



Future Readiness of GIC Talent Models

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¹ Banking, financial services, and insurance

Background and scope

Background of the research

Rising adoption of digital services is bringing fundamental shifts in GIC operating models. While GICs are striving to align their talent models with emerging business needs, there are still gaps that require GICs to recalibrate their current talent models. In order to gear themselves for “future enterprises”, GICs need to attract and retain the right employees, foster a culture of innovation and collaboration, and reorient models of employee performance measurement and career progression. This report offers perspectives for GICs in these areas

In this research, we have analyzed the state of alignment of current talent models for digital services and associated implications for GICs across four key components of talent models:

- Talent acquisition
- Training and development
- Talent retention
- Performance measurement and career pathing

The scope of the analysis includes:

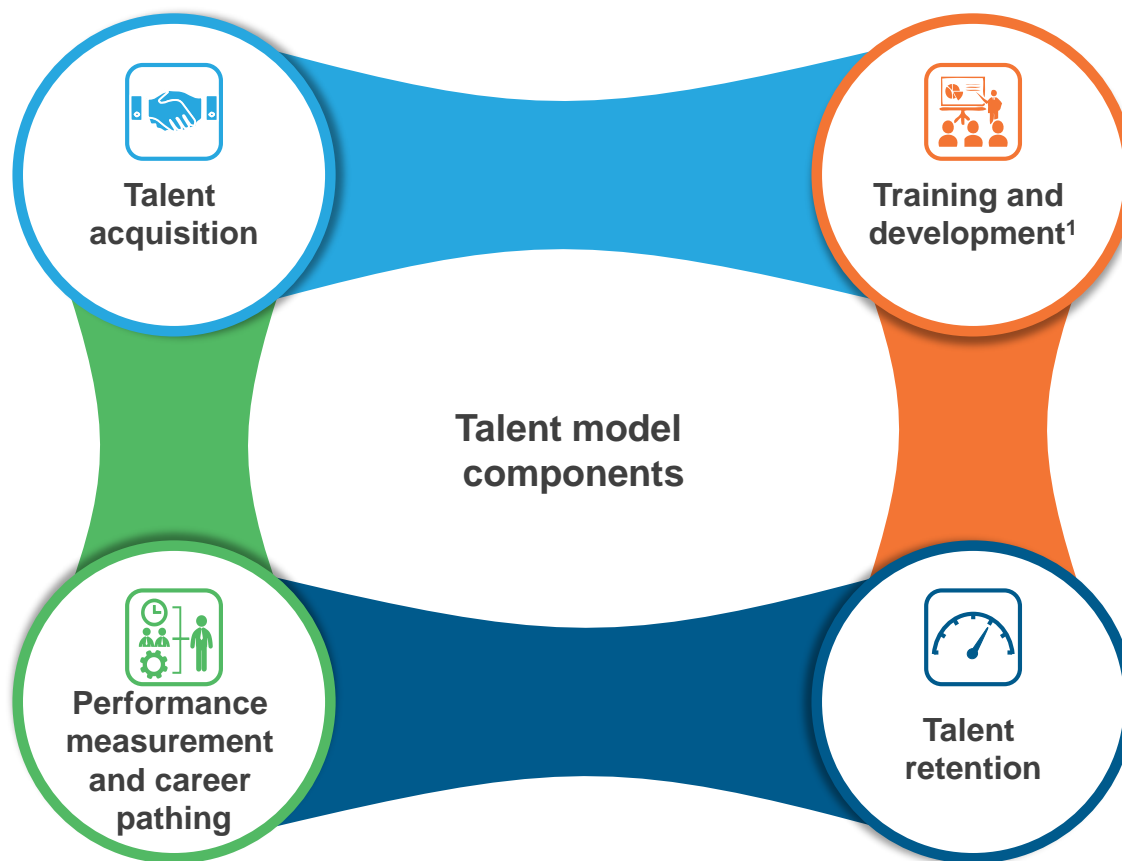
- Offshore GICs of global companies
- All key industry verticals

This report is based on our rich experience in the GIC space, targeted interviews with senior GIC stakeholders, and results based on findings from the NASSCOM and Everest Group Survey 2016 – “Future Readiness of GIC Talent Models” conducted across leading GICs.

Table of contents

Topic	Page no.
Background and methodology	4
• Background and scope of the research	5
• Understanding digital services	7
• Methodology	8
Executive summary	10
Section I: Introduction	15
Section II: Talent model components and alignment with digital	20
• Current state of alignment	21
• Key challenges	22
Section III: Deep dive on talent model components	23
• Talent acquisition	24
• Training and development	27
• Talent retention	29
• Performance measurement and career pathing	32
Section IV: Case studies	34
Section V: Implications for GICs	38
Appendix	42
• GS research calendar	43
• References	44







This report focuses on four key components of the talent model



¹ Training and development includes reskilling & upskilling. Reskilling corresponds to training talent to leverage similar skills in adjacent/comparable areas. Example: Training workforce in accounts payable to deliver claims processing services. Upskilling corresponds to training talent to meaningfully advance an existing skill set or build a new skill set. Example: Training contact center employees to deliver customer analytics services

Source: Everest Group (2016)

“Digital” comprises six key segments

Digital segments	Services
Social & interactive 	<ul style="list-style-type: none"> • Social media monitoring • Social strategy and consulting • Social application development (front-end) • Social content and web development • Social analytics • Others (e.g., social commerce & content, social media marketing, and digital marketing platforms)
Mobility 	<ul style="list-style-type: none"> • Mobility testing • Mobility strategy, consulting, and platform development • Mobile device management: MDM software management, network management, and security management • Mobile applications development and maintenance • Others (e.g., API management, mobility UX design, connected device engineering / embedded software)
Analytics¹ 	<ul style="list-style-type: none"> • Core analytics (industry-standard analytics tools such as SAS and SPSS) • Data architecture and management: Data architecture, master data management, and data migration • Data visualization and visualization implementation • Big data analytics and consulting • Analytics platform implementation
Cloud 	<ul style="list-style-type: none"> • Application development, migration, and deployment: Developing "green-field" apps with cloud features, migration of apps to cloud platform/implementation, customization, and integration of cloud apps • Cloud consulting/advisory services • Infrastructure build: Designing and building cloud infrastructure/customization and implementation • Infrastructure management and orchestration: Management of cloud assets, lights-on / helpdesk, orchestration, and other related activities
Robotic Process Automation (RPA) 	<ul style="list-style-type: none"> • Solutions that replace human action at various points of a business process • Others (e.g., business process management solutions and workflow solutions) • Intelligent RPA solutions (artificial intelligence): Solutions with in-built learning capabilities that can be leveraged to handle judgment-oriented tasks with capacity to generate and store data as part of their machine learning process
Miscellaneous 	<ul style="list-style-type: none"> • Internet of Things (IoT): Smart devices and sensors, M2M communication, and network management • Cybersecurity

¹ Traditional business intelligence and data warehousing excluded from definition of digital used in the research

Source: Everest Group (2016)

Overview and abbreviated summary of key messages

This report analyses the state of alignment of current talent models for digital services and associated implications for GICs across four key components of talent models - talent acquisition, training and development, talent retention, performance measurement and career pathing. The report captures the current state of alignment of GIC talent models and highlights the challenges faced by GICs in aligning their talent models with digital needs. Further, the report provides detailed insights about the effectiveness of key enabling levers and challenges faced across each talent model component. The report also offers implications and key guiding principles for GICs to evolve their talent model.

Some of the findings of the report

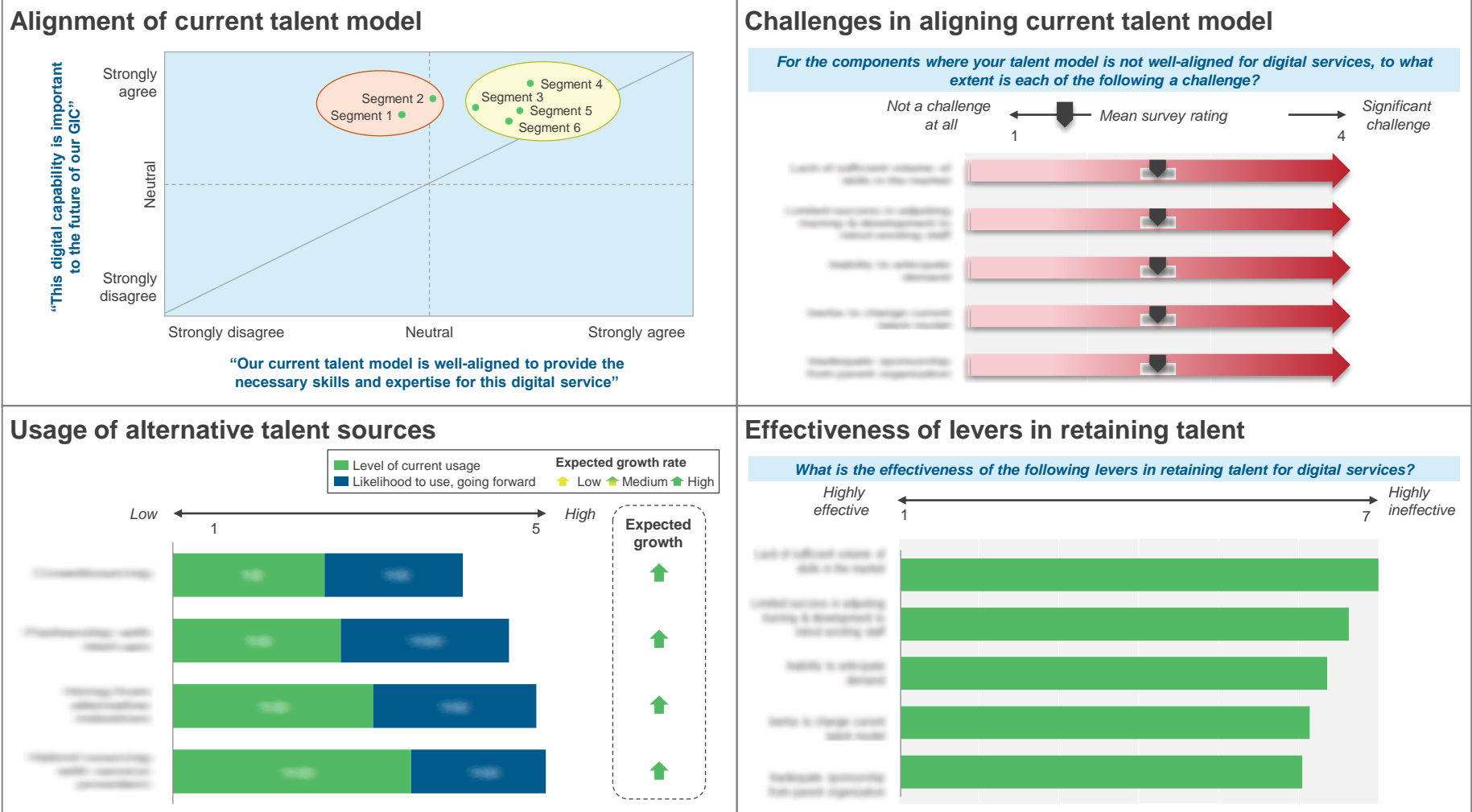
Overview and current state of talent model alignment

- With increasing adoption of digital services, the GIC operating model is undergoing a fundamental shift across multiple aspects including delivery model, functional orientation, and success metrics
- This shift is resulting in amplified emphasis on talent attributes such as adaptability to ambiguity, creativity and innovation, ability to work in an integrated global environment, and analytical orientation, especially for digital services
- Though GICs have initiated steps towards recalibrating their talent models, opportunities exist for GICs to align talent models across all components, especially for training and development
- Contrary to popular belief, securing parent buy-in to make talent model-related changes is not a challenge faced by GICs

Deep dive on talent model components

- GICs continue to use traditional sources for meeting digital requirements. While this has been effective in some areas, GICs are increasingly exploring alternative sources of talent in order to scale and mature their digital model
- Contrary to perception, budgetary constraints have not limited reskilling & upskilling initiatives, GICs perceive the skill gap to be the biggest challenge. Offering growth platforms for sustained skill enhancement is likely to be the key to success
- GICs face talent retention challenges driven by the inability to carve out specialist career paths for digital workforce and intensified competition
- GICs face practical challenges in adopting differentiated performance metrics for workforce employed in traditional and digital services

This study offers five distinct chapters providing a deep dive into the current state of digital adoption in GICs; below are four charts to illustrate the depth of the report



Source: Everest Group (2016)

GS research calendar

Topic		
	Published	Current
	Release date	
GICs Leading the Way for Digital Transformation of the Enterprise	January 2016	
Viewpoint: Upshifting Value and Talent through Robotic Process Automation (RPA)	February 2016	
Global In-house Center (GIC) Landscape Annual Report 2016	March 2016	
Finance & Accounting Delivery from GICs: Trusted Partner to Move F&A Beyond Delivery to Value Creation	April 2016	
Thematic Report: GIC Talent Landscape in India for IT Services	April 2016	
GIC Landscape Report: Delivery Landscape for Retail and Commercial Banking in GICs	June 2016	
Collaboration between GICs and Start-ups: A Win-Win Situation	June 2016	
Business Case for Robotic Process Automation (RPA) in Global In-house Centers	September 2016	
Procurement Services Delivery from GICs: Gearing up for a Broader Mandate	September 2016	
Future Readiness of GIC Talent Models	October 2016	
Location Focused Report - Philippines as Delivery Geography for GICs	Q4 2016	
Viewpoint: Evolving Role of Global Sourcing CoE	Q4 2016	
Global In-house Center (GIC) Landscape Annual Report 2017	Q1 2017	

Additional research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic, or complementary content, that may be of interest:

1. **Global Hotspots For Digital Services** ([EGR-2016-2-R-1778](#)); 2016. This report provides an in-depth view of the global digital services industry from a talent perspective. It covers the global distribution of digital talent coupled with cost trade-offs and provides readers with an up close view of global “sweet-spots” for various digital services
2. **Adapting Talent to Market: The GIC IT Services Talent Landscape in India** ([EGR-2016-2-R-1749](#)); 2016. This report takes a closer look at the IT services talent landscape among GICs in India. It provides insights about the profile of talent hired by GICs, captures the IT graduate demand-supply dynamics and highlights the top talent hubs. It also analyses IT delivery pyramids and highlights trends in talent migration and attrition among GICs
3. **Upshifting Value and Talent through Robotic Process Automation (RPA)** ([EGR-2016-2-R-1654](#)); 2016. This whitepaper analyzes the distinct position of GICs to provide leadership in the robotic automation journey for their enterprises. This whitepaper is based on Everest Group’s extensive research examining the state of RPA and the broader topic of Service Delivery Automation (SDA). The whitepaper leverages Everest Group’s ongoing primary and secondary research encompassing enterprises, technology vendors, GICs, and other relevant industry stakeholders
4. **GICs Leading the Way for Digital Transformation of the Enterprise** ([EGR-2015-8-R-1605](#)); 2016. This report gives an overview of the current state of digital adoption in GICs, assesses digital maturity of GICs based on a framework, evaluates functional maturity of the top three industry verticals, and highlights best practices, key implications, and the call-to-action for GICs. The report will assist senior GIC stakeholders in understanding the opportunities and challenges offered by this disruptive wave of digital services

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