



Employee Commute India 2023

The Definitive Guide



Executive Summary

With Indians returning to work post pandemic, we analysed our data across 300 organizations and half a million employees to showcase the latest trends in employee commute and what the future holds.

1 The World As We Knew It

Pre-pandemic, long commute times and longer working hours were a way of life for most Indian office-goers. MoveInSync's Travel Time Report Q1 2019 vs Q1 2018 showed that Indians spent 7% of their day just commuting to and from work.

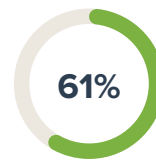
But employees' disgruntlement with commute was apparent in IWG's Global Workspace survey released in 2019. 61% of Indian office-goers wanted their commute time to be included in their working hours. And 41% said commuting to and from work was the least liked part of their day.

Michael Page's India @ Work survey in 2020 also revealed that 76% of respondents regard the commute to work as an important factor when considering a new job.

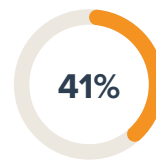
However, experts opine that our workplaces were long transforming. The pandemic was the catalyst. IWG's survey also stated that 81% of Indian

businesses had already started to adopt flexible working to improve talent retention.

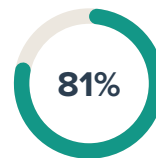
Once India went into lockdown on March 24, 2020, though, the world as we knew it changed forever.



Employees want to include the commute time in their working hours



Employees said commuting to office is the least liked part



Businesses started to adopt flexible working to improve talent retention

2 Change is Only the Beginning

2.1 Return To Office: Analyzing & Understanding the Trends post Covid

Post pandemic, employees and organizations realized the importance of working from office.

The second and third waves that plagued India meant that only essential employees worked out of the office in 2021. Only after the Omicron wave passed did the number of office-going employees increase.

March 2022 was the tipping point. From just 13% in February 2022, March saw 27% of employees return to the office. This crept up to 64% in September, and 88% by November.

This trend was observed across cities and industries.

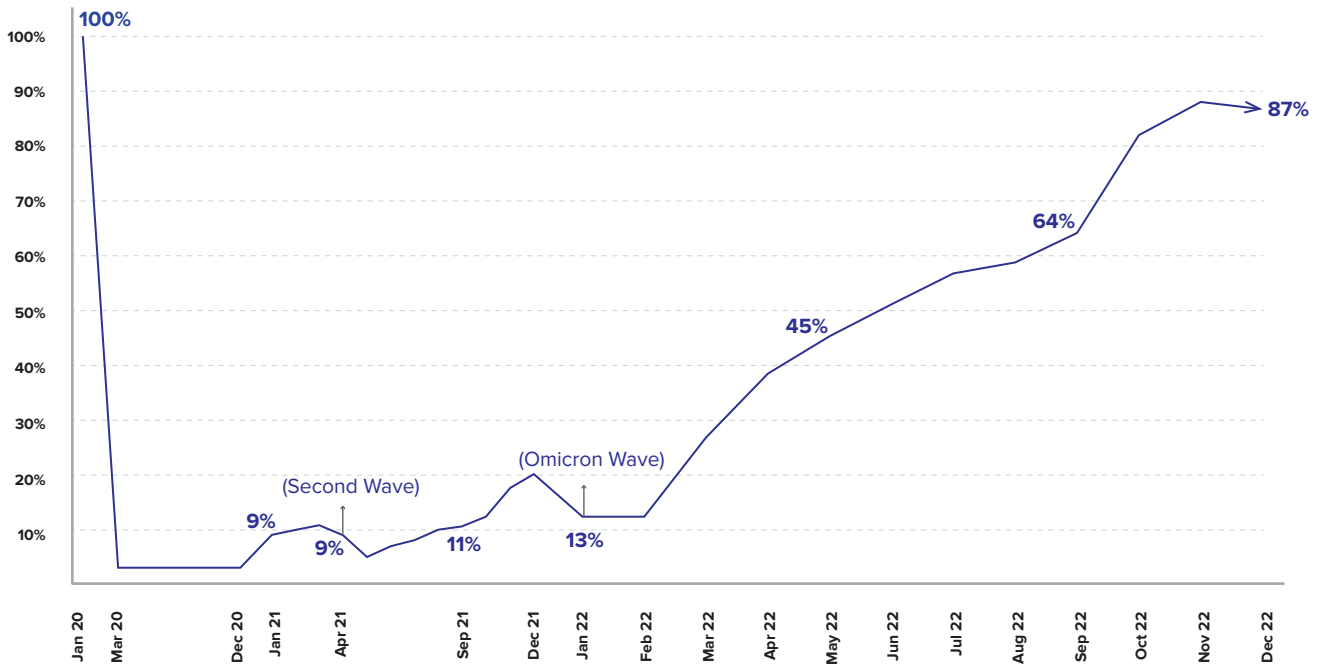
Mumbai had the highest number of employees returning to the office. The city witnessed more

employees returning to office in December 2022 than pre-pandemic levels. NCR was at 92%, Bengaluru 85% and Hyderabad was at 81%.

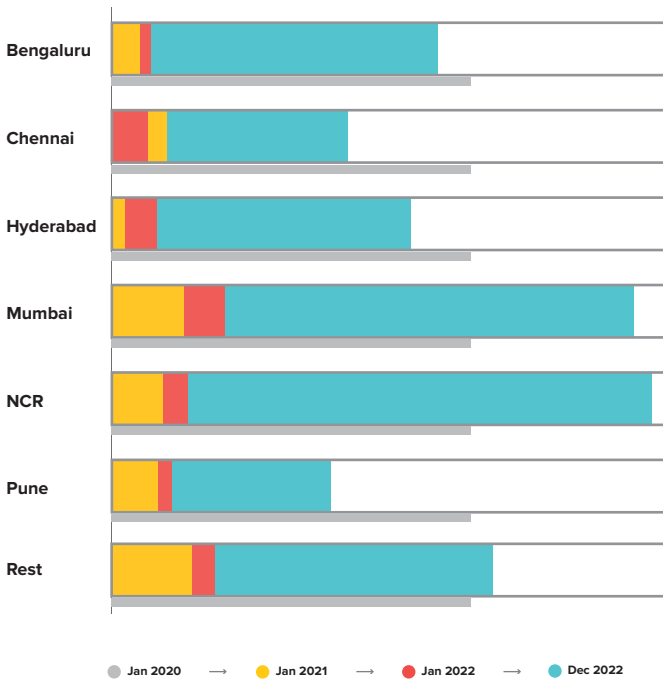
Chennai and Pune were the lowest, with just two-thirds of employees returning to the office. Bengaluru was at 92% and Hyderabad was at 85%.

ITES/BPO industry employees have returned to the office in large numbers with December numbers exceeding pre-Covid. Manufacturing, BFSI and Healthcare/Pharma are almost at 100%, but IT/Software is lagging behind at just 65%.

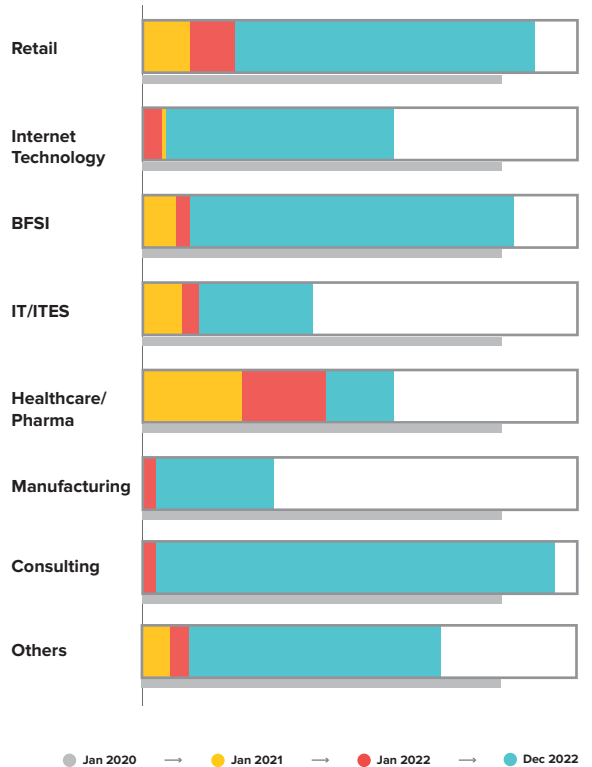
India's Return To Office



City Wise RTO



Industry Wise RTO

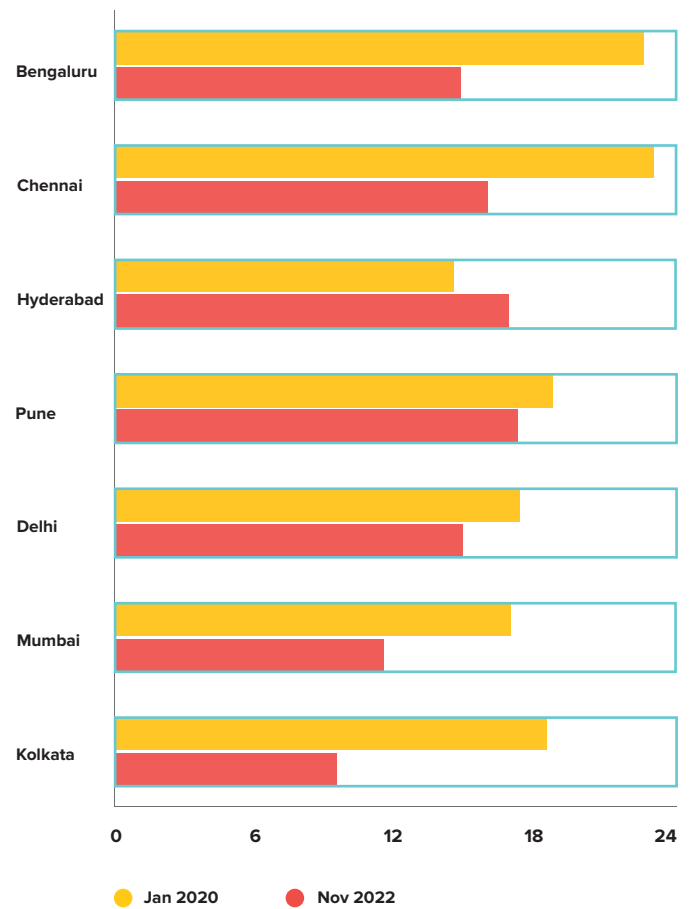


2.2 Hybrid Work

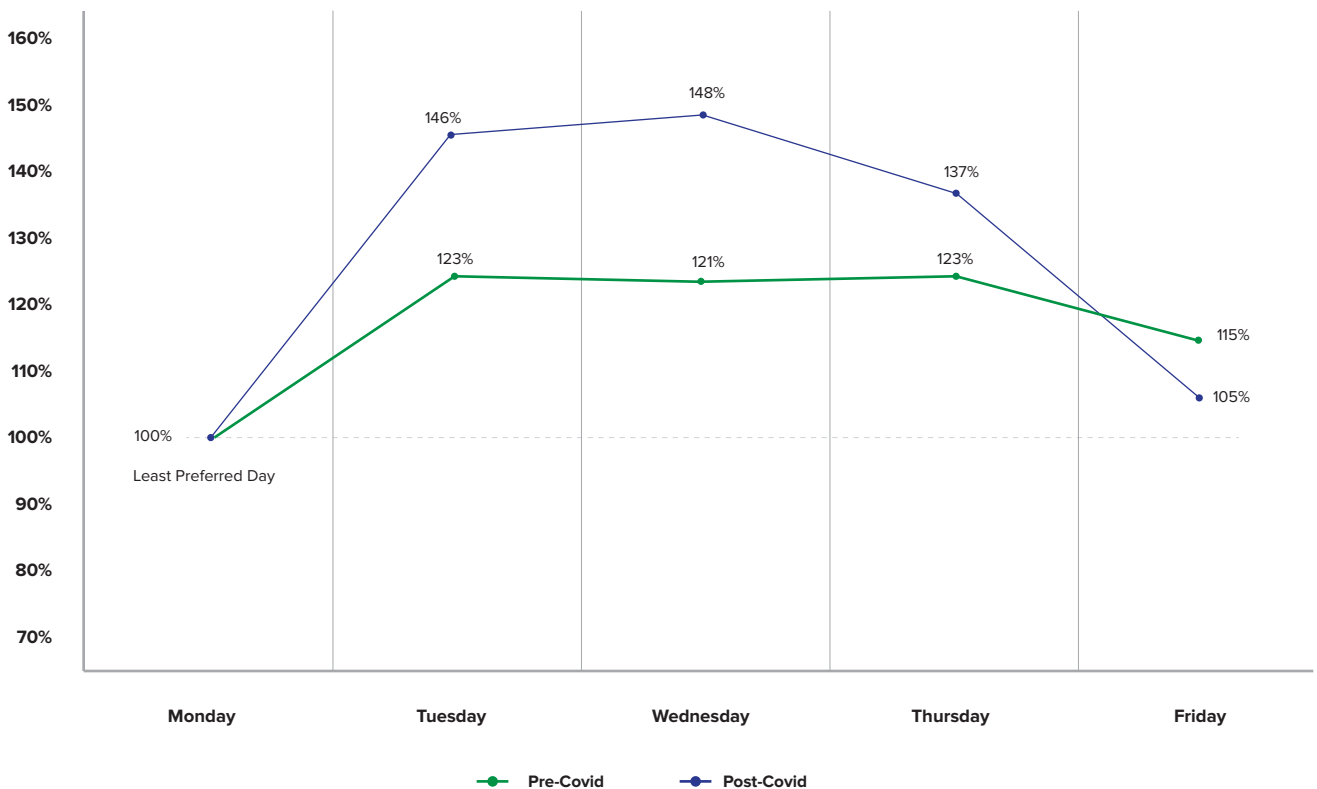
While employees have started returning to the office, they are not doing so in the same manner as they did pre-pandemic. Hybrid work is more than just a passing trend with employees working fewer days in the office than before. This is most apparent in Kolkata, Bengaluru, Chennai and Mumbai, where the frequency of employees working from the office is only 30-50% of pre-pandemic period. Pune and Delhi are relatively unaffected by this trend, while Hyderabad sees employees visit the office more now than they did before.

Hybrid work had also empowered employees to select the days they prefer working out of the office. Monday remains the least preferred day for employees to work at the office. But pre-pandemic, employees did not have a strong preference to go to the office on any of the other days. Whereas now, Tuesdays to Thursdays see a lot more employees visiting the office.

Average Days Worked in the Office



Employees' Preferred Days to Work From the Office



2.3 The Curious Case of Increasing Commute Time

With a majority of the employees working from home during the pandemic, there was a near complete elimination of commute. A detailed examination of the time-diaries of employees in India showed that commute time declined by 41% during the period of 2020 and 2021 compared to 2019.

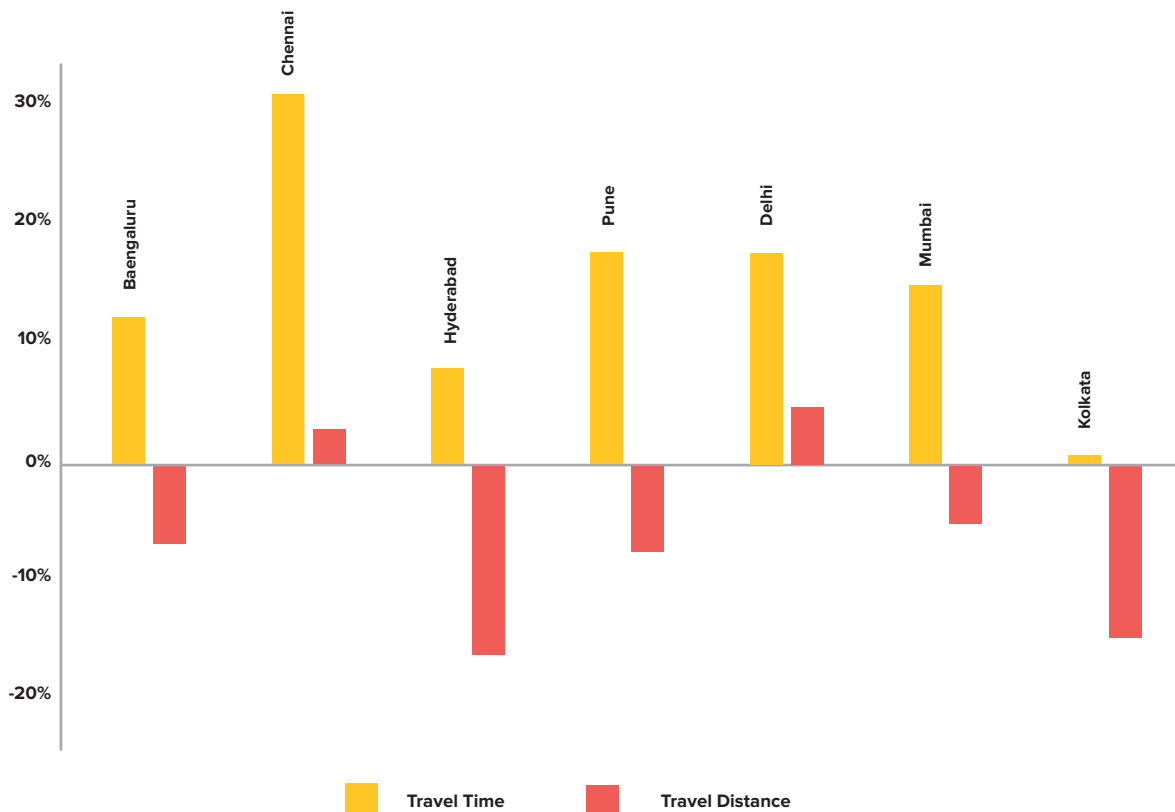
However, with employees starting to come back to the office, commute time has once again been on the rise in almost every city across the country.

Travel distances have remained almost unchanged across the country, with only Hyderabad and Pune seeing a reasonable decrease. Whereas, travel times have increased in almost every major city. Employees in Delhi, Mumbai and Pune have seen an increase of 15% each. Bengaluru has increased by 12%, and Chennai has seen the highest increase of almost 30%.

The primary reason for this seems to be the blocking of roads for construction of Metro lines and other public infrastructure in the cities. While states have started investing in upgrading their infrastructure with an eye on the future, the short term impact of this is visible in the commute times.

Experts are also speculating that employees are returning to office at a faster pace than predicted, which will only lead to increased commute time.

Travel Distance and Travel Time in November 2022 vs January 2020



2.4 Impact on Commute Costs

Our data shows that companies spent 60% more per km and 69% more per trip in 2022 compared to 2020. This increase in prices is primarily driven by three factors -



Increase in cost/km



Increase in cost/trip

1. Price of diesel has gone up by 25%, while CNG has gone up by 70% in the same period.
2. Hybrid work and increased travel times have caused a drop in the utilization of vehicles by 30%. Fewer employees traveling to office each day has reduced the utilization of vehicles in every trip. And increased travel time has reduced the number of trips that cabs are able to complete on a daily basis.
3. There are fewer commercial cabs plying on the road post-pandemic. Informal estimates put the number of cabs on road in Bengaluru is currently at just 30-40% of post-pandemic numbers. Regional Transport Office data in Karnataka and Kerala show that new commercial cabs registration is down by 90% in 2022 compared to 2019.

3 2023: New Dawn or False Hope?



3.1 India

Two large trends will dictate employee commute in 2023 -

1. Metro construction across major cities is expected to complete only in 2025 or later. As the pace of construction picks up in 2023, employees should prepare to spend more time on the road commuting to and from their offices.
2. More employees are expected to return to their offices from April 2023. This will exacerbate the supply crunch already prevalent across the country.

A combination of these two factors mean that organizations can expect cost of employee commute to go up over the next 18-24 months before settling.

1. A lot of organizations have adopted hybrid working, which will lead to inefficiencies in their commute operations.
2. As employees come back to the office, public transport would be inadequate to cater to the demands of office-goers.

To cope with the increasing cost, organizations will adopt more innovative solutions.

1. Increase adoption of technology in managing commute - by adopting technology solutions, organizations can improve their scheduling and routing, leading to a decrease in employee travel time as well as improve productivity.
2. Multi-modal commute options - as new metro lines become operational in 2023, organizations can explore running shuttles between offices and the nearest metro stations. This will reduce overall travel times for employees as well as drastically reduce cost.
3. Explore end-to-end outsourcing of commute - fleet aggregators should explore how to cross utilize vehicles across multiple organizations in an effort to improve vehicle utilization, thereby reducing the costs.
4. Co-pay commute models for employees - rather than bearing the complete commute cost for all employees, organizations can choose to bear part of the commute costs of employees depending on the shifts that the employees work in. Barring essential and time critical shifts, organizations can reduce their costs by co-paying a certain percentage of their employees' costs.
5. Shared mobility solutions - organizations with offices in tech parks can offer shared commute options to all employees in the tech park, increasing the utilization of the vehicles, and reducing costs. There were examples of this model, most notable in Pune, before the pandemic. But the time is ripe now for organizations to adopt such a model.



3.2 Global

Global organizations accelerating technology adoption to manage their employee commutes too. In geographies such as South East Asia and Africa, organizations will start leveraging technology to provide their employees with safer

comfortable commutes, as well as gain visibility into their transport operations. This change will be primarily driven by two reasons

1. A lot of organizations have adopted hybrid working, which will lead to inefficiencies in their commute operations.
2. As employees come back to the office, public transport would be inadequate to cater to the demands of office-goers.

4 Eye on the Future: EVs and Sustainability

India has set an EV sales penetration target of 30% for private automobiles, 70% for commercial vehicles, and 80% for two and three wheelers by 2030.

The benefits of EVs are undeniable in the employee commute space. Between April and October 2022

- **The number of EVs on the MoveInSync platform has grown 60%**
- **EVs did 17% more trips on average compared to ICE vehicles**

The main reasons for low penetration of EVs in the employee commute space are

1. Capital Expenditure - despite government subsidies, EVs currently cost almost 40% higher than the equivalent ICE vehicles in India. This creates a large hurdle for fleet partners to purchase EVs outright.
2. Lack of charging infrastructure - EV charging stations in India are still inadequate. Vehicles would have to travel long distances to recharge in the middle of the day, lowering their utilization and hence reducing their viability in office commute.

Despite these encouraging signs, EV adoption in India has a long way to go to be able to meet these targets. As of September 2022, only 1% of total trips happen on EVs.



60%

Increase in EVs on MoveInSync platform



17%

More trips on average by EVs compared to ICE vehicles

Despite these hurdles, EVs are the ideal way to meet the sustainability targets that organizations are signing up for. EVs emit 62.5g of CO₂ per km compared to 250g/km that an ICE car emits. By switching to EVs, organizations can save 10kg of CO₂ annually for every employee.

With Minister for Road Transport & Highways, Shri Nitin Gadkari's assertion that EV prices in India will drop down to the same level as ICE vehicles and companies like Tata Power and Statiq building a network of charging stations across the country, 2023 could turn out to be the year that EV revolution kicks off at scale in India.





About MoveInSync

MoveInSync is the world's largest employee commute platform with a user base of over 500,000 employees across 300 clients in 30 countries. Headquartered in Bengaluru, India, MoveInSync has been a pioneer in the commute space since 2009, offering **reliable, safe and sustainable** solutions.

MoveInSync's SaaS solutions - ETS, Rentlz and Shuttle - enable organizations to automate their employee office commute using cabs and EVs, run high capacity shuttles along easily customizable routes, and manage corporate car rentals. MoveInSync's full stack solution, MoveInSync One offers end-to-end employee transport solutions for enterprises.

