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UBER IN INDIA: MANAGING A FLEET OF 'MICRO- ENTREPRENEURS'

DECEMBER 2018, KOLKATA, UBER'S OFFICE

In December 2018, 200 Uber drivers barged into the office and raised their voices against falling incentives, high penalties for ride cancellations, poor working conditions and a plethora of issues.^{1,2} They demanded Uber pay them incentives that the company had promised, abolish cancellation policies and take steps to improve the working conditions of drivers. Uber management, on the other hand, reasoned that providing a reliable rider service necessitated a certain amount of cancellation fee levied on drivers and that incentives needed to be cut down amidst a pressure to turn profitable. The altercation took an ugly turn when drivers started vandalizing the office and hurling abuses at Uber's employees. The employees, fearing for their lives, escaped through a back door.³ Such an altercation was not the first of its kind at the offices of a ride-hailing company. Uber, together with its close competitor in India Ola, had been facing such clashes with increasing frequency.

Uber provided cab services at people's doorstep via an app. By 2018, nine years after it was

¹ Basu, K. (2018, December 28). Calcutta turns battleground for app-cab drivers angry with service. The Telegraph. Retrieved from <https://www.telegraphindia.com/states/west-bengal/calcutta-turns-battleground-for-app-cab-drivers-angry-with-service/cid/1680164>

² TNN. (2018, December 28). App-cab stir shakes customer faith, police say agitation pre-planned. The Times of India. Retrieved from http://timesofindia.indiatimes.com/articleshow/67295967.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

³ Field Note: The authors interviewed the drivers present during the altercation in situ

Prof. Dharma Raju Bathini and Shalini of the Indian Institute of Management Calcutta developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.

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founded, it expanded its services to 600 cities across 65 countries,⁴ and whipped up a company valuation of US \$72 billion.^{5 6} In 2018, it had three million drivers registered on its network worldwide, half a million of which were in India alone. Uber operated in 33 Indian cities⁷ and controlled 46% of the Indian ride-hailing market. India was Uber's third-biggest market.⁸

By August 2015, Uber drivers in India had started protesting against the company.⁹ Within a few months, there was a wave of driver strikes in different cities against falling incomes, longer working hours and worsening working conditions.^{10 11} Generally, the strikes lasted two to three days and ended with Uber's promises to resolve the issues. However, drivers alleged that despite multiple strikes and protests, their demands were unmet and genuine issues remained unresolved.¹² The altercation at the Uber office in December 2018 was not an organized strike but a spontaneous one where the concerned drivers claimed to be enraged by the lack of resolution of their issues.

⁴ Smith, C. (2019, June 16). 110 Amazing Uber Stats and Facts (2019) | By the Numbers. DMR. Retrieved from <https://expandedramblings.com/index.php/uber-statistics/>

⁵ Salinas, S. (2018, August 27). Toyota is investing \$500 million in Uber at a valuation reported at \$72 billion. CNBC. Retrieved from <https://www.cnbc.com/2018/08/27/toyota-to-invest-500-million-in-uber-at-a-valuation-of-72b-wsj.html>

⁶ Lastovetska, A. (2019, February 14). How to Make an App like Uber: Complete Guide. MLSDev. Retrieved from <https://mlsdev.com/blog/how-to-make-an-app-like-uber>

⁷ Uber India. (2019). Uber Estimator. Retrieved from <https://uberestimator.com/country/india>

⁸ Iqbal, M. (2019, May 10). Uber Revenue and Usage Statistics (2019). BusinessofApps. Retrieved from <https://www.businessofapps.com/data/uber-statistics/>

⁹ Ghosh, S. (2015, August 28). Uber Drivers in Hyderabad Stage One-Day Hunger Strike. Retrieved from <http://knowstartup.com/2015/08/uber-drivers-in-hyderabad-stage-one-day-hunger-strike/>

¹⁰ TNN. (2015, September 24). 20,000 Bengaluru Uber drivers may go off roads today to demand perks. The Times of India. Retrieved from http://timesofindia.indiatimes.com/articleshow/49082299.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

¹¹ Hyderabad News. (2015, November 14). Drivers intensify agitation against Uber, Ola managements. Indtoday.com. Retrieved from <https://indtoday.com/drivers-intensify-agitation-against-uber-ola-managements-indtoday-com/>

¹² Kazmin, A. & Ram, A. (2017, March 25). India's Uber drivers feel taken for a ride on earnings promises. Financial Times. Retrieved from <https://www.ft.com/content/12bf0cce-0d99-11e7-a88c-50ba212dce4d>