

Indian Staffing Federation
Quarter 3 Report
Flexi Staffing Industry
2023-24

2024



Report Introduction

The employment landscape is ever-changing, with trends and patterns evolving each quarter. The recent Q3 23-24 report from the Indian Staffing Federation sheds light on the current state of the staffing industry. Let's explore the key insights from this report,

Current Scenario

The Q3 report depicts a dynamic and resilient staffing industry, adapting to challenges posed by the global pandemic. General Staffing maintained demand across broad spectrum of roles, skills to meet the opportunities. The demand for skilled professionals across sectors is on the rise, leading to the need for innovative contract staffing approaches.

Emerging Trends

The report highlights the increasing popularity of staffing work arrangements. Employers are turning to contingent workers to address skill gaps and meet fluctuating demands. This shift to a more flexible workforce has significant implications for the future of work and the employer-employee relationship.

Challenges and Opportunities

While the staffing industry thrives, it faces challenges such as talent shortages, skills mismatches, and wage inflation. These issues also present opportunities for organizations to invest in upskilling, promote diversity and inclusion, and enhance employer branding to attract top talent.

Future Outlook

Looking ahead, the staffing industry will continue to shape the future workforce. Employers need to be agile, adopt technology, and focus on talent development to stay competitive in a changing environment. By using data-driven insights and fostering innovation, organizations can tackle challenges and capitalize on future opportunities.

Highlights

Indian Staffing Federation
Quarter 3 : Flexi Staffing
Employment Trend Report
Q3 24 (Oct - Dec)



Staffing Industry Growth Rate



- Overall Flexi Staffing Industry continued a double digit new employment growth trend at **16.4% YoY(Q3 vs Q3)**
- Flexi Staffing Industry came back with a Quarter on Quarter (Nett employment) **growth at 3.6% in Q3 23 -24.**
- **General Flexi Staffing industry** witnessed new employment growth at **17.7% YoY**, whereas maintained growth at **3.8% in Q3 2023-24 (QoQ)**
- **IT Flexi Staffing industry** witnessed sluggish employment trend in **Q3 2023-24 at -0.4% (QoQ)**, and will take few more months to come out of red YoY, as it stood at **-8.8% YoY (Q3vsQ3).**

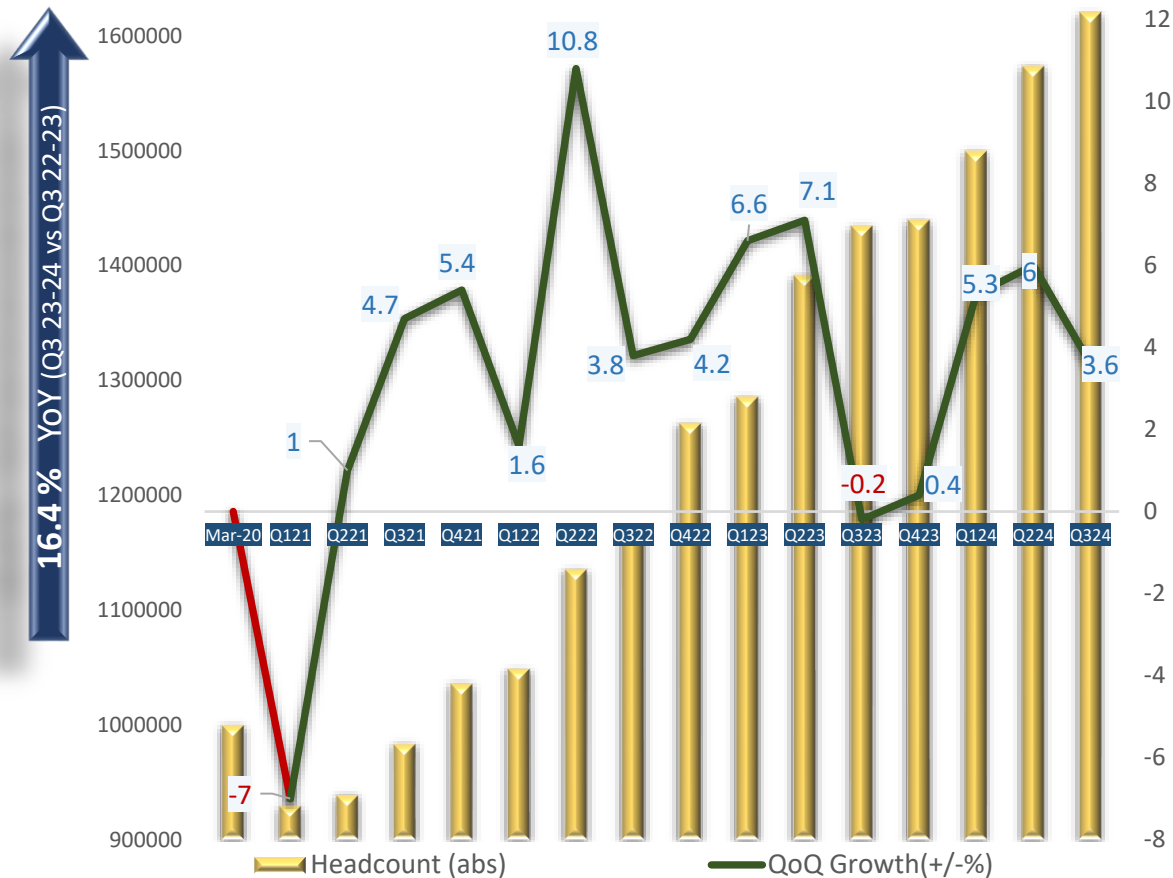
Flexi Employment Added



- Staffing members of ISF **added 1.88 lakhs new formal workforce in 2023-24 (YoY) in last four Quarters.**
- The 125+ members of Indian Staffing Federation **employ 1.62 mn flexi workforce (Dec 2023)**
- **General Staffing Industry** nett new employment added was at **1.91 lakhs new formal workforce in last four Qtrs of 2023-24 (YoY) and ~47K QoQ at Q3 24.**
- **Employment demands** were primarily driven from sectors like E-commerce, Retail, FMCG, Logistics, Manufacturing, Hospitality, Tourism, Aviation, Energy etc.

Staffing Industry Grew at 3.6% QoQ and significant 16.4% YoY (Q3 vs Q3)

Flexi Staffing Industry
New Employment Growth QoQ (Q3 23-24)



>> Overall staffing industry witnessed a growth at **3.6%** in Q324 with **~47K** new flexi employment created QoQ.

>> ISF Members represent **1.62 mn** Formal Flexi Workforce Q324

>> Staffing industry had a robust New Employment (Flexi) growth at **16.4% YoY** (Q3 23-24 vs Q3 22-23)

>> ISF Members added **1.88 lakhs** New Formal Flexi Workforce in last four qtrs.

YoY : Overall Staffing industry grew at 16.4% YoY (Q3 vs Q3)

- The employment demand maintained a steady growth rate for consecutive 3rd Qtr at **16.4% YoY**.
- Good demand growth from across sectors, supported in new employment pick up in Q324. The most significant contributions were from Retail, Ecommerce, Logistics, Hospitality, Tourism, Aviation, FMCG & CD sectors.
- Nett new employment generated with staffing Industry (represented by ISF members) in **the last 4 qtrs, was 1.88 lakhs** indicating continued new demand for flexi staffing.
- ISF members represent **1.62 mn flexi workforce** at the end of Q3 23-24.
- General Flexi Staffing industry witnessed new employment growth at 17.7% YoY, whereas IT Staffing industry continues in red at -8.8% YoY (Q3 vs Q3).

Q324: QoQ Overall Staffing industry grew at 3.6%

- Overall Staffing Industry had a robust sustained growth at **3.6% QoQ (Q324)** aided by general staffing across sectors.
- New employment growth in flexi staffing was **~47K through ISF members** added in Q3 24 (QoQ).
- General Flexi Staffing industry witnessed new employment growth with a sustained **growth rate at 3.8%** Q3 2023-24 (QoQ).
- IT Staffing witnessed slight downturn at **-0.4% at Q324 (QoQ)**. Markets are gradually warming up and opening with new employment opportunities.

REFERENCE: YoY is the headcount growth between Q324 vs Q323

REFERENCE: Q324: Oct-Dec 23-24

General Staffing Industry grew at 3.8% (QoQ) Q3 23-24 ; 17.7% YoY (Q3 2024 vs Q3 2023)

General Staffing Industry Employment Growth
Trend QoQ (Q324)



>> General Staffing industry continued new employment growth at **3.8% (QoQ)** in Q324. This complements the sentiment of robust new employment growth across sectors.

>> General Staffing Industry continued to maintain a sharp growth at **17.7% YoY (Q3 23-24 vs Q3 22-23)**.



>> General Staffing Industry was primarily driven by demands from E-commerce, Retail, Logistics, Manufacturing, FMCG, Hospitality, Tourism, Aviation etc.

>> ISF members added **1.91 Lakhs new employment** across General staffing roles in last rolling YoY (Last 4 Qtrs). There is a significant **47k** new employment generated in Q324



REFERENCE: Q324: Oct- Dec 23-24

IT Staffing Industry New Employment at -0.4% (QoQ) in Q3 24 and - 8.8% (YoY) (Q3 23 vs Q3 24)

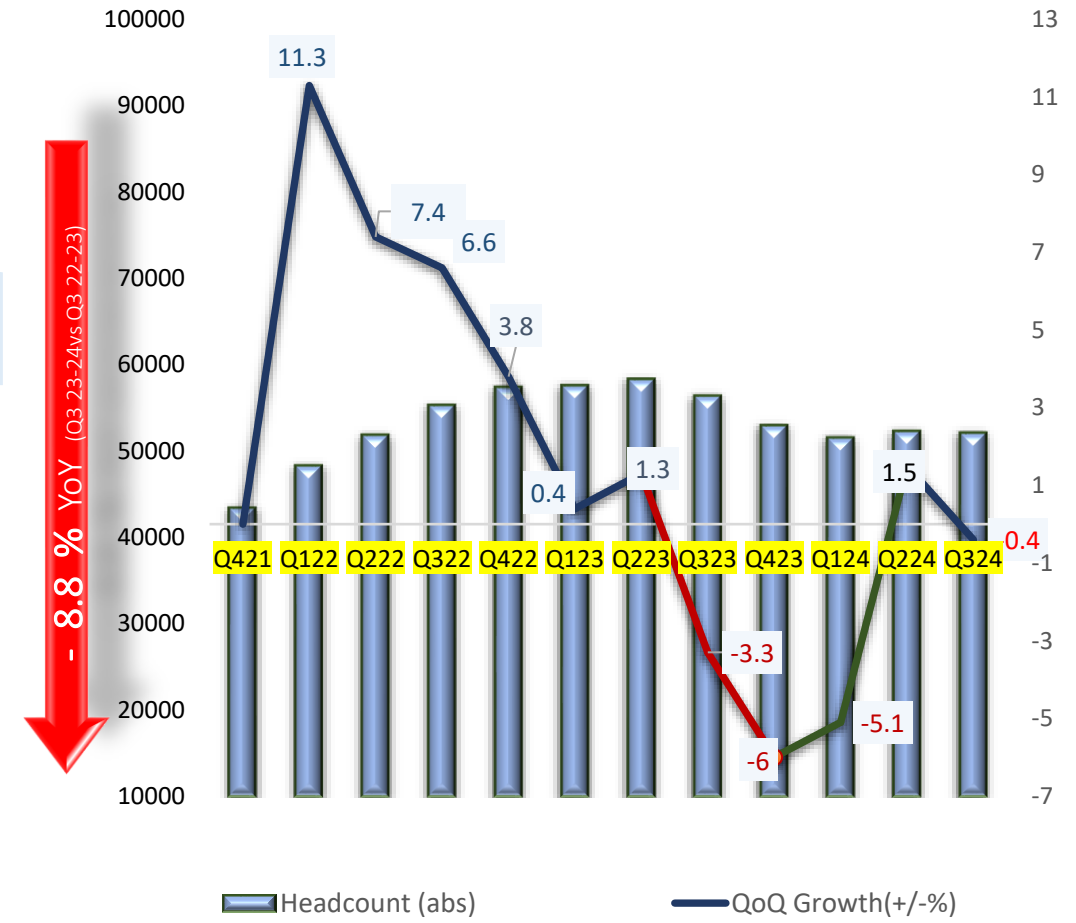
>> IT Staffing Industry witnessed a slight downturn as new employment demand remained sluggish in Q3 23-24 with **-0.4%** (QoQ) new employment trend.

>> The IT Services new employment slowdown trend was mirrored IT Infra, Cloud, Cybersecurity, Data analytics etc. GCCs continue to play an active role as the plans of expansion and new set ups are moving at a great speed, however numbers are not enough to show substantially number progress.

>> IT Staffing industry is still trying to recover from previous three quarters. However, new employment numbers have not added as many to pull the industry in complete recovery, thus it is still in red at **-8.8%** (YoY) ie. Q3 23-24 vs Q3 22-23.

>> The global scenario continues impact across the world from the impact of global financial markets among others that continues to impact the market caution. India comes across resilient amidst all, and IT industry looks promising to be out of red in coming quarters.

IT Staffing Industry Employment Growth Trend QoQ (Q324)



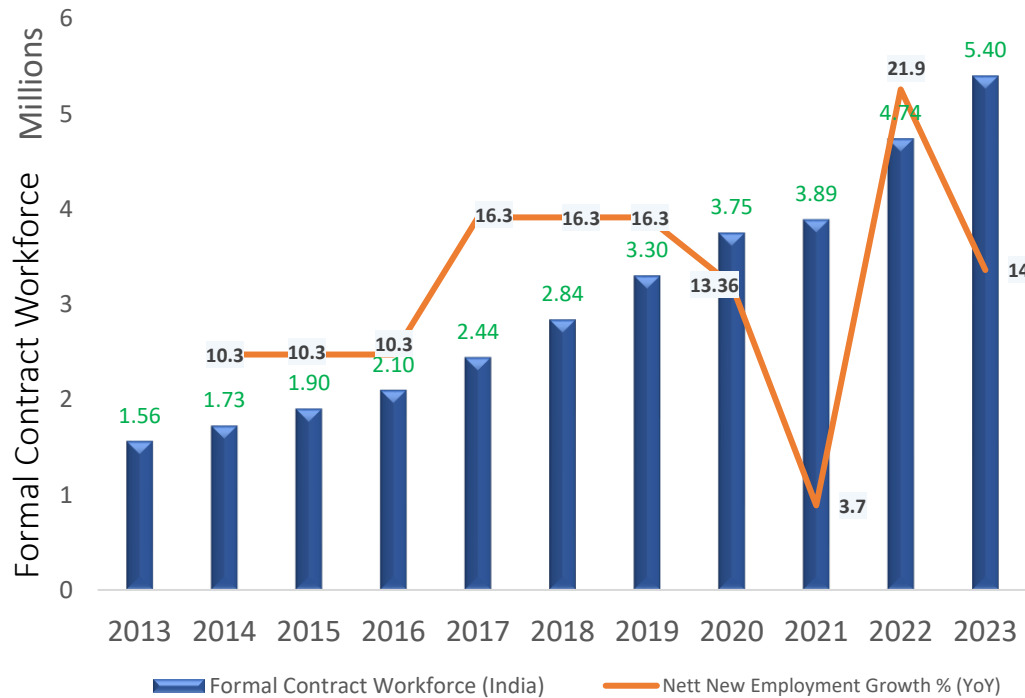
REFERENCE: Q324: Oct – Dec 23-24



Formal Contract Staffing Industry: Impact Created in Labour Market : 2013-2023

New employment generated ; Social Security remittances increased; Livelihood protection ambit increased; new employment growth at 4X

Formal Employment Growth Contract Staffing Growth (Last 10 years)



Annual Social Security & GST Contributions Formal Contract Staffing India (Last 10 years)



Contract Staffing Industry Growth 13% -16% YoY (New employment)

- 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

- New formal employment growth through staffing industry has witnessed a steady growth in the last 3 years at an average 13-16% YoY
 - In 2023, 5.4 mn contract workers associated with formal contract staffing
 - Staffing Industry contribution towards annual salary in 2023 was INR 116640 cr
 - Staffing Industry contribution towards social security and GST in 2023 was INR 41792 cr
 - Contract staffing in India has a penetration rate of 1.1%
- Note: 2013-18 Contributions were in Service tax, instead of GST



Indian Staffing Federation

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.

Methodology

The research is based on primary email sent to 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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