



SALARY INCREASE, ATTRITION & HIRING TRENDS

An India GCC View

October 2025

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The India GCC landscape has entered a phase of thoughtful recalibration.

After two years of post-pandemic hypergrowth, 2025 marks a turning point, one defined not by expansion, but by **optimization**. Across the ecosystem, Global Capability Centers are shifting their focus from rapid scaling to **sustainable value creation**, rebalancing growth with discipline. The data tells a clear story.

Salary increases are stabilizing after the double-digit surges of FY22 and FY23, as organizations adopt **skill-based compensation** and **performance-linked differentiation**. Top performers continue to command premiums, but the broad inflationary pay cycles have given way to **selective investment in niche and digital capabilities**.

Hiring is steady but measured, **lateral moves now outpace entry-level intake**, and GCCs are building deeper AI, Cloud, and Cybersecurity talent benches instead of chasing volume. Even attrition, once a headline concern, has normalized, though the churn has shifted to **high-value and early-tenure roles**, underscoring the evolving retention challenge. Yet, beneath this moderation lies momentum.

GCCs are not slowing down; they are **maturing**, redesigning reward systems around skill proficiency, embedding AI in compensation decisions, and strengthening career architectures for a multi-generational, purpose-driven workforce. The ecosystem's next growth wave will be powered less by headcount and more by **capability depth, agility, and alignment to business outcomes**.

This report titled, "Salary Increase, Attrition, and Hiring Trends: An India GCC View, October 2025," captures that transformation in motion. It reveals how GCCs are redefining their people strategies around three anchors: **skill as the new currency, performance as the new differentiator, and purpose as the new retention lever**. In doing so, they are setting the blueprint for the next era of workforce resilience and value creation.



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About the study

Objective

- To analyze and estimate the Salary Increase, Attrition, and Hiring (SIAH) trends across job levels in India GCCs for 2024 and 2025

Timelines

- The survey was conducted in September 2025, and witnessed a participation from 93+ GCCs in India

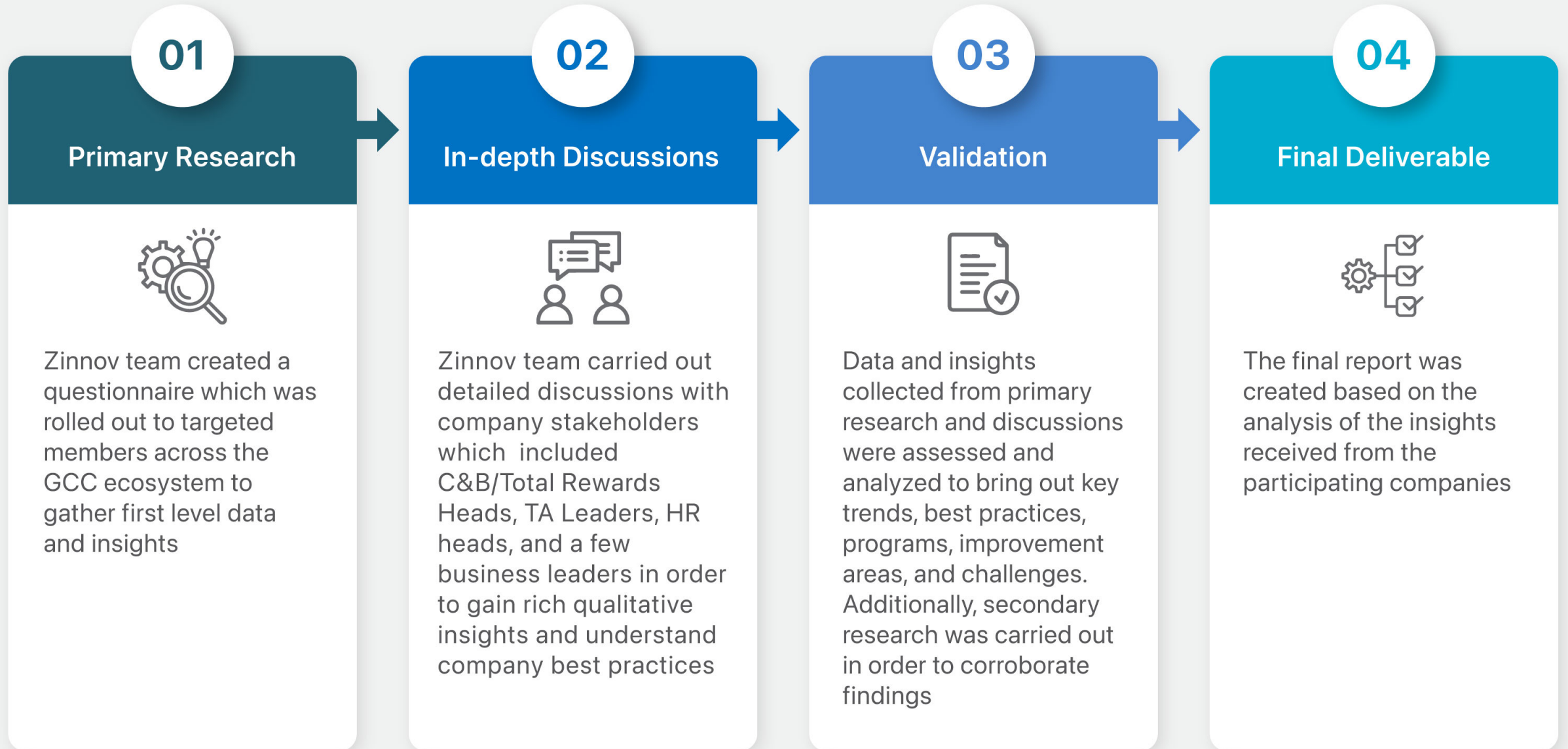
Who should read this report?

- GCC Center Heads
- Business Unit (BU) Leaders
- HR Heads
- Talent Acquisition (TA) Leaders
- HR Business Partners (HRBPs)
- Compensation and Benefits (C&B)/Total Rewards Heads

What has been researched?

- Comparison of Salary Increase, Attrition, and Hiring trends in ER&D and non-ER&D functions – overall and by levels
- Further breakdown of non-ER&D functions into IT (Information Technology), BPM (Shared Services), and Corporate Functions
- Trends across industry verticals that include Engineering, Automotive, Telecom & Networking, Software/Internet, Semiconductor, BFSI, and Gaming
- Trends across job levels starting from entry-level to executive suite, with a focus on their salary movements and review practices
- A view on the Salary Increase trends across niche skills in the India GCC ecosystem
- Special focus on top performers and promotional cases for Salary Increase and Attrition
- Impact of both Voluntary and Involuntary Attrition on the overall shift in trends

Research Methodology

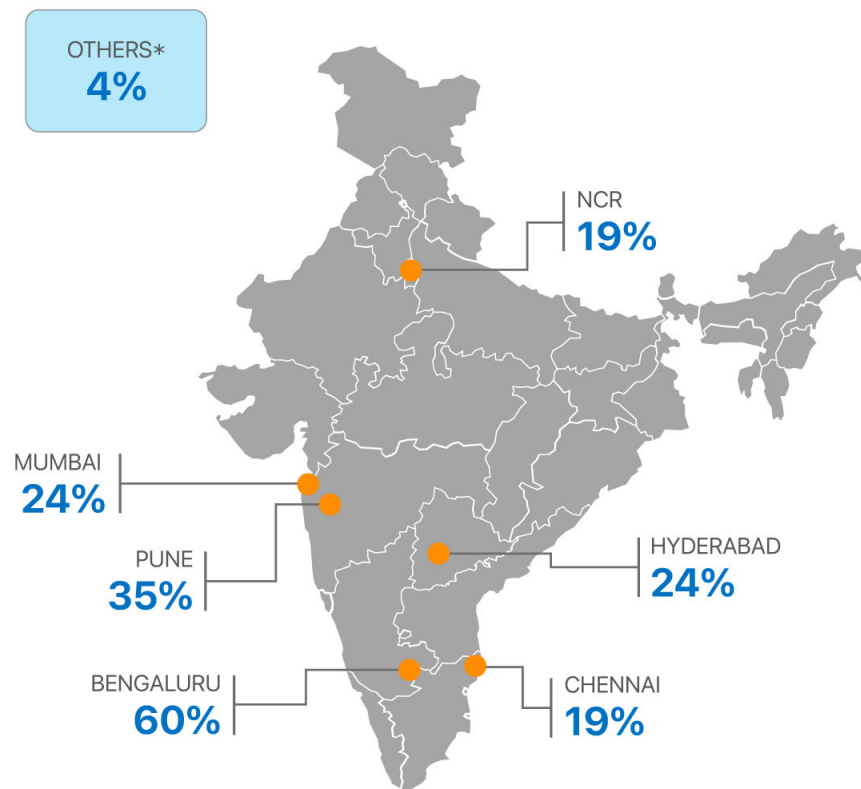


Participant Demography

93+ GCCs

146+ Centers

GCC UNITS ACROSS LOCATIONS



*Others include the following cities: Chandigarh, Jaipur, Ahmedabad, Kolkata, Vishakhapatnam, Mysore, Coimbatore, Kochi, Madurai, and Trivandrum

ORGANIZATION HEADCOUNT

25%

HEADCOUNT
<500

41%

HEADCOUNT
500-2,500

20%

HEADCOUNT
2,500-5,000

12%

HEADCOUNT
>5,000

ACROSS INDUSTRIES



SOFTWARE & INTERNET

48%



ENGINEERING

13%



BFSI

10%



AUTOMOTIVE

6%



TELECOM & NETWORKING

5%



SEMICONDUCTOR

5%



GAMING

2%



OTHERS**

11%

**Others include Travel, Aerospace, Energy, Retail, and Healthcare



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Mega trends influencing the talent strategies for GCCs



Stability in Uncertain Times: GCCs Redefine Workforce and Cost Strategies

- GCCs worldwide are navigating deepening global uncertainties such as geopolitical conflicts, trade disruptions, rising tariffs, and AI-driven technology shifts
- As the Global economic growth is expected to slow to 2.3–2.4% in 2025, down from earlier forecasts, companies are tightening budgets, pausing capital investments and focusing spending on essential technologies
- In response, GCCs in India are adopting a cautious and measured stance on budgets for salary increases, variable pay, promotions, and hiring
- Following the “revenge hiring” surge of FY22, recruitment has become measured, with most companies now emphasizing financial discipline, selective hiring, and strict performance driven incentives and rewards
- GCCs are redesigning workforce strategies to absorb shocks, emphasizing multi-skilling, hybrid operating models, and long-term cost sustainability over short-term expansion

Redefining Rewards: Pay for Skills in the AI era

- With 1.3 Mn Generative AI (GenAI) learners in 2024, India ranks #1 globally in online GenAI course enrolment 1, reflecting extraordinary enthusiasm and grassroots interest in AI skills
- But despite rapid AI upskilling, India ranks 89th of 109 countries in overall proficiency, facing a shortfall of over 1 Mn AI/ML professionals by 2026, pointing to a clear skill-industry mismatch
- National and state-level programs, like the IndiaAI Mission, digital skilling schemes, and interdisciplinary education reforms, are actively shaping a future-ready, AI-literate workforce
- GCCs are partnering with Edtechs, Universities, and Government to co-create curriculum, launch AI finishing schools, and shift to skills-based hiring, making learning more aligned with real-world needs
- More than 70% of GCC leaders are in tandem re-aligning their compensation models to reward niche skills, certifications, and proof of real-world proficiency, ushering in a new era of **pay-for-skill** rather than pay-for-tenure
- To support this transition, companies are introducing pay bands linked to skill proficiency and micro-certification-based incentives and learning funds, embedding continuous learning into their compensation strategy

From Pay to Purpose: Meeting the Changing Expectations of Employees

- According to the India Skills Report 2025, India is emerging as a global hub for talent in IT, GenAI, Cybersecurity, and Renewable Energy, with more than half of graduates projected to be globally employable by 2025
- Yet, as the demand for skills rises, so too are employee expectations, reshaping how organizations must approach talent engagement and retention
- Priorities are diverging across generations: younger professionals place greater emphasis on career development and growth opportunities, while more experienced employees seek wellbeing and work-life balance
- At the same time, financial rewards alone are no longer enough to secure loyalty. Employees increasingly value holistic experiences, career progression, purpose-driven work, and personal wellbeing, over competitive pay packages
- Adding to this complexity, AI-driven shifts and recent layoffs have triggered a wave of caution in the job market. Many employees now prioritize stability and security, making them less inclined to switch roles despite external opportunities
- Together, these shifts signal a profound transformation: GCCs must move beyond transactional compensation models and build people strategies that integrate flexibility, growth, stability, and wellbeing to truly meet the evolving expectations of today's workforce



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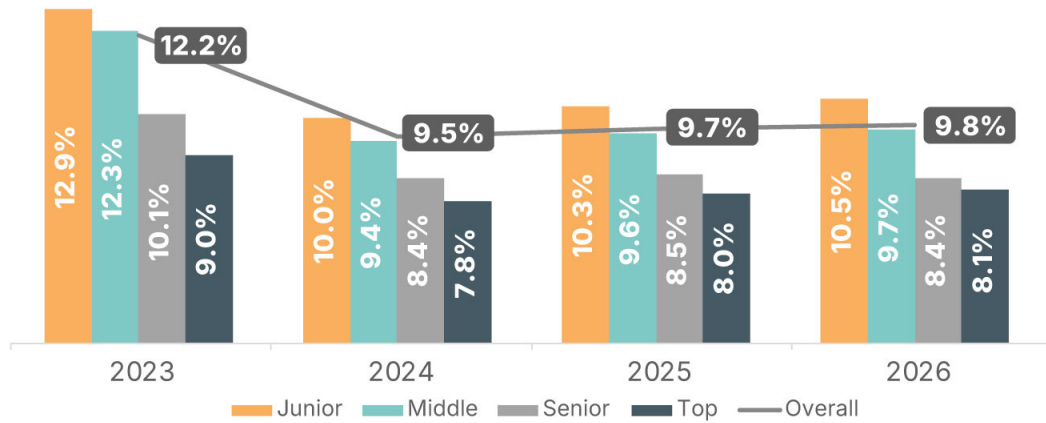
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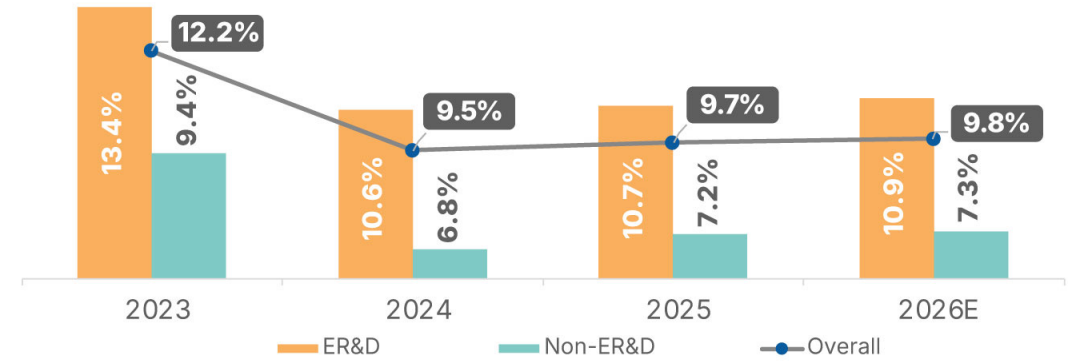


Cautious approach to salary increases may persist amidst challenging market conditions

Salary Increase Across Levels



Salary Increase Across Functions



Insights

After the “Great Resignation” wave from 2021–23, attrition has stabilized, easing pressure on companies to retain talent through aggressive pay hikes. However, this marks a deeper, more strategic shift in how GCCs are approaching compensation

- 1. Global Economic Uncertainty:** Amid global market slowdowns, inflation, and geopolitical uncertainty, GCCs are exercising caution. Even profitable centers are tightening compensation budgets, focusing instead on protecting margins and ensuring long-term financial sustainability. Generous pay hikes are no longer the norm
- 2. Skills Over Tenure:** Tenure-based increments are fading. Compensation strategies are now skills-first. Roles in AI/ML, GenAI, Cloud Engineering, and Cybersecurity are commanding significant premiums, meanwhile, generalist or legacy roles are seeing flat or minimal increases. This differentiation allows firms to control costs while rewarding the niche talent that drives innovation and value
- 3. Total Rewards Go Beyond Salary:** Companies are redefining what “reward” means. Instead of relying solely on salary hikes, they are investing in broader wealth-creation levers - Long -Term Incentives (LTIs), upskilling programs, flexible work policies, wellbeing initiatives and clearer career paths and mobility within the organization



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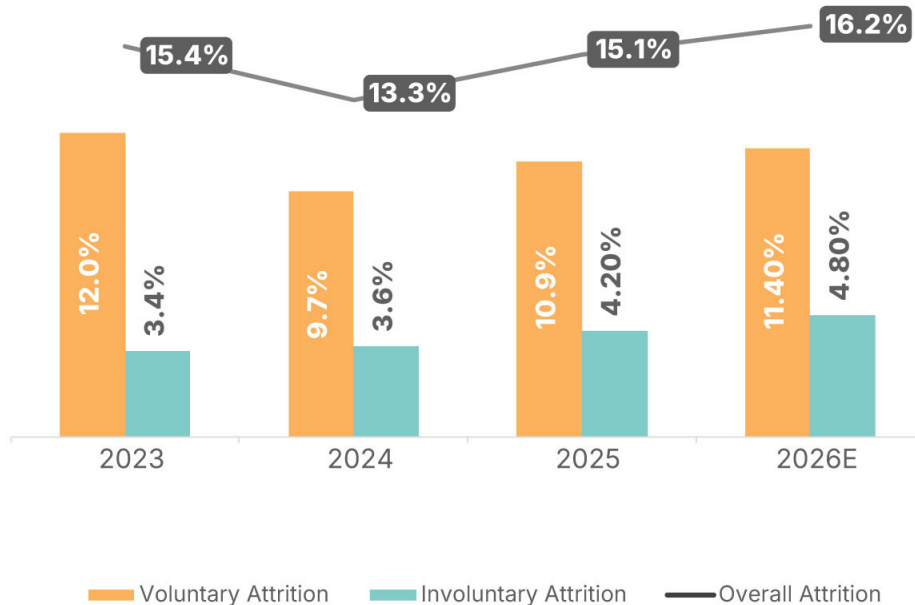
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Lack of competitive pay along with limited flexibility and career growth opportunities have emerged as the top three reasons why employees choose to leave an organization

Overall Attrition Across Categories



Voluntary Attrition

- While voluntary attrition across GCCs has steadily declined since 2023, with 40% of centers now reporting single-digit rates, this surface-level stability masks deeper talent vulnerabilities
- Attrition is rising in high-value roles — AI/ML, Cybersecurity, Cloud, IoT, and Data Engineering, as talent rotates every 12–18 months to accelerate skill growth and career mobility
- Adding to this complexity is the rise of reverse acqui-hires, where select GCCs are absorbing top talent and IP-rich teams from start-ups to boost innovation without full acquisitions. However, this intensifies competition for niche talent, now being lured with 40–60% pay hikes, large RSUs, and accelerated growth paths traditional roles struggle to match
- Consequently, GCCs face concentrated churn in critical roles, driving up hiring pressure, disrupting business continuity, inflating internal pay disparities, and escalating retention costs, making it harder to build resilient, future-ready teams
- Meanwhile, 60% of GCC leaders highlight that the 60–90-day notice period slows hiring, delays ramp-ups, and increases dropout risk. During this window, productivity dips as employees explore competing offers or opt for early buyouts, turning a retention tool into a drain on agility

Involuntary Attrition

- AI is changing how GCCs structure their teams. The traditional broad pyramid with many entry-level roles is giving way to a diamond-shaped model with fewer junior roles, more mid-level specialists, and leaner leadership layers
- This shift aims to improve efficiency, focus on high-value skills, and improve revenue per employee
- However, this transition presents challenges, skill mismatches and limited redeployment options, particularly at mid and senior levels, are prompting more employees to be placed on performance improvement plans
- As a result, targeted restructuring and selective layoffs will continue, particularly in support functions and digitally redundant roles. GCCs are becoming leaner, expertise-driven, and built for agility over scale

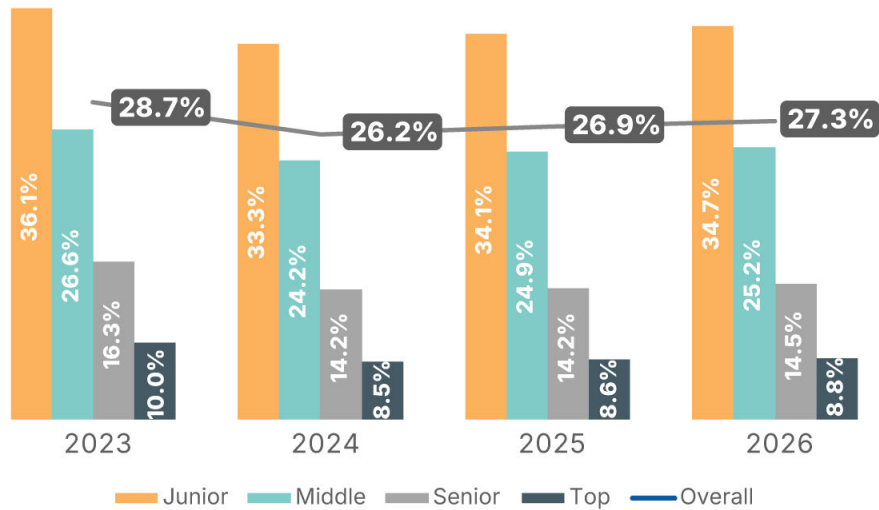


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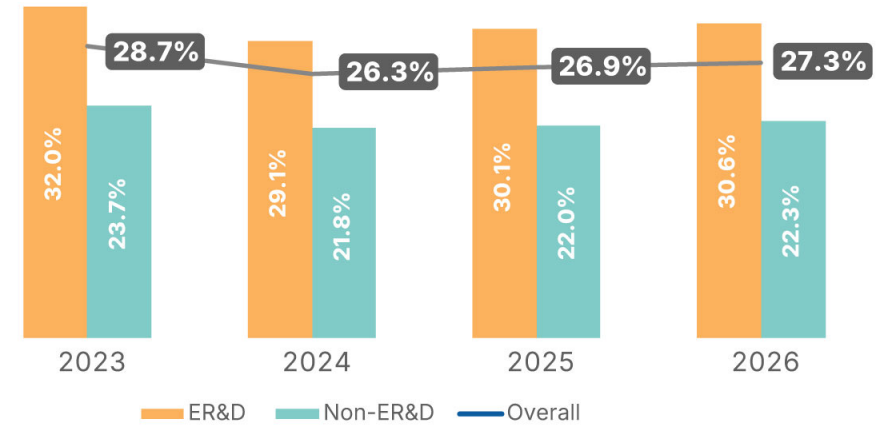


~68% of GCCs plan to keep headcount steady in the coming year, with hiring focused mainly on backfills

Hiring across Levels



Hiring across Functions



Insights

- GCCs are reshaping their hiring strategies for 2026, balancing stable headcount with investment in future-ready skills. Demand for niche skills may slightly rise, while hiring for legacy tech roles is expected to stay muted
- ~60% of GCCs prefer lateral hiring over freshers, especially for critical roles like AI, Cloud, Automation, and Cybersecurity, driven by the need for expertise, faster ramp-up, and leadership readiness
- Entry level hiring in many GCCs have plummeted from pre-COVID levels, and salaries have largely stagnated as GCCs recalibrate organizational structures for a tighter market amidst a tight market. Fixed-salary growth has averaged ~4% CAGR across disciplines over the last two years
- Despite this caution, GCCs are investing heavily in AI/ML, IoT, Cybersecurity, Embedded Systems, and VLSI, offering up to 1.2X salary premiums to Computer Science and Electronics fresh graduates over other disciplines
- To bridge emerging skill gaps and future-proof talent pipelines, GCCs are partnering with top campuses specializing in AI/ML, Data Science, Cloud, Cybersecurity, and Sustainability, building a future-ready workforce aligned with evolving business priorities



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The future of rewards is skills-first, data-driven, and hyper-personalized



From "Pay for Role" to "Pay for Skills & Impact"

What is Changing?

Compensation is shifting from rigid, role-based structures to skills-first models, rewarding in-demand capabilities. It is also becoming purpose-driven, with ESG-linked bonuses, sustainability-based equity, and recognition for social impact, aligning rewards with what today's workforce values most

Hyper-personalization of Rewards: My Pay, My Way

What is Changing?

Today's workforce seeks more than just a paycheck, they want choice. Employees expect customizable reward portfolios tailored to their unique needs and life stages. In response, organizations are adopting hyper-personalized rewards powered by tech-enabled platforms, flexible policies, and data-driven insights

Redesigning Rewards for a New World of Work

AI-driven Compensation Decision : Precision over Perception

What is Changing?

GenAI and Data Analytics are transforming compensation by automating benchmarking, equity simulations, and pay recommendations based on skills, performance, and market trends

Pay Transparency & Equity: From Aspiration to Accountability

What is Changing?

Transparency is becoming a new trust currency. Pay equity is shifting from a mere compliance task to a core part of employer branding, driving companies to publish pay bands, run equity audits, and proactively close historical pay gaps



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As part of our Talent Practice, we work as a trusted partner to our clients to link talent to value. We work together with our customers to identify, develop, and operationalize talent strategies that tackle some of the most pressing talent challenges across the value chain – from Talent Acquisition, Retention, and Engagement; Employer Branding; Compensation & Benefits; and Inclusion, Diversity, & Equity.

Our areas of expertise include -

- **Talent Strategy:** A custom approach for talent engagement – across a hybrid/remote workforce model aimed at identifying and assessing existing talent strategies and defining new-age approaches for high-value talent engagement and performance.
- **Employer Branding:** Helping distil and unlock employee value proposition, with a curation of a compelling employer brand and value proposition, deeply aligned to both the organization's business and talent priorities. We help customers define and operationalize a seamless brand experience across multiple touchpoints in the employee lifecycle.
- **Total Rewards:** Defining and structuring context-driven compensation philosophies, as well as enabling our customers to have a flexible yet competitive compensation strategy attractive for new-age talent.

For more information, visit: www.zinnov.com



We help our customers Build, Buy, and Sell
Tech and Tech-enabled Products and Services



DIGITAL & ENGINEERING CAPABILITIES

- Optimize global engineering and digital footprint
- Build new global talent hubs
- Build new technology centers of excellence (COEs, GCC setup)
- Build and optimize technology services partnerships
- Digital transformation through start-up partnerships



GROWTH ACCELERATION

- New product/service incubation
- Build differentiated value proposition
- Growth acceleration – solution, vertical, geo
- Build and optimize channel partnerships
- Deal sourcing and commercial due diligence
- M&A advisory

TECH THEMES

AI, Intelligent Automation, Cloud
Infrastructure, Digital Engineering, ER&D

VERTICALS



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10⁺
GLOBAL OFFICES

500⁺
EMPLOYEES

350⁺
CLIENTS

COMPANY WIDE AWARDS

- Gold Stevie® Award – International Business Awards 2025
- Consulting Magazine – Best Midsized Firms to Work For 2025
- Consulting Magazine – Women Leaders in Consulting: Retaining Female Talent
- IAOP GO 100
- IAOP- Excellence in Strategic Partnerships
- AIM Top GCC Enabler
- Most Client Focused Boutique Consulting Firm- NA Business awards

INDIVIDUAL AWARDS

- Consulting Magazine: Women Leaders in Consulting (Strategy & Ops)
- Consulting Report- Top Digital Transformation experts
- Consulting Magazine - Rising Star



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