

GCCs: Bridging the capability gap

Driven by innovation and digital transformation, India rises as a hub for Global Capability Centers (GCCs). Here's what it means for future of work.

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What do some of the best - small and large - companies from the US, EU, UK, South America, Chile, Indonesia, Australia, New Zealand, and the Middle East have in common? They all have their [Global Capability Centres \(GCCs\)](#) in India, building a strong offshore capability to support the functioning of their enterprise. Currently, the country accounts for close to half of the GCCs in the world, with organizations wanting to take advantage of India's large talent pool, strong policy support,

and robust infrastructure. These include companies from the banking, financial services and insurance (BFSI), retail/consumer packaged goods (CPG), research and consulting, telecom and networking, aviation, automotive, [healthcare](#), diversified industrial, electrical and electronics, and energy sectors.

What started as back-office operations providing low-end transactional services is now an integral part of global business operations to provide applications of artificial intelligence (AI), machine learning (ML), Internet of Things (IoT), analytics, and cloud computing to help solve business problems. GCCs are now Centre of Excellence (CoEs) driving transformation and innovation for their parent organizations

GCCs are poised for greater impactful growth in the coming years, thanks to enablers such as an abundance of talent, a vibrant ecosystem, and a hybrid working model, among others. According to a 2021 [NASSCOM](#) report, GCCs are on the rise, and their market size in India is expected to reach close to USD 60 billion by 2025 and the number of GCCs in the country is expected to exceed 1900 by 2025. Furthermore, the workforce under the auspices of the GCC is expected to number more than 2 million by 2025.

The Pandemic Effect: Optimising Costs, Maximising Impact

Like in every sector, the disruption caused by the pandemic has irrevocably changed GCC operations too. Most companies have navigated five to ten years' worth of change in a span of few months. A survey conducted by [McKinsey](#) states

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that several of these GCCs are turning these short-term fixes into long-term opportunities and have identified three key performance markers of success including resilience (capacity and workforce availability), continuity (including client and customer experience), and efficiency (measured by productivity).

On those lines, as the focus of GCC operations shifted toward recovery, new work schedules were created that didn't conform to the traditional nine-hour shift. A hybrid model of staggered office hours and work flexibility allowed to manage peaks while giving workers breaks to manage their obligations at home. Besides, as highlighted in the McKinsey report, shifting to a remote workforce has led to a reduction on the need for real estate and related facilities. This has created an opportunity to free up and reallocate around five percent of total operating costs - if it can be released from current leases. On the other hand, GCCs have now begun to invest significantly in cloud-based infrastructure, collaborative tools, information-security technologies, and above all, in upskilling their employees through effective training.

Way of The Future

Working in the new normal will require a sea change in both Human Resource practices and on the operations. Majority of HR professionals are already showcasing growing integration of online tools for recruitment with policies such as healthcare, flexible working hours, and other perks being used to attract and retain talent. Tools such as AI-based communication and pre-recorded videos are becoming instrumental in creating a strong remote working culture.

On the operations front, leadership is now cognizant of the shifting roles of the work, the workforce, and the workplace. As building deep skills becomes the need of the hour, there is a renewed focus on upskilling and cross skilling employees by providing learning opportunities and content to help them expand their skillsets. This would enable them to contribute more effectively to the larger organisational transformation.

[StackRoute](#), an NIIT venture offers multiple deep skilling and transformative programs for building future ready digital workforce, such as [Full Stack Development](#), Data Engineering and Analytics, Site Reliability Engineering and Architect Competency Development. These programs are designed by Solution Architects with huge experience in digital practices, delivered by our expert mentors, and supported by StackRoute Digital Learning Platform.

In the long run, only those GCCs that have geared up for the change by creating agile capabilities and skilled digital workforce are poised to ride the winds of change. Those that haven't will need to streamline their operations and invest in training their workforce to reap the benefits.

The author is the [EVP](#) and Business Head of StackRoute, an NIIT venture