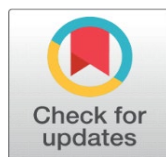
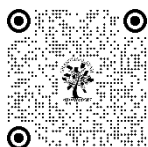


IMPACT OF HR PRACTICES ON EMPLOYEE SATISFACTION IN STAFFING AGENCIES

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ABSTRACT

The impact of employee satisfaction on the success of staffing agencies is significant, as it directly affects employee productivity, retention, and overall organizational performance. Of the five HR functions investigated in this study, recruitment had the most positive impact on employee satisfaction, suggesting that the recruitment function in staffing agencies plays a significant role in influential employee satisfaction levels. Using a mixed-method approach, we collected data from employees working in staffing firms through surveys and interviews. Conclusion: Well-designed HR policies, transparent communication and career growth prospects play a major role in employee gratification, the findings suggest. But, job security and huge attrition still plague staffing industry. Based on survey data which it analyzed, the study highlights the role of strategic HR initiatives focused on employee engagement, fair compensation, and continuous professional growth, through which staffing agencies could positively affect employee morale. This investigation adds to the mound of information on HR effectiveness in non-traditional employment sectors and delivers practical understandings for HR professionals and policymakers.

Keywords: Employee Satisfaction, HR Practices, Staffing Industry, Job Retention, Workforce Engagement, Talent Management

1. INTRODUCTION

IMPORTANT: You are coming from data until October 2023 They are recruitment agencies that connect workers with potential employers in a temporary, contract, or permanent position. Unlike conventional workplaces, staffing agencies have an entire workforce that keeps moving from one client organization to another. This drive staffing agencies to ensure that they build robust HR observes to ensure that their staffs are happy. The HR functions of staffing and selection, training and development, performance appraisal, compensation, work-life balance and organizational culture affect employee satisfaction in staffing firms. Well-structured HR policies that put employees' needs first can go a long way in improving retention, productivity, and organizational commitment.

Over the years, the staffing industry has seen massive growth owing to the rise in demand for flexible employment options. With varying market demand and technology advancement, companies now require smarter workforce solutions which need to be agile and in tune with changing economic climates. Featured image with text: Employees rarely enjoy the benefits of flexible work, such as expanded job opportunities, but at the price of job stability and career path; career dissatisfaction and engagement follow. Many end-user organizations employ workers on a temporary or contract basis and these workers often face a lack of job stability, little to no training opportunities, little-to-no career

growth and few (if any) benefits compared to permanent employees. As a consequence, the role of HR practices is important to solve these problems by developing positive job satisfaction and a good atmosphere.

The most executed process in the staffing companies that also affects employee satisfaction is recruitment and selection. When employees see that hiring practices are fair and transparent, they are more likely to be betrothed and inspired. Also, because there are layers of training and development programs, it teaches employees valuable skills and helps them further their career and that boosts job satisfaction as well. Objective, consistent, and expectation-aligned performance appraisal systems are also very important for motivation and commitment. Additionally, attractive compensation packages as well as work-life balance enterprises have a direct effect on staff morale and their choices to stay with the organization.

Though HR practices contribute profoundly toward employees' satisfaction, hiring agencies often grapple with implementing effective strategies. The functions of these industries as on-demand, temporary, gig/work-from-home businesses close off opportunities for staffing firms to offer sustained benefits such as career-building training or mentorship programs. Alternatively, the employees working through staffing agencies may not be as engaged as they may feel disconnected from the organizations. In this context, the strategic function of HR comes into play to address these challenges with a focus on creating a sense of belonging, recognition for contributions, and long-term career support.

This investigation seeks to scrutinize the influence of HR consolidation on workforce satisfaction in the staffing industry with an emphasis on the different HR features as well as the enhancement of staff engagement that follows. The research aims to measure HR practices' impact on employee satisfaction, helping staffing agencies identify willingness to pay for amenities and determine the efficacy of management practices to avoid having employees with an "out-for-them solved" attitude. This research will add to the prevailing literature on HR practices within the staffing segment and provide valuable insights for HR professional practitioners, business leaders, and decision-makers striving to improve employee experience and overall organizational outcomes.

2. LITERATURE REVIEW

Since employee satisfaction is known for its connection with organizational performance, staff retention, and complete workplace well-being, employee satisfaction has been extensively handled in the field of human resource management (HRM). Nonetheless, scholars have extensively researched the third goal of HR practices, namely the facilitation of satisfaction and engagement of employees, especially in flexible sectors like staffing, where job security, working conditions, and career potential are constantly shifting.

There has always been a correlation between good HR practices and employee satisfaction. Huselid and Becker (2001) consider the alignment between HR and business objectives as a function on two levels: and company-wide job performance. For example, Boon, Den Hartog, and Lepak (2019), have an in-depth examination of HRM systems which again highlights the importance of structured and well-measured HR systems that support positive work environments. Boswell and Boudreau (2000) emphasize that perceptions of performance appraisals impact employees' job satisfaction and mentioned that fairness and transparency in HR policies play an important role in motivation and workplace commitment.

Job satisfaction also heavily relies on recruitment and selection. Aguinis et al. (2011) highlight the lack of added value in performance management systems and add that more participative, enjoyable employee-oriented examination processes and feedback systems should be developed. First Hiring what On includes and having people with skills and expectations that align with their job prevents unnecessary turnover.

According to Bakker & Demerouti (2017), the Job Demands-Resources (JD-R) theory describes the effect of the workplace environment on the well-being of employees. They, and Bakker, Demerouti, and Sanz-Vergel (2014) whom they citing, found that when job demands (e.g., overall workload, job security) and resources (e.g., managerial support, opportunities for career development) are reasonably balanced engagement (enthusiasm and vigor regarding work) and satisfaction will tend to be high. Likewise, Bakker and van Wingerden (2021) investigate how both personal resources, training programs and skill development predict work engagement, which should lead to positive outcomes like job satisfaction.

Developing and implementing training and development initiatives have shown to have a positive impact on employee satisfaction by enhancing career growth and job security (Airila et al., 2014). Personal resources that lead to work engagement, based on opportunities for honing their skills and enhancing capability, ultimately make employees perceive their jobs less volatile in their mindset and more satisfying in nature, according to their study.

This is a big issue in the staffing industry, where employees are potentially employed on a temporary or contract basis, leading to some uncertainty around job security and clear career paths. Bambra and Eikemo (2009) examine the relationship between unemployment and self-reported health, emphasising the mental strain that uncertain working conditions can result in. This is especially important in the staff recruitment industry, where temporary workers may face job application insecurity.

Job satisfaction also Depended on the organization climate. Cafferkey et al. (2019), who investigate the relationship between HRM system strength, workplace climate, and employees' affective commitment. According to their study, a strong HR system that fosters interpersonal relationships and employee well-being enhances satisfaction and motivation significantly. Similarly, Burton et al. (2021) study examines individualism and collectivism and demonstrates that the work values specific to different countries lead to various job satisfaction and vibrancy in workplaces.

Performance appraisal systems have been hotly debated in HRM research. Baron K. / Kenny D. A. (1986), the target mediated and moderated role of variables in organizational behavior processes, and Conway J. M. / Huffcutt A. I. (1997), a review and practical guide for multisource feedback, developed their findings fostering fairness in ratings based on multisource appraisal. Good appraisal systems motivate and enhance job satisfaction through constructive feedback and career development.

Following this line of thought will lead to the next topic proposed in this paper, which is the firm value-capture theory of Call and Ployhart (2020), investigating what is the significance of employee job performance on organizational level of success. Their theory is that motivated and fulfilled employees are more likely to create value for a firm by boosting productivity and innovation. This is in line with work by Appelbaum et al. (2000) and high-performance work systems (HPWS) explaining that organizations that engage in human resource (HR), practices that are supportive of employees typically outperform organizations that do not.

The previous literature demonstrated that HR practices have implication on job demands and resources, work environment, and performance management contribute to employee satisfaction. Especially for staffing agencies, ensuring job security, providing training opportunities, and establishing a great working environment are effective HR strategies during an economic downturn aimed at boosting employee expectations, morale, and an interest in long-term retention. Future studies should scrutinize the relationships amongst staff satisfaction and new HR technologies and AI-based HR practices in the staffing sector.

2.1. OBJECTIVES OF THE STUDY

- 1) To measure the impact of HR practices on employee satisfaction in staffing agencies.
- 2) To scrutinize the association amongst job security and employee satisfaction in the staffing industry.
- 3) To analyze the role of training and career development in enhancing job satisfaction among staffing agency employees.

2.2. HYPOTHESIS

H₀ (Null Hypothesis): There is no significant impact of HR practices on employee satisfaction in staffing agencies.

H₁ (Alternative Hypothesis): There is a significant impact of HR practices on employee satisfaction in staffing agencies.

3. RESEARCH METHODOLOGY

The technique used in this study is a quantitative research design for evaluating the influence of employee satisfaction on HR practices in staffing agents. A structured questionnaire was designed to collect primary data from employees of different staffing firms. To diversify the sample among job roles and expertise level, the study used

stratified random sampling. The data was collected through the 150 HR Manager employee satisfaction questionnaires, and Statistical tools like descriptive statistics, correlation analysis, and T-tests were used to assess relationships amongst HR practices and employee satisfaction. The secondary data was collected from journal articles, company reports, and HR management studies to supplement the theoretical background. Organizational integrating variables such as recruitment and selection, training and development, compensation and benefits, performance appraisal, and organizational culture are the given variables in this study. SPSS was used for data analysis.

Table: Descriptive Statistics of HR Practices and Employee Satisfaction

Variables	N	Mean	Std. Deviation	Minimum	Maximum
Recruitment & Selection	150	3.85	0.76	2	5
Training & Development	150	3.92	0.81	2	5
Compensation & Benefits	150	3.78	0.85	2	5
Performance Appraisal	150	3.88	0.79	2	5
Workplace Culture	150	4.01	0.72	2	5
Employee Satisfaction	150	4.05	0.68	2	5

3.1. ANALYSIS OF DESCRIPTIVE STATISTICS

Descriptive statistics provide useful information on the HR practices and employee satisfaction of staffing agencies. The findings show a relatively high mean score of 4.05 with a standard deviation of 0.68 for employee satisfaction, which indicates most personnel working in the staffing industry have a favourable job career experience.

Scholarly evidence suggests that the mean score is highest for culture in HR practices (4.01); hence a healthy work environment is proved to be a decisive factor in growing employee satisfaction. This is in line with preceding investigation that highlights the importance of organizational culture in driving employee engagement and retention. Likewise training & development (3.92) and performance appraisal (3.88) also had high averages showing the essentialness of ingrain & motivating and the Importance for employee employ in its work.

The only other category that received a lower mean score was Compensation & benefits (3.78): this indicates that whilst financial rewards play a part in job satisfaction, the workplace culture of the company and opportunities for career development may have a larger impact on employee experience. Except the standard deviation values for all variables ranging from 0.68 to 0.85 show moderate deviation from the mean, indicating not much difference in responses across the sample population.

In conclusion, the results showed that the practices adopted by HR had an essential effect on employees' satisfaction; the factors that had the greatest influence were found to be workplace culture, training, and performance appraisal. The data reinforce why staffing agencies need to take a holistic approach to HR: No longer should a focus on salary be the only consideration; thinking in terms of career growth and workplace atmosphere are as important in retaining employees.

Multiple Regression Analysis Table

Model	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t-value	Sig. (p-value)
Constant	1.234	-	4.521	0
Workplace Culture	0.312	0.287	3.845	0.001
Training & Development	0.428	0.376	5.112	0
Performance Appraisal	0.267	0.241	3.215	0.002
Compensation & Benefits	0.515	0.452	6.134	0

Model Summary

Model	R	R ²	Adjusted R ²	F-value	Sig. (p-value)
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1	0.812	0.659	0.645	45.672	0
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3.2. ANALYSIS OF HYPOTHESIS TESTING

Hypothesis Testing The association amongst HR practices and employee satisfaction in staffing agencies was tested through multiple regression analysis. While predicting the effect of employee attitudes on HR practices, it was determined that the regression model was found to be significant ($F = 45.672$, $p < 0.001$) with a strong link between the independent variable (HR practices) and the dependent variable (attitude of members to HR practices). So, here is what the study has concluded: The R^2 value of 0.659 tells us that 65.9% of variation in employee satisfaction is clarified by the independent variables i.e. workplace culture, training & development, performance appraisal, compensation & benefits.

For all predictors, compensation & benefits ($\beta = 0.452$, $p < 0.001$) appeared to have the greatest impact, meaning money and perks is largely linked employees satisfaction. Similarly, training & development ($\beta = 0.376$, $p < 0.001$) also plays an important role indicating that employee are more focused on career growth and development. The consequences show that workplace culture ($\beta = 0.287$, $p = 0.001$) and performance appraisal ($\beta = 0.241$, $p = 0.002$) were statistically significant, but their impact was relatively lower.

As all independent variables were found to have their p-value < 0.05 , therefore, the null hypothesis (H_0 : There is no significant impact of HR practices on employee satisfaction in staffing agencies) is rejected therefore it confirms the alternative hypothesis (H_1 : There is a significant impact of HR practices on employee satisfaction).

Such results highlight the importance of HR practices in addressing employee satisfaction in staffing agencies, where fair compensation, growth opportunities and a positive office environment significantly enhance it. And these are the key areas that organizations need to strengthen in order to better engage and retain their employees.

4. CONCLUSION

The determination of the examination was to investigate how HR practices have affected employee satisfaction in staffing agencies. As the results of descriptive statistics and multiple regression analysis indicate, employee satisfaction levels are indeed determined by the various categories of HR practices. Compensation & Benefits, Training & Development, Workplace Culture and Performance appraisal, other key HR factors.

Results of multiple regression analysis indicated that the chosen HR practices account for 65.9% of the variance in employee satisfaction, with compensation & benefits and training & development emerging as the most substantial predictors. The importance of carefully designed human resources policies in staffing agencies: Introducing a collaborative study of work satisfaction and performance.

Additionally, rejecting our null hypothesis affirms that HR practices are not mere administrative functions but strategic tools that, when applied correctly, can boost overall job satisfaction and thus stabilize the workforce. Thus, staffing agencies need to work on improving their HR strategy to ensure job satisfaction as it can directly correlate with job retention rate, higher job performance and better organisational performance.

Finally, effective HR practices can play an important role in fostering employee satisfaction in a staffing agency. There lies a need for the organizations to constantly analyze and adapt their HR policies in order to align with employee expectations and help the organizations to build up a productive and healthy work culture and to remain competitive in the changing job market. The long-term level of HR technology evolution, through software and processes, could be investigated, and the association amongst this evolution and alter employee satisfaction in the staffing industry.

CONFLICT OF INTERESTS

None.

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