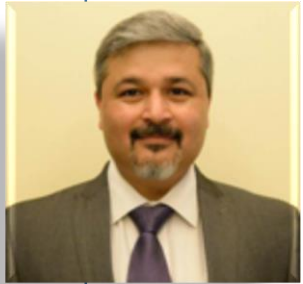


Indian Staffing Federation
Annual Report
Flexi Staffing Industry
2021

2021



Foreword



While India has been fearlessly battling the impact of the Covid waves there is no denying that temp staffing stood up against the test of time and helped key sectors to continue their business. Despite the challenges, the staffing industry ended the FY 2021 with a modest 3.6% growth over Mar'20 and added more than 1.03 million flexi staff across industries. This growth reiterated the resilience of Indian Staffing industry, its customers and maturity and that it will continue to be India's key job creation engine.

Lohit Bhatia, President, Indian Staffing Federation



At this time of the pandemic, staffing industry has been resilient and there has been significant growth momentum created by existing and new emerging business requirements in sectors like IT, FMCG, Edutech, Ecommerce pharma and healthcare. Acceleration towards formal employment continues to be the key to India's economic growth

Farhan Azmi, Vice President, Indian Staffing Federation



The report points out interesting employment trends of flexi workforce, specifically post COVID 19 pandemic and the promising sector that will drive its course and prep up job prospects and employment for youth across genders by boosting the aggregate effective demand in the economy.

R P Yadav, Co-chair Research Committee, Indian Staffing Federation



The report establishes that flexi staffing today has redefined its stance in the Indian job economy. The fact that about 72% flexi workforce prefer to continue working as a flexi employee and that about 85% flexi workers are satisfied with their employment situation points out that our long term effort to transform staffing as a mainstream job powerhouse, has been vetted.

Rituparna Chakraborty, Co-chair Research Committee, Indian Staffing Federation



The report very interestingly highlights that Flexi workers employed in Y21 were +21% with higher education; +11% with higher skills than employed Y20. The survey clearly shows the growing confidence and the role of formal staffing industry as a facilitator to improve the skill-employment gap in our country.

Viswanath Pudukkod, Co-chair Research Committee, Indian Staffing Federation



The report interestingly highlights the impact as during Covid last year, staffing firms invested in skill development, retraining, redeployment and updating knowledge base of workers.

Pramod Pachisia, Co-chair Research Committee, Indian Staffing Federation



With +31% growth in flexi work compared to other formats of employment, this report not only shows the maturity of our growing acceptance of formal contract employment options. The fact that with due focus to ensure that social protection is provided, it can turn the employment scenario of the country. With the landmark Labour reforms in the anvil, the report indicates the future of the industry will propel further formalisation through formal staffing. Further simplification of labour laws, policies and better regulatory cholesterol will propel new inroads for both staffing space and Indian economic growth.

Suchita Dutta, Executive Director, Indian Staffing Federation

Executive summary

Staffing industry grew at 3.6% YoY (2020 - 2021)

Indian Staffing Federation launched its Annual Flexi/Staffing Employment Report: 2021. The report assesses the employment trends of flexi/staffing workforce, specifically post COVID-19 pandemic. The report also provides sector-wise impact in the coming quarters, which shows much better recovery. The survey also highlights the positive impact and preference towards joining flexi workforce. From the opportunities it is noticeable that more opportunities for women have allowed them to join the formal flexi/staffing workforce since pandemic.

In a pandemic year, growth shows the resilience of Indian Staffing industry, its customers and maturity of the Staffing Industry in India.

Synopsis

1. In a challenging year, Indian Staffing industry ends the FY 2021 with a modest 3.6% growth over March20

- Q4FY21 ending showed a massive recovery, crossing 1.03 million flexi staff deployed across industries through members of ISF
- Employment through Staffing Industry recovered faster, as labour market started picking pace after the Covid 19 first wave.
- Notably compared to 2019, there is an overall Nett addition of 157,000 more people added to flexi workforce.
- ISF members only saw a decline in Q121 (-7%) and a sharp rise from Q221. This shows the recovery of corporate India and agility of staffing companies towards Covid proof sectors.

2. Women, youth and high-skilled workers were positively impacted by the flexi employment market trends post pandemic.

- In 2021, there was +31% growth in flexi work compared to other formats of employment
- Average length of assignment for >12 month contracts grew +6% during Covid
- Women participation in Flexi workforce grew +6% during Covid
- About 85% Flexi workers are satisfied with their employment situation;
- About 72% will prefer to continue as flexi employee
- Flexi workers employed in Y21 were +21% with higher education; +11% with higher skills than Y20

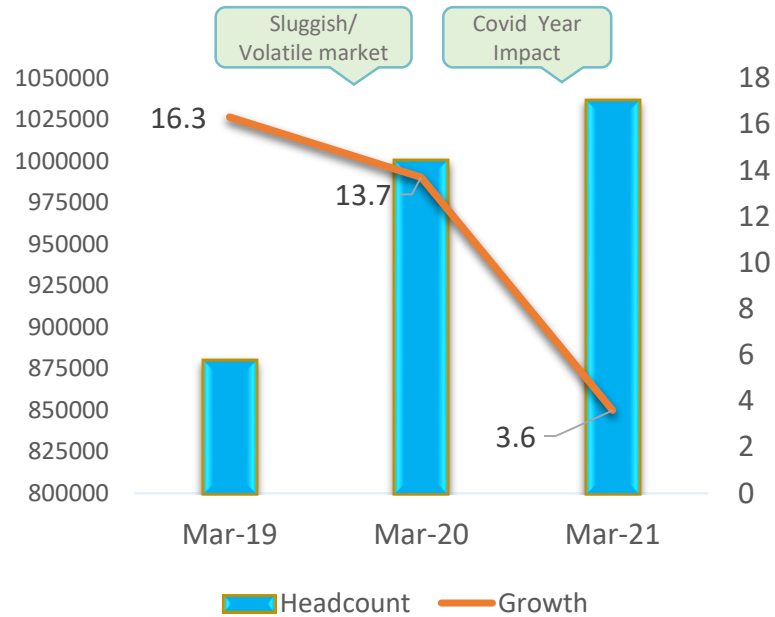
3. The top 5 hiring sectors will be Healthcare, IT & ITeS, Pharma, Edutech and Ecommerce in the coming Qtrs, leading employment growth by above 35%.

- Based on survey, Staffing is expanding beyond the conventional skills, roles and sectors and now becoming centre stage across industries
- Even in a Pandemic year with only 3.6% growth, the members have seen growth coming in IT staffing, Ecommerce, Logistics, Manufacturing.
- While Covid 2.0 might reflect a change in growth in Q1FY22 against Q4FY21, it seems the momentum towards Staffing industry is positive and here to stay

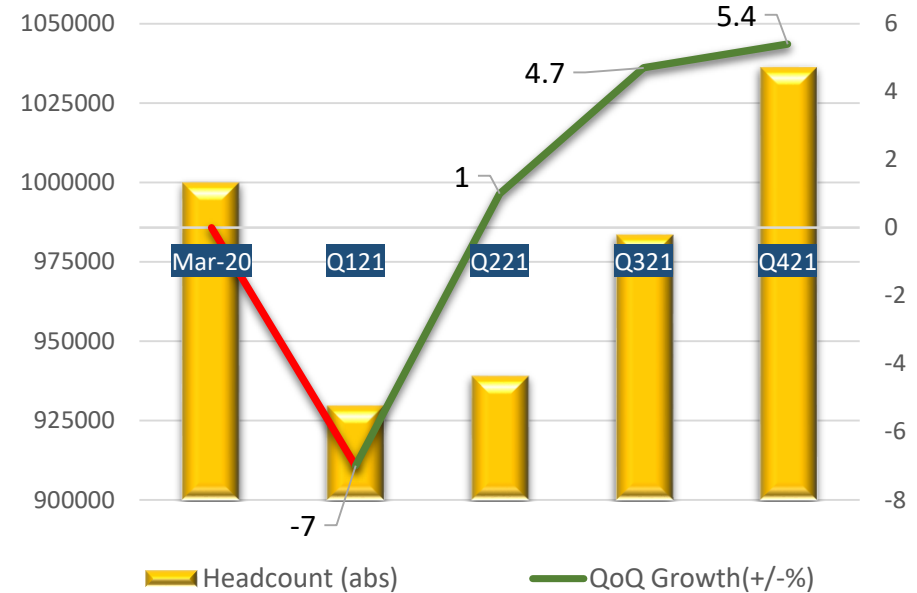
3. Flexi workforce employment trends show noticeably amplified opportunities in FY22.

Staffing Industry has grown 3.6% YoY (2020-21)

YoY Industry Headcount Growth Trend



QoQ Growth Trend 20-21 (Nett Headcount growth)



3.6 % YoY (2020-21)

YoY Growth – Staffing Industry

2019: Strong consistent double digit growth YoY for industry
2020: Market volatility impacted employment, slowing staffing growth trend
2021: Due to Covid slowing employment.

Staffing industry grew 3.6% YoY (20-21)

QoQ: Robust market demand in major sectors gave a boost in Qtrs post lockdown.
Y2021: ISF members employed 1.03 mn temp staff (in tripartite model).

2020-21
3.6 % YoY

2019-20
13.7 % YoY

2015-18*
16.3% CAGR

2013-15**
10.3% CAGR

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

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

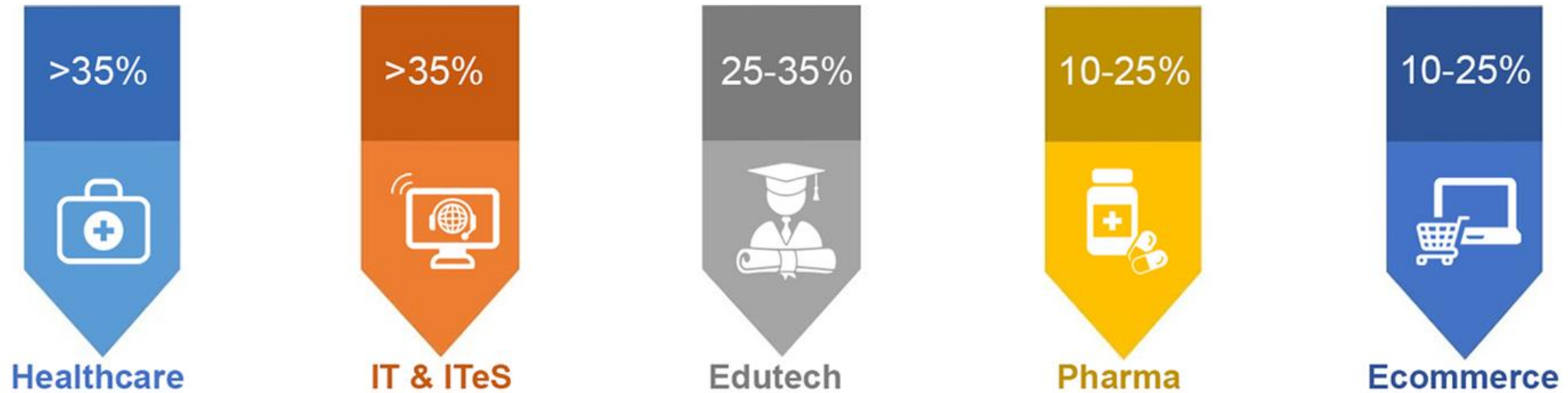
Note: This is based on data from consistent respondents in all Qtrs only

REFERENCE: Q121: Apr-Jun 20-21 | Q221: Jul-Sept 20-21 | Q321: Oct – Dec 20-21 | Q421: Jan – Mar 21



Flexi Staff Employment – Sector wise Sentiment (H2-21 onwards)

Industry/Sector wise Employment Sentiment across : H2-2021



The Employment Sentiment Survey : Q221 was conducted among members of ISF

- The top 5 hiring sectors will be Healthcare, IT & ITeS, Pharma, Edutech and Ecommerce
- As per majority respondents, **Healthcare , IT & ITeS, Pharma and Edutech** will be leading employment growth by above 35%.
- **Ecommerce industry** will continue its accelerated contribution to employment growth Q2 2021 onwards.
- **IT & ITeS** will be driven by digital integration and investment in expedited automation processes. Tech firms are betting big on campus and entry level talent especially in the temp role and that is driving positive future prospects for freshers.
- **For edutech sector**, since the pandemic, K-12 sector has been the key focus of EdTech startups which entailed new age pedagogic adoption - adaptive learning platforms, learning management systems, smart classroom solutions and collaborative platforms. Going forward, the growth drivers would move beyond K12 to include skill development and learning management systems, etching manpower requirement there.
- **In healthcare**, preparation for better response management system for 3rd wave of Covid is leading the healthcare sector to be better staffed
- **Pharma** will looking at investing further into R&D and also in manufacturing of vaccines and associated OTC drugs.



Logistics



Insurance



FMCG & CG



Manufacturing



Banking

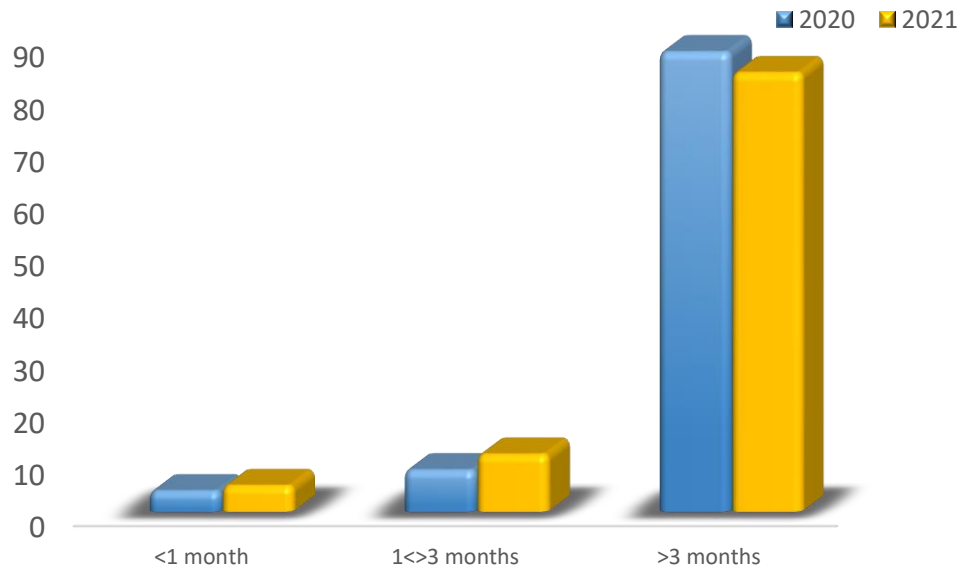
Basis survey respondents, the next 5 hiring sectors will be Logistics, Insurance, manufacturing, FMCG&CD and Banking

- **Logistics** is expected to be increasing its manpower by 10-25%.
 - The employment sentiment is mostly driven as the ecommerce industry prepares for the pre-festival preparation in H2.
 - The investment is mostly in training and upgrading systems to manage the demand starting Mid august till December.
- From the upheaval of Q122 impact of Covid on lives, **Insurance sector** is mostly expected to be witnessing growth in the range of 10-25%.
- **FMCG &CD along with Manufacturing industry** could witness employment growth in the range upto 10%, as consumption continued at pace.
- **Banking sector** will mostly witness the employment growth upto 10%, as the consumerism continues. Fintech and Wallets continue to show growth.

Flexi Staff Employment – Social Impact

Average length of assignment for >12 month contracts grew +6% during Covid

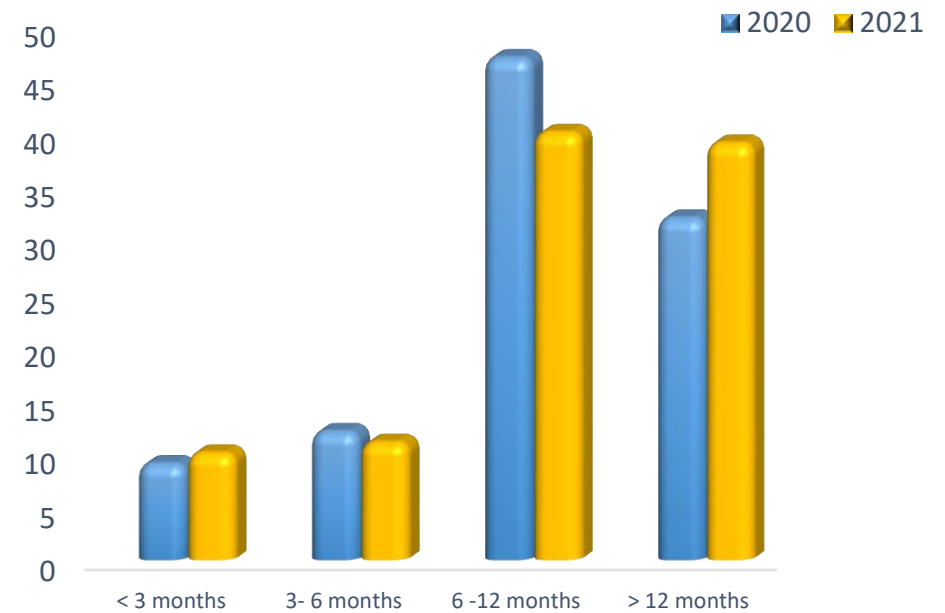
What is the average length of assignments for temporary workers? (%)



Average Length of Assignments

- Almost +84% of the flexi projects/assignments are more than 3 months
- Short term projects of less than 3 months were slightly higher last year as the more than 3 months saw a drop of 4 % between Y20 to Y21
- 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? (%)

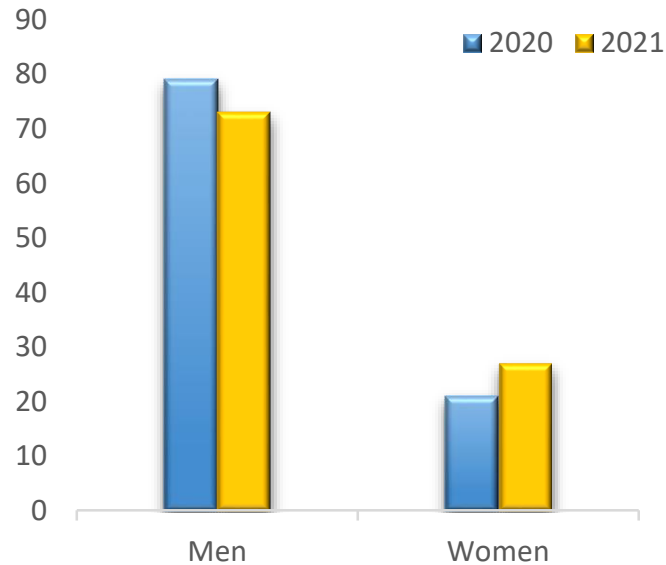


Average Length of Contract

- There was an increase of +6% YoY in contract length where workers are gainfully employed for more than 12 months.
- There was a shift of +7% contracts from 6-12 month to more than 12 months YoY. It could be led by IT Staffing industry.
- 79% of contracts are over 6 months of engagement between Flexi staffing orgn and flexi staff, where 39% are over 12 months.

Women Participation in Flexi workforce grew +6% during Covid

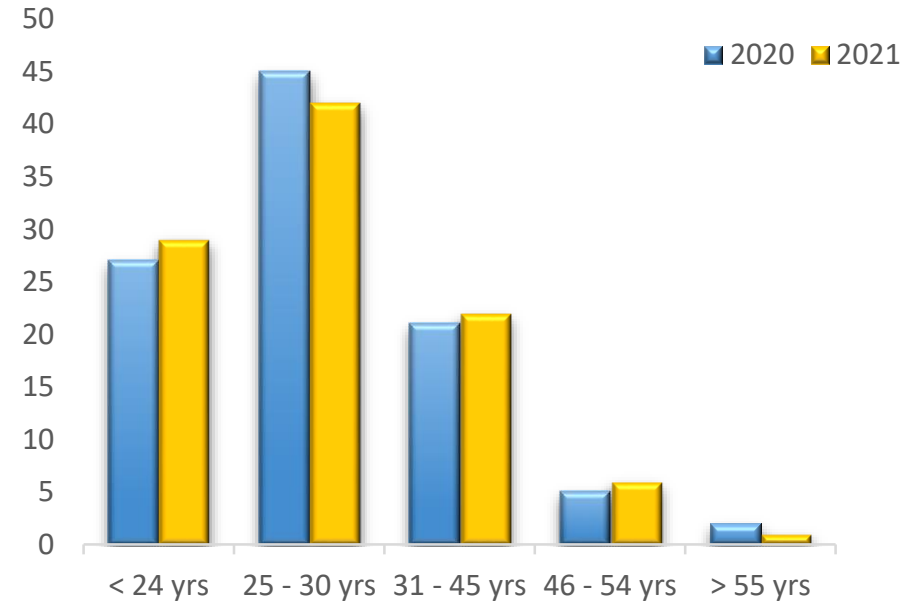
Gender distribution of flexi workers- %



Gender Distribution

- In flexi employment Women participation increased during Covid by +6%, while it declined for men by 4%
- Last year witnessed a significant number of women who could return back to work for 2nd stint at career.
- 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? (%)

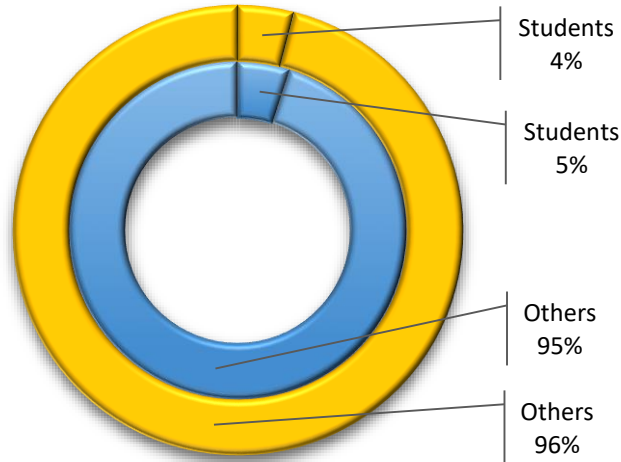


Age Distribution

- There was a +2% increase where people below 24 yrs of age participated in the workforce moving up from 27% to 29%.
- On the other hand, there was a 3% dip in the flexi workers participation from the age of 25- 30 yrs, with 45% down to 42%
- There was +1% change YoY in the workforce participation of flexi workers above 31 yrs of age.
- Almost 73% flexi workers are upto 30 yrs who participate in the workforce.

Flexi workers employed in Y21 were +21% with higher education; +11% with higher skills than Y20

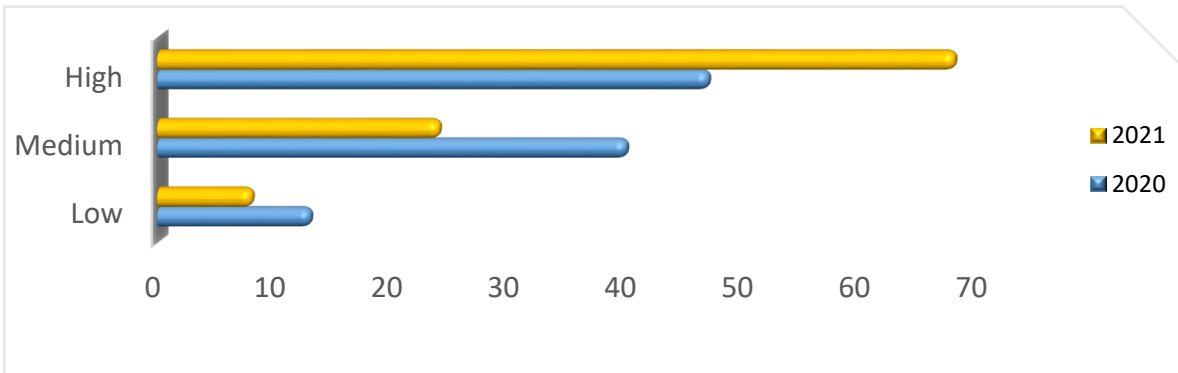
Share of students among all Flexi Workers? (%)



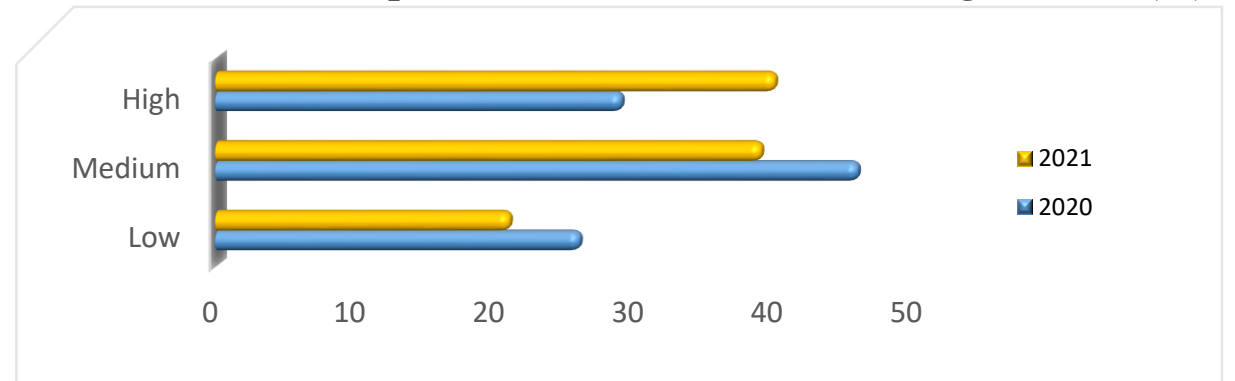
Requirement for entry level Flexi jobs: Education and skills

- Average of 4% YoY students join flexi jobs in India
- Initial level of education & Skills of employed flexi workers
 - There was a significant jump of +21% YoY where 68% flexi workers were employed with high level of education that cover Graduates and above
 - The flexi workers with medium and low education level were lesser in composition as jobs with IT skills were significantly more in demand in 2021 compared to 2020.
 - The high education resonated with high skilled jobs as there was a significant growth at +11% YoY
 - The composition of employment saw lesser low and medium skilled workers compared to 2020.
 - About 24% flexi jobs held by medium level which is secondary education and 8% are held with below secondary education in 2021.
 - In 2021 about 39% employed flexi workers were medium skills and 21% were with low skills.

Initial level of education of Flexi workers? (%)

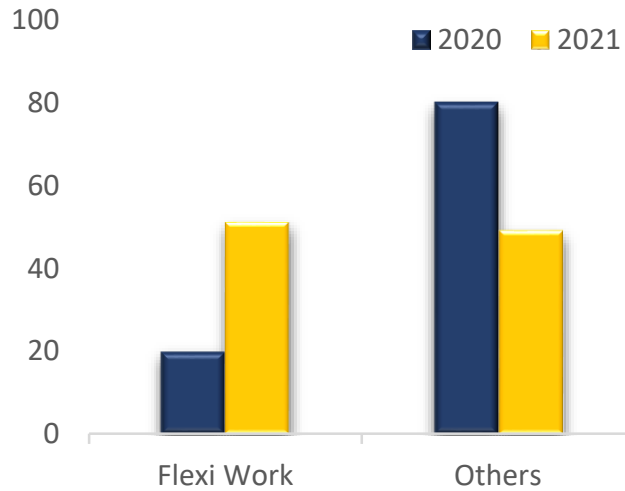


Level of skills required to execute flexi work assignments? (%)

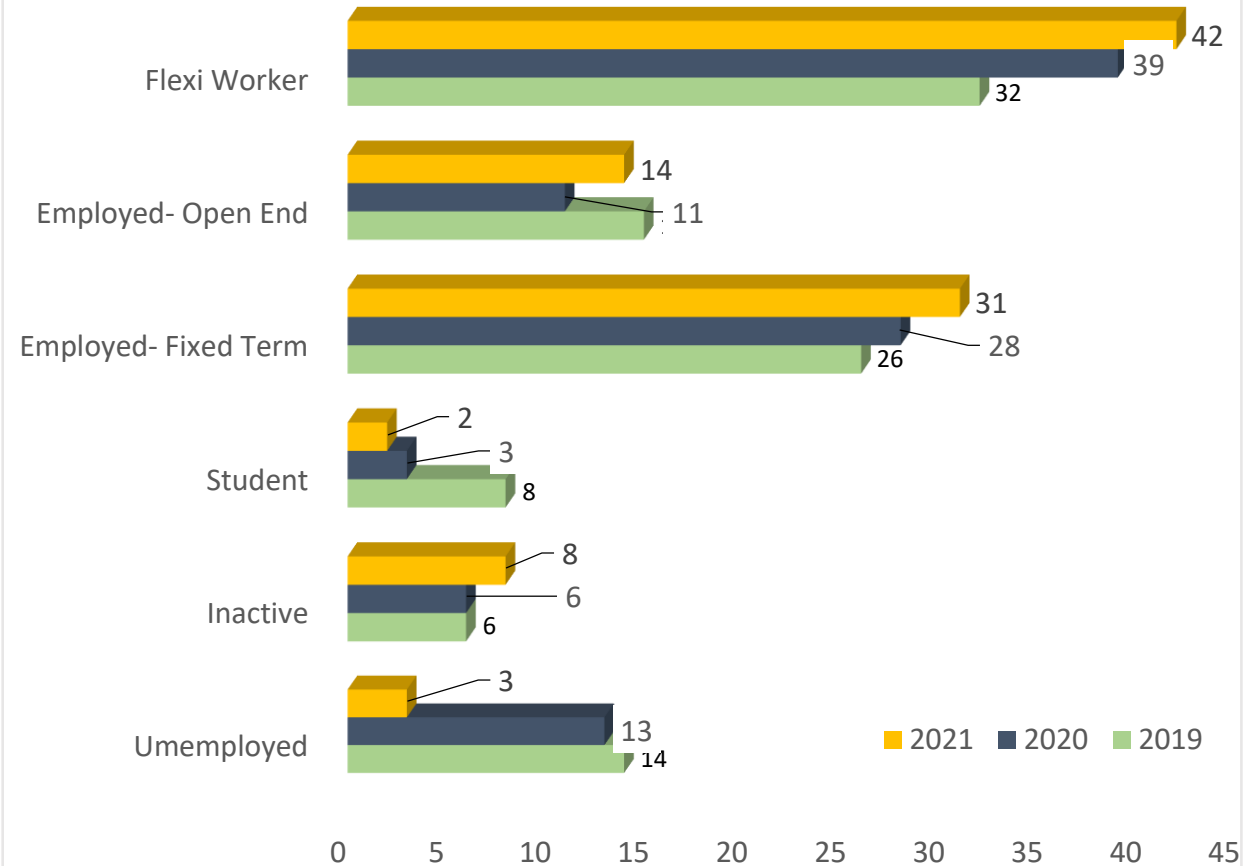


In 2021 +31% growth in flexi work compared to other formats of employment

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



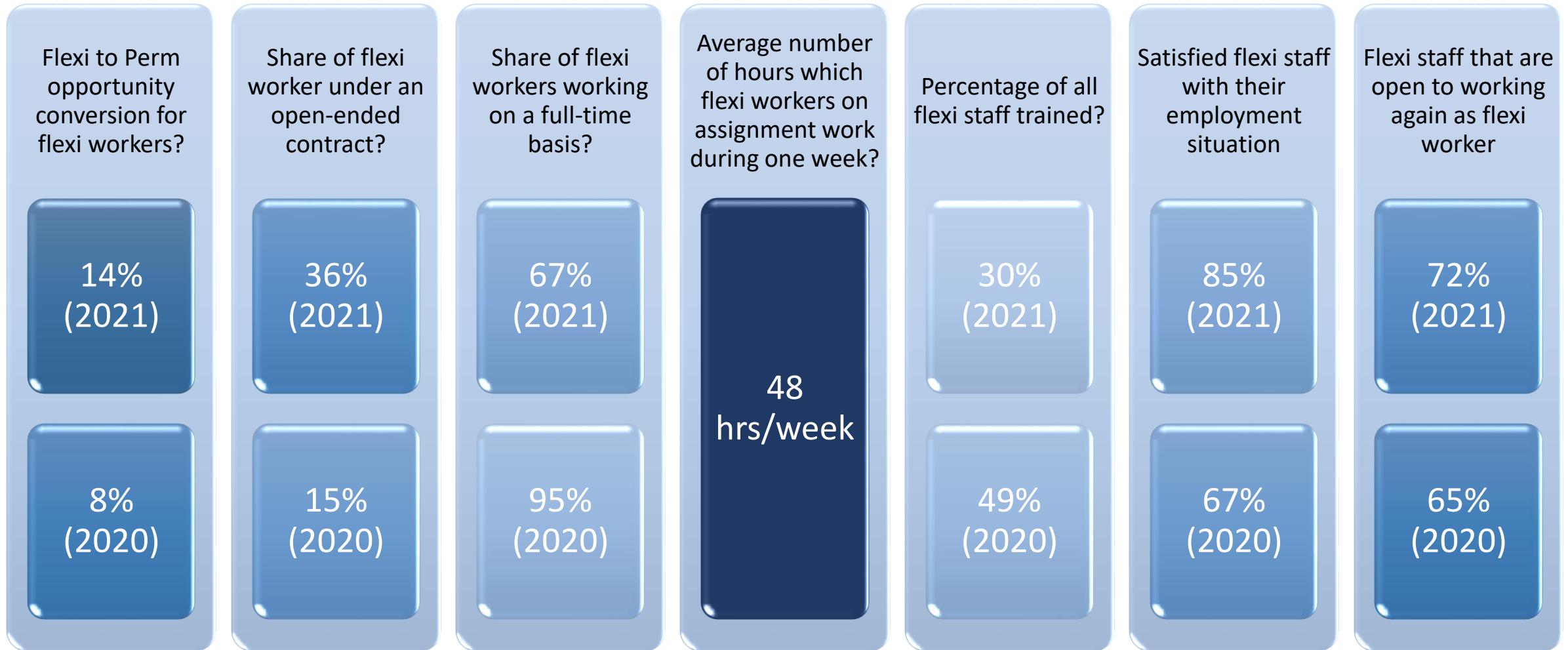
Labour market situation for workers before and 12 months after working as flexi staff? %



- Y21 witnessed +31% demand growth in flexi employment compared to other formats of employment that saw a decline of 29%.
- Labour Market changes for Flexi worker 2021 vs 2020:
 - Employment market saw +3% flexi workers prefer a flexi job at 42%.
 - +10% preference for continuity as flexi worker from 2019 to 2021
 - Workers associated with Fixed term employment is also growing at a marginal +3% YoY
 - The rate of unemployed Flexi worker after 12 months of employment has reduced to 3% in 2021. This is gradually declining as better opportunities continue.

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

85% flexi workers are satisfied with their employment situation; 72% will prefer to continue as flexi employee



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 & Regulatory

abhishek@isf.org.in

www.isf.org.in



Indian Staffing Federation Annual Report Flexi Staffing Industry 2021

2021



connect with us

 www.isf.org.in

 +91-11-49121670

 abhishek@isf.org.in