

2026

Indian Staffing Federation  
Quarter 1 Report  
Flexi Staffing Industry

2025-26



# Overall Flexi Staffing Industry New Employment Growth: 2025-26

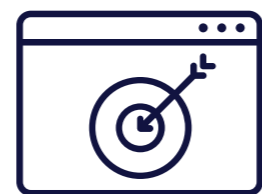
The Flexi Staffing Industry's nett headcount growth reflects a combination of macroeconomic trends, sectoral demand, and structural shifts in workforce management:

## Observations



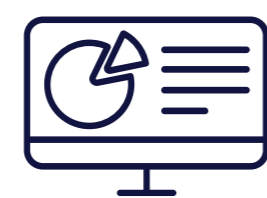
### Economic Slowdown and Sectoral Deceleration

India's GDP growth slowed driven by marked deceleration in key consumers of general staffing. These sectors faced reduced activity due to high inflation, supply chain disruptions, and lower investment, contrasting with resilient services (including IT). Key industries like FMCG, retail, e-commerce, and logistics have shown slower hiring momentum due to subdued consumer spending and normalization



### Economic Turbulence & Formalization plateauing

Geopolitical issues, including ongoing conflicts and trade frictions, have dampened exports and corporate confidence, resulting in slower temporary hiring across non-IT sectors. Contractual hiring grew at its slowest pace in four years during Q1FY26, attributed to these factors. The rapid formalization of the workforce post-2017 GST implementation has reached a stable phase; incremental formalization is slower now



### Shift to consolidation

Companies are focusing on improving productivity with existing workforce before adding new contract positions. Many corporates delayed hiring decisions into later quarters, awaiting clarity on monsoon impact, company budget allocations, and global macroeconomic signals

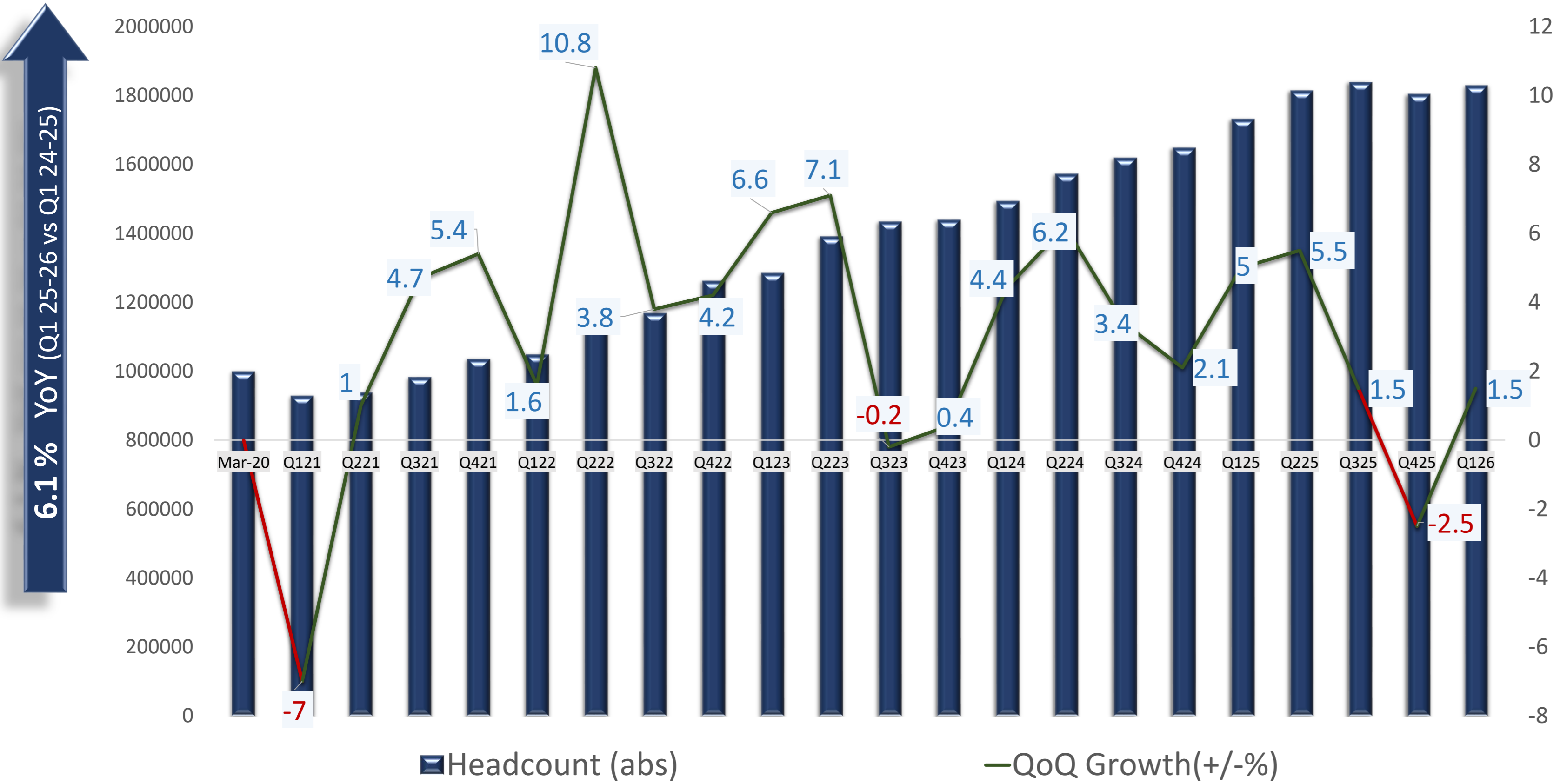


### Sectoral Contributions

While manufacturing continues to add headcount, growth has decelerated because of global demand uncertainty, export slowdowns, and domestic capex cycles yet to fully peak adding to the woes the tariff implications. India's IT and knowledge services sector is absorbing more talent while frontline staffing demand is growing slowly, leading to the blended slowdown.

# Staffing Industry witnessed growth at 1.5% Q126 (QoQ) and 6.1% YoY (Q1 26 vs Q1 25)

## Flexi Staffing Industry New Employment Growth QoQ (Q1 25-26)



6.1% YoY (Q1 25-26 vs Q1 24-25)

>> Overall staffing industry witnessed a growth at **1.5%** in Q126 (QoQ) for nett flexi employment (ISF Members).

>> ISF Members added **91.5K** New Formal Flexi Workforce in last four qtrs.

>> Staffing industry had a tepid New Employment (Flexi) growth at **6.1% YoY** (Q1 26 vs Q1 25)

>> ISF Members represent **1.83 mn** Formal Flexi Workforce Q126 (Total Headcount)

>> Sectors like IT, Ecommerce, Logistics, Manufacturing, FMCG and CD contributed with slower ; but new employment generation (2025-26)

REFERENCE: YoY is the headcount growth between Q126 vs Q125

REFERENCE: Q126: Apr - Jun 2025



# General Staffing Industry grew at 1.4% Q1 25-26 (QoQ) & 5.8% YoY (Q1 vs Q1)



>> General Staffing Industry witnessed new employment growth at **5.8% YoY**. (Q125 vs Q125).

>> General Staffing Industry witnessed a growth at **1.4% QoQ** in Q1 25-26 (Q1 25-26 vs Q4 24-25).



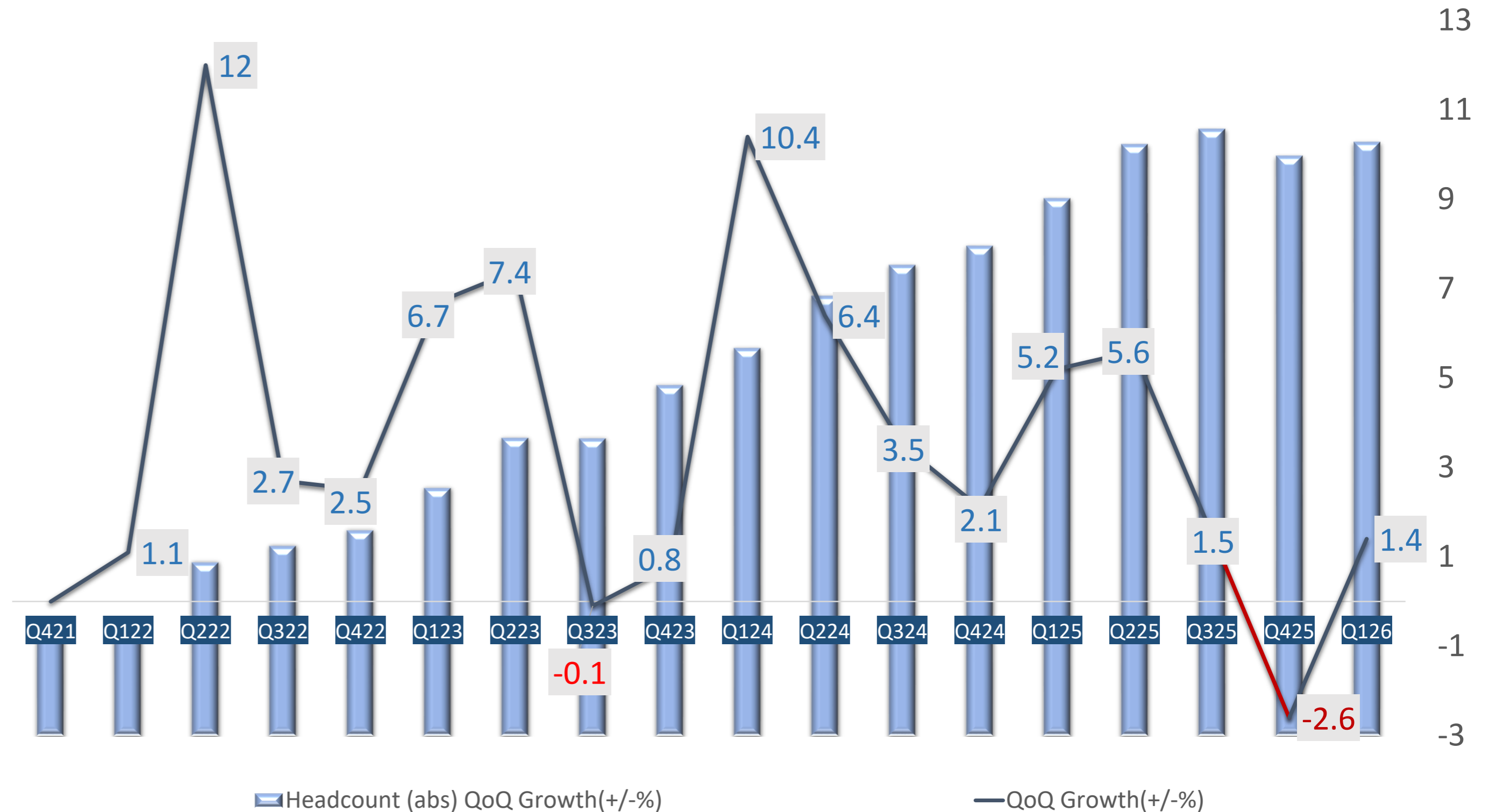
>> ISF members overall added **85 K new employment** across General staffing industry in last 4 Quarters.

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



5.8% YoY (Q1 26 vs Q1 25)

## General Staffing Industry Employment Growth Trend QoQ (Q126)



REFERENCE: Q126 Apr – June 25



# IT Staffing Industry New Employment Trend grew at robust 5.5% in Q126 (QoQ) & 12.3% (YoY) (Q1 vs Q1)



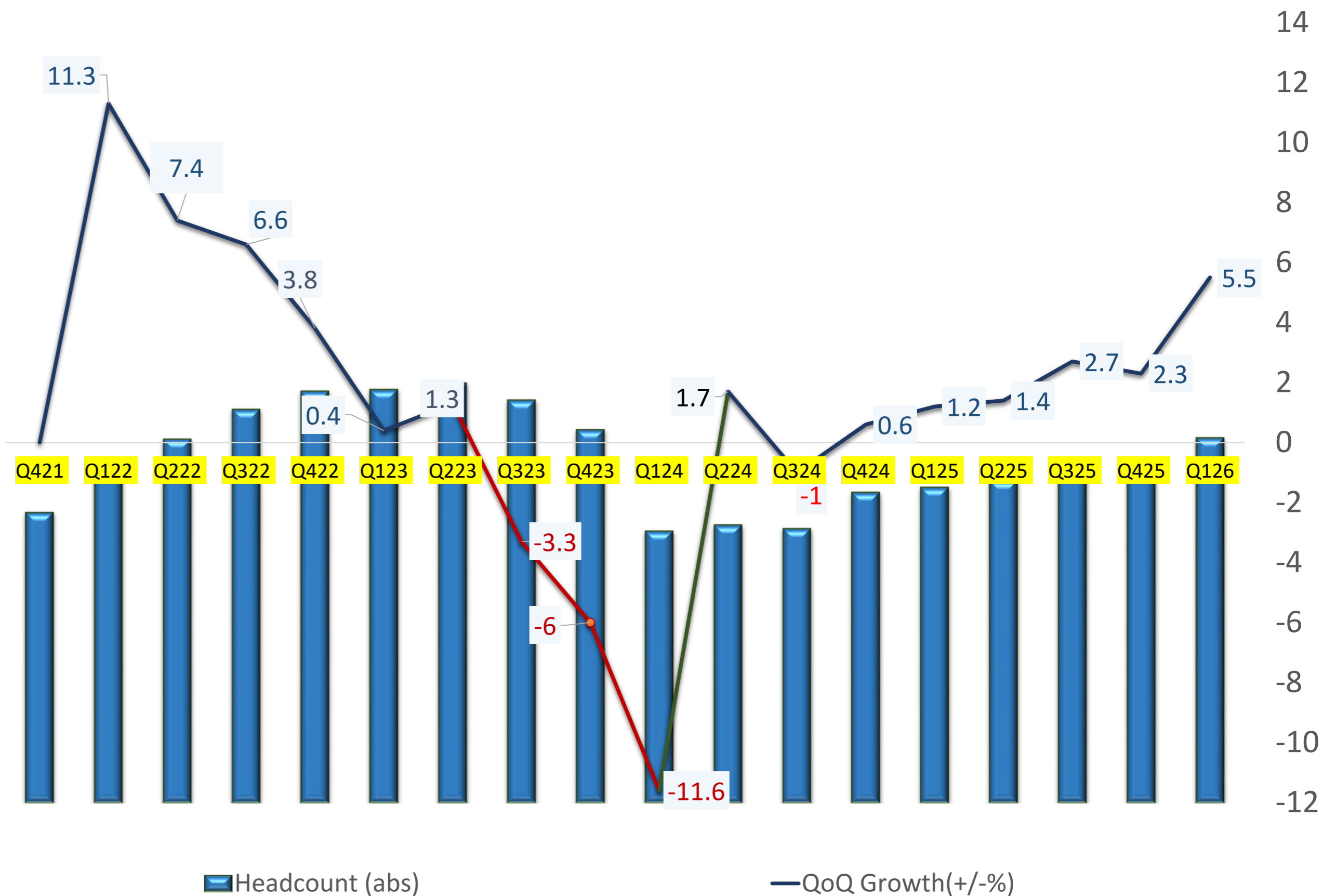
>>  
IT Staffing Industry witnessed a Qtr growth at **5.5% QoQ** (Q1 2024-26)

>>  
IT staffing industry continued to witness new demands from new GCCs and also from steady growth in new employment as project ramp-ups in services sectors. The gradual new employment growth in Q1 26 is also aided by non – IT sectors, which significantly has started investing back with the tech adoption.



**12.3 % YoY (Q1 26 vs Q1 25)**

## IT Staffing Industry Employment Growth Trend QoQ (Q126)



>>  
IT Staffing Industry continued its positive momentum with a robust growth at **12.3% YoY (Q1 vs Q1)**. Contract staffing in IT sector benefits from ongoing global demand for AI, cloud computing, and digital services.

REFERENCE: Q126: Apr – June 25



## 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 120 staffing companies as its members. Further details [www.isf.org.in](http://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.

## Contact

**Suchita Dutta**

[suchita@isf.org.in](mailto:suchita@isf.org.in)

[www.isf.org.in](http://www.isf.org.in)



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