

THE 'GREAT' TRENDS THAT COULD DEFINE THE GCC SECTOR IN 2022



Introduction

The COVID-19 pandemic has accelerated every organization's digital transformation agenda. As Microsoft CEO Satya Nadella put it, "We've seen two years' worth of digital transformation in two months."

As organizations crammed a decade's worth of tech adoption and digital transformation into two whirlwind years, GCC leaders were presented with unprecedented challenges – talent being the most critical of all. The sudden digital acceleration led to a war for digital talent, which in turn led to high attrition rates and increased wages. Leaders realized fostering a culture of collaboration and innovation is key to attracting and retaining top talent. Upskilling and reskilling became the new norm.

As more and more vaccinations are administered and the pandemic showing signs of easing, organizations are contemplating if, when, and how they can safely facilitate the return of their employees to the workplace. As we gear up for the 'great hybrid experiment' with empathy, flexibility, and proximity top of mind, 2022 will reveal a new set of challenges as well as opportunities to reinvent ourselves.

In this eBook, we explore the most significant trends that could shape the GCC landscape of 2022.



The Great Hybrid Experiment

One of the key lessons the pandemic taught us was work can be done from anywhere. Even organizations that never anticipated their employees would work remotely have learned a lot about remote working. However, organisations saw a disengaged workforce, attrition and a reduced sense of community among colleagues. With the rollout of vaccinations, 2021 presented the opportunity to return to the workplace and create the new, more effective hybrid operating model. Although the debilitating second wave of the pandemic delayed the return to work by a few more months, it provided an opportunity to GCC leaders to further fine tune their hybrid structure that would serve their businesses best.



87%

of business leaders will not let go the physical office.

While the future of work for most GCCs is going to be hybrid, leaders believe the physical offices will only expand and become a space for collaboration and innovation.

In a recent *PwC survey*, 83% of business leaders said remote work has been successful for their company, but only 13% said they're ready to let go of the office for good. So, one of the major areas of focus for leaders in 2022 would be getting hybrid right. There's no one-size-fits all approach and different organizations are figuring out their own types of hybrid strategies. Some GCCs are creating a 'hybrid cookbook' to define how to drive more collaboration, run meetings efficiently etc. Some are introducing an inclusivity person who can engage remote and in-office employees alike during meetings. Approaches can be different, but the key is to focus on individual human concerns rather than institutional ones when designing hybrid work arrangements.

“When people work from office, people learn by observing others in their environment. That becomes difficult in remote working. So, let's not rush to shun working in the office.

Kavitha Ramesh, ANZ Bengaluru Service Centre

The Great Reshuffle

If 2020 was the year of 'Great Acceleration', 2021 has been the year of the 'Great Reshuffle'. According to the *Bureau of Labor Statistics*, in the U.S. alone, voluntary attrition increased by almost 800,000 in the past year, while involuntary attrition decreased by almost 400,000 during the same period. *LinkedIn tracked* the percentage of all its users that changed their jobs in their profile and looking at that data at the end of September 2021, that number is currently up 54 percent year over year. While several observers have taken to calling this phenomenon 'the Great Resignation,' several top CEOs prefer to call it 'the Great Reshuffle.'

LinkedIn CEO Ryan Roslansky terms this as an unprecedented talent reshuffle happening globally. Microsoft CEO Satya Nadella, too, recently told Harvard Business Review that he too prefers the term 'Great Reshuffle.'

The uncertainty created by the pandemic has made workers rethink not only how they work, but why they work. Employees are prioritizing both flexibility and fulfillment. They are trying to reshuffle themselves into positions that better align with who they want to be. They're ready to make changes and learn the skills to make it happen.

Ever since the pandemic started, a lot of companies have been firefighting but few of them reassured the employees of the meaning and purpose of their jobs. Organizations should take the 'Great Reshuffle' as an opportunity to take purpose-driven leadership seriously and make a change within the organization. In 2022, organizations need to rethink their entire workforce and workplace models, cultures, and company values to accommodate employee needs and preferences.

Navigating the Great Reshuffle in 2022

- ✔ Provide recognition and career growth
- ✔ Align purpose and values with actions
- ✔ Prevent workplace burnout
- ✔ Offer better compensation and benefits
- ✔ Ensure work-life balance

“The world is entering into a talent migration that’s bigger than anything we’ve seen before. We call it the ‘Great Reshuffle,’ an unprecedented moment in the history of work where all of us are rethinking not just how we work, but why we work.”

Ryan Roslansky, LinkedIn CEO

The Great War for Talent

The 'war for talent' is not a new phenomenon. But it is fair to say that the 'Great Reshuffle' has intensified the war for talent in the post-pandemic world. According to executives, recruiters and startups, the trend is likely to continue in 2022 as well, as demand continues to outstrip supply. With the rapid shift to digital, it's becoming increasingly hard for organizations to find skilled candidates that have the right attitude, appetite for growth and who are compatible with the culture.

Moreover, startups are increasingly becoming a magnet for tech talent as they are offering unmatched compensation packages along with permanent work from home opportunities. This has made it even more difficult for multinationals to retain their top talent. Many companies have increased the notice period in an attempt to hold on to top talent but it has resulted in higher candidate drop-off rates. However, the good news is that, with the emergence of a workforce that can work anywhere, the opportunity for an organization's talent pool grows exponentially without geographic boundaries – a trend that could further boost the adoption of the GCC model in 2022 and beyond.

As *Harvard Business Review* observed, rather than spending billions to acquire talent, a better approach is investing in the talent that's already in place. *McKinsey's research* on the 'Great Attrition' revealed that 51 percent of the surveyed employees resigned because they didn't feel a sense of belonging at work.

When companies emphasize a culture of belonging, they call everyone in, creating space in the conversation to address our shared humanity and build a bridge to greater empathy and inclusion for the groups that are the most marginalized in the workplace.

How to Win the Talent War in 2022

- ✓ Know your mission and purpose
- ✓ Offer top dollar for top talent
- ✓ Build a strong employer brand
- ✓ Foster a sense of belonging
- ✓ Provide clear paths to advancement
- ✓ Put company culture first

“The primary reason GCCs from across the globe come to India is the talent we have. We need to make sure that we don't forget our first principles, while navigating the new normal.

Ashish Grover CIO at
Falabella Group

The Great Culture Transformation

A 2021 survey by NASSCOM and ANSR had identified company culture as the leading factor that influences GCCs' success in recruiting and retaining tech talent. Although the pandemic appeared to be an inhibitor of organizational culture, many GCCs managed to win on the culture during the crisis. To enable a successful hybrid work environment, GCCs strived to find innovative ways to build culture that translates equally between home and office. They leveraged social media and several other tools to communicate and engage with employees as well as their families to instill a sense of belonging.

Corporate culture is not just an indicator of the company's relation with its employees, but it is also a crucial point where organizations can make significant changes in their ways of working. As COVID-19 has reset major work trends, organizations need to rethink workforce planning, management, performance and experience strategies. Regardless of the impetus for the change, internal and external factors will continue to require organizations to evolve the processes.

During times of change, effective leadership is critical to organizational success. Every company needs leaders who can successfully navigate the waters of change. When leaders remain a constant source of information and pillar of support, employees don't just understand the vision for change; they embrace it.

Those leaders who understand the value of creating the organizational muscles of agility and resilience will best mitigate the risks associated with disruptive requirements to change. In the hybrid future of work, a culture and leadership mindset fostering agility, collaboration, innovation and empathy will be the key imperative for the C-suite.

Pillars of a Great Culture

- ✔ Communication
- ✔ Vision
- ✔ Values
- ✔ Collaboration
- ✔ Innovation

“When we look after our people, they look after the people who are our end customers.”

Rajat Pandit, Head of Google Cloud (South India)



Myth
Culture has nothing to do with business goals



Fact
A strong company culture nurtures, engages and supports your team to be their very best, thus powering the business forward

The Great Opportunity

The 'Great Reshuffle' is by far the most exciting opportunity organizations have had in a long time. On one side, there is top talent who are willing to move around for the right opportunity, and on the other, there are organizations struggling to attract and retain top talent.

All it takes for an organization is to implement the right strategy to attract the talent in search of a new home and provide them with clear direction and expectations for growth to retain them.

The pandemic has given us a chance to pause, reflect, rethink current processes, and make room for new ones. So, as we step into 2022, it is time to harness the powerful learnings from the year gone by and strategize to capitalize on the upcoming

trends. It's time to give employees the incentives and recognition they deserve, reskill and upskill at scale, create a stronger and inclusive culture, and thus, enjoy a more satisfied, engaged and productive workforce.

If the pandemic has a silver lining, it's the opportunity it presents to make permanent improvements in the workplace.

“In the middle of every difficulty lies opportunity.

Albert Einstein

About ANSR

ANSR is the market leader in helping leading global organisations accelerate digital transformation and technology innovation through Global Capability Centers (GCCs). For years, companies cutting across industries and markets have relied on ANSR's expertise to build high performance, technology, business and innovation teams across India and Poland. Since its inception, ANSR has established over 80 GCCs aggregating to over 85k enterprise talent with over \$1.6B in investment and using over 8M sqft of workspace.

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