

Indian Staffing Federation
Annual Report
Flexi Staffing Industry
2024

2024



About Indian Staffing Federation

Indian Staffing Federation (ISF) is the apex body of organized staffing companies representing over **1.66 million contract workforce** employed through our 121 member companies.

ISF is formed to provide a platform for organized employment, work choice, compensation, social security and health benefits for the temporary workforce. Members of ISF have generated employment for over 9 million employees over the past 10 years and are amongst the largest contributors towards Employees' State Insurance Scheme and Provident Fund Schemes under the Social Security Benefits.

- Providing Temporary Manpower to more than **65 industries, across 25000 pin codes** for their customers, having operations across states, cities, towns, villages, zila/tahsils in the country.
- Ensuring timely bank payout of salaries for contract workforce of around **INR 116,640 crores** (out of which close to 40% are remitted towards social security) in last year approximately.
- Among the largest **GST contributors at INR 24168 crores** in last year approximately;
- Contributions around **INR 14580 cr towards EPF** in last year approximately;
- Contributions around **INR 3044 cr towards ESI** in last year approximately

Indian Staffing Federation Annual Flexi Staffing Employment Trend Report: 2024

Growth Rate



15.3% YoY Growth

- Flexi Staffing Industry continued a double digit new employment annual growth rate at **15.3% YoY (2023-24)**
- Flexi Staffing Industry Nett employment grew **2.3% in Q423-24** Quarter on Quarter.
- **General Flexi Staffing industry** witnessed new employment growth at **16.2% YoY**, where it maintained growth at **2.4% in Q4 2023-24 (QoQ)**
- **IT Flexi Staffing industry** witnessed a slow recovery from previous year while still being in red at **-4.4% YoY**. The Q4 2023-24 however came at **-1.1% (QoQ)**

New Employment add



1.66 mn Workforce

- Staffing members of ISF **added 2.20 lakhs new formal workforce in 2023-24 (YoY)**.
- The 121 members of Indian Staffing Federation **employ 1.66 mn flexi workforce** (March 2024)
- **General Staffing Industry** nett new employment added at **2.02 lakhs new formal workforce in 2023-24 (YoY)**
- **Employment demands** were primarily driven from sectors like FMCG, E-commerce, Manufacturing, Healthcare, Retail, Logistics, Banking, Energy etc.
- **IT Staffing Industry** has a slow demand generation and is on the recovery, compared to past years with new employment generation.

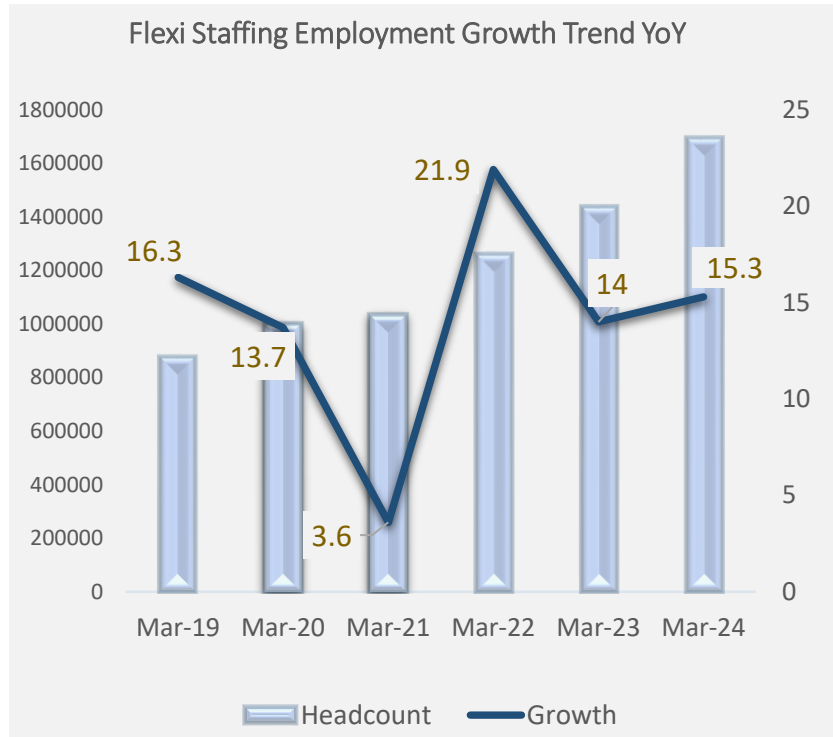
Social Impact



- **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 work opportunities.

Year on Year (YoY) : Flexi Staffing Industry (new employment) grew at 15.3% (2023-24)

ISF Members representing 1.66 mn Formal Flexi Workforce



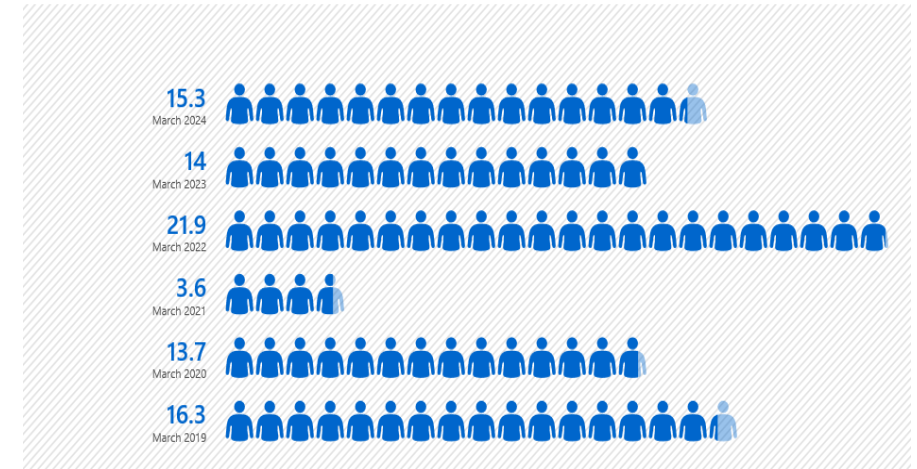
>> Flexi Staffing industry added new employment at **15.3% YoY** (2023-24)

>> ISF Members represent **1.66 mn Formal Flexi Workforce** (2023-24)

>> **2.20 lakhs** New formal employment added to the workforce (2023-24)

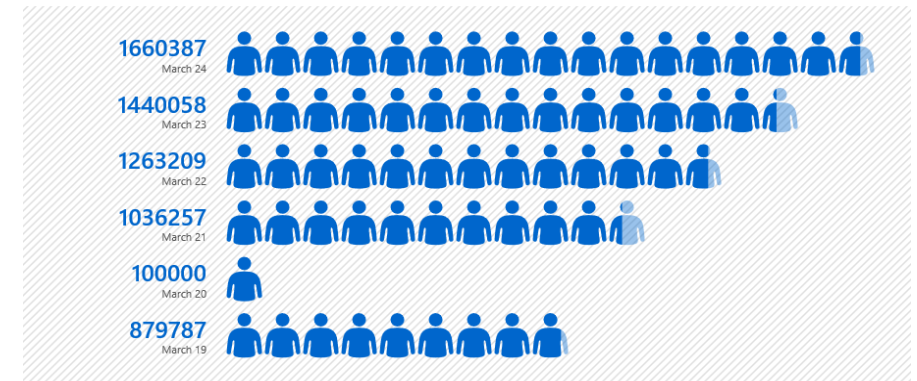
>> Sectors like Ecommerce, Logistics, Manufacturing, Tourism & Hospitality, FMCG and CD, Healthcare contributed with new employment generation (2023-24)

Staffing Industry Growth Trend (YoY) %



YoY: Flexi Staffing New Employment Growth (ISF Members)

Staffing Industry New Employment Growth YoY



YoY Growth – 15.3% YoY Staffing Industry New employment growth- 2024

2024: Market improved with new employment demand across most sectors, staffing continued to add double-digit annual growth

2023: Post pandemic market averaged out new employment, IT Industry impacted due to geopolitical scenario.

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

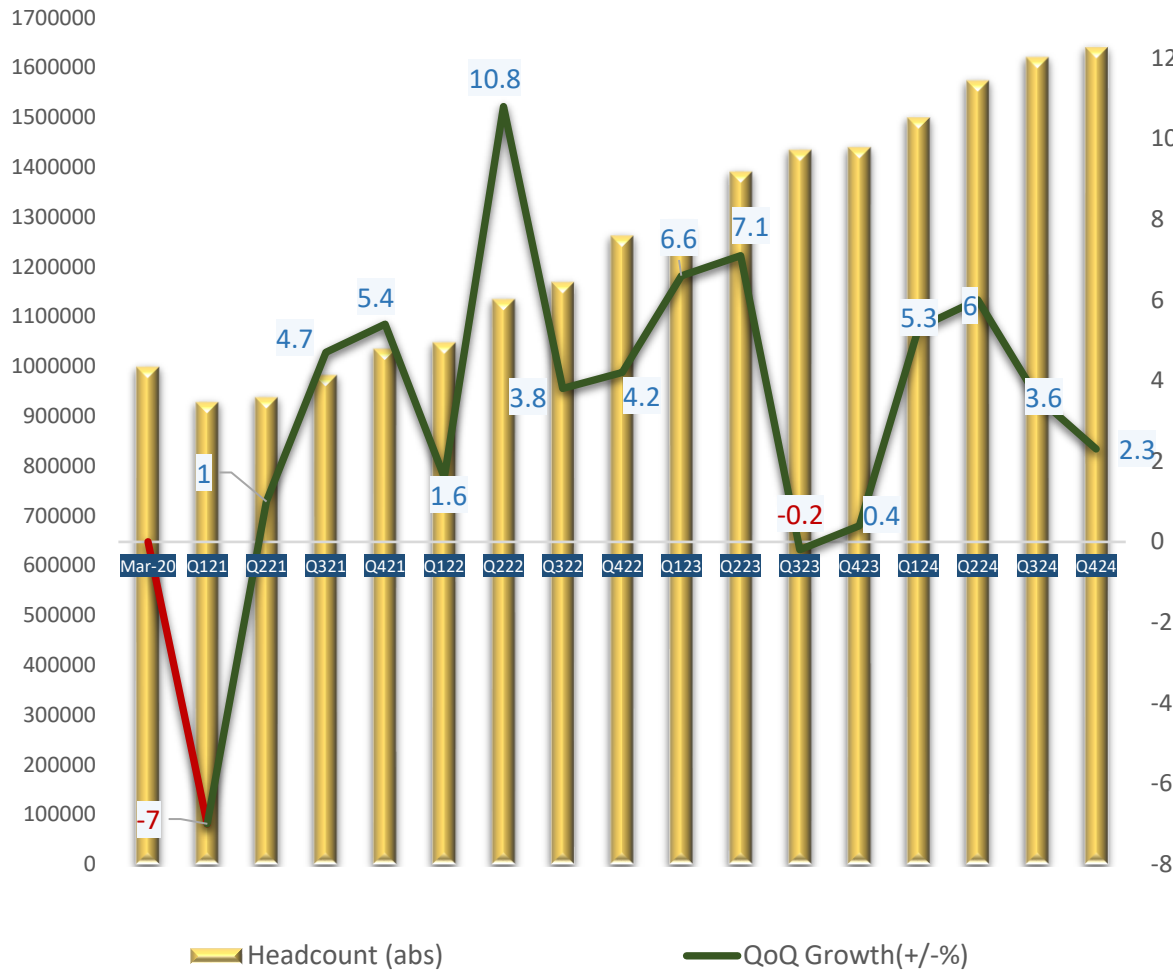
2021: Due to Covid slowing employment

2020: Market volatility impacted employment, slowing staffing growth trend

2019: Strong consistent double digit growth YoY for industry

Staffing Industry Grew at 2.3% QoQ and significant 15.3% YoY

Flexi Staffing Industry
New Employment Growth QoQ (Q4 23-24)



>> Overall staffing industry witnessed a QoQ growth at **2.3%** in Q4 24 with **~30K** new flexi employment created.

>> ISF Members represent **1.66 mn** Formal Flexi Workforce Q4 24

>> Staffing industry had a robust New Employment (Flexi) growth at **15.3% YoY** (Q4 23-24 vs Q4 22-23)

>> ISF Members added **2.20 lakhs** New Formal Flexi Workforce in last four qtrs.

YoY : Overall Staffing industry grew at 15.3% YoY

- The new employment demand maintained a double digit annual growth rate at **15.3%** YoY.
- Nett new employment generated with staffing Industry (represented by ISF members) in **the last 4 qtrs, was 2.20 lakhs** indicating continued new demand for flexi staffing.
- General Flexi Staffing industry witnessed new employment growth at 16.2% YoY, whereas IT Staffing industry continues in red at -4.4% YoY (Q4 vs Q4).
- ISF members represent **1.66mn flexi workforce** in 23-24.
- Good demand growth from across sectors, supported in new employment pick up in 2023-24. The most significant contributions were from Retail, E-commerce, Logistics, Hospitality, Tourism, Aviation, FMCG & CD sectors.

Q4 24: QoQ Overall Staffing industry grew at 2.3%

- Overall Staffing Industry had a robust sustained growth at **2.3% QoQ (Q4 24)** aided by general staffing across sectors.
- New employment growth in flexi staffing was **~30K through ISF members** added in Q4 24 (QoQ).
- General Flexi Staffing industry witnessed new employment growth with a sustained **growth rate at 2.4% Q4 2023-24 (QoQ)**.
- IT Staffing witnessed slight downturn **at -1.1% at Q4 24 (QoQ)**. Markets are gradually warming up and opening with new employment opportunities.

REFERENCE: YoY is the headcount growth between Q4 24 vs Q4 23

REFERENCE: Q4 24: Jan-Mar 24



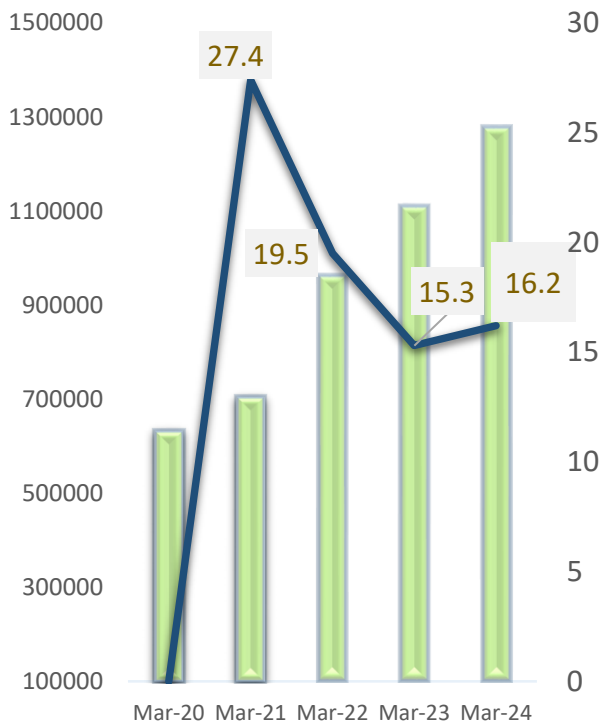
Flexi Industry Employment Growth Break Up YoY & QoQ: 2023-24 (General & IT Staffing)

General Flexi Staffing caters to all sectors except IT & ITeS

IT Flexi Staffing caters to IT & ITeS only

General Staffing Industry grew at 16.2% YoY (2023-24) & 2.4% Q4 23-24 (QoQ)

Flexi Staffing Employment Growth Trend YoY



Headcount Growth

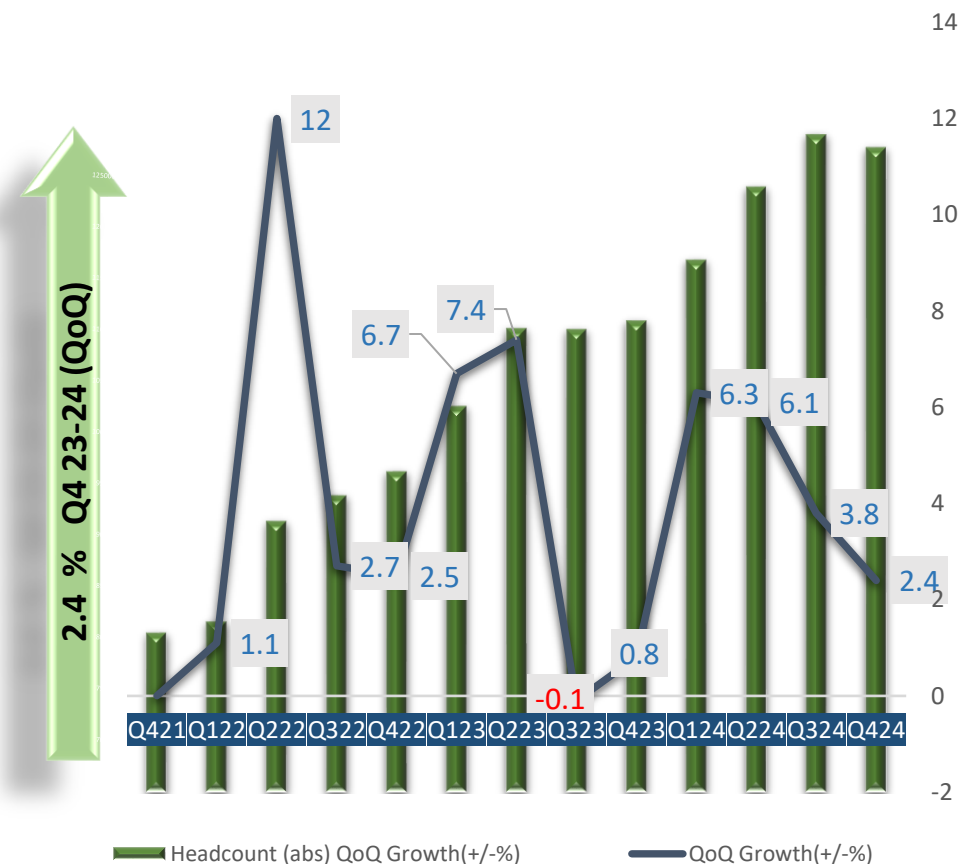
>> General Staffing Industry maintained its double digit annual growth at **16.2% YoY 23-24**. The markets opened with new employment demand across sectors for staffing in 23-24.

>> ISF members added **2.02 lakhs new employment** across General staffing roles 2023-24

>> General Staffing Industry maintained a positive QoQ growth. The new employment growth QoQ was as **2.4% (Q423-24)**, as demands in flexi staffing continued on positive demand.

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

General Staffing Industry Employment Growth Trend QoQ (Q424)



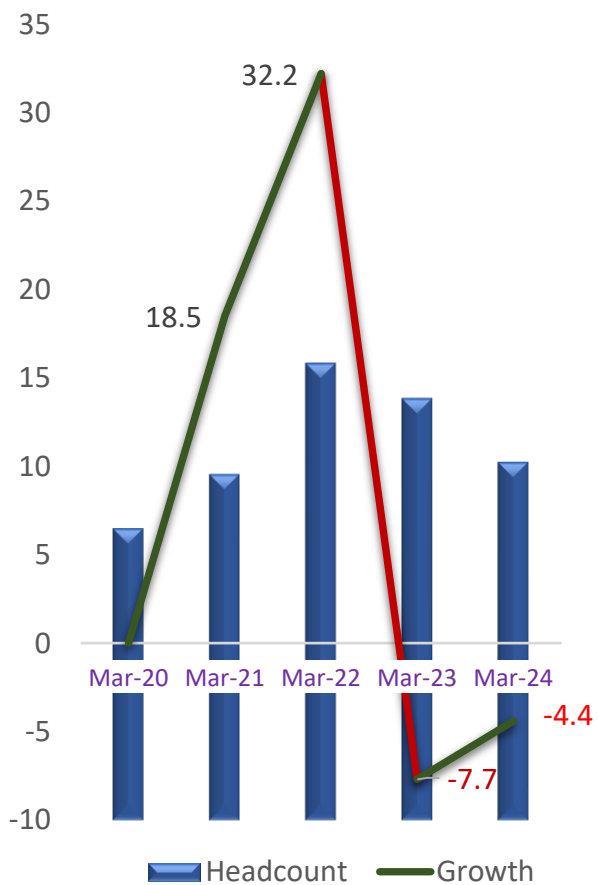
Headcount (abs) QoQ Growth (+/-%) QoQ Growth (+/-%)

REFERENCE: Q424 Jan – Mar 24



IT Staffing Industry Annual New Employment -1.1% (QoQ): & - 4.4% (YoY) : 2024

IT Staffing Industry New Employment Trend YoY (2023- 24)



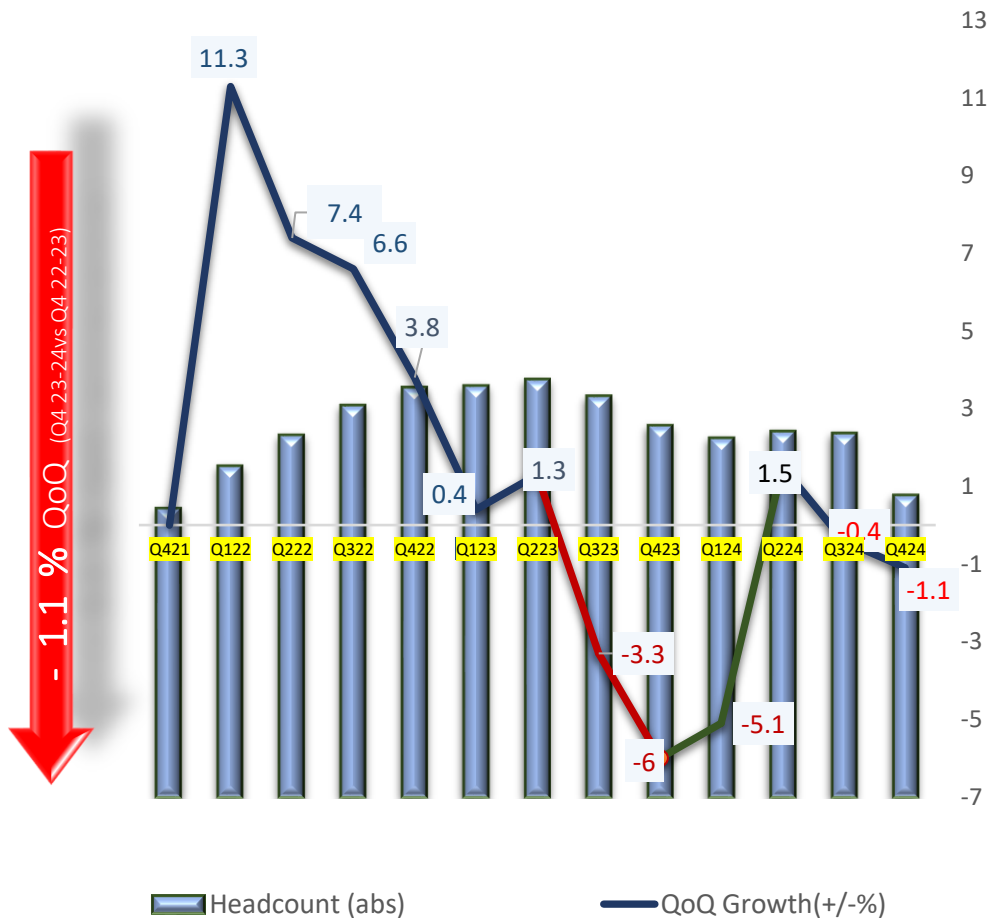
>> IT Staffing Industry has started witnessing slow recovery from previous years. The 2023-24 annual new employment rate was at -4.4% YoY, with -1.1% degrowth QoQ in Q4 2023-24.



>> IT staffing industry witnessed a gradual recovery in demand impact coming from geopolitical scenario developing across the world including US markets, Russia- Ukraine war, global financial markets. The impact comes with clarity that companies are recovering in their demands after right sizing capacity in past 2 years. The companies 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. GCC will become the most encouraging segment for new employment growth within IT Sector

IT Staffing Industry Employment Growth Trend QoQ (Q424)



REFERENCE: Q424: Jan – Mar 24

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 122 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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