

Talent shortage a challenge for MNC tech centres: EY

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BENGALURU: The talent shortage poses a challenge to GCC (global capability centre) leaders in scaling their operations and driving digital transformation agendas, a survey by Ernst & Young suggests.

The report, called GCC Pulse Survey 2021, notes that in the last 18 months, demand for skills in the areas of AI/ML, cloud and open stack development, and cyber security has increased exponentially. About 76% of GCC leaders believe they need to improve their ability to attract and retain talent.

GCC is the term used for MNC technology and shared services centres in India. The report surveyed 57 GCC leaders in India. Only 10% of GCCs mentioned campus hires as a significant source of talent. Most (67%) prefer to source their talent through lateral hiring from other GCCs, Indian

organisations, and service providers, the report showed.

Arindam Sen, partner - GCC sector lead in EY India, said, "The ability to scale is what they are using their shared service centres for. There is a little bit of "me-too" that has happened, and it has accelerated now to a point where midmarket companies in the US and Europe, and those who have not effectively used these models, are exploring these opportunities. There is a lot of discussion. They have seen this has developed into what I would call a successful model." Sen expects 300-400 more GCCs to be set up in India over the next 4-5 years. A Nasscom report says India has 1,430 GCCs, with revenue of \$36 billion, and with a total talent base of 1.3 million employees. Nasscom expects India to have 1,900 GCCs, employing 2 million people and generating revenue of \$58-61 billion by 2025.

When TOI asked Sen whether GCCs were expanding at the cost of outsourcing, he said the two complement each other. "The GCC ecosystem is going to sit side by side with the outsourcing partner. There are certain tasks in any enterprise which every company believes should be kept in-house. Some of those outsourcing relationships which were handled by the global headquarters of the company are now handled through the GCCs. Is it happening at the expense of outsourcing, I haven't seen any indication of that," he said. EY's report showed the future of work would be hybrid, with 50% of survey participants believing that half of their workforce will work remotely for the next 12 months. About 51% of the respondents found having a digital mindset was necessary for cultural change, followed by diversity and inclusion, innovation and workplace flexibility.

About 58% of GCC leaders believe that there is an increased risk of data breach due to increased remote working, while 73% feel there is a risk to confidential information due to increased cyber-attacks. 43% of the survey participants currently have cyber teams, while 33% have security centres of excellence in other locations, the report said.