

# GCCs on a hiring spree, IT firms look at their bench for talent

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**AT A TIME** when Indian IT services firms are largely looking to tap their bench strength without having to hire new talent, global capability centres (GCCs) are on a major hiring spree. The increased hiring by GCCs points to one thing — they are taking up more and more work in India, which was previously the sole domain of Indian IT services firms. The same large army of IT engineers, which the likes of TCS, Infosys and Wipro boast of in front of their customers to sign large contracts, is now being roped in by large global companies to do their work in-house. Global companies today are no longer looking at India for cost and talent arbitrage, but are also building up digital transformation capabilities.

A Nasscom report had last month said that the market size of India's GCCs is set to reach \$60 billion from the current \$46 billion, with the total number of GCCs crossing over 1,900 by 2025. While the IT industry as a

whole currently employs about 5.4 million, according to Nasscom, GCCs employ about 1.66 million people.

An even more optimistic report by EY had estimated that the GCC industry is expected to hire around 2.6 million people in India by the end of 2030, thus taking the total headcount in GCCs to over 4.5 million people by 2030.

Sunil C, CEO, TeamLease Digital, says that while there is a huge demand drop in IT services companies, there is a significant improvement in the hiring by GCCs in India.

So what are these employees that are moving in droves to GCCs expected to do? Ramkumar Ramamoorthy, partner, Catalinca, a growth advisory firm, said that digital transformation has become core to every company's differentiation and therefore, they are increasingly wanting to build and own these capabilities.

Given that digital skills are available in India at scale, global companies are building their capabilities to digitally transform themselves, rather than borrow or lease these capa-

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**\$60 bn**

Estimated market size of GCCs in India by 2025, from \$46 billion now, according to Nasscom

**5.4 mn**  
Number of people employed by IT services industry

**1,900**

Total number of GCCs in India by 2025, according to Nasscom

**1.66 mn**

Number of people employed by GCCs in India



**2.6 mn**

people to be hired by GCCs in India by 2030 end, according to EY

**4.5 mn**

Total headcount in GCCs in India by 2030, according to EY

bilities from third-party vendors. "This is why I believe that a large number of GCCs are setting up units in India," Ramamoorthy said.

He added, "In the last 10 years, there has also been an explosion of STEM (science, technology, engineering and mathematics) talent in India. A lot many IITs, NITs and IIITs have been established during time period.

Of the 25 IIITs, 21 of them were established in the last 10 years. The concept of private universities has also caught on big time in India with India having more than 400 of them today. We have seen a sudden explosion of high-quality talent in India."

Not just talent availability, but new technologies have made it a lot easier for companies to inshore their

operations. Another industry expert said, "Today customers are sitting with a large repository of data. Advances in AI have put customers in a much better position to handle work more cost-efficiently than the outsourced vendors."

Pareekh Jain, founder, Pareekh Consulting, said, "Technology changes are happening very fast. With

much more advanced technology like metaverse or generative AI coming into play, clients who have signed deals five years ago, would think they are locked in to older technologies."

This is another reason why clients would prefer to have the operations in-house, as it gives them leeway to bring changes to work faster than making it done through third-party vendors. Vijay Sivaram, CEO, Quess IT Staffing, chimes in, "More number of GCCs moving to India is partly because they now want some part of their technological work like data, analytics and AI in-house and under their control."

Vikram Ahuja, MD, ANSR, said, "Not just large conglomerates, today a lot of startups and unicorns like Twitter, Airbnb and Uber are also setting up their centres in India." ANSR helps global companies set up centres in India in areas of market intelligence, talent, office space, etc.

Ahuja added: "These companies are not just setting up back offices in low-cost destinations. Instead, they are building high-scale capability in

technologies like AI and other priority areas. They are building centres of excellence in India for the world."

The same people who have worked for years in IT services firms are now building GCCs bigger and better. Mohua Sengupta, MD, Mashreq Global Network, who moved from Indian IT service company in 2021, said, "Our own capability centre in India in early 2021 was less than 800 and now it has grown to more than 1,700 in less than two years."

On asked whether GCCs can surmount the challenge of managing employees at scale, she answered, "The same people move in and out from both GCCs and IT services. If the same leaders who used to manage large IT service companies, why can't they manage in GCCs?"

She debunked the myth that GCCs are all about lateral hiring. "If GCCs have to grow very large, they have to do freshers' hiring and grow their pyramid. There are many GCCs like JP Morgan Chase, Wells Fargo and Barclays who have big headcount numbers in India," she said.