

Indian Staffing Federation
Annual Report
Flexi Staffing Industry
2023

2023



Highlights

Indian Staffing Federation
Annual Flexi Staffing Employment Trend
Report: 2023

Staffing Industry Growth Rate



- Flexi Staffing Industry overall continued a double digit new employment growth trend at **14% YoY 2022-23**
- Overall the Flexi Staffing Industry came back with a Quarter on Quarter (Nett employment) **growth at 0.4% in Q4 22-23**.
- **General Flexi Staffing industry** witnessed new employment growth at **15.3% YoY**, whereas maintained growth at **0.8% in Q4 2022-23 (QoQ)**
- **IT Flexi Staffing industry** witnessed sharp drop at **-7.7% YoY**, whereby the much harder impact was witnessed in Q4 2022-23 that came at **-6% (QoQ)**

Flexi Employment Added



- Staffing members of ISF added **1.77 lakhs new formal workforce in 2022-23 (YoY)**.
- The 100+ members of Indian Staffing Federation **employ 1.44 mn flexi workforce** (March 2023)
- **General Staffing Industry** nett new employment added was at **1.47 lakhs new formal workforce in 2022-23 (YoY)**
- **Employment demands** were primarily driven from sectors like FMCG, E-commerce, Manufacturing, Healthcare, Retail, Logistics, Banking, Energy etc.
- **IT Staffing Industry** witnessed a sharp drop in new employment generation, as IT industry was focussed on right sizing, owing to sharp response from geopolitical scenario developing across the world in 2022-23

Social Impact :Flexi Staffing Industry

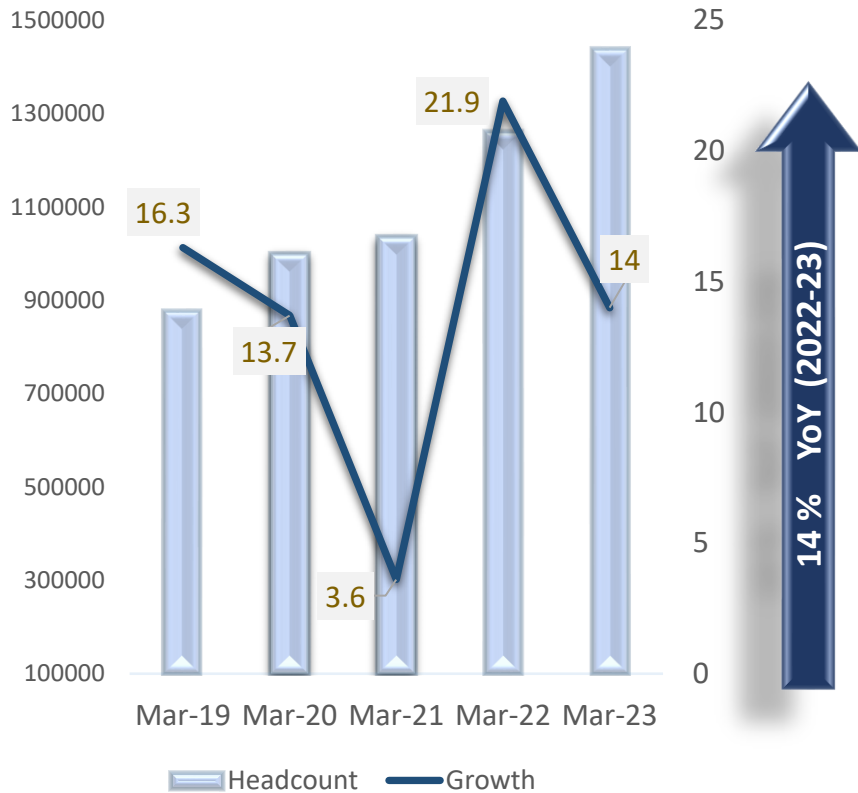


- **Freshers / First time entrants** to job market getting their first formal employment
- Staffing industry enables **informal to formal employment transition**, with social security, employment mobilization, industry matching skills development, wage protection.
- **Upskilling & Reskilling on the job**, allows most job seekers associated with staffing companies to get access to permanent employment by showcasing their performance.
- **Women Workforce participation** has improved with flexi staffing companies being able to engage them with hybrid work opportunities.

Year on Year (YoY) : Flexi Staffing Industry (new employment) grew at 14% (2022-23)

ISF Members representing 1.44 mn Formal Flexi Workforce

Flexi Staffing Employment Growth Trend YoY



>> Flexi Staffing industry added new employment at **14% YoY** (2022-23)

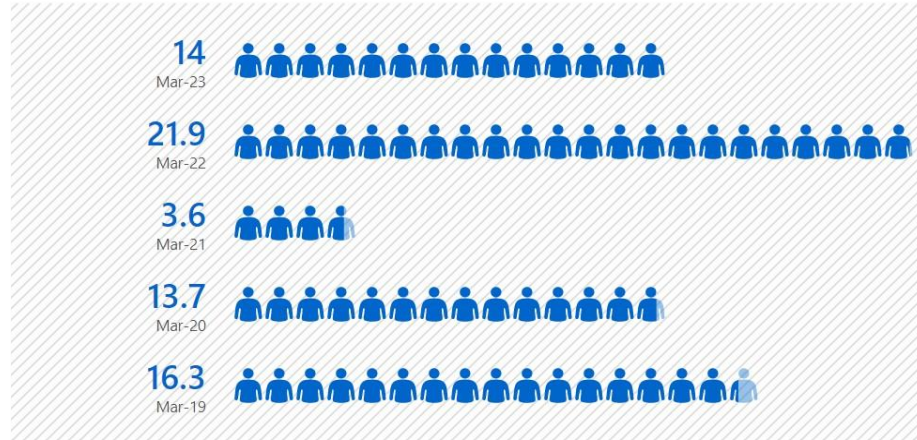
>> ISF Members represent **1.44 mn Formal Flexi Workforce** (2022-23)

>> **1.77 lakhs** New formal employment added to the workforce (2022-23)

>> Sectors like Ecommerce, Logistics, Manufacturing, Tourism & Hospitality, FMCG and CD, Healthcare contributed with new employment generation (2022-23)

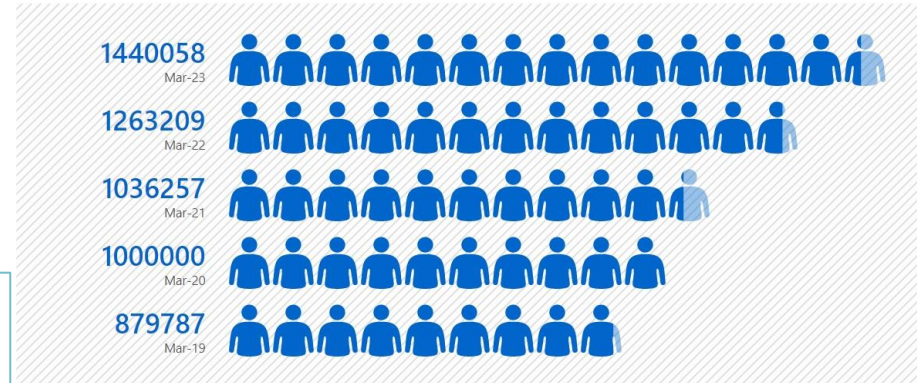
>> Women Participation in Flexi workforce continues at **24%** (2022-23)

Staffing Industry Growth Trend (YoY) %



YoY: Flexi Staffing New Employment Growth (ISF Members)

Staffing Industry New Employment Growth YoY



YoY Growth – 14% YoY Staffing Industry New employment growth- 2023

2023: Cautious market slowed new employment in H2 22-23, however 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

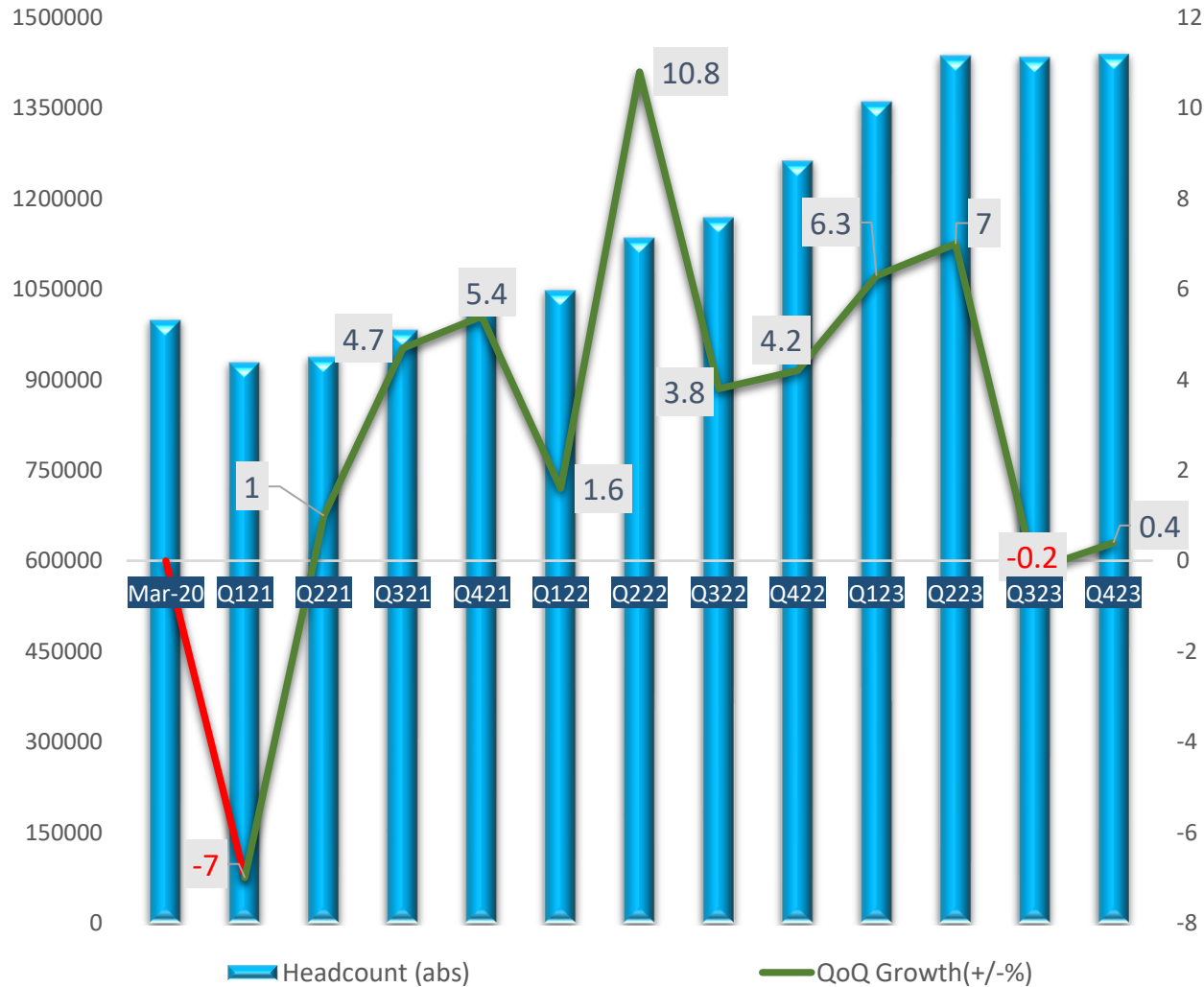
2020: Market volatility impacted employment, slowing staffing growth trend

2019: Strong consistent double digit growth YoY for industry



QoQ New Flexi Employment growth : Flexi staffing Industry witnessed a growth at 0.4% : Q422-23 (QoQ)

Flexi Staffing Industry Employment Growth Trend QoQ (Q4 2022-23)



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Overall flexi staffing industry QoQ added new employment growth at 0.4% in Q422-23



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Staffing Industry break up, General Staffing industry contributed with new employment at a +0.8% growth in Q422-23, whereas IT Staffing dropped -6% in the last Qtr, Q4 22-23

>>

IT Staffing witnessed a gradual slowdown in new employment creation since Q3 22-23, that impacted very heavily on the overall staffing industry net employment growth for 22-23. Among many factors including the ongoing geo political tensions, impact of Russia-Ukraine war, turmoil in US financial markets the IT industry started rightsizing since H2. Most other sectors, also came in with a caution on new employment generation in 22-23, impacting new employment creation and thus the demands. Flexi Staffing industry was able to keep its H1 growth steady, however stabilized in H2 to maintain the number of people employed.

REFERENCE: Q423 Jan – Mar 23

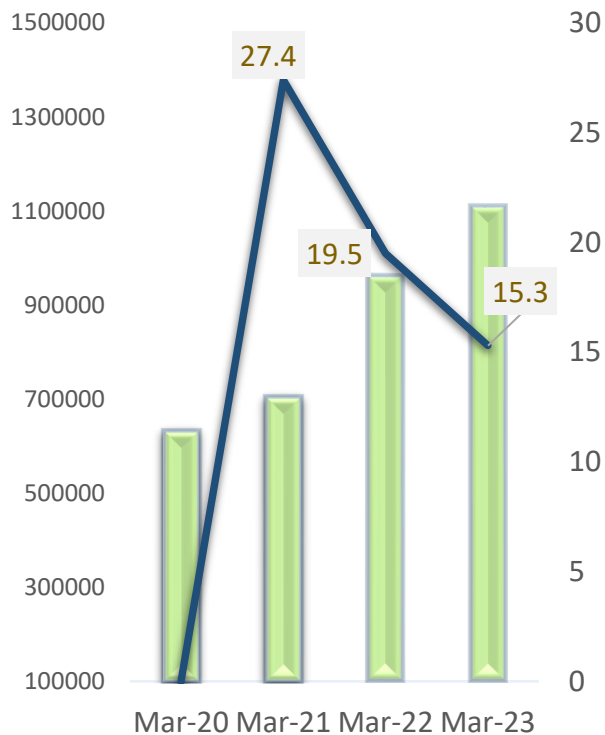
Flexi Industry Employment Growth Break Up YoY & QoQ: 2022-23 (General & IT Staffing)

General Flexi Staffing caters to all sectors except IT & ITeS

IT Flexi Staffing caters to IT & ITeS only

General Staffing Industry grew at 15.3% YoY (2022-23) & 0.8% Q4 22-23 (QoQ)

Flexi Staffing Employment Growth Trend YoY



Headcount Growth

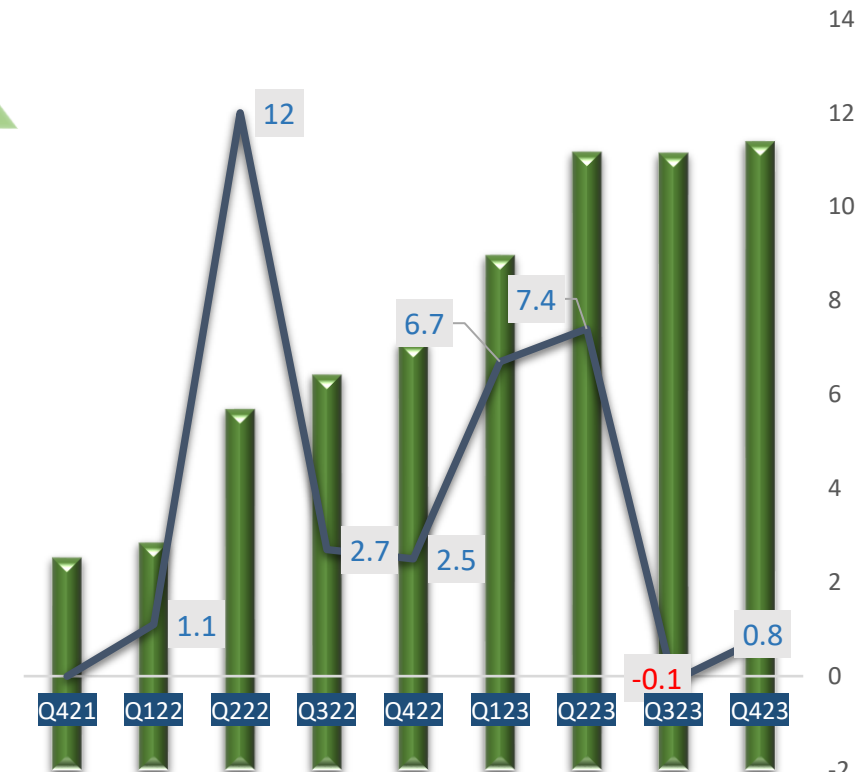
>> General Staffing Industry maintained its growth at **15.3% YoY 22-23**. While the markets cautious sentiment impacted certain sectors in H2, the employment demands kept resilient rise and the staffing witnessed a continued double digit growth for YoY in 22-23.

>> General Staffing Industry maintained a positive growth in Q1 and Q2 towards its QoQ growth, only dipping in Q3 22-23 owing to ongoing market caution. The new employment growth came back at **0.8% in Q4 22-23**, as demands in flexi staffing returned back to positive.

>> ISF members added **1.47 lakhs new employment** across General staffing roles 2022-23

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

General Staffing Industry (New) Flexi Employment Growth Trend QoQ



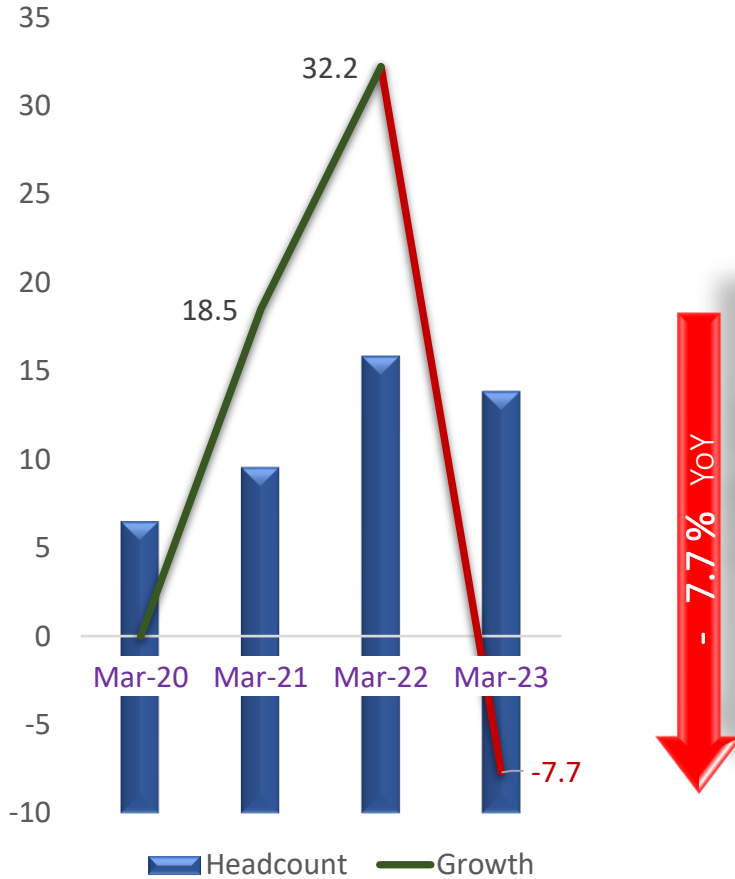
Headcount (abs) QoQ Growth(+/-%) QoQ Growth(+/-%)

REFERENCE: Q4 23 Jan – Mar 23



IT Staffing Industry New Employment Trend Q4 23 dropped -6% (QoQ): & - 7.7% (YoY) : 2023

IT Staffing Industry New Employment Trend YoY (2022- 23)

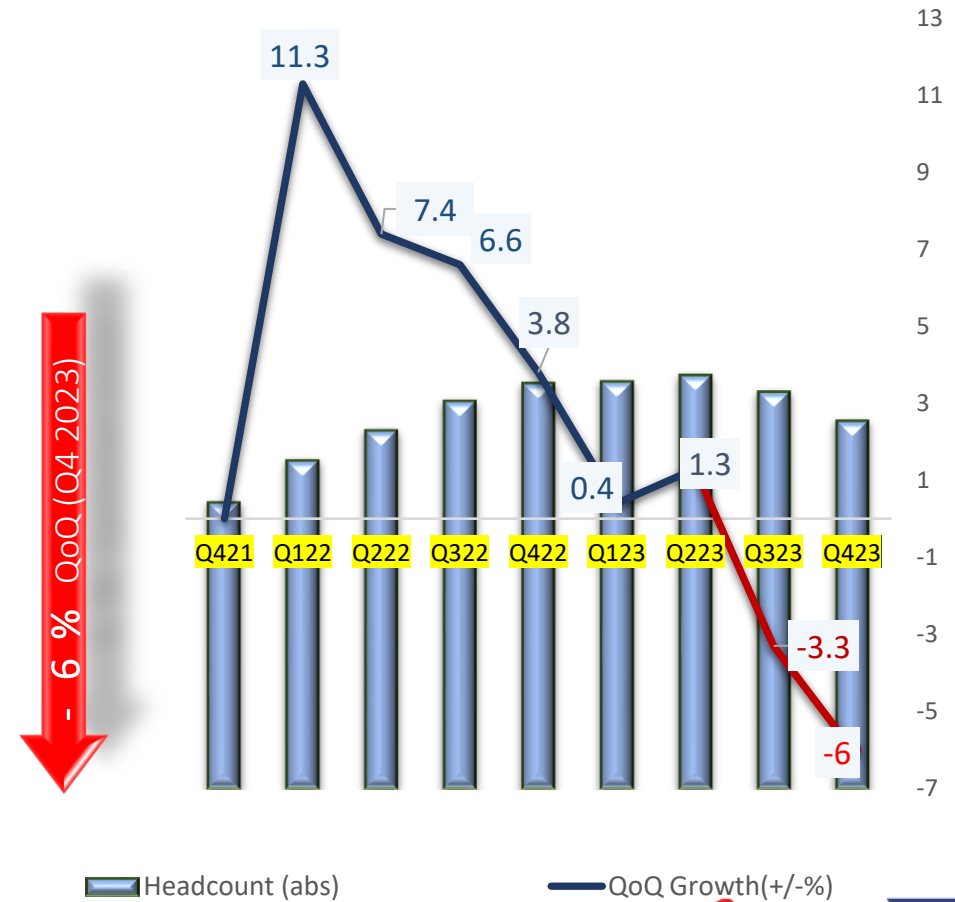


>> IT Staffing Industry witnessed a sharp drop at -7.7 % YoY, with -6% degrowth QoQ in Q4 2022-23.

>> IT staffing industry post Q2 witnessed a gradual degrowth in demand with Q4 bringing a sharper response from geopolitical scenario developing across the world from US markets, Russia-Ukraine war, impact of global financial markets among others that has massively hit the IT industry. The impact comes with clarity that companies are right sizing capacity and are focussed towards enhancing productivity, in order to address the market pressures.

>> **IT Staffing Industry** however looks towards demands for digital adoption from sectors that will continue growing slowly from government projects in Infra, and emerging industries.

IT Staffing Industry New Employment Trend QoQ (Q422-23)



REFERENCE: Q422: Jan – Mar 22

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 100 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 100 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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