iNDIA
CAPTIVATING!

Impact of
Global Captive Centers
(GCCs) on the Indian
Staffing Ecosystem

△nlb services

Contents

Sachin Alug
Chief Executive Officer
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> " This study aims at sizing up the growth opportunity GCCs represent for the Indian talent market and looks at mapping the most sought-after job roles, skills, and salaries this opportunity demands. "

Foreword

At a time when the world has barely recovered from the Covid-19 mayhem, is witnessing an unforeseen war, and is staring at an impending recession, India is proving to be a rare economic phoenix. The country has risen from the ashes of gloom and doom, and is well on its way to assert its might with 6%-plus income growth. However, given that most other countries are still grappling with these cataclysmic events, India's rebound is no mean feat.

What explains India's resilience, more than any other factor, is the abundance of talent. A qualified, employable and young demographic that continues to be the country's dividend decades after the famed recognition was bestowed upon India. The limited time window of demographic dividend is now proving to be a gift that keeps giving.

Since 2015, many transnational organizations have begun to leverage the talent opportunity India offers unprecedentedly. Global Captive Centers (GCCs) are a game-changing business model growing in popularity and stature. Multinational firms have set up more than 1,500 GCCs on Indian soil as of today, and each one of these is seeking to employ high-quality talent that is, more often than not, highly skilled. This study aims at sizing up the growth opportunity GCCs represent for the Indian talent market and looks at mapping the most sought-after job roles, skills, and salaries this opportunity demands. "India Captivated!" is the story we would begin our thought leadership journey with.

![nlb services logo]

Varun Sachdeva
APAC Recruitment & Business Leader
NLB Services

"

The Indian talent market is a burgeoning mix of a variety of skills. The barely 10% of the Indian workforce, which constitutes the formal workforce, is 50 million skilled professionals.

"

Preface

The Indian talent juggernaut is trudging along and is being welcomed, among others, by global businesses that have set foot in India through Global Captive Centers. The erstwhile outsourcing / offshoring centers set up in developing countries such as India, China, Malaysia, Thailand, the Philippines have given way to the modern-day GCC.

Today, GCCs contribute more than 1% of the GDP of India, are growing at an impressive 10.8% CAGR, and are looking to acquire multitudes of our skilled talent at a fast clip.

GCCs are tapping into this sweet spot. We at NLB Services take cognizance of the enormous opportunity this represents, especially in the face of an unpredictable geopolitical scenario, and are endeavouring to map this exciting story's many significant data points.

With a commitment to bringing cutting-edge, data-driven thought leadership to our audience, NLB has initiated this research exercise to gather rich data and glean valuable insights related to the GCC talent opportunity for India.

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SIA
Fastest Growing
Staffing Companies
US/North America
(2020, 2021, 2022)

UBS Forums
HR Excellence
Award
(2022)

BW People
DE&I Award
(2022)

BW People
& HappyPlus-
Happiest Workplaces
Award
(2022)

RITA
Award
(2022)

Financial Express
FUTech Award
(2022)

INC 5000
Fastest Growing
Private Companies
in US
(2021)

About NLB

Founded in 2007, NLB Services is one of the fastest-growing transformational workforce solution providers. Our comprehensive range of talent solutions are backed by our deep understanding of our client needs and rich industry experience.
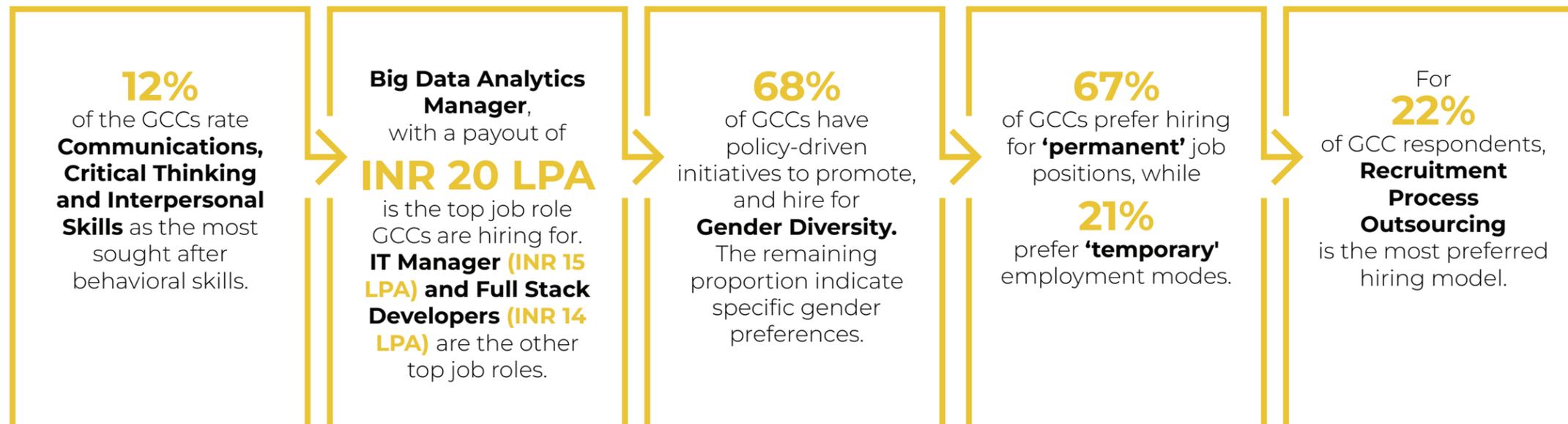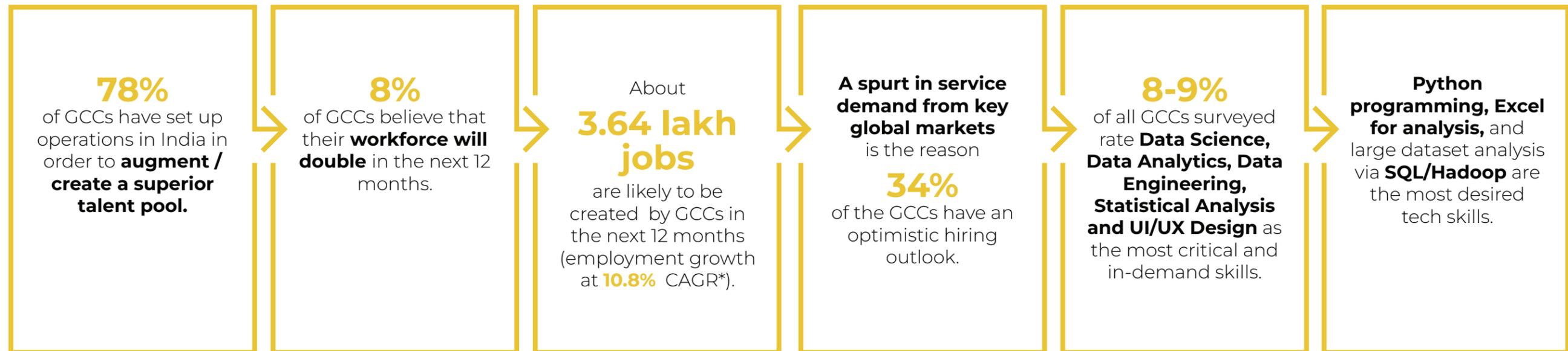
Headquartered in Alpharetta, Georgia, our vast global presence and unyielding customer centricity have enabled us to forge strategic partnerships with leading Fortune 500 companies, worldwide. We are a strong team of over 8000 professionals with unparalleled domain depth and exceptional digital expertise.

To know more please visit https://www.nlbservices.com/

Key Findings

78% of GCCs have set up operations in India in order to **augment / create a superior talent pool.**

8% of GCCs believe that their **workforce will double** in the next 12 months.

About **3.64 lakh jobs** are likely to be created by GCCs in the next 12 months (employment growth at **10.8%** CAGR*).

A spurt in service demand from key global markets is the reason **34%** of the GCCs have an optimistic hiring outlook.

8-9% of all GCCs surveyed rate **Data Science, Data Analytics, Data Engineering, Statistical Analysis and UI/UX Design** as the most critical and in-demand skills.

Python programming, Excel for analysis, and large dataset analysis via **SQL/Hadoop** are the most desired tech skills.

12% of the GCCs rate **Communications, Critical Thinking and Interpersonal Skills** as the most sought after behavioral skills.

Big Data Analytics Manager, with a payout of **INR 20 LPA** is the top job role GCCs are hiring for. **IT Manager (INR 15 LPA) and Full Stack Developers (INR 14 LPA)** are the other top job roles.

68% of GCCs have policy-driven initiatives to promote, and hire for **Gender Diversity.** The remaining proportion indicate specific gender preferences.

67% of GCCs prefer hiring for **'permanent'** job positions, while **21%** prefer **'temporary'** employment modes.

For **22%** of GCC respondents, **Recruitment Process Outsourcing** is the most preferred hiring model.

*assuming employment growth is directly proportional to GCC market growth

Background

GCCs rely on cost efficiency, innovation, and quality delivery to succeed. India currently accounts for around 45% of the global GCCs in operation. A significant proportion of GCCs specialize in research and development, primarily serving the IT, banking, and financial services sectors, followed by engineering and manufacturing.

Approximately 1 million engineers graduate from India each year, making the country one of the largest engineering talent pools in the world. GCCs seek highly skilled talent in software programming, coding, and algorithm development. Salaries are competitive in India compared to the US, Europe, and other Asian nations.

GCCs are investing significantly in India in comprehensive skill building, leadership development, and sourcing diverse talent, given their evolving role within parent organizations.

The need to drive innovation has been one of the critical factors for GCCs establishing an ecosystem connection. GCCs drive synergies through open and organic innovation with ecosystem partners, and the Indian economy as a whole that benefit their parent organization.

Global Captive Centers are client-owned-and-operated service delivery Centers, typically in a non-domestic, low-cost location, that provide service resources directly to their organization. The people in a GCC are legal employees of the organization, not the vendor.

Definition

GCC Taxonomy

There are around 1510+ Global Captive Centers In India. These are divided into three categories:

Business Operations Centers
These are established to support business operations of specific functions or core business operations like Finance, HR, Marketing, and Sales. The Analytics function takes up a supporting role to enable data-driven decision-making for GCCs.

Capability Development Centers
Such analytics Centers of Excellence (CoEs) offer specialized skills to their parent organizations. Niche capability like analytics, data science, IoT (or others) is central to the Capability Development Center offering.

Research & Development Centers
These facilities create new markets for their parents by developing or enhancing products and services for such demands. A small number of highly qualified analytics, data science, and AI (or other) professionals are hired to enable innovation for the parent company.

GCC sectors covered in this study

- Banking, Financial Services and Insurance (BFSI)
- Healthcare & Pharmaceutical
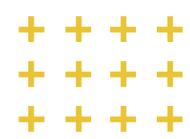- Internet & Telecom
- IT Software & Consulting
- Manufacturing
- Oil & Gas
- Retail

Industry Overview

Currently there are **1510+ GCCs in India**, may go up to 2000 in 3-4 years.

$35.9 Bn GCC Market Size [FY2021]

10.8% CAGR* GCC Market Size

1.38 Mn+ Total Installed GCC Talent (FY2021)

*CAGR calculated from FY15-FY22
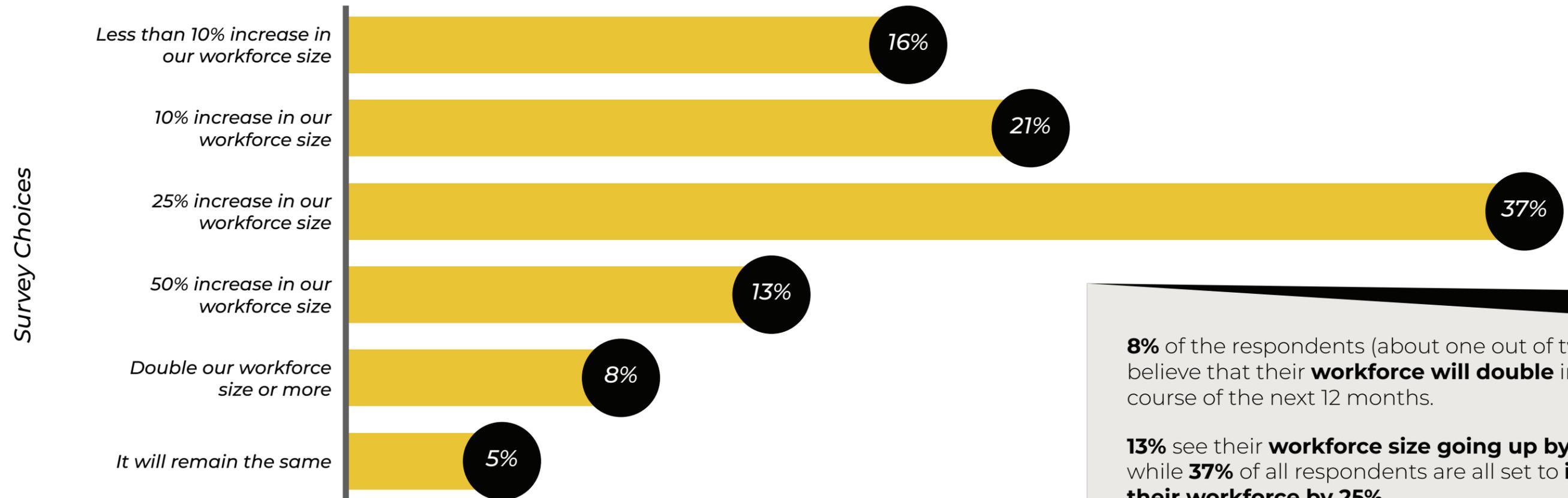*India GCC Trends, Nasscom Zinnov, November 2022

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SURVEY
FINDINGS

Sample Size: 211

GCCs Coverage: Across BFSI, IT Software and Consulting, Internet &
Telecom, Manufacturing, Healthcare & Pharma, Retail and Oil & Gas

Hiring Predictions for GCCs

GCCs have a very optimistic hiring outlook for the next 12 months.
Nearly six out of ten GCCs are set to increase their workforce by 25% or more.

Hiring Predictions - next 12 months

Survey Choices (y-axis):
- Less than 10% increase in our workforce size — **16%**
- 10% increase in our workforce size — **21%**
- 25% increase in our workforce size — **37%**
- 50% increase in our workforce size — **13%**
- Double our workforce size or more — **8%**
- It will remain the same — **5%**

⬤ *% of Respondents*

Total Sample Size: 211

8% of the respondents (about one out of twelve) believe that their **workforce will double** in the course of the next 12 months.

13% see their **workforce size going up by 50%,** while **37%** of all respondents are all set to **increase their workforce by 25%.**

21% are looking to **add an incremental 10%** to their talent headcount. Only a small **5%** of all respondents seem to be cautious and **plan not to add to their workforce** over the next 12 months.
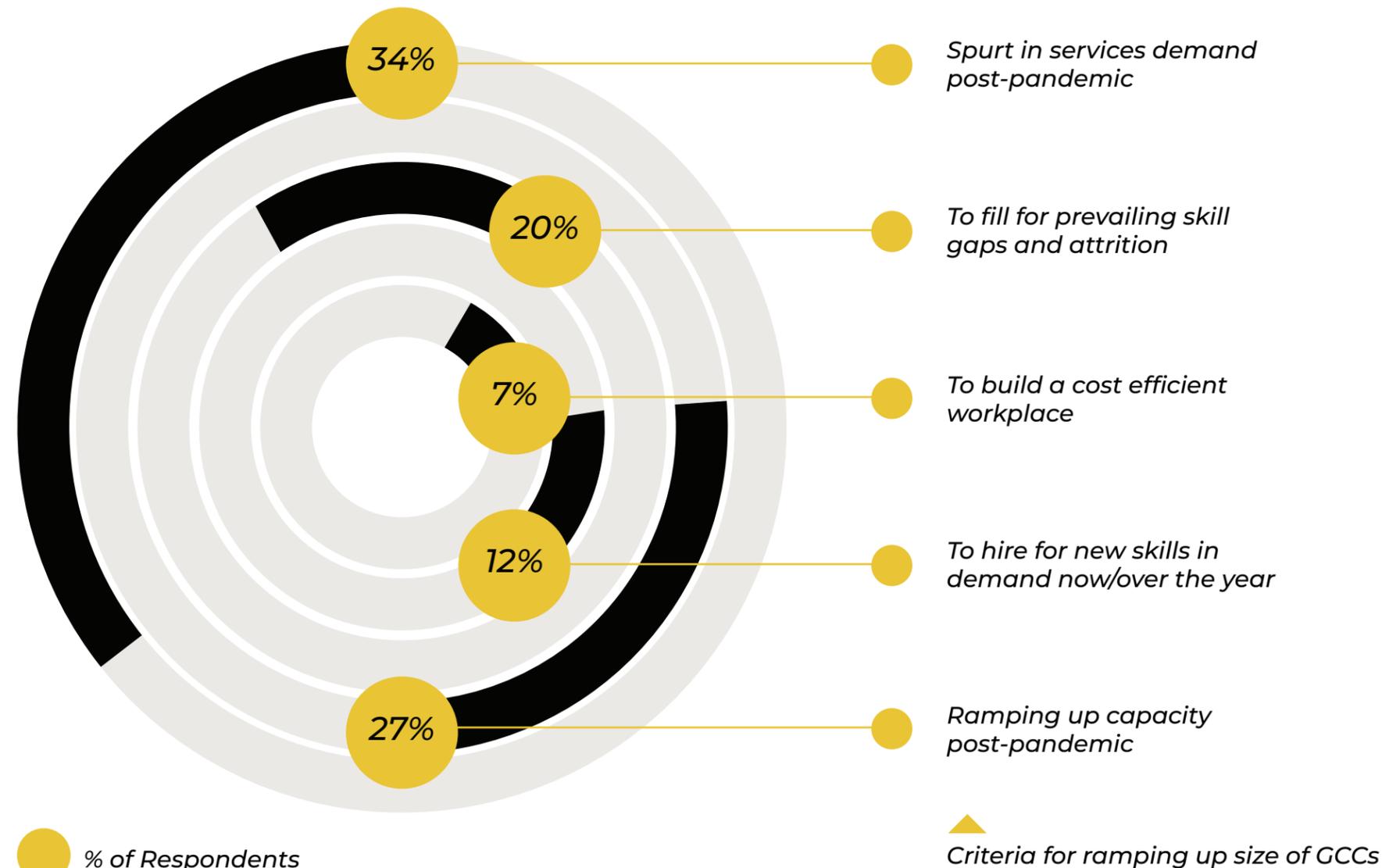
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Factors Driving the Hiring in GCCs

A substantial increase in service demand, post-pandemic, and plans to build up skill capacity are the main reasons for GCCs to be optimistic of their hiring plans for the next 12 months.

Criteria for increased GCC Hiring

34% Spurt in services demand post-pandemic

20% To fill for prevailing skill gaps and attrition

7% To build a cost efficient workplace

12% To hire for new skills in demand now/over the year

27% Ramping up capacity post-pandemic

% of Respondents

▲ Criteria for ramping up size of GCCs

Total Sample Size: 211

34% (more than one out of three respondents) cite a **spurt in service demand from key global markets** as the reason for their positive hiring outlook.

27% of all respondents state that **expansion of skill capacity** is another significant reason for the increase in hiring.

12% (one out of eight respondents) are **hiring for new skills,** demand for which has sprung up of late, or is being foreseen over the coming 12 months.
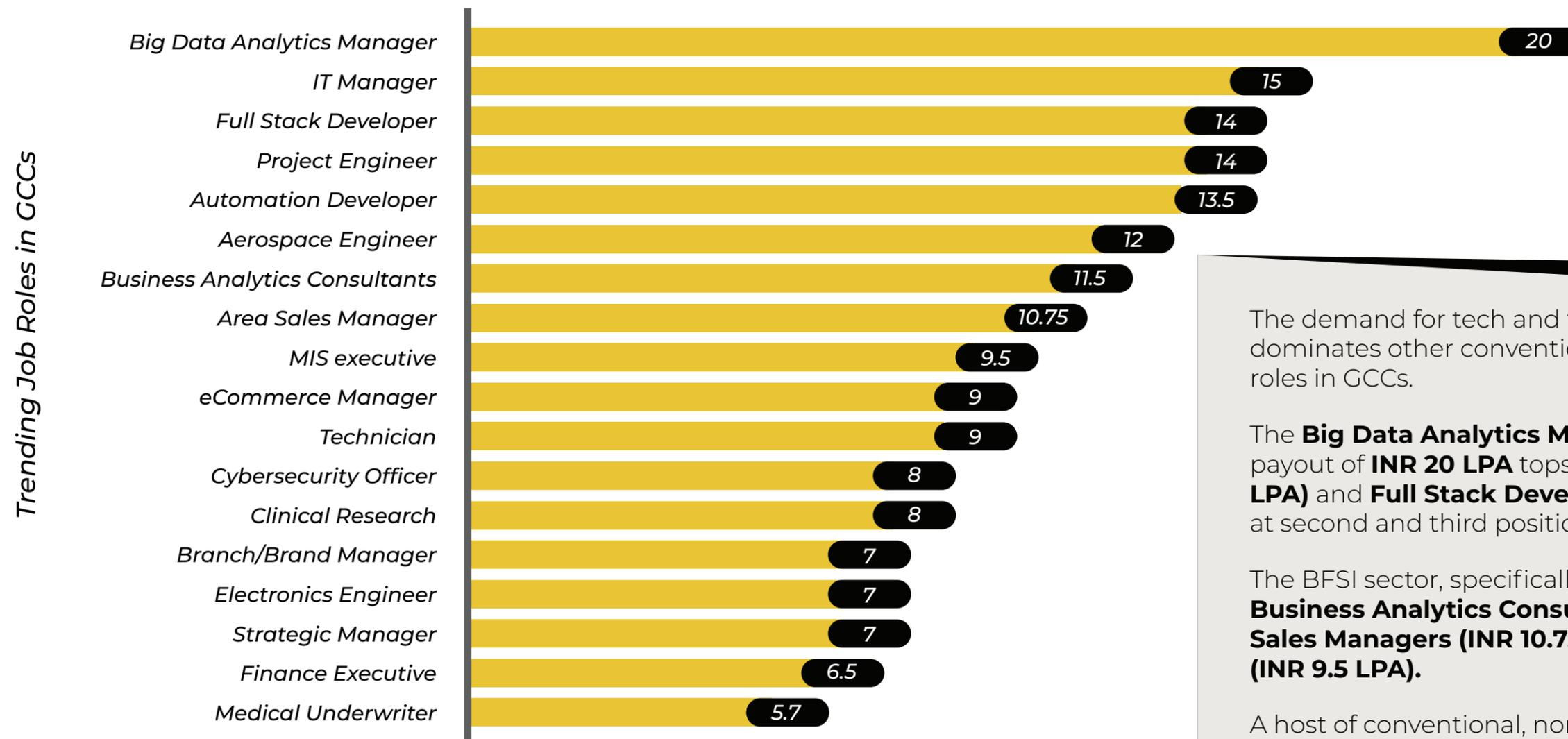
A minor **7%** of respondents are rationalizing the workforce and are **hiring to lower their talent costs.**

In-demand Job Roles in GCCs

Tech and tech-fused roles dominate the top job roles that are in demand in GCCs. They command the best payouts as well.

Top Job Roles in GCCs Vs Salaries

Trending Job Roles in GCCs

Role	Salary (LPA)
Big Data Analytics Manager	20
IT Manager	15
Full Stack Developer	14
Project Engineer	14
Automation Developer	13.5
Aerospace Engineer	12
Business Analytics Consultants	11.5
Area Sales Manager	10.75
MIS executive	9.5
eCommerce Manager	9
Technician	9
Cybersecurity Officer	8
Clinical Research	8
Branch/Brand Manager	7
Electronics Engineer	7
Strategic Manager	7
Finance Executive	6.5
Medical Underwriter	5.7

● **Salary (LPA)**

Total Sample Size: 211

The demand for tech and tech-fused job roles dominates other conventional non-tech top job roles in GCCs.

The **Big Data Analytics Manager** role, commanding a payout of **INR 20 LPA** tops the list. **IT Manager (INR 15 LPA)** and **Full Stack Developers (INR 14 LPA)** follow at second and third positions.

The BFSI sector, specifically, is looking to hire **Business Analytics Consultants (INR 11.5 LPA), Area Sales Managers (INR 10.75 LPA),** and **MIS Executives (INR 9.5 LPA).**

A host of conventional, non-tech job roles, with moderate payouts, comprise the remainder of the list.

13

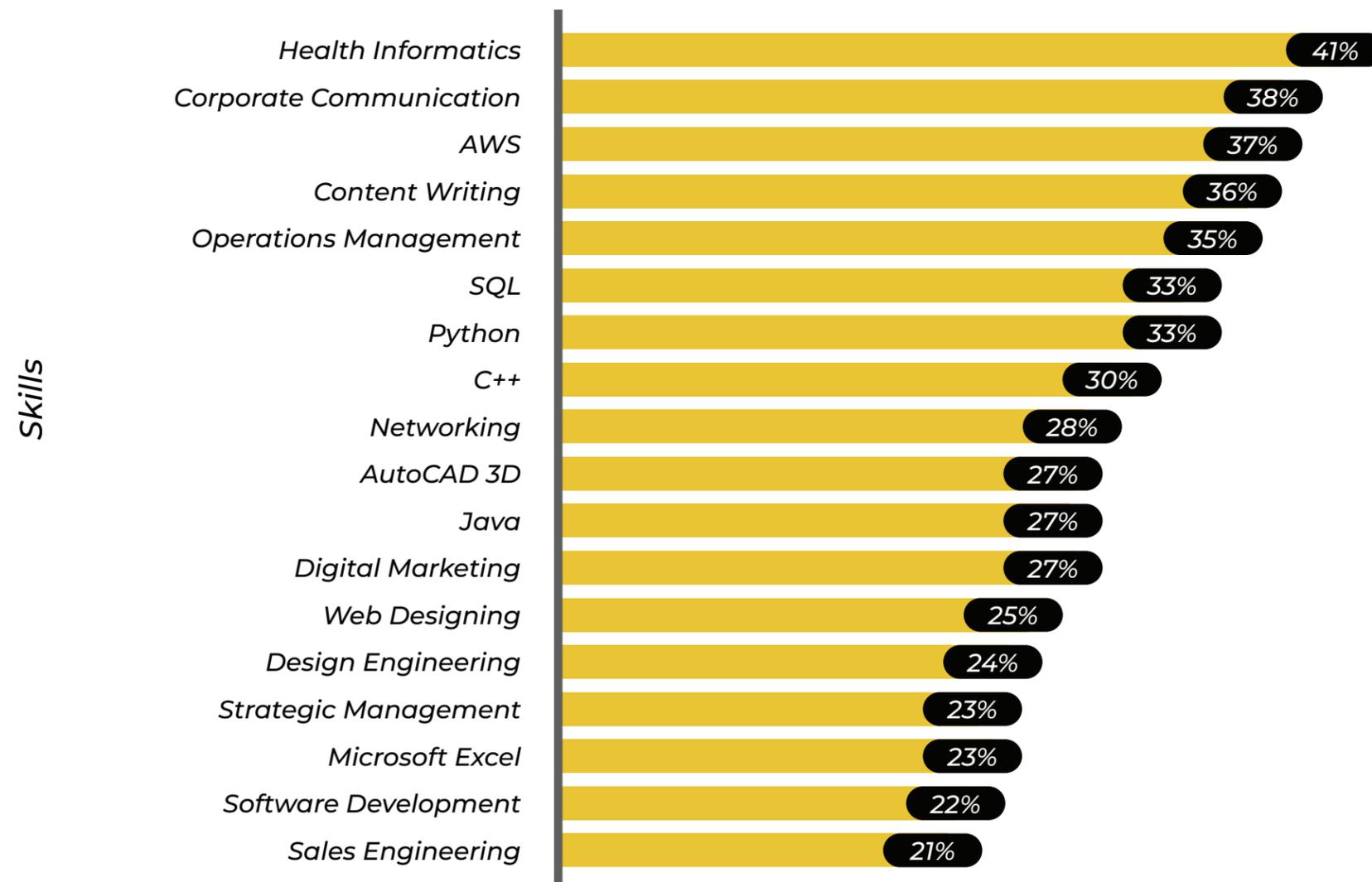# Top Skill Gaps In GCCs

The demand for skills encompasses a wide variety of tech and highly specialized areas, across the leading GCC sectors, with substantial skill gaps in most cases.

Skills vs Skill Gap (%)

Skills

Skill	Gap
Health Informatics	41%
Corporate Communication	38%
AWS	37%
Content Writing	36%
Operations Management	35%
SQL	33%
Python	33%
C++	30%
Networking	28%
AutoCAD 3D	27%
Java	27%
Digital Marketing	27%
Web Designing	25%
Design Engineering	24%
Strategic Management	23%
Microsoft Excel	23%
Software Development	22%
Sales Engineering	21%

⬤ *Skills Gap %*

Total Sample Size: 211

Programming abilities such as **Python, Java,** and **C++** are the most sought-after, followed by the ability to analyze data using **Excel** tools and retrieve massive databases using **SQL.** Also, knowledge of tools such as **AWS** has become an essential skill. Each of them has a **20-40%** skill difference.

Business operations-oriented GCCs look for skills based on **Strategic Management, Sales Engineering** and **Corporate Communication** most relevant to the model. The gap for these skills is as high as **38%.**

The Indian ER&D GCCs demand **Design Engineering, AutoCAD 3D,** and **Software Development** as essential skills.
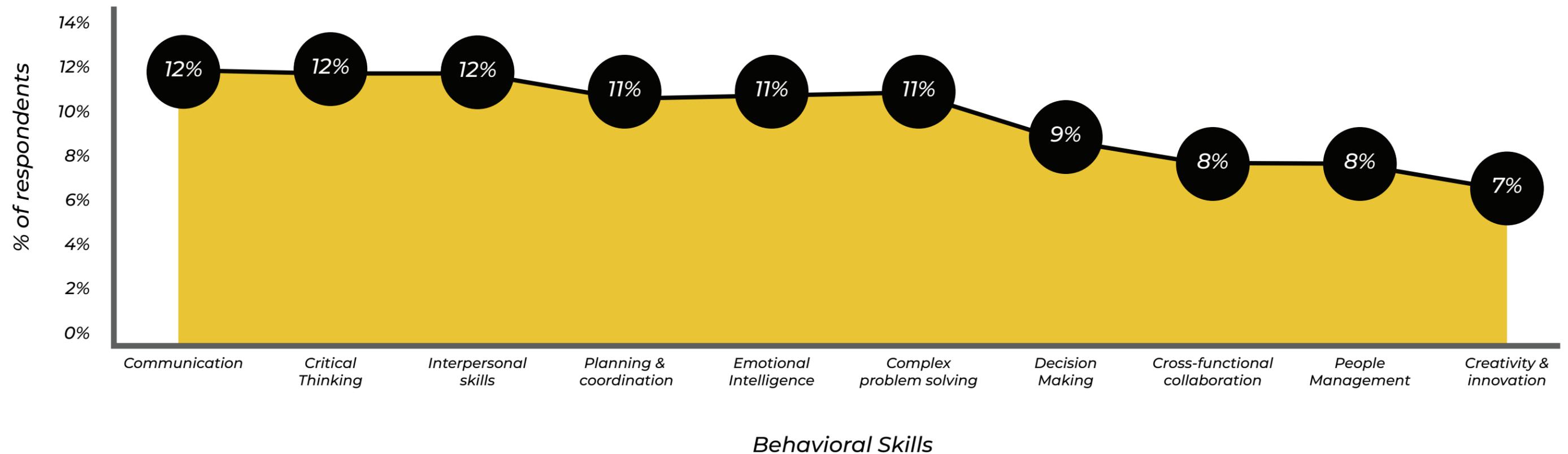
The Healthcare & Pharmaceutical sectors are looking to close gaps in **Health Informatics** and **Operations Management**, treating these as essential skills.

Behavioral Skills GCCs are Looking for

Execution-level behavioral skills are significantly more sought after in GCCs as compared to higher-order leadership-level skills.

Behavioral Skills required in GCCs

% of respondents

Communication	12%
Critical Thinking	12%
Interpersonal skills	12%
Planning & coordination	11%
Emotional Intelligence	11%
Complex problem solving	11%
Decision Making	9%
Cross-functional collaboration	8%
People Management	8%
Creativity & innovation	7%

Behavioral Skills

12% of all respondents rate **Communication, Critical Thinking** and **Interpersonal Skills** as the most sought-after behavioral skills.

11% highly prefer **Planning and coordination, Complex Problem Solving** and **Cross-functional collaboration** – skills that revolve around one's ability to handle complex project deadlines.

Higher-order behavioral skills such as **Emotional Intelligence, Decision Making** and **People Management** are rated lower than the remaining behavioral skills since they are restricted to leadership levels.

Technical Skills in Demand in GCCs

A range of data and data analytical skills, and design skills are substantially more sought after than other tech skills. New-age tech skills take a back seat with GCCs.

Technical Skills In-Demand
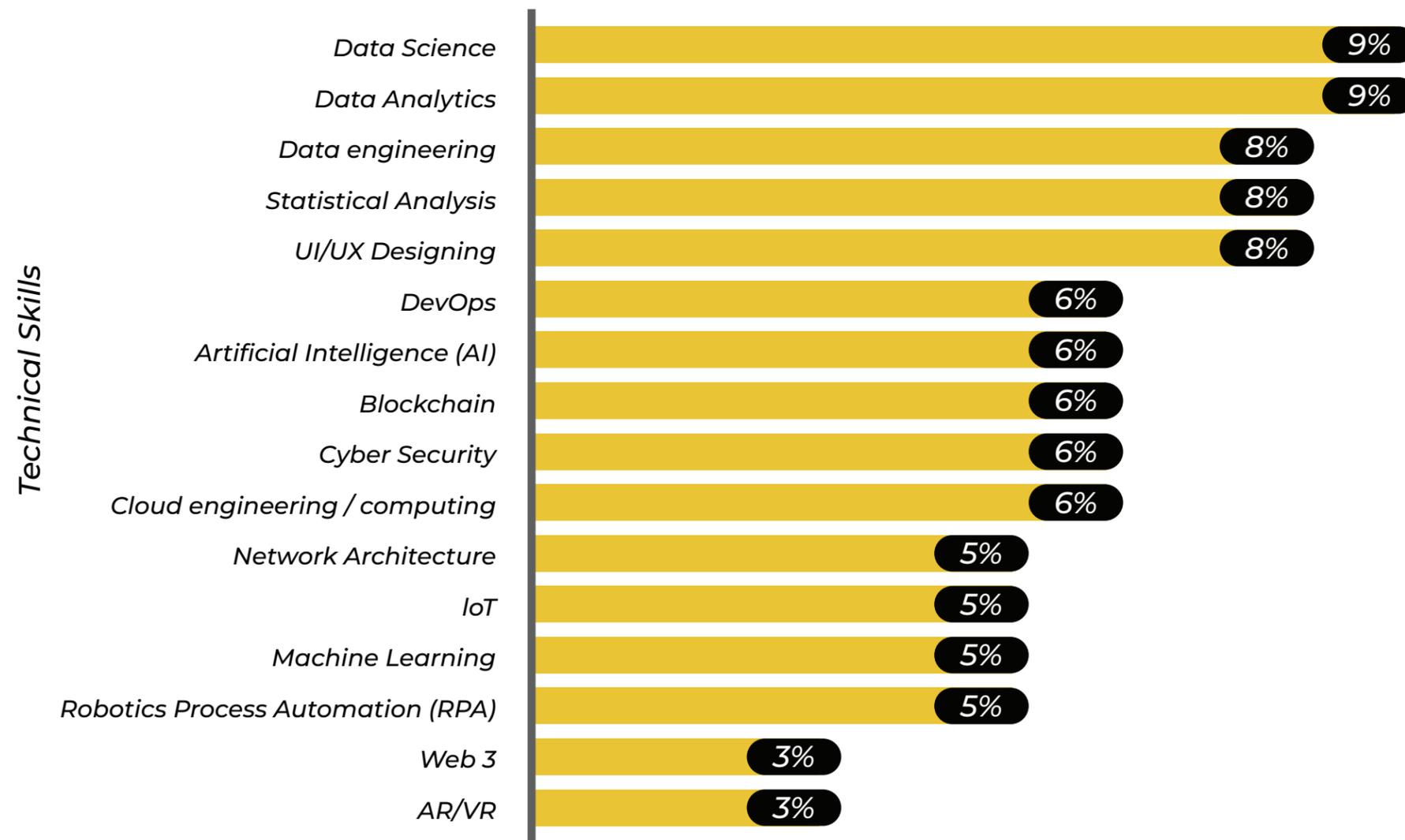
8-9% of all respondents rate **Data Science, Data Analytics, Data Engineering, Statistical Analysis** and **UI/UX Design** as highly desired.

6% of all GCCs rate **Cloud Computing, Cyber Security, DevOps, Artificial Intelligence** and **Blockchain** as the next set of essential technical skills.

5% of all GCCs prefer **Network Architecture, IoT, Machine Learning** and **RPA** as next-in-line key skills.

AR/VR Specialists, and **Web 3** are important technical skills of the future, and technologies based on them will eventually grow in demand.

% of respondents

Total Sample Size: 211

Employment Modes Adopted in GCCs

Permanent job positions are the most preferred employment modes in GCCs, followed by temporary job positions. An overwhelming majority of GCCs have adopted just these two employment modes.

Types of Employment Modes
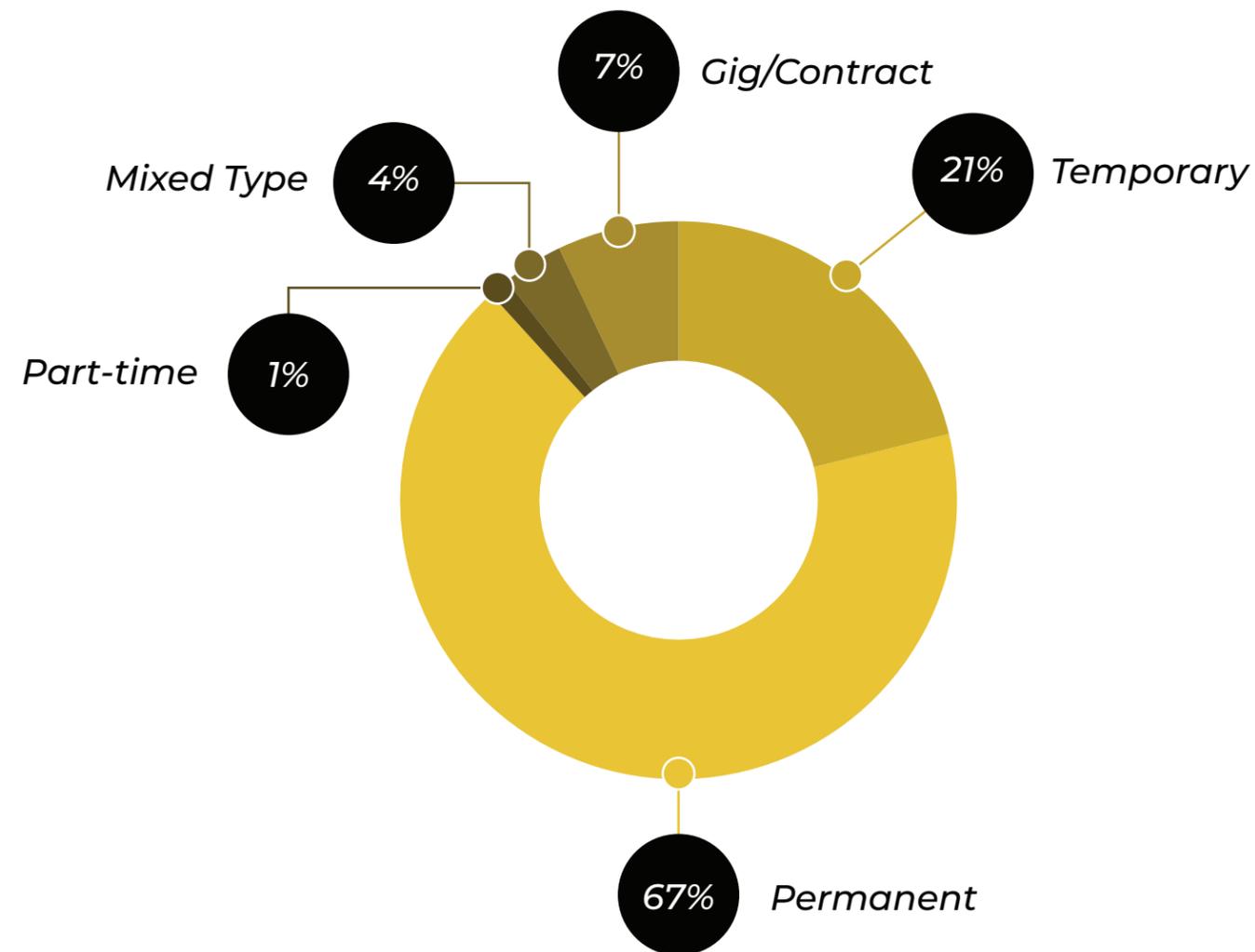
The often mission-critical nature of job roles in GCCs, and data security concerns mandate the choice of conventional modes of engagement.

67% of all respondents prefer hiring for **'Permanent'** job positions, while **21%** prefer **'Temporary'** employment modes.

12% of all respondents prefer **'Part-time,'** **'Mixed Type,'** and **'Gig/Contract'** employment modes.

Note: Mixed Type : A combination of permanent/temporary/part-time and contract employment modes
Total Sample Size: 211

Gender based Hiring Preferences in GCCs

GCCs are big on Gender Diversity, with a majority intently hiring to promote a gender diverse workforce. A much smaller, but significant proportion of GCCs have specific gender preferences.

22% Male

68%
No specific preference

9% Female

1% Others (LGBTQI+)
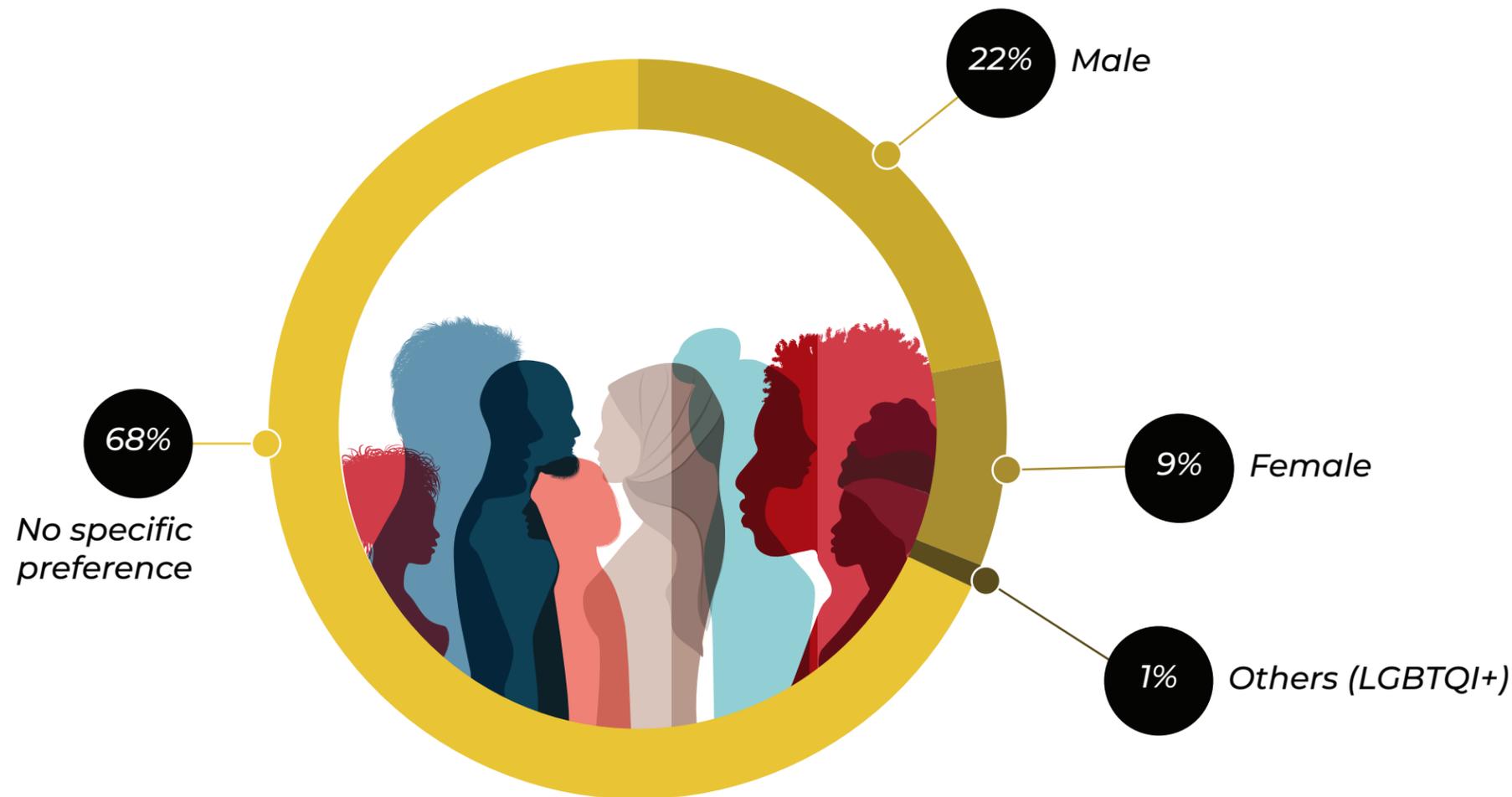
68% of the GCCs surveyed have **no gender preference** in hiring. They have policy-driven hiring initiatives to promote organizational diversity.

22% of all survey respondents stated a preference for hiring **male** candidates, while **9%** preferred hiring **female** candidates.

A small, **1%** of all respondents are looking to hire **LGBTQI+** candidates.

Total Sample Size: 211

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Preferred Hiring Models in GCCs

A majority of GCCs lean toward outsourcing when it comes to recruitment.

22%

20%

20%

20%

18%

Recruitment Process Outsourcing

Direct Hiring

Contractual Recruitment

Build-Operate-Transfer

Hire-Train-Deploy
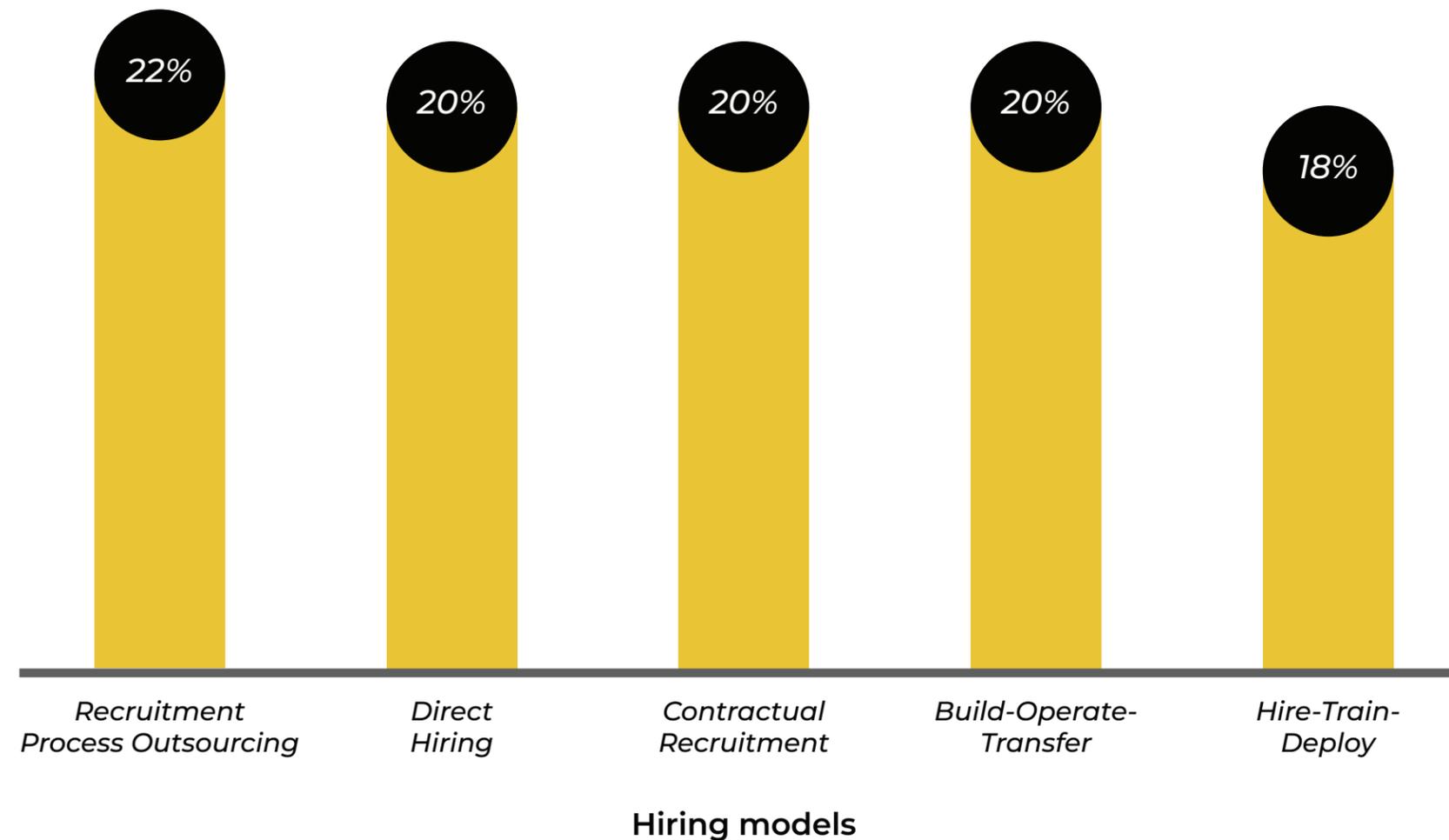
Hiring models

22% of all survey respondents rate **Recruitment Process Outsourcing** as the most preferred hiring model.

20% – a marginally smaller proportion – prefer **Build-Operate-Transfer** making it the second most popular model.

With **20%** of GCCs preferring **Direct** and **Contractual Hiring**, these two models assume the third place.

18% also prefer the **Hire-Train-Deploy** model.

● *% of Respondents*

Total Sample Size: 211

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Spotlight: Job Growth

Graduate Talent Pool Breakdown – by stream, FY '21

Donut chart titled "Job Growth" with segments:
- Others 17%
- Management 3%
- Medical Science 4%
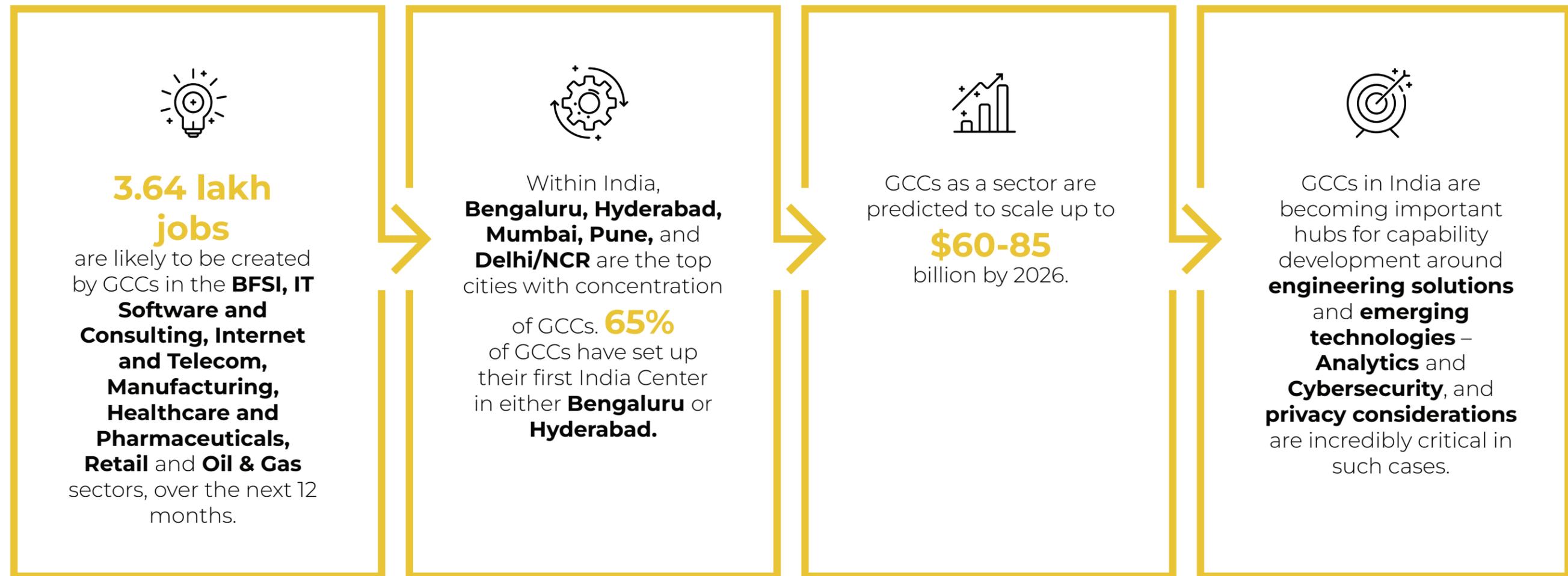- Commerce 15%
- IT & Engineering 15%
- Science 16%
- Arts 31%
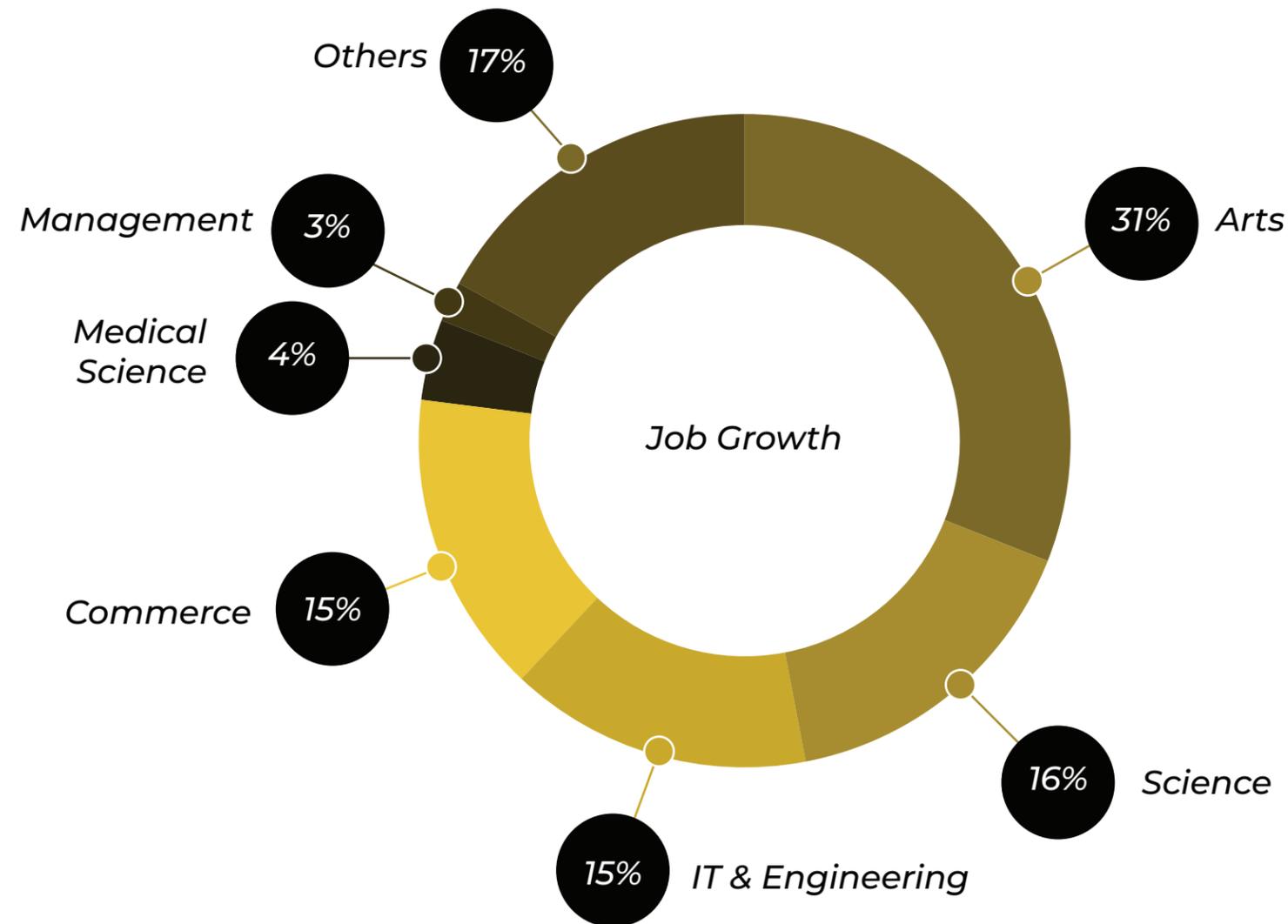
Large, cost-competitive, skilled talent Pool.
India offers a large talent pool of around 1 million engineering graduates annually. Engineers graduate from some of the best technical institutes in the APAC region. GCCs seek talent highly skilled in software programming, coding and algorithm development

Spotlight: Value Creation

3.64 lakh jobs
are likely to be created by GCCs in the **BFSI, IT Software and Consulting, Internet and Telecom, Manufacturing, Healthcare and Pharmaceuticals, Retail** and **Oil & Gas** sectors, over the next 12 months.

Within India, **Bengaluru, Hyderabad, Mumbai, Pune,** and **Delhi/NCR** are the top cities with concentration of GCCs. **65%** of GCCs have set up their first India Center in either **Bengaluru** or **Hyderabad.**

GCCs as a sector are predicted to scale up to **$60-85** billion by 2026.

GCCs in India are becoming important hubs for capability development around **engineering solutions** and **emerging technologies** – **Analytics** and **Cybersecurity**, and **privacy considerations** are incredibly critical in such cases.
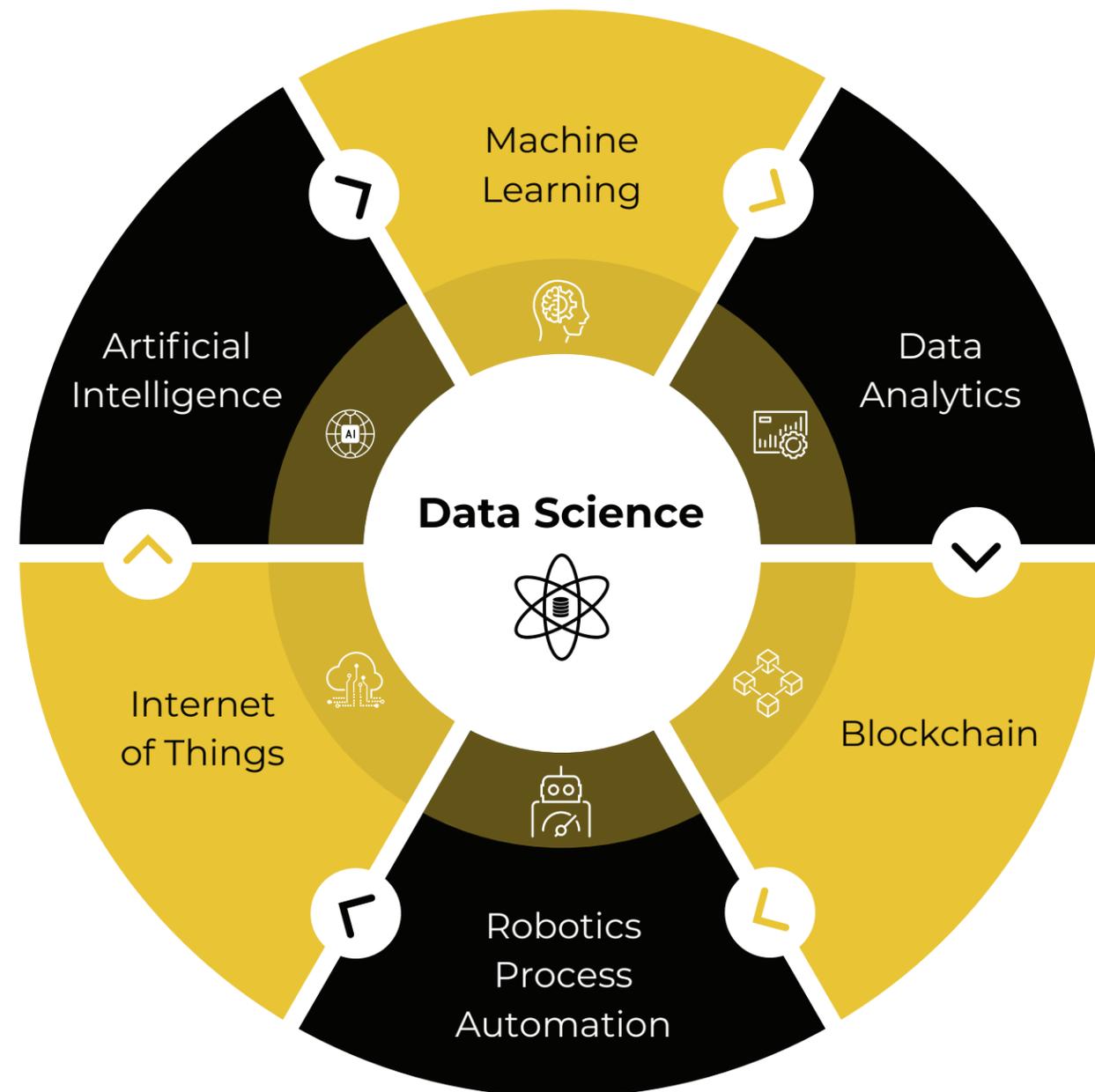
*Based on a projected CAGR of 10.8% and assuming job creation is directly proportional to GCC market growth

Date Source: 1) Global Capability Centres, Making India the Cradle of Global R&D, Cushman Wakefield
2) GCC India Landscape – 2021 & Beyond!, NASSCOM Report, Sept 2021
3) GCC value proposition for India, NASSCOM-Deloitte, June 2021

Digitalization & Innovation in GCCs

01 Digitalization helps large enterprises become more agile, grow faster, and compete better. Digitalization ushers in automation across organizational work processes, and delivers higher levels of employee efficiency.

02 The increasing range of digital products and services provided by GCCs in global markets create new revenue growth and cost optimization.

03 Innovation in GCCs entails developing advanced technological applications. This is accomplished either with in-house CoEs or by collaborating with external entities like start-ups and academia.

04 CoEs enable GCCs to make in-house technological advances and innovatively use them, creating intellectual property (IP) and building competitive advantage.

Date Source: GCC India Landscape – 2021 & Beyond!, NASSCOM Report, Sept 2021

Conclusion Overview

Large Talent Pool
- Large, cost competitive tech talent
- Skilled in programming, software coding
- Trained in delivery excellence

Digital Skills
- Preparing for digital transformation
- Constant training and reskilling
- AI/ML experts, DevOps managers, UX experts

ER&D Centers
- Strategic innovation hubs of global MNCs
- High-skill programming, data analytics
- Abundant engineering talent

Competitive office rentals
- Most competitive rentals globally and in APAC
- Favours large office spaces and R&D centers
- Bengaluru is a global hub for ER&D centers

APAC-based GCCs
- ER&D centers of Japanese companies
- APAC-based start-ups and unicorns
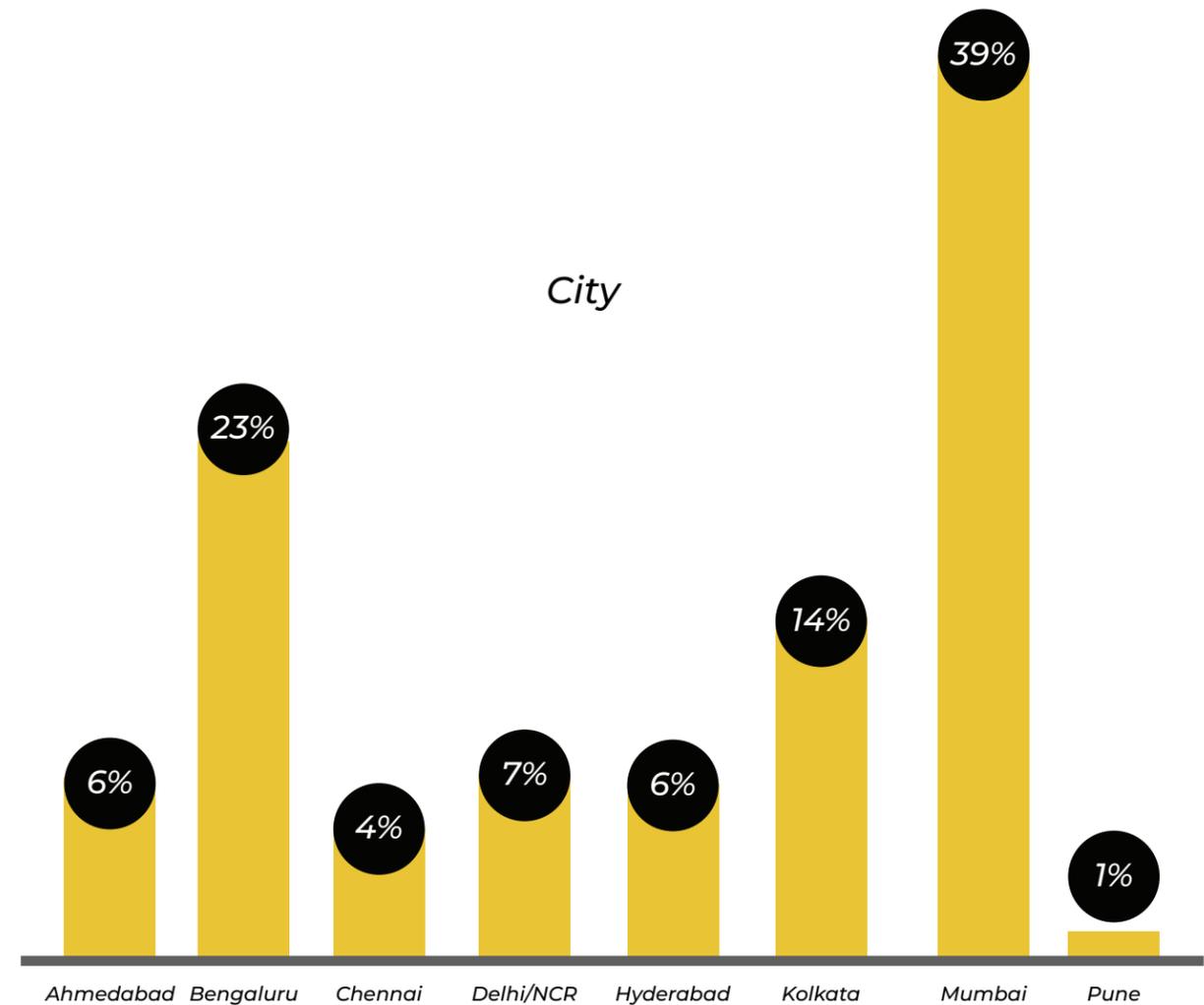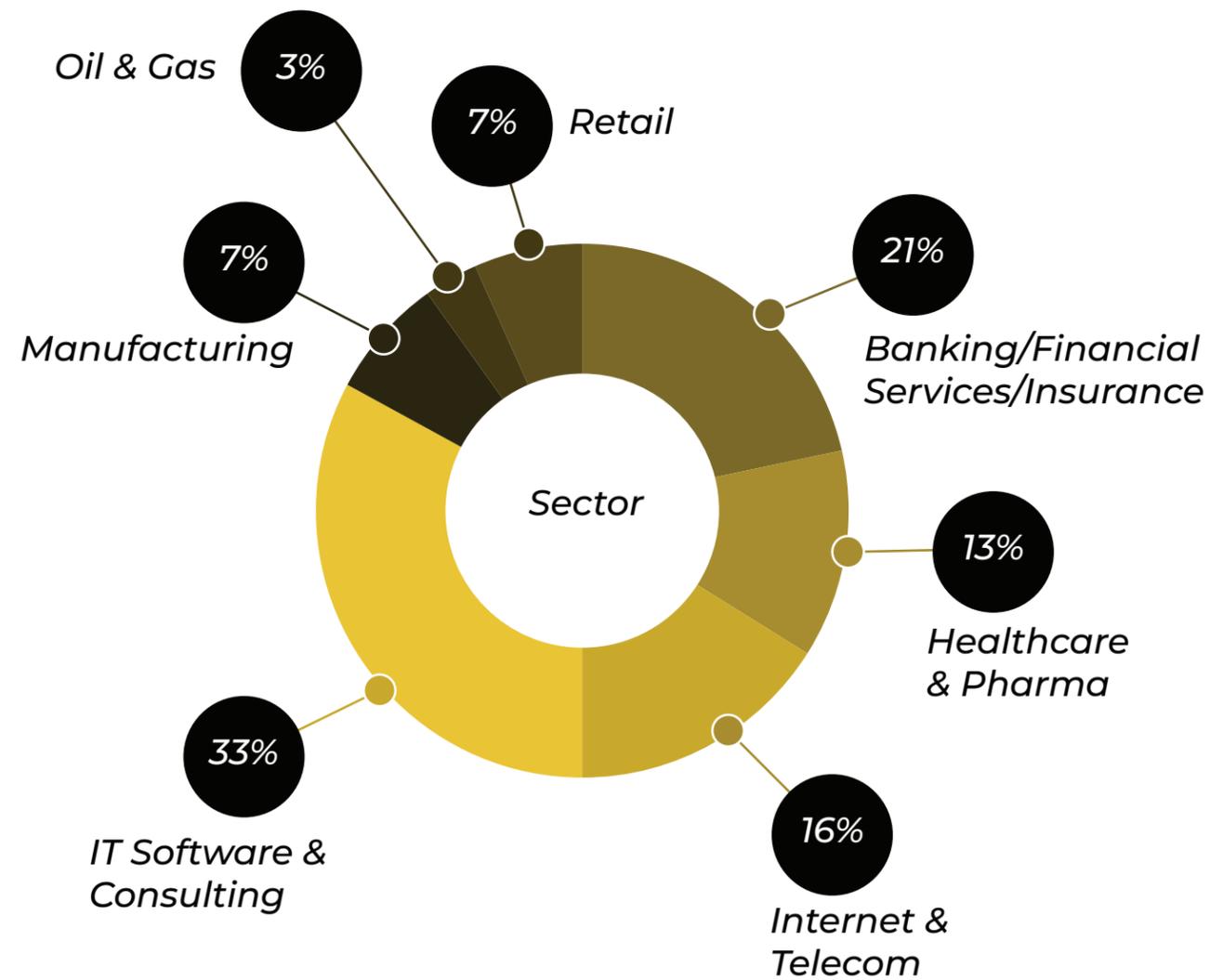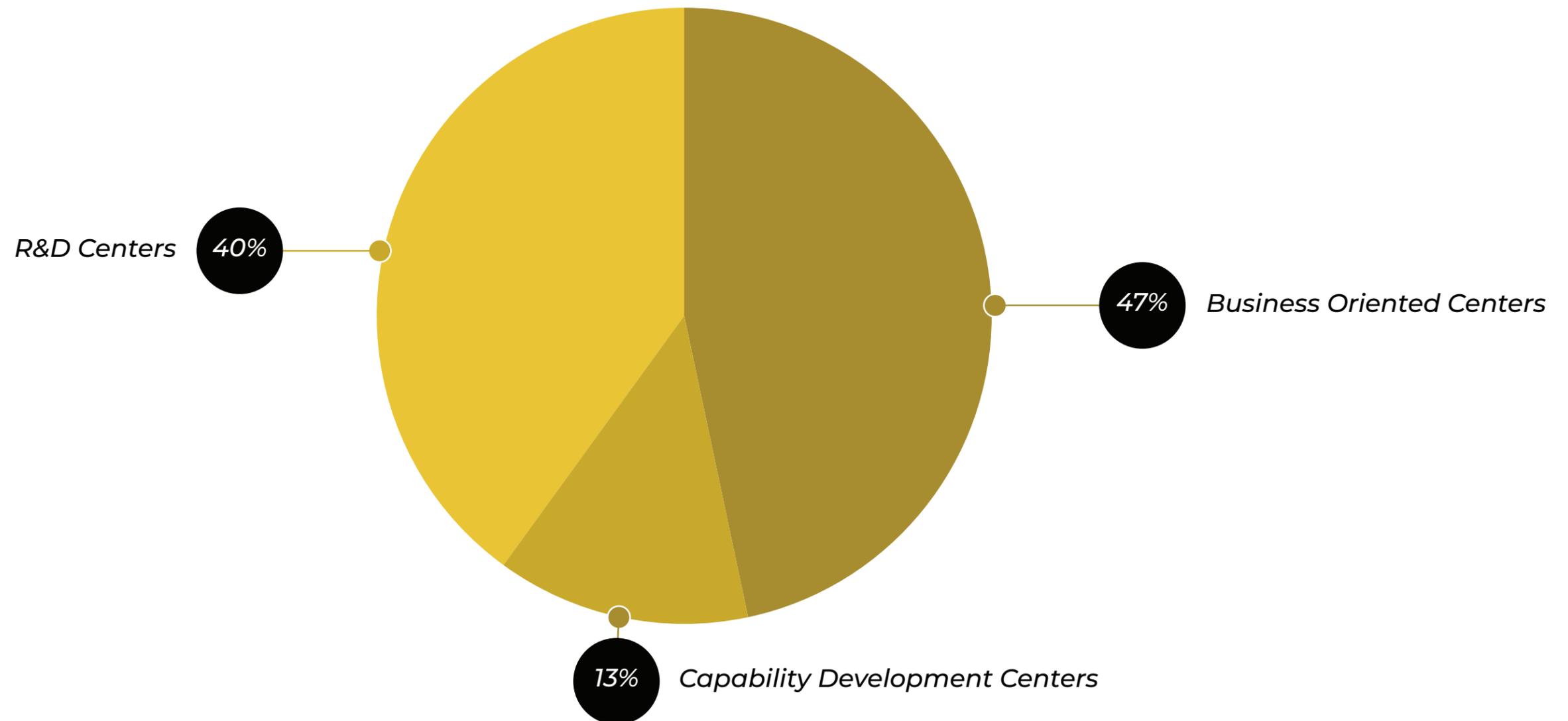- Product engineering, new product development

Date Source: Global Capability Centres, Making India the Cradle of Global R&D, Cushman Wakefield

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SAMPLE DESIGN

Sample Size: 211 GCCs

Sample Design – Sector and City specific

Sector

- Oil & Gas — 3%
- Retail — 7%
- Manufacturing — 7%
- Banking/Financial Services/Insurance — 21%
- Healthcare & Pharma — 13%
- Internet & Telecom — 16%
- IT Software & Consulting — 33%

City

- Ahmedabad — 6%
- Bengaluru — 23%
- Chennai — 4%
- Delhi/NCR — 7%
- Hyderabad — 6%
- Kolkata — 14%
- Mumbai — 39%
- Pune — 1%

⬤ % of Respondents

Total Sample Size: 211

Sample Design – Classification of GCC Segment

R&D Centers **40%**

47% *Business Oriented Centers*

13% *Capability Development Centers*

Note: For Definition of Classification of GCCs – Please refer page 8
Total Sample Size: 211

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Abbreviations

Acronym	Expansion	Acronym	Expansion
APAC	Asia Pacific	IT	Information Technology
R&D	Research & Development	GCC	Global Captive Centers
IoT	Internet of Things	HR	Human Resources
UI/UX	User Interface/ User Experience	BFSI	Banking/Financial Services/ Insurance
MS Office	Microsoft Office	LPA	Lakhs Per Annum
CoE	Center of Excellence	INR	Indian Rupees
SAS	Statistical Analysis System	MNCs	Multinational Companies
MIS	Management Information Systems	IP	Intellectual Property
AWS	Amazon Web Services	LGBTQI+	Lesbian, Gay, Bisexual, Transgender & Queer+
CAGR	Compound Annual Growth Rate	USD	United States Dollars
AR/VR	Augmented Reality / Virtual Reality	Mn+	Millions
SQL	Sequential Query Language		

Research Methodology

- This survey has been conducted on 211 GCC companies, with a perspective to understand the impact of GCCs on the Indian staffing ecosystem. We have followed a 2-month-long (October and November, 2022) process of primary and secondary research.

- In the primary research, we have reached out directly to GCCs with a set of quantitative, qualitative & descriptive questionnaires and interviewed some management positions to understand the statistical value of their perspective.

- In our secondary research methodology, we have followed a mechanism through which we do extensive research online, through print media & research papers. We have several report citing for a better understanding of market ecosystems on GCCs.

- Eventually, after garnering information from all directions, we formulated this report in an abstract form to inform readers about the growing GCC ecosystem followed by their value principles & demands of the future.

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