintenance insuring availability of the required fleet.” (P6)</i></p> <p><i>“Newer technology requires training and knowledge that is not always available, and it makes maintenance costs much higher because these technologically advanced</i></p>

	<p><i>mechanisms and components are very expensive and sensitive.” (P6)</i></p> <p><i>“I think we can do better with newer technology and faster systems. The maintenance program is also an old system, but it ensures adequate maintenance and prevents premature breakdowns.” (P4)</i></p> <p><i>“The systems we use have various check points and audit reports for safety reasons and preventing fraud.” (P1)</i></p>
Theme 3: The drivers and their driving behaviour/pattern impacting bus operators	
Sub-themes:	Evidence/ supportive quotes:
3.1 Driver behaviour and style impacts costs and reputation	<p><i>“Safety is the main priority of the company and drivers play a big factor in the safety of the passengers. Driver fatigue is also a safety concern and should never be disregarded or overlooked. It is important for drivers to rest properly. Drivers should communicate if they are tired and they should utilise their co-driver on long distance routes to avoid risking the safety of their passengers. Drivers should also be rotated on a regular basis so that long distance drivers do not drive the same route every week and starts to take chances, because they know the route so well. This, together with over speeding can lead to accidents.” (P2)</i></p> <p><i>“Drivers play a critical factor in the longevity of the fleet, together with proper maintenance. If they experience a problem or hear a noise and do not report it or stop the vehicle, a major component such as a gearbox, or engine or turbo could get damaged. Also if they do not inspect the bus on a pre-trip inspection such as checking the oil and water levels, a bus could have a leak and driving that way could also result in the failure of one of the components. All of these factors as well as over speeding, harsh braking and excessive idling leads to increased maintenance cost and less profits.” (P2)</i></p> <p><i>“To apply safe driving practices to minimise risk of accidents. To adapt to a fuel efficient driving pattern.” (P4)</i></p>
3.2 Retaining good, skilled, competent drivers is imperative to reduce risks	<p><i>“If skilled employees are not found or retained it can lead to safety and reputational risk.” (P1)</i></p> <p><i>“Continues driver training will also ensure less risk for accidents and being better equipped to handle emergency situations that</i></p>

	<p><i>they may encounter on the roads.” (P2)</i></p> <p><i>“When revenue increases it will also lead to financial freedom to offer more competitive remuneration packages in turn. This will have a positive ripple effect to retain skills and skilled artisans and -drivers, reducing the risk...to reduce the risk of accidents; unnecessary maintenance cost and improves the fuel efficiency.” (P4)</i></p>
Theme 4: The in-house management, procedural structures, and communication alignment impacting bus operators	
Sub-themes:	Evidence/ supportive quotes:
4.1 Administrative, operational, and communication complications	<p><i>“Decentralisation of the depots. With the decentralisation, or rather depots operating as independent cost and profit centres, there is a lack in communication and collaboration between the depots. Monthly meetings and gatherings do not take place to discuss problems that might occur at one or more depots and also hinders the opportunity to sharing solutions that a depot may have to a problem that both depots face.” (P3)</i></p> <p><i>“Communication, or the lack thereof, between the different departments as well as accommodating the different needs, goals and understanding of each department will disrupt the flow of information and can become a huge challenge. If they don’t work together and understand the needs of each other and there is a lack of communication it also hinders the progress and flow of the company.” (P4)</i></p> <p><i>“Constraints because of the lack of resource sharing and communication between depots impacting the potential strength and competitive advantages at our disposal with the combined fleet and capability of all the depots.” (P5)</i></p> <p><i>“Communication and planning in the operational department is also very important, because if buses are not out of the workshop on time, or not enough buses are allocated, then we are not able to provide the service and we will lose clients.” (P6)</i></p>
4.2 High operational and maintenance costs	<p><i>“Customer satisfaction should also be a key priority so that customers remain loyal and supportive and costs should be managed and monitored with proper budgets and planning.” (P3)</i></p>

	<p><i>“The cyclical nature of our industry in the private hires where the fixed costs remain constant monthly, but the income varies. So it takes detailed planning and budgeting to make provision for overhead costs in the low income months and sourcing additional revenue for these low income months.” (P6)</i></p> <p><i>“The high maintenance cost with the current age of the fleet. The older the fleet, the higher the costs to maintain the fleet and the quality needed for service delivery. The age of the fleet with the higher maintenance costs also impacts the costing models used for the calculation to determine the rates charged.” (P2)</i></p> <p><i>“The age of our current fleet has a direct impact on our company as it becomes a burden and huge expense to continuously maintain the mechanical operations and aesthetics of the aging fleet. If you take a 10-year old bus, this bus needs to be revamped, the punishment through the years are tough on these buses. They tend to break more frequently and they don’t look as pretty as they used to.” (P4)</i></p>
4.3 Management systems and structures consistent over time	<p><i>“Management structures have remained mainly consistent for many years so the management style has not changed, which is not a negative, but it could hinder new ideas and approaches to the direction and strategy of the company that the younger generation leaders could bring to the table.” (P1)</i></p>
Theme 5: The recommendations for a sustainable way forward to bus operators	
Sub-themes:	Evidence/ supportive quotes:
5.1 Capitalise on opportunities within the company	<p><i>“We just need to rethink our strategies and business models and focus on the right segments together with streamlining processes and managing costs in order to operate profitably.” (P3)</i></p> <p><i>“Definitely adopting and aligning the business strategies and activities to meet the needs of the company and its stakeholders, while at the same time protecting, sustaining, and enhancing the human and natural resources that will be needed for future operations. Shifting focus to other segments such as the National Scholar Transport, joint ventures for contracts, the tourist market, and growing private hires.” (P1)</i></p> <p><i>“If fuel prices can decrease and direct cost in total can come down, more monetary</i></p>

	<p><i>resources will be available to invest in technology software that can aid in the potential planning, forecasting, and allocations of fleet.” (P5)</i></p> <p><i>“Strategic direction change is also an obstacle. We used to be focused on providing cost effective long distance transport, but we need to shift the focus to provide, not necessarily the lowest cost, but providing quality service at a higher cost.” (P3)</i></p> <p><i>“The pivoting point will be to educate and communicate with the workforce in such a manner that the following will become a work culture, namely:</i></p> <ul style="list-style-type: none"> <i>to apply a safe driving practices to minimise risk of accidents</i> <i>to adapt to a fuel efficient driving pattern</i> <i>to achieve a quality maintenance standard</i> <i>to build a trust relationship with reputable suppliers at the right price, and lastly,</i> <i>to become a dedicated team.” (P4)</i>
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3.3.2 Presentation and interpretation of the results

The analysis derived from the themes are presented along with what these themes characterise. From the main themes, sub-themes have been grouped under each main theme. These sub-themes also consist of sub-divisions under each sub-theme which elaborate and support the codes connected with each theme. Each of these sub-themes with their subsidiaries is presented in the schematic format of networks below (Figure 3.5 to Figure 3.9) for ease of reference. The orange blocks represent sub-themes to the five main themes, while the yellow blocks represent further branching of the sub-themes. The pink blocks represent the overall impact that all of these identified themes could potentially have on the operator while the other nodes show the causes and associations of other factors identified to each sub-theme. The colour-coding in the figures is also depicted in the Appendix of codes under Appendix C.

3.3.2.1 Theme 1: Socio-economic implications

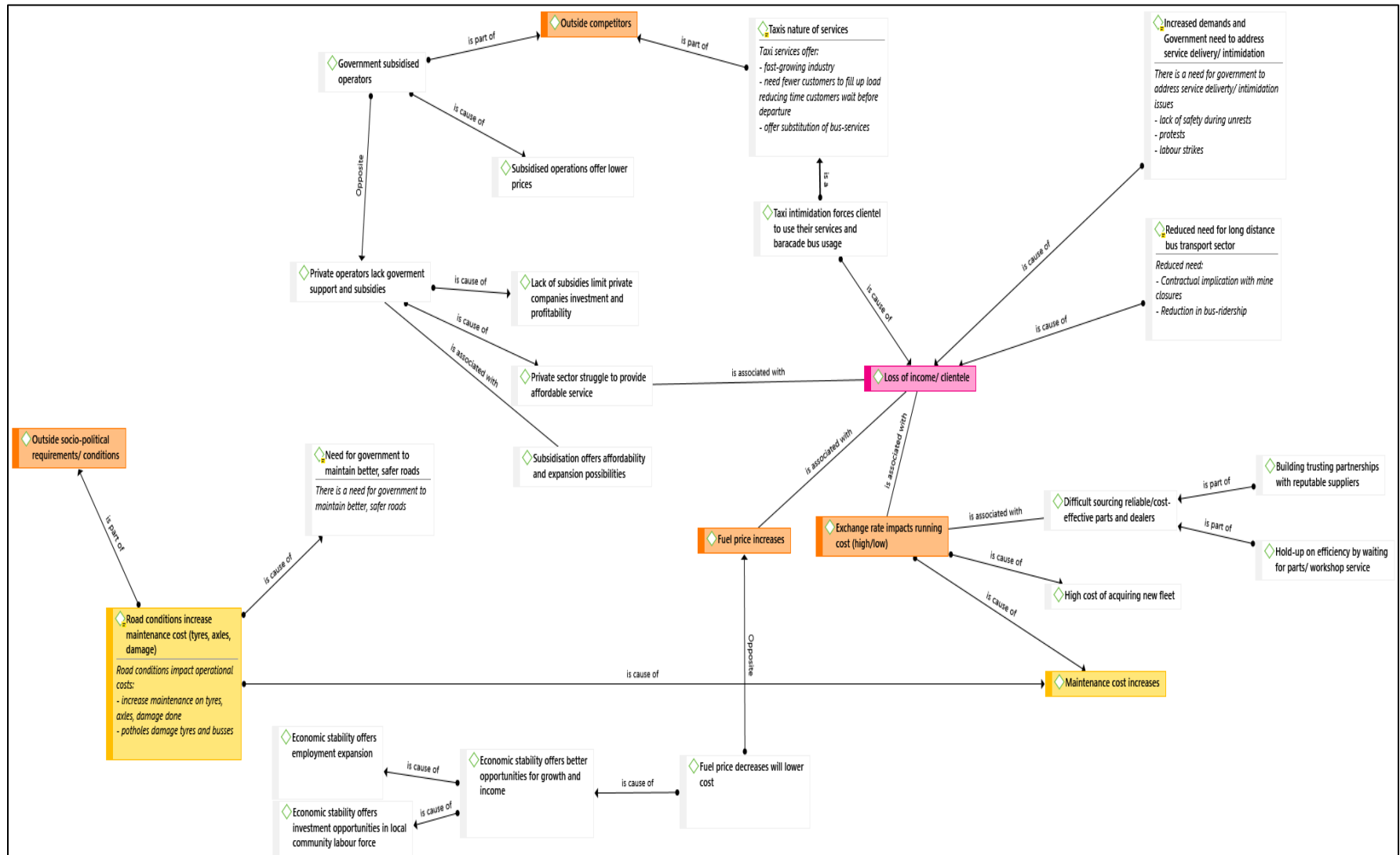


Figure 3.5: Socio-economic implications and outside influences (Self-compiled)

Theme 1 in Figure 3.5 addresses the economic implications and outside factors that influence the company (main theme). This theme is further divided into the sub-themes (orange blocks). These sub-themes are subdivided into implication factors (yellow blocks); where after related cost, underlying causes and implications associated with each of these subdivided themes are presented in white blocks. The sub-themes are listed below:

- Socio-political challenges
- Outside competitors and the nature of how services are rendered
- Fuel price increases
- Fluctuating and volatile exchange rates.

Socio-political challenges consist of political requirements such as the general road conditions that require government to better maintain and provide safer roads and damage caused by the road to tyres, axles, etc. impacts on maintenance costs.

Outside competitors include government-subsidised operators and substitute taxi services, with the latter also presenting a challenge in the form of taxi intimidation. The effects of taxi intimidation include loss of clients, route closures, and in some instances, loss of fleets due to sabotage or even permanent closure. Government-subsidised operators present a challenge to non-subsidised operators due to the inability to compete with the subsidised industry that are able to offer lower fares with subsidy aid, which results in loss of income. Government assistance is required for subsidisation of private bus operators and to intervene through law enforcement to counteract intimidation tactics.

The additional outside factors such as fuel prices and the exchange rate impact the company in many ways. The high fuel prices result in higher operational costs and higher fares charged to recover incurred losses. The exchange rate impacts on the ability of the operator to acquire new fleet, and leads to increased maintenance costs due to the importation of new fleet and maintenance parts. There is also a direct link

between the high fuel prices and the country's economic stability, and the economic climate impacts on the ability of independent contractors to render services with associated financial cost implications. In addition, the weak economy leaves clients with less spendable money and higher unemployment rates, which also impacts profitability.

In summary, the overall implication of Theme 1 (pink block) and subsequent sub-themes bring about increased maintenance and fleet costs, greater economic instability, and less affordable services for clients. These factors will ultimately result in loss of company income and large-scale downsizing or even possible closure.

All four themes to follow (main themes) are presented in the same manner as Theme 1. Figures 3.6 to 3.9 below illustrate the division of the main theme into the sub-themes (orange blocks). These sub-themes are subdivided into implication factors (yellow blocks), where-after related cost, underlying causes, and implications associated to each of these subdivided themes are presented in white blocks.

3.3.2.2 Theme 2: Legal and safety requirements

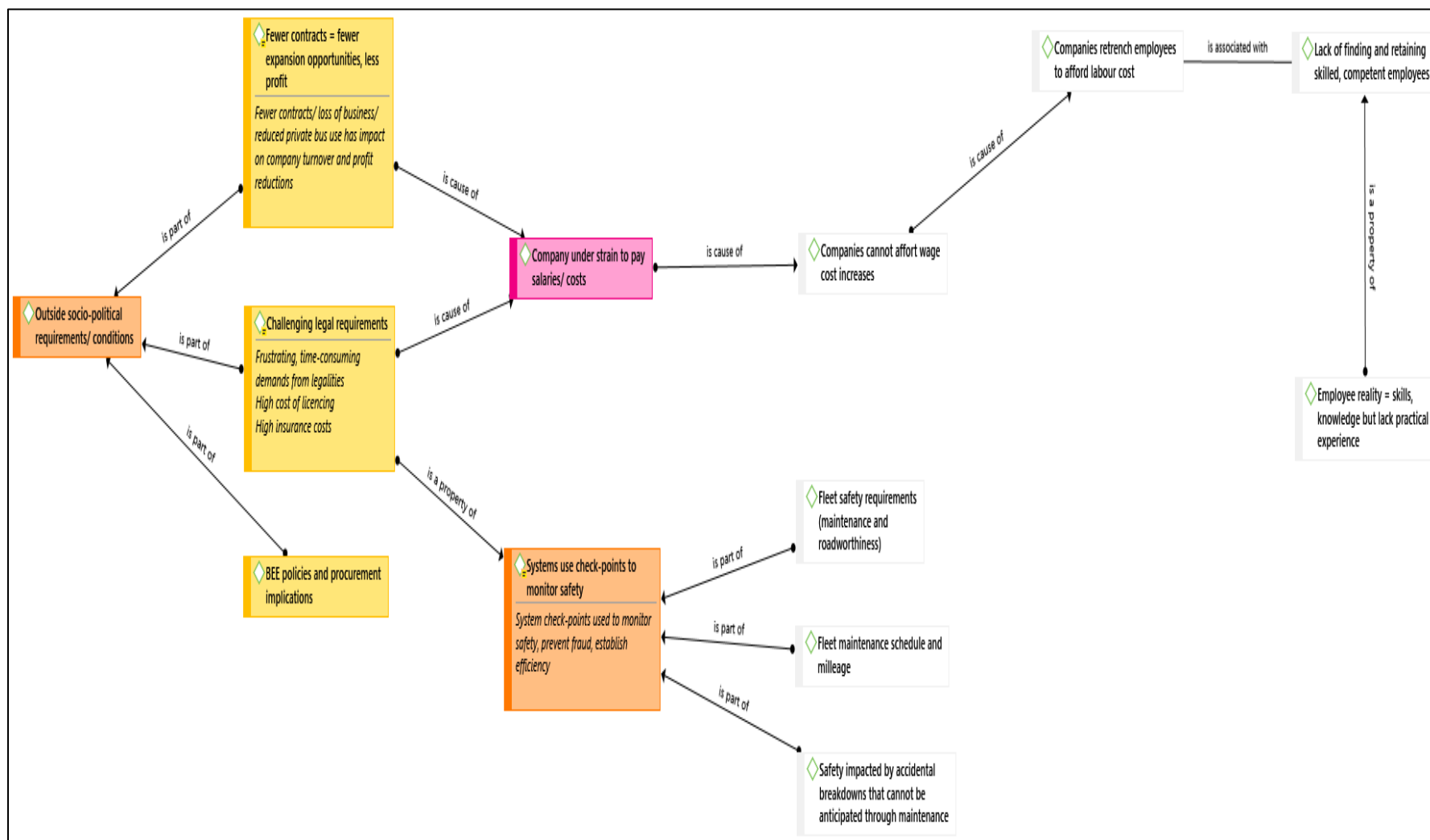


Figure 3.6: Legal and safety implications (Self-compiled)

Theme 2 in Figure 3.6 involves the legal requirements and implications that influence operations and safety of the operator. The legal requirements are also linked with the socio-political implications noted in Theme 1, which is part of outside influences impacting the company's ability to render services. The sub-themes consist of:

- Outside socio-political requirements and conditions
- System use check-points to monitor safety

Legal requirements are a part of the operational requirements that is essential for ensuring safety; however, participants noted its potential negative influence since these legal requirements are costly and stringent, leading to increased labour costs, reduced employee retention and loss of skilled labour.

The labour costs and legalities are not the only factor influencing skilled employee retention; it is also influenced by the lack of availability of experienced employees who might meet the skill requirements but who lack practical experience needed to efficiently and effectively maintain the fleet.

In addition to the legal requirements, the company has systems in place to ensure safety as per the legal and statutory guidelines. Safety regulations and maintenance go hand-in-hand to ensure passenger safety, quality service, and customer satisfaction.

In summary, the overall implication of Theme 2 (pink block), and subsequent sub-themes can lead to safety risks regarding fleet maintenance, loss of contracts due to policy non-compliance, and challenges in retaining skilled labour. Unless these challenges are addressed or properly managed, they will ultimately subject the company to strain to pay salaries.

3.3.2.3 Theme 3: Driving patterns and driver behaviour

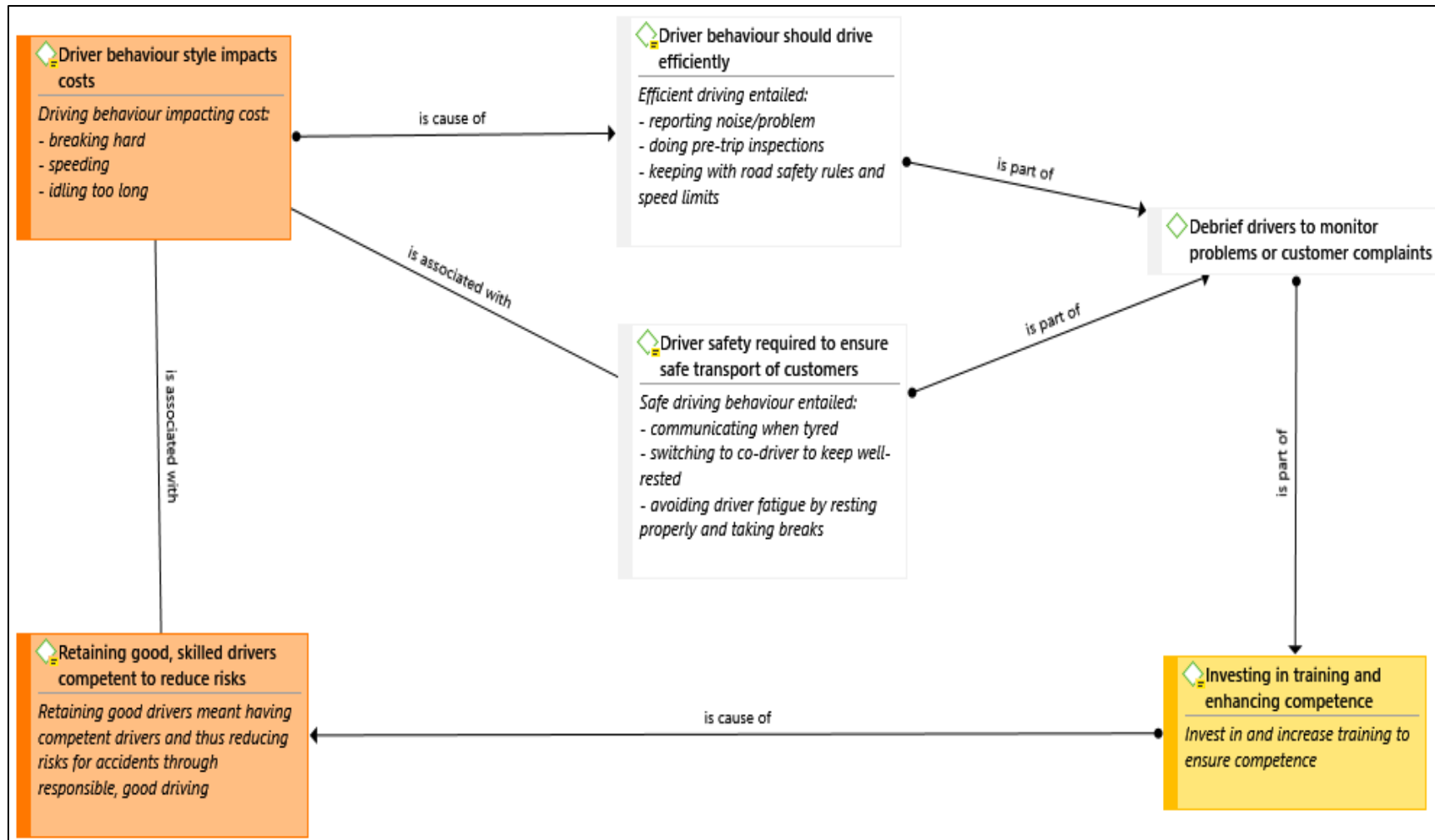


Figure 3.7: Bus drivers: Driver behaviour and driving pattern influences (Self-compiled)

Theme 3 in Figure 3.7 involves driving patterns and driver behaviour that influences the company. The sub-themes are:

- Driver behaviour style impacting costs
- Retaining good, skilled drivers are imperative for reducing risk

Driver efficiency and driver styles affect costs and customer satisfaction. Drivers are the link between the company and its customers; they are seen as the face of the company. Drivers are also responsible for the safety of the customers they transport. As such, their driving styles and behaviour toward customers affect the customer satisfaction rate. Their driving style is also directly associated with the safety of passengers.

A fact frequently overlooked is that drivers drive the most important and expensive asset of the business, namely the fleet. An inefficient driving pattern will impact on costs such as fuel and maintenance due to increased fuel usage from speeding, or higher maintenance costs as a result of excessive idling and harsh breaking. Failure to perform pre-trip inspections can also lead to extensive costs in damage to large components like gearboxes or engines. Since the drivers drive these buses daily, they should report any mechanical issues they experience so that these issues can be addressed before they result in more expensive maintenance costs or ultimately, accidents.

The opposite is also true that a good driver can positively affect the business. Drivers are not merely employees; they drive the business too. For this reason, the quantitative study findings focused on driver behaviour and patterns, as well as the challenges they encounter, which will be discussed under Section 3.4.

3.3.2.4 Theme 4: In-house operations

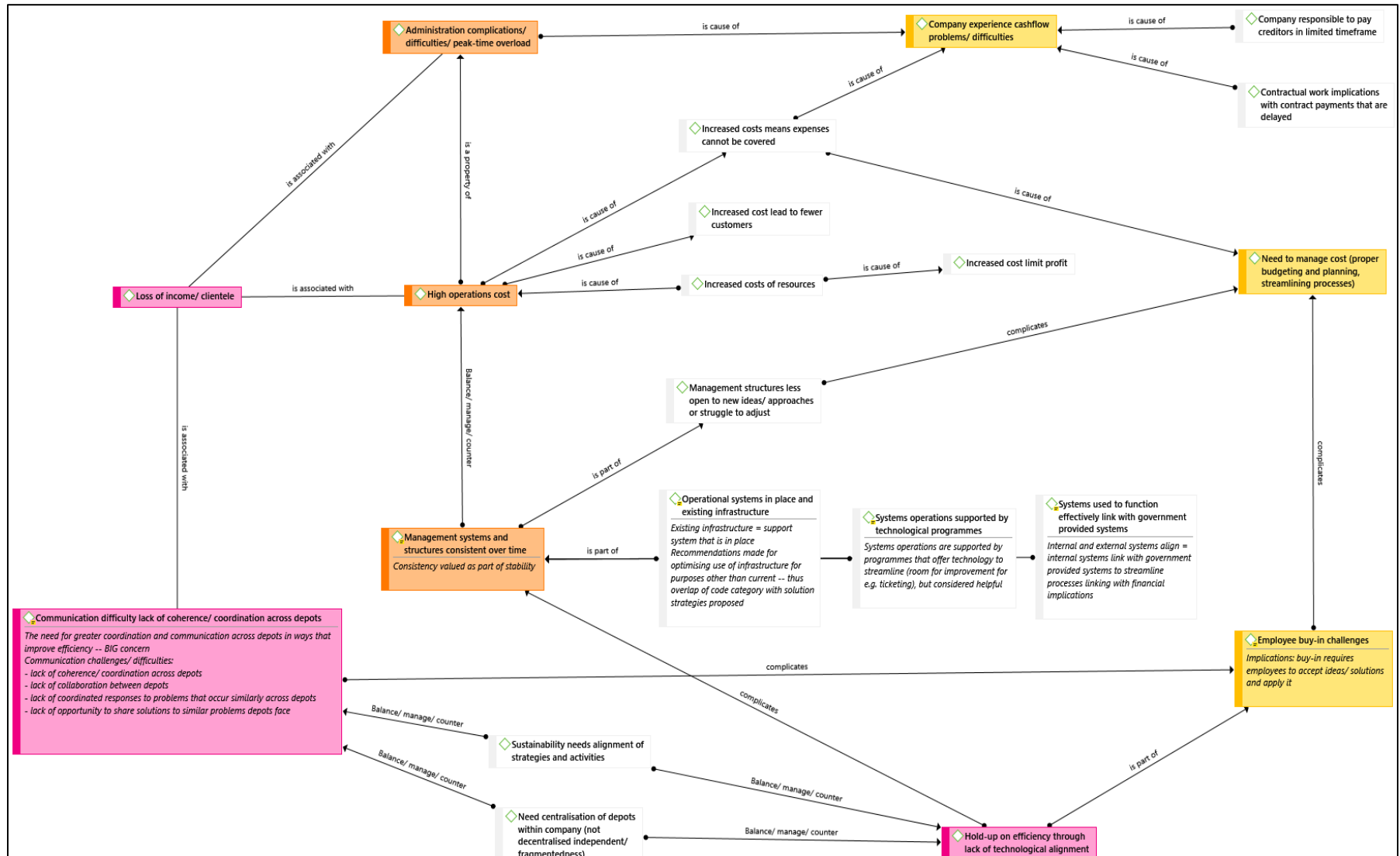


Figure 3.8: In-house: Management, procedural structures and communication alignment (Self-compiled)

Theme 4 in Figure 3.8 relates in-house operations and procedures with efficiency of processes inside the company and implications thereof on cost. In-house operations consist of the following components:

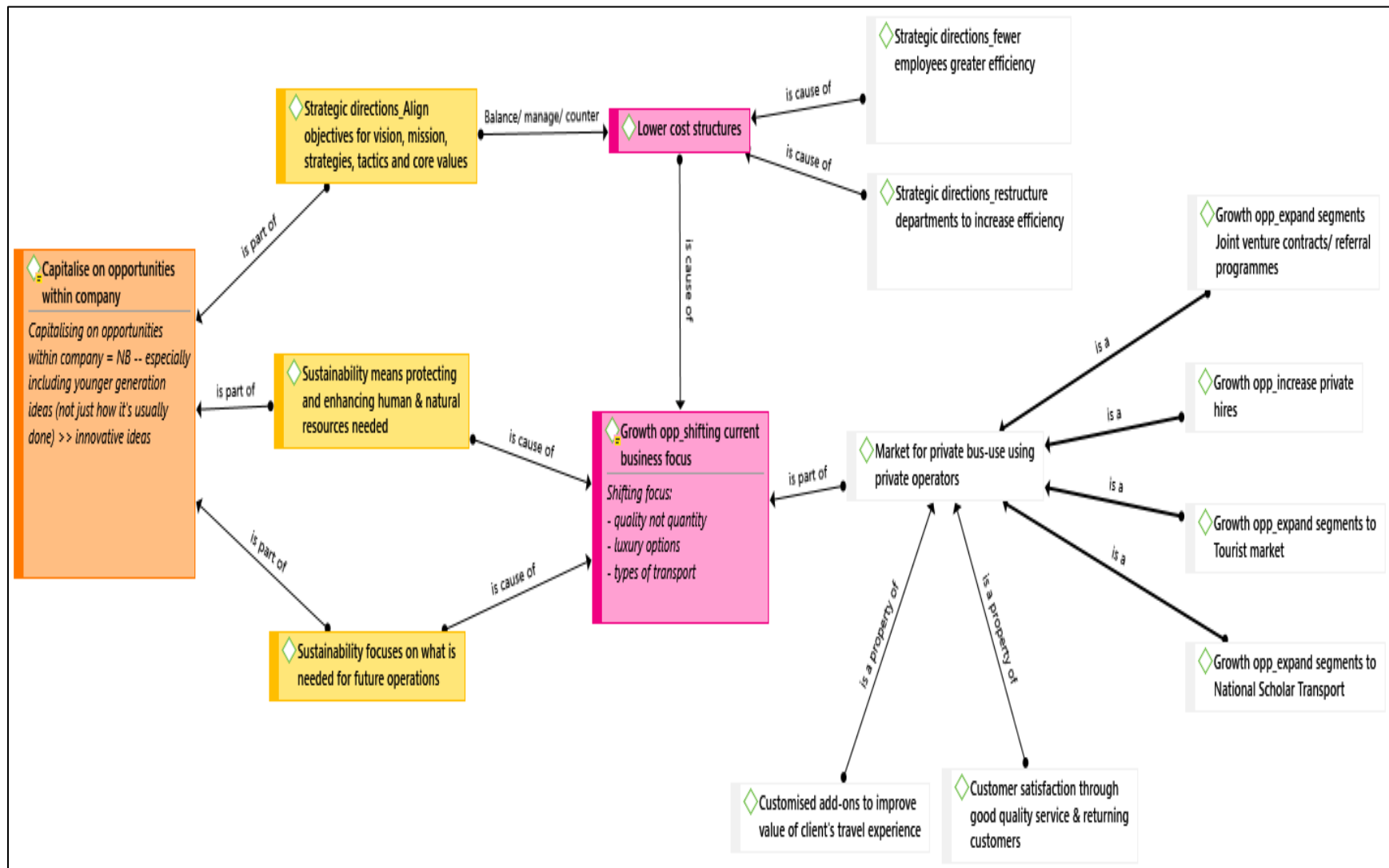
- Management systems and structures
- Administrative difficulties
- Associated high operational cost

Operational structures for bus operators with multiple service divisions are complex. It takes detailed planning for required bus allocations to service all routes and divisions, routine maintenance and other requirements. It is also important to retain employee buy-in to enhance operational efficiency. Systems and procedural structures require attention to detail with complex workings.

Management structures have remained mainly consistent over time, which is indicated as a risk due to lack of technology alignment and reluctance to new ideas. Communication or the lack thereof is also an indication of stagnant management structures. On the other hand, administrative difficulties can also be attributed to the system's complexity and lack of technological innovation regarding systems that result in administrative heavy tasks, which in turn impacts efficiency and performance.

If not efficiently managed, all associated internal operational systems, procedures, and structures might result in higher costs to the company. The present poor agility and flexibility of internal processes and systems should be addressed through proper planning, budgeting and control. These factors link up with employee buy-in, which could either hinder or improve the effectiveness of control.

In summary, the overall implications (pink blocks) of Theme 4 and sub-themes are identified as the possible risks associated with the lack of communication, technological application, and poor collaboration between business units. These risks could ultimately lead to loss of income and clients, if unaddressed.



The sustainable way forward (shown in Figure 3.9) for the company is to manage economic challenges, manage external and internal demands, and manage resources efficiently in ways that will make optimal use of opportunities within the company.

Besides aligning in-company strategies noted in Theme 4, this theme elaborates on strategic directions and sustainability through alignment of the vision, mission, and protecting and enhancing human capital and natural resources with the focus on future operations.

Future sustainability can be achieved by shifting the current business focus while simultaneously lowering cost structures. Expanding future operations into the tourist transport market and enlarging the footprint in the private hire market with benefits such as customised responses. Secondly, focus should be on quality instead of quantity, and finally, different types of transport services such as joint ventures, tourist industry operations, and scholar transport contracts should be investigated.

3.3.3 Discussion of the interpreted results

In this section the data analysis results and themes, as presented in section 3.2.2, are compared with some of the literature reviewed, to show how the results of the empirical investigation correspond to and relate with previous research on the study topic.

3.3.3.1 External challenges

The literature review provided insight into some of the external challenges impacting on bus operators, for example taxi intimidation, economic conditions such as high fuel prices, and the decline in commuters in the bus industry. Haler reported in SABOA Bus (2018/3:3) that within 10 years' time, the number of workers in the formal sector using public transport will have declined from around 60% to just 25%. In addition, STATS SA

illustrated the year-on-year decline of passenger transport journeys, as depicted in Figure 3.10 below.

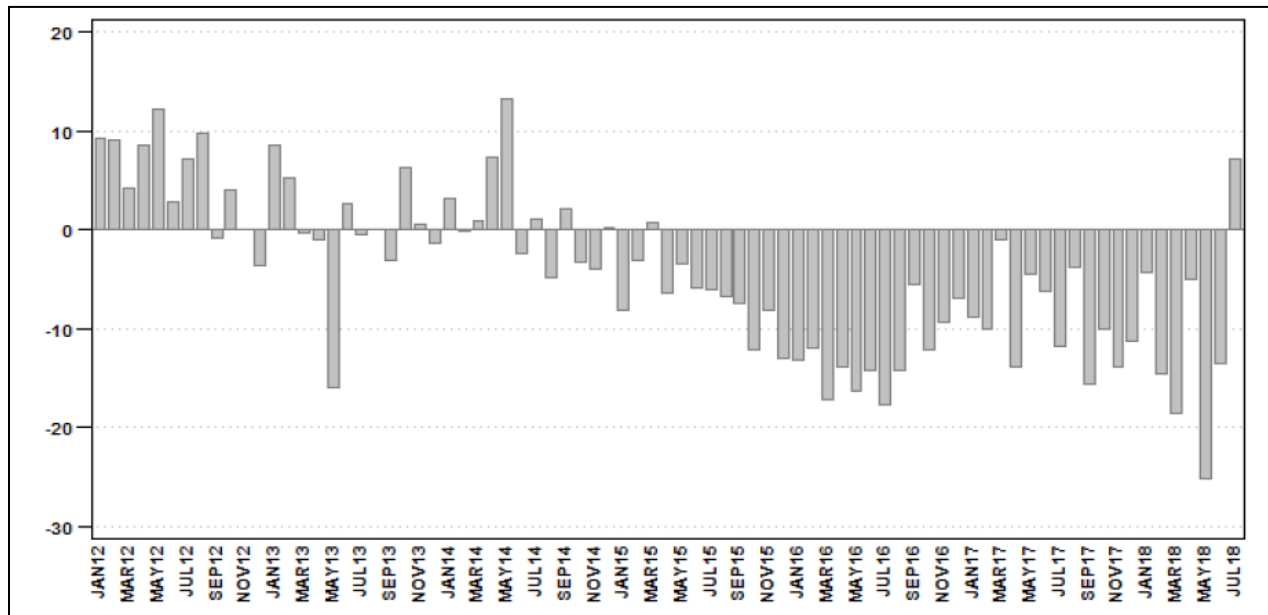


Figure 3.10: Passenger transport journeys percentage change

Source: STATS SA (2018:4)

This claim resonates with the empirical investigation, and can be seen in the following extracted quotation from the interview data:

“Bus ridership has been steadily declining over the years, especially for companies operating in the long distance transport sector who find themselves in a difficult situation of being unable to provide transport without government assistance” (P1).

Other external challenges impacting operators have been documented by Walters (2014:6) in research pertaining to challenges faced by small bus operators such as taxi intimidation, demanding B-BBEEE requirements, and difficulty in replacing old buses.

Similarly, the respondents from the interviews stated that:

“Lastly, I would say what also impacts the company is the BEE legislation. It is difficult to procure contracts with the mines and governmental institutions if your BEE score level is low” (P4).

“Taxi intimidation on the long distance segment is also an obstacle for us. It has led to route closures, because we lose clients from the intimidation and then the routes become unprofitable with less and less passengers” (P5).

“The age of the current fleet and capital constraints for investing in new fleet” (P6).

“Unfortunately the cost of new fleet has increased enormously over the last decade and it is almost impossible to purchase new fleet” (P2).

Furthermore, the rise of fuel costs is considered to have an enormous (if not the biggest) impact on the bus industry, because fuel cost is argued to be one of the greatest expenses of operators, as reported in the literature review. Participants in the interviews share the same sentiment by overwhelmingly confirming that:

“The high fuel prices and maintenance parts that we import for the maintenance of the buses have a big impact on our costs and profit” (P6).

“If the fuel prices remains at an all-time high and maintenance cost keep on rising, there will be less profit and less customers as the prices have to increase to afford covering the expenses” (P1).

“Most definitely the high fuel prices and increase in parts necessary for maintenance of the fleet, especially the imported parts” (P2).

“The high fuel costs results in having to reduce other overheads such as employee costs and this is directly linked to service delivery” (P3).

Although the impact and effect of external challenges experienced are similar for many bus operators, whether operating in the subsidised or non-subsidised market, internal challenges tend to be company specific. It also tends to depend on organisational and operational culture, and as such it differs from one operator to another. It is, however, important to compare future sustainable operational strategies, as they tend to correspond between operators since the market divisions are the same for many operators.

3.3.3.2 Sustainable future strategies

One of the sustainable ways forward for bus operators is to expand into and exploit the tourism market. The following quotations show that all participants are in agreement with this statement:

“I think if you render a proper service and look at possible new ventures to include a tourism component to the delivery of the service for the future to ensure that vehicles are used more efficiently and tap into that market that we have not yet entered at this stage” (P3).

“If we can obtain operating licences for new dedicated routes for tourists and travellers to Cape Town, Bloemfontein, Durban, and those places, and there is funding available for new fleet for those routes, then we can definitely expand our business in this way” (P5).

“To capitalise on opportunities for expansion in other segments such as scholar transport, joint ventures, and the tourist market” (P6).

“Joint ventures for contracts, the tourist market, and growing private hires” (P1).

“There is a big market for private bus operators in the sense that transport is needed, especially from a scholar and tourist point of view” (P2).

Through statistical evidence, the literature also confirms the claim that tourism has a significant impact on South African employment, and that passenger transport created the highest number of jobs in the tourism sector for 2017 (see Figure 3.11 below).

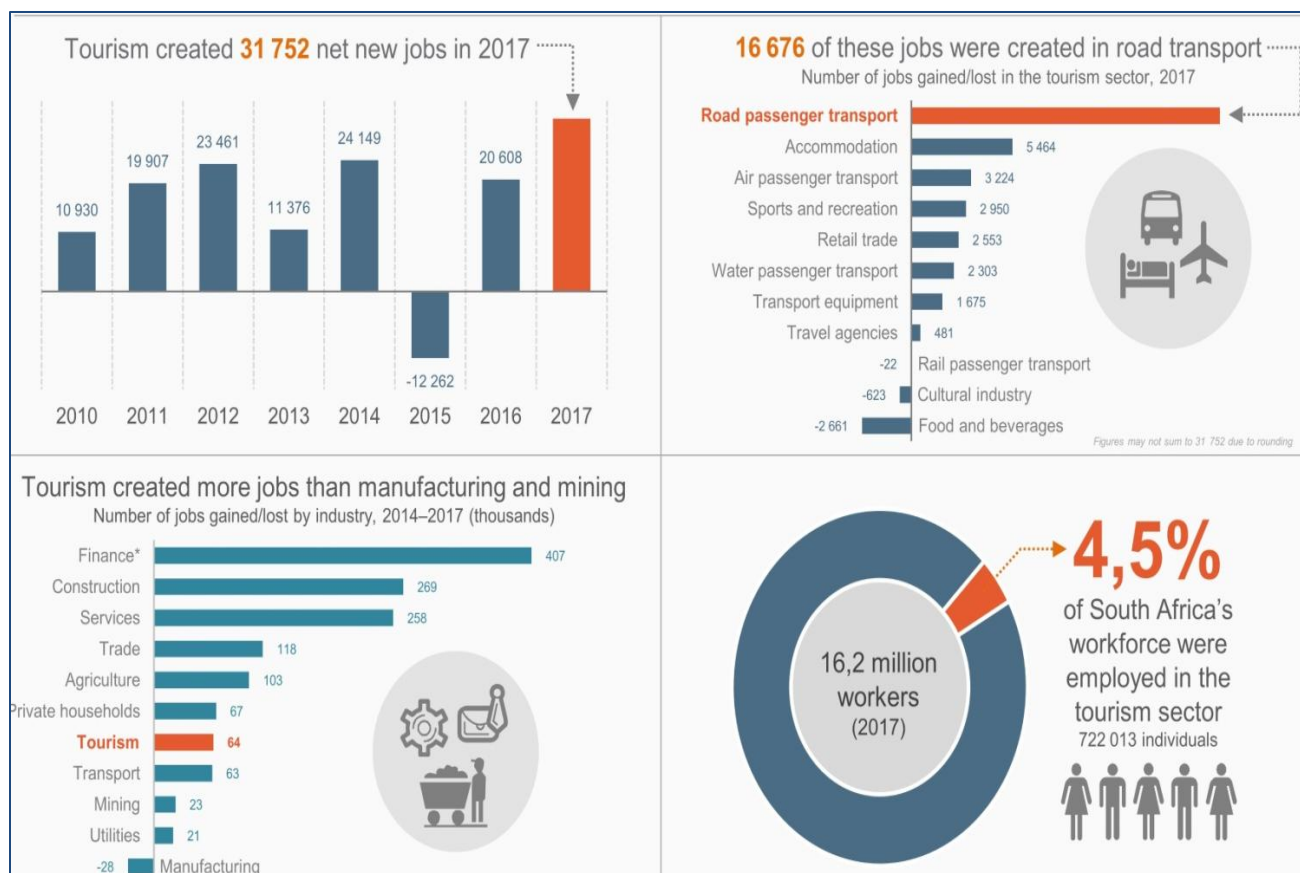


Figure 3.11: Tourism's impact on employment in South Africa

Source: STATS SA (2018:1)

3.3.4 Summary of the qualitative results

From the data provided by the participating private, non-subsidised bus operator in the current study, it is evident that they face many challenges, both internal and external. These experiences are corroborated by the literature review reporting on similar experiences for operators in previous research studies. Finally, the findings of this study provide support for future avenues such as the tourist industry diversification, as one of the most promising ways forward to enable and sustain productivity in future to bridge the challenges faced.

3.4 Quantitative statistical analysis

3.4.1 Introduction to quantitative statistical analysis performed

This section discusses the statistical analysis of the data gathered from the questionnaires to the bus drivers of the quantitative empirical study. Table 3.4 depicts the descriptive statistical analysis performed.

Table 3.4: Descriptive statistical analysis

	Section	Analysis
A	Personal and demographics	Frequency
B	Driver behaviour and patterns (Construct B)	Frequency, mean, standard deviation, ANOVA, multiple comparison
C	Operational obstacles and challenges faced (Construct C)	Frequency, mean, standard deviation, ANOVA, multiple comparison

Cronbach's alpha was used to measure reliability for construct B (driver behaviour), and construct C (driver challenges). Cronbach's alpha is a measure of internal consistency, and measures how closely related a set of items are as a group. Four variables from driver challenges were deemed inconsistent and dropped from the analysis, the remaining variables' values all measured above the recommended minimum of 0.7 for Cronbach's alpha. Table 3.5 depicts the reliability statistical analysis performed on construct B and construct C.

Table 3.5: Reliability statistical analysis

Items	Cronbach's Alpha	Number of items
All items	0.775	46
Driver behaviour	0.733	30
Challenges	0.767	16

The Cronbach's alpha coefficient for the data in this study had an acceptable aggregate score of 0.775 for all the items in construct B and construct C combined. The

Cronbach's alpha for the driver behaviour (construct B) measured 0.733, and the Cronbach's alpha for driver challenges (construct C) measured 0.767 after the inconsistent variables were dropped.

3.4.2: Presentation of results (frequency, mean and standard deviation)

The mean is mostly used to measure central tendency, indicating the balance point in a dataset, and represents the sum of values in a dataset divided by the number of values in that dataset (Levine *et al.*, 2011:114-115). The standard deviation is used to measure the average distribution around the mean. The values lie within an interval of minus or plus one standard deviation below or above the mean (Levine *et al.*, 2011:121). Table 3.5 to Table 3.7 below lists the frequency, mean, and standard deviation analysis for the constructs analysed.

3.4.2.1 Results and interpretation of section A (personal and demographics)

Table 3.6 presents the frequency results for section A.

Table 3.6: Section A (frequency results)

	Frequency	Valid percentage
Section A		
Q1. Sample age		
25-34	10	12.5
35-44	18	22.5
45-54	28	35.0
55-64	24	30.0
Q2. Years employed		
1-2	13	16.3
2-5	18	22.5
5-10	22	27.5
10-15	14	17.5
15-20	9	11.3
20-25	4	5.0
Q3. Stationed at		

Carletonville	33	41.3
Klerksdorp	20	25.0
Rustenburg	27	33.8
Q4. Company's main priority		
Safety	62	77.5
Reliability	3	3.8
Customer satisfaction	15	18.8
Q5. Operational division		
Private hires	38	47.5
Long distance	23	28.8
Contracts	19	23.8
Q6. Licence code		
C1	5	6.3
EC1	21	26.3
EC	54	67.5

The results show a heterogeneous distribution of age of the participants. The age of the drivers ranged between 25 and 64 years. The largest portion of the participating drivers consisted of drivers aged between 45 and 54, followed by drivers aged between 55 and 64, and lastly, drivers aged between 25 and 34 were the smallest representation. This indicated that around 65% of the participant drivers were past the halfway mark of retirement age, while only 13% of the participant drivers were still considered youths, that is, below the age of 35. Figure 3.12 depicts the distribution of age of the participants.

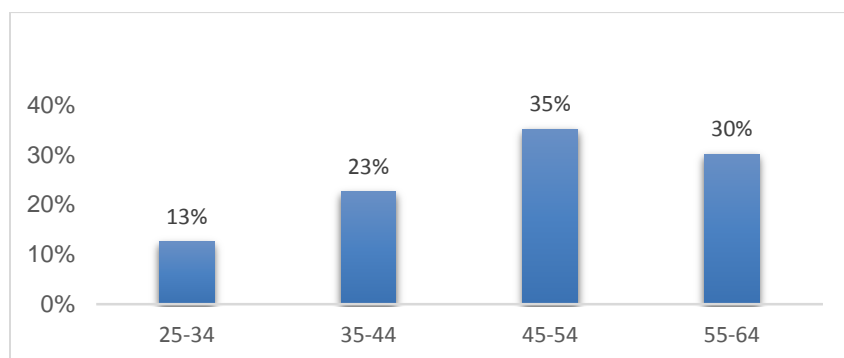


Figure 3.12: Age of drivers

The tenure of employment, defined as the number of years employed, varied from two years to over 25 years. On average, the drivers had between 11 and 15 years of tenure (28%). There was an increase in the number of drivers as the tenure lengthened up to 15 years, and a decrease in the number of drivers as the tenure exceeded 15 years. Twenty three percent (23%) of the drivers had tenures of between six and 10 years, 16% of respondents had tenures between two and five years. Eighteen percent (18%) of the drivers had tenures between 16 and 20 years while 11% had tenures of 21 to 25 years, and lastly, only 5% had tenures over 25 years. Figure 3.13 depicts the distribution of age of the participants.

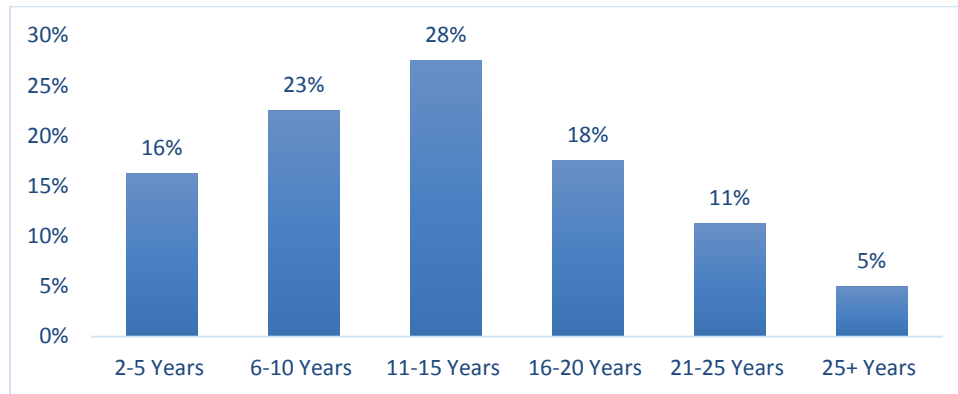


Figure 3.13: Employment tenure

The survey included drivers stationed at three depots located in Rustenburg, Carletonville and Klerksdorp. Most of the drivers were stationed at Carletonville (41.3%), with 33.8% stationed at Rustenburg, and 25% stationed at Klerksdorp depot. The split in representation of different depots is beneficial to the analysis, as different depots operate in different ways and therefore, the most evenly spread sample will provide a good representation of the different depots as depicted in Figure 3.14 below.

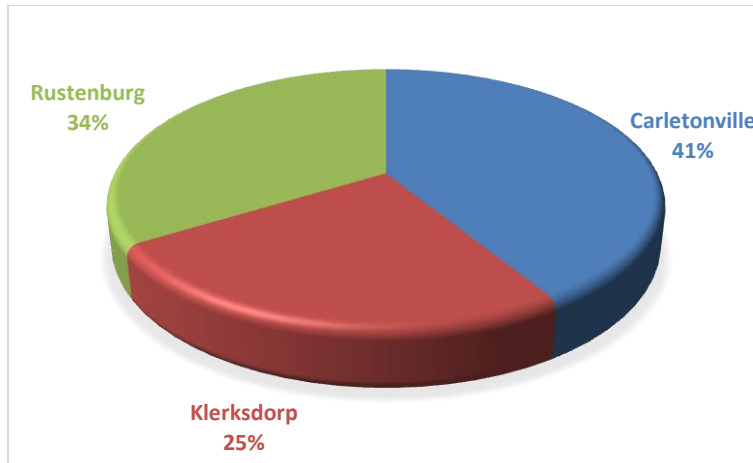


Figure 3.14: Depot representation

The results show that safety (78%) was considered as the main priority for the company, followed by customer satisfaction at 18.9%, and reliability at only 3.8%. The results, as rated by the drivers, should not be interpreted to mean that customer satisfaction or reliability was not prioritised, but rather that customer satisfaction and reliability, although important priorities were ranked as the least important of the three. Figure 3.15 depicts the priority ranks.

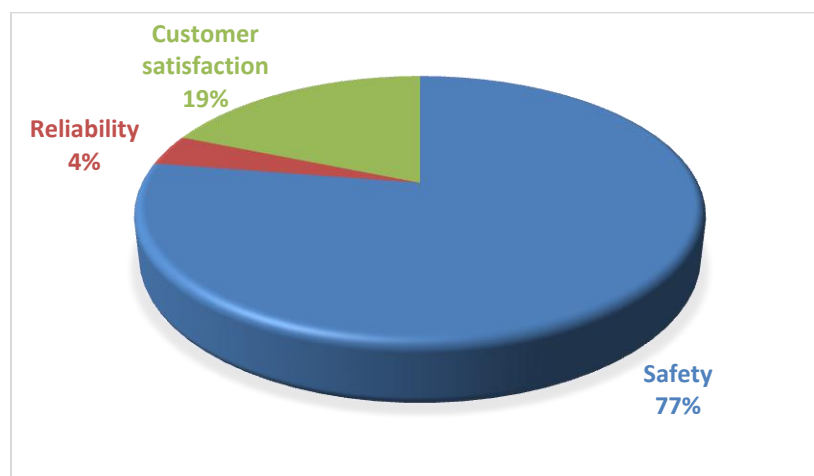


Figure 3.15: Main priority of the company

The representation of the different operational divisions is also well-spread, with 47% of drivers operating in the private hire division, 29% in the long distance division, and 24% in the contract division. Since the company has recently seized operations of its long distance routes at two of the depots, and only two depots had remaining contracts, the biggest proportion of the drivers would be representative of the private hire division as depicted in Figure 3.16 below.

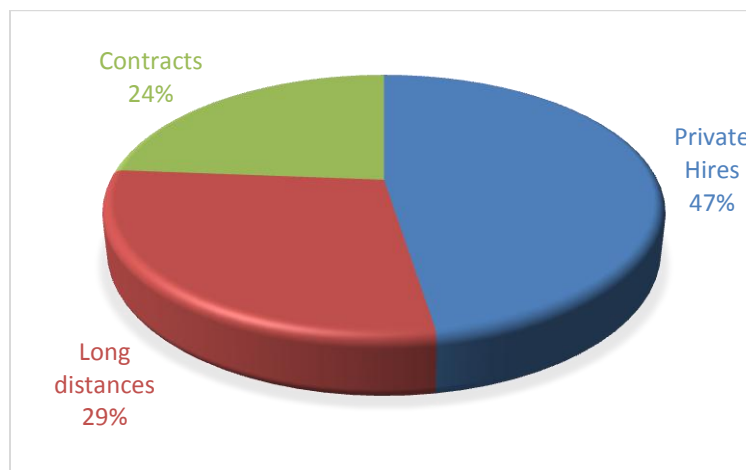


Figure 3.16: Operational divisions

Paramount to bus drivers, the majority of 68% of the drivers are in possession of an EC licence code, followed by 26% with EC1 licence code, and 6% with C1 licence code. The EC licence code for articulated vehicles over 18 000 Gross Combination Mass (GCM) and with a trailer with Gross Vehicle Mass (GVM) greater than 750 kilograms, enables drivers to operate the double-axle buses, although it is not a requirement for all drivers as some drivers are employed solely to drive smaller buses. The EC1 licence code is for articulated vehicles with GCM between 3 500 kilograms and 16 000 kilograms, and for vehicles allowed under the licence code C1 but towing a trailer with a GVM greater than 750 kilograms. The C1 licence code is for driving vehicles with tare weight between 3 500 kilograms and 16 000 kilograms with towing a trailer to the

maximum GVM of 750 kilograms, including minibuses and buses. Figure 3.17 is a representation of the different licence codes held from the participants.

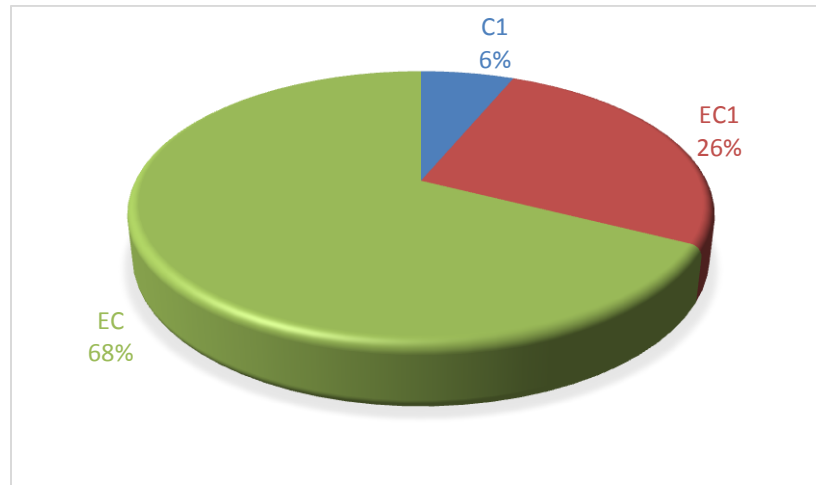


Figure 3.17: Licence codes

3.4.2.2 Results and interpretation of section B (driver behaviour and patterns)

Table 3.7 presents the frequency, mean and standard deviation results for section B.

Table 3.7: Section B: Driver behaviour and patterns

	Frequency	Valid percentage	Mean	Standard deviation
Section B				
Q1. Safety checks and pre-inspections are done before I depart on a trip				
Always	71	88.8	1.11	0.318
Usually	9	11.3		
Q2. I receive speeding fines				
Rarely	44	55	3.45	0.501
Never	36	45		
Q3. I still continue to drive when I am tired				
Rarely	14	17.5	3.83	0.382
Never	66	82.5		

Q4. I share the wheel with my co-driver on long distances				
Always	68	85	1.15	0.359
Usually	12	11.5		
Q5. I value the safety of myself and the passengers I transport				
Always	80	100	1.00	0.000
Q6. My passengers pressure me to overload my bus				
Rarely	25	31.3	3.69	0.466
Never	55	68.8		
Q7. My passengers have pressured me to drive faster when they are late				
Usually	11	13.8	3.44	0.726
Rarely	23	28.8		
Never	46	57.5		
Q8. I abide to the laws of the road				
Always	68	85	1.15	0.359
Usually	12	15		
Q9. I keep a safe following distance				
Always	80	100	1.00	0.000
Q10. I am extra cautious in poor weather conditions				
Always	80	100	1.00	0.000
Q11. The way I drive my bus contributes to the longevity of the bus				
Always	69	86.3	1.14	0.347
Usually	11	13.8		
Q12. I leave my bus unattended when the ignition is turned on				
Rarely	25	31.8	3.69	0.466
Never	55	68.8		
Q13. I let my bus idle excessively				
Rarely	40	50	3.50	0.503
Never	40	50		
Q14. I am harsh on the brakes				
Rarely	43	53.8	3.46	0.502
Never	37	46.3		
Q15. I take care of my bus				
Always	75	93.8	1.06	0.244
Usually	5	6.3		
Q16. I report defects on my bus				
Always	80	100	1.00	0.000
Q17. I stop the bus immediately when I feel something is wrong with the bus				
Always	76	95	1.05	0.219
Usually	4	5		
Q18. I inform the controller of any problems I experience with the bus during and post trip				
Always	71	88.8	1.11	0.318
Usually	9	11.3		
Q19. I feel proud about being a bus driver				
Always	71	88.8	1.11	0.318

Usually	9	11.3		
Q20. I enjoy driving a bus				
Always	65	81.3	1.19	0.393
Usually	15	18.8		
Q21. I enjoy the company of the customers I transport				
Always	61	76.3	1.24	0.428
Usually	19	23.8		
Q22. I am happy with my working environment				
Always	62	77.5	1.23	0.420
Usually	18	22.5		
Q23. I am on time for work				
Always	69	86.3	1.14	0.347
Usually	11	13.8		
Q24. I enjoy working for the company				
Always	67	83.8	1.16	0.371
Usually	13	16.3		
Q25. I enjoy working with my fellow bus drivers				
Always	75	93.8	1.06	0.244
Usually	5	6.3		
Q26. I rely on my customers to help me when I do not know the route				
Rarely	17	21.3	3.79	0.412
Never	63	78.8		
Q27. I treat passengers with respect				
Always	73	91.3	1.09	0.284
Usually	7	78.8		
Q28. Passengers treat me with respect				
Always	64	80	1.20	0.403
Usually	16	20		
Q29. My passengers compliment me about my driving abilities				
Always	21	26.3	2.11	0.871
Usually	34	42.5		
Rarely	20	25		
Never	5	6.3		
Q30. I enjoy getting positive feedback from the passengers I transport				
Always	49	61.3	1.39	0.490
Usually	31	38.8		

As previously mentioned, only the frequency tests for section B and section C are discussed under this point. From the analysis in section B, which comprised questions relating to driver behaviour, most of the driver behaviour could be interpreted as contributing positively to the company. This is a significant observation because driver behaviour and driving patterns influence maintenance cost, customer satisfaction, and

most importantly safety, as found in the aforementioned qualitative results; therefore, it is imperative to measure the driver behaviour in these respects.

Question 1 to 10 related to the influence of driver behaviour on safety. Most of the drivers realised the importance of their behaviour in terms of safety with 88.8% of respondents stating that they always do safety checks and pre-inspections before departure. Similarly, 82.5% also stated that they never drive when they are tired, and 100% of respondents indicated that they always value the safety of the passengers they transport. Though 13.8% of respondents admitted that they usually experience pressure from passengers to speed when late, the majority of 85% indicated that they always abide to the law of the road, and all of the respondents stated that they always keep a safe following distance from other vehicles while being extra cautious in poor weather conditions. The overall results are positive and show that the respondents understood the critical importance of safe driving behaviour, especially in light of the literature review that indicated driver behaviour as a main contributing factor of safety compromises.

Question 11 to 18 related to the influence of driver behaviour on the maintenance cost of the fleet. An overwhelmingly 93.8% of respondents stated that they always take care of their buses, but in contrast, 50% indicated that they have previously let their buses idle excessively and 53.8% have applied the brakes harshly at some point. This could be due to the fact that drivers are not adequately informed of the maintenance cost implication for the latter two. This could be interpreted as an oversight error on the technical operational side to explain the importance and impact of this type of behaviour. On the positive side, all the respondents indicated that they always report defects, and 95% stated that they stop immediately when they hear something that sounds unfamiliar with the bus. The overall indication is that drivers understood the importance of reporting any mechanical issues and defects to ensure fleet reliability and safety where maintenance is concerned.

Questions 19 to 25 tested the overall satisfaction with the general working environment for the drivers. These questions were all perceived as positive, with results where the majority of respondents always enjoying driving a bus (81.3%), 83.8% indicating that they have always been happy with their employer, and 88.8% stating that they have always been proud of being a bus driver.

Lastly, questions 26 to 30 tested the drivers' responses to the influence that their behaviour had on customer satisfaction. Again, the overall indication was positive, with 91.3% of respondents stating that they have always treated customers with respect, and 80% indicating that passengers have always treated them with respect.

3.4.2.3 Results and interpretation of section C (driver challenges)

Table 3.8 presents the frequency, mean and standard deviation results for section C.

Table 3.8: Section C: Driver challenges

	Frequency	Valid percentage	Mean	Standard deviation
Section C				
Q1. I experience mechanical issues/defects on my bus				
Usually	5	6.3	3.05	0.418
Rarely	66	82.5		
Never	9	11.3		
Q2. I experience breakdowns during a trip				
Rarely	70	87.5	3.13	0.333
Never	10	12.5		
Q3. The buses are well maintained and mechanical issues attended to promptly				
Always	69	86.3	1.14	0.347
Usually	11	13.8		
Q4. Backup assistance are quick to respond in case of breakdowns				
Always	66	82.5	1.18	0.382
Usually	14	17.5		

Q5. Excessive idling, over speeding and harsh braking increases maintenance and fuel cost				
Always	65	81.3	1.19	0.393
Usually	15	18.8		
Q6. Breakdowns have a big impact on customers				
Always	46	57.5	1.63	0.802
Usually	18	22.5		
Rarely	16	20		
Q7. Prices are a determining factor for customers				
Always	40	50	1.55	0.593
Usually	36	45		
Rarely	4	5		
Q8. Safety and reliability are a determining factor for customers				
Always	47	58.8	1.41	0.495
Usually	33	41.3		
Q9. The condition of the bus is a determining factor for customers				
Always	24	30	1.90	0.704
Usually	40	50		
Rarely	16	20		
Q10. The rising fuel price has a big impact on customers				
Always	48	60	1.53	0.711
Usually	22	27.5		
Rarely	10	12.5		
Q11. Driving ability is being assessed by the company before employment commenced				
Always	80	100	1.00	0.000
Q12. I receive efficient and continuous driver training on my bus				
Always	50	62.5	1.38	0.487
Usually	30	37.5		
Q13. I know the road signs and what they mean				
Always	80	100	1.00	0.000
Q14. I am well informed of the journey arrangements I am scheduled to undertake				
Always	67	83.8	1.16	0.371
Usually	13	16.3		
Q15. My schedule makes night time driving an imperative				
Always	11	13.8	2.00	0.528
Usually	58	72.5		
Rarely	11	13.8		
Q16. Long distance trips are reliant on mine workers travelling to home-towns				
Always	50	62.5	1.38	0.487
Usually	30	37.5		
Q17. Deteriorating roads leads to increased breakdowns				
Always	10	12.5	1.88	0.333
Usually	70	87.5		
Q18. Competitors with lower prices has an impact on our customer base				

Always	36	45	1.69	0.704
Usually	33	41.3		
Rarely	11	13.8		
Q19. Barricaded roads and road conditions results in customers being late due to alternative roads				
Always	14	17.5	2.26	0.823
Usually	36	45		
Rarely	25	31.3		
Never	5	6.3		
Q20. I experience intimidation from other public transport operators				
Always	13	16.3	2.65	0.887
Usually	11	13.8		
Rarely	47	58.8		
Never	9	11.3		

Section C relates to the challenges that drivers faced. Drivers are often the first contact with many challenges in the bus industry, and their experiences of these challenges differ from the views and perceptions of stake-holders'. It is important to document and analyse the challenges from the perspective of the drivers so that management can better understand how to address these challenges.

Questions 1 to 5 related to the challenges that are internal in nature and indicated an important representation of the technical maintenance and reliability of the fleet. Most respondents (82.5%) indicated that they rarely experienced mechanical issues with the bus, and 87.5% rarely experienced breakdowns, which speaks positively to the overall mechanical maintenance and reliability of the fleet. It should be noted that a mechanical issue or defect is not the same as a breakdown. A mechanical issue or defect does not usually affect the continuation of a trip – defects are factors that could cause discomfort to clients and therefore requires attention, for example adjusting lights or a switch that is not working properly, while a breakdown usually requires mechanical roadside assistance and has a bigger impact on customers. 86.3% stated that they believed that the buses are always well maintained and issues attended to promptly, while 13.8% did not entirely agree with this statement. This probably implies that some drivers must have experienced mechanical issues or breakdowns which led them to believe that the

buses are not always well maintained; others might have had to wait long periods for backup assistance to arrive in the case of a breakdown where a bus was a far distance from the backup vehicle. However, this percentage is considered negligible because the percentage of breakdowns and mechanical defects are very low in relation to the amount of kilometres travelled by the buses and the age of the fleet.

Questions 6 to 10 related to the perceived influences which the challenges that the bus drivers faced had on customer satisfaction. These results varied, which could be explained by drivers in different operating divisions having different views. 57.5% of respondents believed that breakdowns always have a significant impact on customers, while 20% believed that customers are rarely affected by this. Customers in the private hire sector could be more influenced, because they often require the transport arrival to be punctual, while passengers in the long distance transport, though inconvenienced by breakdowns, will be influenced to a lesser extent, as they mostly do not have a specific time of arrival. From the responses on factors that influence customers, 50% stated that price will always be a determining factor, while 58.8% indicated that reliability and safety will always be a determining factor, and 30% indicated that the condition of the bus will always be a determining factor. These results vary according to the different perspectives of drivers operating in different divisions and serving different customer markets; as such, they will observe different indicators as determining factors. The majority of 60% agreed that the rising fuel price will always have a big impact on customers, reiterating the results of the qualitative empirical study findings and literature review.

Questions 11 to 15 tested the challenges of driver training, and also related to the overall safety aspect of bus operators. While all the respondents were in agreement that they were assessed by the company before employment commenced to assure that they could safely drive a bus and knew the meaning of all the road signs, only 62.5% felt that they received continuous driving training, which indicates a possible safety risk,

since 62% of the drivers have been employed with the company for more than 10 years and some have presumably not undergone continuous driver training. While this could be a cause for major concern, all drivers have to undergo medical fitness tests with the renewal of their PDPs, which provides some assurance as to the medical fitness for driving a bus. Be that as it may, the company should definitely address matters of driver training.

Lastly, questions 16 to 20 related to the external challenges faced by bus drivers. While some of the answers could easily be interpreted as negative feedback, it should serve as an opportunity for management to understand which external challenges influence drivers in the different operational divisions, enabling them to better address these challenges. It should be noted however, that the external challenges are rarely in control of the operator, but internal adjustments and alignments could be made to minimise the extent of the influence from some of the challenges. Of the respondents, 87.5% indicated that deteriorating roads usually had an influence on the number of breakdowns, and 45% indicated that competitors with lower prices will always influence the customer base. While the responses to the influence of barricaded roads varied relatively equal between all response (always, usually, rarely, never), the influence of the latter does not have such a major ripple effect, as the influence deriving from taxi intimidation, which was indicated to have been experienced by 71% of the respondents at some point in time, with 16.3% and 13.8% stating that they have always or usually experienced taxi intimidation.

3.4.3 Descriptive statistics interpretation (mean, standard deviation, ANOVA, multiple comparison)

This section presents and interprets the results for the sub-sections consisting of; 1), the drivers' age groups; 2), the drivers' tenure; and 3); the drivers' division of employment

for both the constructs of driver behaviour and driver challenges identified through the use of the mean, standard deviations, ANOVA tests, and multiple comparison tests.

3.4.3.1 Age groups

The descriptive statistical analysis showed a total mean score for driver behaviour of 1.8 and 2.2 for driver challenges. Table 3.9 depicts the mean scores and standard deviations of the different age groups for the driver behaviour and driver challenges.

Table 3.9: Age (mean and standard deviation)

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Driver Behavior	25-34	10	1.9233	.14146	.04474	1.8221	2.0245	1.77	2.23
	35-44	18	1.8500	.13048	.03076	1.7851	1.9149	1.67	2.10
	45-54	28	1.8107	.13180	.02491	1.7596	1.8618	1.60	2.10
	55-64	24	1.7708	.12368	.02525	1.7186	1.8231	1.57	2.13
	Total	80	1.8217	.13657	.01527	1.7913	1.8521	1.57	2.23
Driver Challenges	25-34	10	2.3250	.38618	.12212	2.0487	2.6013	1.88	2.88
	35-44	18	2.2361	.27832	.06560	2.0977	2.3745	1.81	2.69
	45-54	28	2.1652	.23522	.04445	2.0740	2.2564	1.75	2.63
	55-64	24	2.2266	.23661	.04830	2.1267	2.3265	1.81	2.88
	Total	80	2.2195	.26721	.02987	2.1601	2.2790	1.75	2.88

The mean for driver behaviour was found to decrease as the age of the drivers increased. The mean for drivers aged between 25 and 34 was calculated at 1.92, with standard deviation of 0.14. The mean decreased from 1.92 to 1.85 with a standard deviation of 0.13 for drivers aged between 34 and 44 and continually decreased to 1.81 with standard deviation of 0.13 for drivers aged between 45 and 54. Finally, drivers aged between 55 and 64 had a mean of 1.77 with standard deviation of 0.12. The table also depicts the lower and upper limit for the true mean at 95% confidence level.

Table 3.10 depicts the ANOVA analysis test for the different age groups. The ANOVA analysis calculated whether there was a statistically significant difference between and within the different group means, by using the *p-value*. A *p-value* of below 0.05 shows that there was a statistically significant difference between the different group means.

Table 3.10: Age (ANOVA)

		Sum of Squares	df	Mean Square	F	Sig.
Driver Behavior	Between Groups	.183	3	.061	3.596	.017
	Within Groups	1.290	76	.017		
	Total	1.474	79			
Driver Challenges	Between Groups	.200	3	.067	.932	.430
	Within Groups	5.440	76	.072		
	Total	5.641	79			

The results indicated that there was a significance value of 0.017 ($p = 0.017$), which is below 0.05, and therefore, there was a statistically significant difference in driver behaviour between the different age groups. However, the results for driver challenges' mean scores showed that there were no statistically significant differences ($p = 0.430$) between different age groups.

Using the Tukey HSD results for multiple comparisons, the specific age groups with different driver behaviour could be identified. The drivers within the age group of 25 to 34 years had statistically significant different driving behaviour ($p = 0.014$), when compared with those within the 55 to 64 years of age range. The other age groups exhibited differences that were not statistically significant as the *p-values* were above 0.05, as depicted in Table 3.11 below.

Table 3.11: Age (multiple comparisons)

Dependent Variable	(I) What is your age?	(J) What is your age?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Driver Behavior	25-34	35-44	.07333	.05139	.487	-.0617	.2083
		45-54	.11262	.04800	.097	-.0135	.2387
		55-64	.15250*	.04904	.014	.0237	.2813
	35-44	25-34	-.07333	.05139	.487	-.2083	.0617
		45-54	.03929	.03937	.751	-.0641	.1427
		55-64	.07917	.04063	.217	-.0276	.1859
	45-54	25-34	-.11262	.04800	.097	-.2387	.0135
		35-44	-.03929	.03937	.751	-.1427	.0641
		55-64	.03988	.03625	.690	-.0553	.1351
	55-64	25-34	-.15250*	.04904	.014	-.2813	-.0237
		35-44	-.07917	.04063	.217	-.1859	.0276
		45-54	-.03988	.03625	.690	-.1351	.0553

In summary, there was a statistically significant difference between age groups as determined by one-way ANOVA tests ($F(3,76) = 3.596, p = 0.017$). A Tukey post hoc test revealed that the driver behaviour index was statistically significantly better in the 55 to 64 years of age group ($1.77 \pm 0.12, p = 0.014$), compared to the 25 to 34 years of age group ($1.92 \pm .14$). There was no statistically significant difference between all the remaining age groups ($p < .05$).

3.4.3.2 Driver tenures

The descriptive statistical analysis showed a total mean score for driver behaviour of 1.8, and 2.2 for driver challenges. Table 3.12 depicts the mean scores and standard deviations of the different driver tenure groups for the driver behaviour and driver challenges.

Table 3.12: Driver tenures (mean and standard deviation)

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Driver Behavior	less than 5 years	13	1.9897	.11971	.03320	1.9174	2.0621	1.80	2.23
	5-10	18	1.8722	.10922	.02574	1.8179	1.9265	1.73	2.13
	11-15	22	1.8106	.10099	.02153	1.7658	1.8554	1.63	2.10
	16-20	14	1.7405	.07972	.02131	1.6944	1.7865	1.60	1.87
	21-25	9	1.7185	.06894	.02298	1.6655	1.7715	1.57	1.77
	25+	4	1.6250	.04194	.02097	1.5583	1.6917	1.57	1.67
	Total	80	1.8217	.13657	.01527	1.7913	1.8521	1.57	2.23
Driver Challenges	less than 5 years	13	2.4375	.35355	.09806	2.2238	2.6512	1.88	2.88
	5-10	18	2.1528	.26880	.06336	2.0191	2.2864	1.75	2.63
	11-15	22	2.1222	.25331	.05401	2.0098	2.2345	1.81	2.63
	16-20	14	2.2455	.17756	.04746	2.1430	2.3481	2.00	2.69
	21-25	9	2.2361	.16470	.05490	2.1095	2.3627	2.06	2.50
	25+	4	2.2188	.08069	.04034	2.0904	2.3471	2.13	2.31
	Total	80	2.2195	.26721	.02987	2.1601	2.2790	1.75	2.88

The results showed a negative driver behaviour index correlation between driver tenure and age, as depicted in the Table 3.12. Drivers with a short tenure had a high mean for the driver behaviour index with high standard deviations, while drivers with a long tenure exhibited low means for the driver behaviour index and lower standard deviations. The mean for drivers with fewer than five years' employment is 1.99, for the tenure of between five and 10 years a mean of 1.87, for the tenure of between 11 and 15 years a mean of 1.81, for the tenure of between 16 and 20 years a mean of 1.74, for the tenure of between 21 and 25 years a mean of 1.71, and finally, a mean of 1.63 for over 25 years of employment.

The ANOVA analysis revealed a statistically significant difference in the driver behaviour between the different tenure groups ($p = 0.000$), and similarly the ANOVA analysis for driver challenges also showed a statistically significant difference ($p = 0.20$) as depicted in Table 3.13.

Table 3.13: Driver tenures (ANOVA)

		Sum of Squares	df	Mean Square	F	Sig.
Driver Behavior	Between Groups	.759	5	.152	15.708	.000
	Within Groups	.715	74	.010		
	Total	1.474	79			
Driver Challenges	Between Groups	.918	5	.184	2.878	.020
	Within Groups	4.722	74	.064		
	Total	5.641	79			

The multiple comparison between the different tenure groups results showed statistically significant differences between both the driver behaviour, and driver challenges index as determined by one-way ANOVA ($F(5,74) = 15.708, p > 0.000$) and ($F(5,74) = 2.878, p = 0.020$).

The multiple comparison test revealed that the driver behaviour index was statistically significantly better in the above 25 years of tenure group ($1.63 \pm .04, p > .05$) than in the less than five years of tenure group ($1.99 \pm .12$), and that there was a statistically significant difference in the driver behaviour index between the drivers with tenures of fewer than five years, compared to those of longer tenure. The results further revealed that there were statistically significant differences in the driver behaviour index between the drivers with tenures of between five and 10 years, compared to those of tenures beyond 15 years. However, comparison between the five to 10 years and the 11 to 15 years tenure showed no statistically significant differences between the driver behaviour. Finally, the results showed statistically significant differences in the driver behaviour index between the drivers with tenures of 11 to 15 years and those of over 25 years.

In terms of the driver challenges, the results showed statistically significant differences between drivers with fewer than five years of tenure and those with 6 to 10 years and 11 to 15 years of tenure. The results of the multiple comparison tests are depicted in Figure 3.14.

Table 3. 14: Driver tenures (multiple comparisons)

Dependent Variable	(I) How many years have you been employed by the company?	(J) How many years have you been employed by the company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Driver Behavior	less than 5 years	5-10	.11752 [*]	.03577	.019	.0129	.2222
		11-15	.17914 [*]	.03438	.000	.0785	.2797
		16-20	.24927 [*]	.03786	.000	.1385	.3600
		21-25	.27123 [*]	.04262	.000	.1465	.3959
		25+	.36474 [*]	.05620	.000	.2003	.5292
	5-10	less than 5 years	-.11752 [*]	.03577	.019	-.2222	-.0129
		11-15	.06162	.03124	.368	-.0298	.1530
		16-20	.13175 [*]	.03502	.004	.0293	.2342
		21-25	.15370 [*]	.04013	.003	.0363	.2711
		25+	.24722 [*]	.05433	.000	.0883	.4062
	11-15	less than 5 years	-.17914 [*]	.03438	.000	-.2797	-.0785
		5-10	-.06162	.03124	.368	-.1530	.0298
		16-20	.07013	.03360	.305	-.0282	.1684
		21-25	.09209	.03889	.181	-.0217	.2059
		25+	.18561 [*]	.05342	.011	.0293	.3419
	16-20	less than 5 years	-.24927 [*]	.03786	.000	-.3600	-.1385
		5-10	-.13175 [*]	.03502	.004	-.2342	-.0293
		11-15	-.07013	.03360	.305	-.1684	.0282
		21-25	.02196	.04199	.995	-.1009	.1448
		25+	.11548	.05572	.313	-.0476	.2785
	21-25	less than 5 years	-.27123 [*]	.04262	.000	-.3959	-.1465
		5-10	-.15370 [*]	.04013	.003	-.2711	-.0363
		11-15	-.09209	.03889	.181	-.2059	.0217
		16-20	-.02196	.04199	.995	-.1448	.1009
		25+	.09352	.05906	.612	-.0793	.2663
	25+	less than 5 years	-.36474 [*]	.05620	.000	-.5292	-.2003
		5-10	-.24722 [*]	.05433	.000	-.4062	-.0883
		11-15	-.18561 [*]	.05342	.011	-.3419	-.0293
		16-20	-.11548	.05572	.313	-.2785	.0476
		21-25	-.09352	.05906	.612	-.2663	.0793
Driver Challenges	less than 5 years	5-10	.28472 [*]	.09195	.032	.0157	.5537
		11-15	.31534 [*]	.08837	.008	.0568	.5739
		16-20	.19196	.09730	.368	-.0927	.4766
		21-25	.20139	.10954	.448	-.1191	.5219
		25+	.21875	.14444	.656	-.2038	.6413
	5-10	less than 5 years	-.28472 [*]	.09195	.032	-.5537	-.0157
		11-15	.03062	.08029	.999	-.2043	.2655
		16-20	-.09276	.09002	.906	-.3561	.1706
		21-25	-.08333	.10313	.965	-.3851	.2184
		25+	-.06597	.13964	.997	-.4745	.3426
	11-15	less than 5 years	-.31534 [*]	.08837	.008	-.5739	-.0568
		5-10	-.03062	.08029	.999	-.2655	.2043
		16-20	-.12338	.08636	.710	-.3761	.1293
		21-25	-.11395	.09996	.863	-.4064	.1785
		25+	-.09659	.13731	.981	-.4983	.3051

3.4.3.3 Driver divisions of employment

The descriptive statistical analysis for the driver divisions showed the differences in the driver behaviour for the three divisions. The drivers in the private hire division had the lowest mean score of 1.78, while the long distance driver's division had a mean of 1.84, and the contracts division drivers had the highest mean of 1.96. The driver challenges' statistical analysis showed that long distance drivers faced more challenges (mean = 1.58) compared to the private hire drivers (mean = 1.72) and the contract drivers (mean = 2.12). The mean and standard deviation results for the driver divisions are depicted in Table 3.15.

Table 3.15: Driver divisions (mean and standard deviation)

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Driver Behaviour	Private Hires	38	1.7786	.11327	.01838	1.7414	1.8158	1.62	2.14
	Long distances	23	1.8441	.10997	.02293	1.7965	1.8916	1.66	2.14
	Contracts	19	1.9601	.12015	.02756	1.9022	2.0180	1.79	2.21
	Total	80	1.8405	.13399	.01498	1.8107	1.8703	1.62	2.21
Challenges	Private Hires	38	1.7220	.11414	.01852	1.6845	1.7596	1.50	2.06
	Long distances	23	1.5815	.12130	.02529	1.5291	1.6340	1.44	1.81
	Contracts	19	2.1151	.15061	.03455	2.0425	2.1877	1.88	2.38
	Total	80	1.7750	.23546	.02632	1.7226	1.8274	1.44	2.38

The ANOVA analysis test showed the results for testing the mean differences over the three divisions of private hires, long distances, and contracts. In both the driver behaviour, and driver challenges index, the results revealed that there was a statistically significant difference with the *p-value* below 0.05 for both the driver behaviour, and driver challenge indexes as depicted in Table 3.16.

Table 3.16: Driver divisions (ANOVA)

		Sum of Squares	df	Mean Square	F	Sig.
Driver Behaviour	Between Groups	.418	2	.209	16.068	.000
	Within Groups	1.001	77	.013		
	Total	1.418	79			
Challenges	Between Groups	3.166	2	1.583	100.392	.000
	Within Groups	1.214	77	.016		
	Total	4.380	79			

The results from the test for multiple comparisons showed that all the operational divisions had statistically significant differences in driver behaviour and driver challenges indexes. The private hire division had statistically significantly lower index, or better behaviour than the contracts division drivers ($p>.05$) and the long distance division drivers had statistically significantly lower index, or better behaviour than the contracts division drivers ($p>.05$) as depicted in Figure 3.17.

Table 3.17: Driver divisions (multiple comparisons)

Dependent Variable	(I) Which division do you mostly operate in?	(J) Which division do you mostly operate in?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Driver Behaviour	Private Hires	Long distances	-.06549	.03012	.082	-.1375	.0065
		Contracts	-.18149*	.03203	.000	-.2580	-.1049
	Long distances	Private Hires	.06549	.03012	.082	-.0065	.1375
		Contracts	-.11599*	.03534	.004	-.2005	-.0315
	Contracts	Private Hires	.18149*	.03203	.000	.1049	.2580
		Long distances	.11599*	.03534	.004	.0315	.2005
Challenges	Private Hires	Long distances	.14052*	.03317	.000	.0612	.2198
		Contracts	-.39309*	.03528	.000	-.4774	-.3088
	Long distances	Private Hires	-.14052*	.03317	.000	-.2198	-.0612
		Contracts	-.53361*	.03893	.000	-.6266	-.4406
	Contracts	Private Hires	.39309*	.03528	.000	.3088	.4774
		Long distances	.53361*	.03893	.000	.4406	.6266

*. The mean difference is significant at the 0.05 level.

3.4.4 Summary of the quantitative results

The quantitative study was designed to establish whether there were differences in respect of driver age, divisions, and tenure of work in relation to the two constructs driver behaviour and driver challenges faced. The results confirmed differences in respect of driver behaviour for the different age groups. The younger drivers' behaviour appeared to be significantly different from that of the older drivers. However, in terms of the challenges faced by drivers, age was found not to be an important role player.

The tenure of drivers was found to be an important factor affecting both the driver behaviour and the driver challenges constructs. The results showed statistically significant differences in terms of behaviour of drivers with fewer than five years of employment when compared with drivers with longer tenures of employment. The drivers with longer tenures of employment were found to face fewer challenges than their counterparts.

The divisions where drivers are stationed were also an important determinant of both the driver behaviour and the challenges faced by the drivers. The drivers in the private hire division fared better compared with the drivers in the contract division. However, there was no difference between the long distance division and the private hire division. The results confirmed that drivers in different divisions faced different challenges. The division that faced the most challenges was the long distance division, while the contract division faced the least amount of challenges. This corresponds with findings from the literature review and qualitative empirical results, which revealed that taxi intimidation is mostly faced by long distance drivers, while drivers in the contract division are more regulated through the terms that are set out in the contractual agreements, and are better monitored by the contract companies.

3.5 Chapter summary

Using both qualitative and quantitative processes as part of a parallel mixed methods study offered insights from both the qualitative interviews and the quantitative questionnaires.

The qualitative findings and research in this study illustrated that the private bus operator in this study experiences many challenges similar to the public sector operators. There is a definite influence from the external environment that impacts on the internal operations of the operator. These influences include the fuel price, exchange rate, and economic performance of the country.

The empirical study results revealed that this bus operator faces some critical challenges within the industry. There is also a distinct correlation between the study findings and the key findings in the literature, confirming the tangible presence of these challenges and the need to investigate, document and address them.

This study thus provided concurrent qualitative and quantitative processes to construct a more comprehensive outline of the challenges from different perspectives from within the operator's organisation. These measures hope to assist other operators with similar operations that may experience the same challenges.

Therefore, the respective methods differ from more traditional mixed methods approaches that integrate understandings by comparing and contrasting results. Rather, combining the qualitative and quantitative data in this particular context provided different perspectives from different approaches, which yielded different results that do

not necessarily overlap but provide a more comprehensive view of the problem and its solution.

The next chapter will provide a general summary of the study, conclude on the preceding chapters, revisit the primary and secondary objectives, and offer recommendations based on the literature study and empirical investigation. The final afterthought will be expressed in the chapter's conclusion.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Introduction

Public transport is a major industry that contributes, both directly and indirectly, to South Africa's GDP. It is also an industry plagued by external challenges such as stringent legislation, lack of subsidisation, intimidation, cost factors associated with the fuel price and exchange rate, political and social factors, as well as internal factors such as alignment, safety concerns, high capital requirements for fleet replacement, communication, aging technology, poor infrastructure, and inadequate systems and procedures. However, the government is set on developing and expanding the transport industry and subsequent infrastructure through the NDP 2030 and NATMAP 2050 that will potentially benefit the passenger transport industry in addressing some of these challenges and alleviating the pressure on operators.

Critical to the public transport industry are private passenger bus operators who operate in the sphere of the private sector, and at the core of these operators are the SMME companies that are the biggest contributors to the growth and expansion of this industry. Rising operational costs, intimidation tactics and minimal governmental support make it impossible for most to sustain operations. These operators play a key role in the development and progression of the bus transport industry, many coming from the informal taxi industry wanting a more structured, regulated framework within their businesses in order to grow.

The government in turn is faced with budget challenges and an economy on the brink of junk status. These and other factors such as a lack of proper planning and execution, corruption, vacant key positions and unreliable service providers make it difficult to implement and sustain some of the envisioned investment and developmental plans

and objectives. As an alternative, private sector companies could take up the responsibility of partnering with the public sector in possibly addressing some of these challenges themselves.

This study identified and investigated the challenges a bus operator faces in the private sector in South Africa. The study started with an introduction to the study, the need for the study, the research question and objectives, and the study design and layout. Thereafter a literature study was conducted to give an overview of the transport industry of South Africa, followed by the passenger transport industry and narrowing the scope to bus transport operators. This was done to gain insight into the transport industry and the challenges that plague it. Economic indicators highly affect this industry due to the direct linkage of the fuel price and economical welfare of citizens. Since this industry is a service industry with fierce competition, constant monitoring of challenges and subsequent solution seeking methods are necessary to keep this industry at a level of sustainable contribution to the economy and welfare of the country.

The following sections will conclude on certain aspects of previous chapters and summarise proposed solutions, present the study findings and limitations, and offer recommendations for future research.

4.2 Main conclusions from the study

4.2.1 Conclusion on the literature study

South Africa's transport network is a key contributor to global market competitiveness. The transport sector is regarded as the best developed in Africa and a critical component in keeping the wheels turning for economic growth and development. More

than 75% of households nationally make use of public transport, thus it is crucial in offering mobility to millions of people, thereby promoting freedom of access to education, health, employment and social wellbeing. As such it has become an integral part of South Africans' daily lives, shaping the choices individuals are able to make toward improving their well-being. The public transport sector provides a carriage for mobility, connectivity, access, and transformation.

Private bus operators in passenger transport, although faced with many challenges, are central in the development of this industry and the economy as a whole. This industry has been identified as a strategic building block for job creation, poverty alleviation, and economic development. The government recognises the major role public transport plays in reaching growth objectives. They further recognise that large scale investment and development is necessary in order to reach these objectives. However, various challenges contribute to the inability for these operators to sustain a profitable operation. These challenges include:

- Costly technological advancements
- Intimidation tactics from other public operators
- Economic stability and climate
- Transformational requirements
- Safety concerns
- Labour unrest and service delivery protests

Presently leading the bus industry's growth and transformation is SABOA, which represents 70% of operators in the public transport sector and provides the link between government and operators. They strive to enhance and uplift the circumstances under which bus operators conduct business. They are the voice for the bus and coach industry and a catalyst of shaping the future of the bus industry.

4.2.2 Conclusion on the empirical study

The empirical research was conducted at a single private bus operator with main branches in two provinces in South Africa. A hybrid approach was followed whereby semi-structured interviews were held with management in key positions chosen through purposeful sampling; and a questionnaire which was used to collect data from bus drivers in support of the interview data and literature review. The questionnaire contained two constructs that measured the underlying themes of driver behaviour and patterns and the challenges drivers encounter.

4.2.2.1 Qualitative research results

The results from the interviews were extracted by an independent research psychologist using ATLAS.ti and interpreted by the researcher as presented in Chapter 3. Similarly, the results reported from the participants interviews indicated that the research conducted is relevant, that many challenges do exist in the bus operator industry and that they need to be addressed.

4.2.2.2 Quantitative research results

The sample for the questionnaire was balanced with variety in age, experience, operational segment, and years of service. Results from the questionnaire were obtained through statistical analysis of the data by the NWU Statistical Services that tested for frequency and correlation. The results indicated that respondents perceived the questions as relevant to the study aim.

4.3 Evaluation of the achievement of the study objectives

To measure the success of this study, the primary and secondary objectives, as set out in Chapter 1, should be revisited and compared with the study findings, after which final recommendations are presented.

4.3.1 Primary objective re-visited

The primary objective of the study was to identify challenges that influence a bus operator in the private transport sector of South Africa. This objective was realised from the literature review in Chapter 2 and the empirical investigation in Chapter 3. The literature review provided a theoretical overview of the importance of the passenger transport industry, its subsequent sustainability and its contribution and critical importance to the economy. It further highlighted some of the challenges that bus operators face and the relevance and impact of these challenges. The empirical investigation in Chapter 3 supports the theoretical findings in that many challenges which are similar to those reported in the literature review exist for the private bus operator in this study.

4.3.2 Secondary objectives re-visited

The secondary objectives of this research study were:

- To determine which critical factors are industry-specific to a private bus operator operating in South Africa.
- To explore the origin, nature, and dynamics of the identified factors in this study that deters economic sustainability and advancement of the bus operator in the South African private sector.

- To determine the functional implications of these factors and possible solutions that could counter the effects on operators with similar challenges in the South African private bus operator's sector.
- To present conclusions on the findings about these identified factors.

The preceding chapters succeeded in addressing the secondary objectives in that the overall overview, background, importance and functioning of the transport sector and the influences of the challenges on bus operators were identified in the literature review of Chapter 2. The nature, implication, and possible solutions to these challenges as experienced by the private bus operator in this study were also presented and supported in the empirical investigation and statistical analysis of Chapter 3.

4.4 Recommendations and managerial implications

This section discusses the recommendations as proposed solutions and this study's implications.

Though the primary focus of the study was not to provide ultimate solutions to the complex challenges of South African private bus operators (as presented in the literature and the empirical investigation), the following recommendations are provided as departure points to propose solutions for non-subsidised operators who may face similar challenges as those of operator in this study.

The possible solutions are summarised as follows:

- Shifting the focus and strategic direction to a business model that focuses on the tourist market industry.

- Lowering costs by managing expenses with strict budget allocations and monitoring.
- Capitalise on opportunities that present in the form of partnerships and collaboration with other businesses.
- Adhere to transformation and social responsibility requirements by uplifting local communities and partnering with young and upcoming operators.
- Align the vision, mission, and strategic objectives to entrench core values in staff compliment for employee buy-in.
- Focus on quality instead of quantity.
- Investigate different divisions in the transport sector.

By adopting some of the proposed recommendations, management of bus operators will be able to entrench a sustainable working culture, through clearly communicating the core focus of the operation and ensuring employee buy-in of the company's vision for the future. The findings of this study will also provide valuable information that will help operators align future short and medium term strategies for operations that will minimize or completely avoid the impact of these challenges.

4.5 Study limitations

The following were limitations of the study:

- Industry competitors are not forthcoming with information for research purposes.
- Financial data and statistics pertaining to current data on the transport sector were not readily available, as surveys of this magnitude are done once every few years.
- The empirical study was conducted at a single bus operator in the private sector.

- Outcomes may differ from other industry participants regarding the in-house operations of this specific company.
- Outcomes from public and subsidised operators may vary extensively to results from private operators.

The proposed recommendations and selected limitations are by no means exhaustive. Moreover, the nature of the private, non-subsidised bus industry may differ from the current study's context, and, as such, the current study's recommendations need to be implemented in ways that are context specific within each industry and needs customised responses that fit in with an operator's scope, size, access to resources, and unique challenges that may go beyond the scope of examples in this study.

4.6 Recommendations for future research

Various areas within the research sphere can be developed and added to this research area by:

- Extending this study to other industries within the public transport commuter industry, such as the minibus taxi and commuter rail industry. This may reveal additional internal and external factors influencing passenger transport;
- Extending this research to a cross sectional study with multiple other bus operators that are more integrated with a larger sample size;
- Developing an industry specific costing model for private bus operators will be beneficial to operators wanting to accurately determine their pricing structures to align with industry standards and challenges.

4.7 Conclusion

This chapter has concluded the literature study and empirical investigation and presented recommendations based on the findings of the previous chapters. The primary and secondary objectives were revisited and, on the basis that the objectives were reached, it was concluded that solutions to challenges faced by bus operators in the transport industry should be identified to help them be sustainable in the future. Recommendations for future research were given and the following concludes the entire study.

The public transport industry is a complex industry with many different operating divisions, while all deliver a service that is critical to the wellbeing of the country's citizens in that they offer mobility to millions of people. It is also an industry that is plagued by many challenges, both internal and external in nature. That being said, the public transport industry has enormous potential for growth with a significant contribution to the GDP of South Africa.

The bus industry is also different to other modes of land transport within the passenger transport industry. As such it is crucial to identify key factors within each bus operating company that lead to success and failure in order to adjust and align strategies to overcome and alleviate some of these challenges. The research of this study identifies the challenges that a private bus operator faces and offers insight into some factors that contribute to the origin, emergence, and existence of these challenges. Though similar challenges may exist in various passenger transport companies and their operations, it is important to know that no two companies operate in the exact same way and therefore no two companies are affected by these challenges in the same way and would not necessarily respond to possible solutions the same.

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ANNEXURES

APPENDIX A: QUANTITATIVE QUESTIONNAIRE

Private Passenger Transport Questionnaire

Please fill in All the sections (A,B,C)

Please sign on the cover letter to give consent that you have read and understand the purpose of the study and your rights as participant

SECTION A: Demographics

Question 1 What is your age?

1.1) 18-24	1.2) 25-34	1.3) 35-44	1.4) 45-54	1.5) 55-64	1.6) 65+

Question 2 How many years have you been employed by the company?

2.1) 0-1	2.2) 1-2	2.3) 2-5	2.4) 5-10
2.5) 10-15	2.6) 15-20	2.7) 20-25	2.8) 25+

Question 3 Where are you stationed?

3.1) Carletonville	3.2) Klerksdorp	3.3) Rustenburg

Question 4 Which word best describes the company's main priority? Select only 1

4.1) Safety	4.2) Reliability	4.3) Quality	4.4) Customer satisfaction

Question 5 Which division do you mostly operate in?

5.1) Private Hires	5.2) Long distances	5.3) Contracts

Question 6 What is the code of license you hold?

6.1) C1	6.2) C	6.3) EC1	6.4) EC

SECTION B: (Driver behaviour)

For the following questions, please select the answer you most agree with

		Always	Usually	Rarely	Never
1	Safety checks and pre-inspections are done before I depart on a trip				
2	I receive speeding fines				
3	I still continue to drive when I am tired				
4	I share the wheel with my co-driver on long distances				
5	I value the safety of myself and the passengers I transport				
6	My passengers pressures me to overload my bus				
7	My passengers have pressured me to drive faster when they are late				
8	I abide to the laws of the road				
9	I keep a safe following distance				
10	I am extra cautious in poor weather conditions				
11	The way I drive my bus contributes to the longevity of the bus				
12	I leave my bus unattended when the ignition is turned on				
13	I let my bus idle excessively				
14	I am harsh on the brakes				
15	I take care of my bus				
16	I report defects on my bus				
17	I stop the bus immediately when I feel something is wrong with the bus				
18	I inform the controller of any problems I experience with the bus during and post trip				
19	I feel proud about being a bus driver				
20	I enjoy driving a bus				
21	I enjoy the company of the customers I transport				
22	I am happy with my working environment				
23	I am on time for work				
24	I enjoy working for the company				
25	I enjoy working with my fellow bus drivers				
26	I rely on my customers to help me when I do not know the route				
27	I treat passengers with respect				
28	Passengers treat me with respect				
29	My passengers compliments me about my driving abilities				
30	I enjoy getting positive feedback from the passengers I transport				

SECTION C: (Challenges faced)

Please select the most appropriate answer for the following questions

		Always	Usually	Rarely	Never
1	I experience mechanical issues / defects on my bus				
2	I experience breakdowns during a trip				
3	The busses are well maintained and mechanical issues attended to promptly				
4	Backup assistance are quick to respond in case of breakdowns				
5	Excessive idling, over speeding and harsh braking increases maintenance and fuel cost				
6	Breakdowns have a big impact on customers				
7	Prices are a determining factor for customers				
8	Safety and reliability are a determining factor for customers				
9	The condition of the bus is a determining factor for customers				
10	The rising fuel price has a big impact on customers				
11	Driving ability are being assessed by the company before employment commenced				
12	I receive efficient and continuous driver training on my bus				
13	I know the road signs and what they mean				
14	I am well informed of the journey arrangements I am scheduled to undertake				
15	My schedule makes night time driving an imperative				
16	Long distance trips are reliant on mine workers travelling to home towns				
17	Deteriorating roads leads to increased breakdowns				
18	Competitors with lower prices has an impact on our customer base				
19	Barricaded roads and road conditions results in customers being late due to alternative roads				
20	I experience intimidation from other public transport operators				

APPENDIX B: QUALITATIVE INTERVIEW SCHEDULE

Interview questions:

Passenger transport in the private sector

Departments: Technical / Operational - Depots / Human Resources / Financial

The following semi structured questions will be asked to employees in various departments:

- What are the typical external influences that presents as a challenge to the company?
- What are the typical internal challenges that the company face?
- What will the positive impact of these challenges on profits be?
- What will the negative impact of these challenges on profits be?
- What will ensure future sustainability?
- Where do you see expansion and growth possibilities?
- How do you rate customer satisfaction?
- What are the customer satisfaction feedback channels?
- How do you rate the day to day operational efficiency of the company?
- Are internal functions and systems operating effective and efficiently?
- Going forward, how do you see the market for private bus operators?
- What is your opinion pertaining to the brand name and quality of the company?
- What makes the company stand out in terms of the company's unique selling proposition?
- What is your opinion pertaining to the strategic direction for the future of the company?

APPENDIX C: QUALITATIVE ALPHABETIC ATLAS.TI CODE REPORT

All (102) codes

● Administration complications/ difficulties/ peak-time overload

7 Quotations:

4:29 The admin is at I would say 90 percent, due to time constraints in pea.....
(8381:8907) - D 4: Interview 4_Participant 4

5:5 The planning and allocation of fleet to service in all the divisions i.....
(1421:2037) - D 5: Interview 5_Participant 5

5:21 There are busy periods where everyone requires a bus, and quieter
time..... (4985:5153) - D 5: Interview 5_Participant 5

6:5 The cyclical nature of our industry in the private hires where the fix.....
(1422:1714) - D 6: Interview 6_Participant 6

6:6 Operational planning and allocation of the fleet for service to the th.....
(1717:1884) - D 6: Interview 6_Participant 6

6:13 Communication and planning in the operational department is also
very..... (3418:3657) - D 6: Interview 6_Participant 6

6:18 The market is cyclical in nature, so many times operational efficiency.....
(5120:5295) - D 6: Interview 6_Participant 6

● BEE policies and procurement implications

3 Quotations:

1:2 Definitely, social, legal as well as technological changes that would.....
(410:725) - D 1: Interview 1_Participant 1

1:14 Without a good BEE score, fewer contracts will be awarded where a
high..... (2888:3028) - D 1: Interview 1_Participant 1

4:8 Lastly I would say what also impacts the company is the BEE legislatio.....
(2810:3060) - D 4: Interview 4_Participant 4

○ Building trusting partnerships with reputable suppliers

1 Quotations:

4:19 The pivoting point will be to educate and communicate with the workfor..... (6247:6654) - D 4: Interview 4_Participant 4

● Capitalise on opportunities within company

3 Quotations:

1:6 Management structures have remained mainly consistent for many years s..... (1346:1631) - D 1: Interview 1_Participant 1

5:8 If communication can be improved we can capitalise on the competitive..... (2494:2608) - D 5: Interview 5_Participant 5

6:15 The tourist and private hire market with new services that you offer s..... (4015:4456) - D 6: Interview 6_Participant 6

● Challenging legal requirements

7 Quotations:

1:10 With a more stable economy and less stringent legal requirements, bett..... (2168:2449) - D 1: Interview 1_Participant 1

2:4 The cost of insurance and the licensing of the busses I would say are..... (812:1023) - D 2: Interview 2_Participant 2

2:16 If the general condition of the roads are not attended to, more accide..... (5530:5914) - D 2: Interview 2_Participant 2

3:3 Legal factors that requires more stringent standards and safety regula..... (576:651) - D 3: Interview 3_Participant 3

3:15 All these challenges can lead to business risk, which is influenced by..... (3050:3201) - D 3: Interview 3_Participant 3

4:32 The market is big, with lots of opportunities, but there are challenge..... (9455:9696) - D 4: Interview 4_Participant 4

6:3 The labour legislation with minimum wages impacts us, because for the..... (956:1215) - D 6: Interview 6_Participant 6

● **Communication difficulty lack of coherence/ coordination across depots**

8 Quotations:

**1:2 Definitely, social, legal as well as technological changes that would.....
(410:725) - D 1: Interview 1_Participant 1**

1:8 Lastly, communication and employee buy-in with regards to system and..... (1855:1942) - D 1: Interview 1_Participant 1

**3:10 Decentralisation of the depots. With the decentralisation or rather de.....
(1888:2303) - D 3: Interview 3_Participant 3**

4:11 Let's see...Communication or the lack thereof between the different depa..... (4105:4498) - D 4: Interview 4_Participant 4

**4:16 If communication and flow of information dissipates it will ultimately.....
(5726:5851) - D 4: Interview 4_Participant 4**

5:7 Constraints because of the lack of resource sharing and communication..... (2205:2422) - D 5: Interview 5_Participant 5

5:12 Well, again the same goes for the negative side of the communication c..... (3278:3517) - D 5: Interview 5_Participant 5

6:13 Communication and planning in the operational department is also very..... (3418:3657) - D 6: Interview 6_Participant 6

○ **Companies cannot afford wage cost increases**

2 Quotations:

**1:5 To a lesser effect labour strikes also poses a challenge. With the cur.....
(1001:1275) - D 1: Interview 1_Participant 1**

2:24 On the technical side I would say 80 percent. There will always be som..... (7894:8249) - D 2: Interview 2_Participant 2

○ **Companies retrench employees to afford labour cost**

3 Quotations:

**1:5 To a lesser effect labour strikes also poses a challenge. With the cur.....
(1001:1275) - D 1: Interview 1_Participant 1**

**3:17 The high fuel costs results in having to reduce other overheads such
a..... (3296:3593) - D 3: Interview 3_Participant 3**

**6:3 The labour legislation with minimum wages impacts us, because for
the..... (956:1215) - D 6: Interview 6_Participant 6**

○ **Company brand and reputation established**

9 Quotations:

**1:23 Look, we are a well-known brand in our community with a rich and
long..... (5181:5381) - D 1: Interview 1_Participant 1**

**1:24 The fact that we have been in business for so many years and have
prov..... (5475:5791) - D 1: Interview 1_Participant 1**

**2:20 Capitalise on the fleet size and brand name to deliver services to lar.....
(7014:7195) - D 2: Interview 2_Participant 2**

**2:27 It is a well-established and well perceived brand; we just have to mai.....
(9015:9148) - D 2: Interview 2_Participant 2**

**2:28 Our experience we bring to the service we offer. We have been in the i.....
(9242:9601) - D 2: Interview 2_Participant 2**

**3:29 The brand name has been in the industry for a very long time, so it is.....
(6991:7352) - D 3: Interview 3_Participant 3**

**4:33 Quality and brand name. Well, the company started many years back
and..... (9781:10167) - D 4: Interview 4_Participant 4**

**5:27 The brand name is good. The company has been servicing the people
for..... (6339:6496) - D 5: Interview 5_Participant 5**

**6:22 The quality brand is definitely there, not just with our busses, but t.....
(5901:6069) - D 6: Interview 6_Participant 6**

○ Company brand and reputation works in favour

6 Quotations:

1:23 Look, we are a well-known brand in our community with a rich and long..... (5181:5381) - D 1: Interview 1_Participant 1

1:24 The fact that we have been in business for so many years and have prov..... (5475:5791) - D 1: Interview 1_Participant 1

2:20 Capitalise on the fleet size and brand name to deliver services to lar..... (7014:7195) - D 2: Interview 2_Participant 2

2:27 It is a well-established and well perceived brand; we just have to mai..... (9015:9148) - D 2: Interview 2_Participant 2

2:28 Our experience we bring to the service we offer. We have been in the i..... (9242:9601) - D 2: Interview 2_Participant 2

3:29 The brand name has been in the industry for a very long time, so it is..... (6991:7352) - D 3: Interview 3_Participant 3

● Company experience cashflow problems/ difficulties

2 Quotations:

3:8 Cash flow is also a challenge, because most contract clients and gover..... (1219:1482) - D 3: Interview 3_Participant 3

5:5 The planning and allocation of fleet to service in all the divisions i..... (1421:2037) - D 5: Interview 5_Participant 5

○ Company responsible to pay creditors in limited timeframe

1 Quotations:

3:8 Cash flow is also a challenge, because most contract clients and gover..... (1219:1482) - D 3: Interview 3_Participant 3

● Company under strain to pay salaries/ costs

3 Quotations:

**3:8 Cash flow is also a challenge, because most contract clients and gover.....
(1219:1482) - D 3: Interview 3_Participant 3**

**4:9 Typical internal challenges are to acquire skilled drivers and artisan.....
(3131:3708) - D 4: Interview 4_Participant 4**

**6:5 The cyclical nature of our industry in the private hires where the fix.....
(1422:1714) - D 6: Interview 6_Participant 6**

○ Contractual work implications with contract payments that are delayed

1 Quotations:

**3:8 Cash flow is also a challenge, because most contract clients and gover.....
(1219:1482) - D 3: Interview 3_Participant 3**

○ Cost-benefits

8 Quotations:

**1:9 If subsidisation is also offered to private bus operators we will defi.....
(2014:2165) - D 1: Interview 1_Participant 1**

**1:10 With a more stable economy and less stringent legal requirements,
bett..... (2168:2449) - D 1: Interview 1_Participant 1**

**1:22 We need to determine key factors causing differences in efficiency
bet..... (4951:5096) - D 1: Interview 1_Participant 1**

**2:15 Proper maintenance is crucial for quality services and minimal
breakdo..... (5237:5528) - D 2: Interview 2_Participant 2**

**3:21 Well, if we change our view and concentrate on private hires and
estab..... (4315:4844) - D 3: Interview 3_Participant 3**

**4:19 The pivoting point will be to educate and communicate with the
workfor..... (6247:6654) - D 4: Interview 4_Participant 4**

**4:34 I would say, we have a good, reliable service at the right price.
(10261:10325) - D 4: Interview 4_Participant 4**

**5:15 Alignment of the depots with strong and open communication channels.
(3833:3900) - D 5: Interview 5_Participant 5**

○ Customer communication channels and follow-up

7 Quotations:

1:18 We contact the customers telephonically or via e-mail. (3901:3954) - D 1: Interview 1_Participant 1

3:23 In the contract busses we have suggestion boxes where the passengers c..... (5214:5376) - D 3: Interview 3_Participant 3

4:23 Feedback channels...The customers are in continuous contact either telep..... (7371:7598) - D 4: Interview 4_Participant 4

4:24 There is also a comment section on our trip journals that the drivers..... (7601:7768) - D 4: Interview 4_Participant 4

4:26 If any complaints are received, we will investigate and give feedback..... (7856:8079) - D 4: Interview 4_Participant 4

5:23 Through telephone calls or direct communication through the bus driver..... (5422:5574) - D 5: Interview 5_Participant 5

6:17 Our customers contact us via e-mail to give feedback. They also contac..... (4874:5043) - D 6: Interview 6_Participant 6

○ Customer dissatisfaction due to breakdowns or supply demand

6 Quotations:

4:22 The remaining 10 percent will most likely encounter either a breakdown..... (7110:7310) - D 4: Interview 4_Participant 4

5:6 The maintenance and fleet whereby breakdowns of the busses impact the..... (2040:2201) - D 5: Interview 5_Participant 5

5:20 Between 80 and 90 percent. This is because vehicles are utilised for a..... (4788:4982) - D 5: Interview 5_Participant 5

5:22 There are also the occasional breakdowns which are understandable give..... (5156:5361) - D 5: Interview 5_Participant 5

6:8 Breakdowns are also a challenge and can occur at any time to any of th..... (1969:2207) - D 6: Interview 6_Participant 6

6:16 Not everyone will be satisfied and sometimes the expectations are abov..... (4506:4813) - D 6: Interview 6_Participant 6

○ **Customer satisfaction rating % and importance to company**

9 Quotations:

1:17 Customer satisfaction is very important to us. If you render a good qu.....
(3613:3840) - D 1: Interview 1_Participant 1

2:22 There will always be constraints and problems, but the customers
retur..... (7524:7695) - D 2: Interview 2_Participant 2

4:21 Customer satisfaction, let me see...I would say customer satisfaction
is..... (7024:7108) - D 4: Interview 4_Participant 4

4:26 If any complaints are received, we will investigate and give feedback.....
(7856:8079) - D 4: Interview 4_Participant 4

5:19 Between 80 and 90 percent (4788:4812) - D 5: Interview 5_Participant 5

6:14 To capitalise on opportunities for expansion in other segments such
as..... (3705:3955) - D 6: Interview 6_Participant 6

6:15 The tourist and private hire market with new services that you offer s.....
(4015:4456) - D 6: Interview 6_Participant 6

6:16 Not everyone will be satisfied and sometimes the expectations are
abov..... (4506:4813) - D 6: Interview 6_Participant 6

6:18 The market is cyclical in nature, so many times operational efficiency.....
(5120:5295) - D 6: Interview 6_Participant 6

○ **Customer satisfaction through good quality service & returning customers**

19 Quotations:

1:17 Customer satisfaction is very important to us. If you render a good qu.....
(3613:3840) - D 1: Interview 1_Participant 1

2:10 Lastly I would say breakdowns. Even with all the necessary pre-
caution..... (3034:3434) - D 2: Interview 2_Participant 2

2:19 Then, quality personnel; invest in the people and look after them, bec.....
(6686:7011) - D 2: Interview 2_Participant 2

2:22 There will always be constraints and problems, but the customers
retur..... (7524:7695) - D 2: Interview 2_Participant 2

2:30 To deliver a quality service and not chase quantity. (9915:9966) - D 2: Interview 2_Participant 2

3:20 Customer satisfaction should also be a key priority so that customers..... (4083:4255) - D 3: Interview 3_Participant 3

3:22 I think we succeed in satisfying a customer when the customer's specif..... (4894:5153) - D 3: Interview 3_Participant 3

3:29 The brand name has been in the industry for a very long time, so it is..... (6991:7352) - D 3: Interview 3_Participant 3

4:22 The remaining 10 percent will most likely encounter either a breakdown..... (7110:7310) - D 4: Interview 4_Participant 4

4:33 Quality and brand name. Well, the company started many years back and..... (9781:10167) - D 4: Interview 4_Participant 4

5:16 The focus should also be shifted to private hires and this is a big ma..... (3903:4085) - D 5: Interview 5_Participant 5

5:17 With the high costs, it is impossible to drop prices, so we have to de..... (4088:4420) - D 5: Interview 5_Participant 5

5:28 It would most definitely be safety first and service on time. Clients..... (6591:6856) - D 5: Interview 5_Participant 5

5:29 To focus on quality service in the private hire market and diversify t..... (6953:7110) - D 5: Interview 5_Participant 5

6:14 To capitalise on opportunities for expansion in other segments such as..... (3705:3955) - D 6: Interview 6_Participant 6

6:16 Not everyone will be satisfied and sometimes the expectations are abov..... (4506:4813) - D 6: Interview 6_Participant 6

6:18 The market is cyclical in nature, so many times operational efficiency..... (5120:5295) - D 6: Interview 6_Participant 6

6:21 It will be difficult. There are many substitute services and we will n..... (5645:5815) - D 6: Interview 6_Participant 6

6:22 The quality brand is definitely there, not just with our busses, but t..... (5901:6069) - D 6: Interview 6_Participant 6

○ **Customised add-ons to improve value of client's travel experience**

3 Quotations:

**5:17 With the high costs, it is impossible to drop prices, so we have to de.....
(4088:4420) - D 5: Interview 5_Participant 5**

**5:29 To focus on quality service in the private hire market and diversify t.....
(6953:7110) - D 5: Interview 5_Participant 5**

**6:15 The tourist and private hire market with new services that you offer s.....
(4015:4456) - D 6: Interview 6_Participant 6**

○ **Debrief drivers to monitor problems or customer complaints**

3 Quotations:

**3:24 The drivers are also debriefed after a trip to find out if there were.....
(5379:5484) - D 3: Interview 3_Participant 3**

**4:25 We also debrief the drivers after each trip to enquire about the cours.....
(7771:7853) - D 4: Interview 4_Participant 4**

**5:23 Through telephone calls or direct communication through the bus
driver..... (5422:5574) - D 5: Interview 5_Participant 5**

○ **Difficult sourcing reliable/cost-effective parts and dealers**

5 Quotations:

**2:1 Most definitely the high fuel prices and increase in parts necessary f.....
(349:477) - D 2: Interview 2_Participant 2**

**2:2 Finding reputable part dealers is also a challenge (480:529) - D 2: Interview
2_Participant 2**

**2:17 Lastly, the downturn of the economy also influences the part
suppliers..... (5917:6153) - D 2: Interview 2_Participant 2**

**4:2 Secondly, the currency and exchange rate also plays a role as 60
perce..... (498:1018) - D 4: Interview 4_Participant 4**

**6:4 The high fuel prices and maintenance parts that we import for the main.....
(1218:1350) - D 6: Interview 6_Participant 6**

○ **Driver behaviour should drive efficiently**

4 Quotations:

**2:8 Driver behaviour and safety. Safety is the main priority of the compan.....
(1844:2688) - D 2: Interview 2_Participant 2**

2:10 Lastly I would say breakdowns. Even with all the necessary pre-caution..... (3034:3434) - D 2: Interview 2_Participant 2

**2:14 Drivers play a critical factor in the longevity of the fleet, together.....
(4634:5234) - D 2: Interview 2_Participant 2**

4:19 The pivoting point will be to educate and communicate with the workfor..... (6247:6654) - D 4: Interview 4_Participant 4

● **Driver behaviour style impacts costs**

3 Quotations:

**2:14 Drivers play a critical factor in the longevity of the fleet, together.....
(4634:5234) - D 2: Interview 2_Participant 2**

4:19 The pivoting point will be to educate and communicate with the workfor..... (6247:6654) - D 4: Interview 4_Participant 4

5:6 The maintenance and fleet whereby breakdowns of the busses impact the..... (2040:2201) - D 5: Interview 5_Participant 5

○ **Driver safety required to ensure safe transport of customers**

3 Quotations:

**2:8 Driver behaviour and safety. Safety is the main priority of the compan.....
(1844:2688) - D 2: Interview 2_Participant 2**

2:31 Also to educate and communicate safe driving practices (9969:10023) - D 2: Interview 2_Participant 2

4:19 The pivoting point will be to educate and communicate with the workfor..... (6247:6654) - D 4: Interview 4_Participant 4

○ **Economic stability offers better opportunities for growth and income**

7 Quotations:

1:10 With a more stable economy and less stringent legal requirements, bett..... (2168:2449) - D 1: Interview 1_Participant 1

3:11 With a more stable and stronger economy and business scenario, it will..... (2375:2641) - D 3: Interview 3_Participant 3

3:13 If the fuel price can come down to a more affordable rate then we will..... (2644:2857) - D 3: Interview 3_Participant 3

3:18 Transport will always be a requirement. If the diesel prices can come..... (3640:3882) - D 3: Interview 3_Participant 3

4:14 When revenue increases it will also lead to financial freedom to offer..... (5002:5386) - D 4: Interview 4_Participant 4

5:9 If fuel prices can decrease and direct cost in total can come down, mo..... (2611:2830) - D 5: Interview 5_Participant 5

5:10 If municipal services are improved, then service delivery protest and..... (2833:3055) - D 5: Interview 5_Participant 5

○ **Economic stability offers employment expansion**

2 Quotations:

1:10 With a more stable economy and less stringent legal requirements, bett..... (2168:2449) - D 1: Interview 1_Participant 1

4:14 When revenue increases it will also lead to financial freedom to offer..... (5002:5386) - D 4: Interview 4_Participant 4

○ **Economic stability offers investment opportunities in local community labour force**

2 Quotations:

1:10 With a more stable economy and less stringent legal requirements, bett..... (2168:2449) - D 1: Interview 1_Participant 1

4:14 When revenue increases it will also lead to financial freedom to offer.....
(5002:5386) - D 4: Interview 4_Participant 4

● Employee buy-in challenges

2 Quotations:

1:8 Lastly, communication and employee buy-in with regards to system and..... (1855:1942) - D 1: Interview 1_Participant 1

4:9 Typical internal challenges are to acquire skilled drivers and artisan.....
(3131:3708) - D 4: Interview 4_Participant 4

○ Employee reality = skills, knowledge but lack practical experience

3 Quotations:

1:7 Finding employees with the necessary skill, knowledge and experience i..... (1634:1852) - D 1: Interview 1_Participant 1

2:6 I would also say the scarcity of skills in the market for qualified ar.....
(1279:1458) - D 2: Interview 2_Participant 2

2:9 Finding skilled employees with the knowledge and experience in differe..... (2691:3031) - D 2: Interview 2_Participant 2

● Exchange rate impacts running cost (high/low)

3 Quotations:

4:2 Secondly, the currency and exchange rate also plays a role as 60 perce..... (498:1018) - D 4: Interview 4_Participant 4

4:12 OK, challenges and profits...alright, if the Rand strengthens against ot..... (4570:4783) - D 4: Interview 4_Participant 4

4:15 OK, if the current economical climate does not improve and the currenc..... (5458:5723) - D 4: Interview 4_Participant 4

- **Fewer contracts = fewer expansion opportunities, less profit**

10 Quotations:

1:14 Without a good BEE score, fewer contracts will be awarded where a high..... (2888:3028) - D 1: Interview 1_Participant 1

3:4 the mine closures and downsizing of the mines that results in contract..... (656:762) - D 3: Interview 3_Participant 3

3:7 The decline in the business scenario tends to lead to the loss of skill..... (1040:1216) - D 3: Interview 3_Participant 3

3:16 The continuation of the downsizing of the mining industry will lead to..... (3204:3295) - D 3: Interview 3_Participant 3

4:3 The current economical climate in South Africa finds itself whereby th..... (1021:1538) - D 4: Interview 4_Participant 4

4:4 Competitors may also...many competitors...buy their own school busses...who..... (1541:1836) - D 4: Interview 4_Participant 4

4:15 OK, if the current economical climate does not improve and the currenc..... (5458:5723) - D 4: Interview 4_Participant 4

5:4 Taxi intimidation on the long distance segment is also an obstacle for..... (1130:1350) - D 5: Interview 5_Participant 5

6:2 The downsizing of the mining industry also impacts us in a big way, be..... (773:953) - D 6: Interview 6_Participant 6

6:12 If the intimidation tactics cannot be stopped, then the income from th..... (3147:3415) - D 6: Interview 6_Participant 6

- **Fleet age increases cost and maintenance requirements**

3 Quotations:

2:7 The high maintenance cost with the current age of the fleet. The older..... (1529:1841) - D 2: Interview 2_Participant 2

4:10 The age of our current fleet has a direct impact on our company as it..... (3711:4102) - D 4: Interview 4_Participant 4

6:8 Breakdowns are also a challenge and can occur at any time to any of th..... (1969:2207) - D 6: Interview 6_Participant 6

○ Fleet maintenance schedule and milage

7 Quotations:

2:10 Lastly I would say breakdowns. Even with all the necessary pre-caution..... (3034:3434) - D 2: Interview 2_Participant 2

2:15 Proper maintenance is crucial for quality services and minimal breakdo..... (5237:5528) - D 2: Interview 2_Participant 2

4:33 Quality and brand name. Well, the company started many years back and..... (9781:10167) - D 4: Interview 4_Participant 4

5:5 The planning and allocation of fleet to service in all the divisions i..... (1421:2037) - D 5: Interview 5_Participant 5

5:22 There are also the occasional breakdowns which are understandable give..... (5156:5361) - D 5: Interview 5_Participant 5

6:6 Operational planning and allocation of the fleet for service to the th..... (1717:1884) - D 6: Interview 6_Participant 6

6:24 The in-house workshops and inventory systems allows for excellent main..... (6333:6453) - D 6: Interview 6_Participant 6

○ Fleet safety requirements (maintenance and roadworthiness)

6 Quotations:

2:8 Driver behaviour and safety. Safety is the main priority of the compan..... (1844:2688) - D 2: Interview 2_Participant 2

2:10 Lastly I would say breakdowns. Even with all the necessary pre-caution..... (3034:3434) - D 2: Interview 2_Participant 2

2:15 Proper maintenance is crucial for quality services and minimal breakdo..... (5237:5528) - D 2: Interview 2_Participant 2

3:26 Yes, the quality and adequacy of the fleet service- and maintenance wo..... (6186:6477) - D 3: Interview 3_Participant 3

4:28 I will rate the maintenance at 80 percent efficient, the remaining 20..... (8156:8379) - D 4: Interview 4_Participant 4

5:22 There are also the occasional breakdowns which are understandable give..... (5156:5361) - D 5: Interview 5_Participant 5

○ Fuel price decreases will lower cost

7 Quotations:

2:13 If the fuel price can decrease the cost will come down, not only for f.....
(4385:4562) - D 2: Interview 2_Participant 2

3:13 If the fuel price can come down to a more affordable rate then we will.....
(2644:2857) - D 3: Interview 3_Participant 3

3:18 Transport will always be a requirement. If the diesel prices can come.....
(3640:3882) - D 3: Interview 3_Participant 3

4:14 When revenue increases it will also lead to financial freedom to offer.....
(5002:5386) - D 4: Interview 4_Participant 4

5:9 If fuel prices can decrease and direct cost in total can come down, mo.....
(2611:2830) - D 5: Interview 5_Participant 5

5:25 The market for private operators will become more and more difficult
t..... (5906:6109) - D 5: Interview 5_Participant 5

6:11 Drastic decrease in fuel prices will also alleviate the pressure that.....
(2949:3075) - D 6: Interview 6_Participant 6

● Fuel price increases

10 Quotations:

1:3 Other external aspects include the rise in cost of resources used such.....
(728:853) - D 1: Interview 1_Participant 1

1:13 If the fuel prices remains at an all time high and maintenance cost ke.....
(2694:2885) - D 1: Interview 1_Participant 1

2:1 Most definitely the high fuel prices and increase in parts necessary f.....
(349:477) - D 2: Interview 2_Participant 2

3:2 Also looking at the cost factors, the diesel price increases that make.....
(478:573) - D 3: Interview 3_Participant 3

3:17 The high fuel costs results in having to reduce other overheads such
a..... (3296:3593) - D 3: Interview 3_Participant 3

4:1 Right, I will start with high fuel prices that are continuously increa.....
(349:495) - D 4: Interview 4_Participant 4

**5:1 I would say the high fuel prices are a very big challenge for us curre.....
(349:517) - D 5: Interview 5_Participant 5**

**5:13 The economic climate and high fuel prices means less spendable money
a..... (3521:3630) - D 5: Interview 5_Participant 5**

**6:4 The high fuel prices and maintenance parts that we import for the main.....
(1218:1350) - D 6: Interview 6_Participant 6**

**6:9 Pricing structures and determination of price increases are a challeng.....
(2211:2523) - D 6: Interview 6_Participant 6**

○ Government subsidised operators

2 Quotations:

**1:4 governmental subsidised bus operators versus non subsidised bus
operat..... (859:997) - D 1: Interview 1_Participant 1**

**4:5 Another big challenge is subsidised bus operators who undercut our
pri..... (1839:2088) - D 4: Interview 4_Participant 4**

○ Growth opp_expand segments Joint venture contracts/ referral programmes

4 Quotations:

**1:16 If I can name a few: shifting focus to other segments such as the Nati.....
(3395:3563) - D 1: Interview 1_Participant 1**

**5:17 With the high costs, it is impossible to drop prices, so we have to de.....
(4088:4420) - D 5: Interview 5_Participant 5**

**6:14 To capitalise on opportunities for expansion in other segments such
as..... (3705:3955) - D 6: Interview 6_Participant 6**

**6:25 I think exploring other avenues and making the private hires and the
c..... (6551:6643) - D 6: Interview 6_Participant 6**

○ Growth opp_expand segments to National Scholar Transport

3 Quotations:

**1:16 If I can name a few: shifting focus to other segments such as the Nati.....
(3395:3563) - D 1: Interview 1_Participant 1**

**2:26 There is a big market for private bus operators in the sense that tran.....
(8529:8930) - D 2: Interview 2_Participant 2**

**6:14 To capitalise on opportunities for expansion in other segments such
as..... (3705:3955) - D 6: Interview 6_Participant 6**

○ Growth opp_expand segments to Tourist market

11 Quotations:

**1:16 If I can name a few: shifting focus to other segments such as the Nati.....
(3395:3563) - D 1: Interview 1_Participant 1**

**2:18 There are quite a lot of points I would say that will contribute to th.....
(6200:6683) - D 2: Interview 2_Participant 2**

**2:21 In the private hires and tourist market. You should get a marketing st.....
(7255:7474) - D 2: Interview 2_Participant 2**

**2:26 There is a big market for private bus operators in the sense that tran.....
(8529:8930) - D 2: Interview 2_Participant 2**

**2:32 source new income streams and focus our energy into expanding our
priv..... (10031:10140) - D 2: Interview 2_Participant 2**

**3:21 Well, if we change our view and concentrate on private hires and
estab..... (4315:4844) - D 3: Interview 3_Participant 3**

**3:31 I think if you render a proper service and look at possible new ventur.....
(7696:7963) - D 3: Interview 3_Participant 3**

**4:20 There is a big demand for private hires as well as touring ventures in.....
(6714:6974) - D 4: Interview 4_Participant 4**

**5:18 If we can obtain operating licences for new dedicated routes for touri.....
(4480:4738) - D 5: Interview 5_Participant 5**

**6:14 To capitalise on opportunities for expansion in other segments such
as..... (3705:3955) - D 6: Interview 6_Participant 6**

**6:15 The tourist and private hire market with new services that you offer s.....
(4015:4456) - D 6: Interview 6_Participant 6**

○ Growth opp_increase private hires

9 Quotations:

1:16 If I can name a few: shifting focus to other segments such as the Nati.....
(3395:3563) - D 1: Interview 1_Participant 1

2:26 There is a big market for private bus operators in the sense that tran.....
(8529:8930) - D 2: Interview 2_Participant 2

2:32 source new income streams and focus our energy into expanding our
priv..... (10031:10140) - D 2: Interview 2_Participant 2

3:21 Well, if we change our view and concentrate on private hires and
estab..... (4315:4844) - D 3: Interview 3_Participant 3

4:18 The company's focus must shift to deliver quality service instead of c.....
(6054:6244) - D 4: Interview 4_Participant 4

4:20 There is a big demand for private hires as well as touring ventures in.....
(6714:6974) - D 4: Interview 4_Participant 4

5:16 The focus should also be shifted to private hires and this is a big ma.....
(3903:4085) - D 5: Interview 5_Participant 5

5:29 To focus on quality service in the private hire market and diversify t.....
(6953:7110) - D 5: Interview 5_Participant 5

6:25 I think exploring other avenues and making the private hires and the
c..... (6551:6643) - D 6: Interview 6_Participant 6

● Growth opp_shifting current business focus

8 Quotations:

1:16 If I can name a few: shifting focus to other segments such as the Nati.....
(3395:3563) - D 1: Interview 1_Participant 1

3:9 Strategic direction change is also an obstacle. We used to be focused.....
(1485:1885) - D 3: Interview 3_Participant 3

3:19 We can also investigate opportunities to use underutilised facilities.....
(3885:4079) - D 3: Interview 3_Participant 3

3:21 Well, if we change our view and concentrate on private hires and
estab..... (4315:4844) - D 3: Interview 3_Participant 3

3:28 We just need to rethink our strategies and business models and focus o..... (6732:6906) - D 3: Interview 3_Participant 3

4:18 The company's focus must shift to deliver quality service instead of c..... (6054:6244) - D 4: Interview 4_Participant 4

5:17 With the high costs, it is impossible to drop prices, so we have to de..... (4088:4420) - D 5: Interview 5_Participant 5

6:14 To capitalise on opportunities for expansion in other segments such as..... (3705:3955) - D 6: Interview 6_Participant 6

○ High cost of acquiring new fleet

5 Quotations:

3:5 The cost of acquiring new fleet (765:795) - D 3: Interview 3_Participant 3

4:2 Secondly, the currency and exchange rate also plays a role as 60 perce..... (498:1018) - D 4: Interview 4_Participant 4

4:32 The market is big, with lots of opportunities, but there are challenge..... (9455:9696) - D 4: Interview 4_Participant 4

5:18 If we can obtain operating licences for new dedicated routes for touri..... (4480:4738) - D 5: Interview 5_Participant 5

6:7 The age of the current fleet and capital constraints for investing in..... (1888:1966) - D 6: Interview 6_Participant 6

● High operations cost

13 Quotations:

2:4 The cost of insurance and the licensing of the busses I would say are..... (812:1023) - D 2: Interview 2_Participant 2

3:2 Also looking at the cost factors, the diesel price increases that make..... (478:573) - D 3: Interview 3_Participant 3

3:15 All these challenges can lead to business risk, which is influenced by..... (3050:3201) - D 3: Interview 3_Participant 3

3:17 The high fuel costs results in having to reduce other overheads such a..... (3296:3593) - D 3: Interview 3_Participant 3

**4:1 Right, I will start with high fuel prices that are continuously increa.....
(349:495) - D 4: Interview 4_Participant 4**

**4:10 The age of our current fleet has a direct impact on our company as it.....
(3711:4102) - D 4: Interview 4_Participant 4**

**5:1 I would say the high fuel prices are a very big challenge for us curre.....
(349:517) - D 5: Interview 5_Participant 5**

**5:6 The maintenance and fleet whereby breakdowns of the busses impact
the..... (2040:2201) - D 5: Interview 5_Participant 5**

**5:13 The economic climate and high fuel prices means less spendable money
a..... (3521:3630) - D 5: Interview 5_Participant 5**

**5:14 Thirdly, the barricading of roads and unrests will continue to keep us.....
(3633:3786) - D 5: Interview 5_Participant 5**

**5:25 The market for private operators will become more and more difficult
t..... (5906:6109) - D 5: Interview 5_Participant 5**

**6:4 The high fuel prices and maintenance parts that we import for the main.....
(1218:1350) - D 6: Interview 6_Participant 6**

**6:9 Pricing structures and determination of price increases are a challeng.....
(2211:2523) - D 6: Interview 6_Participant 6**

○ Hold-up on efficiency by waiting for parts/ workshop service

4 Quotations:

**2:24 On the technical side I would say 80 percent. There will always be
som..... (7894:8249) - D 2: Interview 2_Participant 2**

**4:28 I will rate the maintenance at 80 percent efficient, the remaining 20.....
(8156:8379) - D 4: Interview 4_Participant 4**

**6:13 Communication and planning in the operational department is also
very..... (3418:3657) - D 6: Interview 6_Participant 6**

**6:20 The only negative would be that availability of parts sometimes
hinder..... (5484:5569) - D 6: Interview 6_Participant 6**

- **Hold-up on efficiency through lack of technological alignment**

- 3 Quotations:**

- 2:24 On the technical side I would say 80 percent. There will always be som..... (7894:8249) - D 2: Interview 2_Participant 2**

- 4:29 The admin is at I would say 90 percent, due to time constraints in pea..... (8381:8907) - D 4: Interview 4_Participant 4**

- 4:31 Look, the people are trying their best and they are efficient in what..... (8986:9380) - D 4: Interview 4_Participant 4**

- **Increased cost lead to fewer customers**

- 1 Quotations:**

- 1:13 If the fuel prices remains at an all time high and maintenance cost ke..... (2694:2885) - D 1: Interview 1_Participant 1**

- **Increased cost limit profit**

- 5 Quotations:**

- 1:13 If the fuel prices remains at an all time high and maintenance cost ke..... (2694:2885) - D 1: Interview 1_Participant 1**

- 3:15 All these challenges can lead to business risk, which is influenced by..... (3050:3201) - D 3: Interview 3_Participant 3**

- 3:17 The high fuel costs results in having to reduce other overheads such a..... (3296:3593) - D 3: Interview 3_Participant 3**

- 6:4 The high fuel prices and maintenance parts that we import for the main..... (1218:1350) - D 6: Interview 6_Participant 6**

- 6:11 Drastic decrease in fuel prices will also alleviate the pressure that..... (2949:3075) - D 6: Interview 6_Participant 6**

○ **Increased costs means expenses cannot be covered**

4 Quotations:

**1:13 If the fuel prices remains at an all time high and maintenance cost ke.....
(2694:2885) - D 1: Interview 1_Participant 1**

**2:1 Most definitely the high fuel prices and increase in parts necessary f.....
(349:477) - D 2: Interview 2_Participant 2**

**2:7 The high maintenance cost with the current age of the fleet. The older.....
(1529:1841) - D 2: Interview 2_Participant 2**

**6:9 Pricing structures and determination of price increases are a challeng.....
(2211:2523) - D 6: Interview 6_Participant 6**

○ **Increased costs of resources**

4 Quotations:

**1:3 Other external aspects include the rise in cost of resources used such.....
(728:853) - D 1: Interview 1_Participant 1**

**1:13 If the fuel prices remains at an all time high and maintenance cost ke.....
(2694:2885) - D 1: Interview 1_Participant 1**

**2:7 The high maintenance cost with the current age of the fleet. The older.....
(1529:1841) - D 2: Interview 2_Participant 2**

**6:9 Pricing structures and determination of price increases are a challeng.....
(2211:2523) - D 6: Interview 6_Participant 6**

○ **Increased demands and Government need to address service delivery/ intimidation**

9 Quotations:

**1:5 To a lesser effect labour strikes also poses a challenge. With the cur.....
(1001:1275) - D 1: Interview 1_Participant 1**

**3:17 The high fuel costs results in having to reduce other overheads such
a..... (3296:3593) - D 3: Interview 3_Participant 3**

**5:2 The service delivery unrests that is currently ongoing in various part.....
(520:880) - D 5: Interview 5_Participant 5**

5:3 Labour unrest also impacts the company, because when the workforce emb..... (883:1127) - D 5: Interview 5_Participant 5

**5:10 If municipal services are improved, then service delivery protest and.....
(2833:3055) - D 5: Interview 5_Participant 5**

**5:11 The minister of transport should also address the taxi intimidation is.....
(3058:3206) - D 5: Interview 5_Participant 5**

**5:14 Thirdly, the barricading of roads and unrests will continue to keep us.....
(3633:3786) - D 5: Interview 5_Participant 5**

5:26 The challenges also need to be addressed and outside factors affecting..... (6111:6254) - D 5: Interview 5_Participant 5

**6:10 If the government can act on taxi intimidation and the Police service.....
(2595:2946) - D 6: Interview 6_Participant 6**

● Investing in training and enhancing competence

5 Quotations:

**2:11 Establishing training centres will result in having additional artisan.....
(3506:4060) - D 2: Interview 2_Participant 2**

**2:19 Then, quality personnel; invest in the people and look after them, bec.....
(6686:7011) - D 2: Interview 2_Participant 2**

**2:31 Also to educate and communicate safe driving practices (9969:10023) - D
2: Interview 2_Participant 2**

**3:26 Yes, the quality and adequacy of the fleet service- and maintenance
wo..... (6186:6477) - D 3: Interview 3_Participant 3**

**4:19 The pivoting point will be to educate and communicate with the
workfor..... (6247:6654) - D 4: Interview 4_Participant 4**

○ Lack of finding and retaining skilled, competent employees

11 Quotations:

**1:7 Finding employees with the necessary skill, knowledge and experience
i..... (1634:1852) - D 1: Interview 1_Participant 1**

1:11 If skilled employees are not found or retained it can lead to safety a.....
(2521:2611) - D 1: Interview 1_Participant 1

2:3 technological advancement in maintenance of the fleet. Newer
technolog..... (535:809) - D 2: Interview 2_Participant 2

2:6 I would also say the scarcity of skills in the market for qualified ar.....
(1279:1458) - D 2: Interview 2_Participant 2

2:9 Finding skilled employees with the knowledge and experience in
differe..... (2691:3031) - D 2: Interview 2_Participant 2

2:19 Then, quality personnel; invest in the people and look after them, bec.....
(6686:7011) - D 2: Interview 2_Participant 2

3:7 The decline in the business scenario tends to lead to the loss of skill.....
(1040:1216) - D 3: Interview 3_Participant 3

3:17 The high fuel costs results in having to reduce other overheads such
a..... (3296:3593) - D 3: Interview 3_Participant 3

4:9 Typical internal challenges are to acquire skilled drivers and artisan.....
(3131:3708) - D 4: Interview 4_Participant 4

4:15 OK, if the current economical climate does not improve and the
currenc..... (5458:5723) - D 4: Interview 4_Participant 4

4:16 If communication and flow of information dissipates it will ultimately.....
(5726:5851) - D 4: Interview 4_Participant 4

○ Lack of subsidies limit private companies investment and profitability

2 Quotations:

1:12 Without subsidy it is difficult to invest in new busses or operate pro.....
(2614:2691) - D 1: Interview 1_Participant 1

4:15 OK, if the current economical climate does not improve and the
currenc..... (5458:5723) - D 4: Interview 4_Participant 4

● **Loss of income/ clientele**

14 Quotations:

**3:4 the mine closures and downsizing of the mines that results in contract.....
(656:762) - D 3: Interview 3_Participant 3**

**3:7 The decline in the business scenario tends to lead to the loss of skill.....
(1040:1216) - D 3: Interview 3_Participant 3**

**4:3 The current economical climate in South Africa finds itself whereby th.....
(1021:1538) - D 4: Interview 4_Participant 4**

**4:4 Competitors may also...many competitors...buy their own school
busses...who..... (1541:1836) - D 4: Interview 4_Participant 4**

**5:2 The service delivery unrests that is currently ongoing in various part.....
(520:880) - D 5: Interview 5_Participant 5**

**5:3 Labour unrest also impacts the company, because when the workforce
emb..... (883:1127) - D 5: Interview 5_Participant 5**

**5:4 Taxi intimidation on the long distance segment is also an obstacle for.....
(1130:1350) - D 5: Interview 5_Participant 5**

**5:12 Well, again the same goes for the negative side of the communication
c..... (3278:3517) - D 5: Interview 5_Participant 5**

**5:13 The economic climate and high fuel prices means less spendable money
a..... (3521:3630) - D 5: Interview 5_Participant 5**

**5:14 Thirdly, the barricading of roads and unrests will continue to keep us.....
(3633:3786) - D 5: Interview 5_Participant 5**

**6:1 For us, most definitely the taxi intimidation we experience on the lon.....
(349:770) - D 6: Interview 6_Participant 6**

**6:2 The downsizing of the mining industry also impacts us in a big way, be.....
(773:953) - D 6: Interview 6_Participant 6**

**6:10 If the government can act on taxi intimidation and the Police service.....
(2595:2946) - D 6: Interview 6_Participant 6**

**6:12 If the intimidation tactics cannot be stopped, then the income from th.....
(3147:3415) - D 6: Interview 6_Participant 6**

● Lower cost structures

2 Quotations:

1:1 I would say outside competition with lower price structures. (349:408) - D 1: Interview 1_Participant 1

2:13 If the fuel price can decrease the cost will come down, not only for f..... (4385:4562) - D 2: Interview 2_Participant 2

● Maintenance cost increases

6 Quotations:

1:3 Other external aspects include the rise in cost of resources used such..... (728:853) - D 1: Interview 1_Participant 1

2:1 Most definitely the high fuel prices and increase in parts necessary f..... (349:477) - D 2: Interview 2_Participant 2

2:3 technological advancement in maintenance of the fleet. Newer technolog..... (535:809) - D 2: Interview 2_Participant 2

2:7 The high maintenance cost with the current age of the fleet. The older..... (1529:1841) - D 2: Interview 2_Participant 2

4:10 The age of our current fleet has a direct impact on our company as it..... (3711:4102) - D 4: Interview 4_Participant 4

6:8 Breakdowns are also a challenge and can occur at any time to any of th..... (1969:2207) - D 6: Interview 6_Participant 6

○ Management not in contact with customers

1 Quotations:

2:23 I do not work with the customers, so I cannot comment on that. (7756:7817) - D 2: Interview 2_Participant 2

○ **Management structure stability not only negative**

1 Quotations:

1:6 Management structures have remained mainly consistent for many years s..... (1346:1631) - D 1: Interview 1_Participant 1

○ **Management structures less open to new ideas/ approaches or struggle to adjust**

2 Quotations:

1:6 Management structures have remained mainly consistent for many years s..... (1346:1631) - D 1: Interview 1_Participant 1

3:9 Strategic direction change is also an obstacle. We used to be focused..... (1485:1885) - D 3: Interview 3_Participant 3

● **Management systems and structures consistent over time**

1 Quotations:

1:6 Management structures have remained mainly consistent for many years s..... (1346:1631) - D 1: Interview 1_Participant 1

○ **Market for private bus-use using private operators**

3 Quotations:

3:27 There are so many people with transport requirements and the substitut..... (6552:6729) - D 3: Interview 3_Participant 3

4:32 The market is big, with lots of opportunities, but there are challenge..... (9455:9696) - D 4: Interview 4_Participant 4

5:16 The focus should also be shifted to private hires and this is a big ma..... (3903:4085) - D 5: Interview 5_Participant 5

○ **Need centralisation of depots within company (not decentralised independent/fragmentedness)**

5 Quotations:

**3:10 Decentralisation of the depots. With the decentralisation or rather de.....
(1888:2303) - D 3: Interview 3_Participant 3**

3:14 Collaboration and alignment of the different business units and depart..... (2860:2977) - D 3: Interview 3_Participant 3

5:7 Constraints because of the lack of resource sharing and communication..... (2205:2422) - D 5: Interview 5_Participant 5

5:8 If communication can be improved we can capitalise on the competitive..... (2494:2608) - D 5: Interview 5_Participant 5

5:15 Alignment of the depots with strong and open communication channels. (3833:3900) - D 5: Interview 5_Participant 5

○ **Need for government to maintain better, safer roads**

2 Quotations:

**2:12 If the government can invest in the road and transport infrastructure.....
(4063:4382) - D 2: Interview 2_Participant 2**

**2:16 If the general condition of the roads are not attended to, more accide.....
(5530:5914) - D 2: Interview 2_Participant 2**

● **Need to manage cost (proper budgeting and planning, streamlining processes)**

8 Quotations:

**3:20 Customer satisfaction should also be a key priority so that customers.....
(4083:4255) - D 3: Interview 3_Participant 3**

**3:25 Well, the operational efficiency depends on how efficient the fleet ar.....
(5561:6107) - D 3: Interview 3_Participant 3**

3:28 We just need to rethink our strategies and business models and focus o..... (6732:6906) - D 3: Interview 3_Participant 3

**4:29 The admin is at I would say 90 percent, due to time constraints in pea.....
(8381:8907) - D 4: Interview 4_Participant 4**

**4:36 We have to communicate with employees so that they understand the
miss..... (10569:10781) - D 4: Interview 4_Participant 4**

**5:5 The planning and allocation of fleet to service in all the divisions i.....
(1421:2037) - D 5: Interview 5_Participant 5**

**6:5 The cyclical nature of our industry in the private hires where the fix.....
(1422:1714) - D 6: Interview 6_Participant 6**

**6:21 It will be difficult. There are many substitute services and we will n.....
(5645:5815) - D 6: Interview 6_Participant 6**

○ Operational systems in place and existing infrastructure

3 Quotations:

**1:19 I think with the systems and structures in place; and the skill and kn.....
(4031:4158) - D 1: Interview 1_Participant 1**

**1:20 Yes, of course. The systems are in place and operating efficiently. Th.....
(4237:4631) - D 1: Interview 1_Participant 1**

**3:19 We can also investigate opportunities to use underutilised facilities.....
(3885:4079) - D 3: Interview 3_Participant 3**

○ Operational systems operate efficiently

7 Quotations:

**1:19 I think with the systems and structures in place; and the skill and kn.....
(4031:4158) - D 1: Interview 1_Participant 1**

**1:20 Yes, of course. The systems are in place and operating efficiently. Th.....
(4237:4631) - D 1: Interview 1_Participant 1**

**2:24 On the technical side I would say 80 percent. There will always be
som..... (7894:8249) - D 2: Interview 2_Participant 2**

**3:25 Well, the operational efficiency depends on how efficient the fleet ar.....
(5561:6107) - D 3: Interview 3_Participant 3**

**4:27 I will rate the maintenance at 80 percent efficient (8156:8206) - D 4:
Interview 4_Participant 4**

**4:30 But overall our day to day operations are efficient, very efficient an.....
(8831:8907) - D 4: Interview 4_Participant 4**

**5:24 At about 80 percent. Operations are functioning very efficient with mi.....
(5652:5831) - D 5: Interview 5_Participant 5**

○ Optimise use of resources during low-income periods

6 Quotations:

**3:19 We can also investigate opportunities to use underutilised facilities.....
(3885:4079) - D 3: Interview 3_Participant 3**

**3:21 Well, if we change our view and concentrate on private hires and
estab..... (4315:4844) - D 3: Interview 3_Participant 3**

**3:25 Well, the operational efficiency depends on how efficient the fleet ar.....
(5561:6107) - D 3: Interview 3_Participant 3**

**5:8 If communication can be improved we can capitalise on the
competitive..... (2494:2608) - D 5: Interview 5_Participant 5**

**6:15 The tourist and private hire market with new services that you offer s.....
(4015:4456) - D 6: Interview 6_Participant 6**

**6:21 It will be difficult. There are many substitute services and we will n.....
(5645:5815) - D 6: Interview 6_Participant 6**

● Outside competitors

10 Quotations:

**1:1 I would say outside competition with lower price structures. (349:408) - D
1: Interview 1_Participant 1**

**1:4 governmental subsidised bus operators versus non subsidised bus
operat..... (859:997) - D 1: Interview 1_Participant 1**

**3:1 Currently the substitute services of the fast growing taxi industry th.....
(349:475) - D 3: Interview 3_Participant 3**

**3:6 the fact that we are a private bus operator that receives no subsidy f.....
(801:969) - D 3: Interview 3_Participant 3**

**4:4 Competitors may also...many competitors...buy their own school
busses...who..... (1541:1836) - D 4: Interview 4_Participant 4**

**4:6 Taxi operators, the time to fill a taxi is much quicker than a bus, so.....
(2091:2379) - D 4: Interview 4_Participant 4**

**4:7 Taxi intimidation is also a big problem, especially at the end points.....
(2381:2808) - D 4: Interview 4_Participant 4**

**4:9 Typical internal challenges are to acquire skilled drivers and artisan.....
(3131:3708) - D 4: Interview 4_Participant 4**

**5:11 The minister of transport should also address the taxi intimidation is.....
(3058:3206) - D 5: Interview 5_Participant 5**

**6:1 For us, most definitely the taxi intimidation we experience on the lon.....
(349:770) - D 6: Interview 6_Participant 6**

● Outside socio-political requirements/ conditions

12 Quotations:

**1:2 Definitely, social, legal as well as technological changes that would.....
(410:725) - D 1: Interview 1_Participant 1**

**1:5 To a lesser effect labour strikes also poses a challenge. With the cur.....
(1001:1275) - D 1: Interview 1_Participant 1**

**1:14 Without a good BEE score, fewer contracts will be awarded where a
high..... (2888:3028) - D 1: Interview 1_Participant 1**

**2:4 The cost of insurance and the licensing of the busses I would say are.....
(812:1023) - D 2: Interview 2_Participant 2**

**3:15 All these challenges can lead to business risk, which is influenced by.....
(3050:3201) - D 3: Interview 3_Participant 3**

**4:8 Lastly I would say what also impacts the company is the BEE legislatio.....
(2810:3060) - D 4: Interview 4_Participant 4**

**5:2 The service delivery unrests that is currently ongoing in various part.....
(520:880) - D 5: Interview 5_Participant 5**

**5:3 Labour unrest also impacts the company, because when the workforce
emb..... (883:1127) - D 5: Interview 5_Participant 5**

**5:10 If municipal services are improved, then service delivery protest and.....
(2833:3055) - D 5: Interview 5_Participant 5**

**5:11 The minister of transport should also address the taxi intimidation is.....
(3058:3206) - D 5: Interview 5_Participant 5**

5:26 The challenges also need to be addressed and outside factors affecting..... (6111:6254) - D 5: Interview 5_Participant 5

6:10 If the government can act on taxi intimidation and the Police service..... (2595:2946) - D 6: Interview 6_Participant 6

○ Private operators lack government support and subsidies

3 Quotations:

1:21 Bus ridership has been steadily declining over the years, especially f..... (4706:4948) - D 1: Interview 1_Participant 1

3:6 the fact that we are a private bus operator that receives no subsidy f..... (801:969) - D 3: Interview 3_Participant 3

4:5 Another big challenge is subsidised bus operators who undercut our pri..... (1839:2088) - D 4: Interview 4_Participant 4

○ Private sector struggle to provide affordable service

1 Quotations:

1:21 Bus ridership has been steadily declining over the years, especially f..... (4706:4948) - D 1: Interview 1_Participant 1

○ Reduced need for long distance bus transport sector

7 Quotations:

1:21 Bus ridership has been steadily declining over the years, especially f..... (4706:4948) - D 1: Interview 1_Participant 1

3:9 Strategic direction change is also an obstacle. We used to be focused..... (1485:1885) - D 3: Interview 3_Participant 3

4:3 The current economical climate in South Africa finds itself whereby th..... (1021:1538) - D 4: Interview 4_Participant 4

4:20 There is a big demand for private hires as well as touring ventures in..... (6714:6974) - D 4: Interview 4_Participant 4

5:5 The planning and allocation of fleet to service in all the divisions i..... (1421:2037) - D 5: Interview 5_Participant 5

**6:2 The downsizing of the mining industry also impacts us in a big way, be.....
(773:953) - D 6: Interview 6_Participant 6**

**6:12 If the intimidation tactics cannot be stopped, then the income from th.....
(3147:3415) - D 6: Interview 6_Participant 6**

○ Reputation = Cater for larger, luxury market

3 Quotations:

1:25 Our depots, locations and fleet aid the company in proving a more supe..... (5794:5963) - D 1: Interview 1_Participant 1

3:30 The fact that we cater for semi luxury and the luxury market where com..... (7446:7599) - D 3: Interview 3_Participant 3

**6:23 I think one of the competitive advantages is definitely the company's.....
(6164:6330) - D 6: Interview 6_Participant 6**

○ Reputation = depots, locations & fleet provide superior service

4 Quotations:

1:25 Our depots, locations and fleet aid the company in proving a more supe..... (5794:5963) - D 1: Interview 1_Participant 1

**2:29 Also our uniqueness in that we offer different services in the long di.....
(9603:9818) - D 2: Interview 2_Participant 2**

**3:9 Strategic direction change is also an obstacle. We used to be focused.....
(1485:1885) - D 3: Interview 3_Participant 3**

**3:13 If the fuel price can come down to a more affordable rate then we will.....
(2644:2857) - D 3: Interview 3_Participant 3**

○ Reputation = loyal, knowledgeable, skilled employees

5 Quotations:

**1:19 I think with the systems and structures in place; and the skill and kn.....
(4031:4158) - D 1: Interview 1_Participant 1**

1:24 The fact that we have been in business for so many years and have prov..... (5475:5791) - D 1: Interview 1_Participant 1

**2:11 Establishing training centres will result in having additional artisan.....
(3506:4060) - D 2: Interview 2_Participant 2**

**2:20 Capitalise on the fleet size and brand name to deliver services to lar.....
(7014:7195) - D 2: Interview 2_Participant 2**

**5:28 It would most definitely be safety first and service on time. Clients.....
(6591:6856) - D 5: Interview 5_Participant 5**

○ Reputation = performance driven

8 Quotations:

**1:24 The fact that we have been in business for so many years and have
prov..... (5475:5791) - D 1: Interview 1_Participant 1**

**2:27 It is a well-established and well perceived brand; we just have to mai.....
(9015:9148) - D 2: Interview 2_Participant 2**

**2:28 Our experience we bring to the service we offer. We have been in the i.....
(9242:9601) - D 2: Interview 2_Participant 2**

**4:26 If any complaints are received, we will investigate and give feedback.....
(7856:8079) - D 4: Interview 4_Participant 4**

**4:33 Quality and brand name. Well, the company started many years back
and..... (9781:10167) - D 4: Interview 4_Participant 4**

**5:28 It would most definitely be safety first and service on time. Clients.....
(6591:6856) - D 5: Interview 5_Participant 5**

**6:22 The quality brand is definitely there, not just with our busses, but t.....
(5901:6069) - D 6: Interview 6_Participant 6**

**6:24 The in-house workshops and inventory systems allows for excellent
main..... (6333:6453) - D 6: Interview 6_Participant 6**

○ Reputation = reliable, safe and guaranteed delivery

10 Quotations:

**1:24 The fact that we have been in business for so many years and have
prov..... (5475:5791) - D 1: Interview 1_Participant 1**

**2:20 Capitalise on the fleet size and brand name to deliver services to lar.....
(7014:7195) - D 2: Interview 2_Participant 2**

2:27 It is a well-established and well perceived brand; we just have to mai.....
(9015:9148) - D 2: Interview 2_Participant 2

2:28 Our experience we bring to the service we offer. We have been in the i.....
(9242:9601) - D 2: Interview 2_Participant 2

3:29 The brand name has been in the industry for a very long time, so it is.....
(6991:7352) - D 3: Interview 3_Participant 3

4:33 Quality and brand name. Well, the company started many years back
and..... (9781:10167) - D 4: Interview 4_Participant 4

4:34 I would say, we have a good, reliable service at the right price.
(10261:10325) - D 4: Interview 4_Participant 4

5:27 The brand name is good. The company has been servicing the people
for..... (6339:6496) - D 5: Interview 5_Participant 5

5:28 It would most definitely be safety first and service on time. Clients.....
(6591:6856) - D 5: Interview 5_Participant 5

6:24 The in-house workshops and inventory systems allows for excellent
main..... (6333:6453) - D 6: Interview 6_Participant 6

○ Reputation at stake/ at risk

3 Quotations:

1:11 If skilled employees are not found or retained it can lead to safety a.....
(2521:2611) - D 1: Interview 1_Participant 1

4:16 If communication and flow of information dissipates it will ultimately.....
(5726:5851) - D 4: Interview 4_Participant 4

5:12 Well, again the same goes for the negative side of the communication
c..... (3278:3517) - D 5: Interview 5_Participant 5

● Retaining good, skilled drivers competent to reduce risks

3 Quotations:

2:11 Establishing training centres will result in having additional artisan.....
(3506:4060) - D 2: Interview 2_Participant 2

4:14 When revenue increases it will also lead to financial freedom to offer.....
(5002:5386) - D 4: Interview 4_Participant 4

4:19 The pivoting point will be to educate and communicate with the workfor..... (6247:6654) - D 4: Interview 4_Participant 4

- **Road conditions increase maintenance cost (tyres, axles, damage)**

3 Quotations:

2:5 The general road conditions of the country's roads also impacts hugely..... (1025:1276) - D 2: Interview 2_Participant 2

2:12 If the government can invest in the road and transport infrastructure..... (4063:4382) - D 2: Interview 2_Participant 2

2:16 If the general condition of the roads are not attended to, more accide..... (5530:5914) - D 2: Interview 2_Participant 2

- **Safety impacted by accidental breakdowns that cannot be anticipated through maintenance**

4 Quotations:

2:10 Lastly I would say breakdowns. Even with all the necessary pre-caution..... (3034:3434) - D 2: Interview 2_Participant 2

2:16 If the general condition of the roads are not attended to, more accide..... (5530:5914) - D 2: Interview 2_Participant 2

5:22 There are also the occasional breakdowns which are understandable give..... (5156:5361) - D 5: Interview 5_Participant 5

6:8 Breakdowns are also a challenge and can occur at any time to any of th..... (1969:2207) - D 6: Interview 6_Participant 6

- **Strategic directions_Align objectives for vision, mission, strategies, tactics and core values**

3 Quotations:

1:26 We have to restructure various departments to be more efficient with f..... (6060:6276) - D 1: Interview 1_Participant 1

3:14 Collaboration and alignment of the different business units and depart..... (2860:2977) - D 3: Interview 3_Participant 3

4:36 We have to communicate with employees so that they understand the miss..... (10569:10781) - D 4: Interview 4_Participant 4

○ **Strategic directions_fewer employees greater efficiency**

3 Quotations:

1:26 We have to restructure various departments to be more efficient with f..... (6060:6276) - D 1: Interview 1_Participant 1

4:17 Future sustainability...let me see...To ensure future sustainability it is..... (5898:6052) - D 4: Interview 4_Participant 4

4:35 We used to be a very heavy management structured company, but we have..... (10422:10567) - D 4: Interview 4_Participant 4

○ **Strategic directions_restructure departments to increase efficiency**

5 Quotations:

1:26 We have to restructure various departments to be more efficient with f..... (6060:6276) - D 1: Interview 1_Participant 1

4:17 Future sustainability...let me see...To ensure future sustainability it is..... (5898:6052) - D 4: Interview 4_Participant 4

4:31 Look, the people are trying their best and they are efficient in what..... (8986:9380) - D 4: Interview 4_Participant 4

4:35 We used to be a very heavy management structured company, but we have..... (10422:10567) - D 4: Interview 4_Participant 4

5:15 Alignment of the depots with strong and open communication channels. (3833:3900) - D 5: Interview 5_Participant 5

○ **Subsidisation offers affordability and expansion possibilities**

4 Quotations:

1:9 If subsidisation is also offered to private bus operators we will defi..... (2014:2165) - D 1: Interview 1_Participant 1

4:13 Subsidies for private operators will also alleviate some of the pressu..... (4785:5000) - D 4: Interview 4_Participant 4

**4:14 When revenue increases it will also lead to financial freedom to offer.....
(5002:5386) - D 4: Interview 4_Participant 4**

**5:25 The market for private operators will become more and more difficult t.....
(5906:6109) - D 5: Interview 5_Participant 5**

○ Subsidised operations offer lower prices

4 Quotations:

**1:4 governmental subsidised bus operators versus non subsidised bus
operat..... (859:997) - D 1: Interview 1_Participant 1**

**1:12 Without subsidy it is difficult to invest in new busses or operate pro.....
(2614:2691) - D 1: Interview 1_Participant 1**

**4:5 Another big challenge is subsidised bus operators who undercut our
pri..... (1839:2088) - D 4: Interview 4_Participant 4**

**4:13 Subsidies for private operators will also alleviate some of the pressu.....
(4785:5000) - D 4: Interview 4_Participant 4**

● Sustainability focuses on what is needed for future operations

4 Quotations:

**1:15 Definitely adopting and aligning the business strategies and activitie.....
(3075:3335) - D 1: Interview 1_Participant 1**

**3:21 Well, if we change our view and concentrate on private hires and
estab..... (4315:4844) - D 3: Interview 3_Participant 3**

**3:28 We just need to rethink our strategies and business models and focus
o..... (6732:6906) - D 3: Interview 3_Participant 3**

**4:18 The company's focus must shift to deliver quality service instead of c.....
(6054:6244) - D 4: Interview 4_Participant 4**

○ Sustainability means meeting company stakeholders' needs

1 Quotations:

**1:15 Definitely adopting and aligning the business strategies and activitie.....
(3075:3335) - D 1: Interview 1_Participant 1**

● **Sustainability means protecting and enhancing human & natural resources needed**

3 Quotations:

**1:15 Definitely adopting and aligning the business strategies and activitie.....
(3075:3335) - D 1: Interview 1_Participant 1**

**3:11 With a more stable and stronger economy and business scenario, it
will..... (2375:2641) - D 3: Interview 3_Participant 3**

**4:36 We have to communicate with employees so that they understand the
miss..... (10569:10781) - D 4: Interview 4_Participant 4**

○ **Sustainability needs alignment of strategies and activities**

4 Quotations:

**1:15 Definitely adopting and aligning the business strategies and activitie.....
(3075:3335) - D 1: Interview 1_Participant 1**

**4:11 Let's see...Communication or the lack thereof between the different
depa..... (4105:4498) - D 4: Interview 4_Participant 4**

**4:36 We have to communicate with employees so that they understand the
miss..... (10569:10781) - D 4: Interview 4_Participant 4**

**5:9 If fuel prices can decrease and direct cost in total can come down, mo.....
(2611:2830) - D 5: Interview 5_Participant 5**

○ **Sustainability requires fleet replacements**

5 Quotations:

**2:18 There are quite a lot of points I would say that will contribute to th.....
(6200:6683) - D 2: Interview 2_Participant 2**

**3:11 With a more stable and stronger economy and business scenario, it
will..... (2375:2641) - D 3: Interview 3_Participant 3**

**4:10 The age of our current fleet has a direct impact on our company as it.....
(3711:4102) - D 4: Interview 4_Participant 4**

5:18 If we can obtain operating licences for new dedicated routes for touri.....
(4480:4738) - D 5: Interview 5_Participant 5

6:7 The age of the current fleet and capital constraints for investing in.....
(1888:1966) - D 6: Interview 6_Participant 6

○ Systems operations supported by technological programmes

4 Quotations:

1:20 Yes, of course. The systems are in place and operating efficiently. Th.....
(4237:4631) - D 1: Interview 1_Participant 1

2:25 Yes, the technical systems in place and the maintenance program we
use..... (8328:8454) - D 2: Interview 2_Participant 2

3:26 Yes, the quality and adequacy of the fleet service- and maintenance
wo..... (6186:6477) - D 3: Interview 3_Participant 3

4:31 Look, the people are trying their best and they are efficient in what.....
(8986:9380) - D 4: Interview 4_Participant 4

● Systems use check-points to monitor safety

3 Quotations:

1:20 Yes, of course. The systems are in place and operating efficiently. Th.....
(4237:4631) - D 1: Interview 1_Participant 1

2:14 Drivers play a critical factor in the longevity of the fleet, together..... (4634:5234)
- D 2: Interview 2_Participant 2

3:26 Yes, the quality and adequacy of the fleet service- and maintenance
wo..... (6186:6477) - D 3: Interview 3_Participant 3

○ Systems used to function effectively link with government provided systems

2 Quotations:

1:20 Yes, of course. The systems are in place and operating efficiently. Th.....
(4237:4631) - D 1: Interview 1_Participant 1

6:19 Yes, it has been in place for a long time and tried and tested for man.....
(5375:5482) - D 6: Interview 6_Participant 6

○ Taxi intimidation forces clientel to use their services and baracade bus usage

8 Quotations:

4:7 Taxi intimidation is also a big problem, especially at the end points.....
(2381:2808) - D 4: Interview 4_Participant 4

4:15 OK, if the current economical climate does not improve and the currenc..... (5458:5723) - D 4: Interview 4_Participant 4

4:32 The market is big, with lots of opportunities, but there are challenge.....
(9455:9696) - D 4: Interview 4_Participant 4

5:4 Taxi intimidation on the long distance segment is also an obstacle for.....
(1130:1350) - D 5: Interview 5_Participant 5

5:11 The minister of transport should also address the taxi intimidation is.....
(3058:3206) - D 5: Interview 5_Participant 5

6:1 For us, most definitely the taxi intimidation we experience on the lon.....
(349:770) - D 6: Interview 6_Participant 6

6:10 If the government can act on taxi intimidation and the Police service.....
(2595:2946) - D 6: Interview 6_Participant 6

6:12 If the intimidation tactics cannot be stopped, then the income from th.....
(3147:3415) - D 6: Interview 6_Participant 6

○ Taxis nature of services

5 Quotations:

3:1 Currently the substitute services of the fast growing taxi industry th.....
(349:475) - D 3: Interview 3_Participant 3

4:6 Taxi operators, the time to fill a taxi is much quicker than a bus, so.....
(2091:2379) - D 4: Interview 4_Participant 4

4:7 Taxi intimidation is also a big problem, especially at the end points.....
(2381:2808) - D 4: Interview 4_Participant 4

5:4 Taxi intimidation on the long distance segment is also an obstacle for.....
(1130:1350) - D 5: Interview 5_Participant 5

**6:1 For us, most definitely the taxi intimidation we experience on the lon.....
(349:770) - D 6: Interview 6_Participant 6**

○ Technological changes: fleet implications/ maintenance

2 Quotations:

**2:3 technological advancement in maintenance of the fleet. Newer
technolog..... (535:809) - D 2: Interview 2_Participant 2**

**2:9 Finding skilled employees with the knowledge and experience in
differe..... (2691:3031) - D 2: Interview 2_Participant 2**

○ Technological changes: unknown -- no information

2 Quotations:

**1:2 Definitely, social, legal as well as technological changes that would.....
(410:725) - D 1: Interview 1_Participant 1**

**3:11 With a more stable and stronger economy and business scenario, it
will..... (2375:2641) - D 3: Interview 3_Participant 3**

○ Technological changes: updated operations/ user-interface

3 Quotations:

**4:31 Look, the people are trying their best and they are efficient in what.....
(8986:9380) - D 4: Interview 4_Participant 4**

**5:9 If fuel prices can decrease and direct cost in total can come down, mo.....
(2611:2830) - D 5: Interview 5_Participant 5**

**5:17 With the high costs, it is impossible to drop prices, so we have to de.....
(4088:4420) - D 5: Interview 5_Participant 5**

○ Training needed to meet requirements for task (link competency)

3 Quotations:

**2:3 technological advancement in maintenance of the fleet. Newer
technolog..... (535:809) - D 2: Interview 2_Participant 2**

**2:9 Finding skilled employees with the knowledge and experience in
differe..... (2691:3031) - D 2: Interview 2_Participant 2**

**2:11 Establishing training centres will result in having additional artisan.....
(3506:4060) - D 2: Interview 2_Participant**

APPENDIX D: LANGUAGE EDITING

Language Editor's Declaration



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Date: 7 December 2018

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interpreting (Afr→Eng)

2531

To whom it may concern,

This document certifies that the manuscript listed below was edited for proper English language, grammar, punctuation, spelling, and overall style by one or more qualified text editor(s) at Language Matters.

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