

A Critical Analysis of the Impact of COVID-19 on the Takeaway Delivery Sector Through Power and Control

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Abstract: *A large number of offline restaurants have closed their dine-in services due to government-imposed blocking restrictions, which led to a sharp rise in demand for takeaways. Wages for takeaway delivery workers have been increased. At the same time, however, as the number of orders increased, companies tightened their grip on takeaway delivery workers. This has led to a sharp increase in the intensity of work and work pressure on takeaway workers. This paper analyses the positive and negative impacts of the epidemic on the delivery staff of Meituan, a giant in the Chinese delivery industry, and how the new coronavirus has affected the company's delivery staff.*

Keywords: COVID-19, Epidemic, Power, Control, The takeaway delivery.

1. Introduction

After the COVID-19 epidemic broke out worldwide, the number of confirmed cases in the world increased sharply. In order to reduce the speed of the spread of the epidemic and control its spread, governments of various countries have taken a series of strict restrictive measures. Many countries have closed their borders, closed ports, restricted aviation and shipping, suspended major cultural and social activities, and most enterprises in some countries even stopped production, which has greatly damaged the economic system of the whole world. Specifically, COVID-19 not only threatens people's lives, health and property, but also has a serious impact on the global economic system, and many industries are in trouble. However, due to the limited travel of consumers, the demand for online shopping has surged, and the express industry has been greatly benefited. In this context, the wages of takeout workers have increased significantly. Because of the sharp rise in the rate of delivery, the express terminal distribution team is under high pressure, and the company has more strict control over all aspects of takeout workers, resulting in the decline of the happiness index of takeout workers. Further, the lack of happiness index of express workers leads to more and more express workers choosing to leave. Based on the research of "power and control", this paper analyzes the impact of COVID-19 on employees working in the Take-out service industry.

2. The Takeaway Industry Amid an Epidemic

Since the widespread global spread of the novel coronavirus in 2020, countries worldwide have engaged in a significant worldwide embargo. Many governments have issued home isolation orders. Most industries around the world have been extensively affected, and turnover and revenues have decreased dramatically. For example, the international travel industry was left without customers as countries closed their borders to foreign tourists, leaving them with almost zero turnovers during the global pandemic. However, in this climate, one industry, the foodservice takeaway industry, showed a rapid development trend. According to the latest German statistics, "Just Eat Takeaway", the parent company of Germany's homegrown takeaway industry Lieferando, will

generate annual sales of €2.4 billion in 2020 during the global pandemic, an increase of more than 50% compared to 2019. And Meituan, the famous Chinese takeaway caterer, has added 336,000 new delivery staff between January 2020 and March 2020. And Meituan's total profit reached RMB 4.71 billion in 2020, up 61.6% compared to RMB 2.276 billion in the same period in 2019. This shows that during the epidemic, the takeaway industry, compared to other sectors, not only did not suffer a decline from the epidemic but also increased. Such a development means wage benefits for takeaway employees increasing. Still, it also gives companies the ability to exercise greater control over their staff, which contributes to increased work pressure on takeaway delivery staff.

3. Power Analysis of Meituan Corporation

Power is to an organisation what oxygen is to air (Clegg, 2019). Power is part of the daily structure of a company or organisation (Clegg, 2019). Therefore for any company, business or organisation, they have their power. So to understand the impact of the global pandemic of the new coronavirus on people working in the takeaway industry, especially takeaway riders, it is essential first to understand the power that Meituan has. This right is resource-based (Clegg, 2019). Firstly, Meituan has been operating takeaway services in China since 2014, and after six years of development, Meituan has a large customer base of merchants and food orderers. According to Meituan's 2019 financial report, Meituan had an average of 5.9 million active merchants and an average of 435 million customers per year for the whole of 2019 (Jiang, 2020). This shows that Meituan has many merchant and customer resources, which has led to Meituan Inc. gaining rights based on resources.

Before the novel coronavirus pandemic, many domestic foodservice companies in China would recruit their takeaway delivery staff for their takeaway delivery services. However, during the pandemic, restaurants were prohibited from delivering their takeaways by using their employee to reduce the possibility of cross-infection. At this time, Meituan was one of the few companies in China that could participate in takeaway delivery. Therefore the time when Meituan had these customers, and resources such as popularity, gave

Meituan the ability to use these resources to expand its business and increase its revenue (Clegg, 2019). At the same time, takeaway delivery workers are only able to apply to join Meituan Inc. According to Meituan's 2020 financial report, the average annual number of active merchants for Meituan Inc. will be 6.8 million for the full year 2020, while 4.7 million new takeaway delivery workers will be added (Zhang, 2021). According to the five basic social powers (French & Raven, 1959), Meituan has the power to reward and enforce based on the resources it has in terms of customers and clients. Meituan has the right to reward its company's delivery staff. When the number of orders delivered by a takeaway deliverer reaches a certain level, he will be rewarded with additional salary and commission for each order delivered. The second point of power is coercive power. Meituan strictly limits the delivery time of the delivery person, and a fine is imposed on the delivery person who does not complete the delivery of the order in the specified time. Customers and clients are the resources that Meituan has and the rights that Meituan exercises are based on these resources. But what impact do these resources have on the company's delivery staff?

4. The Positive Side of the Rights-based Analysis of How Employees are Affected

Power has two sides, it can be a positive thing, and at the same time, it can be a negative thing (Clegg, 2019). Therefore, to investigate whether power is a positive or a negative thing, it is important to analyse it in terms of the results it causes to determine whether it is good or bad (Clegg, 2019). As previously stated, the use of incentive rights by Meituan during the epidemic, when the number of takeaways in demand increased dramatically, would have made it easier for takeaway delivery workers to receive bonuses and thus increase their income. From this point of view, the epidemic stabilised employees' payments in the takeaway industry, especially those of Meituan's takeaway delivery staff. It even increased their revenue compared to the non-epidemic period. At the same time, Meituan will not be resisted by its employees when exercising their right to reward. At this stage, the delivery workers and the management of Meituan share the same goal. They both want to have more deliveries to maximise their benefits (Clegg, 2019). According to Fox's (1974) pluralism, there are multiple interest groups in an organisation, and if all these interests are taken into account, the organisation will work. Meituan's incentive rights balance the interests of both delivery workers and leadership very well. Meituan's rewards for delivery staff motivate delivery staff to deliver more, and the high volume of delivery services generates enormous profits for the company and management. At the same time, Meituan Group exercises a bureaucratic form of authority (Weber, 1977). The rules and regulations of rewards and punishments are written into the company's constitution (Clegg, 2019), which also reduces resistance to a certain extent. Therefore, in terms of the right to reward, the epidemic has positively impacted the delivery workers, increasing the employees' income.

5. The Negative Side of Rights and Control

The number of takeaway orders is getting larger after the number of takeaway workers has remained essentially

constant. Meituan started to compress the required time for takeaway deliveries to cater to all customers' dining needs. At the same time, Penalties for employees who deliver over time have also been increased. In their exercise of the ability to punish, Meituan companies negatively impacted takeaway delivery workers. The disciplinary powers exercised by Meituan strengthen the company's control over its takeaway delivery staff, which can be divided into two types of control: explicit and invisible. And the right to punishment is enforced by the company, which employees do not see as justified (Blau, 1964). That's where the negative impact comes in. Direct control is a very overt control (Clegg, 2019). Meituan used the intelligent calculation function of the map to find out all the routes between the hotel restaurant and the customer. And based on this, it finds a path that takes the shortest time. And the company will also locate the takeaway rider in real-time via the mobile app. The delivery driver is informed of the time when the delivery should be delivered to the customer. This is a straightforward form of control as the delivery rider will get information from their mobile phone that they are being controlled (Clegg, 2019). Although this approach can meet the customer's dynamic needs, it creates a huge workload and work pressure for the takeaway delivery workers. According to unofficial statistics, before the coronavirus pandemic, Meituan delivery riders' delivery times ranged from 30 minutes to 60 minutes. The required delivery times for delivery riders have been significantly compressed through this control. Delivery times are typically no longer than 30 minutes per order for delivery riders in most Chinese cities. For those orders that are closer to the merchant and the customer, Meituan requires the delivery person to deliver within 15 minutes. If a delivery staff exceeds the delivery time, they are subject to a fine. This puts a tremendous amount of work intensity and pressure on the delivery staff. The delivery time requires that the delivery person cannot take a wrong route or break during the delivery process. This is cruel to the outsiders who work all day outdoors. The reason for this is the distance between the controller and the control (Clegg, 2019). Decision-makers cannot go into each city to examine the rationality of distribution routes and distribution markets on the ground. It is not scientific to rely solely on available mapping technology to dictate the delivery time for the distributors. Stealth control, on the other hand, is relatively invisible (Clegg, 2019). This kind of control is the subtle process in which Meituan will promote Meituan's corporate culture to its delivery workers. For example, the delivery workers are required to listen to a lecture from the company's executives through a mobile app before they make their daily delivery. This is to encourage the delivery staff to deliver to customers in less time. The company's communications staff will communicate the traditional Chinese culture of hard work and hardship to the delivery staff. Influenced by their education and culture, the delivery staff will be subconsciously influenced by this propaganda and step up their work. At this point, Meituan as an organisation is a place of exploitation (Clegg, 2019). This creates a tremendous amount of work intensity and works stress for the takeaway delivery workers.

6. The Resistance from Controlled Employee and Solutions

The emergence of control has created a considerable

workload and work pressure for the takeaway delivery workers. It has caused the takeaway delivery workers to believe that their interests are being ignored, and therefore the takeaway delivery workers have reacted to this control (Clegg, 2019), which is resistance. This resistance is also a resource-based right (Clegg, 2019). Compared to the top management and decision-makers of the company, takeaway delivery workers are more aware of the city's road conditions in their area. As a result, they can identify many paths closer to the delivery, not marked on maps. And all orders are delivered at the right time to prevent the company from further compressing delivery times. The delivery staff also have a resource of their own regarding their knowledge of the traffic and road conditions in their area. To reduce resistance, the company can empower employees to participate in decision making (Clegg, 2019). Allow Meituan delivery employees to express their rights and wishes. This would allow employees to react to their management about the short delivery times. And for management to listen to these views when developing strategies. Because the limitation of delivery time is a non-procedural decision and there is no corresponding decision case before (Simon, 1960), and Managers can review only limited options (Clegg, 2019), the management needs to listen to the opinions of many parties to make a correct choice. When our delivery staff feel that their rights are not being ignored, there will be less resistance (Clegg, 2019). For any organization, though, resistance is unlikely to go away (Clegg, 2006a). However, employees believe that a reasonable decision plan will reduce the loss caused by extreme resistance.

7. Conclusion

This paper demonstrates that employees in the takeaway industry were affected by the epidemic, causing their earnings to increase compared to other industries, even compared to the industry's salaries before the epidemic. However, at the same time, as the number of takeaway deliveries increased, the stress and controlled levels of their deliveries also increased.

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