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India shows strong growth for Q1 2026; Ranks #2 globally in hiring demand

Latest ManpowerGroup Employment Outlook survey shows a positive Outlook despite a decline in hiring volume, as employers prioritize resilience, critical skills, and strategic growth.

- Indian employers reported a 27% growth in hiring intentions compared to Q4 2025 and continue to report the 2nd highest Outlook globally, 28 points above the global average.
- Across the sectors, Finance & Insurance maintained the strongest Net Employment Outlook of 61%, followed by Professional, Scientific & Technical Services (57%), and Construction & Real Estate (54%).
- Company expansion (43%) & Tech advancements (38%) remain the top reason for staffing increases, while Automation (42%) tops the list for anticipated workforce reductions.

NEW DELHI, INDIA (Dec 9, 2025) – Indian employers report an extremely strong job market in India in the first quarter of 2026 with a Net Employment Outlook (NEO) of 52%, underscoring a strategic shift toward quality over volume. The results, based on responses from 3,051 employers across India during Oct 2025, show the Outlook improving by 11 points since last quarter and 12 points since this time last year. This also marks the highest Outlook in the post-covid period.

Economic Upswing positions India for expanding workforce needs

The Indian market remained positive, as the economy is predicted to grow at a [faster-than-expected](#) rate, supported by a favorable monsoon that drove rural demand and lower oil prices that helped keep inflation in check. Regardless of ongoing trade tensions and weaker external demand, India has been [minimally impacted by the U.S. tariffs](#). Additionally, reforms in the banking sector enabled easier access to foreign loans, supporting company growth and job creation. Meanwhile, efforts have been ramped up to internalize the Indian rupee for cross-border trade, aiming to decrease dependence on U.S. dollars, which will ultimately benefit the economy in the long term. Given these metrics, Indian employers' hiring sentiment looks optimistic for the near term.

"India's hiring outlook is not just strong - it is signaling a new phase of economic confidence and capability-building. What these trends truly reflect is India's transition from volume-led hiring to value creation: organizations are investing in the skills, technologies, and talent architectures that will define their competitiveness over the next decade. Demand in sectors such as finance, professional services, manufacturing, and real estate shows that employers are actively preparing for a more digital, regulated, and innovation-driven economy. The moderation in hiring intensity, especially among large enterprises, is often misunderstood. It is strategic - not cautious. Companies are re-engineering their workforce models, prioritizing high-impact roles, and blending permanent, specialist, and flexible talent to stay resilient amid shifting global dynamics. This is workforce transformation with intent, not attrition," shares **Mr. Sandeep Gulati, Managing Director, ManpowerGroup India and Middle East.**

"As we move into 2026, India will shape its talent market around three fundamentals: critical skills, technological leverage, and purposeful expansion. Organizations that build around these pillars will not only withstand disruption but lead it. And for India's skilled professionals, this creates an unprecedented runway of opportunity to contribute to the country's next wave of growth and global leadership," **said Mr. Gulati.**

Used internationally as a bellwether of labor market trends, the NEO is calculated by subtracting the percentage of employers who anticipate reductions in staffing levels from those who plan to hire.



Sector and Regional Highlights for Q1

Indian employers in all 9 sectors anticipate increasing staffing levels in Q1 2026. Compared to the previous quarter, employment forecasts have strengthened in 7 sectors, weakened in 1 sector, and remained unchanged in 1 sector. Compared to Q1 2025, employment expectations have strengthened in 8 sectors and declined in just the hospitality sector.

- Majority of employers (63%) anticipate an increase in hiring, while 24% expect to maintain current staffing levels, 11% anticipate a decrease, and 2% are unsure.
- India's most competitive sector is Finance & Insurance with an Outlook of 61%, increasing by 7 points since the previous quarter and 18 points since Q1 2025. This quarter marks the highest NEO recorded since Q3 2022 (64%). Globally, India is the front-runner in employment hiring expectations in this sector, exceeding the global average NEO by 29 points.
- Professional, Scientific & Technical Services emerges as the second leading sector in hiring intentions at 57%, reflecting a 14-point year-over-year increase. This marks the sector's highest Outlook since tracking began in 2022. Other leading sectors include Construction & Real Estate (54%), Manufacturing (53%) and Information at a 51% Outlook.
- The most competitive region in India is the North (59%) which grew by 14 points. It is followed by the West (55%), which saw an increase of 13 points, the South (49%), which grew by 10 points; and the East (48%) which recorded the highest increase of 16 points over the last quarter.
- Indian employers in large organizations with 1000-4999 employees are the most optimistic, reporting a NEO of 61%, which has risen by 5 points since last quarter and 13 points since Q1 2025. Employment expectations in organizations of this size in India are more than twice the Global average NEO, which stands at 25%.

Hiring in Q1 2026

Despite a positive outlook over the past year, hiring volumes have declined. In Q1 2026, a typical company's total workforce is expected to grow by 65 workers - a 60% drop since we began tracking in Q2 2025, when the figure stood at 162. This decline is largely driven by Very Large firms (1000-4999 workers), which anticipated adding 758 workers in Q2 2025 but now expect to add only 146.

1. For organizations planning to expand, growth is driven by these high-priority factors:
 - a. **Organizational growth (43%)** - The company is expanding in size, creating more positions.
 - b. **Tech Advancements (38%)** - Advancements in technology demand new expertise and roles.
 - c. **Competitive advantage (33%)** - Seeking fresh perspectives and skills to maintain a competitive edge.
 - d. **New business areas (32%)** - Branching into new markets or sectors requires new roles.

Notably, among employers planning to increase staffing, just 19% are backfilling recent departures. The emphasis is on new roles, underscoring a move toward purposeful talent investments rather than simply replacing departures.

2. Companies reducing staff cite Automation (42%) & Market changes (29%) as the primary reasons for workforce reductions.
3. Among organizations maintaining headcount, 35% are managing with their current staff, while only a quarter are waiting to see how the economy evolves before making hiring decisions.
4. Fluctuations in business demand (38%) and market conditions (24%) are contributing to uncertainty in hiring.

To view the complete results for the Q1 2026 ManpowerGroup Employment Outlook Survey, including regional and country data, visit: <https://www.manpowergroup.co.in/meos-q1-2026.aspx>. The next survey will be released in March 2026 and will report hiring expectations for the second quarter of 2026.

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ABOUT THE SURVEY

The ManpowerGroup Employment Outlook Survey, now in its 63rd year is the most comprehensive, forward-looking employment survey of its kind, used globally as a key labor market indicator. The Net Employment Outlook (NEO) is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity.

SURVEY METHODOLOGY

Survey responses were collected from Oct 1-31, 2025. Size of organization and sector are standardized across all countries and territories to allow international comparisons. All NEOs referenced have been seasonally adjusted for easier interpretation, comparison, and consistency.



ABOUT MANPOWERGROUP

[ManpowerGroup](#)® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, [Experis](#), [Talent Solutions](#) and [Rotostat](#) – creates substantially more value for candidates and clients across India and has done so for more than 25 years. We are recognized consistently for our diversity – as a best place to work for Women, Inclusion, Equality and Disability and in 2025 ManpowerGroup was named one of the World's Most Ethical Companies for the 16th time - all confirming our position as the brand of choice for in-demand talent. For more information, visit www.manpowergroup.co.in or follow us on [LinkedIn](#), [Facebook](#), [Instagram](#), and [Threads](#).

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, including statements regarding labor demand in certain regions, countries and industries, and economic uncertainty. Actual events or results may differ materially from those contained in the forward-looking statements, due to risks, uncertainties and assumptions. These factors include those found in the Company's reports filed with the U.S. Securities and Exchange Commission (SEC), including the information under the heading "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2024, whose information is incorporated herein by reference. ManpowerGroup disclaims any obligation to update any forward-looking or other statements in this release, except as required by law.