

India's GCC Tech Talent Landscape:

Q4FY26



ABOUT THE REPORT

India's GCC Tech Talent Landscape – Q4FY26 Report presents a comprehensive analysis of workforce acceleration, capability expansion, and strategic portfolio rebalancing across Global Capability Centers (GCCs) in India. The quarter marks a transition from Q3's selective optimization to a recovery-led, broad-based expansion with moderated growth, delivering 12–14% expansion in active GCC footprint and signaling strengthened enterprise confidence.

This edition captures the shift from stabilizing mature sectors to accelerating hiring momentum across programmed-led services, infrastructure modernization, and AI-driven transformation capabilities. Growth in Q4 reflects both demand recovery and ecosystem expansion, with emerging sectors regaining traction and previously declining sectors reentering the growth cycle.

Beyond headline hiring metrics (12–14% QoQ vs. Q3's 4–6%), the report examines sectoral rebalancing, increased investment across advanced skill clusters, and execution intensity across Tier 1 (88–90%) and Tier 2 (10–12%) hubs. These trends highlight how GCCs are scaling workforce strategies for productivity, resilience, and sustained innovation.



TABLE OF CONTENTS



From the Leadership Desk



India GCC Overview Q4FY26



Geographic Recalibration



Market Overview



Sector-wise GCC Hiring Trends



Geographic Distribution



Tech Talent Scarcity & Demand



GCC Size And Hiring Trends



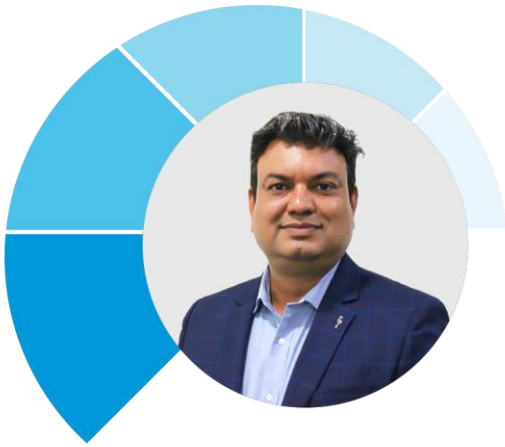
Flexible Staffing Trends



Conclusion



Glossary



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From the Leadership Desk

Q4FY26 marked a clear turning point for India's GCC landscape. Hiring grew 12–14% QoQ, a meaningful step-up from Q3's 4–6% trajectory while the broader GCC ecosystem expanded sequentially. The simultaneous growth in demand and ecosystem scale confirms that Q4 was not a seasonal uptick, but the beginning of a sustained recovery.

Enterprise hiring pivoted toward AI-first priorities. GenAI deployment, FinOps automation, platform reliability engineering, and infrastructure modernization were the dominant hiring areas this quarter. Growth was broad-based: Professional Services (+16%), Real Estate & Infrastructure (+18%), and Hospitality & Logistics (+13%) maintained momentum, while sectors that had previously slowed re-entered growth, widening the demand base heading into FY27.

Talent shortages in AI/ML Ops, platform engineering, and cloud infrastructure remain the most pressing constraint on scaling. These gaps are not temporary; they point to a structural deficit that will require sustained investment in upskilling, internal capability building, and stronger talent pipelines across the ecosystem.

Tier-1 metros accounted for 88–90% of GCC hiring, with Hyderabad emerging as the fastest-growing hub alongside Bengaluru, led by demand in AI and data engineering. Tier 2 cities – Coimbatore, Ahmedabad, and Kochi among them – grew their share to 10–12%, reflecting wider adoption of distributed delivery models. Tier 1 cities continue to anchor high-complexity work, while Tier 2 locations are increasingly taking on scaled execution.

India has moved well beyond its identity as a cost-efficient delivery base. The growth in GCC footprint, the sectoral rebalancing, and the geographic spread seen in Q4 all point to organizations making deeper, longer-term commitments to India-based operations.

The central challenge for FY27 will be building specialized talent at scale without losing efficiency across distributed teams. At Quess, we remain committed to supporting this shift – helping organizations build talent strategies that address both near-term priorities and longer-term resilience.

Q4FY26 GCC Hiring, Capability and Location Trends



EXECUTIVE OVERVIEW



INDIA'S GCC TECH TALENT OUTLOOK: Q4FY26

India's Global Capability Center (GCC) ecosystem accelerated in Q4FY26 with **12–14% QoQ hiring growth**, marking a clear transition from Q3's capability-led specialization toward broad-based, recovery-driven expansion.

This quarter reflects renewed enterprise momentum toward India-led transformation at scale, with hiring strengthening across AI-driven capabilities, platform engineering, and program-led services. While high-growth sectors such as professional services and infrastructure-linked domains continued to outperform, large, mature sectors re-entered the growth cycle, driving a more balanced expansion across the ecosystem.

Tier 1 cities (Bengaluru, Hyderabad, Pune, Chennai, Delhi-NCR, Mumbai) sustained dominance at **88–90% of national GCC hiring, with Hyderabad emerging as the fastest-growing Tier 1 hub (8–10% QoQ)**, gaining share on the back of GenAI deployment, data engineering, and fintech infrastructure demand. Bengaluru continued to anchor innovation with steady growth (6–7%), while other metros expanded in line with system averages.

Tier 2 cities (Coimbatore, Ahmedabad, Kochi, Jaipur, Indore and others) maintained a **10–12% share**, led by Coimbatore and Jaipur as emerging execution hubs. Growth in Tier 2 reflects the increasing adoption of distributed delivery models, though high-complexity roles remain concentrated in Tier 1 ecosystems.

Talent scarcity persisted across advanced digital domains despite improved hiring momentum, continuing to constrain scaling in specialized roles:

- AI/Data Analytics: 38–42% gap (GenAI deployment, MLOps scaling)
- Platform Engineering: 32–36% gap (Kubernetes reliability, multi-cloud IaC)
- Cloud Infrastructure: 28–32% gap (FinOps automation, cost governance)

Geographic leadership remained stable, with Bengaluru retaining its position as the primary innovation hub (~23% share), while Hyderabad scaled rapidly as a co-anchor of growth. Tier 2 acceleration further reinforced the **hub-and-spoke model**, with metros driving high-value innovation and Tier 2 cities enabling execution-led scale.

Q4 validates India's GCC evolution from delivery center to **strategic enterprise backbone**, with low-teens growth indicating sustained momentum heading into FY27. The ecosystem continues to expand in both capability depth and geographic spread, supported by 2,200+ active GCCs and a long-term trajectory toward 2.5–2.7 million workforce scale by 2030.

KEY INSIGHTS







Market Expansion & Talent Focus

Q4FY26 reflects a broad-based recovery with low-teens growth (12–14% QoQ), rather than moderation, as hiring momentum strengthened progressively through the quarter following a weak December and a strong February rebound. AI, data, and platform skillsets continued to dominate new demand (~60% of hires), while legacy IT consolidation stabilised and transformation-led hiring accelerated.



High-momentum sectors (collectively ~31.5% share, broadly stable from Q3's ~31%) continued to outperform, though growth normalized from prior peak levels:

- **Professional & Shared Services:** 12% share |  ~16% QoQ | Sustained leadership in managed services, consulting, and transformation delivery
- **Real Estate, Security & Infrastructure:** 6.5% share |  ~18% QoQ | Strong demand for infrastructure automation and smart systems, though growth remains execution-led rather than expansion-driven
- **Telecom & Media:** 8% share |  +9% QoQ | Steady demand in OTT and analytics, with reduced intensity post 5G investment cycle
- **Construction & Engineering:** 3% share |  +15% QoQ | Continued strength in digital engineering and infrastructure programs with moderated acceleration
- **Hospitality, Travel & Logistics:** 2% share |  +13% QoQ | Sustained recovery driven by AI-led customer and supply chain transformation

These sectors continue to anchor transformation-led hiring, though growth normalized from Q3 spikes as expansion became more distributed across the ecosystem.

KEY INSIGHTS (CONT'D)



Skill Shortages Remain Critical

Persistent capability gaps continue to constrain GCC scaling despite improved hiring momentum. While entry-level and mid-level supply has stabilized, shortages in specialized digital roles remain structurally high, particularly across AI, platform, and cloud domains



- AI, Data & Analytics: 38–42% gap (GenAI engineering, AI observability, and MLOps integration)
- Platform Engineering: 32–36% gap (Terraform, Kubernetes, and multi-cloud reliability)
- Cloud & Infrastructure Engineering: 28–32% gap (FinOps automation and cloud-native governance)

Tier 2 impact remains significant, with 45–50% of complex mandates re-routed to Tier 1 metros due to capability constraints. While hiring has accelerated, **the core bottleneck has shifted from demand volume to depth of specialized talent**, reinforcing the need for ecosystem-level upskilling and internal capability building.

GEOGRAPHIC RECALIBRATION



THE HUB-&-SPOKE EVOLUTION

GEOGRAPHIC DISTRIBUTION & TIER 2 SCALING

Tier 1 metros anchored **88–90% dominance** (a slight decline from Q3’s 90–91%), with **Hyderabad emerging as the fastest-growing Tier 1 hub (8–10% QoQ)** alongside Bengaluru (6–7% QoQ). Pune (~5%) and Chennai (~4%) sustained broadening specialization in automotive software and embedded systems, while Delhi-NCR and Mumbai (5–6%) reflected steady recovery aligned with overall market expansion.

Tier-2 hubs maintained **10–12% share (vs 9–10% in Q3)**, posting **7–10% QoQ growth**, led by:

- Coimbatore (~10%), Jaipur (~9%), and Kochi/Ahmedabad (~7%) as key execution hubs
- Growth driven by distributed delivery across IT services, analytics, and shared services
- Tier-2 outperformance supported by execution-led hiring and scalable delivery models

Absolute scale gap persists (Tier 1 has maintained 8–10x the volume of Tier 2), but Tier 2 momentum continues to strengthen, reflecting increasing enterprise adoption of distributed GCC models. City-level data reinforces the hub-and-spoke structure: Tier 1 hubs anchor high-complexity roles across AI, platform engineering, and cloud, while Tier 2 cities scale execution across operations, analytics, and support layers.



Key constraint:

Tier-2 advanced capability depth remains limited, with ~45–50% of complex mandates (GenAI, SRE, platform roles) re-routed to Tier-1 metros, though ecosystem maturity is gradually improving with increased participation in mid-complexity workstreams.

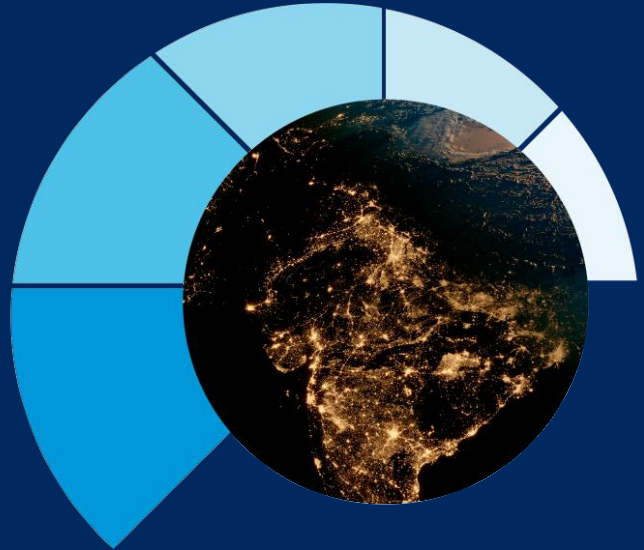
MARKET OVERVIEW



MARKET OVERVIEW

Market Expansion & Capability Realignment

India's Global Capability Center (GCC) ecosystem continued to strengthen its role as a strategic innovation pillar for global enterprises in Q4FY26, transitioning from measured expansion in Q3 to a recovery-led acceleration driven by capability prioritization. The quarter reflected a shift from stable, broad-based hiring toward a back-loaded growth pattern, where demand strengthened progressively through the quarter, culminating in a strong year-end push.



This period highlighted how GCCs are further evolving beyond traditional delivery models toward AI-led, platform-integrated, and automation-first transformation hubs, with increasing emphasis on precision hiring in high-impact digital capabilities. The ecosystem also witnessed a 12–14% sequential expansion in the active GCC footprint, reflecting sustained global confidence in India-led delivery models alongside steady hiring momentum.

GCC Market Snapshot (Q4FY26)

 Indicator	 Number of Active GCCs	 Expected Headcount (2030)
Q4FY26 Update	2,150-2,200 GCCs	~2.7 million

MARKET DYNAMICS AND DEMAND TRENDS (CONT'D)

Shifting Demand Drivers

The demand landscape in Q4FY26 was shaped by a combination of broad-based recovery momentum and structural capability shifts, with hiring activity strengthening progressively after a weak start to the quarter and accelerating toward the financial year-end. GCCs continued to prioritize AI-led transformation, platform engineering, and cost-optimized digital operations, while maintaining selective hiring discipline rather than returning to volume-led expansion.



AI and Data Science roles saw 10–12% uplift, driven by continued enterprise investments in generative AI, agentic workflows, and predictive automation use cases.



Cloud & Infrastructure hiring grew 10–12%, with sustained focus on FinOps optimization, multi-cloud governance, and platform reliability engineering.














Cybersecurity roles increased 7–9%, led by growing enterprise focus on AI-enabled threat detection, Zero-Trust architectures, and cloud-native security frameworks.

SECTOR-WISE HIRING TRENDS



SECTOR-WISE GCC HIRING TRENDS

Q4FY26 vs Q3FY26 Comparative Analysis

Sector	Q3FY26 Share (%)	Q4FY26 Share (%)	Change (pp)	QoQ Growth (%)	Commentary
BFSI 	14.6	15	-1	10%	Recovery from January softness, supported by February rebound in banking and insurance hiring, but share still eases as other sectors recover faster
Manufacturing, Automotive & Energy 	13.8	16	0	12%	Broad cyclical recovery supported by auto, industrial and energy hiring revival; moves back into expansion but without major share gain
Technology & Hardware 	13.4	13	0	11%	February recovery in IT software, IT hardware and electronics improves hiring momentum; share stabilizes after Q3 rationalization
Professional and Shared Services 	11	12	1	16%	Continues to outperform through BPO, consulting, recruitment and finance operations demand, though growth moderates from Q3 spike
Retail & eCommerce 	12	12	0	13%	Consumer and digital commerce hiring recovers in February, supporting healthy volume growth but limited share change
Telecom & Media 	9	8	-1	9%	Media improves, but telecom remains weaker on Jobspeak; sector grows in volume but loses some relative share
Healthcare & Pharma 	7	7	0	12%	February rebound across healthcare and pharma supports recovery after Q3 decline; returns to growth but not enough to alter mix materially
Real Estate, Security & Infra 	6	6.5	0.5	18%	Still one of the strongest sectors, led by real estate and infra-linked demand, though growth should normalize from the Q3 surge
Construction & Engineering 	3	3	0	15%	February recovery in construction hiring supports continued momentum, but the base is still too small for major share shift
Hospitality, Travel & Logistics 	2	2	0	13%	Travel and logistics remain positive, but Q3's outsized jump looks more like a catch-up phase than a sustained share gainer
Defence & Aerospace 	1.5	1.5	0	6%	Broader defense hiring is strong, but GCC demand remains program-led and episodic, so I would keep this sector conservative

Insights:

Sectoral hiring patterns in Q4FY26 reflect a decisive shift from Q3's divergence toward broad-based, low-teens recovery, as GCCs transitioned from concentrated, infra-led expansion to more evenly distributed, capability-aligned growth across sectors.

Large, core sectors including BFSI, Manufacturing & Energy, Technology & Hardware, Retail & eCommerce, and Healthcare & Pharma reentered the growth cycle, recording strong recovery driven by AI adoption, consumption revival, and platform modernization. At the same time, high-growth sectors such as Professional and Shared Services and Real Estate & Infrastructure continued to outperform, though growth moderated following the peak expansion seen in Q3.

This rebalancing indicates a structural transition in the GCC ecosystem. The shift is moving away from sharp, sector-led expansion toward sustained, system-wide growth, where hiring momentum is more evenly distributed but remains anchored in high-impact, transformation-driven capabilities such as AI, platform engineering, and infrastructure modernization.

SECTORAL INSIGHTS

GROWTH AND RECOVERY SECTORS



Professional and Shared Services
(12% share, ~+16% QoQ)

Remains the fastest-growing large sector, sustaining leadership even after moderating from Q3 peak levels. Growth continues to outpace system average, reinforcing its role as the primary transformation execution engine.

Growth Drivers:

- Continued expansion driven by managed services modernization and enterprise consulting programs
- Shift from staff augmentation to integrated, outcome-driven transformation delivery models
- Strong demand for mid-level consulting talent (3–7 years) and structured program hiring
- Hiring concentrated in managed services delivery, business process advisory, and cloud consulting



Real Estate, Security & Infrastructure
(6.5% share, ~+18% QoQ)

Sustains high growth momentum, though moderated from Q3 spike, remaining one of the strongest sectors in Q4. Growth reflects ongoing program execution rather than new large-scale ramp-ups.

Growth Drivers:

- Continued execution of infrastructure automation and smart building initiatives
- Demand for digital-first infrastructure integrating IoT, AI, and analytics
- Hiring focused on automation engineers, infrastructure architects, and digitization specialists
- Transition from rapid expansion to steady execution across active programs



Construction & Engineering
(3% share, ~+15% QoQ)

Maintains strong growth trajectory with moderated but sustained momentum, supported by ongoing digital engineering demand.

Growth Drivers:

- Continued expansion in digital engineering, BIM, and project control systems
- Stable hiring across industrial digitization and infrastructure programs
- Focus on simulation technologies, digital twins, and engineering automation
- Demand concentrated in digital engineering specialists and construction tech roles

SECTORAL INSIGHTS

GROWTH & RECOVERY SECTORS (CONT'D)



Hospitality, Travel & Logistics (2% share, ~+13% QoQ)

Growth stabilizes after Q3 surge but remains above system average, supported by continued digital reinvestment.

Growth Drivers:

- Transition from rapid capability build-out to steady-state hiring
- Investment in AI-led customer analytics, personalization, and supply chain optimization
- Maturing digital infrastructure enabling logistics automation and revenue management systems
- Hiring focused on analytics, operations optimization, and customer experience platforms



BFSI (20% share, ~+10% QoQ)

Re-enters growth cycle with strong recovery, though share declines marginally due to faster expansion in emerging sectors.

Growth Drivers:

- Recovery driven by insurance, analytics, and embedded finance demand
- Shift from consolidation to targeted expansion in high-impact digital capabilities
- Continued focus on credit risk, regulatory tech, and digital banking platforms
- Entry-level hiring remains selective, while specialist roles expand



Manufacturing, Automotive & Energy (16% share, ~+12% QoQ)

Shows strong cyclical recovery, supported by industrial transformation and energy transition demand.

Growth Drivers:

- Revival in EV ecosystems, sustainability analytics, and energy infrastructure programs
- Continued focus on selective expansion in high-growth digital and engineering domains
- Growth in battery systems, autonomous technologies, and industrial IoT
- Stabilization of traditional manufacturing hiring with targeted digital capability builds

SECTORAL INSIGHTS

GROWTH & RECOVERY SECTORS (CONT'D)



Technology & Hardware (13% share, ~+11% QoQ)

Recovers from Q3 slowdown with broad-based improvement in hiring momentum, driven by AI and platform demand.

Growth Drivers:

- Resumption of hiring across AI, platform engineering, and digital infrastructure roles
- Stabilization of platform rationalization and selective reinvestment
- Recovery in semiconductor and hardware ecosystems
- Strong demand in specialized areas such as edge computing and AI infrastructure



Retail & eCommerce (12% share, ~+13% QoQ)

Rebounds strongly following the Q3 slowdown, supported by consumption recovery and digital commerce expansion.

Growth Drivers:

- Recovery in hiring momentum post festive-season normalization
- Continued investment in AI-led personalization, demand forecasting, and supply chain optimization
- Expansion in analytics, growth platforms, and customer experience roles
- Entry-level hiring remains selective, with focus on specialized capabilities



Healthcare & Pharma (7% share, ~+12% QoQ)

Shows clear recovery from Q3 contraction, returning to system-aligned growth levels.

Growth Drivers:

- Recovery in diagnostics, biotech analytics, and AI-assisted healthcare operations
- Continued regulated capability builds with focus on compliance and data-driven healthcare
- Shift toward specialized, high-skill roles
- Selective expansion in biotech R&D and analytics-driven healthcare services

SECTORAL INSIGHTS

MODERATING AND NICHE SECTORS



Telecom & Media (8% share, ~+9% QoQ)

Returns to moderate growth following Q3 strength but loses relative share as other sectors recover faster.

Growth Drivers:

- Stabilization after peak 5G investment cycles and infrastructure build-out
- Continued demand in OTT platforms, content delivery optimization, and telecom analytics
- Reduced intensity in large-scale network transformation programs
- Selective hiring in platform engineering and data analytics roles



Defense & Aerospace (1.5% share, ~+6% QoQ)

Recovers modestly from the Q3 contraction but remains structurally constrained and niche.

Growth Drivers:

- Program phasing and milestone-driven hiring continue to drive uneven demand
- Project-based hiring cycles creating lumpy growth patterns
- Hiring focused on secure systems, classified cloud, and defense analytics
- Limited specialized talent pool continues to constrain large-scale expansion



GEOGRAPHIC DISTRIBUTION










GEOGRAPHIC SHIFTS

TECH TALENT HOTSPOTS & THE RISE OF TIER-2

Tier-1 Cities

Q4FY26 marked a broad-based acceleration across India's GCC landscape, with Tier 1 cities continuing to anchor the ecosystem while posting stronger growth than the previous quarter. Tier-1 hubs maintained structural dominance at **88–90% of national GCC hiring, while growth momentum broadened beyond Bengaluru into Hyderabad, Delhi NCR** and other high-capability metros.

Within the Tier 1 ecosystem, Hyderabad emerged as the fastest-growing metro, supported by accelerated GenAI deployment, fintech infrastructure expansion, and large-scale data engineering mandates. Bengaluru retained its leadership in overall share and innovation intensity, while other Tier 1 hubs expanded in line with the low-teens recovery cycle.

City	Q4FY26 Share (%)	Q3FY26 Share (%)	Change (pp)	QoQ Growth (%)	Specialization
 Bengaluru	23%	23%	0	12%	AI/ML Engineering, GenAI Deployment, Platform Architecture Leadership
 Hyderabad	25%	24%	1	17%	GenAI Deployment Hubs, Fintech Infrastructure, Large-Scale Data Engineering
 Pune	16%	16%	0	13%	Automotive Software, ERP Platforms, Industrial Digital Systems
 Chennai	11%	11%	0	12%	Semiconductor R&D, Cloud Infrastructure, Enterprise IT systems
 Delhi NCR	9%	9%	0	12%	Digital Consulting, Regulatory AI, Enterprise Transformation
 Mumbai	7%	7%	0	12%	BFSI Technology, Risk Analytics, Financial Platforms
 Tier-1 Others	10%	10%		10%	Distributed Delivery, Support Operations, Platform Services










GEOGRAPHIC SHIFTS

TECH TALENT HOTSPOTS & THE RISE OF TIER-2

Tier-2 Cities

Tier 2 cities in Q4FY26 demonstrated **selective acceleration driven by distributed GCC expansion and cost optimization strategies**, with cities such as Coimbatore and Jaipur gaining share due to their growing role as **scalable talent hubs for digital operations and consulting support**.

Unlike Q3, where growth was more concentrated in a few emerging hubs, Q4 reflects a **more structured expansion into Tier-2 ecosystems**, supported by maturity in talent supply and increasing acceptance of distributed delivery models. However, overall share gains remain incremental, indicating that Tier 2 growth is **complementary to Tier 1 dominance rather than a structural shift**, with most high-value roles still anchored in metro ecosystems.

City	Q4 Share	Q3 Share	Change	Growth	Specialization
 Coimbatore	14.4%	15%	1	+13%	GCC Support Hubs, IT Services Delivery, SaaS Operations
 Ahmedabad	13.4%	14%	0	+12%	Manufacturing Analytics, Fintech Support, Back-Office Ops
 Kochi	13.4%	13%	0	+12%	IT Services, Cloud Support, Digital Operations
 Jaipur	9.3%	9%	1	+12%	Consulting Support, Analytics, Shared Services
 Indore	8%	8%	0	+11%	IT Support, Digital Ops, Emerging GCC Delivery
 Bhubaneswar	11%	11%	0	+12%	BFSI Operations, Analytics, Tech Support
 Vadodara	11%	11%	0	+11%	Industrial Tech, Engineering Services
 Chandigarh	11%	11%	0	+11%	IT Services, Telecom Support, operations
 Nagpur	7%	7%	0	+11%	Logistics Tech, Support Services

TECH TALENT SCARCITY & DEMAND



TIER 2 TALENT DYNAMICS & CONSTRAINTS

Tier 2 talent depth in Q4FY26 continues to show a clear gradient based on role complexity, with ratios ranging from ~1:2 in execution-heavy domains to 1:6–1:7 in advanced AI and product roles. Compared to Q3, there is **no material structural shift in depth**, though there is a marginal improvement in applied capabilities driven by increased exposure to distributed GCC delivery models. However, **the recovery in hiring has not translated into meaningful expansion in advanced capability depth**.

The data reinforces that Tier 2 ecosystems are deepening selectively in execution and mid-complexity roles (Cloud Ops, BFSI Analytics, and Digital Engineering), while high-complexity capabilities such as GenAI, product strategy, and advanced cybersecurity remain Tier 1 concentrated. This continues to reinforce a persistent hub-and-spoke model, where Tier 2 supports scalable delivery and Tier 1 anchors innovation and architecture.

Tier 2 Talent Constraints & Rerouting Patterns

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
AI / Data Science	~1:5 (GenAI + LLM Ops)	Bengaluru, Hyderabad	GenAI Model Building, LLM Fine-Tuning, Production-Scale Deployment	Data Annotation, BI Analytics, Model Support
Cloud & Platform Engineering	~1:4 (multi-cloud + DevOps)	Bengaluru, Chennai, Pune	Platform Architecture, DevSecOps, Distributed Systems Design	CloudOps, Infra Monitoring, L2 Support
Cybersecurity	~1:5 (Zero Trust + cloud security)	Bengaluru, Hyderabad	Threat Intelligence, Cloud-Native Security, AI-Driven Detection	SOC Ops, Compliance Monitoring
Product & Platform Roles	~1:7 (product + UX strategy)	Bengaluru, NCR	Product Thinking, UX Research, Platform Ownership	QA, Feature Testing, Support Engineering
BFSI & Risk Analytics	~1:3 (risk + fintech analytics)	Mumbai, NCR, Bengaluru	Quant Modelling, Regulatory Tech, Advanced Risk Analytics	Reporting, KYC/AML Ops, Analytics Support
Digital Engineering (Manufacturing/ Infra)	~1:2.5 (BIM + digital twin)	Pune, Chennai	Simulation Tech, Automation Systems, Advanced Engineering Analytics	CAD Design, Project Support
Consulting & Shared Services	~1:2 (managed services)	NCR, Bengaluru	Client Advisory, Transformation Strategy, Stakeholder Management	Business Ops, Reporting, Managed Services
Supply Chain & Logistics Tech	~1:3 (planning + optimisation)	Mumbai, Pune, Bengaluru	Network Optimization, AI-led Logistics Planning	Ops Planning, Tracking Systems

TECH TALENT DYNAMICS









Acute Shortages in High-Impact Digital Skills

In Q4FY26, India's Global Capability Centers (GCCs) sustained their focus on AI-driven transformation, platform modernization, and enterprise-grade resilience, while transitioning from Q3's steady expansion to a broad-based, recovery-led hiring cycle. Demand strengthened progressively through the quarter following a subdued start, with increased hiring intensity in AI, platform engineering, and cloud-led capabilities.

Despite stronger hiring momentum, talent scarcity persisted across high-impact digital domains, particularly in AI/ML Ops, platform reliability, cloud optimization, and FinOps. Supply gaps remain structurally elevated, with AI/Data roles at 38–42%, platform engineering at 32–36%, and cloud infrastructure at 28–32%, indicating sustained competition for specialized expertise without meaningful easing in advanced capability depth.

Geographic concentration remained high, with 90–91% of advanced-skill hiring concentrated in Tier 1 metros, reinforcing the continued dominance of mature ecosystems in supporting complex digital and AI-led transformation initiatives

Talent Supply-Demand Balance by Job Family (Q4FY26)

Job Family	Supply Status	Supply Gap %	Key Skill Clusters Facing Shortages
AI, Data & Analytics 	Shortage	~38–42%	Generative AI optimization, LLM fine-tuning, MLOps pipelines, AI observability, data engineering for real-time analytics
Platform Engineering 	Shortage	~32–36%	Infrastructure-as-Code (Terraform, Ansible), container orchestration (Kubernetes, Helm), multi-cloud reliability, L3/L4 automation
Cloud & Infrastructure Engineering 	Shortage	~28–32%	FinOps and multi-cloud cost control, cloud-native modernization, performance automation
Cybersecurity & Risk Management 	Shortage	~26–30%	AI-enabled threat detection, Zero Trust architecture, cloud and application-level defense
Software & Digital Engineering 	Moderate Gap	~22–26%	Microservices, cloud-native full-stack development, test automation, DevSecOps integration
Business & Functional Analysis 	Moderate gap	~18–22%	AI-assisted BI dashboards, workflow automation, strategic analytics
IT Service Management & Digital Operations 	Stable Supply	~14–18%	Intelligent ITSM, workflow orchestration, AI-based issue triage
Enterprise Applications & ERP 	Moderate gap	~16–20%	Cloud ERP automation, compliance workflows

TIER 2 TALENT CONSTRAINS & RE-ROUTING PATTERNS

In Q4FY26, traditional IT and enterprise support domains (ERP, ITSM, and Business Analysis) continued to maintain **stable supply conditions**, with hiring remaining steady even as overall demand accelerated. As hiring momentum strengthened through the quarter, GCCs sustained their strategic shift away from volume-led expansion in these domains, redirecting incremental demand toward AI-led transformation, platform engineering, and automation-driven workflows.

Talent rerouting became more pronounced in Q4, with organizations increasingly reallocating roles across locations based on capability intensity. High-complexity roles in AI, platform architecture, and advanced analytics remained concentrated in Tier 1 ecosystems, while Tier 2 centres continued to absorb execution-oriented workstreams such as workflow automation, digital operations, and enterprise support functions.

While Tier 1 ecosystems deepened talent maturity through AI skilling initiatives, internal academies, and capability pods, Tier 2 hubs showed gradual capability build-up in process automation, digital workplace orchestration, and cloud operations support. However, **the expansion in hiring has not translated into proportional depth in advanced capabilities**, and structural constraints in senior talent availability and exposure to large-scale transformation programs continue to limit Tier 2 participation in high-value workstreams, reinforcing a hub-and-spoke delivery model across GCC networks.


Advanced Role Clusters: Supply-Demand Analysis

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
AI-Native Full-Stack & Edge Engineering	~1:6	Bengaluru, Hyderabad	AI-native application architecture, LLM pipeline integration, edge deployment at scale	API orchestration, feature engineering, support development
Intelligent Testing & Automation Quality	~1:3	Bengaluru, Pune, Chennai	AI-driven testing frameworks, autonomous QA systems, test orchestration	Test automation, regression testing, QA support
GenAI & Applied Data Science	~1:7	Bengaluru, Hyderabad	LLM fine-tuning, GenAI pipelines, model deployment at scale	Data preparation, model support, analytics
Resilience & Observability Engineering (L3/L4)	~1:5	Needs your confirmation: Bengaluru, Hyderabad or Bengaluru, Chennai	SRE practices, distributed observability, system reliability engineering	Monitoring, incident management, L2 ops
Product Experience & Cognitive Design	~1:6 to ~1:7	Needs your confirmation: Bengaluru, NCR or Bengaluru, Mumbai, Pune	UX research, cognitive design, product strategy	UI design execution, usability testing
Cloud Security & AI-Infused Architecture	~1:5	Bengaluru, Hyderabad	Cloud-native security, AI-driven threat detection, secure architecture design	Compliance, vulnerability assessment, SOC support

GCC SIZE AND HIRING TRENDS



MINI vs LARGE GCC CONCENTRATION

GCC Company Hiring Scale	What This Group Means	Est. No. of GCC Companies	Hiring Demand Indicator	GCC's Hiring
< 500 Headcount	GCCs that may focus on specialized capability pods, innovation teams, or lean delivery models. Many are likely in the process of establishing their India presence.	1,400 – 1,550	 High	18%
500–1,000 Headcount	Generally scaling GCCs that appear to be expanding across digital, analytics, and shared services capabilities. Hiring in this segment tends to be selective and function-specific.	200 – 250	 Moderate	22%
1,000–5,000 Headcount	Likely large GCCs that are broadly involved in enterprise transformation programs, potentially spanning AI, cloud, and platform engineering. This segment is often seen as the scale inflexion point.	320 – 370	 High	40%
> 5,000 Headcount	Estimated to be mega GCCs with significant global capability ownership, potentially executing multi-function, large-scale transformation and delivery programs across geographies.	95 – 115	 Very High	20%
Total		~2,150		

Demand continues to be highly skewed towards large and mega GCCs

- This reflects centralised ownership of AI, cloud, and enterprise transformation programs

The 1,000–5,000 band remains the primary scale inflexion zone

- It represents GCCs transitioning from capability build-out to scaled execution


500–1,000 Headcount GCCs continue to show relative demand compression

- Hiring remains selective, reflecting cautious expansion during recovery

SECTOR-WISE HIRING TRENDS



CONTRACTUAL/FLEXIBLE STAFFING TRENDS – Q4FY26

Metric	Q4 FY26 Value	Growth Trend	Key Sectors	Risk Factors
 Share of GCC Roles	25%	+3pp YoY 	IT Services, Consulting	Senior retention vulnerability
 Flexi-Industry Growth	4.4% YoY Q3	Moderating 	General staffing 4%	First Q3 dip since FY25
 Contract vs Permanent	25:75 ratio	Contract share 	Tech, BFSI	Loyalty gap vs permanents
 Cost Premium	+20-30% rates	Stable 	AI/ML, Platform Eng	Shortage-driven pricing

Insights:

Q4FY26 marks the inflection point where flexible staffing becomes the default GCC operating model. Contract roles now account for 25% of the workforce (up from 22% in 2025), driven by 16.1% IT staffing growth and GCCs capturing 73% of new IT jobs. This shift enables agility for AI and platform scaling but introduces two structural risks:

1. Leadership Retention Risk

Contract models scale execution, but weaken long-term transformation ownership.

2. Talent Pipeline Fragility













A 40% replacement hiring rate indicates Gen Z tenure has dropped below 24 months.

While 20–30% cost arbitrage remains attractive, 69% employer adoption confirms flexibility is now baseline, not an advantage.

Strategic Recommendations: Cap contractual roles at ~30% across core digital functions, ring-fence transformation-critical leadership as permanent, build structured pathways from contract to full-time for high-potential talent.



JOB ROLE LEVEL TALENT MOVEMENT TRENDS FROM TOP 1000 GCC'S- Q4FY26

From Role	To Role	Lateral Movement (%)	Key Hubs
 Data Scientist	ML Engineer/MLOps	 25-35%	Bengaluru, Hyderabad
 Data Engineer	GenAI/LLM Engineer	 20-30%	Hyderabad, Pune
 Cloud Engineer	Platform Engineer	 18-25%	Bengaluru, Chennai
 AI/ML Engineer	AI Agents/Specialist	 15-22%	Bengaluru, NCR
 Mid-level Developer	FinOps/Cloud Economist	 12-18%	Mumbai, Hyderabad
 Analytics Specialist	Data Engineering	 10-15%	Pune, Chennai

KEY MOVEMENT PATTERNS

Trend / Metric

Flexible staffing adoption rate

% of GCC roles that are contractual



Q4FY2026

~25%

Key insights

1 in 4 GCC roles are expected to be contractual; marks +7 pp growth in two years

Top workforce model



Blended / composable

Stable permanent core anchors culture; flex layer handles project surges and niche skills

Function mix of flex hires

Tech vs. non-tech



- 65% non-tech
- 35% tech

Non-technical functions (Operations, Finance, HR, and Compliance) lead contractual intake, outpacing IT roles

Sectors with highest flex uptake



- BFSI
- Healthcare
- E-commerce

Contract-based professionals increasingly deployed for niche or time-bound mandates in regulated sectors

Tier-2 / Tier-3 city flex deployment



Actively scaling

Lower cost, reduced attrition, and improving digital infra make Tier 2 cities viable for flex workforce pods

Compliance & governance focus



Mandatory pre-condition

Labor law, tax, data protection (GDPR for EU-facing GCCs) now embedded in vendor SLAs for contract staffing

TALENT MOVEMENT TRENDS WITHIN THE SECTORS

Movement Type	Q4FY26 Pattern	Key Driver	Risk/Opportunity
Within Sector (same industry)	35-40% of lateral moves	Better role scope and similar domain knowledge	Re-hiring from competitors is costly
Tech → BFSI/Fintech	15-18% (Q4 spike)	Fintech infrastructure demand and higher pay	BFSI seen as stable post Q3 recovery

Key Insights



42% Skill Gap | BFSI Competitive Talent Acquisition

BFSI GCCs currently face a 42% gap in AI and data roles. To bridge this deficit, they are offering 1.5 to 2.5x salary premiums over conventional IT roles. This aggressive compensation strategy makes them a primary destination for senior tech engineers during Q4 project cycles.



Q4 Spike Pattern | Intrasectoral Migration Peaks at Year-End

35 and 40% of lateral moves stay within the same sector. These represent the lowest-friction talent moves because of domain familiarity. Q4 is the peak window for this activity as annual bonus lock-ins expire and new budget cycles open headcount at competing GCCs in the same industry cluster.

TECH STAFFING AS A STRATEGIC LEVER FOR GCCs

As GCCs scale AI-first transformation programs and navigate persistent talent scarcity across advanced digital domains, tech staffing has emerged as a preferred operating model. It is no longer merely a cost lever, but a strategic capability enabler. Q4FY26 data confirms this structural shift: 25% of GCC roles are now contractual (up from 18% two years ago), with IT staffing growing 16.1% and GCCs capturing 73% of new IT positions. The convergence of talent shortages (38–42% in AI/Data and 32–36% in platform engineering) and accelerating project timelines has made flexible staffing indispensable for execution at scale.

Contract-to-Hire (C2H): The Preferred Partnership Model

Among the various workforce models, Contract-to-Hire (C2H) has gained significant traction as the preferred engagement framework for GCCs seeking to balance speed-to-deploy with long-term talent retention. Unlike traditional contract staffing, the C2H model offers a “try-before-you-commit” structure that addresses two critical GCC pain points simultaneously: the urgency of filling specialized roles within aggressive project timelines, and the need to assess cultural and capability fit before extending permanent offers.

Key drivers behind C2H adoption across GCCs include:

- **Reduced mis-hire risk:** With AI/ML and platform engineering roles carrying 38–42% supply gaps, the cost of a bad permanent hire is disproportionately high. C2H mitigates this by enabling 3–6 month performance evaluation before conversion, resulting in higher retention rates (estimated 15–20% improvement over direct permanent hires in specialized roles).
- **Faster time-to-productivity:** C2H deployments typically achieve 40–50% faster onboarding compared to traditional permanent hiring cycles, which is critical for GCCs operating under quarterly delivery milestones and year-end execution pressure as seen in Q4.
- **Budget flexibility and headcount agility:** C2H allows GCCs to scale teams under OPEX rather than fixed headcount budgets, providing the financial flexibility to ramp up for transformation programs without long-term commitment until capability fit is validated. This is especially relevant for GCCs with 1,000 to 5,000 employees transitioning from capability build-out to scaled execution.

TECH STAFFING AS A STRATEGIC LEVER FOR GCCs (CONT'D)

Flexibility by Staffing: Enabling Distributed, Scalable Delivery

Beyond C2H, the broader flex staffing model is enabling GCCs to execute a hub-and-spoke workforce strategy that was previously constrained by talent availability. With 69% of employers now adopting flexible staffing and Tier-2 cities actively scaling as viable workforce pods, staffing partnerships are becoming the primary mechanism through which GCCs access distributed talent pools without building permanent infrastructure in every location.

The flexibility dividend is most visible across three dimensions:

- **Surge capacity for transformation programs:** GCCs running GenAI deployment, cloud migration, and platform modernisation programs require rapid team scaling followed by managed ramp-downs. Staffing partners provide pre-vetted talent pipelines that enable 2–4 week deployment cycles, compared to 8–12 weeks for permanent hiring.
- **Access to niche and scarce skill clusters:** With specialist premium rates of +20–30% over permanent equivalents, staffing partners curate talent in hard-to-fill domains such as MLOps, LLM fine-tuning, FinOps automation, and SRE—areas where direct hiring pipelines remain structurally thin.
- **Compliance-ready workforce deployment:** As labour law, tax, and data protection requirements (including GDPR for EU-facing GCCs) become embedded in vendor SLAs, staffing partnerships de-risk workforce expansion by ensuring regulatory compliance across geographies and engagement models.

Strategic Outlook: Staffing as Preferred Partnership

The data strongly indicates that tech staffing is transitioning from a tactical hiring supplement to a preferred partnership model for GCC workforce strategy. The combination of C2H's de-risked conversion pathway, flex staffing's operational agility, and the compliance infrastructure that mature staffing partners bring to the table positions this model as the default engagement framework for GCCs scaling in FY27 and beyond. With contractual roles projected to reach 28–30% of GCC workforce by end of FY27, organisations that embed staffing partnerships into their core talent architecture—rather than treating them as ad-hoc procurement channels—will be best positioned to navigate the dual challenge of talent scarcity and transformation velocity.



CONCLUSIONS

Q4FY26 marks a transition from capability-led optimisation to recovery-led expansion, where the GCC ecosystem moves from sharp sectoral divergence to a more balanced, broad-based growth model. Unlike Q3, which was defined by portfolio reengineering and aggressive redistribution of demand, Q4 reflects a re-entry of large, core sectors into the growth cycle, supported by AI-driven hiring, consumption recovery, and year-end execution momentum.

While overall hiring strengthened by ~12–14% QoQ, the shift does not indicate a return to volume-led expansion. Instead, it reflects a more resilient and diversified demand structure, where growth is distributed across sectors but remains anchored in high-impact digital capabilities. Talent scarcity continues to persist in advanced domains, reinforcing that the constraint is not supply volume, but depth of specialised expertise.

This positions the GCC ecosystem at the next stage of evolution—where scale, capability, and efficiency converge, and hiring strategies are increasingly defined by precision, distributed execution, and sustained investment in transformation-critical skills.



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