



FRONTLINE INDEX

2023





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FORWARD

Global digitalization has brought about significant changes in enterprises and initiated a new economic revolution, impacting frontline workers' work and job prospects. The advent of Industry 4.0 technologies is already reshaping the world, and this disruption extends to the frontline economy. In India, the widespread adoption of digital technology and the country's growing demographic dividend will create numerous opportunities for frontline workers in the coming years. However, there is still a long way to go before achieving optimal outcomes. Despite having more than half of the global workforce, 68% of workers in our region are employed in the informal sector. Consequently, our region contributes only 10% of the global GDP. Moreover, this informality results in an uneven distribution of opportunities and income.

Pravin Agarwala

Co-Founder & Group CEO
BetterPlace



Despite this market being large, informal, and diverse, technological solutions for this sector are following a blanket approach, solving one major problem while ignoring other interconnected problems. What is needed is a platform solution that aims to solve the systemic problems in the ecosystem. Small initiatives to create an improvement across problems can improve frontline workers' lives exponentially. BetterPlace being the only platform for this cohort, has seen some encouraging early signs. We have formalized over 10% of the workforce in India and Southeast Asia, increased their earning potential by 30%, increased their productivity by 70%, and provided access to credit to over 4 million workers to improve their financial well-being.

However, this mission is too large for a single player like us. What we need is the cumulative effort of the ecosystem. Along the way in our journey, we have gathered data that can help this ecosystem. This report aims to find solutions to build a holistic and equitable frontline workforce globally and assist governments, policymakers, and enterprises find more effective ways to engage with their frontline workforce and grow to new heights.

BetterPlace believes that the growing generation of frontline workers can be empowered through the platform economy: enhancing the collective skills gap and enabling sustainable finance and social security for them. With our recent expansion into Southeast Asia and GCC countries, we aim to formalize and optimize half of the world's frontline workforce and elevate the economic contributions made by these countries. We hope through this report, you find a way to help us in this cause.

Saurabh Tandon

Co-Founder & Group COO
BetterPlace



INTRODUCTION

Overview of frontline workspace in 2022

The aftermath of the pandemic's technological disruption will usher in a new era, bringing unprecedented changes in value creation for businesses. Adopting Industry 4.0 technologies will revolutionize supply chains and yield numerous benefits for enterprises. This transformation will also positively impact the frontline workforce. The International Labour Organization's Flagship Report reveals that there has been a tenfold increase in digital labor platforms, with India accounting for 8% of the global labor market platforms. With an estimated addition of 183 million people to India's working age group by 2050, the platform economy is poised to generate approximately 24 million frontline jobs. Additionally, a modest 10% increase in women's participation in frontline jobs could contribute \$770 billion to India's GDP by 2025-26.

The Indian government has prioritized initiatives aimed at enhancing employability and quality of life for frontline workers. Skill development programs like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and Skill India Mission have played a significant role in improving the skills and knowledge of these workers. The government is actively promoting platform-based economies to extend social security benefits, including life and health insurance coverage, to frontline workers. Recent updates to the eShram portal have simplified the registration process for frontline workers.

Consequently, 2023 will witness significant progress in providing equitable opportunities and growth for frontline workers, with legislative changes ensuring better pay, benefits, and protection for them. Technological advancements will further assist frontline workers in their tasks and expand their prospects. Moreover, there is a growing emphasis on fostering workplace diversity, equity, and inclusion, which can contribute to a more innovative and diverse workforce. However, achieving these goals will require sustained effort and commitment from all stakeholders involved.

Our theme: 2023 – Year of equitable opportunities, inclusivity and growth for frontline workers

Despite being the world's most populous country, India's frontline workforce faces numerous challenges. With over 500 million workers, there are significant discrepancies in providing them with sustainable livelihoods and essential benefits. Wage gaps, lack of insurance coverage, and limited access to credit are some of the key obstacles affecting their financial well-being. **Additionally, there has been a decline in women's workforce participation from 26% to 19% between 2010-2020, while the workforce participation rate for Persons with Disabilities stands at 36%.**

On the other hand, India will have 1 billion internet users by 2025 and at least one internet user in 87% of households in India, owing to the increasing internet penetration. This presents an opportunity for frontline workers to earn a livelihood through SaaS-based workforce HCM platforms like BetterPlace.

These platforms have low barriers to entry and can offer equal opportunities to individuals regardless of age, race, gender, or caste. By embracing the platform economy, women, LGBTQIA+ communities, and Persons with Disabilities can overcome structural barriers such as lack of education and skilling, as well as family and disability-related pressures. This allows them to pursue gainful employment and unlock their full potential. Platform enterprises are poised to play a significant role in driving the country's socio-economic development by reaching these marginalized groups and fostering equal opportunities for all.



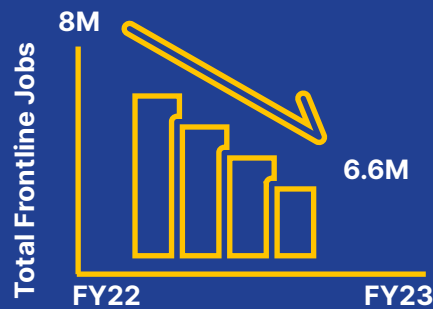
What can you expect from this year's report?

The Frontline Index is an annual report highlighting the current state of the frontline workforce using our internal data on platform services like workforce fulfillment, verification, and skilling. With more than 1500+ large organizations across industries such as Private Security, Logistics, Facility Management, IT/ITES, On-Demand Services, Retail, E-Commerce etc. and more than 3 million workers that use the BetterPlace platform for various services, we believe that this data will help enterprises and industry bodies understand where the frontline ecosystem is headed.

This year's report is themed '**The year of equitable opportunities, inclusivity and growth for the frontline workforce**'. Through our insights on demand, demographics, attrition, migration and income, enterprises will get a bird's eye view of women in the frontline workforce and policy interventions in the industry. The report also highlights enterprises' take on equity and equality for frontline workers. It highlights the bright present and helps enterprises and frontline workers prepare for the thrilling future ahead.

EXECUTIVE SUMMARY

Demand



The total frontline jobs created in FY23 has decreased by **17.5%**, **dropping from 8 million in FY22 to 6.6 million in FY23**. The drop can largely be attributed to global macroeconomic headwinds. However, gig-work is seen to be on the rise as more and more enterprises are looking to variablise their workforce costs.

E-commerce was the highest contributor to frontline worker employment in FY22 but has reduced significantly in FY23. The dominance of the e-commerce sector has been replaced by the Logistics & Mobility and IFM & IT sector which together contribute to more than 61% of the new jobs created.

However, e-commerce continues to be the highest employer of women frontline workers in FY23, contributing to 64% of the total women workers employed.



Logistics & Mobility contributes to the largest share of the demand at **45%**.

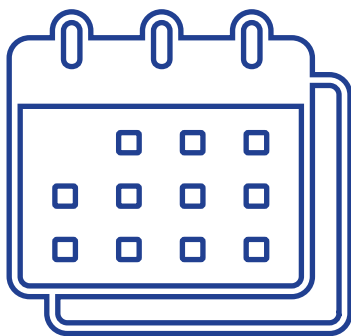
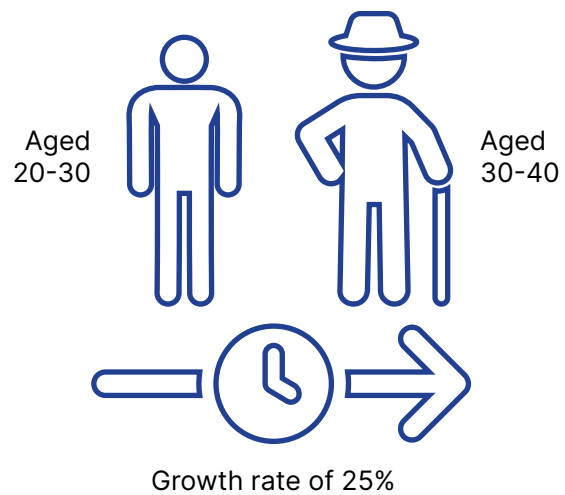
Demographics

66% of all frontline workers are youths between the ages of **20-30**. However, workers between the ages of **30-40 are growing rapidly at 25%** YoY.

This shows that there is a gradual adoption of gig and frontline work among older cohorts because of the allure of flexible work hours and opportunity to increase earnings per hour.

Almost 70% of frontline workers have access to smartphones, with a 3% increase in the smartphone penetration in this workforce as compared to FY22.

FY23 witnessed a 100% increase in women participation ratio in the frontline workforce as compared to FY22. This is largely because of the changing perceptions around working women. According to our survey, 88% of the women felt fully or somewhat supported by their families to join the workforce. And 57% of the men surveyed said that they felt women should work and earn.



23% attrition in November

Attrition

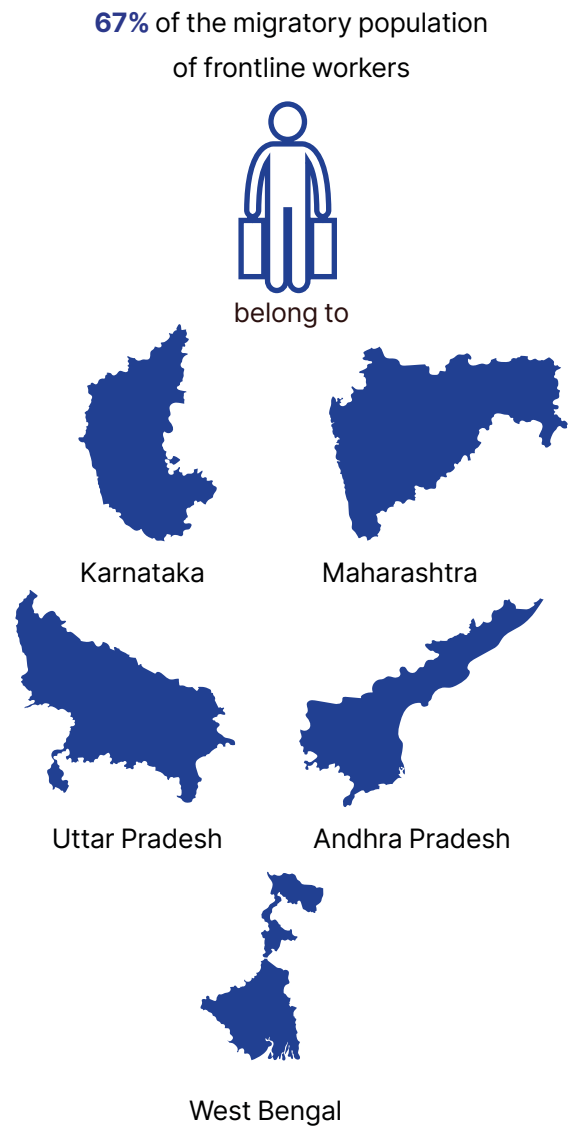
The average monthly attrition for frontline workers in **FY23 was 15%** with the highest **monthly attrition rate being 23%** which was witnessed in November. Attrition seems to go up during the festive season where the demand for frontline workers increases.

Logistics & Mobility, E-Commerce and Retail & QSR have the highest attrition rate of 22%, 19% and 15% respectively. Hectic nature of jobs, easy replaceability and increasing demand for workers particularly in the above-mentioned industries could be the reason for frequent job switches/exits.

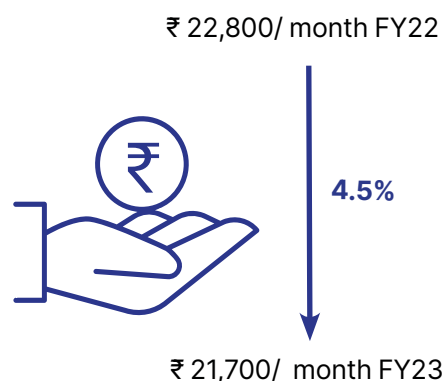
Migration

Karnataka became the highest contributor to frontline workers, replacing Maharashtra which was the highest contributor in FY22. This is largely because of the high number of jobs available in Karnataka. Bengaluru has the highest number of jobs for frontline workers and also supplies the most frontline workers.

Most workers are now moving from North India to the South and West of the country. Metropolitan cities remain to be the hotbed of opportunities for frontline jobs. There also seems to be a paradox of migration where Workers are not too willing to move or relocate for opportunities.



Income & Livelihood

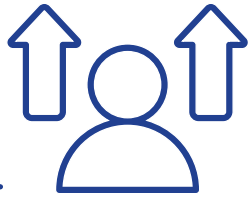


The average monthly salary for FY23 seems to have declined marginally by 4.5% from Rs. 22,800 per month in FY22 to Rs. 21,700 in FY23. **IFM & IT offered the highest average salary** of Rs. 25,700. The average salary for women frontline workers in FY23 was 20.5% lower than the industry average salary.

However, the average salary for women frontline workers in Logistics & Mobility was 20% higher and Manufacturing was 36% higher than the industry average for these sectors.

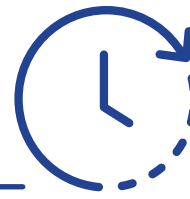
Upskilling & Reskilling

194%



Increase in new users on our
skilling platform

165%



Increase in time spent skilling between
April 2022 & March 2023

With a lower intent to hire among enterprises, the intent to upskill and train oneself has increased substantially in the last one year. According to our data, there has been a humongous increase of 194% in new users on our skilling platform. With more workers wanting a clearly defined career path and growth trajectory, we can expect a dramatic increase in users and enrollments for the remainder of the year.

Our BII skilling study indicates computer basic training, spoken language courses and personality development courses are the most sought for.

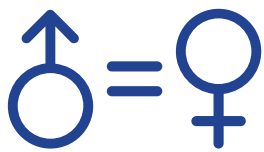
At an industry level, E-Commerce, Logistics & Mobility, Manufacturing, Retail, BFSI etc. have niche courses that are being taken up more by both workers and offered by enterprises.

Women are more inclined to take up courses in basic computer training, SAP, MS office, data entry and soft skill courses and have a clear career trajectory in mind. They are also already equipped with various communication skills, data entry skills and niche skills required for back-end roles/jobs.





Equality and Equity for Frontline workers - Employer's perspective



Majority of the enterprises have only 10-20% of female workers out of the entire population of frontline workforce and they like to pay female and male workers fairly, with plans to infuse more women into the workforce this year. Most of the employers also offer some kind of non-financial benefits to their frontline workers like accidental insurance, life/health insurance, EPF policy and paid sick leaves to formalize the frontline economy from the ground up.

DEMAND

Aggregate Jobs Created

Number of jobs created has gone down by 17.5% this year to 6.6 million from 8 million jobs created in FY22. This downward trend can be attributed to many reasons:

While gig jobs have continued to grow stronger, front-line jobs have not grown so much. Another interesting fact to observe here is that in comparison to last year Logistics and Mobility has shown highest demand for frontline jobs and has grown manifold this year while E-commerce has gone down a bit. In FY 22 E-commerce led the frontline jobs demand growth. Logistics and Mobility shows a lot of high attrition as well which nullifies the growth in the long term.

The end of FY22 and beginning of FY23 showed positive growth in demand but slowly, employers reduced vacancies due to various reasons like slowdown in business, business losses, overhiring, cost of hiring etc.

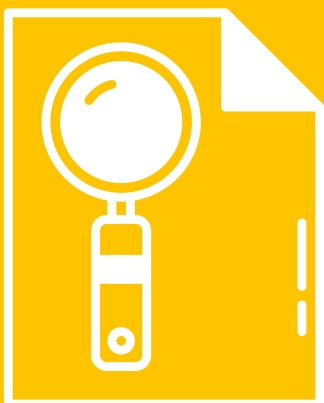
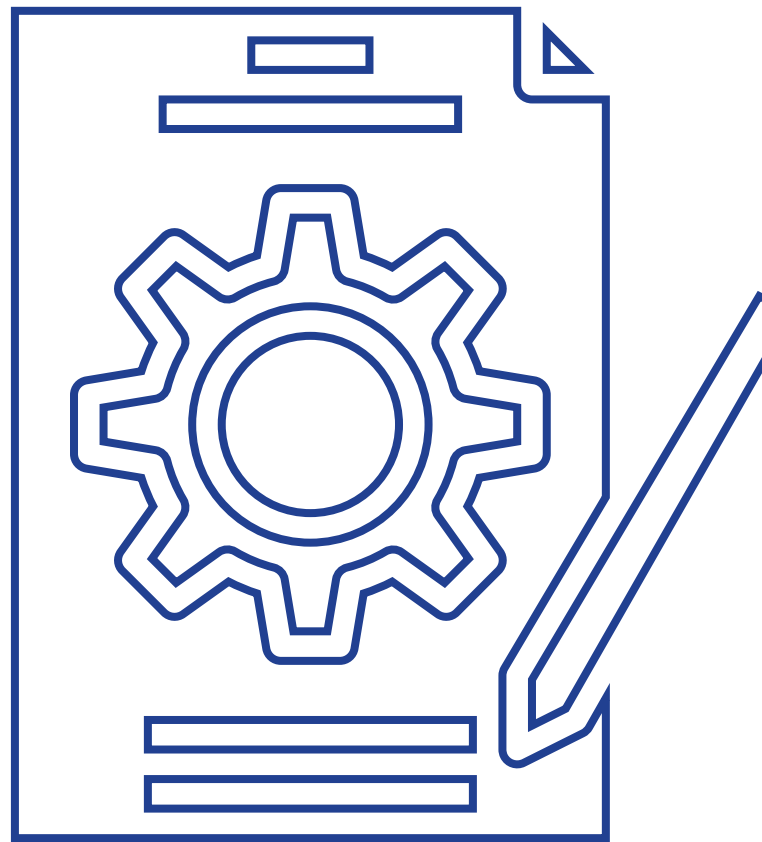
From an industry perspective we may still see job vacancies, but those are majorly gig roles in tech, admin and HR.

Furthermore, while the demand for frontline workers has been strong, the motivation for job seekers to fulfill the demand has been lesser. Number of job seekers this year has also gone down.

One major trend that we are foreseeing is that because of macroeconomic headwinds and pressures to optimize, most enterprises are looking to variablise their workforce cost by moving to a gig model of workforce management.

6.6

**Million frontline
jobs were
created in FY23**



Key Takeaways

The end of FY22 and beginning of FY23 showed positive growth in demand but slowly, employers reduced vacancies due to various reasons like slowdown in business, business losses, overhiring, cost of hiring etc.

From an industry perspective we may still see job vacancies, but those are majorly gig roles in tech, admin and HR.

Industry wise demand

Logistics & Mobility has replaced e-commerce as the highest employment industry for frontline workers in FY23. However, e-commerce still remains in the top three largest demand creators for jobs in FY23 along with Logistics & Mobility and IFM & IT.

Roles like Sales/BD, Delivery boy, helper/housekeeping and operation executive are the most sought after by frontline workers. All of these jobs can be attributed to the top 3 industries that are hiring frontline workers the most.

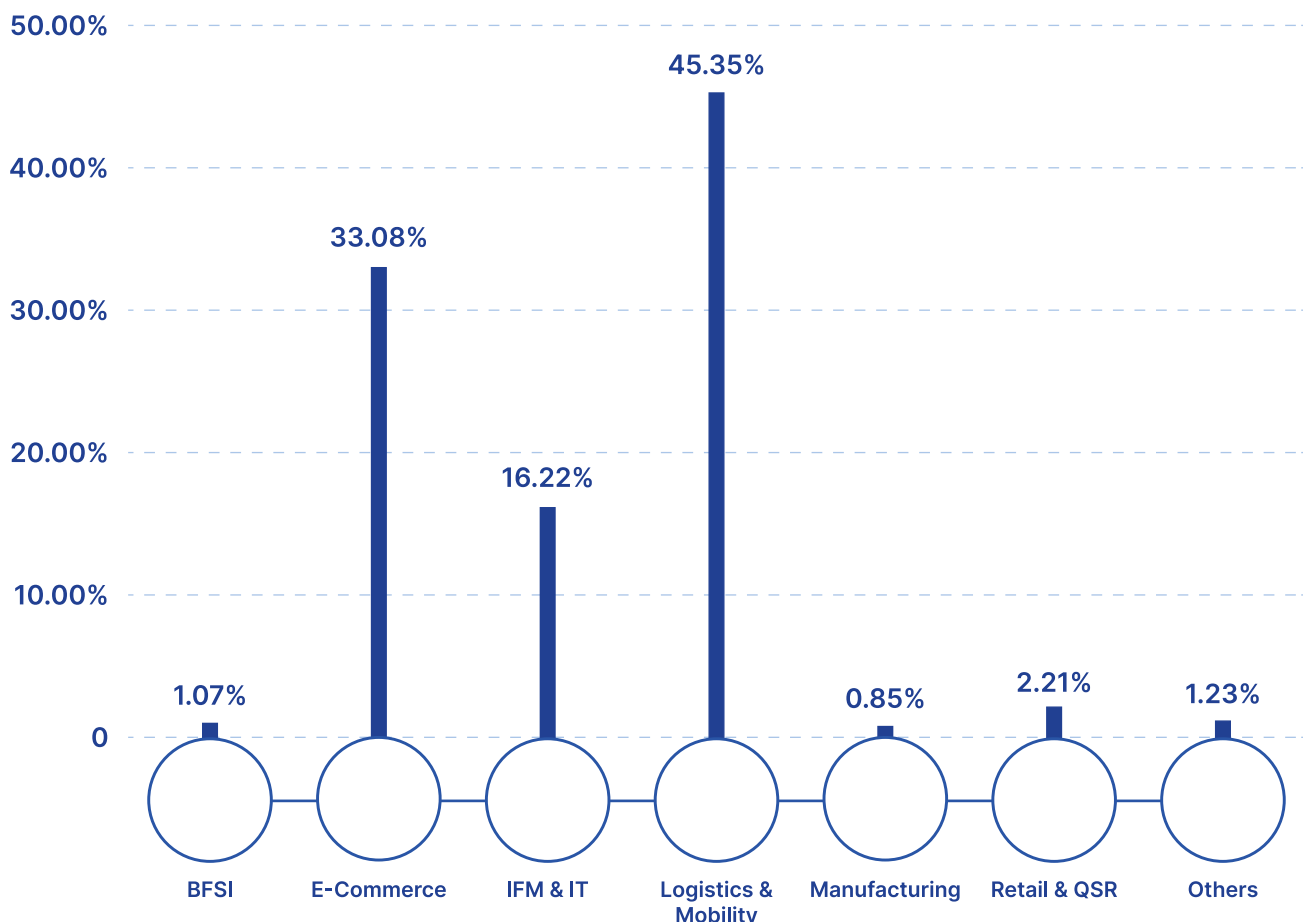
Functional roles like Packer, Logistics Operations Executive, Loader and Delivery boy belong to Logistics & Mobility. Sales/Business Development, Technician, Customer Care and Marketing Executive belong to IFM & IT.

Delivery boy, sales/BD, helper/housekeeping, customer care and marketing executive belong to E-Commerce. All these roles are highly demanded.

IFM & IT (Rs. 25,700), Logistics & Mobility (Rs. 21,800) and E-Commerce (Rs. 20,500) are also some of the highest salary providers across industries. Owing to these high salaries, workers feel more incentivised to take up jobs in these industries.

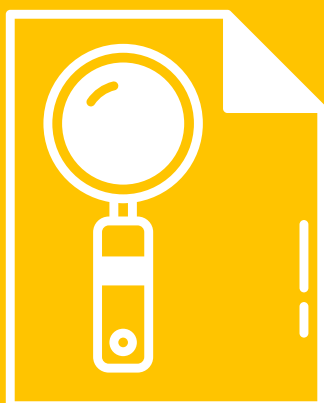
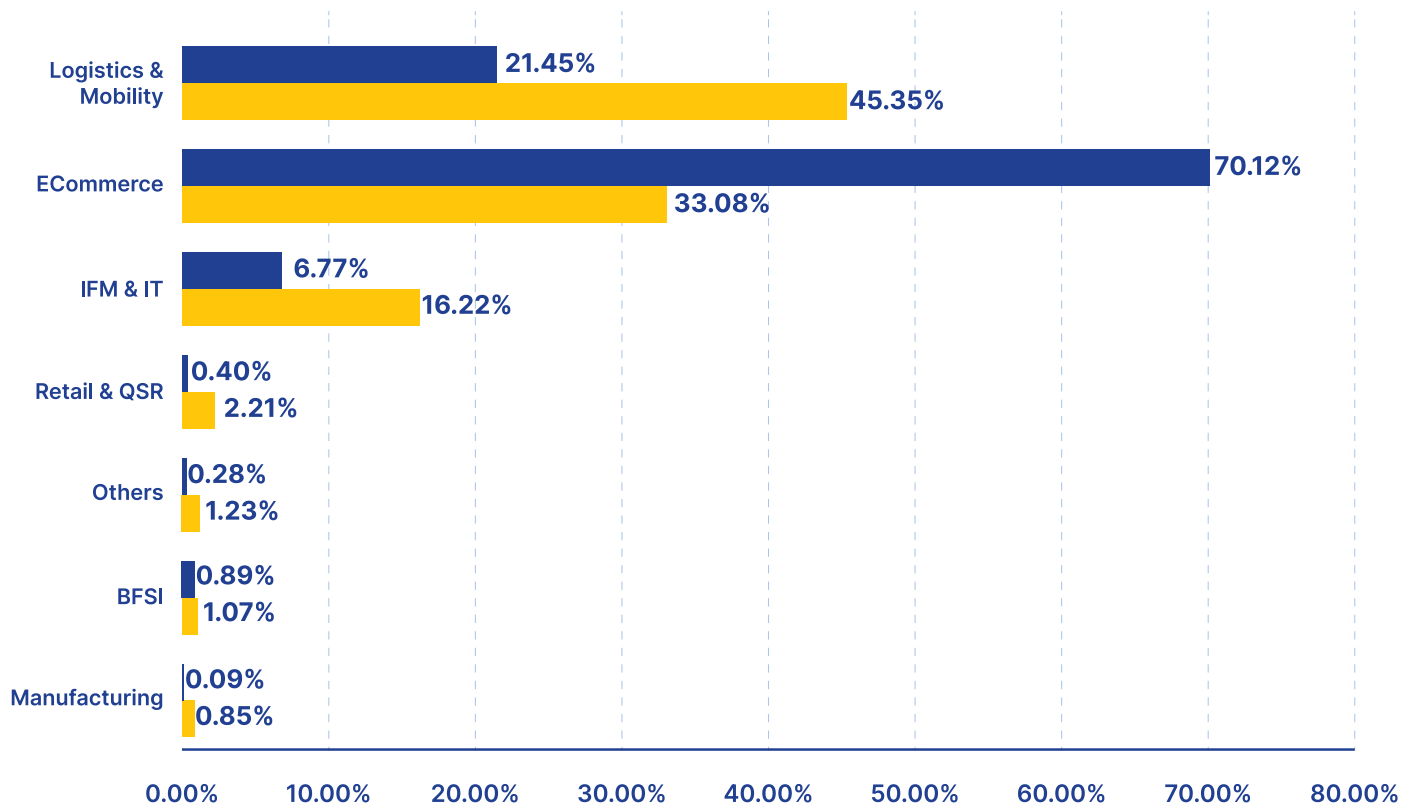
This can be attributed to several policy initiatives, revival of the economy and gradual easing of geopolitical tensions. India Inc's flagship programs like Atma Nirbhar Bharat, PM Gati Shakti, National Logistics Policy and Make In India all aim to increase capacity and operations of enterprises in India, thus leading to an increase in hiring demand.

Industry Wise Demand FY23



Demand Comparison

■ FY22 ■ FY23



Key Takeaways

Logistics, E-commerce, and IFM&IT together contributed to over 94% of the overall demand for jobs that were created in FY23.

The total demand created by Logistics & Mobility increased by more than 111% and the total demand created by IFM & IT has increased by 139%, while the demand created by e-commerce fell by 52% between FY23 and FY22.

Equitability Index

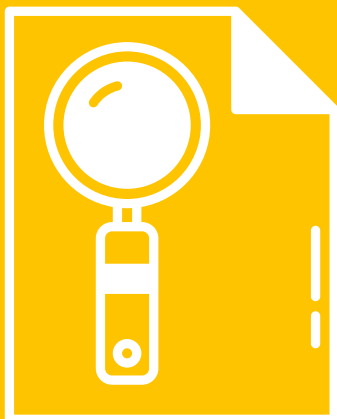
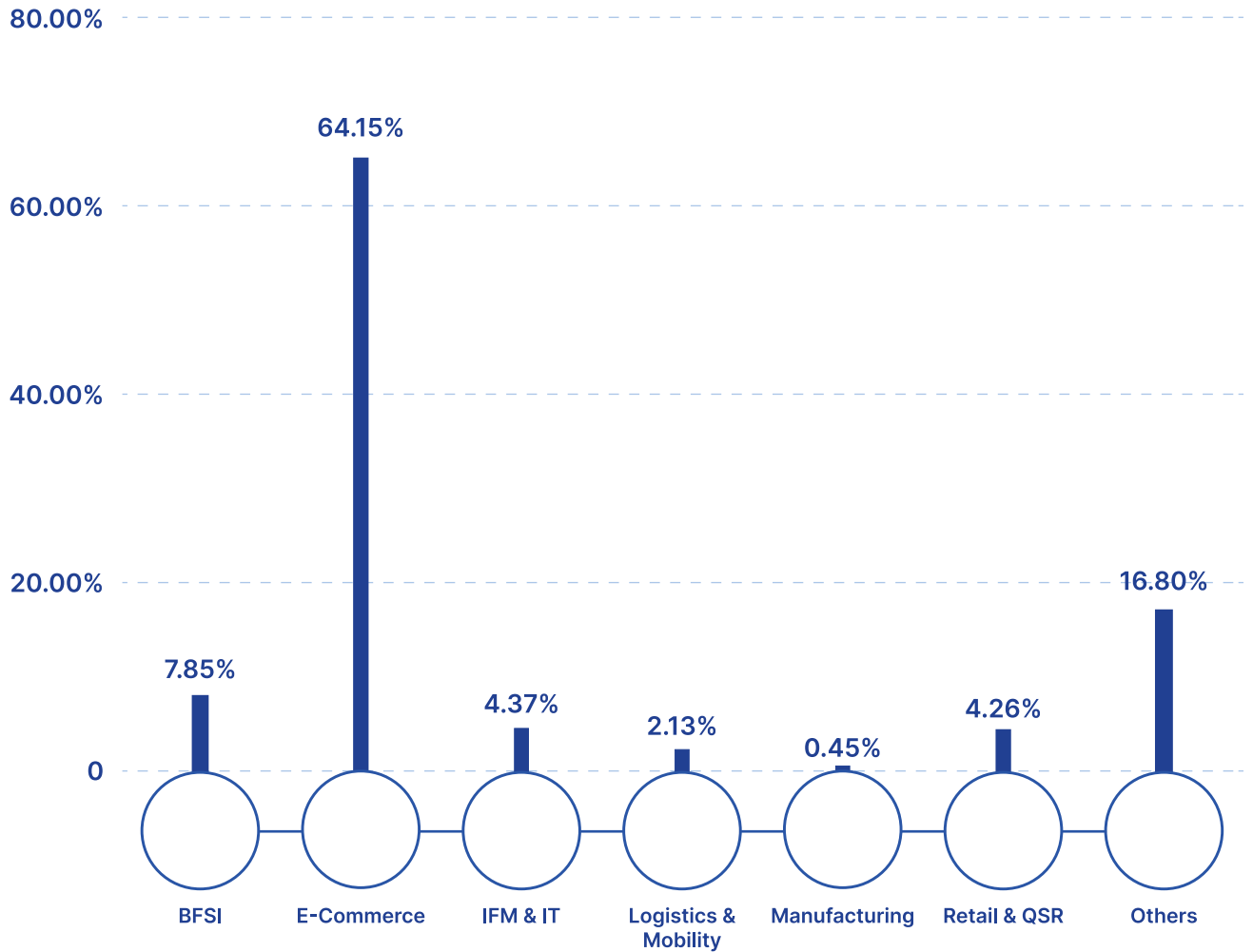
While the demand created by ecommerce has decreased at an industry average level, the demand created by this sector has increased for women frontline workers between FY22 and FY23. Backend roles like telesales, customer care, promoter and logistics operations executive are more in demand for women as they incline with their need for flexibility, lesser work travel and remote working etc.

The top 4 industries provide roles that are mostly desk jobs or require minimum mobility thus attracting more women as they can continue to be the primary caregiver at home while being financially independent at the same time.

However, when we compare the demand with average salary, Manufacturing, Logistics & Mobility and IFM & IT are the top three industries with highest average salaries while E-Commerce, Retail & QSR and BFSI fall in the lower end. This vindicates our claim that women are looking for more flexibility and non-financial benefits/convenience in a job vis-a-vis men.



Industry Wise Female Demand FY23



Key Takeaways

Demand for frontline jobs in E-Commerce (47.5% in FY22) for women increased by almost 36%. It continues to be the fastest growing industry for female worker participation.

E-Commerce, BFSI, IFM & IT and Retail & QSR are the top industries that have the highest job demand for women frontline workers, contributing to more than 80% of the total demand created for women workers.

DEMOGRAPHICS

Age Distribution

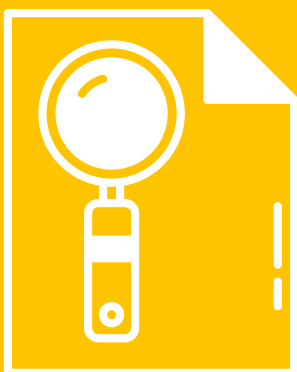
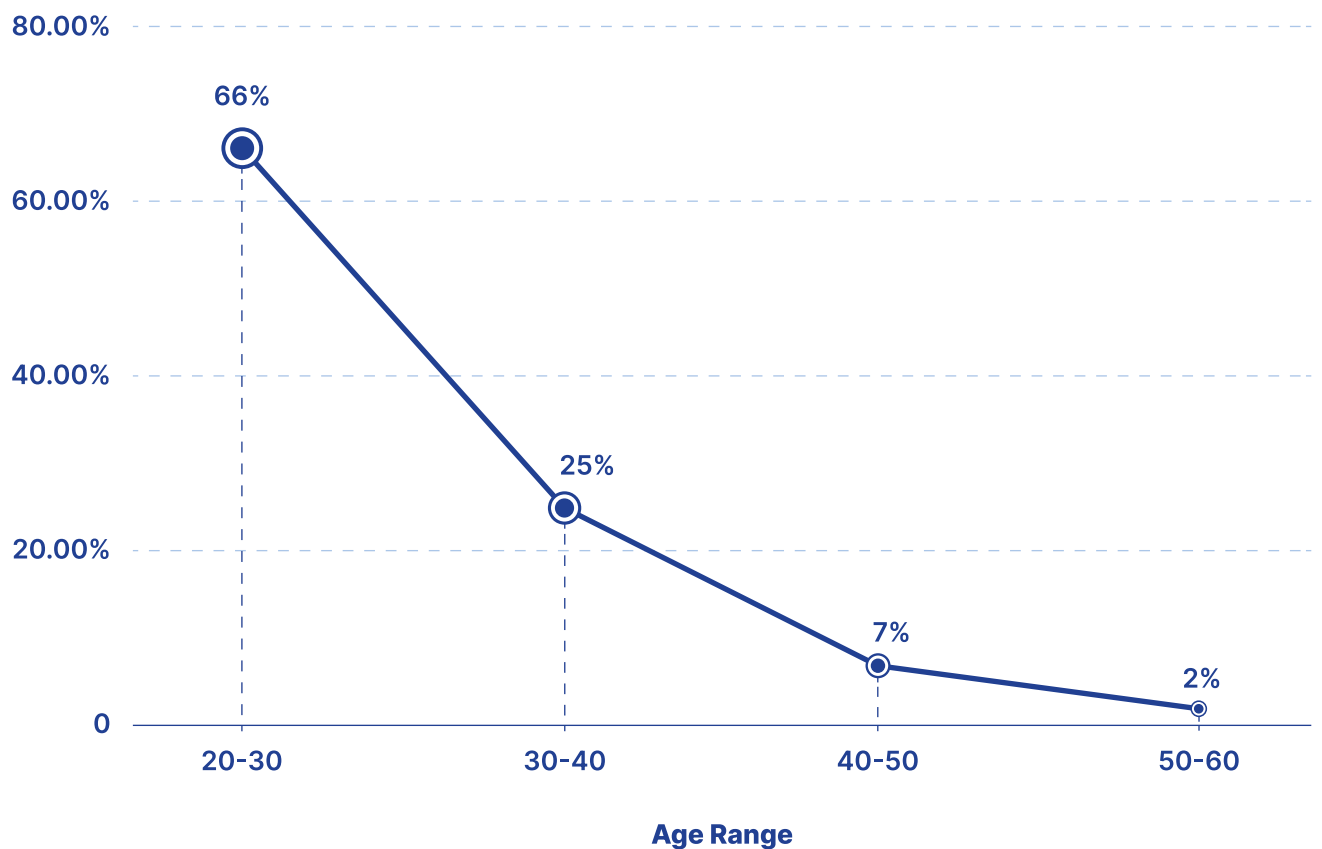
The youth (people in the 20-30 age group) continue to be the largest cohort opting for frontline jobs, their participation has been on the decline since FY22 and are slowly being replaced by the older cohort.

The gigification of work roles along with high levels of digital adoption has given the youth a competitive advantage to continue dominating the workforce. However, we are now also seeing a gradual adoption of gig and frontline work among older cohorts because of the allure of flexible work hours and opportunity to increase earnings per hour.

Equitability Index

While the difference between the younger cohort (20-30 years) and older cohorts (30-40 years) is large at an industry level, it is quite narrow when it comes to women workers. This shows that women worker participation does not decrease exponentially as one becomes older as is the case at an industry level.

Overall Industry Level Age Distribution



Key Takeaways

We saw an 8% decline in the number of youth joining the workforce between FY22 and FY23 while during the same period there has been a 25% growth in the number of workers between the age group of 30-40.

44% of women workers belong to the 20-30 years of age and 37% belong to 30-40 years of age.

Gender ratio

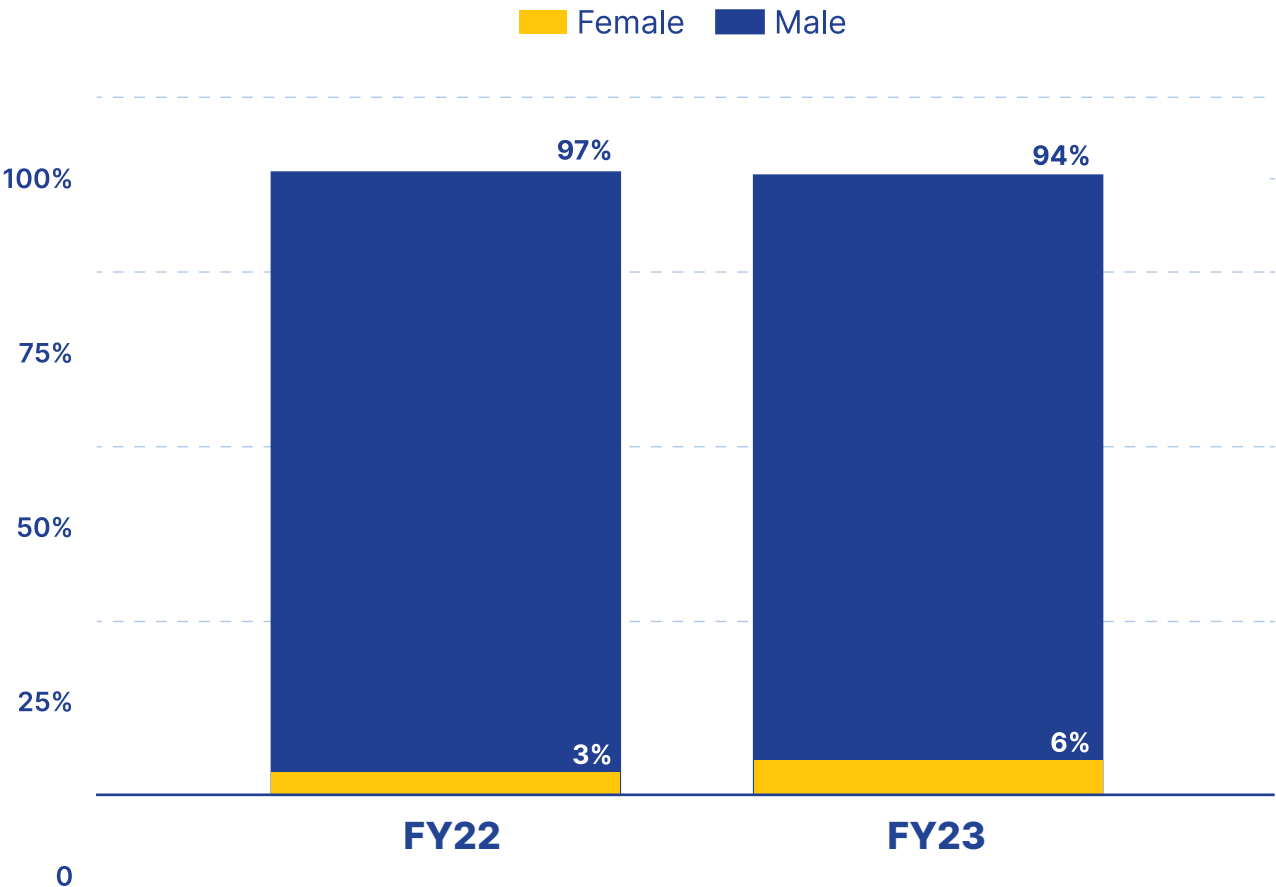
There has been a significant improvement in the percentage of women that have become a part of the frontline workforce.

The women's labour force participation rate has decreased in 2021-22 to 29.4% from 29.8% in 2020-21. However, we still see a positive increment in the number of women joining the frontline workforce. Enterprises' efforts and initiatives to attract more women with slightly higher salaries could be the reason why we see this change.

According to insights from the BII study, we noticed that the major motivating factors behind more women joining the workforce could be their need for financial stability, earn self respect in their family, be seen as the decision maker, need for a second income source, independence and more families opening up to the idea of women working.

Nonetheless, a lot remains to be achieved. Basic safety and sanitation facilities, flexible hours, child care support and less travel policies have not become the norm. Women need more flexibility and until these barriers are removed, we will not be able to attract more women.

Gender Breakup: FY22 vs FY23



Education Level

Majority of students and youth have joined the front-line workforce off late and find it to be a great way of being financially independent and supporting their families.

12% of workers have completed their senior secondary education. These could be people that had to move out of the house to support their families and earn from a young age. Or these could be people in frontline jobs that require minimum education and on-the-job skilling has made them efficient and employable.

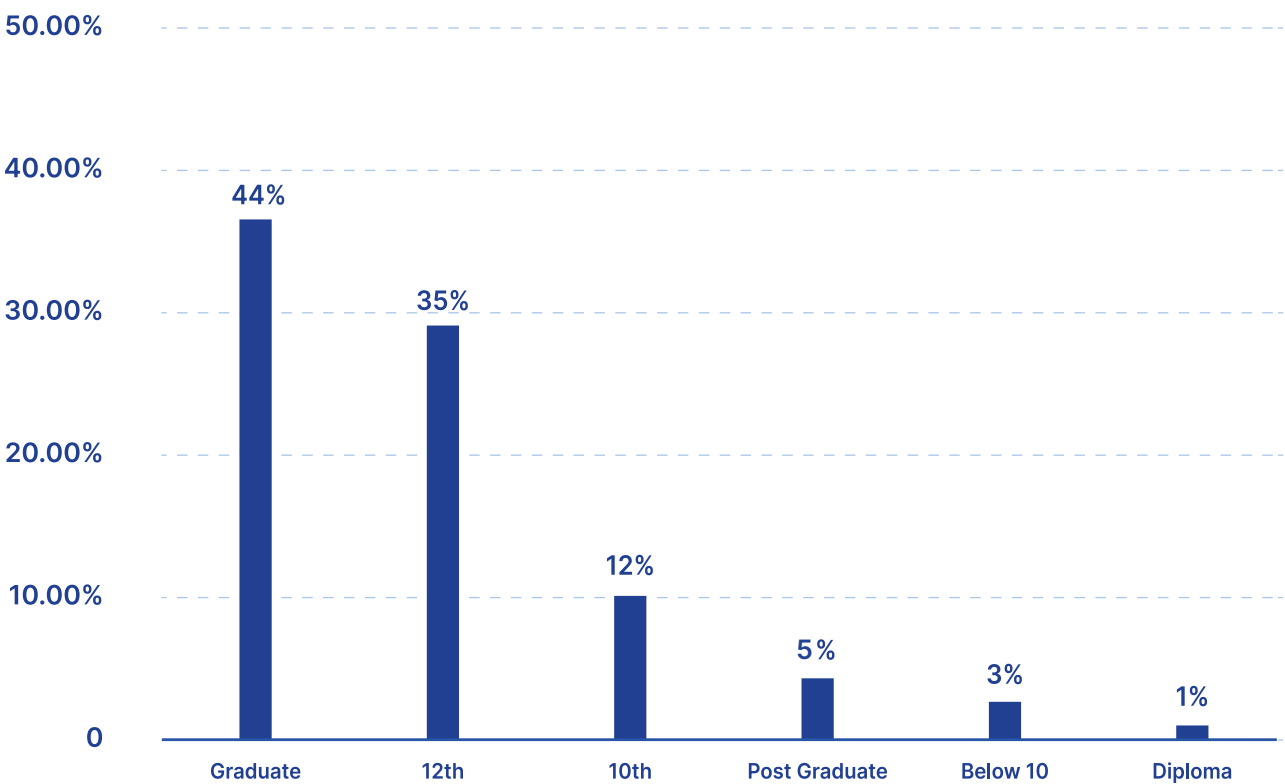
Only 5% of the workers are post graduates. Such workers could be employed in highly skilled frontline jobs like sales/business development, marketing executive and operations executive etc.

Nonetheless, the majority of these workers have basic education and skills in place to undertake frontline jobs. Basics of MS Office, Data entry, soft skills training and computer training are some of the most popular skilling courses.

Equitability Index

The constitution of women workers in terms of education is not very different from the industry average. Compared to 44% graduates at an industry level, 41% of the female frontline workers are at least college graduates.

Workers Education Level - FY23



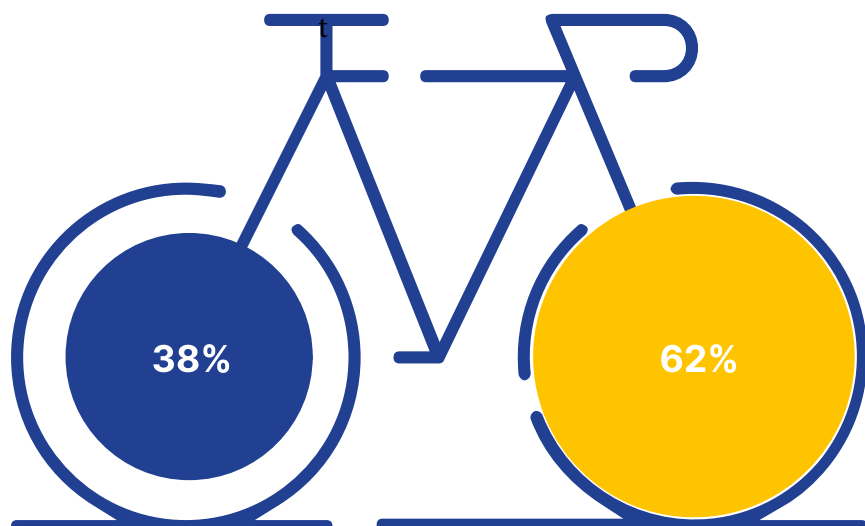
Vehicle Ownership

In the age of 10 minute and 20 minute deliveries, jobs in the Logistics & Mobility sector have grown substantially over the past one year specifically. The driver and delivery segment jobs make up for the majority of the platform jobs available today. Thanks to delivery & transportation apps, everything is available instantaneously. Enterprises on these apps like candidates that own some kind of vehicle as it takes their cost of acquisition down. However, only 38% of the frontline workers in our database have access to their own vehicle in the form of a scooty, bike, cycle etc. While 62% of them do not have any vehicle.

This has brought in the boom for partnership with bike rentals and other benefit partners. Just like vehicles, there is a growing demand for other benefits as well like Insurance and credit.

Owns a Vehicle

■ Yes ■ No



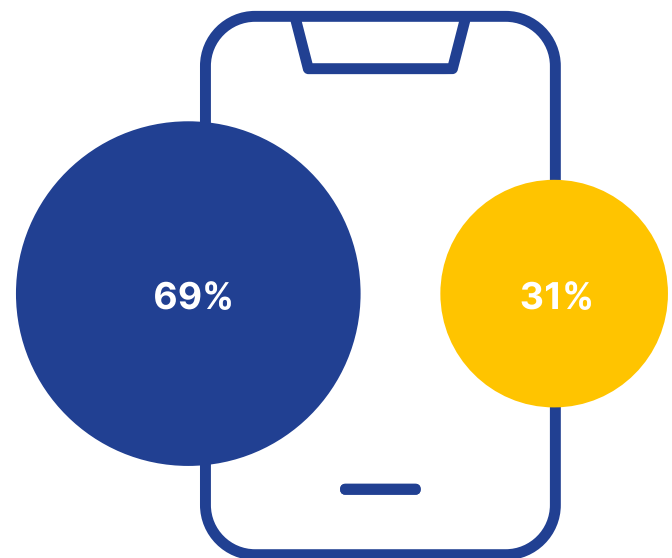
Access to Smartphone

In FY23, 69% of frontline workers have access to a smartphone. This percentage has gone up since FY22, when only almost 67% of workers had a smartphone. While this percentage can be a lot higher since digital penetration and rise of digital natives has been constantly growing manifold. Almost everyone owns a smartphone these days.

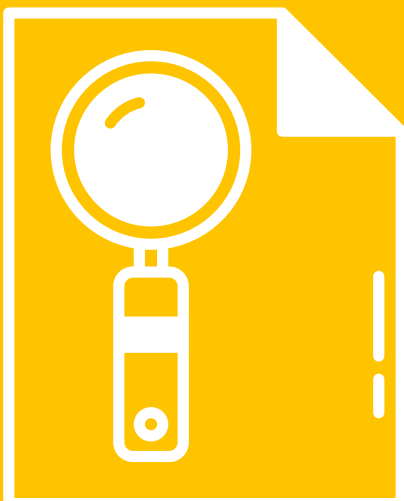
However, from a business understanding the percentage of people with access to smartphones can be higher considering a proportion of respondents may have not chosen to declare the same. Hence, approximately 80% of them could be using smartphones.

Access to Smartphone

■ Yes ■ No



Key Takeaways



In FY22, only 3% of women worked in the frontline economy. While there has been a 100% increase in women's participation ratio, we still have a long way to go.

Almost 88% of the women felt fully or somewhat supported by their families to join the workforce. And 57% of the men surveyed as part of the BII study said that they felt women should work and earn.

More than 80% of the frontline workers are adequately educated and trained with them having either completed their graduation or high school diploma.

Compared to 44% graduates at an industry level, 41% of the female frontline workers are at least college graduates.

69% of frontline workers have access to a smartphone.

Only 38% of the frontline workers in our database have access to their own vehicle in the form of a scooty.

WORKER PERSONAS

55%

of females came from
Karnataka, Andhra
Pradesh and Tamil
Nadu

81%

of women workers fall
within the age group of
20-40

Majority of women workers work in

IFM & IT

Industry

41%

of women workers are
college graduates

50%+

women have
joined the frontline
workforce in
September last year

67%

of females found
jobs in Karnataka,
Andhra Pradesh and
Maharashtra



61%

of male workers
typically in the age
group of 20-30 years

51%

of male workers are
graduates. Others
have at least a higher
school diploma

35%

of males came
from Uttar Pradesh,
Karnataka and
Maharashtra

48%

of males found
jobs in Karnataka,
Maharashtra and
Andhra Pradesh

Majority work in
either E-Commerce or
Logistics & Mobility

Majority of males
joined the frontline
workforce in August
last year

Highest paying job roles
for men are Accountant,
Customer Care and
Purchase/Procurement
executive



ATTRITION

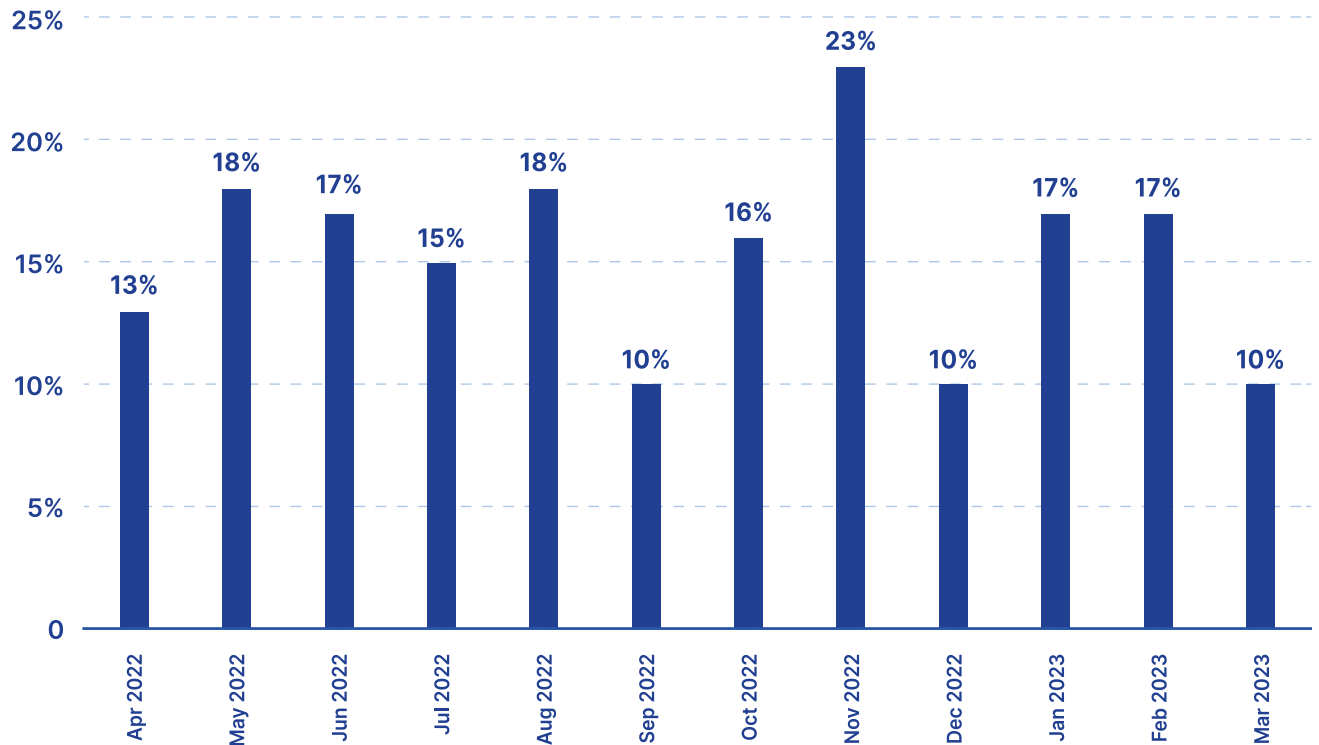
Average Monthly Attrition

The attrition rate for frontline workers keeps going through peaks and troughs throughout FY23 with average monthly attrition rate of 15%.

The highest average monthly attrition was 23% in November of 2022, which is the festive season in India. During this time a lot of the workers have a lot of options for better remuneration as there is a high demand and short supply. Therefore, a lot of them shift jobs during this time.

The lowest attrition rate was at 10% in September 2022 and March 2023, which is right at the end of FY23. During this financial year, globally we were going through the recession scare which led to increased layoffs/resignations than usual. But towards the closing of the financial year, most of these workers wanted to retain their jobs as the average salary was also decreasing post the festive season in November (Rs. 22,150).

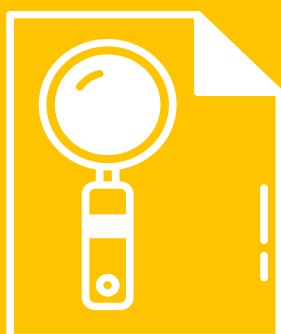
MoM Average Attrition



Q1 of FY23 itself saw a rise in attrition rate of 17-18%, which could be attributed to the overhiring that took place in FY22 as a result of the post pandemic boom in frontline jobs and demand.

According to the BII skilling report findings, a lot of the workers shifted jobs due to the pandemic, they wanted to explore other interests and did not want to migrate and transfer.

Every quarter from Q1-Q4, we see a peak and this directly corroborates the fact that even though frontline jobs have been increasing as opposed to white-collar jobs in the context of the global recession, there has been high attrition which may have not necessarily translated into workers exiting the workforce but switching jobs.



Key Takeaways

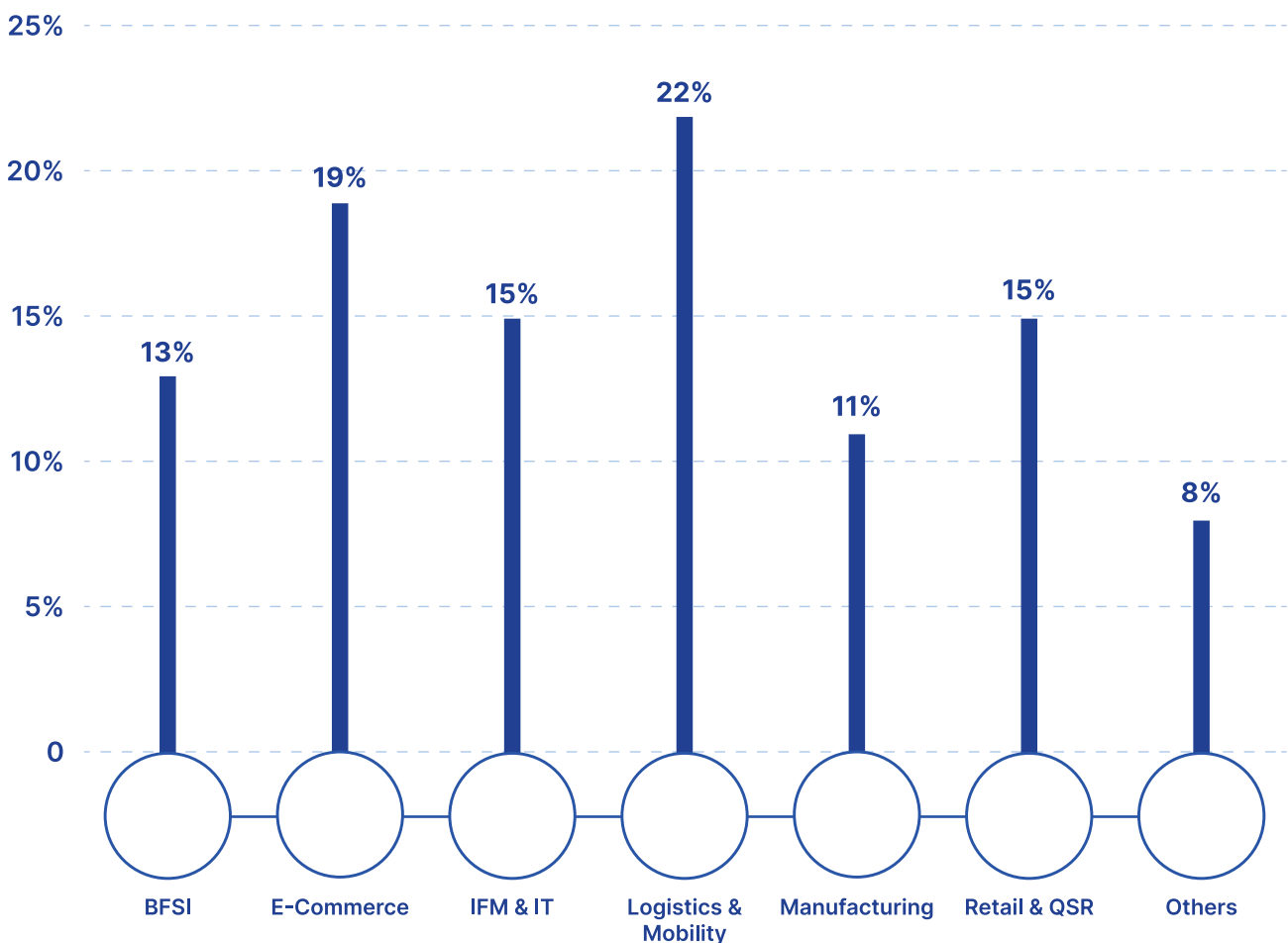
The highest average monthly attrition was 23% in November of 2022, which is the festive season in India.

Industry Wise Average Attrition

Logistics & Mobility has witnessed the highest attrition rate and this has grown by 83% since FY22. This could be due to the fact that it has a high demand and also provides a high average monthly salary. Workers in this industry have a lot of choice and frequently switch jobs. Additionally, these jobs are not flexible enough and require more manual labour and effort which could also explain the higher attrition corresponded with higher salaries to retain them.

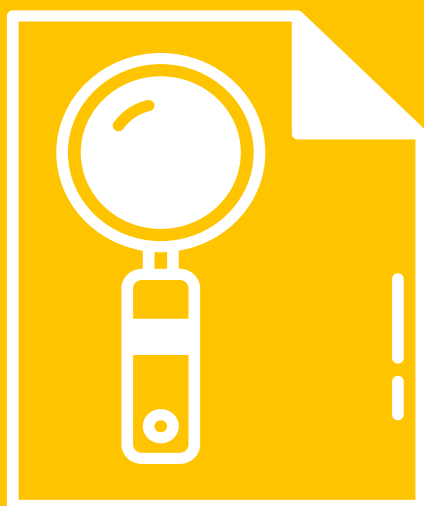
E-Commerce on the other hand had the second highest demand and attrition rate and also the second fastest growing industry in terms of attrition at 27% since FY22. Its average salary is mediocre and that could be attributed to the high attrition rate. Workers do not have adequate financial incentives to stay longer thus leading to exit/job switches.

Industry Wise Average Attrition



Lastly, IFM & IT which again has third highest demand, offers highest average salaries and has the third highest attrition rate. Workers in this sector are replacing white-collar workers owing to the global recession. They are being paid higher wages with maximum flexibility and remote work. Since there is an abundance of jobs in this industry, workers could be switching jobs the moment they find a better opportunity, similar to Logistics & Mobility.

Furthermore, it is interesting to note that Retail & QSR (19%) that accounted for the highest attrition in FY22 reduced its attrition rates by 21%. The high attrition in the last financial year was largely due to the increased demand for workers in this sector after the markets opened post-pandemic. However, in FY23, the job market in this sector has normalized and attrition with it has normalized as well



Key Takeaways

Logistics & Mobility has witnessed the highest attrition rate and this has grown by 83% since FY22.

E-Commerce on the other hand had the second highest demand and attrition rate and also the second fastest growing industry in terms of attrition at 27% since FY22.

Furthermore, it is interesting to note that Retail & QSR (19%) that accounted for the highest attrition in FY22 reduced its attrition rates by 21%.

MIGRATION



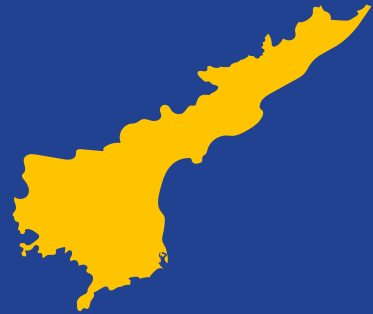
Kartnataka - 16%



Uttar Pradesh - 16%



Maharashtra - 13%



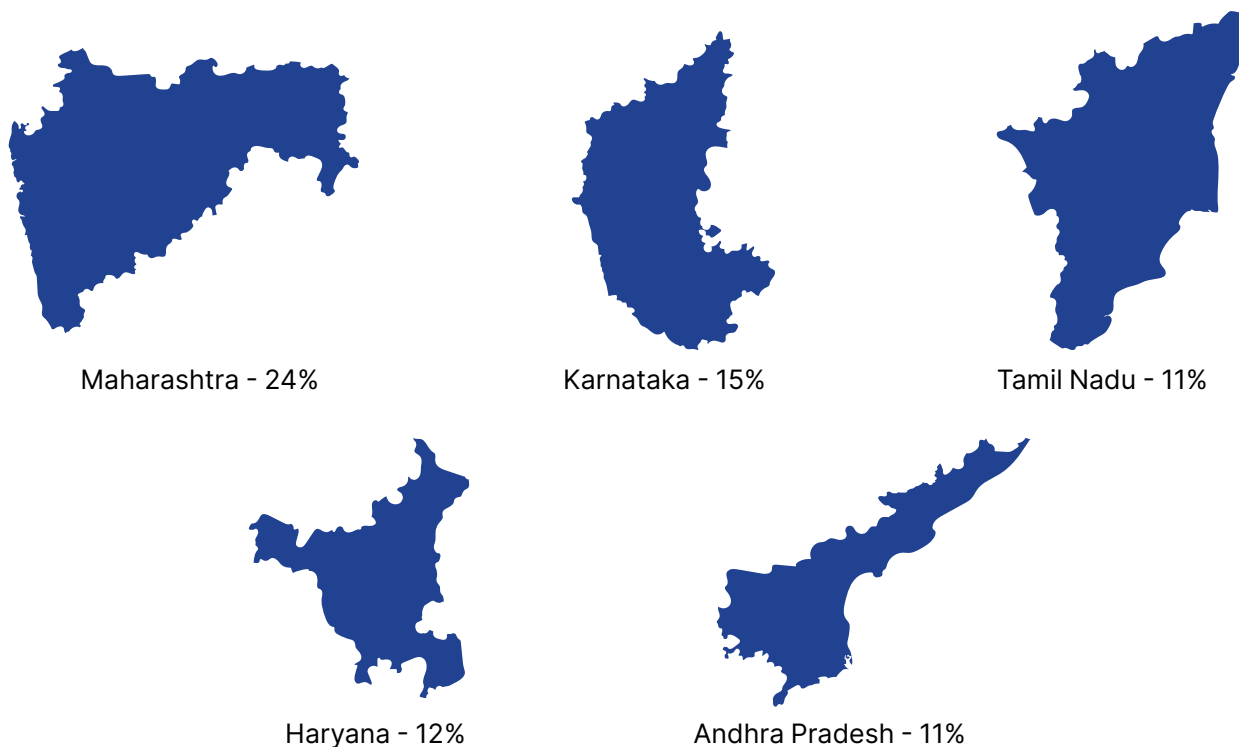
Andhra Pradesh- 12 %



West Bengal - 10%

67% of the migratory population of frontline workers belong to Karnataka, U.P., Maharashtra, A.P. and West Bengal.

73% of the migratory frontline workforce come to Maharashtra, Karnataka, Haryana, Tamil Nadu, and Andhra Pradesh to get access to frontline jobs



Almost 75% of the frontline workforce hails from Bengaluru, Delhi, Mumbai, Chennai and Hyderabad.

70% of the frontline workforce works in the cities Bengaluru, Gurugram, Hyderabad, Chennai and Mumbai with Bengaluru contributing the highest at 20%.

The states attracting the most frontline talent are all home to metropolitan cities and tier 1 cities, which are bustling with opportunities. Since, we are back to the new normal with workers stepping out and enterprises running at full capacity and beyond, there is no dearth of jobs. Bengaluru has emerged as the hotbed of opportunities and supply of frontline talent.

The ever increasing demand for frontline workers in states like Karnataka, Maharashtra and A.P. is mostly filled by workers in the home state, but with demand outdoing the supply we can actually see some movement of workers this year.

A simple reason for migration not increasing suddenly could be due to the fact that most enterprises have also started opening up their hubs and offices in Tier 2 and Tier 3 cities as well. Hence, workers can find job opportunities closer to home as well.

Lastly, according to the 'Powering Women' study with BII, respondents expressed that their motivation to move for a job was very low. Most of them want to stay in the city and do not want to relocate.

INCOME & LIVELIHOOD

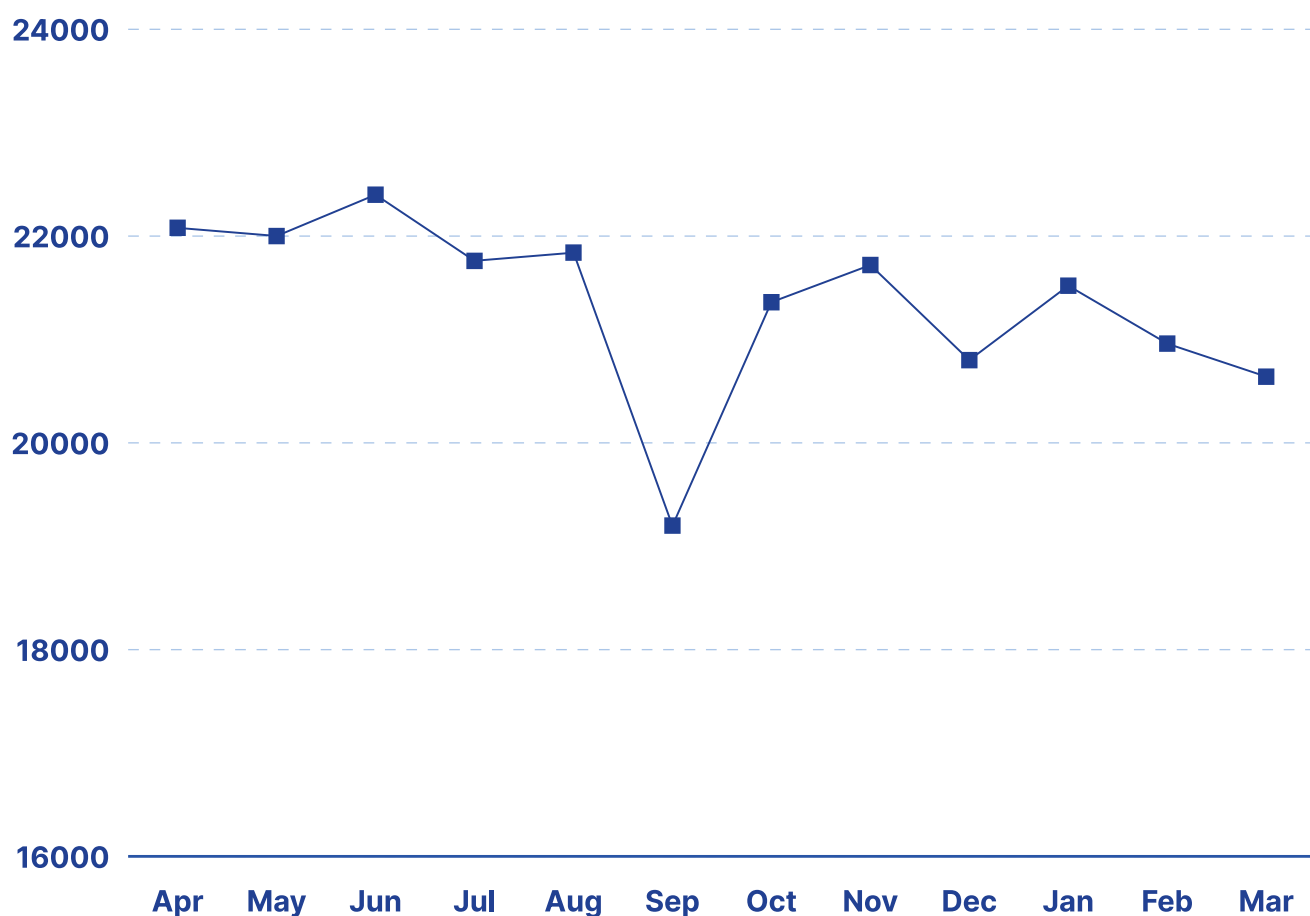
Avg salary MoM growth

The average monthly salary for frontline workers in FY23 decreased by 4.5% as compared to FY22 with average salary dropping to Rs. 21,700 from Rs. 22,800.

Since FY23 was mostly volatile with attrition being higher throughout the year, the salary has maintained its average in the range of Rs. 20k-23k.

It is worth noting that the average salary was at its lowest during September 2022 and March 2022 which can be explained by the corresponding lower rates of attrition during these two months. If workers do not feel the need to switch jobs, it indicates that the demand is being easily met and the need to incentivise them through remuneration also goes down.

Average Salary - FY23



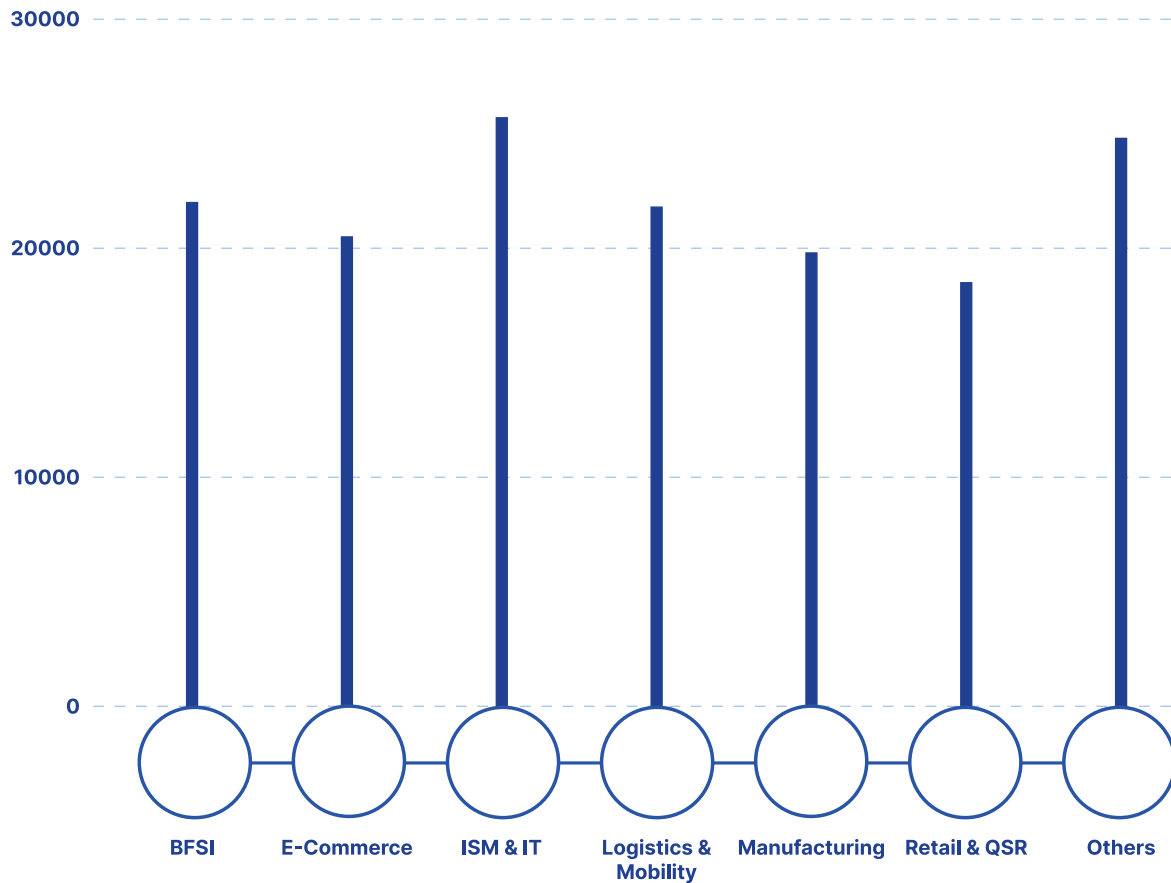
Avg salary industry wise

Since frontline and gig-workers are replacing white collar workers in IFM&IT, the average salary for workers in this sector was the highest at Rs. 25,700 followed by BFSI, and Logistics & Mobility. This is a reversal of the trend in FY22 when Logistics & Mobility (Rs. 26,484), BFSI (Rs. 22,113) and IFM & IT (Rs. 21,884) offered the highest average monthly salary.

IFM & IT also saw the highest growth in salaries as compared to FY22, recording a growth of 17%. Logistics & Mobility, having contributed most to the jobs in this financial year, the average salaries in this sector has decreased by 18% between FY22 and FY23.

IFM & IT and Logistics & Mobility have high attrition rates which can explain the higher average salaries being offered as a result.

Average Salary - Industry FY23



Equitability Index

The average salary for women frontline workers in FY23 was 20.5% lower than the industry average.

However, Logistics & Mobility and Manufacturing were the only two industries where the average salary for women was higher than the industry average.

Manufacturing and Logistics & Mobility offer higher average monthly salary as they have very low demand at 2% and 0.5%. Since, these jobs offer lesser flexibility, more travel, lack of access to clean and hygienic facilities, safety etc women need to be incentivised more to attract them to such jobs.

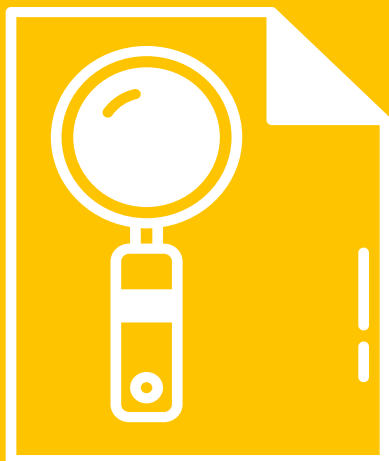
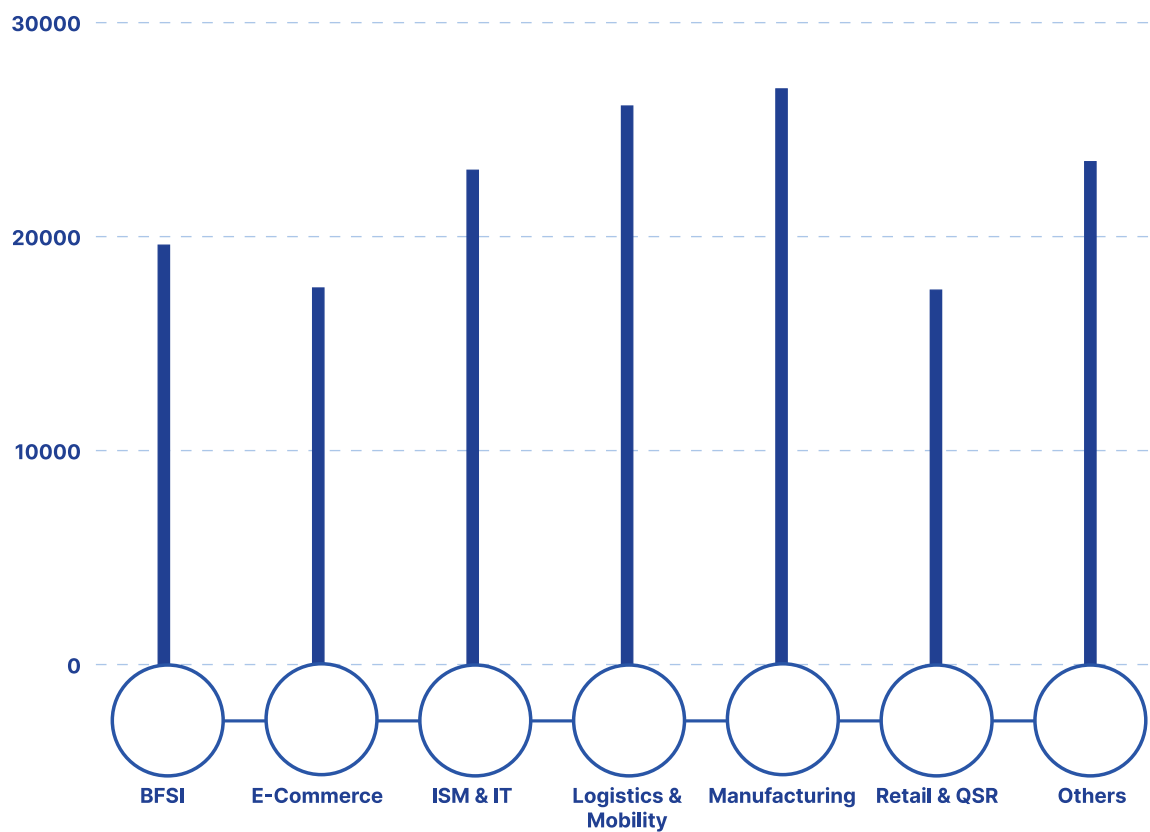
Average salaries for women in Logistics & Mobility was 20% higher than the industry average and was 36% higher than the industry average for manufacturing.

Manufacturing, Logistics & Mobility and IFM & IT were also the industries which offered the highest average monthly salary of Rs. 27,000, Rs. 26,200 and Rs. 23,200 respectively.

E-Commerce, BFSI, Retail & QSR which are higher in demand but do not offer the highest average monthly salary and belong to the lower average salary band of Rs. 17,000-20,000 per month.

Moreover, enterprises nowadays are cognizant of the gender gap in the frontline workforce and consciously want to bridge this gap by introducing more enabling policies and incentives. Better remuneration for women as compared to men is another step in this direction.

Industry Wise Female Salary



Key Takeaways

The average monthly salary for frontline workers in FY23 decreased by 4.5% as compared to FY22 with average salary dropping to Rs. 21,700 from Rs. 22,800.

The average salary for women frontline workers in FY23 was 20.5% lower than the industry average.

Average salaries for women in Logistics & Mobility was 20% higher than the industry average and was 36% higher than the industry average for manufacturing.

UPSKILLING & RESKILLING

MoM growth of new users

With lower intent to hire among enterprises, the intent to upskill and train oneself has increased substantially in the last one year.

There has been a 194% increase in new users on the platform from April 2022 to March 2023 for skilling.

This huge jump in new users clearly indicates that enterprises and workers both have been showing more interest in training and development.

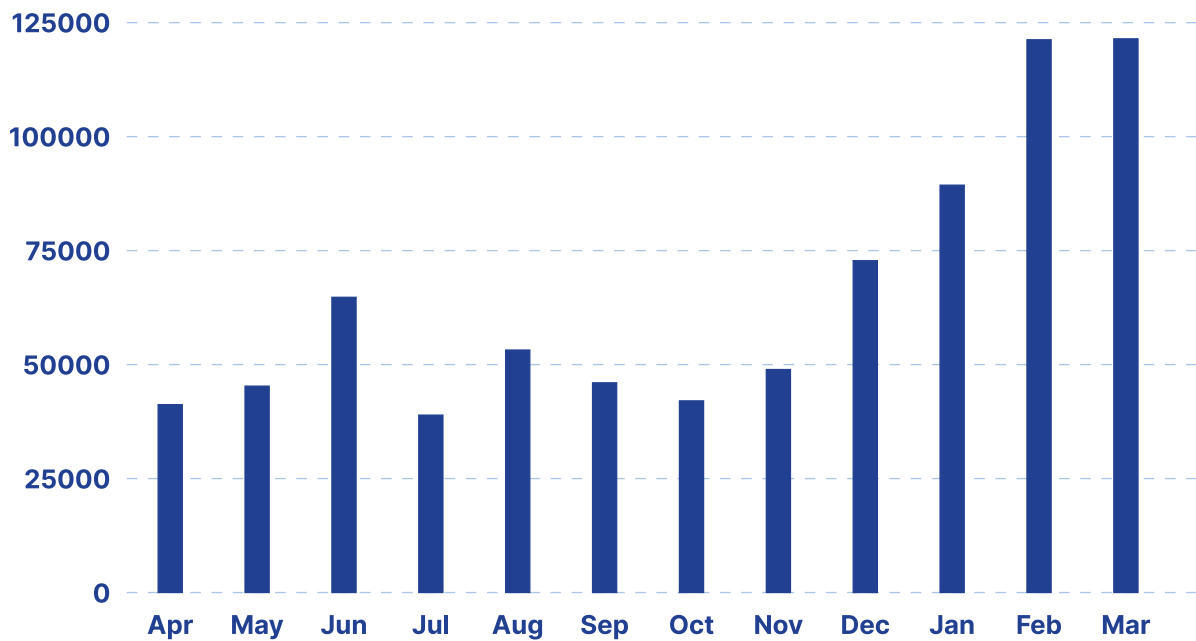
The highest MoM increase of almost 36% in new users took place from January 2023 to February 2023. This can be attributed to the greater awareness about skill development as a result of government push in the Union Budget 2023.

PMKVY 4.0 and NSDC's goal to skill lakhs of youth and individuals in the next three years on courses across AI, ML and IoT subjects with more than 30 skill centers being set up and launch of skill India platform to enable demand based skill development.

Under the PMKVY scheme, 13.7 Million individuals have been skilled up until now and this shows that skilling is a national priority that is eventually trickling down to all cohorts of workers.

With more workers wanting a clearly defined career path and growth trajectory, we can expect a dramatic increase in users and enrollments for the remainder of the year as well.

MoM New Users



Time spent monthly on learning

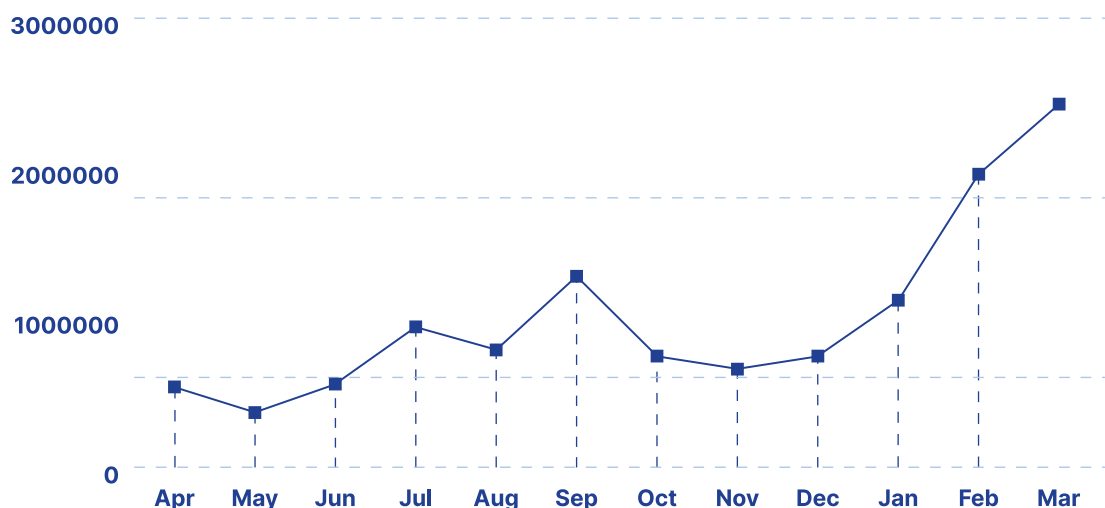
The time spent on learning has increased by more than 165% between April 2022 to March 2023. Workers are not only onboarding onto skilling platforms but are also learning extensively.

While November saw a small dip in the learning minutes, it again picked up the pace from December onwards increasing drastically.

Since this period remarks the festive season, workers face a high demand and may have switched jobs a lot (23% attrition) and skill development must have taken a back seat.

According to our platform, an active user spent an average of 15 minutes learning each month.

MoM Total Time Spent Learning



MoM growth in enrollments vs completion of courses

According to our skilling platform data, July and August saw the highest course completion rate of 95%.

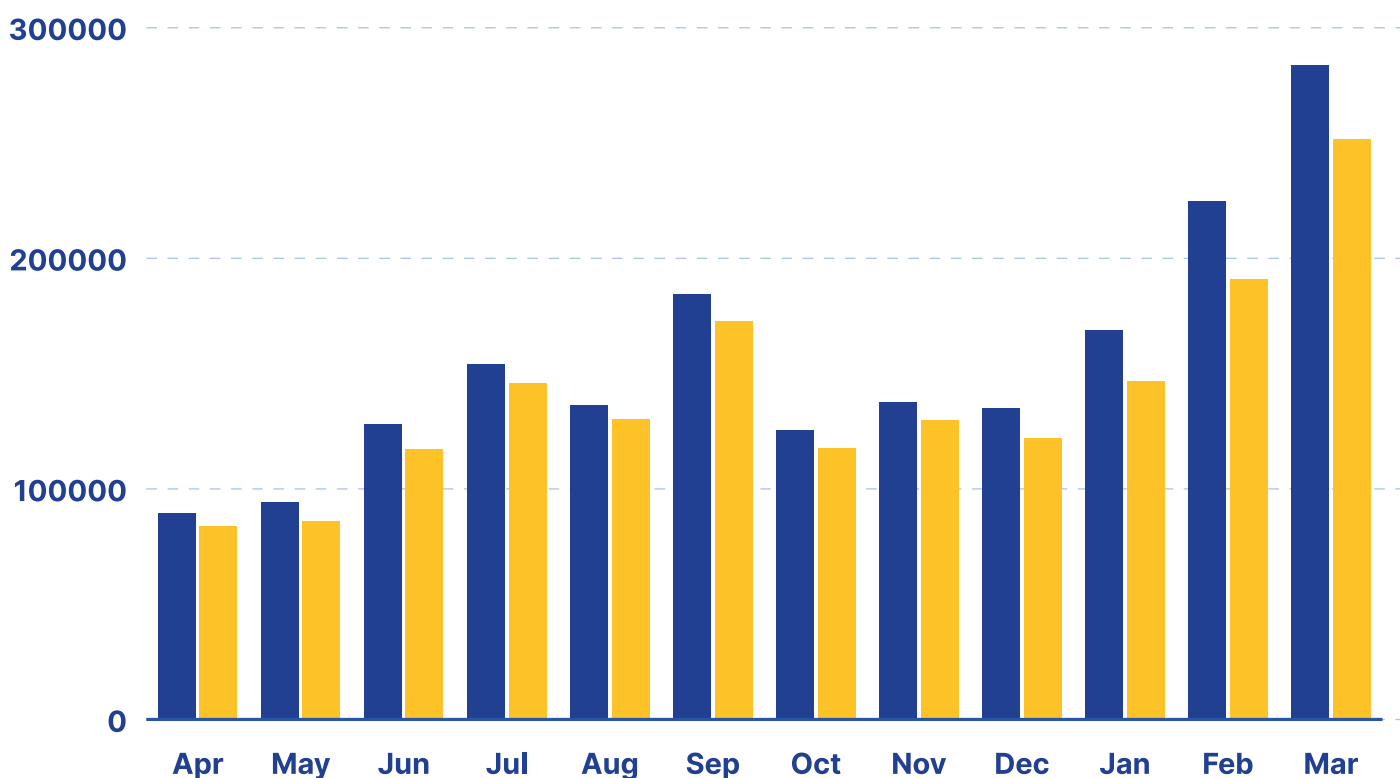
Throughout FY23, the average course completion rate was 92% .

While course enrollment numbers were higher post November, the completion rate started falling around the same time .

Additionally, March saw the highest number of completion numbers but as opposed to the enrollments, it yielded an 89% completion rate only.

MoM - Course Enrolments VS Course Completions

■ Course Enrolments ■ Course Completions

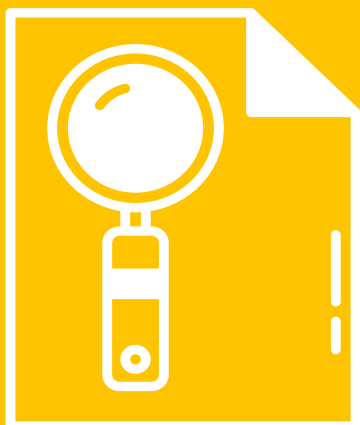


Breaking down the skilling trends

Skilling, once limited to white-collar workers, has now become a crucial aspect for the frontline workforce due to technological advancements and internet accessibility. The government has recognized this importance and prioritized skill development in the Union Budget.

With smartphones and laptops becoming more accessible to frontline workers, upskilling has become more attainable. Enterprises now seek digital natives who can keep up with technological advancements, as traditional systems have become outdated. Constant upgradation of skills is not only beneficial for workers but also essential for enterprises to stay competitive.

To gain further insights into skilling, we collaborated with BII to conduct a research study. The study revealed that 62% of respondents believe they are adequately trained for future jobs. However, the remaining 38% face barriers to skilling such as lack of awareness, high fees, and inconvenient class timings.



Key Takeaways

There has been a 194% increase in new users on the platform from April 2022 to March 2023 for skilling.

The time spent on learning has increased by more than 165% between April 2022 to March 2023.

Throughout FY23, the average course completion rate was 92%.

Skilling insights for women workers



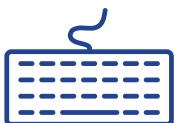
37% of respondents have taken some training outside of academic training.



Basic Computer Knowledge course has been the most completed course by workers in logistics and telecommunications industry.



Most of these respondent workers come from Beauty & Wellness.



Computer typing course was mostly taken by women for BFSI jobs.



Vocational training courses taken by mid-age workers.

Top skills opted for by women

According to our skilling data, we have the most sought after and demanded courses by frontline workers across all the industries. The course modules listed below are a confluence of industry needs, developments, skills demanded by enterprises and workers and their own capabilities.



Industry

Top Course



E-Commerce, which expands into grocery, food delivery as well as retail

Product and inventory management



Delivery and Logistics

Supply chain and order flow



Manufacturing

Supervisors training to lead plant



Retail

Customer care and Service



Facilities Management

Administrative and operational specialist



BFSI

Insurance product training

The 32% respondents that don't feel they are properly trained and upgraded were further asked to cite barriers to their learning journey. The barriers are as follows:



No awareness



Institute is not in proximity



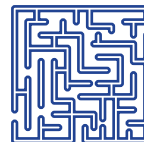
Fees is high



No value add to current skill



Class timing is not convenient



Course was difficult to clear



Travelling is an issue



Job not allowed at home



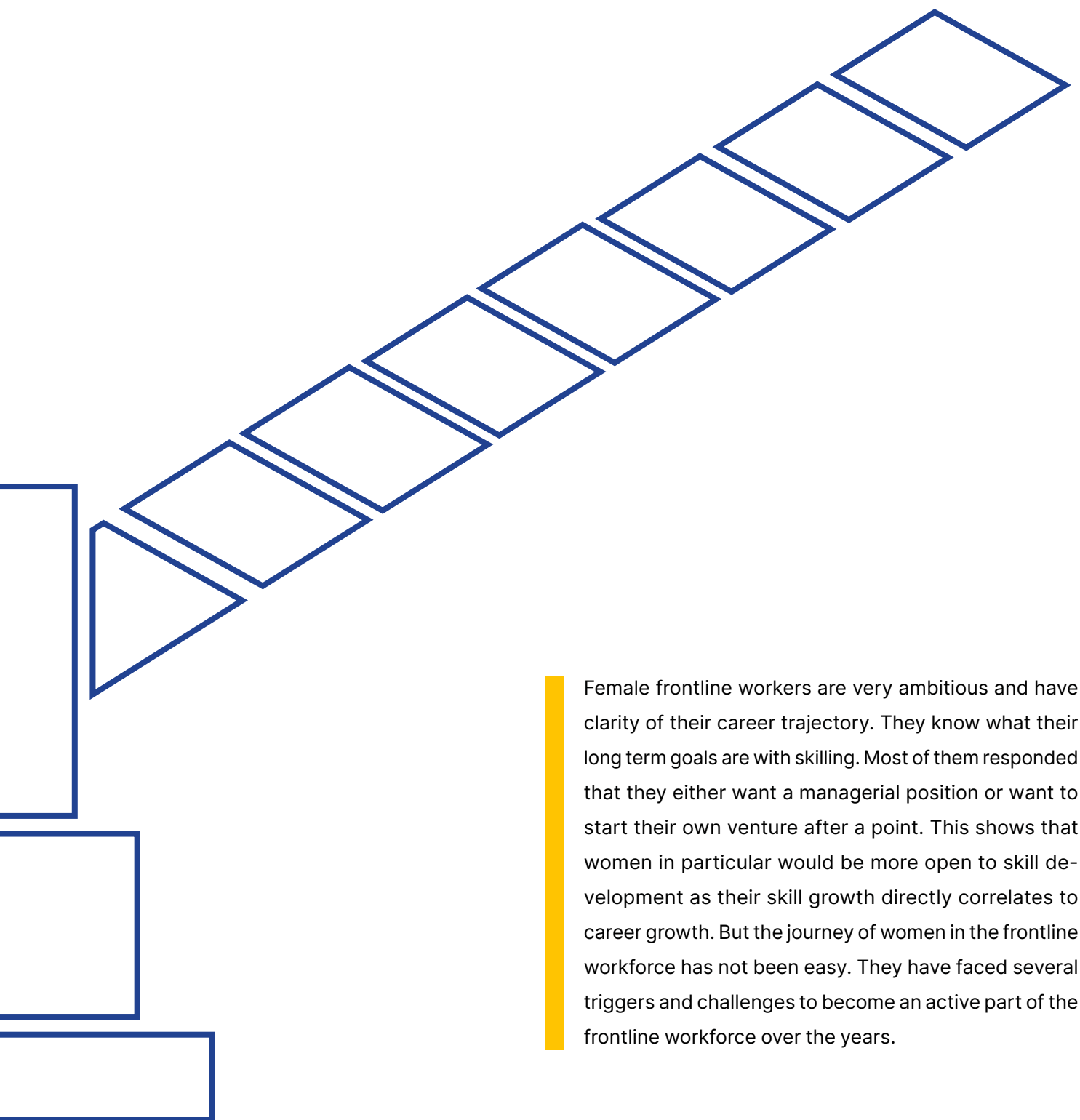
Outdated content



Certificate not provided

However, it is important to recognise the challenges to upskilling, not only from an access perspective but also from an equality perspective. Women and men do not have access to the same opportunities to upskill.

Deep diving into women workers and their perception about upskilling and reskilling, we found that they are open and enthusiastic to take part in the same. Most of them are aware of their respective job skills and requirements but do not take up courses. Women workers believe that learning on the job is the best way to acquire new skills and courses.



Female frontline workers are very ambitious and have clarity of their career trajectory. They know what their long term goals are with skilling. Most of them responded that they either want a managerial position or want to start their own venture after a point. This shows that women in particular would be more open to skill development as their skill growth directly correlates to career growth. But the journey of women in the frontline workforce has not been easy. They have faced several triggers and challenges to become an active part of the frontline workforce over the years.

Factors influencing women to join the workforce

Almost **56%** of the women respondents from metro cities believe that they have full support from their families, **32%** said their families somewhat support, **7%** were not sure, **4%** said somewhat not support and **1%** said no support. Out of the **520 respondents** surveyed, **59%** of them have seen fellow women joining the workforce and contributing to household expenses, while **25%** of them want to work as they see a need for an additional income and **16%** of them feel they will gain more self-respect in the household if they work.

Top 3 triggers for women to begin working

They have seen more women working and contributing to funding expenses like marriage, paying lease/rent and education etc.

Some of them have to work as their households need a second income (**25%**).

Some of them also feel they will be given more self-respect and a say in decision-making at home if they work (**16%**).

Financial stability - self respect - family support - independence - emergency need for funds are the major keywords that were used to describe their motivation behind joining frontline jobs. Nonetheless, not all women are empowered and enabled enough to step out and work.

58% of women who received no support from family have thought of leaving their jobs at some point because of family. According to them, they cannot work because of the following challenges:

Challenges for women to enter into the workforce

Balancing work and home with family restrictions.

Traveling and Unpredictable working hours.

No support to manage 'kids' acts as barrier at home or at the workplace.

Environment and Future prospects.

Lack in growth opportunity.

People do not treat women with respect.

Out of all the barriers, **working hours/timing issues, late night shifts and inability to give time to family** are the most pressing issues for them. When women were asked what support they feel is required to make their professional journey easier, they requested improvement across the following areas:



Areas of improvement in women's working conditions

- Fair and timely remuneration.
- Recognition at work.
- Reasonable working hours.
- Flexibility.
- Leave allowances.
- No traveling as part of job.
- Child care facilities.
- A defined career path and growth trajectory.
- Safety at the workplace.

Ultimately, both genders have the same preference when it comes to mode of learning. Majority of the respondents want to take training from local institutes, YouTube or government institutes.

When asked about the preference of content format for these courses, most of them answered that videos and on-line courses are the best for them for the following reasons:



Cost effective



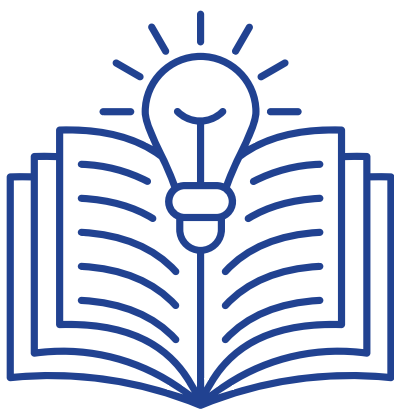
Time effective



On the go learning



Therefore, even though the skilling initiative has gained momentum over the past year, there are certain challenges that need to be addressed. While workers have an inclination towards learning, it is our responsibility as enterprises and policymakers to create an enabling platform that fosters a learning environment. In order for us to do that, there are some immediate learnings from this activity:



Increase awareness of courses in demand.

Creating a better value proposition that justifies the cost or achieving low cost training.

Bring in flexibility of class timings as workers do not find class timings to be convenient and often have a busy schedule.

Hybrid sessions to be conducted so that people can take some classes online or at home that reduces commute.

Tying up with local Private institutes apart from YouTube videos.

ENSURING EQUITY AND EQUITABILITY

Qualitative survey findings on non-financial benefits, equality & equity for the frontline workforce

Overview of the Study:

In order to gain insights into creating equitable opportunities, inclusivity, and growth for the frontline workforce, we conducted a survey among our clients. Through this qualitative survey, we aimed to assess the current status of women in the frontline workforce and evaluate the progress made based on our internal data. Furthermore, understanding the future of the frontline economy is essential, and examining the most pressing issues from an enterprises' perspective can provide greater clarity for the path forward.

The emergence of human capital management platforms has brought a positive outlook to the frontline economy, with workers taking the lead in spearheading transformation. While government policies play a significant role in ensuring social security, enterprises also have a crucial responsibility in driving change and progress for frontline workers. Policy initiatives help formalize the frontline workforce, and enterprises have the power to drive change from the grassroots level, revolutionizing this sector.

Important Insights:

Majority of the enterprises belong to BFSI, Manufacturing, IFM & IT and E-Commerce industry with more than 1000 frontline enterprises.

Almost 50% of these enterprises have only 10-20% of the total worker population as females, and only 19% of these clients have female worker population of 20-30%.

When asked if they were consciously looking to hire more women, more than 50% of them replied, "Not right now, but we have plans to do so this year," while almost 30% of them responded, "Yes", as they wanted to improve the gender diversity for their enterprise.

All of them said they offer equal wages to both their male and female frontline enterprises.

However, only 30% of them had special policies for women like maternity leaves, period leaves and POSH to motivate them to participate and invite more women to work.

According to enterprises, not enough skilling opportunities, safety, and access to basic amenities like washrooms etc. are the biggest challenges women face in this workforce.

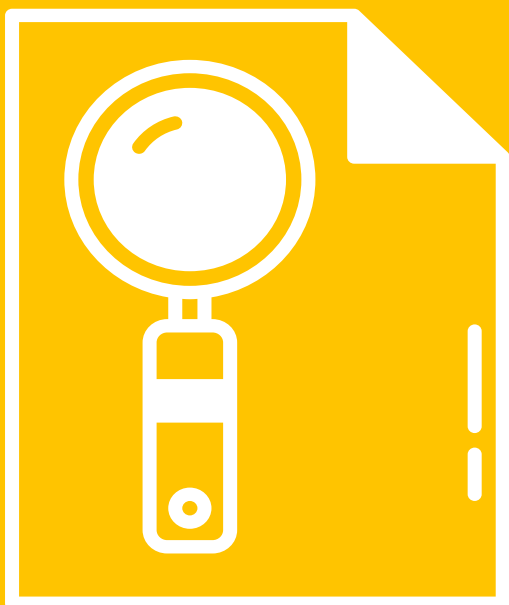
When asked what is the first issue that needs to be addressed within the frontline ecosystem, according to them, they gave equal weightage to skilling, recognition of frontline workforce, standardized wages and influx of more women.

Elaborating on the non-financial benefits, more than 85% of the enterprises have some initiatives in place to provide social security for their frontline workers.

Accidental Insurance, Upskilling, Life/health insurance, EPF policy and paid sick leaves are the benefits most provided by the enterprises.

More than 75% of them also measure satisfaction of their frontline workers and more than 90% have successfully established a forum in place for them to raise issues with plans to improve worker satisfaction.

Lastly, in order to improve worker satisfaction instilling a sense of belongingness with the enterprise, enterprise culture and job security extended to frontline workers are the most important target concerns for enterprises at the moment.



Key Takeaways

Almost 50% of these enterprises have only 10-20% of the total worker population as females, and only 19% of these clients have female worker population of 20-30%.

However, only 30% of them had special policies for women like maternity leaves, period leaves and POSH to motivate them to participate and invite more women to work.

More than 75% of them also measure satisfaction of their frontline workers and more than 90% have successfully established a forum in place for them to raise issues with plans to improve worker satisfaction.

Post this survey we realized a few things:

While women are slowly and gradually showing more of an interest in the frontline workforce, they are still under-represented and have challenges to participate aggressively in the workforce.

Enterprises also recognize these challenges and want to improve their gender diversity but need not necessarily have the direction or the right initiative to move the needle forward. However, some of them have period leaves and POSH initiatives to make their female workers feel represented and heard which is a great indicator of female workers stepping up.

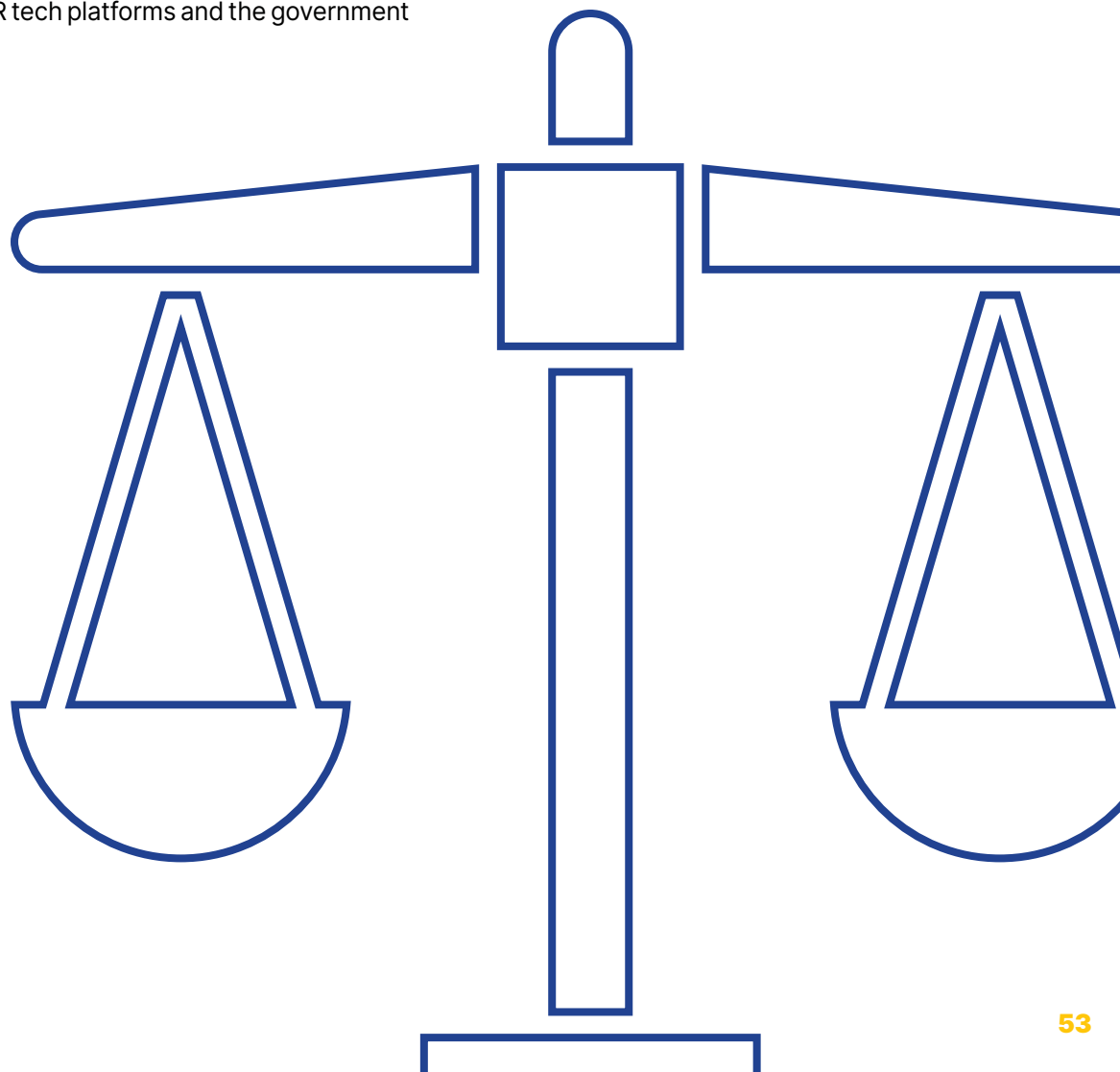
Safety, hygiene and skilling seem to be the major challenges for women workers that need improvement.

Social Security/Non-financial benefits and skilling are the two major areas that should be the focus for enterprises, HR tech platforms and the government in general.

Enterprises have come forward to bring about formalization to the workforce and introduced non-financial benefits/social security initiatives to help alleviate workers' problems on a ground level.

For most enterprises, worker satisfaction and inducing a feeling of belongingness for the frontline workers is equally important as that for their white-collar workers.

We are moving in the right direction and change seems to be taking place, the only thing that will catapult the frontline economy on a faster growth trajectory would be unparalleled policy support from the government.



Need for Policy interventions to boost women's participation in 2023:

In the frontline economy, women have found more flexible and customized job opportunities that acknowledge their dual roles as professionals and caregivers. However, they face greater challenges compared to men in various aspects. Despite efforts to establish policies like POSH, maternity leaves, and access to basic amenities, women in the frontline workforce still encounter difficulties such as harsh working conditions and limited access to essential facilities.

Enterprises have acknowledged the distinct needs of this demographic and implemented mechanisms and initiatives that create comfortable work environments for women.

However, there remains a pressing need for the government to take necessary steps to formulate the basic rights of female frontline workers, as their participation in this economy is still below optimal levels to harness its growth potential. In order to mobilize and maximize participation and job proliferation, the policy environment must be strict.

Through the BII skilling study, we recognized the strong motivation of female workers to join the workforce in large numbers and achieve financial independence. But certain core challenges hinder women from participating across various industries and roles. Rather than focusing on back-end roles, a strong framework and work environment should be established that enables women to take up all kinds of roles.

Conclusion

As a result, the future looks bright for the frontline workforce. Enterprises are introducing non-financial benefits like Accidental Insurance, Life Insurance/ Health cover, paid sick leaves, and EPF policies, taking a step in the right direction. However, there is still much to be done, particularly regarding retirement benefits, access to easy credit, job security, and other related areas.

The current political and legislative atmosphere is not robust enough to support the insurmountable growth that this economy foresees. Gig and platform jobs will become a major source of employment, contributing to a significant portion of the GDP in the coming years. The lack of accountability at certain levels in the hierarchy needs to be addressed to continue paving the path for transformation that these tech-supported platforms have worked so hard to build.



KEY INDUSTRY ANALYSIS

E-Commerce

E-commerce contribution to total frontline jobs decreased to 33% from 70% between FY22 and FY23

A subtle shift in trends can be witnessed this year as E-Commerce moved to the second position in terms of demand for frontline jobs at 33% approximately. In FY22, E-Commerce accounted for 70% of demand for frontline jobs.

Yet, this industry sees 64% participation from women workers, with a salary of Rs. 17,700.

It has the second highest attrition rate in the frontline workforce at 19%.

An average monthly salary of Rs. 20,500 was recorded for both males and females this year.

This industry is constantly on the lookout for skilled and semi-skilled workforce. Hence, there is a greater need for skilling courses like warehouse expertise, supervisor competency, product and inventory management, performance and productive audits etc.

Logistics & Mobility

Logistics & Mobility is the highest contributor to frontline workforce employment at 45% but women participation in this sector as low as 2.13%

Logistics & Mobility belonged to the top 3 contributing industries in FY22.

It has managed to emerge as the top industry. It accounted for 45% of such demand as opposed to 21% last year.

With respect to women's participation, it accounted for a staggering low of 2.13% women frontline workers. In order to attract more women workers, it provided the second highest average monthly salary of Rs. 26,200.

Attrition in this industry is the highest at 22%.

It offered the third highest average monthly salary of Rs. 21,800 to its workers.

Courses like supply chain and order flow, package handling, expertise in customer service, health, safety & wellbeing and carrier advancement are the most sought after.

IFM & IT

Demand for jobs in IFM & IT rose by 111% between FY22 and FY23

This year with a decline in job openings for white collar workers and most of these being fulfilled through the gig economy, had a ripple effect on the frontline jobs in IFM & IT.

It accounts for 16% of frontline jobs demand this year as opposed to almost 7% last year. There has been an increase of 111% in demand.

It employs around 4.4% of women frontline workers corresponding to an average monthly salary of Rs. 23,200 both of which are third highest amongst all the industries employing women.

It also has the third highest overall attrition rate of 15%.

This industry offers the highest average monthly salary of Rs. 25,700 to its workers this year.

Courses in demand by frontline workers in this industry are related to computer science, basic coding and data entry skills, MS office tools, SAP courses etc.

BFSI

Demand for workers in BFSI increased by 20% between FY22 and FY23

BFSI accounted for 1.07% of demand for frontline jobs this year as opposed to 0.89% last year, which is a 20% increase.

It employs 7.84% of female frontline workers and offers them an average monthly salary of Rs. 19,700.

The overall attrition rate in this industry is 13%

The average monthly salary offered by BFSI to its frontline workers is Rs. 22,000.

Since this industry requires semi-skilled and educated workers, courses like insurance product training, virtual relationship management and sales agent training are most popular among workers.

Manufacturing

Demand for manufacturing jobs increased by a whopping 844% between FY22 and FY23 but contribution still very low

Manufacturing accounts for 0.85% of demand for frontline jobs in FY23 as opposed to 0.09% in FY22.

It employs about 0.45% women in the frontline workforce according to our data and provides an average monthly salary of Rs. 27,000 which is the highest.

11% is the overall attrition rate in this industry.

The average monthly salary for its frontline workers is Rs. 19,800.

Lastly, courses like SOP of machinery, equipment & system, types of machine operation, supervisors training to lead plant and increasing productivity & efficiency are the most sought after.

WAY FORWARD

There is a need to find ways to make our workforce more equitable and sustainable.

From FY22 to FY23, women's participation in the frontline workforce has doubled, increasing from 3% to 6%. This notable improvement reflects women's recognition of the frontline ecosystem as a viable source of employment, particularly in the current new normal. This trend is expected to continue and gain momentum in the coming years.

The government's announcement of a 33% increase in capital expenditure in the Union Budget of 2023 will generate more jobs and employment opportunities, especially in the frontline economy. The government's focus on skilling and job creation will contribute to the development of a highly skilled frontline workforce, fostering strong and sustainable growth in this sector. Social security and non-financial benefits for frontline workers are also receiving noticeable emphasis and are expected to be achieved this year.

In the tech industry, frontline jobs are seeing increased uptake, while white-collar jobs remain stagnant, especially in the face of the impending global recession. The influx of gig and semi-skilled workers into these positions highlights the ongoing importance of technology as an enabler for the frontline economy, making significant contributions to the overall GDP.

Human capital management platforms will play a crucial role in mobilizing the frontline economy, and this trend is expected to continue in the future. It is encouraging to see industry players recognizing the significance of social security for workers in this sector. While the government plays a vital role in formalizing the frontline economy, SaaS-based platforms like BetterPlace are leading the transformation from within.

ANNEXURE



Research Methodology

Mixed methodology was used for the purpose of this report.

For qualitative analysis, content analysis and narrative analysis was undertaken to form correlation between the data and themes/narratives in the industry.

Secondary data was used to confirm and validate our findings throughout the course of this research study.

For quantitative analysis, descriptive statistics were used. Averages, Medians and Modes were calculated to determine quantitative patterns.

More than 3 million data points were used.

Abbreviations

BFSI: Banks and Financial Service Institutions

BPO: Business Process Outsourcing

EV: Electric Vehicles

FY: Financial Year

GDP: Gross Domestic Product

IFM: Integrated Facility Management

IT: Information Technology

ITES: Information Technology Enabled Services

MoM: Month on Month

NSS: National Sample Survey

Q1: Quarter 1

Q2: Quarter 2

Q3: Quarter 3

Q4: Quarter 4

Retail & QSR: Retail and Quick Service Restaurants

YoY: Year on Year



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