



RESEARCH ARTICLE

COMPENSATION EQUALS MOTIVATION FOR DELIVERY EXECUTIVES

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ABSTRACT

With the advent to technology, the latest bug to hit all of us has been online shopping. It has spread like a viral fever due to reasons like easier access to internet services and most importantly we are able to buy everything under one roof. The paper is an attempt to delve into the lives of delivery executives of Pune and what the companies under the realm of E commerce have to offer to them. Compensation seems to play a major role in attracting and retaining its employees who either have just passed their 12th or even graduates who haven't found a better alternative to this. With a salary along with added incentives to suit the kind of educational profile and expertise that these employees have to offer, E commerce companies in Pune are creating job opportunities for a large section of the society.

INTRODUCTION

“Everything on a click”....: The Magic mantra that has got everyone swooning on the internet. The wave of e-commerce has hit the masses in a massive way. With everything being delivered at your doorstep, life has gotten simpler and more convenient. Amazon, Snapdeal and Flipkart like companies have seen a surge in the demand for products to be bought online. But behind every E Commerce Company there is an even more determined logistics team who makes ends meet by delivering the product demanded at the correct address and appropriate time. But little does one pay any heed to the delivery executive who comes at your doorstep and completes the transaction between you and the e-commerce company. This paper aims at highlighting the lives of delivery executives and what keeps these lifelines of the commerce industry engaged and motivated. For the same, the paper will refer to first hand primary data taken to understand the market competitiveness of salary structures of delivery executives in Pune. A primary research was carried out to compare the salary and other employee benefits/incentives delivery executives of top e-retailers operating in Pune. E commerce companies that were chosen had their own delivery team, thus the companies that were zeroed down for the study were Amazon and Flipkart. The Sample Size comprised of 64 respondents (54 Delivery executives and 10 Supervisors or managers). A field study was carried out across various warehouses of top two e-commerce companies in Pune.

“Abhijeet looks at his watch and he goes to the warehouse and awaits his assignment. With a heavy blue bag pack filled with goods, he is to start his day and makes the first call to the first customer of the day.”

Questionnaires/survey forms were used to gather concrete facts and opinions of delivery executives working in Amazon and Flipkart across Pune. The data collected was then structured and streamlined in order to highlight certain relevant facts and statistics related to the study.

“E Commerce Industry: The Growth and Employment Opportunity”

In a report released by HSBC, e commerce industry in India has a potential of creating 12 Million new jobs across urban and rural India, which is half of the 24 million jobs that India is planning to create over next ten years. In the report, Pranjul Bhandari, chief India economist with HSBC has quoted “E-commerce jobs are more productive than the types of Jobs India is creating”. With everyone going the digital way, there has been a surge in the rise of online purchases resulting in a 70% increase in jobs pertaining to logistics and delivery. To aid this further, government initiatives like “Digital India” is expected to help internet and broadband reach to remote corners of the country. The census of India states that 70 % of the population has schooling up to mid –school of which only 30% of the literate study further. E- Commerce has been able to capture the diverse portfolio that the country offers and will absorb the huge potential that India has to offer with the current literary profiles.

“E commerce lifeline: Delivery executive”

Sometimes the bag becomes really heavy and is more during the festive season as people tend to order more”

“E-commerce jobs are more productive than the types of Jobs India is creating” Pranjul Bhandari (Chief India Economist, HSBC)

For any industry there are pillars that push it and make it successful, in case of e commerce it is their delivery executives who are driving the whole logistics operations to a full circle of completion. As discussed above, E commerce has been employing people on large scale. The paper is attempting to throw light upon the lives of these messiahs in disguise and the role of compensation as a motivation factor to help retain its lifelines.

A glimpse in to the life of a delivery executive

“Abhijeet Mali” a resident of Pune is working for Amazon as a delivery executive. A typical day for Abhijeet starts of at 9:00 AM wherein he reports to the warehouse where he is given his consignments that he needs to deliver. The employees have the option to choose their shifts that are every hour starting from 9:00 AM to 2:00PM, wherein they have to deliver 9 hours a days. Thus, for Abhijeet the work is extremely flexible as the company just expects them to targets for the day irrespective of the time slot they choose to work for.

As the sun sets in, he retires back to his warehouse to report and finally heads home. This is a daily routine for Abhijeet, 5 days a week. Words can’t describe the toiling and hard work that goes into making the lives of online shoppers. This is not just the story of Abhijeet, but lakhs of delivery executives who are living the life of Abhijeet day in and day out.

“So what does the company have to offer to these executives?”

Before we delve in to what the company has to offer its executives it was important to understand the perspective of the employees and why this job? On Interviewing the respondents what came to light was that all of them didn’t have any other option in place and also that this job worked on a referral basis, thus it became easier for them to apply for the job directly through an interview rather than going through a process where in they would have to apply individually.

Another factor is that, the job doesn’t require any super specialization in any field, thus in our sample we even have a 8th pass who is working as delivery executive and also an engineer who has decided to work in this field. The engineer when questioned so as to why he has to work in this profile, he blatantly replied “It is a competitive world and engineers at mobile shops and electrical shops are getting paid the same salary. I get better incentives here and I just have to work 5 days a week. Thus, this seems to be like a good deal”

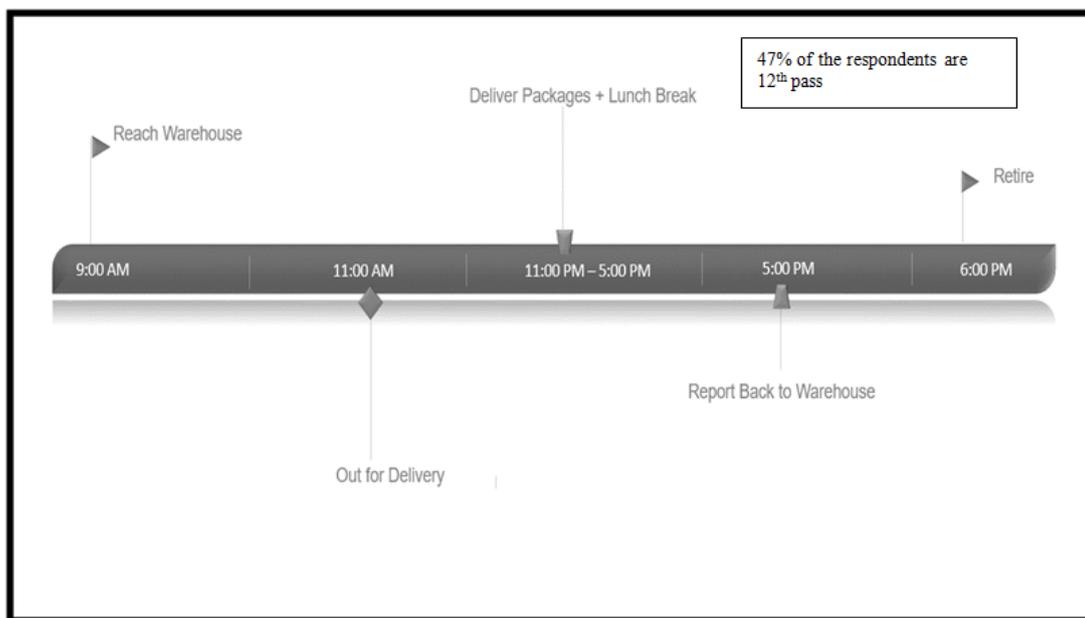
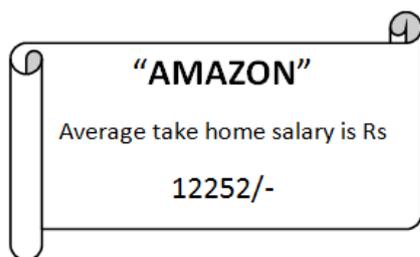


Figure 1. A glimpse into the daily routine of delivery executives

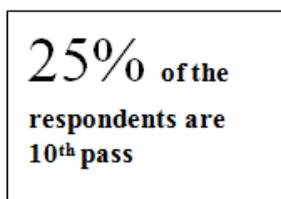
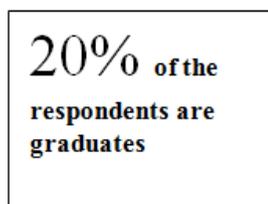
Once he is at the warehouse, the employees are given the area that they are to cover which is a radius of 25km. Thus, begins the day for Abhijeet, carrying a bag weighing around 10kg to 15 kg depending on the number of consignments that he needs to deliver. He says” It’s our job, sometimes the bag becomes really heavy and is more during the festive season as people tend to order more”. And as the lunch hour sets it, Abhijeet decides to take a lunch break, post which he is back on duty.

Employment

As mentioned earlier considering the current educational portfolio that the country has to offer, this is an excellent profile for people who have just got done with their 12th or are fresh graduates. The demographic breakdown in the study had a similar story to tell. In such a competitive scenario, the respondents feel that this is the best option that is available to them.

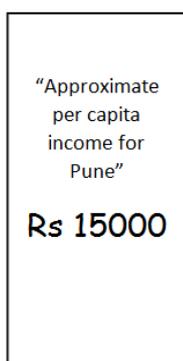
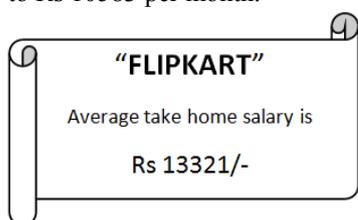


It is a job that offers good perks and is an excellent deal in substitute the kind of education profile that the employees are offering



Compensation

Is a huge component which plays an important role in keeping the employees motivated. Most of the respondents stated that they were happy with the compensation that the company provides. In a city like Pune, it is extremely difficult to find jobs that give a take home salary in this range. It is interesting to note that companies who are a part of the E-commerce sector have a similar pay structure. One of the probable reasons could be the fact that the commerce giants want to avoid competition and also because it's an oligopolistic kind of a market they keep a parity in the salaries that they offer to their employees. To bring in another angle to the compensation structure that the companies offer, could be comparing it with the per capita income of Pune. According to the census data 2011, the per capita income of Pune was 1.27 lakh per annum which amounts to Rs 10583 per month.



The World Bank states that the GDP growth rate for India is at present **7.3%** (Jul 2016), so Rs 10583 compounded annually at 7.3 % would amount to approximate Rs 15000. Thus, the compensation though enough for the employees is barely able to match up to the per capita income of Pune. The per-capita income will continue rise which is also an indicator that the purchasing power will increase thereby increasing the cost of living. Thus, compensation is an area which can be further worked upon to be able to make it competitive enough to match up to at least the average per capita income for Pune.

Flexible Work Timings

This has become the new jargon for every company working towards the retention of its employees. Both Amazon and Flipkart are also adopting similar strategies. They have a 9 hour shift designed for their employees which could be taken up anytime between 9:00 AM to 2:00PM. The employees are therefore assigned their shifts based on their convenience and carry out their job according to timings suited to their needs and requirements.

Training

The employees on an average deal with 50 customers daily. One needs to understand that their job might just involve helping deliver consignments, but they also represent the company and hence they are also creating a brand for the company. Because a good service is good worth of mouth and thus training plays an extremely important role. These executives are trained at the time of joining on subjects pertaining to how to deal with customers, how to update order using the software's on their devices. They are also taught how to canvas the area to minimize wastage of time and ensure timely delivery.

Incentives

Play an extremely important role when it comes to retaining, engaging and motivating its employees. Unlike other executives in organizations, the compensation structure of delivery executives is not so comprehensive. However there are elements that have been catered into and have been incorporated into the pay structure. Some of the things that have been incorporated into the pay structure of their employees are Provident Fund, House Rent allowance, Sim card, Fuel Expense which have been catered separately as monetary incentives. A lot of expenditure is incurred in calling the customers and thus companies provide telephone expenses and in some cases the sim card is provided for the employees to make calls. The job also involves a lot of travelling around and thus for every kilometer the executives travel, they are given fuel cost @Rs 2 per kilometer. All of these together creates a package which not only is attractive but is also gives employees reasons to be a part of the organization after a hard days toil.

Additional incentives

Like getting paid an additional amount for every consignment delivered above the target allocated and also for doing overtime there is a certain amount that is rewarded to appreciate the hard work done by them.

Amazon provides both additional incentives mentioned, however Flipkart just provides the employees with the former incentives of paying an amount for every consignment delivered more than what is expected of them. "Holidays and leaves"...Our delivery executives work 5 days a week and are given 12 days casual leave per annum, 12 days of sick leave and the additional national holidays. "Giving Wings to their Aspirations" It becomes a company's priority that it needs to act on the aspiration of its employees beyond the scope of the questionnaire.

"I have always wanted to study further as I have realized what additional benefits one can avail if one has a degree. I have been in this profession for the past 16 years and now I feel I want to rise in life"

Anil Bholeka

An E- kart delivery executive has decided to look beyond his job and pursue his B Com. He has been in this company for the past 5 years. Flipkart is helping him realize his dream, they are paying the tuition fee for the course that he has enrolled himself into and now is in his second year of Bcom. Anil quotes "I have always wanted to study further as I have realized what additional benefits one can avail if one has a degree. I have been in this profession for the past 16 years and now I feel I want to rise in life" The company understand their needs and aspirations and helps them follow their passion. It also encourages its employees to take up initiatives which concern their education and will help them in the long run. These are little initiatives that Flipkart takes for its delivery executives to give them a reason to feel a sense of commitment towards the company. This also helps create an environment where in the employee feels that the company understands their worth and takes initiatives to help them.

Conclusion

The delivery executive at your doorstep may be just another person carrying out his duty, but it's very difficult to actually value the role they play in both our lives as well as in the smooth functioning of the logistics in the E- commerce Industry. But nevertheless, both Amazon and Flipkart are doing their bit for them to go beyond the salary component and give added incentives to make them feel valued and also in turn feel valued by them.

E-commerce is helping create employment opportunities and also giving them a platform which no other industry has been able to provide in such short span. With technology advancing, this sector will continue to rise and in turn help its lifelines make their ends meet and our lives comfortable.

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