JOBS AND EMPLOYMENT

As GCCs hire more, the focus shifts from headcount to capability

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As India’s GCC sector expands, the hiring model is moving from large cost-efficient teams towards smaller, higher-impact talent pools.

Value is in and volume is out. This is the evolving theme of one of India’s recent success stories: global capability centres (GCCs).

GCCs were once built around large teams doing cost-competitive work; they are now increasingly being built around smaller, high-impact teams focused on AI, data, digital engineering, and product innovation.

A recent study by digital recruitment platform Taggd terms this an operating model shift from headcount to capability, one that is taking GCCs “closer to core business strategy rather than peripheral delivery.”

This shift has wider implications, given that India is home to more than half of the global GCC activity. India now hosts 2,117 GCCs, up from 1,600 just five years ago. Revenues have jumped from Rs 5.9 lakh crore to Rs 9.4 lakh crore over the same period. Importantly, the workforce increased from 17 lakh to 23 lakh.

In India's $300 billion IT industry, GCCs now hire more than traditional IT services companies. This has been the case since FY24, says a study by Xpheno, a specialist recruitment firm. In FY25, GCCs recruited 110,000 candidates, 10,000 more than the IT services companies. In FY26, GCCs hired 180,000 candidates (60,000 more).

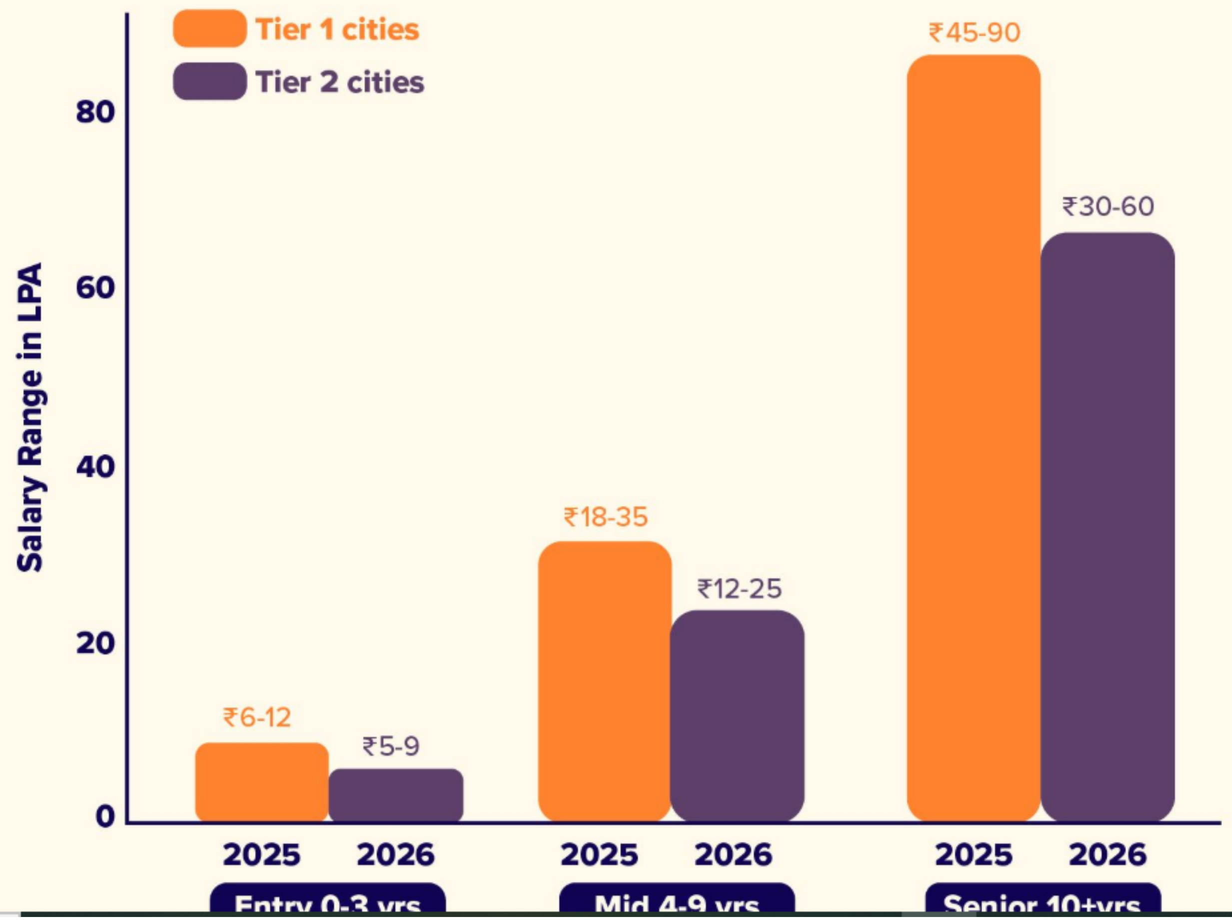
How exactly is this transition playing out, given that it's happening in the increasingly disruptive presence of AI?

The question of talent

Importantly, the shift is not reducing hiring across the board; it is instead creating "a two-speed GCC reality", according to the Taggd study titled 'From Intent to Predictable Scale: The Future of GCCs in India.'

In 2025, India added 101 new GCCs and up to 1.5 lakh jobs, but also lost 5,500–6,000 roles. Taggd's interpretation is that centres still anchored primarily on cost arbitrage are "beginning to feel the strain", while those that have invested in talent depth, capability-led hiring and mandate evolution are expanding.

Compensation: The new arithmetic of pay



Yet, this does not mean GCC hiring is slowing going forward. More than half of the GCCs surveyed (52%) plan to increase hiring in FY27, up from 47% a year earlier. Net hiring intent has risen to around 17% from 14%, while the share expecting headcount reductions has fallen from 36% to 26%. Taggd estimates GCCs could add another 1.5 lakh roles in FY27.

The study says, “By every directional indicator, India’s GCC hiring market is entering FY27 with more conviction than it had twelve months ago.”

So, what exactly is changing? Taggd says the ecosystem is undergoing “a skill pivot.” Routine operational roles are increasingly being absorbed into AI-led workflows, even as demand rises for AI governance, model training, data architecture and intelligent operations. Traditional GCC strengths such as process excellence and back-office operations are plateauing, while investment is shifting towards AI, cybersecurity, product thinking and platform engineering.

AI and data science now account for nearly one in three skill mentions in the Taggd study. Nearly half of respondents say that more than a quarter of their open roles require AI-related capabilities, while one in four GCCs say most of their positions are already AI-adjacent.

The big challenge, though, is the quality of talent.

Taggd says, “Confidence and conditions are moving in opposite directions. The same organizations signaling stronger hiring intent are simultaneously navigating a quality mismatch in the talent they can source, compensation inflation that is outpacing budget forecasts, and a leadership pipeline that is thinning precisely when it is needed most.”

It adds: “Understanding the FY27 hiring pulse means holding both truths at once: the sector is growing, and growing well is getting harder.”

This demand for talent also translates to higher compensation. Already, as the study points out, GCC salaries averaged 20% higher than equivalent non-GCC roles. The projected salary increase in 2026 is 10.4%, as against an average of 9.9% in 2025.

The expected hiring mix across GCCs in FY27 is skewed toward early-career talent: half of all new hires are expected to have less than five years of experience, with freshers accounting for 16% of the mix.

Today, with a slew of free trade agreements, India is no longer negotiating solely on cost. “It is negotiating as a country the world actively needs, for its talent depth, its scale, and its strategic reliability.”

Given this, the study notes, “The policy, regulatory, and institutional architecture required to sustain the next phase of growth, a national talent framework, Tier-2 infrastructure investment, and a predictable regulatory environment, remains unbuilt.”

Edited by Sriram Srinivasan