ABSTRACT

In current situation, in order to survive in the business the financial institution both local and international could not avoid the rightsizing. Eventhough rightsizing is the strategy for short cut of cost reduction when the organization encounter the difficulty in profitability, the rightsizing need to be planed and managed well. Since the rightsizing can create many consequences especially in term of discouraging job satisfaction. Moreover, due to the relationship between job satisfaction and productivity. If the rightsizing is not managed well, it could be the cause of productivity decreased which lead to lower profitability instead of strengthen the organization in competitive environment.

The research design was descriptive. Descriptive method used respondents' primary data, which consist of the Retained Staff and Laid-off Staff groups of the target international bank and their perception toward alternative approaches to rightsizing as well as their perception on job satisfaction before and after implementation of rightsizing. Correlation analysis was used to describe the variables and measure whether or not independent variables have an influence on dependent variables. The statistical computer software i.e. Statistic Package for Social Sciences (SPSS) were utilized for statistical analysis. Total enumeration was the sampling procedure with 112 respondents in Retained Staff group and 45 respondents in Laid-off Staff group.
From the study, the result shown disagree of respondents on Alternative Approaches to rightsizing especially in terms of Openness of communication and Alternative Criteria for employee cost reduction. In addition, the study found that the level of job satisfaction is decreased after implementation of rightsizing. Form the result of the study it shown that Openness of Communication had greatest influence on job satisfaction. Moreover, the study prove that Alternative Approaches to Rightsizing in terms of Openness of Communication during rightsizing and Alternative Criteria use for employee cost reduction caused job satisfaction in terms of Effort/Reward Ratio, Job Security, Compensation and Possibility for Growth. Applicable recommendation was suggested in order to enhance job satisfaction of Retained Staff group who are the future of the bank.