Beyond outsourcing: GCC growth in India and the crucial role of higher education collaboration
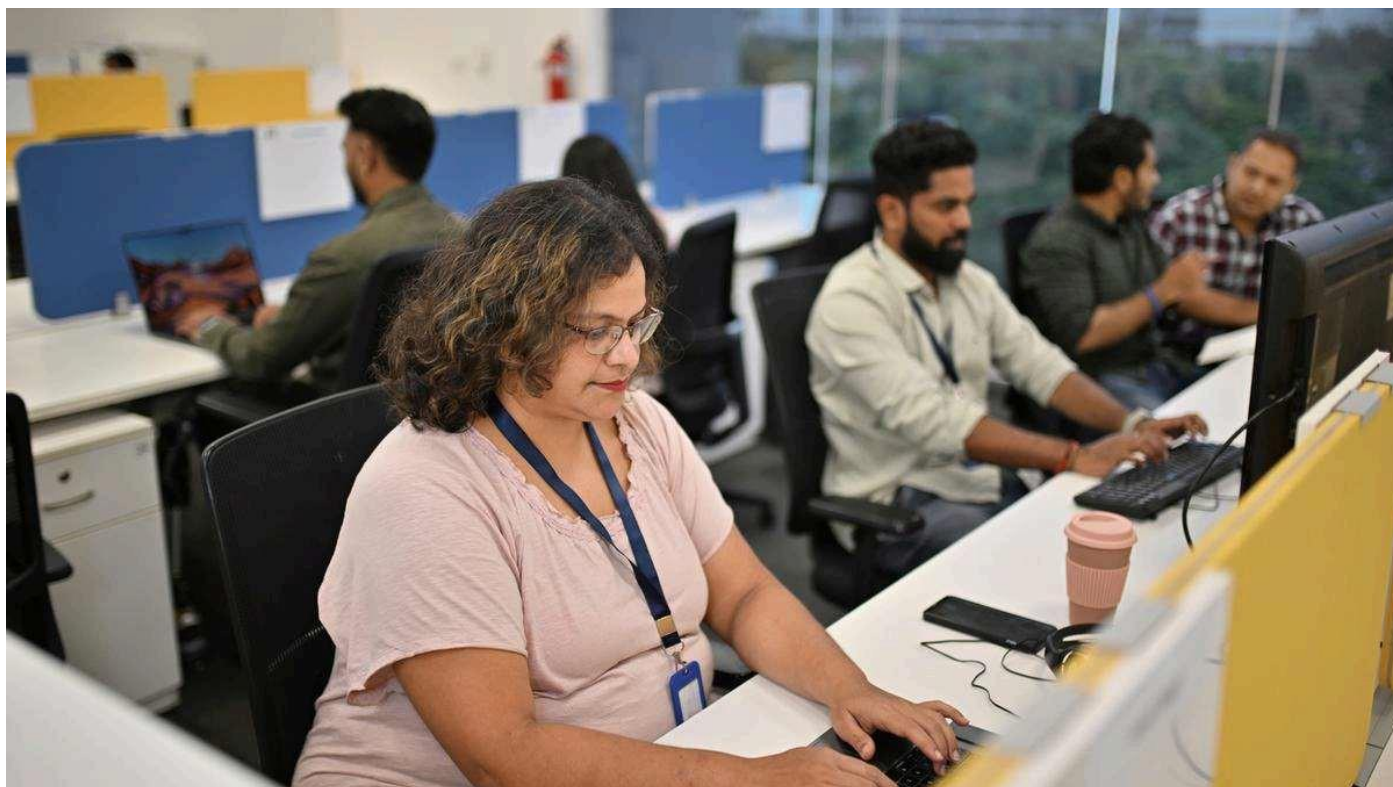
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Several HEIs have built industry-academia collaborations with the leading GCCs to upskill students and GCC employees. | iStock/ Getty Images

Global Capability Centres (GCCs), also known as Global In-House Centers (GICs), are captive offshore units of Multi-National Corporations (MNCs) that operate across the globe. GCCs in India are undergoing a radical transformation in the scope of operations, evolving from cost-saving units into strategic innovation and value creation hubs. This shift is driving substantial demand for skilled professionals over the next five years, stemming from both the expansion of the existing GCCs and the establishment of the new ones. This article traces the evolution and growth of the GCCs in India, opportunities and challenges faced by them, particularly from the perspective of the

skilled resources, and how Higher Education Institutions (HEis) can collaborate with them, for mutual benefit.

Evolution and growth of GCCs in India

In the last ten years, India has firmly established itself as the world's largest GCC hub, hosting about 50% the centres globally. Though they entered India for cost savings, over a period of time, most of them have now entered the strategic growth phase, marking a paradigm shift from support functions to encompass critical business operations, like digital transformation, predictive data analytics, integration ofblockchain technologies into operations, zero-trust cybersecurity frameworks, and more, thereby becoming the growth catalysts of their parent companies. Many of them emerged as pivotal drivers of innovation, R&D, and intellectual property creation for the global enterprises.

As per the report from Research NXT (July 2025), over 2,300 MNCs are operating GCCS in India, as of June 30, 2025, with some 5,680 centres spread across the country, employing over two million professionals. About 66% of the GCCs are from the U.S., followed by 275 from Europe, and the balance from the Asia Pacific. As per the ANSR report (July 2025), the number of GCCs in India by Fortune Global 500 companies has gone up from 142 in 2020 to 174 in 2025. According to the recent report by Vestian, the IT sector holds the biggest share of GCCs at 49%, followed by the Banking, Financial Services, and Insurance (BFSI) sector at 17%, with Healthcare, Engineering, Consulting, and Telecom collectively forming 19% of the market.

As per the NASSCOM GCC annual report, 2024, Indian GCCS have clocked in exports of $64.6 billion in 2023-24, a growth of about 40% over the previous year. It is projected to scale up to over $100 billion by 2030, and $200 billion by 2035. The next trajectory of growth marks the rise of giga capability centres, large-scale hubs, handling diverse and complex operations, as the MNCs are increasingly consolidating their global operations under one roof, leveraging India's vast talent pool and cost efficiencies. As per Wizmatic Consultancy, the number of billion-dollar GCCs in India has doubled in the five years, ending 2023-24, from 12 to 24, which is higher than the corresponding number of IT services companies, with over $1billion in revenues.

How are GCCs different from IT services companies?

Indian IT service firms, traditionally, operate as third-party vendors, offering a broad spectrum of technology and business process outsourcing services to diverse global clients. In contrast, the GCCs are captive units established by MNCs in India to manage

their internal technology, operations, and business functions. While historically, there was a clear demarcation between these two models, the evolving demands of the global market and the growth in India's capabilities have led to a blurring of these lines. Being the wholly-owned units of the parent companies enables corporate governance, data sovereignty, and end-to-end control by the parent companies over critical functions and mitigating risks associated with third-party vendor management.

Expansion of GCCs into tier-2 and tier-3 locations

GCCs have been strategically expanding their footprint beyond tier-1 metropolitan cities into tier-2 and tier-3 locations, like Hubli, Jaipur, Coimbatore, and Chandigarh, with 82,000 professionals employed in these regions during 2023-24. This expansion is a strategic move by the GCCs, for risk mitigation, reducing concentration risk in metro areas, while tapping into the larger and cost-effective talent pool. As it contributes significantly to a more balanced regional economic development across India, the Government of India as well as a number of State governments have announced policies for promotion of the GCCs in these locations.

How do the GCCs compare with the IT companies with regard to employment ?

The historical reliance of Indian IT services companies on a volume-based cost-arbitrage model resulted in a structural vulnerability, over a period of time, as the roles in these firms are characterised by a pyramid structure, with multiple layers of management. Due to automation and the impact of AI, these companies are under pressure to restructure their operations, for better operational efficiency and technology resilience.

Entry level salaries in the traditional IT services companies have generally been stagnating at around 3 to 4 lakh per year, for over a decade. This, coupled with limited prospects for international job postings, due to the increasing HIB visa restrictions, has contributed to talent migration to GCCs, reflecting on the attrition rates at tier-1 IT firms, during first quarter of 2025-26, increasing to 13-15%. Amidst the current global headwinds, arising from U.S. tariffs and geopolitical uncertainty, performance of most of the Indian IT companies has been subdued in the last few quarters, thereby impacting their fresher hiring plans, salary hikes and promotions.

As the GCCs focus on strategic value creation, they are able to offer job profiles, involving creative and analytical work, with 15% to 30% higher salaries than the IT

firms, depending on the type of skills. Some of the GCCs adopted hybrid work models to attract top-tier talent and increase productivity. A strong emphasis is placed on continuous learning, with the GCCs investing heavily in upskilling and reskilling programs. Career progression within GCCs is often accelerated, with the career growth path, leading to global leadership roles, which is attractive to the talented youngsters. By combining competitive compensation with non-monetary benefits, career growth opportunities, and workplace flexibility, GCCs are creating a more conducive work environment to attract, motivate, and retain the top talent in the country.

GCCs and IT services companies: Competition or co-operation?

Currently, Indian IT services companies are directly competing for both talent and business, with the GCCs, who have an edge over the former, on both counts. In the last 10 years, the GCC sector revenue has grown at a Compound Annual Growth Rate (CAGR) of about 11%, outpacing the 8% CAGR of top Indian IT firms. An analysis of the growth of the top GCCs in the last three years highlights that the gap will further widen in the years to come. A number of MNCs, which previously divested their captive units to Indian IT firms, are now actively building their technology centers in India. This reversal of strategy indicates their long-term preference for direct control, intellectual property ownership, and deeper integration over traditional outsourcing.

Despite the growing competition, there are significant opportunities for collaboration between Indian IT services firms and GCCs, transforming competitive threats into symbiotic relationships. A number of Indian IT companies have started offering "GCC-as-a-line-of-service". In this model, IT firms leverage their experience and expertise to help the foreign companies set up, staff, and operate the GCCs on a Build-Operate-Transfer (BOT) basis, which enables the GCCs to scale up quickly and maintain operational resilience. Some IT companies are positioning themselves as strategic technology partners and provide specialised expertise, augment delivery capacity, accelerate time-to-market, and contribute to the co-creation of products. Such collaborations enable pooling of the skill resources, sharing knowledge, and accelerating innovation in the emerging technology and industry domains, which will be mutually beneficial.

Challenges for the future growth of the GCCs

Talent shortage and skill gaps will be the biggest challenge for the future growth of GCCs, as the demand for specialised skills in areas like AI, Machine Learning,

Cybersecurity, Cloud Computing, and Data Analytics continues to outpace supply, particularly in tier-2 and tier-3 locations.

Yet another challenge, an often-overlooked one, faced by many GCCs is cultural integration, which involves aligning values, ways of working, and mindsets between the employees of the GCC and its parent organisation.

The recent protectionist policies of the U.S., with emphasis on reshoringjobs to the U.S., could initially slow down new GCC setups or encourage hybrid operational models, wherein the critical data/operations are retained in the U.S.

The last couple of years have witnessed massive job cuts by leading technology MNCs, as a part of restructuring, in response to the emerging AI world. It is incumbent on the part of the GCCs in India to plan for the skill resources diligently, so as to avoid such a situation in the future.

Recruitment of fresh graduates by GCCs

During 2024-25, GCCs are reportedly to have outperformed traditional IT firms in recruitment of new hires, adding over 140,000 new hires, compared to net additions of about 20,000 by the IT firms. As per the recent report from ANSR, GCCs are projected to post a robust hiring growth of 18-20% during 2025-26, creating over 380,000 jobs in various sectors. This significantly outpaces the 8-10% growth seen in the traditional IT companies. As per the recent NASSCOM report, about 30-40% of the hires are fresh graduates, for entry-level roles.

The total number of professionals employed by GCCs is projected to increase from about two million in 2024 to 2.8 million by 2030. As per the global consulting firm Protiviti, this number could scale up to over 4 million by 2035.

In the wake of the current restructuring of the Indian IT services sector, which may translate to reduced hiring of fresh graduates, the GCCs present an excellent career opportunity for the talented freshers, in the years to come. However, there is a quantitative and qualitative difference in the skills required by GCCs and IT Services companies, due to the varied nature of scope of work.

What do GCCs look for?

The overarching trend indicates a strong preference for Science, Technology, Engineering, and Mathematics (STEM) graduates, with skills in cutting-edge technologies like AI, ML, advanced data analytics, cloud computing, and cybersecurity. The GCCs also offer opportunities to commerce and management graduates, in Marketing, Finance, and Human Resources (HR) roles in sectors like Banking, Financial Services and Insurance (BFSI), and professional services. The BFSI sector, one of the key drivers of GCC growth, needs talent in the finance and accounting domain, coupled with digital skills in areas such as Fintech, AI-based risk analysis, regulatory technologies, and cybersecurity.

As per the Zinnov survey report of GCC recruiters (March 2025), 48% of the GCCs are prioritizing skill-based hiring, with a focus on proven capabilities in skills, over academic credentials. In order to acquire specialised skills with faster resource access, some GCCs are exploring alternate talent pools like freelancing gig workers.

Upskilling initiatives of the GCCs

The MNCs like Walmart Global Tech, SAP Labs, Barclays, Thales, and Intuit have been investing significantly in employee upskilling to transition the GCCs into innovation hubs and have been rolling out learning academies, upskilling platforms, and building partnerships with top universities. The learning model includes deployment of Educational Technologies, Virtual Reality, hackathons, internships, job rotations, and digital credentialing. The upcoming IBM Quantum-Research GCC in Bengaluru plans to train 10,000 fresh engineering graduates engineers in qubit programming by 2028.

GCC-Academia partnerships

Industry-academia collaboration between GCCS and HEis is crucial for bridging the skill gaps and ensuring a continuous supply of future-ready talent, by co-designing and delivery of academic and training programs, in alignment with the evolving needs of the GCCs. Besides imparting hands-on skills on cutting-edge technologies, the training should cover critical thinking and globalisation skills, which include effective communication and acculturisation, so that the students can be groomed to take up the highly rewarding global roles in the GCCs. Besides, they can establish industry-sponsored research labs and promote innovation and entrepreneurship, through incubation centres and startup ecosystems, preparing students to contribute to GCCs' innovation goals. HEIs also partner with the GCCS to upskill faculty in the latest technologies and methodologies.

A number of HEis have built industry-academia collaborations with the leading GCCs to upskill students and GCC employees. IIT Hyderabad, through its partnership with NVIDIA, is seeding talent for AI accelerator GCCs, such as AMD India's AI Research Lab in Bengaluru. Symbiosis Skill University, through CSR funding, offers a free three to four-month GCC Employability & Skilling Program (GESP), in multiple locations, to develop graduates in tier two or three locations for non-technology job roles in GCCs like Global Banking Operations, Financial Analyst and Business Analyst, and more.

Way forward

India's GCC sector is poised to grow from strength to strength in the years to come and will herald a new wave of growth in the IT industry, marked by substantial value addition, in terms of competitive advantage and fuel growth of the global firms. It provides an exciting and inclusive career opportunity to the talented Indian youth and will complement the IT services sector. However, its skill requirements will be more demanding than the traditional IT services sector. GCC-Academia partnerships can help in grooming the students accordingly and building a talent pipeline for the future growth of the sector.

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