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India's GCC Tech Talent Landscape: Q1FY26

July, 2025

About the Report

The India's GCC Tech Talent Landscape - Q1FY26 Report offers a focused view of the evolving priorities and workforce shifts within Global Capability Centres (GCCs) in India. It explores how GCCs are aligning their hiring strategies with emerging technology trends and strategic business objectives. The report captures changes across industries, highlighting how GCCs are recalibrating talent models to stay competitive, resilient, and innovation-ready in a rapidly transforming global environment.

In addition to mapping functional hiring shifts, the report delves into the emergence of new talent clusters and capability hotspots, driven by technological advancements and evolving role definitions. It also provides qualitative insights into how GCCs are approaching compensation, talent mobility, and geographic expansion. With a lens on both established metros and emerging Tier-2 locations, the report offers a well-rounded perspective on the evolving tech talent landscape in India.

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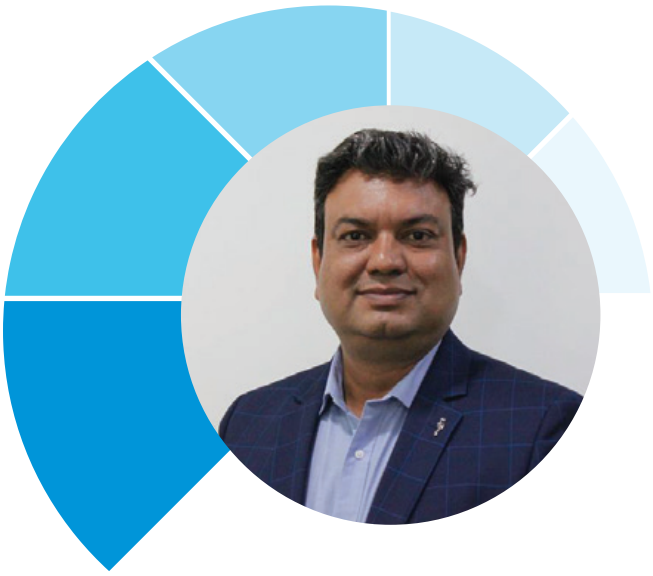

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From The Leadership Desk

Q1FY26 marked a steady return to growth for India's Global Capability Centre (GCC) sector, with hiring volumes increasing by 8-10% quarter-on-quarter after a muted Q4. This improvement is not just a rebound, it reflects a more focused and priority-led approach to talent investments. Rather than scaling teams broadly, organizations are now hiring selectively for skills that drive innovation and long-term value.

The demand landscape is clearly shifting. Companies are actively seeking professionals who bring expertise in artificial intelligence, cloud infrastructure, cybersecurity, and data engineering. These roles are no longer seen as support functions, they are at the heart of digital transformation. High-growth sectors like BFSI, manufacturing, automotive, and technology hardware have seen a 16-20% rise in demand, largely fuelled by AI adoption and automation initiatives.

However, the challenge lies in the widening gap between demand and supply. In domains such as AI, data science, and platform engineering, the talent shortfall remains significant, ranging from 25% to over 40% depending on the role. These shortages are slowing down hiring cycles and making it harder for companies to build high-performance teams at the pace they require.

Geographically, while Bengaluru continues to lead, cities like Hyderabad, Pune, and Chennai posted stronger QoQ growth this quarter. Tier-2 cities also gained momentum, with their share of GCC hiring rising from 5% to 7%. Yet, talent availability, especially at mid-senior levels, remains a challenge outside of Tier-1 hubs. For advanced roles in GenAI, cloud engineering, and cybersecurity, several mandates had to be redirected back to metros due to lack of qualified profiles.

On the compensation front, the market showed signs of stabilization. After a sharp rise last year, Q1FY26 saw a controlled 3-5% increase in salaries for premium roles such as AI observability, FinOps, and security architecture. Top offers in metros continue to exceed ₹50-60 lakh for niche skills, underscoring the intensity of competition for high-end talent.

As we look ahead, it's clear that India's GCC landscape is evolving, driven not by volume, but by capability. At our organization, we remain committed to helping clients build future-ready teams through precise, insight-led hiring. Our focus is not just to fill roles, but to build the workforce that powers transformation.

India's GCC Tech Talent Outlook: Q1FY26

Moderate Growth, Strategic Shifts, and Emerging Tier-2 Momentum

India's Global Capability Centre (GCC) landscape in Q1FY26 reflected a measured 8-10% quarter-on-quarter (QoQ) growth in hiring volumes, indicating a deliberate and strategic shift in workforce planning rather than a return to broad-based expansion. This moderate rebound followed a 3-6% QoQ decline in Q4FY25, signalling renewed market confidence and a cautious return to capability-led growth. The trend highlights a clear emphasis on sustainable, high-value talent investments aligned with digital transformation priorities.

Key Insights:

Market Expansion & Talent Focus

GCC hiring grew 8-10% QoQ, with demand gravitating towards AI-integrated capabilities. Legacy operational roles continued to phase out systematically. High-growth sectors included:

- **Manufacturing, Automotive, Energy:** +2% share | +31% growth
- **Technology & Hardware:** +1% share | +16% growth
- **BFSI:** +2% share | +15% growth
  These sectors are heavily investing in automation, GenAI, and digital transformation.

Skill Shortages Remain Critical

Persistent skill gaps are reshaping hiring strategies:

- **Platform Engineering:** 38% supply gap (e.g., Kubernetes, Infra as Code)
- **AI, Data & Analytics:** 42% gap (GenAI, MLOps, LLM expertise)
- **Cloud & Infra Engineering:** 45% gap (FinOps, cloud cost optimization)

Geographic Recalibration Accelerates

While Bengaluru remains dominant, Pune (+10.6% QoQ) and Chennai (+9.4% QoQ) led growth.

- Tier-2 cities share remained modest, but posted ~20 percentage points higher growth than Tier-1 hubs.
- However, Tier-2 markets face acute mid-senior talent shortages, with 1 qualified profile for every 6-10 open roles in advanced domains, causing ~50% of mandates to be re-routed to Tier-1 cities.

Compensation Trends Stabilize with Selective Uplift

- Zero Trust Security, AI Risk, GenAI Observability, and FinOps roles saw 3-5% QoQ uplift
- Mid-premium roles (Sr. SDETs, cloud-native full-stack, data engineers) rose by 3-4% QoQ Compensation growth remains targeted and capability-driven, reflecting GCCs' sharper focus on ROI and talent quality.

Q1FY26 marked a phase of maturity and recalibration for India's GCC ecosystem, driven by measured growth in high-scarcity skillsets, significant shifts toward Tier-2 hubs, and compensation stabilization in premium niches. The quarter sets the tone for long-term capability resilience in AI-driven and cloud-native environments.

Decoding the Demand: Shifting Priorities in GCC Hiring

India's Global Capability Centre (GCC) ecosystem continues to evolve as a cornerstone of global enterprise operations, transitioning from scale-focused expansion to capability-led transformation.

GCC Market in India

Number of GCCs	New GCCs Established	Current Market Size	Projected Market Size	Current Headcount	Expected Headcount
1800 GCCs	Over 120 new GCCs in 2024	$64.6 Billion	$105 Billion by 2030	1.99 Million	2.5 Million by 2030

After a period of subdued activity in Q4FY25, where tech talent requisitions tapered slightly, Q1FY26 signalled a shift toward sustainable and value-driven growth. Overall hiring volumes reflected this transition, with requisition trends showing a modest 3-6% quarter-on-quarter (QoQ) decline in Q4FY25, followed by a moderate 8-10% QoQ increase in Q1FY26. This movement from a mild slowdown to measured growth points to a phase of stabilization and cautious optimism across the GCC talent landscape. Rather than pursuing broad-based expansion, organizations increasingly focused on strategic hiring aligned to digital acceleration, innovation, and long-term capability building.

The demand in Q1FY26 was distinctly shaped by the rise of AI-integrated capabilities, with organizations deepening investments in areas such as automation, data science, and machine learning. At the same time, traditional operational roles are being systematically deprioritized, reflecting a conscious shift from headcount volume to skill depth. This demand pattern underscores a growing preference for high-scarcity, high-impact roles that drive transformation outcomes, reinforcing the GCC ecosystem's evolution from delivery centres to strategic innovation hubs.

Hiring Horizons: A Multi-Dimensional View

Q1FY26 Industry-Wise Trends in GCC Hiring

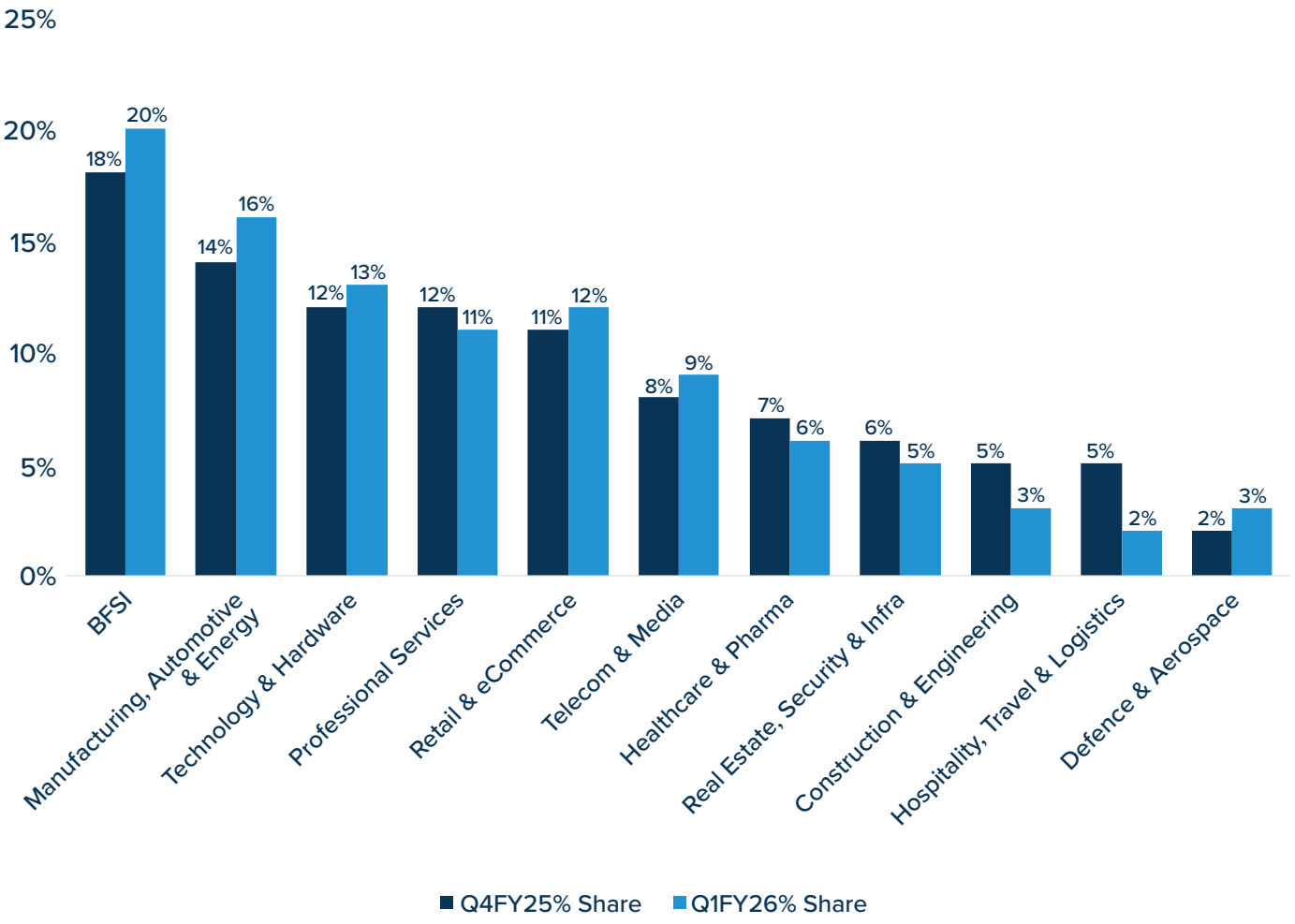
Q1FY26 marked a critical phase of recalibrated growth across India's Global Capability Centres (GCCs), as enterprises continued to align their workforce strategies with evolving global trends and emerging technologies. Following a marginal dip in demand in Q4FY25, this quarter recorded a measured rise in hiring activity, signalling a return to forward-looking, sustainable expansion. Growth was primarily driven by high-scarcity, AI-integrated capabilities, while traditional support functions saw continued displacement, a trend that reflects the ecosystem's shift from volume hiring to value hiring.

Industry-Wise GCC Hiring Trends: Q4FY25 vs Q1FY26 Comparison

Sector	Q4FY25% Share	Q1FY26% Share	Change	QoQ Demand Growth
BFSI	18%	20%	+2% ↗	+15%
Manufacturing, Automotive, Energy	14%	16%	+2% ↗	+31%
Technology & Hardware	12%	13%	+1% ↗	+16%
Professional Services	12%	11%	+1% ↗	+13%
Retail & eCommerce	11%	12%	+1% ↗	+12%
Telecom & Media	8%	9%	+1% ↗	+8%
Healthcare & Pharma	7%	6%	-1% ↓	-7%
Real Estate, Security & Infra	6%	5%	-1% ↓	-5%
Construction & Engineering	5%	3%	-2% ↓	-15%
Hospitality, Travel & Logistics	5%	2%	-3% ↓	-25%
Defence & Aerospace	2%	3%	+1% ↗	+10%

Across industries, sectoral hiring patterns showcased a clear divergence. Sectors like BFSI, Manufacturing-Automotive-Energy, and Technology & Hardware emerged as high-growth verticals, investing aggressively in AI, automation, and digital modernization. Demand in BFSI was led by functions such as AI-led credit risk, embedded finance, cybersecurity, and digital lending. In Manufacturing and Automotive, hiring was fuelled by initiatives around smart factories, industrial IoT, EV platforms, and predictive maintenance. Similarly, Technology & Hardware showed robust demand for cloud engineering, chip design, and IoT hardware development.

Meanwhile, Professional Services continued to sustain momentum through expansion of managed services and analytics-led Centres of Excellence (CoEs). In contrast, sectors such as Healthcare & Pharma, Construction & Engineering, and Hospitality & Travel experienced notable slowdowns, reflecting economic sensitivity to global headwinds, including tariff policies and cost rationalization cycles.



Share of Sectors in GCCs during Q4FY25 and Q1FY26

This sectoral realignment highlights a broader transformation within India's GCC landscape, with demand increasingly driven by niche capabilities in GenAI, FinOps, and cloud-native architecture, reinforcing India's position as a global hub for next-generation digital innovation.

Sectoral Insights: Q1FY26 Demand Dynamics

A sector-wise breakdown of GCC hiring trends in Q1FY26 reveals clear growth patterns across AI-driven and digital-first domains, alongside contraction in sectors facing global headwinds

Sectors	Sectors with Increased Demand:
BFSI (Banking, Financial Services & Insurance)	• Hiring share grew by **+2% to 20%** • Demand growth by **+15%** QoQ • Driven by: AI-led credit risk, digital lending, embedded finance, cybersecurity, and ops modernization.
Manufacturing, Automotive & Energy	• Share rose by **+2% to 16%**, with **+31% QoQ demand growth** • Key drivers: Smart factories, industrial IoT, EV platforms, sustainability, predictive maintenance
Technology & Hardware	• Share increased by **+1% to 13%,** with **+16% QoQ demand growth** • Demand areas: Cloud engineering, chip design, IoT, AI adoption, and GCC expansion
Professional Services	• Slight share dip by **-1% to 11%**, but demand grew **13% QoQ** • Growth fuelled by: Managed services, analytics-driven CoEs, shared services, and compliance automation
Retail & eCommerce	• Share up **+1% to 12%** • Demand for: AI personalization, omnichannel commerce, digital payments, logistics tech
Telecom & Media	• Share up **+1% to 9%,** with **+18% QoQ demand growth** • Growth areas: 5G rollout, AI in network ops, OTT platforms, edge computing
Defence & Aerospace	• Share up **+1% to 3%,** with **+10% QoQ demand growth** • Focus on: Secure embedded systems, classified cloud, avionics software
	Sectors with Declining Demand:
Healthcare & Pharma	• Share declined by **-1% to 6%,** with **-7% QoQ decline in demand** • Affected by: US tariff policies, global economic uncertainty
Construction & Engineering	• Share fell by **-2% to 3%,** with **-15% QoQ decline in demand** • Demand contraction due to shifting infra priorities
Hospitality, Travel & Logistics	• Largest decline: **-3% to 2%,** with **-25% QoQ decline in demand** • Impacted by cost pressures and global travel slowdown
Real Estate, Security & Infra	• Share declined by **-1% to 5%,** with **-5% QoQ decline in demand**

These insights reflect a strategic evolution in India's GCC market, with growth anchored in AI, automation, and cloud, while traditional sectors adjust to external disruptions and shifting enterprise priorities.

Geographic Shifts: Tech Talent Hotspots and the Rise of Tier-2 - Q1FY26 Recalibration

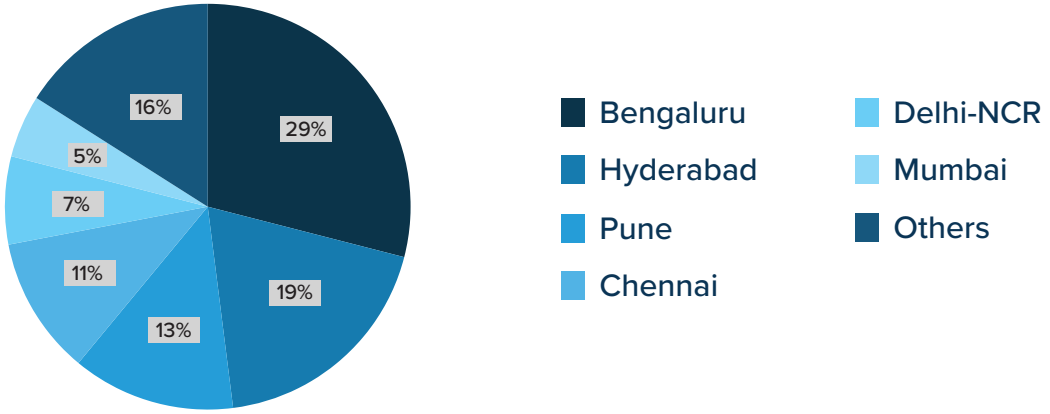
Q1FY26 witnessed a strategic geographic recalibration across India's Global Capability Centre (GCC) landscape, driven by the dual imperatives of agility and cost-efficiency. While Tier-1 cities continued to dominate overall hiring volumes, Tier-2 cities emerged as high-growth spokes, challenging long-standing location orthodoxies and diversifying the country's tech talent footprint.

Tier-1 Cities: Mature Ecosystems with Deep Specialization

Bengaluru retained its position as the anchor hub for GCCs, particularly in AI, product engineering, and strategic R&D. However, cities like Hyderabad, Pune, and Chennai outpaced it in growth rates, propelled by their expanding cloud, data, and automation clusters. These metros showcased increasing maturity in domain-specific capability streams, from semiconductor design and ERP modernization to capital markets tech and risk analytics, affirming their status as specialization-driven hubs. The trend indicates not a dilution of Tier-1 leadership, but a broadening of capability dominance across cities.

Rank	City	Q1FY26 Share	QoQ Growth	Dominant Capability Streams
1	**Bengaluru**	**29%**	3.20%	AI/ML engineering, digital product & semi-design COEs
2	**Hyderabad**	**19%**	7.00%	Cloud platforms, data engineering, enterprise SaaS pods
3	**Pune**	**13%**	10.60%	Auto-tech R&D, embedded software, global support hubs
4	**Chennai**	**11%**	9.40%	BFSI ops & risk, ERP modernisation, auto-tech
5	**Delhi-NCR**	**7%**	8.20%	Analytics, regulatory & audit COEs, e-commerce support
6	**Mumbai**	**5%**	4.60%	Capital-markets tech, fintech ops, enterprise risk

Share of Tier-1 Cities in GCCs during Q1FY26



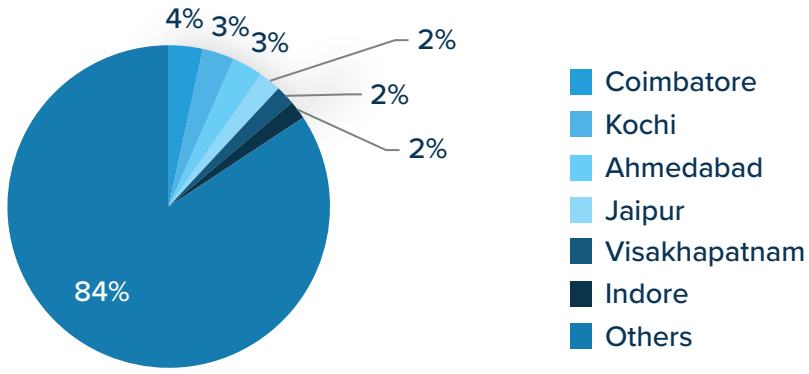
Tier-2 Cities: Rapid Growth, Evolving Readiness

While Tier-2 cities continue to exhibit significantly higher growth rates than Tier-1 metros, averaging approximately 20 percentage points higher QoQ compared to prior quarter's expansion, they still face acute talent shortages. Approximately 50% of mid-senior level advanced role mandates in Tier-2 hubs are being re-routed to Tier-1 cities, consistent with patterns observed last quarter. These locations are increasingly tapped for shared services, mid-office operations, digital engineering, and cloud support, backed by policy incentives and maturing infrastructure.

However, this growth comes with constraints. Tier-2 cities are still struggling to meet the depth requirements of advanced digital roles, such as full-stack DevOps, GenAI engineering, and L3+ cybersecurity. As a result, up to 50% of complex mandates are being re-routed back to Tier-1 locations, where talent density, peer networks, and marquee projects remain key magnets for senior professionals.

Rank	City	Q1FY26 Share	QoQ Growth	Sweet-Spot Capabilities
1	**Coimbatore**	3.5%	**34.10%**	F&A shared services, digital engineering
2	**Kochi**	3.3%	**27.60%**	Cloud & cyber-security support, BFSI middle-office
3	**Ahmedabad**	3.2%	**24.60%**	Embedded & data-engineering pods, CX analytics
4	**Jaipur**	2.3%	**22.30%**	Risk-analytics COEs, finance ops
5	**Visakhapatnam**	2.0%	**19.30%**	FinTech ops, AI & digital transformation
6	**Indore**	1.9%	**18.20%**	Supply-chain tech, product support

Share of Total GCC Demand



The Emerging Location Strategy

The recalibrated hiring pattern suggests that Tier-1 cities will continue to house high-priority, innovation-led mandates, while Tier-2 hubs will scale rapidly for cost-sensitive, modular, or support-driven roles. The hub-and-spoke approach is evolving, with GCCs balancing depth and speed, Tier-1 offers proven scale and expertise, Tier-2 delivers agility and access to untapped potential.

As the GCC ecosystem matures, sustained investments in skilling, academic linkages, and anchor GCC setups in Tier-2 cities will be crucial to converting them from satellite delivery zones into next-gen capability hubs.

Tier-2 Talent Constraints & Re-routing Patterns: Q1FY26

Tier-2 cities are fast emerging as strategic GCC hubs, driven by cost advantages, improving infrastructure, and regional policy incentives. In Q1FY26, these cities showed strong hiring momentum and increasingly featured in location strategies for digital and support functions. However, this growth wave revealed a new set of constraints that could limit long-term scalability.

#	Role cluster	Tier-2 Talent Depth	Typical Tier-1 destination(s)	Key capability gaps in Tier-2 pools	Workstreams still viable in Tier-2 hubs
1	**Cloud-intensive full-stack engineering**	~1:9 (polyglot + K8s)	Hyderabad, Bengaluru	Multi-cloud IaC, distributed-system design	React/Node feature work, L2 prod-support
2	**SDET / quality-automation specialists**	~2:6 (senior Cypress/ Playwright)	Pune, Chennai	Test-ops in CI/CD, shift-left security	Regression suites, UAT coordination
3	**Niche data-science / GenAI engineers**	~2:10 (PhD / GenAI)	Bengaluru, Hyderabad	LLM fine-tuning, MLOps at scale	Data-ops, annotation, BI reporting
4	**Advanced SRE (L3/L4)**	~1:8 (p99.9 SLO)	Hyderabad, Bengaluru	Chaos-engineering, service-mesh tuning	L1/L2 monitoring, dashboard upkeep
5	**High-end UI/UX & product design**	~1:5 (research-strategy-growth)	Mumbai, Pune, Bengaluru	UX research frameworks, growth-leddesign	Visual design, prototyping, design-system upkeep
6	**High-end cyber-security (cloud & red-team)**	~1:7 (zero-trust / threat-hunting)	Bengaluru, Hyderabad, NCR	Cloud-native zero-trust architecture, red-/purple-team skills, OT/ICS security expertise	SOC L1/L2 monitoring, compliance & GRC reporting

Despite rising demand, Tier-2 hubs continue to face critical talent depth challenges in high-complexity roles such as cloud-native engineering, GenAI, zero-trust cybersecurity, advanced SRE, and UX research. For every 6-10 open roles in these domains, only one qualified mid-senior profile is typically found. Shortlists dry up within weeks, prompting GCCs to repost nearly 50% of advanced roles in Tier-1 cities like Bengaluru, Hyderabad, Pune, and Chennai, which remain magnets for top-tier tech talent.

The most acute capability gaps include multi-cloud IaC, MLOps at scale, chaos engineering, and red-team cybersecurity skills. While Tier-2 cities continue to be viable for support-led workstreams, like BI reporting, UI prototyping, and L1/L2 operations, they remain limited in handling core innovation mandates. Until focused skilling efforts and flagship GCC investments deepen the talent base, Tier-1 cities will retain leadership for advanced digital portfolios, reinforcing their dominance in India's tech talent ecosystem.

Compensation Trends: Q1FY26 Dynamics and Premium Pay Patterns

In Q1FY26, compensation trends across India's GCC ecosystem signalled a phase of market correction, with growth remaining strong but showing signs of moderation following previous spikes. While premium roles, particularly in high-scarcity domains such as AI, cloud, cybersecurity, and FinOps, continued to command elevated pay, the pace of quarter-on-quarter increases stabilized. This reflects a more deliberate and value-aligned approach to talent investment. Notably, salary benchmarks remained highest in Tier-1 cities, and a clearer divergence emerged between base-skill roles and specialized digital talent, with compensation increasingly mirroring skill scarcity and functional complexity.

Role	Bengaluru	Hyderabad	Pune	Chennai	Tier-2 Cities
Zero-Trust Security Engineer	40.6 – 59.9	37.8 – 54.7	36.0 – 52.2	34.4 – 51.0	Talent scarce
AI Compliance & Risk Ops Eng.	40.6 – 54.7	37.8 – 52.6	36.0 – 50.5	34.4 – 49.3	Talent scarce
AI Observability GenAI Eng.	40.0 – 54.7	37.8 – 52.6	36.0 – 50.5	34.4 – 49.3	Talent scarce
FinOps Specialist	34.4 – 48.5	32.6 – 45.0	30.8 – 41.8	29.3 – 40.3	27.2 – 38.9
Cloud Security Engineer	32.1 – 43.8	30.1 – 40.3	27.5 – 38.0	27.5 – 37.0	25.2 – 35.2
DevSecOps Engineer	37.9 – 52.7	35.9 – 50.6	34.4 – 48.3	32.5 – 45.2	30.8 – 38.7
Site-Reliability Engineer (L3)	35.4 – 49.4	33.9 – 46.8	31.5 – 44.2	30.0 – 42.0	Talent scarce
AI & Data-Science Engineer	37.1 – 50.3	34.8 – 47.3	32.4 – 43.3	31.5 – 42.3	28.9 – 35.6
Senior SDET / QA-Automation	28.0 – 36.0	26.5 – 34.0	25.0 – 32.5	24.0 – 31.0	22.0 – 29.0
Senior Full-Stack (Cloud-native)	27.5 – 35.0	25.5 – 33.0	23.8 – 31.5	22.5 – 30.5	20.5 – 28.5
Senior Data Engineer	27.0 – 34.0	25.5 – 32.0	24.0 – 31.0	23.0 – 30.0	21.0 – 28.0
UI / UX Designer (Sr.)	27.0 – 39.9	25.0 – 37.0	23.4 – 34.2	22.3 – 33.0	20.6 – 31.5
Cloud Infrastructure Engineer	34.0 – 46.2	32.0 – 44.1	30.0 – 41.1	28.5 – 39.0	26.5 – 36.7

Following last year's rapid YoY salary growth of 20-35% in premium roles, Q1FY26 shows a moderation with 3-5% QoQ uplifts in niche skills such as Zero Trust Security and AI Observability. This suggests a market correction and stabilization after a period of intense salary inflation, pushing P75 offers in Bengaluru toward the ₹60 lakh range. Bangalore's dominance in pay persists, driven by deeper talent pools and role maturity, while Tier-2 cities have yet to close the premium gap, as advanced AI and cybersecurity talent pipelines remain in early stages. FinOps Specialists also experienced an upward correction of approximately 4% QoQ, reflecting GCCs' sharpened focus on cloud cost optimization, governance, and automation, particularly in response to rising Cloud infrastructure investments.

The mid-premium cohort, including Senior SDETs, cloud-native full-stack developers, and senior data engineers, posted 3–4% growth, with P75 compensation consolidating between ₹30–38 lakh. These roles are essential to maintaining resilient, DevOps-driven delivery models and are increasingly becoming cornerstones of digital transformation agendas across GCCs. The sustained pay premium for niche skill sets reinforces ongoing high demand and scarcity for strategic digital roles, signalling both an acute supply-demand imbalance and a growing need to strengthen India's skilling ecosystem, particularly beyond Tier-1 hubs.

Tech Talent Dynamics and Supply Gaps: Q1FY26 Demand-Supply Balance

In Q1FY26, India's Global Capability Centres (GCCs) shifted gears, moving away from broad-based hiring towards a sharper focus on high-value, future-ready skills. This recalibration reflects a deeper industry pivot toward AI-led transformation, scalable platform engineering, and enterprise-grade security. As organizations push to modernize infrastructure and embed intelligence into business workflows, the talent landscape is being reshaped by growing shortages in specialized digital roles. The quarter revealed widening skill gaps in areas critical to innovation and execution, even as traditional IT roles saw stabilization or strategic displacement.

Job Family	Supply Status	Supply Gap %	Key Skill Clusters Facing Shortages
Platform Engineering	Shortage	38%	- Infrastructure as Code (Terraform, Ansible, Chef, Puppet) - Kubernetes orchestration & container management - Multi-cloud platform integration (AWS, Azure, GCP) - DevOps pipeline automation & CI/CD - Site Reliability Engineering (SRE) practices
AI, Data & Analytics	Shortage	42%	- Generative AI & Large Language Models (LLM) - MLOps & Machine Learning Engineering - AI/ML model deployment & monitoring - Data Visualization (proficiency in tools like Tableau, Power BI) - Statistical Programming (Python, R, SQL) - Frameworks like PyTorch, TensorFlow, NLP tools
MODERATE SUPPLY GAPS			
Cloud & Infrastructure Engineering	Moderate Gap	25-27%	- Cloud FinOps & Cost Optimization (highest gap at 45%) - Multi-cloud architecture design - Cloud security & compliance management - Cloud-native application development - Large-scale data modeling
Cybersecurity & Risk Management	Moderate Gap	15-18%	- Zero Trust Security Architecture - Threat Intelligence & Risk Management - Cloud Security & Application Security - AI-driven security & threat detection - Data Privacy & Protection compliance
Software Development & Digital Engineering	Moderate Gap	18-22%	- Full-stack development - Microservices & containerization (Kubernetes) - Cross-platform mobile development (Flutter, React Native) - Progressive Web Apps (PWAs) - DevOps practices & CI/CD pipelines
MODERATE SUPPLY GAPS			
Business & Functional Analysis	Sufficient Supply	Stable	- AI-integrated business analytics - Process automation & optimization - Data-driven decision making - Strategic business intelligence - Digital transformation consulting

Enterprise Applications & ERP	Sufficient Supply	Stable	- SAP S/4HANA & cloud ERP migration - ERP system integration & automation - Cloud-based ERP solutions - ERP security & compliance management
IT Service Management & Digital Operations	Sufficient Supply	Stable	- Automation & AI-driven service delivery - ITSM tool integration & optimization - Digital workplace management - Service orchestration & workflow automation
Digital Transformation & Process Automation	Sufficient Supply	Stable	- Robotic Process Automation (RPA) development - Change management & organizational transformation - Business process reengineering - Digital strategy consulting

Acute Shortages in High-Impact Digital Skills

Two clusters dominate the current talent scarcity:

- AI, Data & Analytics saw the highest supply gap at 42%, driven by AI adoption in BFSI (credit risk, embedded finance), Retail (personalization engines), and global digital mandates. Skills such as Generative AI, LLMs, MLOps, model monitoring, and AI/ML frameworks (PyTorch, TensorFlow) remain critically under-supplied

- Platform Engineering followed with a 38% supply gap, anchored in the need for scalable DevOps and hybrid-cloud reliability. Shortages are most acute in Infrastructure as Code (Terraform, Ansible), Kubernetes, CI/CD pipelines, and Site Reliability Engineering (SRE).

Moderate Gaps with Sectoral Pressures

Several clusters revealed moderate but widening gaps, signaling sector-specific surges:

- Cloud & Infrastructure Engineering faced a 25-27% gap, with Cloud FinOps (45%) emerging as a pain point amid rising multi-cloud cost pressures

- Cybersecurity & Risk Management, with a 15-18% gap, saw strong demand in BFSI and Telecom for Zero Trust, AI-driven threat detection, and cloud security.

- Software Development & Digital Engineering showed an 18-22% gap, especially in full-stack development, microservices, mobile (Flutter, React Native), and DevOps-driven SDLC roles.

Stabilized or Saturated Talent Pools

Conversely, traditional IT domains reflected sufficient supply or demand plateau:

Business & Functional Analysis, ERP, ITSM, and Digital Operations saw stable supply conditions, indicating a shift in investment away from generic IT operations towards AI-powered transformation and automation.

Talent supply gaps have widened marginally in Q1FY26, particularly in high-demand areas such as AI, platform engineering, and cloud security, underscoring intensifying competition for specialized talent. As GCCs continue to evolve into strategic innovation hubs, these skill shortages pose risks to execution velocity and scalable delivery. To sustain momentum and remain competitive in FY26 and beyond, organizations must prioritize long-term investments in talent pipelines through targeted upskilling, strategic hiring, and deeper academia-industry partnerships, especially near campuses.

Conclusion

Q1FY26 marked a period of introspection and intent for India's Global Capability Centres (GCCs). The data reveals not just a phase of moderate expansion, but a deeper shift in how capability, location, and compensation are being reimagined in a post-hypergrowth environment. GCCs are clearly moving beyond scale for scale's sake, prioritizing specialized capabilities, digital maturity, and resilience across both workforce and delivery architecture.

What emerges strongly is a blueprint for capability-led growth: AI, cloud security, FinOps, and data engineering are no longer peripheral, they're core to GCC strategy. These aren't just hiring spikes; they're structural bets on future competitiveness. However, this pursuit of high-value talent is also exposing limitations, most acutely in Tier-2 markets where demand outpaces availability, and in legacy talent pipelines that are yet to evolve at the pace technology demands.

Looking ahead, GCCs are expected to deepen their focus on talent quality, not just quantity. This means sharper campus-to-cohort programs, strategic co-location with innovation clusters, and stronger integration between skilling initiatives and real-world delivery. The repositioning of complex mandates back to Tier-1 cities is a short-term fix; long-term growth will depend on building credible, distributed capability hubs. If Q1FY26 marked a shift in direction, the quarters ahead will be defined by execution, where success will hinge on the ability to translate strategy into sustainable, future-ready talent ecosystems.

Glossary

- **AI:** Artificial Intelligence.
- **BFSI:** Banking, Financial Services & Insurance.
- **CI/CD:** Continuous Integration/Continuous Delivery.
- **CoEs:** Centres of Excellence.
- **DevOps:** Development Operations.
- **ERP:** Enterprise Resource Planning.
- **FinOps:** Financial Operations.
- **GCC:** Global Capability Centres.
- **GenAI:** Generative AI.
- **GCP:** Google Cloud Platform.
- **GRC:** Governance, Risk, and Compliance.
- **IaC:** Infrastructure as Code.
- **IoT:** Internet of Things.
- **ITSM:** IT Service Management.
- **Kubernetes:** An open-source system for automating deployment, scaling, and management of containerized applications.
- **LLM:** Large Language Models.
- **MLOps:** Machine Learning Operations.
- **NLP:** Natural Language Processing.
- **OTT:** Over-the-Top (often refers to content delivered over the internet).
- **P75:** 75th Percentile (used in compensation benchmarks to indicate that 75% of data points fall below this value).
- **PWA:** Progressive Web App.
- **QoQ:** Quarter on Quarter.
- **RPA:** Robotic Process Automation.
- **SDET:** Software Development Engineer in Test.
- **SRE:** Site Reliability Engineering.
- **UAT:** User Acceptance Testing.
- **UI/UX:** User Interface / User Experience.
- **YoY:** Year-on-Year.
- **Zero Trust Security:** A security model based on the principle of "never trust, always verify," assuming no user or device is trustworthy by default, even if they are inside the network perimeter.

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