

Indian Staffing Federation
Annual Report
Flexi Staffing Industry
2022

2022



Highlights – ISF Annual Report 2022

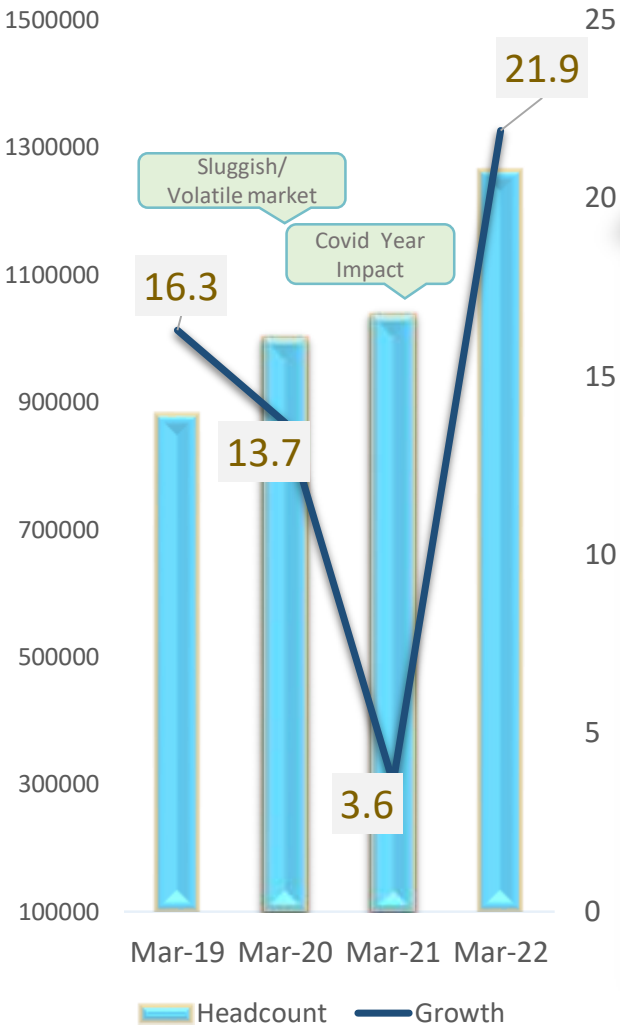


1. Staffing industry added new employment at a sharp **21.9% YoY (2021-22)**, compared to a 3.6% new employment generated in the previous year.
2. With robust employment demand seen from across sectors, 100+ members of Indian Staffing Federation **employ 1.26 mn flexi workforce** (March 2022).
3. The new employment generated was at a much **sharper growth rate** than even pre-pandemic years.
4. Staffing members at ISF **added 2.27 lakhs new formal workforce in 2022**.
5. **General Staffing Industry** nett new employment **grew at 21%**, adding **1.57 lakhs new formal workforce**, from the year before at 18.1%.
6. General Staffing Industry was primarily driven by demands from FMCG, E-commerce, Manufacturing, Healthcare, Retail, Logistics, Banking, Energy etc.
7. **IT Staffing Industry** witnessed **a sharp jump with 30.7% growth**, adding further new employment, than the year before at 14.1%. The demands were driven primarily with the digital adoption across sectors. A few promising impact sectors to continue will be Fintech, IT, Infra, etc.
8. IT staffing industry post Q2 also started witnessing a stabilisation in the demand, with Q4 bringing a sharp response from geopolitical scenario developing across the world from the Ukraine war, impact of global financial markets among others.
9. Overall the Staffing Industry continued a stable Quarter on Quarter (Nett employment) **growth at 4.2% in Q422**.
10. **Staffing industry is poised to continue its contribution in the formal employment growth, as demand is seen to be moving at a stable rate.**

Year on Year (YoY) : Staffing Industry (new employment) grew at 21.9% (2022)

ISF Members representing 1.26 mn Formal Flexi Workforce

**Flexi Staffing Employment
Growth Trend YoY**



21.9 % YoY (2021-22)

>> Flexi Staffing industry added new employment at **21.9% YoY (2021-22)**

>> ISF Members represent **1.26 mn Formal Flexi Workforce 2021-22**

>> **2.27 lakhs** New formal employment added to the workforce (2021-22)

2021- 22
21.9% YoY



2020-21
3.6 % YoY



2019-20
13.7 % YoY



2015-18*
16.3% CAGR



2013-15**
10.3% CAGR



YoY Growth – Staffing Industry New employment 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

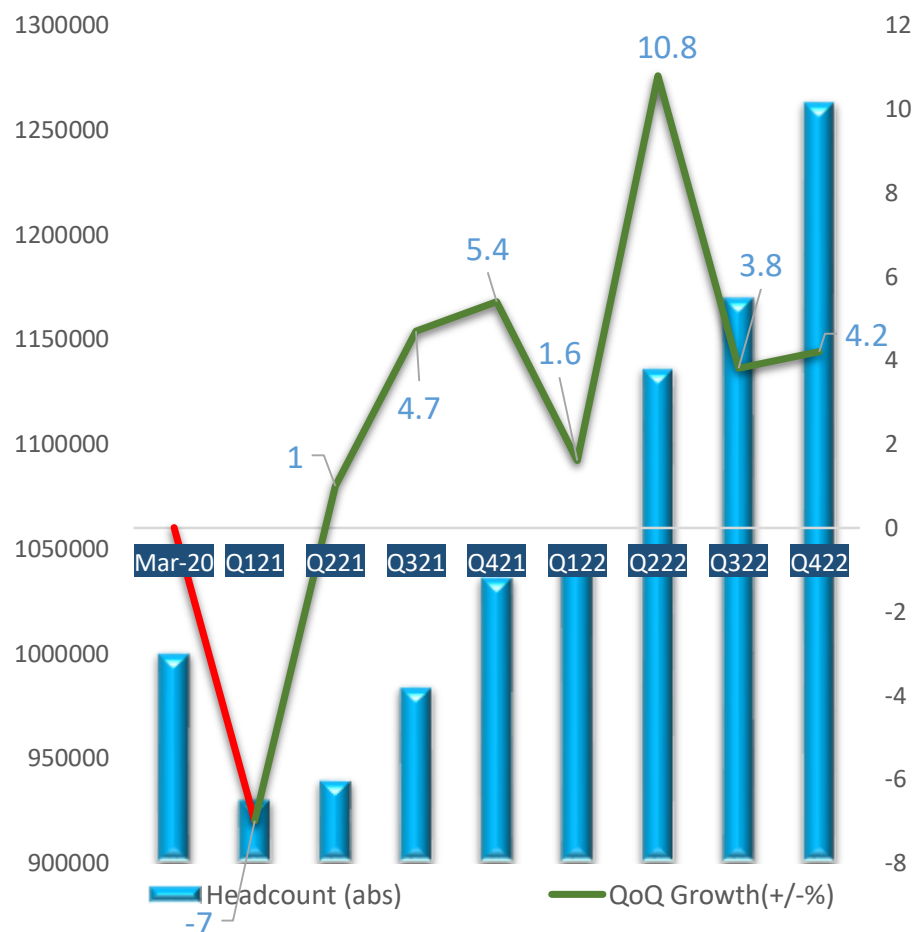
* 2015-18: CAGR growth 16.3% (ISF-Kantar 2019 Report)

** 2013-15: CAGR growth 10.3% (ISF-Nielsen 2016 Report)

Note: This is based on data from consistent respondents in all Qtrs only

QoQ Employment growth : Staffing Industry continued a stable growth at 4.2% : Q422

Flexi Staffing Industry Employment Growth Trend QoQ (Q4 2022)



>> Staffing industry QoQ maintained a steady new employment growth at 4.2% in Q422

>> ISF members added appx 40000 new formal flexi workforce (tripartite model) in Q422

>> There is a steady increase in new employment as growth rate stabilizes

>> General Staffing industry contributed with new employment at a 4.2% growth in Q422



>> IT Staffing industry grew at 3.2% in Q422, responding to geopolitical impact on the trends of employment trends in the IT/IteS sector

General Staffing Industry grew at 21% YoY (2021-2022)

General Staffing Employment Growth Trend YoY (2021-22)



>>

General Staffing Industry witnessed a sharp growth at **21% YoY**, with a **+2.9%** growth from the previous year at 18.1%. While it maintained a robust growth QoQ at 4.2% in Q422



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ISF members added **1.57 lakhs new employment** across General staffing roles 2021-22

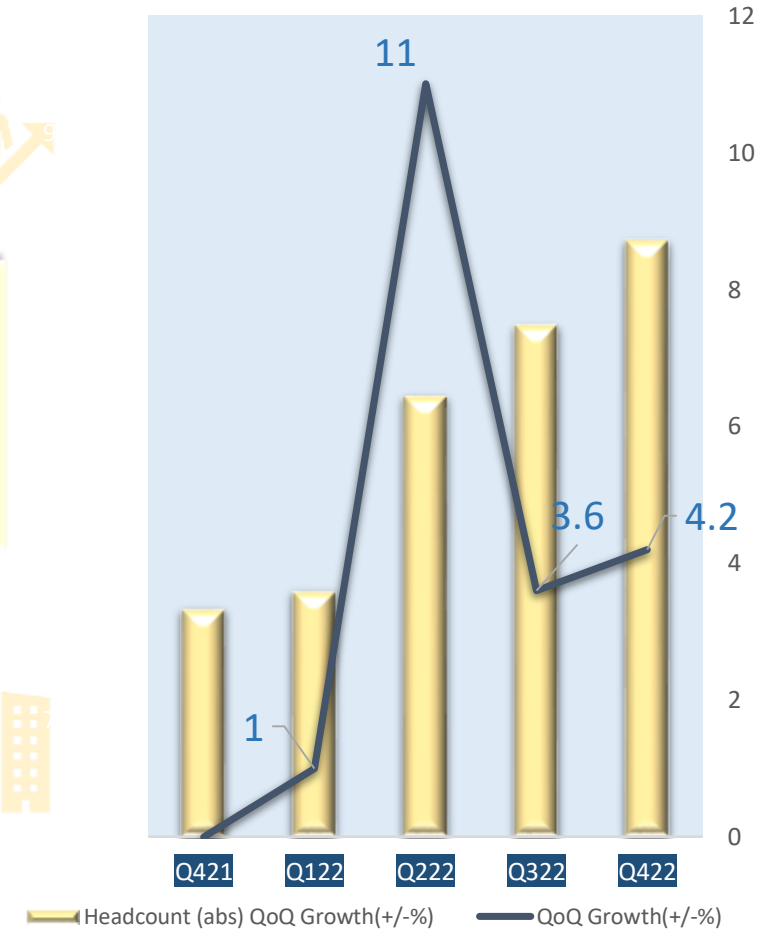


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General Staffing Industry was primarily driven by demands from FMCG, E-commerce, Manufacturing, Healthcare, Retail, Logistics, Banking, Energy etc.



General Staffing Industry Employment Growth Trend QoQ



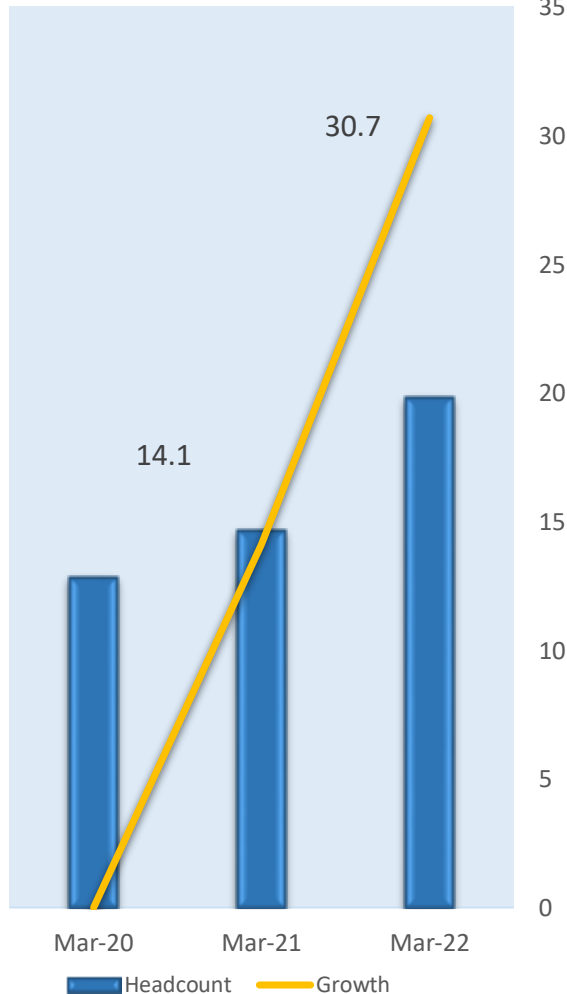
Legend: Headcount (abs) QoQ Growth(+/-%) (Bar), QoQ Growth(+/-%) (Line)

REFERENCE: Q422: Jan – Mar 22



IT Staffing Industry grew at 30.7% (YoY)

IT Staffing Industry Employment Growth Trend YoY (2021-22)



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IT Staffing Industry witnessed a sharp growth at **30.7% YoY**, with a **+16.6%** growth from the previous year at 14.1%.



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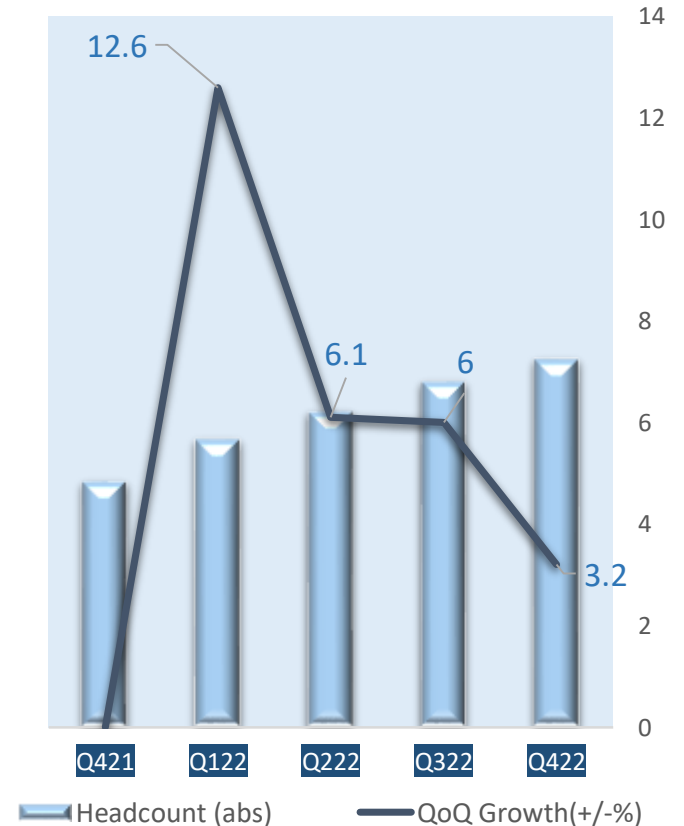
IT staffing industry post Q2 also started witnessing a **stabilisation in the demand** with Q4 bringing a sharp response from geopolitical scenario developing across the world from the Ukraine war, impact of global financial markets among others.

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IT Staffing Industry grew with demands for digital adoption across sectors. A few promising impact sectors to continue will be Fintech, IT, Infra, etc.



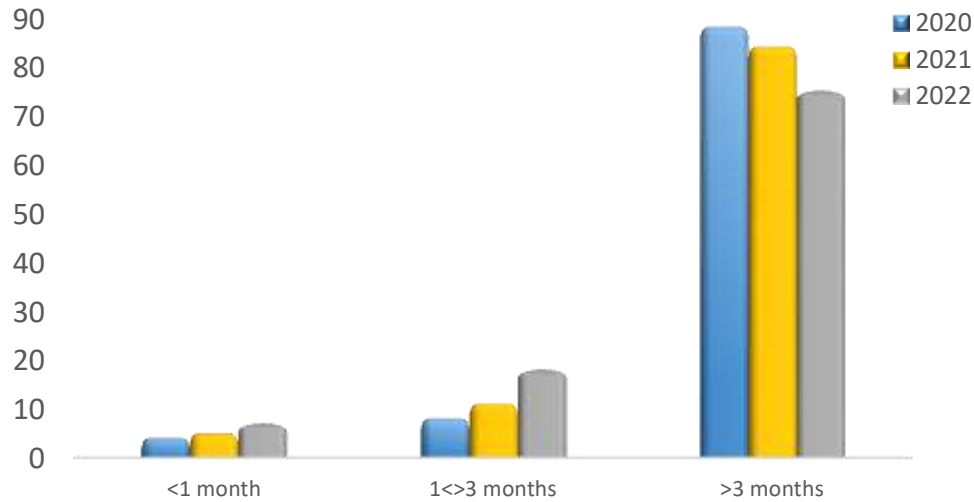
IT Staffing Industry Employment Growth Trend QoQ (Q4 22)



REFERENCE: Q422: Jan – Mar 22

Flexi Staff Employment – Social Impact

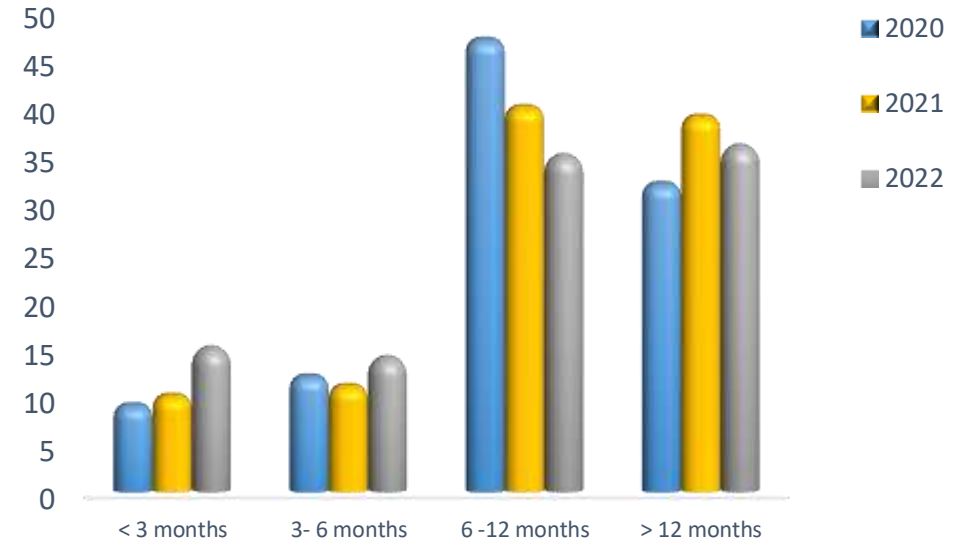
What is the average length of assignments for temporary workers? (%)



Average Length of Assignments

- >75% of the flexi projects/assignments are more than 3 months
- Short term projects of <3 months were slightly higher last year at 18%, a growth of +7% YoY.
- The assignments help the flexi worker to grow their skills while being employed, across industries.
- The organised flexi staffing industry tries to continually engage the flexi worker on their behalf.

Average length of contract for Flexi workers? (%)

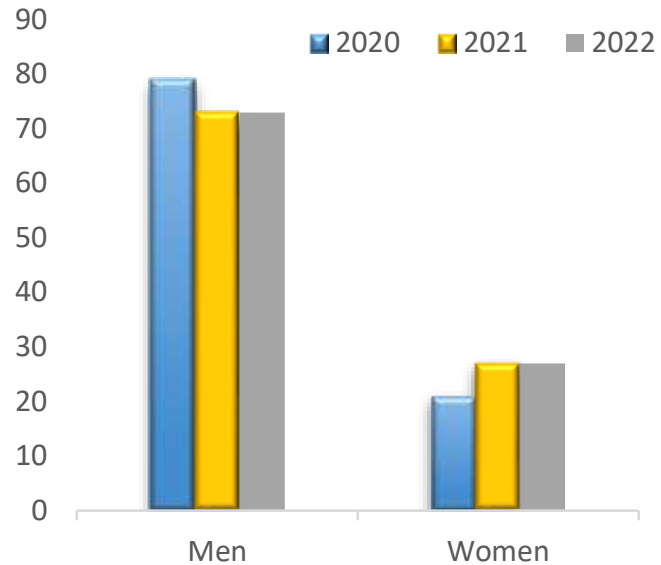


Average Length of Contract

- There is a steady increase with >30% YoY contract length where workers are gainfully employed for more than 12 months.
- There was sustained >35% contracts in the 6-12 month timeframe YoY.
- >70% of contracts are over 6 months of engagement between Flexi staffing orgn and flexi staff.
- There was a slight increase in the projects with shorter duration of less than 6 months with +3% and +5% for less than 1 month projects increase YoY

Women Participation in Flexi workforce continued with 27%

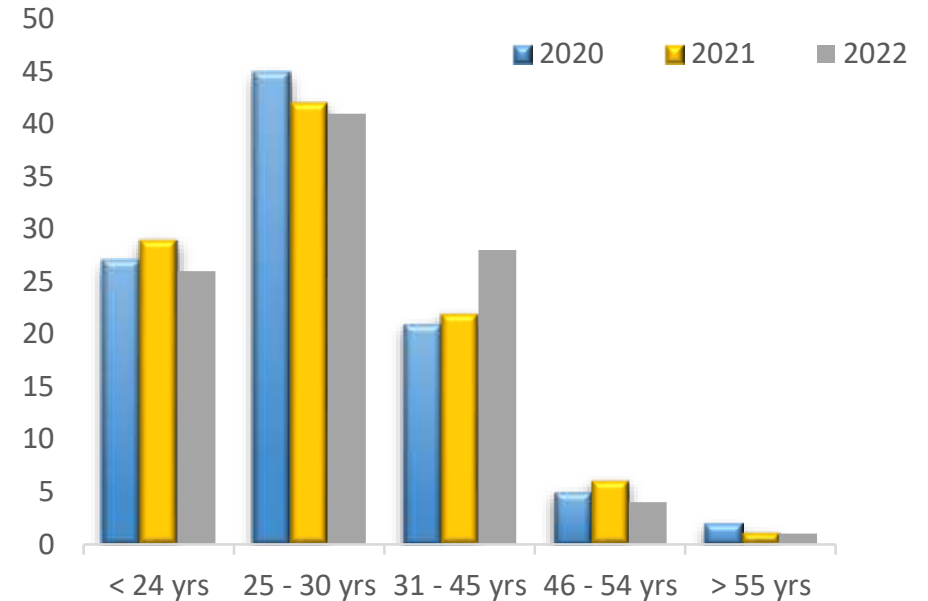
Gender distribution of flexi workers- %



Gender Distribution

- In flexi employment Women workforce participation maintained a steady 27% YoY.
- Most opportunities for flexi staff last year moved from outdoor sales to essential delivery services.
- Over 73% flexi jobs are dominated by men.

Age distribution of flexi workers? (%)

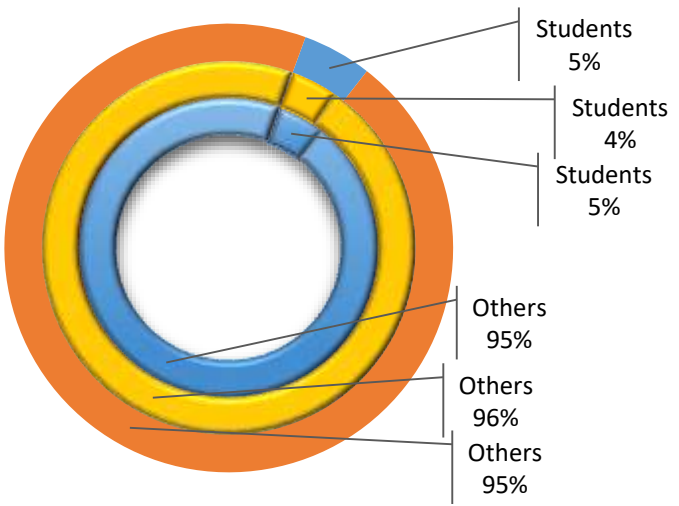


Age Distribution

- There was a +6% increase where people with 31-45 yrs of age participated in the workforce moving up from 22% to 28%.
- Flexi workers in the age of 25- 30 yrs, continued to be the highest participants with over 40% in the workforce.
- Interestingly, the majority participation in the flexi working population are shifting to 31-45 yrs of age
- Almost 66% flexi workers are upto 30 yrs who participate in the workforce.

Flexi workers gainfully employed were +8% with higher skills YoY; +8% with medium education

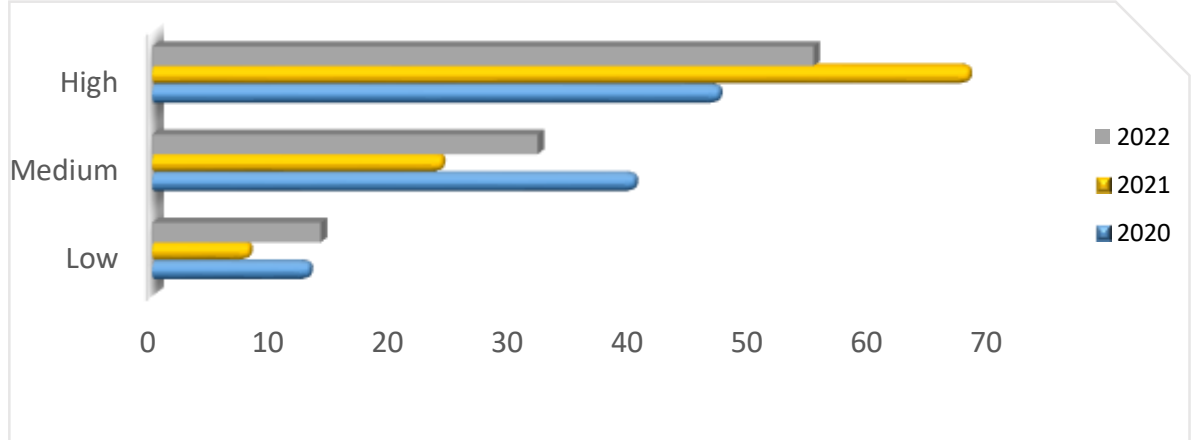
Share of students among all Flexi Workers? (%)



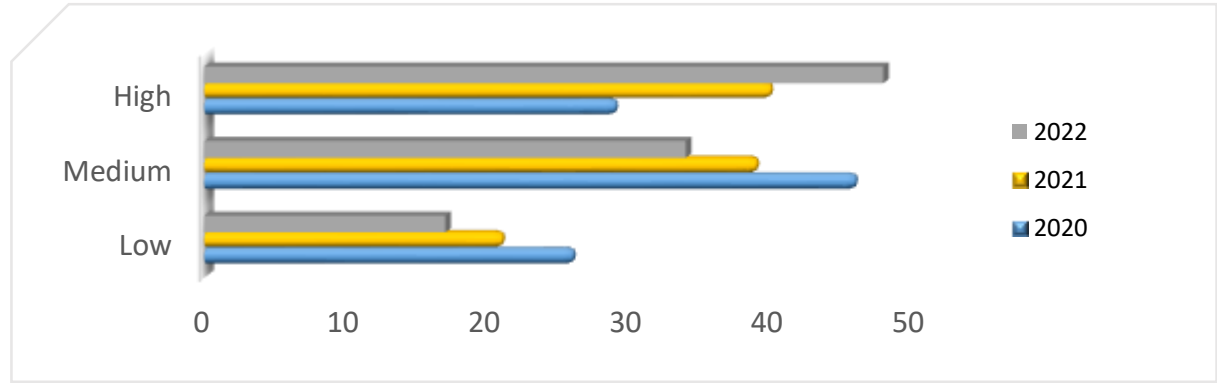
Requirement for entry level Flexi jobs: Education and skills

- Average of 5% YoY students join flexi jobs in India
- Initial level of education & Skills of employed flexi workers
 - High level of education that cover Graduates and above, continued with 55% of the flexi workforce in demand.
 - The flexi workers with medium and low education level were significantly higher in demand from previous years with 32% and 14% respectively, as general staffing picked up. Medium level education will be secondary education and low education will be represented through below secondary education.
- In 2022 about 48% employed flexi workers were high skills, which is +8% higher than previous years
- Flexi workers with medium and low skills also continued to gainfully employed with 34% and 17% respective participation.

Initial level of education of Flexi workers? (%)

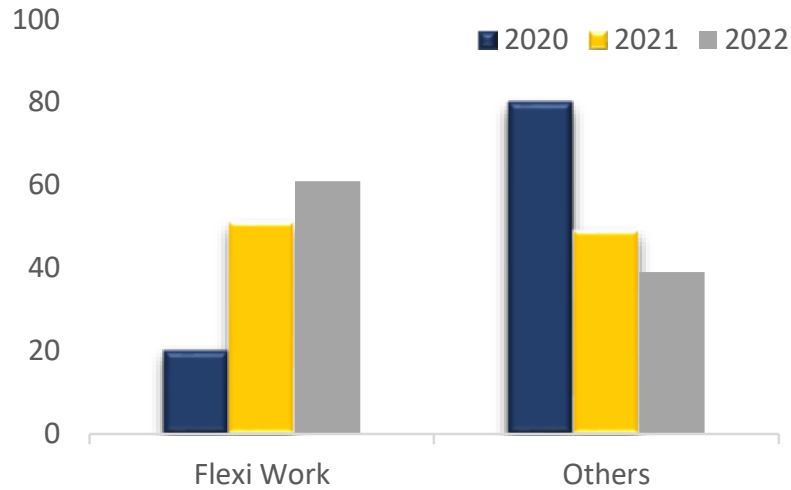


Level of skills required to execute flexi work assignments? (%)

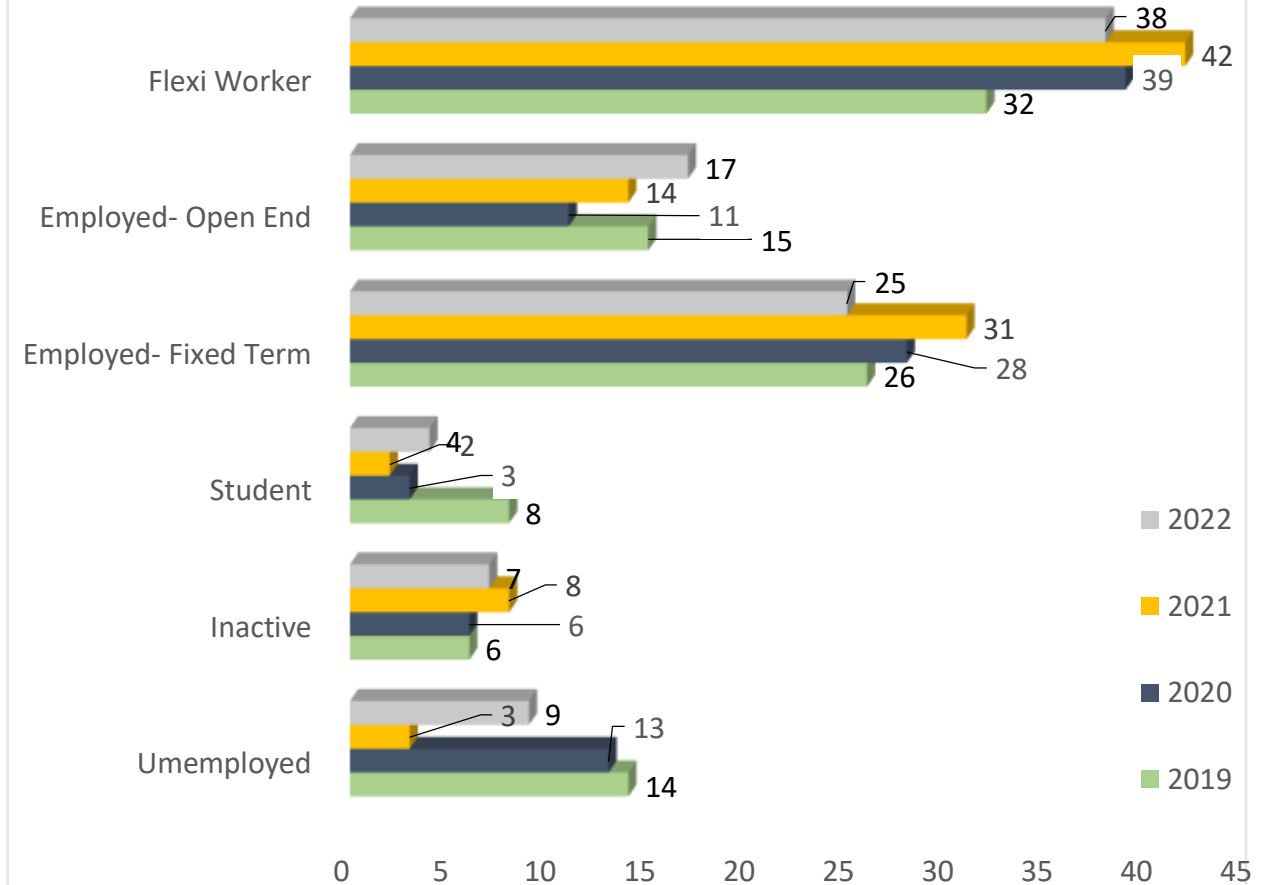


+10% growth in flexi work compared to other formats of employment

Share of flexi work in the last 12 months? (%)

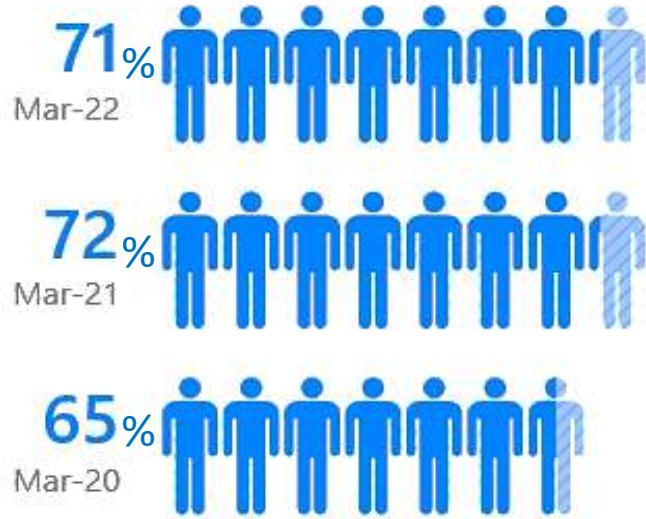


Labour market situation for workers before and 12 months after working as flexi staff? %



- Y22 witnessed +10% demand growth in flexi employment at 61% compared to other formats of employment.
- Labour Market changes for Flexi worker 2022 vs 2021:
 - Employment market saw 38% flexi workers continuing in flexi job YoY.
 - 2022 continued to witness +3% increase YoY in open ended contracts
 - Workers associated with Fixed term employment dipped marginally -6% YoY
 - The rate of unemployed Flexi worker after 12 months of employment was at 9% in 2022. With 7% becoming inactive as flexiworker

Flexi Industry Growth, & Labour Market situation for flexi staff pre post 12 months



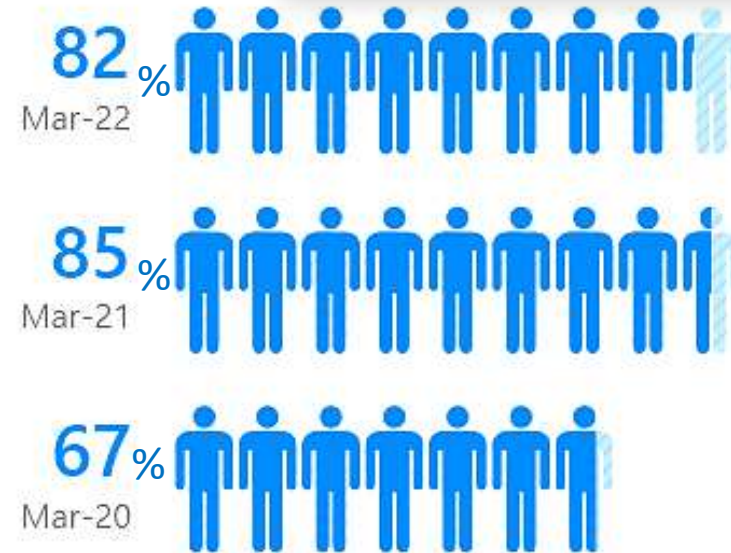
Source: Indian Staffing Federation: Annual Flexi Employment Growth Report 2022

>70%

Flexi workforce **'prefer'** to continue as flexi worker with Formal Staffing companies

>80%

Flexi workforce employed with Formal Staffing companies show that they are satisfied with their employment situation YoY



Source: Indian Staffing Federation: Annual Flexi Employment Growth Report 2022

2022: 15% flexi workforce received a permanent employment; 50% flexi workforce were trained/upskilled to meet employment demands



Source: Indian Staffing Federation: Annual Flexi Employment Growth Report 2022

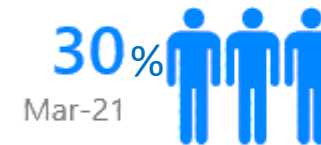
~15%

Flexi workforce gets absorbed as Permanent employee with acquired experience YoY (2022).

Flexi work becomes their 'first stepping stone to permanent jobs

>50%

Flexi workforce received training/upskilling while employed with a formal staffing company



Source: Indian Staffing Federation: Annual Flexi Employment Growth Report 2022

Share of flexi worker under an open-ended contract?

40% (2022)

36% (2021)

15% (2020)

Share of flexi workers working on a full-time basis?

74% (2022)

67% (2021)

95% (2020)

Average number of hours which flexi workers on assignment work during one week?

48 hrs/week

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.

Contact

Abhishek Mishra

Manager- Research

abhishek@isf.org.in; suchita@isf.org.in

www.isf.org.in



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connect with us



www.isf.org.in



+91-11-49121670



abhishek@isf.org.in