

2025

Indian Staffing Federation
Annual Report
Flexi Staffing Industry

2025



Overall Flexi Staffing Industry New Employment Growth: 2024-25

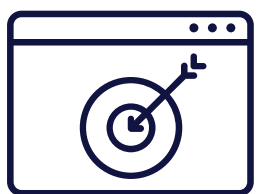
The Flexi Staffing Industry's nett headcount growth reflects a combination of macroeconomic trends, sectoral demand, and structural shifts in workforce management:

Observations



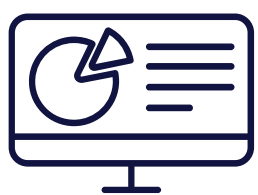
Demand for Flexible Workforce

Companies across sectors such as e-commerce, retail, FMCG, logistics, manufacturing, hospitality, and healthcare have increasingly adopted flexible staffing models to manage fluctuating workloads, seasonal peaks, and project-based needs. This agility allows firms to scale staffing without long-term commitments, driving consistent demand for flexi workers.



Economic Turbulence & impact on Employment Dynamics

Following periods of resurgence in economic activity in prior years, the staffing industry witnessed steady growth. However, by late 2024, sentiments were impacted by economic turbulence, leading to subdued hiring across sectors. Digital adoption initiatives may have amplified job creation, supporting the IT industry's YoY growth.



Formalization of Employment

The push for formal employment, supported by staffing industry, has brought more workers into structured flexi roles, boosting reported employment figures. This trend aligns with the industry's role in providing first-time job seekers and freshers with formal opportunities.



Sectoral Contributions

"Key industries such as IT, FMCG, e-commerce, logistics, and manufacturing have historically been major drivers of flexi staffing demand. Their slowed demand going into 2025, possibly impacted by consumer spending and digital commerce expansion, likely underpinned the industry's QoQ growth in Q4 2024-25.

Year on Year (YoY) : Flexi Staffing Industry (new employment) grew by 9.7% YoY 2024-25

ISF Members representing 1.8 mn Formal Flexi Workforce

Flexi Staffing Employment Growth Trend YoY



9.7% YoY (2024-25)

9.7% YoY
(2024-25)

Flexi Staffing industry
added new employment

1.8 mn
Flexi Workforce
(2024-25)

ISF Members represent
Formal Flexi Workforce

1.39 lakhs
Nett Growth
(2024-25)

New Formal Flexi
Workforce Growth YoY

YoY Growth – 9.7% YoY Staffing Industry New employment growth- 2025

2025: Cautious market slowed new employment due to the impact from geopolitical scenario across the world

2024: Market uplifted with resilient new job creation, staffing continued to add double-digit annual growth maintaining its growth

2023: Cautious market slowed new employment, due to geopolitical scenario developing across the world

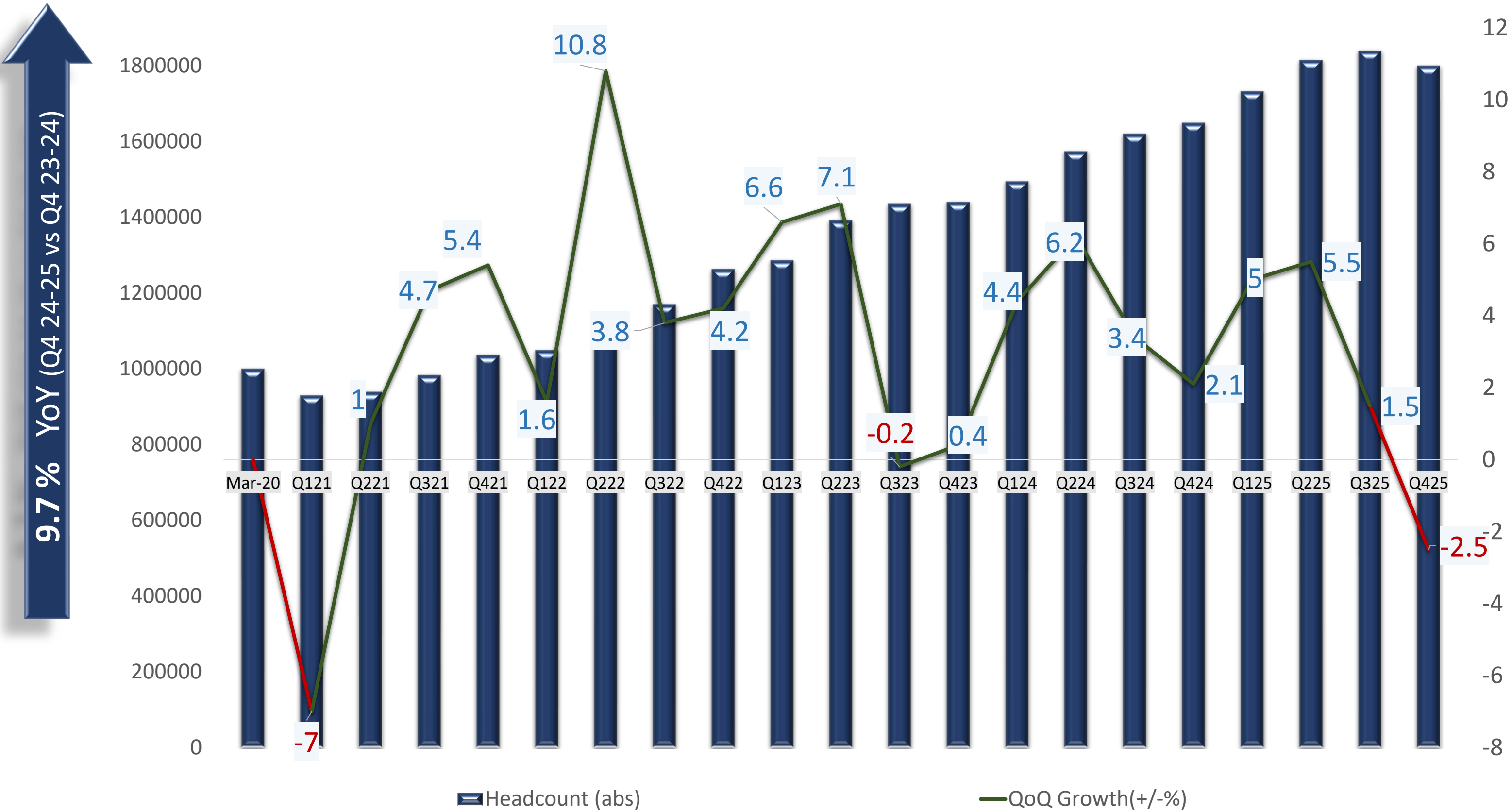
2022: Robust employment market generating growth higher than pre-pandemic years

2021: Due to Covid slowing employment

2020: Market volatility impacted employment, slowing staffing growth trend

2019: Strong consistent double digit growth YoY for industry

Flexi Staffing Industry
New Employment Growth QoQ (Q4 24-25)



>> Overall staffing industry witnessed a dip at **-2.5%** in Q425 (QoQ) for nett flexi employment (ISF Members).

>> ISF Members added **1.39 lakhs** New Formal Flexi Workforce in last four qtrs.

>> Staffing industry had a tepid New Employment (Flexi) growth at **9.7% YoY** (Q4 25 vs Q4 24)

>> ISF Members represent **1.8 mn** Formal Flexi Workforce Q425 (Total Headcount)

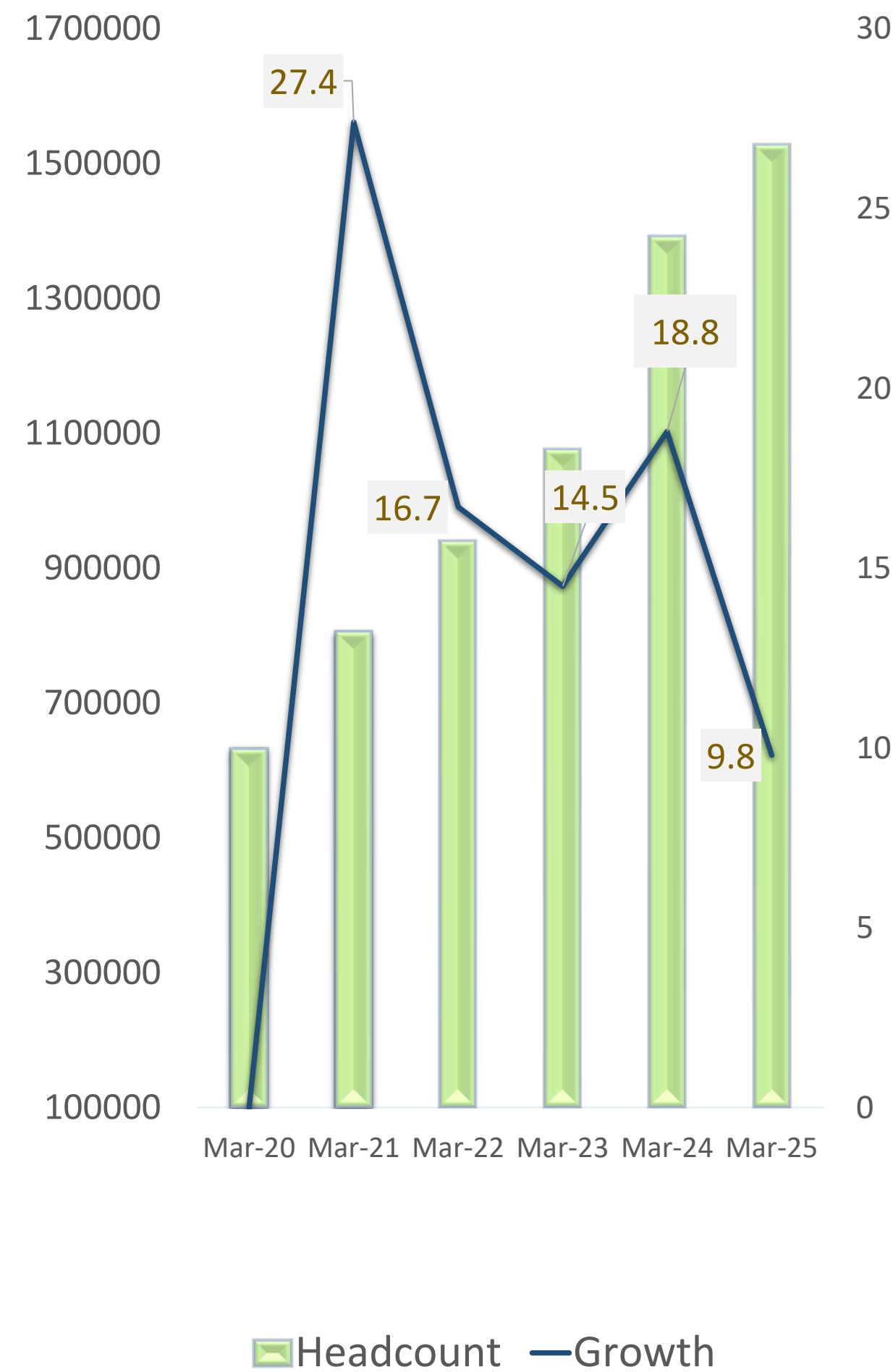
>> Sectors like GCC, Ecommerce, Logistics, Manufacturing, Tourism & Hospitality, FMCG and CD, Healthcare contributed with new employment generation (2024-25)

REFERENCE: YoY is the headcount growth between Q424 vs Q425

REFERENCE: Q425: Jan - Mar 2025

General Staffing Industry grew at 9.8% YoY (Q4 vs Q4) ; dipped -2.6% Q4 24-25 (QoQ)

General Staffing Industry
New Employment Trend YoY



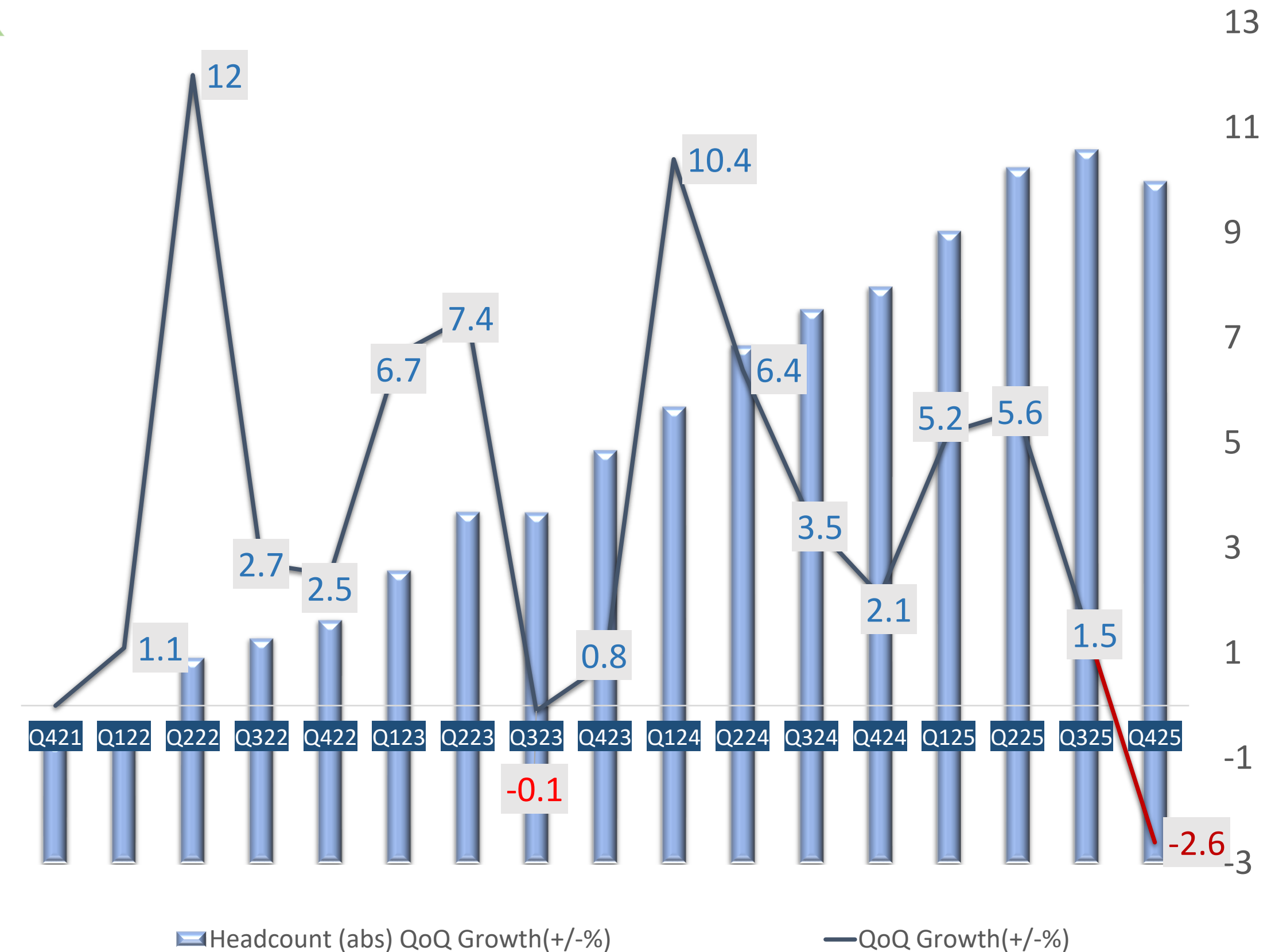
>> General Staffing Industry witnessed new employment growth at **9.8% YoY**. (Q424 vs Q425).

>> General Staffing Industry witnessed a slight dip at **-2.6% QoQ** in Q4 24-25 (Q3 vs Q4 24-25).

>> ISF members overall added **1.36 lakhs new employment** across General staffing industry in last 4 Quarters.

>> General Staffing Industry was primarily driven by demands from FMCG, E-commerce, Retail, Logistics, Energy etc.

General Staffing Industry Employment
Growth Trend QoQ (Q425)



9.8 % YoY (Q4 24 vs Q4 25)

REFERENCE: Q425 Jan – Mar 25

General Staffing Industry : Observations

Observations

A

Seasonal Demand reduces with Retail and Logistics

The fourth quarter concludes the holiday and festive season,, thus with other global market impacts, even slowdown in Retail, e-commerce, and logistics sectors decreased demand for goods and services. This seasonal demand was also impacted with banking industry coming in with new policy that impacted staffing industry

B

Recovery in Key Sectors Post-Economic Uncertainty

The 2024-25 followed forecasts of modest economic growth. Industries like healthcare, engineering, and industrial staffing, gave little impetus sector to come back in green; rebounding from earlier slowdowns. Staffing industry while continued to see demand for skilled workers as businesses resumed delayed projects or adapted to new market conditions, contributing to growth but tepid final quarter slowed confidence.

C

Slower adoption of Flexible Workforce Solutions

The ongoing shift which had accelerated by post-pandemic labor trends, gradually tapered in traction by Q4 2025. Companies facing talent shortages or cost pressures slowed on staffing firms. This trend, paired with policy changes, impacted staffing agencies' ability to quickly redirect themselves, additionally fueled by the slowdown across the industry growth during the last quarter.

D

Cautious Year-End Push to Fill Roles

Many organizations aim to reorganize hiring in the Q4, to utilize better productivity. Staffing industry often witnesses a late-year lowering demand for temporary workforce across industries like e-commerce, manufacturing, and logistics among service sectors. This reflected in a slight dip in Q4 2025, particularly as economic conditions destabilized enough to caution companies and halt expansion with headcounts amid trade war.

IT Staffing Industry New Employment Trend Q4 25 grew at 2.3% (QoQ); robust growth at 7.8% (YoY) (Q4 vs Q4)



IT Staffing Industry
New Employment Trend YoY



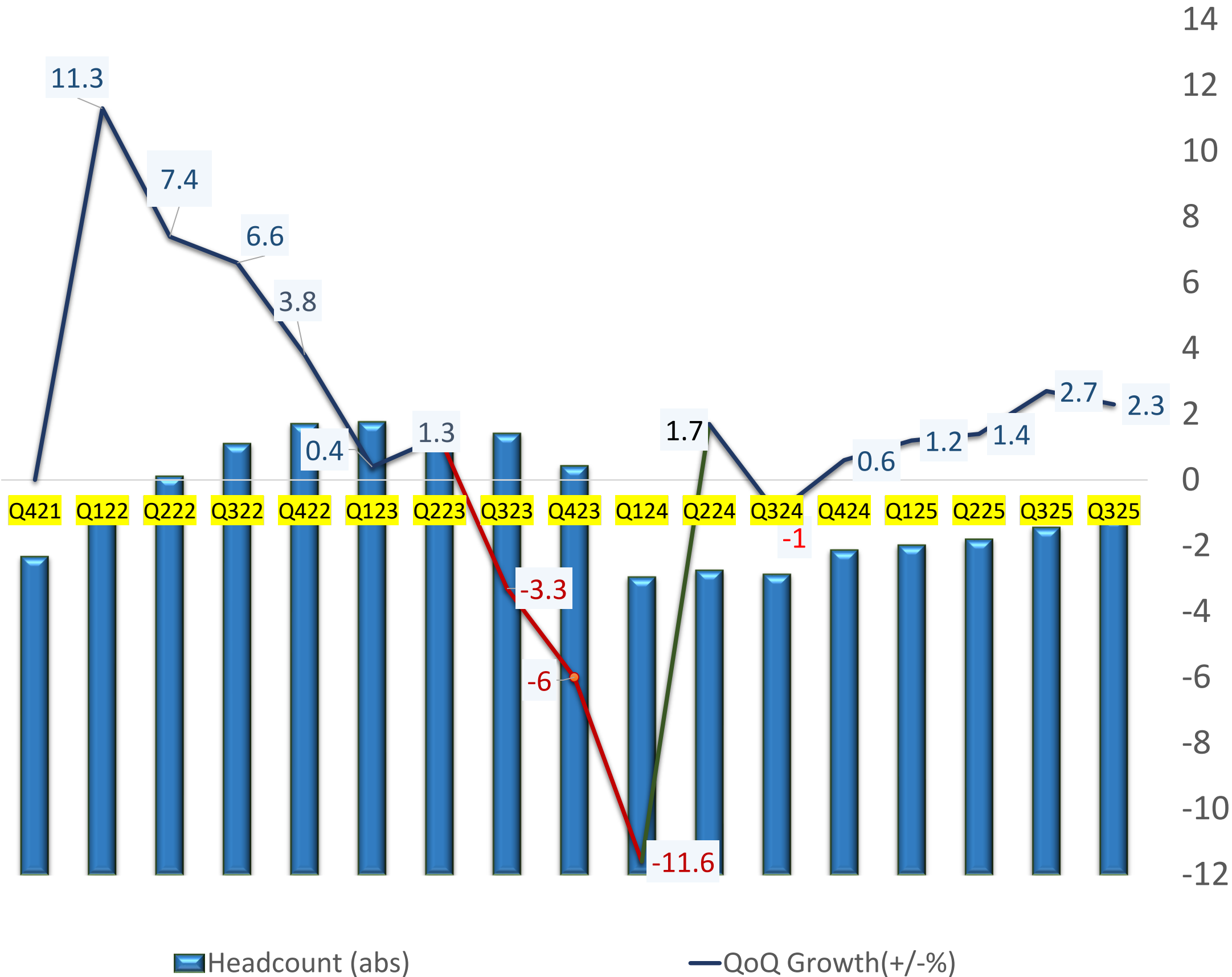
>>
IT Staffing Industry witnessed a Qtr growth at **2.5% QoQ** (Q4 2024-25)

>>
IT staffing industry continued to witness demands from new GCCs and also from steady growth in new employment as project ramp-ups in services sectors. The gradual new employment growth upto Q4 25 was also aided by non – IT sectors, which significantly has started investing back with the tech adoption.



>>
IT Staffing Industry continued its positive momentum with a positive growth at **7.8% YoY** (Q4 vs Q4).

IT Staffing Industry
Employment Growth Trend QoQ (Q425)



7.8 % YoY (Q4 24 vs Q4 25)

REFERENCE: Q425: Jan – Mar 25

IT Staffing Industry : Observations

Observations

Economic Stabilization and Client Confidence

As macroeconomic conditions showed signs of improvement by late 2024—such as easing inflation or interest rate adjustments—businesses might have regained confidence to invest in IT staffing after a cautious 2023. This improved 2024-25 with renewed hiring for long-term IT roles or flexible staffing to support growth plans, particularly in sectors like telecom and BFSI (banking, financial services, and insurance), which historically drive IT staffing demand.

A

Adoption of AI and Emerging Tech Initiatives

The continued integration of artificial intelligence, machine learning, and automation into business operations tends to accelerate in Q4, as companies plan for the next year. Staffing industry may have seen growth from placing specialists in AI development, data analytics, and DevOps roles, as firms aimed to launch or expand tech-driven strategies in 2025. This aligns with the broader trend of upskilling workforces for digital transformation, which often peaks toward year-end.

B

Surge in Year-End IT Projects and Budget Utilization

Companies were in rush to complete IT initiatives or spend remaining budgets before the fiscal year closes, typically in December for many organizations. This impacted with increased demand for IT professionals—such as software developers, cloud engineers, and project managers—to implement upgrades, migrations, or new systems. The urgency to finalize projects before Q1 2025 likely drove hiring through staffing firms, especially for temporary or contract roles to meet deadlines.

C

Rising Cybersecurity Needs Post-Holiday Season Prep:

The October–December period aligns with preparations for the holiday season, a peak time for cyberattacks (e.g., ransomware, phishing) targeting retail, healthcare, and financial sectors. Businesses likely bolstered their IT staffing with cybersecurity experts to safeguard systems extending into December as they assessed vulnerabilities exposed by holiday traffic. This seasonal spike in demand for security talent could have fueled industry growth.

D

Highlights – New Employment Growth (YoY)

**1.39
Lakhs**



**Overall New
Employment Growth
YoY (Q424 – Q425)**

New Employment Growth

9.7% YoY

**1.36
Lakhs**



**General Staffing
New Employment
Growth YoY (Q424 –
Q425)**

New Employment Growth

9.8% YoY

**0.03
Lakhs**



**IT Staffing
New Employment
Growth YoY (Q424 –
Q425)**

New Employment Growth

7.8% YoY

Highlights – New Employment Growth (QoQ)



**Overall New
Employment dipped
QoQ (Q325 – Q425)**

New Employment Growth

-2.5% QoQ



**General Staffing
New Employment dipped
QoQ (Q325 – Q425)**

New Employment Growth

-2.6% QoQ



**IT Staffing
New Employment
Growth QoQ (Q325 –
Q425)**

New Employment Growth

2.3% QoQ

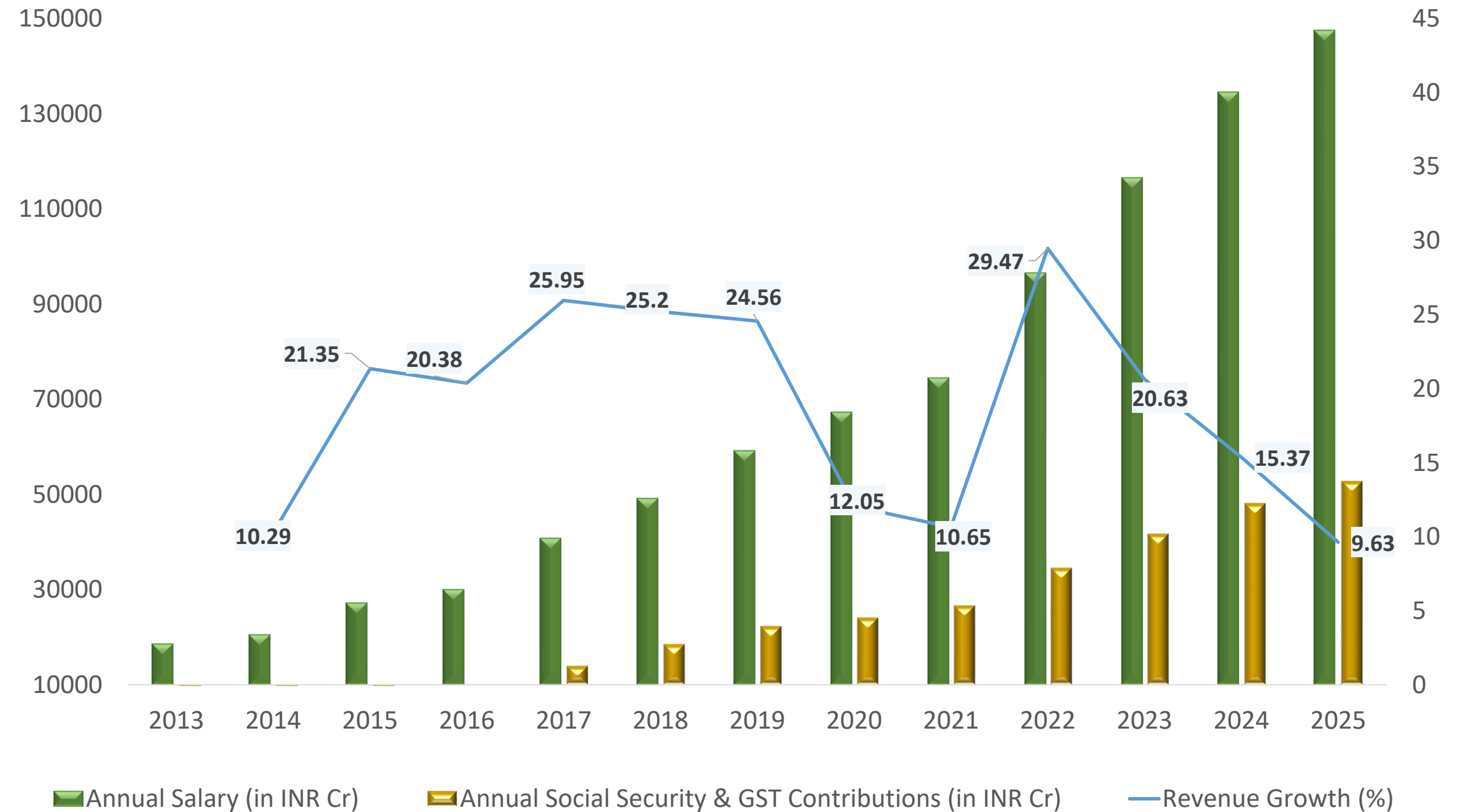
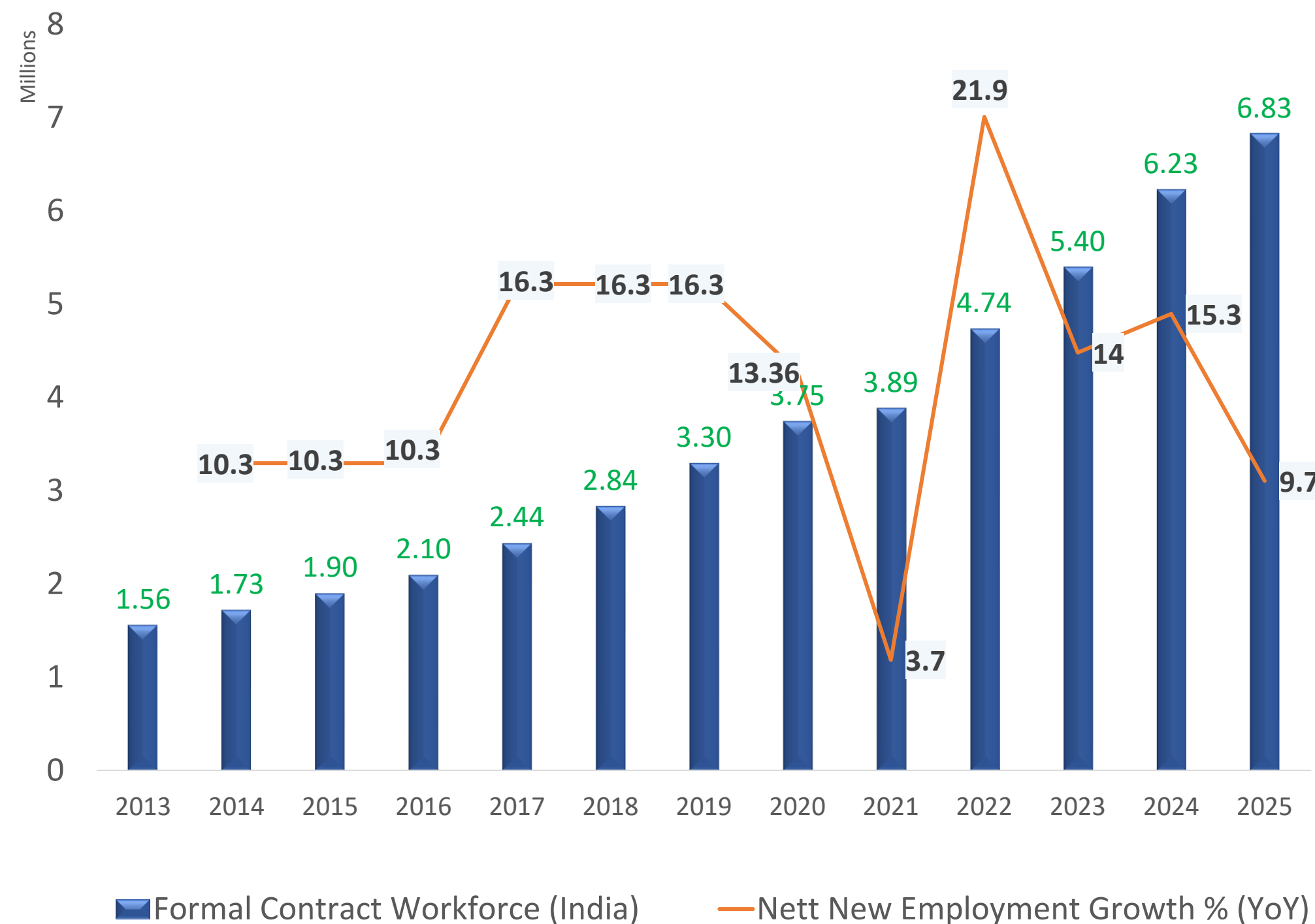
Flexi Industry Employment Growth 2013-2025

Formal Contract Staffing Industry: Impact Created in Labour Market : 2013-2025

New employment generated ; Social Security remittances increased; Livelihood protection ambit increased

Formal Employment Growth -Contract Staffing-

Annual Salary & Social Security Contributions Formal Contract Staffing India



Contract Staffing Industry Growth 14% -16% YoY (New employment)

2025: Market demand was slower in 24-25, staffing industry witnessed tepid growth
2023: Employment demand normalized in 22-23, staffing continued to add double-digit annual growth
2022: Robust employment market generating growth higher than pre-pandemic years
2021: Due to Covid slowing employment
2020: Market volatility impacted employment, slowing staffing growth trend
2019: Strong consistent double digit growth YoY for industry

Staffing Industry facilitates new employment growth; social security protection; Contribution to GST ; empowering livelihood ; better access to skilling opportunities

- In 2025, 6.83 mn contract workers associated with formal contract staffing
- Staffing Industry contribution towards annual salary in 2024-25 was INR 1,47,528 cr
- Staffing Industry contribution towards social security and GST in 2024-25 was INR 52,859 cr
- Contract staffing In India has a penetration rate of 1.2%

Note: 2013-18 Contributions were in Service tax, instead of GST

Disclaimer

The research is a property of Indian Staffing Federation (ISF), apex body of the Flexi staffing Industry in India.

The research report has been produced with no biases towards any person/company/industry, however, has not been conducted in controlled environment with the respondents. The respondents were free to reply basis their experience to the defined and close ended questions, executed and collected via a survey. The report published is for the consumption - partners, media, federation members and respondents only. This may not be used in any part for commercial purposes without prior consent from ISF. Anyone using the report for reproduction, will need to seek consent from ISF and attribute the credits accordingly.

About Indian Staffing Federation

Indian Staffing Federation (ISF) was formed with one common goal - Staffing India's Growth. The purpose of ISF is to enhance long-term growth of the staffing industry and to ensure its continued ability to make positive contributions to the economy and society. The principal focus of the Federation's activities is to strengthen triangular employment relationships, in which the staffing company is the employer of the temporary worker, who works under the supervision of the user company. ISF represents close to about 120 staffing companies as its members. Further details www.isf.org.in

About the Research

Indian Staffing Federation (ISF) conducts its quarterly research, to explore the growth of flexi staffing employment through organised staffing companies. Through a survey based research ISF has tried to understand the employment generated in the quarters and gathered a sentiment of the next quarter, to come up with annual report. The survey also covered various dimensions of employment factors impacting across top 15 sectors.

Methodology

The research is based on primary email sent to over 120 staffing members across the country for data collection in a span of 60 days, every Qtr. The research was completed with online input collection from staffing operations/leaders within their company. The data has been closely evaluated to avoid any misrepresentation and avoid manual biases.

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