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80% of early-stage startups looking to increase workforce in 2023: FICCI survey

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One of the sectors depicting the highest hiring intent include the healthcare sector



The Federation of Indian Chambers of Commerce and Industry (FICCI) in partnership with Randstad India, one of the leading organisations in the HR services industry, has launched their exclusive survey on startup hiring trends. Over 300 startups participated in the survey.

Despite the current trend of layoffs among larger corporations, the survey highlights that a significant proportion (80%) of early-stage startups, those with a current workforce of fewer than 20 employees, are actively seeking to expand their workforce in 2023.

Notably, these startups have secured Series A and Series B funding, are well-capitalised, and are actively seeking to hire new talent. 92% of these startups stated that their hiring decisions will primarily be driven by new project orders, additional funding raised from investors and expansion strategies.

While startups are planning to expand their workforce, a substantial portion, 31.92% anticipate an increase in hiring by over 30%.

28.08% of companies plan to expand their teams in the 11-20% range. Sectors like Agri/Agritech, AI/ML/Deeptech, Automotive, and E-commerce/delivery services are expected to increase hiring in the 11-20% range, while Aerospace & Defense, Energy, and Healthcare startups are expected to increase their hiring activities by over 30%.

Overall, sectors depicting the highest intent to hire include healthcare (13%), IT/ITes (10%), agri/agritech (8%), AI/ML/DeepTech (7%), Fintech (7%) and Manufacturing (7%).

The study also states that hiring will primarily occur at the junior and mid-levels. Approximately 37.97% of startups have indicated that they intend to recruit more junior-level employees, while 27.27% of respondents are planning to focus on mid-level hiring. However, the Agri/agritech and automotive sectors will focus more on senior level C-suite hiring.

The survey further indicates that 54.38% of startups attribute the high attrition rate in the industry to factors such as better pay packages offered by larger corporations, as well as concerns over job security in a startup. Other factors contributing to attrition in startups include a lack of clarity around career progression and credibility.