

# Investing on Human Capital is Fueling Business Performance: Case Study Approach to HR Consulting - RPO Industry

Arpitha M. P.<sup>1</sup>, Dr. S. Harish Babu<sup>2</sup>

<sup>1</sup>Research Scholar, MBA, (PhD), Department of Management Studies and Research Centre, Nitte Meenakshi Institute of Technology, Yelahanka, Bangalore – 560064

<sup>2</sup>Research Supervisor, MBA, MPhil, PhD, Department of Management Studies and Research Centre, Nitte Meenakshi Institute of Technology, Yelahanka, Bangalore – 560064

**Abstract:** *Human resource outsourcing, or HRO, is the practice of assigning a company's HRM duties or operations to an outside vendor, contractor, or service provider. All HR - related tasks, including hiring, training, payroll, performance reviews, and more, can be outsourced by businesses or a small number of HR duties, depending on how it affects the performance and productivity of the organization. As a result, RPO has become extremely popular recently in both the domestic and foreign markets. Due to the country's rapid industrialization, which has created jobs, recruitment process outsourcing (RPO) is becoming more and more popular in India. RPOs function as a virtual recruiting department, offering a range of recruitment services along with the tools and technology needed to cut costs when compared to hiring internally This study encompasses 3 such prominent HR Consulting Firms in the market and an attempt is made to understand whether investing on Human Capital increases their business performance by assessing the last 5 years data of financial allocation on Human resource and the increase/decrease in Headcount.*

**Keywords:** Human Resource Consulting, Business Performance, Recruitment Process Outsourcing

## 1. Background

According to (Bharathi K. V and Dr. Munivenkatappa, 2015) defines HRO is the practice of outsourcing essential HR support functions, including recruitment, training, payroll, performance appraisal, and administration, to achieve cost savings through economies of scale and to ensure consistent, standardized services. (Khanna, S. & New, J. R.2005; J. D. Lilly, D. A. Gray and Meghna Virick., 2005). Researchers believed that outsourcing HR activities was a strategic move to help organizations achieve their goals and objectives. This includes reducing costs, improving flexibility, gaining access to the latest technology, and focusing on core strategic HR functions. (Reed, A.2001, pp.119).

Human resource outsourcing, or HRO, is the practice of assigning a company's HRM duties or operations to an outside vendor, contractor, or service provider. All HR - related tasks, including hiring, training, payroll, performance reviews, and more, can be outsourced by businesses. or a small number of HR duties, depending on how it affects the performance and productivity of the organization. The following are some typical HR functions that are outsourced: hiring and selection procedures, training, payroll processing, performance management, coaching and mentoring, and career planning and direction. guidance, employee database management, employee relationship management, labor laws, employee welfare, and organizational growth and change.

These days, it's more difficult than ever for businesses to find the right talent. In order to hire bright workers, those looking for a competitive edge often turn to outside consulting services. The term Recruitment Process Outsourcing (RPO) refers to this practice. This also falls under the category of

business process outsourcing (BPO), in which a company contracts with an outside party service provider to handle all or a portion of its staffing needs.

### **Recruitment Process Outsourcing**

RPO services are primarily required when hiring internal staff becomes prohibitively expensive and there is an abrupt spike in the demand for human resources. By using RPO services, businesses can free up their internal HR team from the administrative and transactional duties associated with hiring, allowing them to focus on core business operations. The idea of RPO didn't really take off until the 1990s, or about 20 years ago. James Can is a U. S. In the 1990s, K took the lead in creating the first RPO model. When RPO first came into existence, it was limited to the US market. However, as the trend of globalization gains momentum and the telecommunications and technology sectors expand, RPO has become widely accepted and implemented by businesses worldwide.

As a result, RPO has become extremely popular recently in both the domestic and foreign markets. Due to the country's rapid industrialization, which has created jobs, recruitment process outsourcing (RPO) is becoming more and more popular in India. RPOs function as a virtual recruiting department, offering a range of recruitment services along with the tools and technology needed to cut costs when compared to hiring internally. Furthermore, RPO offers additional advantages like swift and efficient service delivery (Shelgren, Diane).2004). In light of the foregoing analysis, recruitment process outsourcing can be summed up as follows: it refers to the "process wherein organizations obtain professional recruitment services from outside service providers in order to hire qualified candidates at the appropriate time and location. "

Volume 13 Issue 3, March 2024

Fully Refereed | Open Access | Double Blind Peer Reviewed Journal

[www.ijsr.net](http://www.ijsr.net)

Hiring requests from clients, sourcing, screening, interviews, issuing offer letters, onboarding, and post - hire activities are all included in the outsourcing of RPO functions. The vendor, the client, and the services provided determine how these services are delivered. Three delivery choices are available: .

- 1) On - Site Delivery: Vendors are present at the client's location, conducting direct hiring for the company.
- 2) Virtual: Vendors use technology to deliver their services from an office, hub, or off - site location. e. through phone calls and emails.
- 3) Supported: RPOs provide this type of delivery service in which they are not committed to a single client; instead, their services can be added or removed in accordance with the organization's needs.

### **Service Quality**

In recent times, service quality has garnered significant attention from scholars and practitioners alike. According to definitions of service quality, this is the outcome of customers comparing what they expected from a service and how they felt it was delivered (Caruana and Malta 2002; 1984; Parasuraman et al., 1988, 1994, and 1985). In order to determine which traditional service quality dimensions most significantly contribute to pertinent quality assessments in the traditional service environment, numerous studies have been carried out (e. g. g. Parasuraman and associates. Johnston (1995); Pitt et al. (1985, 1988).1999; Berry and associates., 1985). To define, measure, control, and enhance customer perception of service quality, the determinants of service quality must be identified (Johnston 1995). Parasuraman and associates. Through focus group studies, 's (1985) determined ten specific factors that determine the quality of services: tangibles, credibility, responsiveness, communication, understanding/knowledge of the customer, competence, courtesy, and security. Later, SERVQUAL (Yang, Z.) developed five dimensions to measure service quality: tangibles, reliability, assurance, responsiveness, and empathy. These ten dimensions were further refined. as well as Fang, X. (2004). A content analysis of client testimonials for securities brokerage services reveals the dimensions of online service quality and how they relate to customer happiness.

### **Performance Measurement:**

The late 1970s saw a revolution in performance measurement due to the dissatisfaction with traditional backward - looking accounting systems (Nudurupati et al.2011). Every organization measures performance for different reasons. Companies frequently assess their performance in order to identify whether they are meeting the needs and desires of their clients, to disclose what they know and do not know about their operations, to make sure that decisions are based on factual information rather than feelings or conjecture, to identify problem areas or areas that may develop, and to assess whether they are generally successful or not (Parker, 2000). According to Neely (2007), performance is essentially defined as doing something today that will result in a quantifiable outcome tomorrow. As stated by Neely et al. (1995, p.1229), "The process of quantifying the efficacy and efficiency of actions is known as performance measurement. ". Thus, an organization's capacity to carry out a selected plan is its performance, and the metrics that make up its

performance measurement system are "the set of metrics used to quantify both the efficiency and effectiveness of actions. ". As stated by Baldry and Amaratunga (2003, p.174) What is a system of performance measurement?

"A procedure for evaluating how well predetermined goals are being realized, including data on the effectiveness of organizational operations in terms of their particular contributions to organizational objectives, the quality of those outputs and outcomes, and the efficiency with which resources are converted into goods and services. ". One of the most frequently studied variables to gauge organizational success in the field of management is OP, which is a criterion or dependent variable. Based on Koochang et al. (2017), OP illustrates the growth and advancement of an organization. "Combining the expected results with the actual ones, investigating deviations from plans, assessing individual performance and examining progress made towards meeting the targeted objectives" is how Ngah and Ibrahim (2010) defined OP (p.503).

Financial key performance indicators (KPIs) are specific metrics that assist in business analysis and goal tracking for managers and financial specialists. Different businesses use a wide range of financial KPIs to track their progress and promote expansion. It's critical for every business to determine which KPIs are most important to its operations. Financial KPIs, which are primarily focused on relationships derived from accounting data, are high - level measures of profits, revenue, expenses, or other financial outcomes. They are almost always associated with a particular financial value or ratio. KPIs can enhance the execution of a strategy by coordinating individual and corporate actions with the goals of the plan. Instead of only being outcome measures of financial success, well - designed KPIs can give management and the board a way to keep an eye on the essential operations of the company. A stronger emphasis on long - term success as opposed to short - term financial performance can result from the integration of financial and non - financial KPIs.

Non - financial Key Performance Indicators are significant for two main reasons. They first aid in elucidating and setting the scene for financial KPIs. As was already mentioned, financial measurements are usually lagging indicators, which are backward - looking and therefore relatively simple to gather and analyze. Lagging measures provide information about past events, like orders fulfilled or revenue received, for a given time frame. They also offered a foundation for identifying strategic fit. Market share, new customer acquisition, lost customers, customer satisfaction index, market expansion, internal process audits, and so on are examples of non - financial performance indicators.

### **HR Consulting - RPO Industry**

The market for recruitment process outsourcing was estimated to be worth USD 5 point48 billion globally in 2019. From 2020 to 2027, it is projected to expand at a compound annual growth rate (CAGR) of 17%. The two main drivers of market growth are the requirement for an efficient hiring process and a decrease in overhead costs. Recruitment Process Outsourcing (RPO) service providers handle a variety of duties, including candidate sourcing, candidate selection, and recruit quality maintenance. In order to improve their

capabilities, service providers are putting cutting - edge technologies like artificial intelligence (AI) and machine learning (ML) into automated CV screening and self - scheduling interviews. Better candidate engagement is being further facilitated by service providers using chatbots and other assessment tools. Artificial Intelligence is predicted to revolutionize the employment sector. To enhance strategic workforce planning, it automates a number of processes, including employee reference, diversity hiring, candidate sourcing, and candidate rediscovery.

The job market is extremely volatile, and this has resulted in significant disruptions in the recruitment sector. Talented individuals possessing the necessary skill sets are still in high demand. Businesses discover that they must maintain their flexibility and provide both remote and hybrid working options. Businesses are reevaluating their recruitment tactics and searching for novel approaches to bringing the greatest talent on board as the workforce grows more mobile and remote. To meet their talent needs, more and more businesses are turning to recruitment process outsourcing, or RPO. RPO entails using a third - party staffing company to find candidates. Although RPO has been around for a while, its importance has grown significantly in a variety of industries recently. These days, RPO companies provide far more than just filling the talent pipeline.

**Overview of Selected HR Consulting Firms**

**1) Team Lease Services Ltd:**

Leading people supply chain company Team Lease is capable of providing a wide range of customized HR services to a wide range of clients in a variety of industries. A wide range of services, including those related to education, employment, and employability, are offered by Team Lease to cover every facet of the Indian HR supply chain. The company provides comprehensive solutions for its clients' HR needs; their goal is to achieve organizational goals by assembling a talent pool

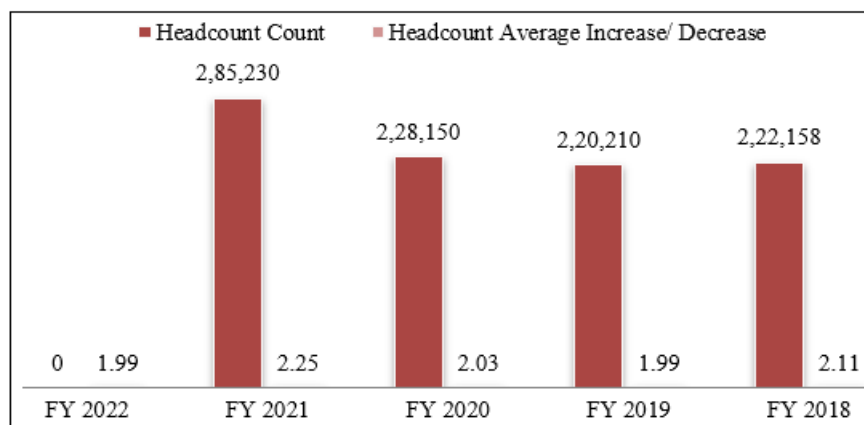
of qualified candidates. Sturdy business models allow the company to meet the unique needs of customers from different sectors. With the aid of 2.82 lakh trainees and 5.5 lakh students, the company has brought in H7, 87, 000 lakhs in revenue, added 547 new clients, and created more than 20 lakh jobs. The company's ultimate goal is to become the largest staffing company in the world by headcount. Serving customers is the top priority for TeamLease, a for - profit company that aims to positively impact lives every single day. By proactively educating clients about legal changes, defining processes with flexibility, and facilitating greater compliance, they demonstrate agility and take accountability to meet the needs of their clients. Firm values collaboration over isolation, which reflects a way of thinking that goes beyond personal dynamics. Because of their openness, efficiency, compliance, governance, and clear communication, they enjoy a high level of client trust. In 28 states, TeamLease is present in 7, 500 locations. The company has purchased a thirty percent stake in FW. com, acquired Evolve Tech to expand into the telecom industry, acquired Keystone Business Solutions to bolster IT staffing, and purchased a forty percent stake in Online Education Co. SchoolGuru.

**Table 1: Financial Years to Head Count and Full Time Employees per Associate**

Financial Year	Headcount		Full time Employee per Associate	
	Count	Average Increase/ Decrease	Count	Average Increase/ Decrease
FY 2022	2, 82,450	1.99	350	2.01
FY 2021	2, 85, 230	2.25	346	1.98
FY 2020	2, 28, 150	2.03	352	2.33
FY 2019	2, 20, 210	1.99	264	1.97
FY 2018	2, 22, 158	2.11	270	2.08

Source: Annual Report, TeamLease Services LTD, 2022 - 21

**Financial Years to Headcount of the Employee**

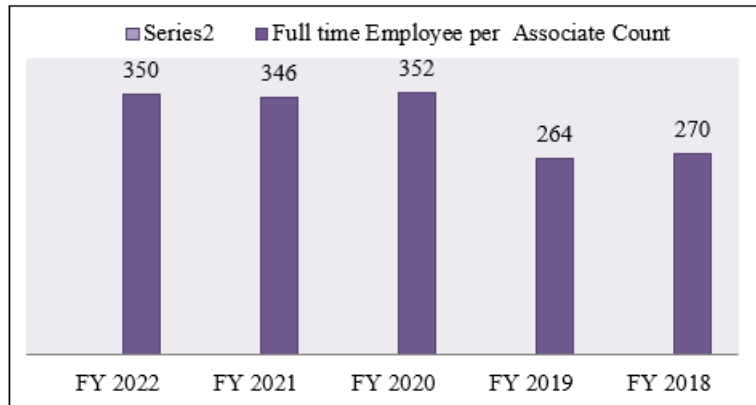


Source: Table - 1 Financial Years to Head Count and Full Time Employees per Associate

The headcount for the FY 2022 is 2, 82, 450, 2, 85, 230 in the FY 21, 2, 28, 150 in the 2020, 2.20, 210 in the year 2019 and 2, 22, 158 in FY 2018. Highest amount of headcounts is seen in the FY 2021 and lowest in the FY2019. The highest average increase in headcount is observed in the FY 21 with 2.25% increase and lowest in the FY 2019 and 22 with 1.99%

increase. Similarly, 350 full time employees per associate is allocated in the FY 2022, 346 in FY21, 352 in FY 2020, 264 in FY 2019 and 270 in FY 2018. Highest average increase is observed in the FY 2020 and lowest in 2019 (Table - 1).

**Financial Year to Full Time Employees per Associate**



Source: Table - 1 Financial Years to Head Count and Full Time Employees per Associate

2) **Randstand N V**

The Dutch multinational staffing company Randstand N V (India) is a world leader in staffing with the highest employee engagement rating worldwide. Randstand wants to be recognized as an enterprise equitable business—one that people can rely on and that gives people of all backgrounds equal opportunities. Randstand has grown internationally, and its goal in the Indian staffing industry is to lead the way through Randstand India. The company's primary goal is to help as many clients as it can find talent support so they can fulfill their full potential throughout their working lives. They can go from strength to strength because of their solid foundation, which consists of core values, promises, the best people, solid concepts, excellent execution, and superior bands.

The company's core values are portfolio expansion, leadership and winning, growing enterprise clientele, seeking out new business opportunities, and expanding business in pertinent concepts and geographies. By utilizing data to its full potential, personalizing and optimizing services, and placing a premium on the talent experience, they have raised the bar for all others. Concentrate on finding applicants for positions in administration, logistics, and manufacturing. Specific market segments are the focus of staffing companies as opposed to temporary staffing, digital staffing, permanent placements, and specializations. An innovative on-site approach to managing a client's workforce with particular skill sets and varying demand levels with the goal of enhancing labor flexibility, retention, productivity, and efficiency. Prioritize hiring managers and professionals with a broad range of industry backgrounds who possess an academic degree or an equivalent qualification. Professionals covers tech solutions covered by a statement of work, as well as temporary and permanent placements. a variety of HR services, including workforce consulting, online talent

acquisition, career mobility and outplacement, managed services programs, and recruitment process outsourcing. With over 275, 568 million in revenue, an EBIT of - 4.7%, net income of 1, 041 million, cash flow of 590 million, 3, 42, 700 permanent placements, and over 50% of women in senior management across more than ten subsidiaries, Randstand is a successful business.

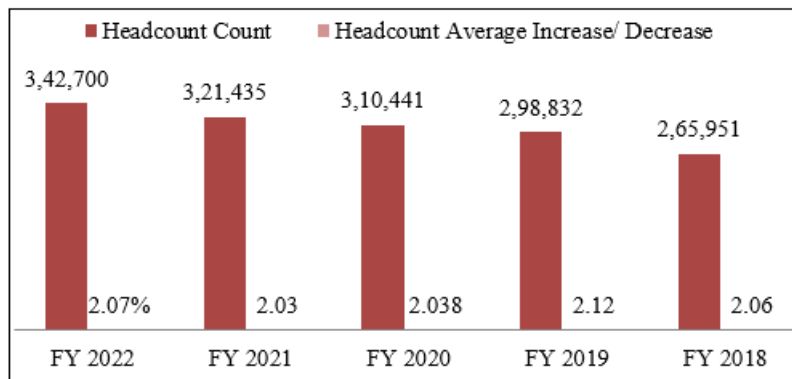
**Table 2:** Financial Years to Head Count and Full Time Employees per Associate

Financial Year	Headcount		Full time Employee per Associate	
	Count	Average Increase/Decrease	Count	Average Increase/Decrease
FY 2022	3, 42, 700	2.066%	371	2.03%
FY 2021	3, 21, 435	2.03	357	1.98
FY 2020	3, 10, 441	2.038	361	2.02
FY 2019	2, 98, 832	2.12	352	2.09
FY 2018	2, 65, 951	2.06	321	2.07

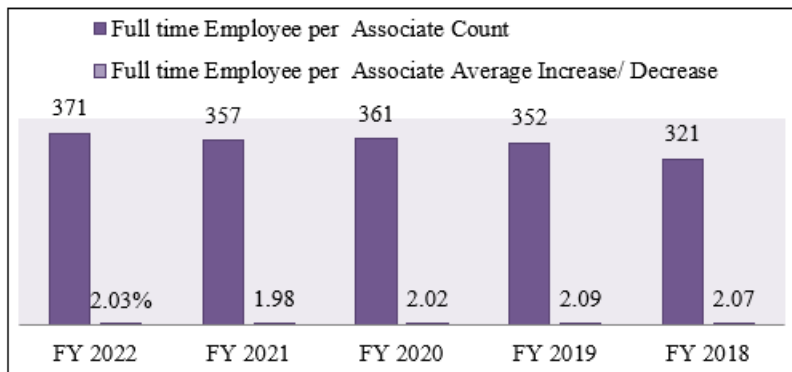
Source: Annual Report, Randstand N V, 2022 - 21

Headcount of the placements of the company for the FY 2021 is 3, 42, 700 followed by 3, 21, 435 in FY 21, 3, 10, 441 in FY 20, 2, 98, 832 in FY 19 and 2, 65, 951 in the year 2018 respectively. 2.066% increase has been witnessed in the FY 22, followed by 2.03% in FY 21, 2.038% in FY 20, 2.12% in the FY 2019 and 2.06% in the year 2018 respectively. It is observed that highest percentage of increase in headcount is in the year 2019 and lowest in FY 2020. Similarly, full time employee per associate analysis indicates that 2.03% increase is witnessed in the FY 22, 1.98% in FY 21, 2.02% in FY20, 2.09% in FY19 and 2.07% in the year 2018. Highest percentage increase is seen in 2019 and lowest in FY 2021 (Table - 2).





Source: Table - 2 Financial Years to Head Count and Full Time Employees per Associate



Source: Table - 1 Financial Years to Head Count and Full Time Employees per Associate

3) **Adecco India Pvt Ltd:**

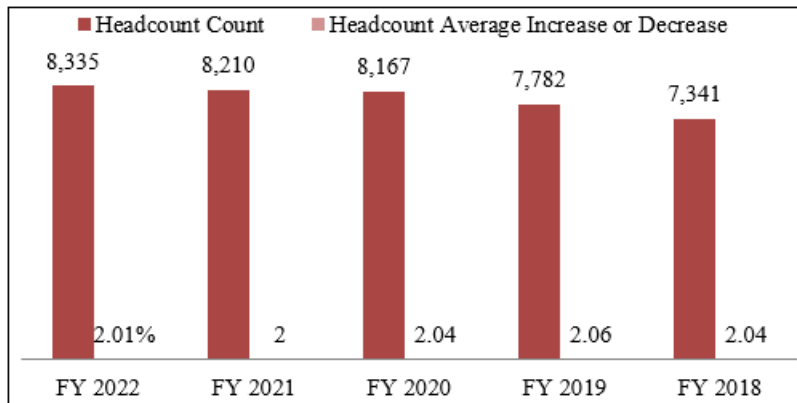
A division of the Adecco Group, Adecco India Pvt Ltd strives to be a top employer. General staffing solutions, including recruitment support, seamless migration, structured on - boarding, associate skill enhancement/training, compliance management, employee assessment, and customized solutions; permanent recruitment solutions are among the goods and services provided by ADECCO INDIA PRIVATE LIMITED. Their global reach, local expertise, and creative use of digital tools make their workforce solutions offering unparalleled. Every day, they place over 600, 000 associates globally into roles that allow their clients flexibility and agility. They are unique in that they are dedicated to acting honorably and with mutual respect. They establish solid, mutually trusting partnerships that have numerous positive effects, especially when it comes to access to employment and employability and, consequently, livelihoods. Work as a trusted advisor to job seekers, including recent graduates, those pursuing their first careers, seasoned professionals, military veterans, and their spouses. Offer career advice and coaching to help them hone their skills through education, training, and lifelong learning. Adecco's mission is to support all of our stakeholders by becoming even more resilient, creative, and responsive. They invest in their programs to

create real value for our candidates, associates, employees, clients, suppliers, and communities at large. They also work to create an environment that enables and empowers everyone to achieve their goals. They have placed over 15 lakh people, have more than 19 offices, 1400 core employees, 700 clients, and more. The Adecco Group had revenue of 23.6 billion euros, a gross margin of 21%, an EBITA of 3.5 percent, placements exceeding 1.826 million, and a Net Promoter Score of 35.

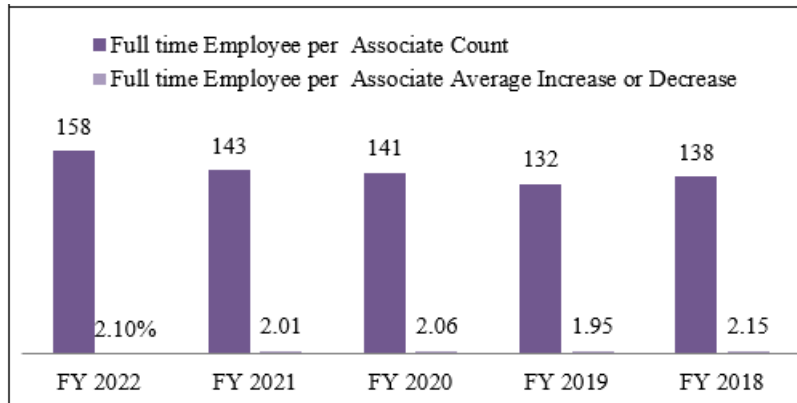
**Table 3:** Financial Years to Head Count and Full Time Employees per Associate

Financial Year	Headcount		Full time Employee per Associate	
	Count	Average Increase Or Decrease	Count	Average Increase Or Decrease
FY 2022	8, 335	2.01%	158	2.10%
FY 2021	8, 210	2.00	143	2.01
FY 2020	8, 167	2.04	141	2.06
FY 2019	7, 782	2.06	132	1.95
FY 2018	7, 341	2.04	138	2.15

Source: Annual Report, Adecco Group, 2022 - 21



Source: Table - 2 Financial Years to Head Count and Full Time Employees per Associate



Source: Table - 1 Financial Years to Head Count and Full Time Employees per Associate

Headcount of the company for the FY 2022 is 8, 335 millions followed by 8, 210 in the FY 21, 8, 167 in the FY 20, 7, 782 in the FY 2019 and 7, 341 in the financial year 2018. The average percentage increase/decrease in headcount indicates that there has been 2.01% increase in the FY 2022, 2% in the FY 21, 2.04 in the FY 2020, 2.06 in the FY 2019 and 2.04% in the FY 2018. The highest average increase is noted for the year 2019 and least in the year 2021. Count of employee per associate is 158 for the FY 2022, 143 for the FY 2021, 141 for the FY 2020, 132 for the FY 2019 and 138 for the FY 2018. The average increase/decrease of the employee per associate elucidates that 2.10% increase in the year 2022, 2.01% in the FY 21, 2.06% in FY 2020, 1.95% in FY 2019 and 2.15% in FY 2018. The highest amount increase is witnessed in the FY 2018 and lowest in FY2019 (Table - 3).

**Design and Methodology:**

The main goal of the research is to gain a thorough understanding of recruitment process outsourcing, staffing, HR consulting, and recruitment by using a case study approach. Three staffing companies—Teamlease, Randstand N V (India), and Adecco group (Adecco India pvt Ltd)—are taken into consideration to develop a case study that demonstrates how investing in employees improves their performance and, consequently, the performance of the company. The primary financial and non - financial indicators from each of the three companies' Annual Reports for 2022 are the data used to gauge performance. Researchers have attempted to quantify the firm's non - financial and financial performances. The employee investments taken into account come from the stand - alone statements of indicators mentioned in annual reports. These investments include tangible assets like buildings, systems, and amenities as well

as intangible assets like salaries, wages, bonuses, contributions to employee provident funds, gratuities, share - based expenses, compensated absence, staff welfare expenses (security programs), employee training (skill development), accommodations (rent), travel, and conveyance. The following financial metrics are taken into account: venue, operating profit margin, net profit margin, debtor turnover, EBIT, PAT, EPS, and return on net worth. The following non - financial metrics are taken into account: Employee Engagement Score, Client and Employee Numbers, Placements, and Employees. In order to determine whether performance has increased or decreased, researchers have started calculating averages. Performance at Firm's Level and Comparison of Performance of Selected Firms are the two sections under which the researcher has presented the analysis and findings under Results and Discussion. The following formula is used to get the average increase or decrease in the value of the observations.

$$\text{Average Increase/Decrease} = \frac{\text{Sum of Observations}}{\text{No of Observations}}$$

**2. Results and Discussion**

*1) Performance at Firm's Level; Measuring the Performance of Individual firm (TeamLease, Randstand and Adecco)*

**Teamlease Service Ltd**

**a) Investments on Human Capital (Employees)**

The investments human capital constitutes Salaries, wages and bonus, Share based investments, gratuity, Pf and other

funds, Staff welfare, Compensated absence, training (skill development), rent, travelling and conveyance and physical assets (amenities). Table - 4 represents the Financial Year to Investments on employees for the FY 2022 and 2021 for the select variables under the study for the firm - TeamLease. Salaries, wages and bonus expenses made in the FY 2021 is 6, 18, 539.12 lakhs and 5, 04, 545.21 in the FY 21 with a difference amount 1, 13, 999.91 lakhs. Share based investments for the FY 2021 was 104, 624 and 64, 330 for the FY 2021 with the difference of 40, 294. When investments in gratuity was compared, it is 140, 36 for the FY - 22 and 135.92 for the FY - 21 and the difference being 4.44 lakhs. Compensated absence for the year 2022 was 181, 40 and 155.39 in the year 2021 with the difference of 26.01. When

investments' in PF and other funds are compared, 47, 690.66 was invested in the FY - 22 and 38, 533.08 in FY - 21 with difference 9, 15.758. Staff welfare investments for the FY - 22 were 5, 165.64 and for the FY - 21 were 4, 824.79 with difference of 340.92. Investments' on training/skill development for the FY - 22 was 1, 125.77 and for the FY - 21 were 1, 028.77 with difference of 97. Rent paid for the FY - 22 was 756.14 and for the FY - 21, 861.57 with difference of - 105.43 (decrease in the amount paid as rent). Travelling and conveyance allowance provided was 511.43 for FY - 22 and 31.667 for the year 2021 with difference of 479, 763. Investments' tangibles assets was about 2, 390.89 for FY - 22 and 2, 320.12 lakhs for the year 2021 with difference of 70.77 lakhs (**Table - 4**).

**Table 4:** Financial Year to Investments on Employees (in lakhs otherwise mentioned)

Investment Particulars	FY 2022 - 21	FY 2021 - 20	Difference Observed
Salaries, wages and Bonus	6, 18, 539.12	5, 04, 545.21	1, 13, 993.91
Share based investments (net)	104, 624	64, 330	40, 294
Gratuity	140, 36	135.92	4.44
Compensated Absence	181, 40	155.39	26.01
PF and Other Funds	47, 690.66	38, 533.08	9.15.758
Staff Welfare	5, 165.64	4, 824.79	340.85
Training (Skill Development)	1, 125.77	1,028.77	97
Rent	756, 14	861.57	- 105.43
Travelling and Conveyance	511.43	31.667	479.763
Tangible Assets	2, 390.89	2, 320.12	70.77

Source: Annual Report, TeamLease Services LTD, 2022 - 21

#### b) Key Financial Indicators:

**Table 5:** Key Financial Indicators

Key Financial Ratios	FY 2022 - 21	FY 2021 - 20	Difference Observed
Revenue	7, 86, 999.75	6, 47, 982.30	1, 39, 017.45
EBITDA	14, 236.94	12, 226.57	2, 010.37
PAT	11, 154.98	3, 945.46	7, 209.52
EPS	65.12	22.48	42.64
Debtor's Turnover	20.99	20.02	0.97
Current Ratio	1.45	1.43	0.02
Operating Profit Margin	2.20%	1.55%	0.65
Net Profit Margin	20.16%	11.42%	8.74
Return on Net worth	13.81%	5.69%	8.12

Source: Annual Report, TeamLease Services LTD, 2022 - 21

Key financial performance indicators considered for the study constitute; Revenue, EBITDA, PAT, EPS, Debtor's turnover, Current Ratio, Operating Profit Margin, Net Profit Margin and Return on Net Worth. The comparison of the observations for the financial years 2022 and 2021 is made and presented in the Table - 5. Revenue for the FY - 22 was 7, 86, 999.75 and for the FY - 21 was 6, 47, 982.30 and difference noticed is of 1, 39, 017.45 lakhs. EBITDA is found to be 14, 236.94 for the FY - 22 and 12, 226.57 for the FY - 21 with difference of 2,010.37 lakhs. PAT for the FY - 22 is 11, 154.98 and for FY - 21, 3, 945.46 with difference of 7, 209.52. EPS for the FY - 22 is 65.12 and 22.48 for the year 2021 with difference of 42.64. Debtor's Turnover is 20.99 for FY - 22 and 20.02 for the FY - 21. Current Ratio for the FY - 22 was 1.45 and 1.43 for FY - 21. Operating Profit Margin for the FY - 22 was 2.20% compared to 1.55% in FY - 21 with difference of 0.65%. Net Profit Margin was 20.16% for FY - 22 and 11.42% for FY - 21 with difference of 8.74%. Return on Net

Worth for the FY - 22 was 13.81% and 5.69% for the FY - 21 with difference of 8.12% (**Table - 5**).

#### c) Key Non - financial Indicators

**Table 6:** Key Non - Financial Indicators

Non - financial Performance Indicator	FY 2022	FY 2021	Difference Observed
No of employee	2, 259	2, 129	130
No of clients	547	523	24
No of Placements	3, 42, 700	3, 11, 432	31268
Employee Engagement Score	7.4	7.1	0.03

**Table - 6** presents the comparison of Non - financial indicators for the years 2022 and 2021. No of employees working for the year 2022 were 2, 259 and 2,129 for the year 2021 with difference of 130 employees (increased no of employees). No of clients handled for the FY - 22 were 547 and 523 for the FY - 21 with difference of 24 indicating that

no of clients have increased in Fy - 22. No of candidates placed for the year 2022 were 3, 42, 700 and 3.11.432 in the FY - 2021 with increase of 312, 68. Employee engagement score for the FY 22 was 7.4 and 7.1 for the year 2021.

## ADECCO INDIA PVT LTD

### a) Investments on Human Capital (Employees)

**Table 7: Financial Year to Investments on Employees**

Investment Particulars	FY 2022 - 21	FY 2021 - 20	Difference Observed
Salaries, wages and Bonus	7, 58, 333	7, 50000	8.333
Share based investments (net)	15, 000	10, 000	5.000
Gratuity	1, 58, 252	1, 30, 002	28.25
Compensated Absence	1, 43, 879	1, 45, 912	- 2.033
PF and Other Funds	58, 981	61, 890	- 2.909
Staff Welfare	4, 671	5, 541	0.87
Training (Skill Development)	3, 894	2, 578	1.316
Rent	678, 198	678, 198	0
Travelling and Conveyance	562, 451	561, 652	0.799
Tangible Assets	3, 890.15	3, 996.57	- 106.42

Source: Annual Report, Adecco Group, 2022 - 21

An investment on employees by Adecco Company is presented in **Table - 7**. It is observed from the above table that salaries, wages and bonus paid in the FY - 2022 was 7, 58, 333 compared to 7.50, 000 with difference of 8, 333 lakhs. Share based investments for the FY022 was 15, 000 compared to 10, 000 in the FY - 21 with the difference of 5.000. Gratuity paid in the FY - 22 was 1, 58, 252 compared to 1, 30, 002 in Fy - 21 with the difference of 28.25. Compensated absence paid was 1, 43, 879 in the FY - 22 compared to 1, 45, 912 with difference of - 2.033. Staff welfare investment was 4, 671 compared to 5, 541 in FY - 21 with difference of 0.87. PF and other funds invested were 58, 981 compared to 61, 890 in FY - 21 with difference of - 2.909. Training (skill development) investment was 3, 894 in FY - 22 and 2, 578 in FY - 21 with the difference of 1, 316. Rent paid shows no difference. Travelling and conveyance paid was 562, 451 in the year 2022 and 561, 652 in FY - 21 with difference of 0.799. Tangible assets invested were 3, 890.15 compared to 3, 996.57 with difference of - 106.42.

### b) Key Financial Indicators:

**Table 8: Key Financial Indicators**

Key Financial Ratios	FY 2022 - 21	FY 2021 - 20	Difference Observed
Revenue	23, 640	20,949	2, 691
EBITDA	833	953	- 120
PAT	11, 154.98	3, 945.46	7, 209.52
EPS	342	342	0
Debtor's Turnover	23.75	23.98	- 0.23
Current Ratio	3.25	3.42	- 0.17
Operating Profit Margin	1.89%	2.14%	- 0.25
Net Profit Margin	1.76%	2.62%	- 0.86
Return on Net worth	10.11%	16.89%	- 6.78

Source: Annual Report, Adecco Group, 2022 - 21

Revenue generated for the FY - 22 was 23, 640 compared to 20, 949 in Fy - 21 with the difference of 2, 691. EBITDA was 833 for FY - 22 compared to 953 in the FY - 21 with difference of - 120. EPS was 342 for FY - 22 compared to 342

with no difference. PAT for FY - 22 was 11, 154.98 compared to 3, 94.46 in FY - 21 with difference of 7, 209.52. Debtors Turnover was 23.75 for FY - 22 and 23.98 in Fy - 21 with difference of - 0.23. Current ratio was 3.25 for the year 2022 compared to 3, 42 in the year 2021 with difference of - 0.17. Operating Profit Margin was 1.89% in FY - 22 compared to 2.14% in Fy - 21 with difference of - 0.25. Net profit Margin was 1.76% in Fy - 22 compared to 2.62% with difference of - 0.86. Return on Net Worth was 10.115 in Fy - 22 compared to 16.89% in FY - 21 with difference of - 6.78 (**Table - 8**).

### c) Key Non - financial Indicators

**Table 9: Key Non - financial Indicators**

Non - financial Performance Indicator	FY 2022	FY 2021	Difference Observed
No of employee	4, 81, 132	5, 06, 402	- 25270
No of clients	32, 000	26, 781	5219
No of Placements	1, 82, 666	1, 13, 977	68.689
Employee Engagement Score	6.4	5.9	0.5

Source: Annual Report, Adecco Group, 2022 - 21

No of employees working for the firm for the FY - 22 were 4, 81, 132 compared to 5, 06, 402 with the difference of - 25270. No clients associated for the FY - 32, 000 and 26, 781 in the year 2021 with the difference of 5219. No of placements for the Fy - 22 were 1, 82, 666 and 1, 13, 977 with the difference of 68, 689. Employee engagement score was 6.4 in the FY - 22 and 5.9 in the year 2021 with difference of 0.5 (**Table - 9**).

## RANDSTAND N V

### a) Investments on Human Capital (Employees)

**Table 10: Financial Year to Investments on Employees**

Investment Particulars	FY 2022 - 21	FY 2021 - 20	Difference Observed
Salaries, wages and Bonus	17, 569.000	15, 927.000	1642
Share based investments (net)	4, 164.000	4, 054.000	110
Gratuity	1, 140.000	765.000	375
Compensated Absence	181, 40	155.39	26.01
PF and Other Funds	190, 000	156, 000	34
Staff Welfare	3, 205	2, 086	1119
Training (Skill Development)	1, 125.77	1, 028.77	97
Rent	65, 000	59, 000	6, 000
Travelling and Conveyance	47, 800.000	30, 523.000	17277
Tangible Assets	11, 109.000	11, 090.000	19, 000

Source: Annual Report, Randstand, 2022 - 21

Investments' by Randstand on their human capital for the year 2022 was 17, 569 compared to 15, 927 in Fy - 21 with the difference of 1642. Share base investments' were 4, 164 in the FY - 22 and 4, 054 in FY - 21 with the difference 110. Gratuity paid in the FY - 22 was 1, 140 compared to 765.39 with difference of 375. Compensated absence was 181.40 for FY - 22 compared to 155.39 in FY - 21 with difference of 26.01. PF and other funds investments' were 190 in Fy - 22 compared to 156 in FY - 21 with the difference of 34. Staff welfare investment was 3, 205 in FY - 22 compared to 2, 086 in FY - 21 with difference of 1119. Training and skill development investment was 1, 125.77 in Fy - 22 compared to 1, 028.77 with difference of 97. Rent paid was 65, 000 in



Fy - 22 compared to 59, 000 in Fy - 21. Travelling and conveyance paid was 47, 800 in Fy - 22 and 30, 523 in FY - 21 with difference of 17277. Tangible assets provided was worth 11, 109 in FY - 22 compared to 11, 090 in FY - 21 with difference of 19, 000 (*Table - 10*)

### b) Key Financial Indicators

**Table 11: Key Financial Indicator**

Key Financial Ratios	FY 2022 - 21	FY 2021 - 20	Difference Observed
Revenue	27, 568	24, 623	2945
EBITDA	1, 164	1, 086	78
PAT	13, 890	12, 892.23	997.77
EPS	5.69	4.39	1.3
Debtor's Turnover	870	415	455
Current Ratio	1.45	1.43	0.02
Operating Profit Margin	16.2%	15.3%	0.9%
Net Profit Margin	40.41%	32.19%	8.22%
Return on Net worth	17.9%	14.1%	3.8%

Source: Annual Report, Randstand, 2022 - 21

Revenue for the year 2022 was 27, 568 compared to 24, 623 with difference of 2945. EBITDA was 1, 164 in FY - 22 compared to 1, 086 in FY - 21. PAT was 13, 890 in Fy - 22 compared to 12, 892.23 with difference of 997.77. EPS for the FY - 22 was 5.69 compared to 4, 39 in FY - 21 with difference of 1.3. Debtor's turnover was 870 for Fy - 22 compared to 415 in FY - 21 with difference of 455. Current ratio was 1.45 for FY - 22 compared to 1.43 in FY - 21 with difference of 0.02. Operating profit margin was 16.2% in FY - 22 compared to 15.3% in FY - 21 with difference of 0.9%. Net Profit Margin was 40.41% in FY - 22 compared to 32.19% in FY - 21 with difference of 8.22%. Return on Net worth was 17.9% in FY - 22 compared to 14.1% in FY - 21 with difference of 3.8% (*Table - 11*).

### c) Key Non - financial Indicators

**Table 12: Key Non - financial Indicators**

Non - financial Performance Indicator	FY 2022	FY 2021	Difference Observed
No of employee	6, 62, 600	6616113	987
No of clients	2, 330	2294	136
No of Placements	3, 42, 700	3, 41, 424	1276
Employee Engagement Score	8.1	7.8	0.3

No of employees working for the year 2022 were 6.62, 600 compared to 6616113 in FY - 21 with difference of 987. No of client's associated were 2 330, in FY - 22 and 2, 294 in FY - 21 with difference of 136. No of placements of 3, 42, 700 in FY - 22 compared to 3, 41, 424 in FY - 21 with difference of 1276. Employee engagement ratio was 8.1 in FY - 22 and 7.8 in FY - 21 with difference of 0.3 (*Table - 12*).

The study's findings show that, for TeamLease and Randstand, there was a rise in human capital investment between the fiscal years 2021 and 2022; however, this is not the case for Adecco. Comparably, TeamLease and Randstand's key financial performance indicators show improved financial positions for the years 21 and 2022, while Adecco's performance has declined (negative indicators). The

non - financial indicators also demonstrate improved positions for TeamLease and Randstand, while Adecco's performance has deteriorated. Investments in human capital have undoubtedly improved TeamLease and Randstand's financial and non - financial performance, while adversely affecting Adecco.

### References

- [1] Randstand: [https://www.randstad.com/s3fs-media/rscom/public/202302/Randstad\\_Annual\\_Report\\_2022\\_FINAL.pdf](https://www.randstad.com/s3fs-media/rscom/public/202302/Randstad_Annual_Report_2022_FINAL.pdf)
- [2] <https://group.teamlease.com/investor/teamlease-annual-report/>
- [3] <https://www.adecco.com/investors/annual-report/>
- [4] Bharathi, K., & Munivenkatappa, D. (2015). A Study of Human Resource Outsourcing. *International Journal in Commerce, IT & Social Sciences*, 2 (7), 58 - 78.
- [5] Bergeron, D. E., Roach, P. J., Castleman Jr, A. W., Jones, N. O., & Khanna, S. N. (2005). Al cluster superatoms as halogens in polyhalides and as alkaline earths in iodide salts. *Science*, 307 (5707), 231 - 235.
- [6] Romero, L. M., & Reed, J. M. (2005). Collecting baseline corticosterone samples in the field: is under 3 min good enough?. *Comparative Biochemistry and Physiology Part A: Molecular & Integrative Physiology*, 140 (1), 73 - 79.
- [7] Caruana, A. (2002). Service loyalty: The effects of service quality and the mediating role of customer satisfaction. *European journal of marketing*, 36 (7/8), 811 - 828
- [8] Yang, Z., & Fang, X. (2004). Online service quality dimensions and their relationships with satisfaction: A content analysis of customer reviews of securities brokerage services. *International journal of service industry management*, 15 (3), 302 - 326.
- [9] Nudurupati, S. S., Bititci, U. S., Kumar, V., & Chan, F. T. (2011). State of the art literature review on performance measurement. *Computers & Industrial Engineering*, 60 (2), 279 - 290.
- [10] Parker, C. (2000). Performance measurement. *Work study*, 49 (2), 63 - 66.
- [11] Neely, A. (2007, June). The servitization of manufacturing: an analysis of global trends. In *14th European Operations Management Association Conference* (pp.1 - 10). Turkey Ankara.
- [12] Amaratunga, D., Kulatunga, U., & Baldry, D. (2005, June). Performance measurement applications in facilities management: an investigation into the future directions. In *11th Joint CIB International Symposium-Combining Forces* (Vol.13).
- [13] Koohang, A., Paliszkiwicz, J., & Goluchowski, J. (2017). The impact of leadership on trust, knowledge management, and organizational performance: A research model. *Industrial Management & Data Systems*, 117 (3), 521 - 537.