



A CASE STUDY OF ORGANIZATIONAL CHANGE
(RIGHTSIZING) IN AN INTERNATIONAL BANK
IN BANGKOK

by

JITTRAKAN SUTHIPONPAIBOON

A Thesis Submitted in Partial Fulfillment
of the Requirements for the Degree of

Master of Management

Graduate School of Business
Assumption University
Bangkok Thailand

November 2002

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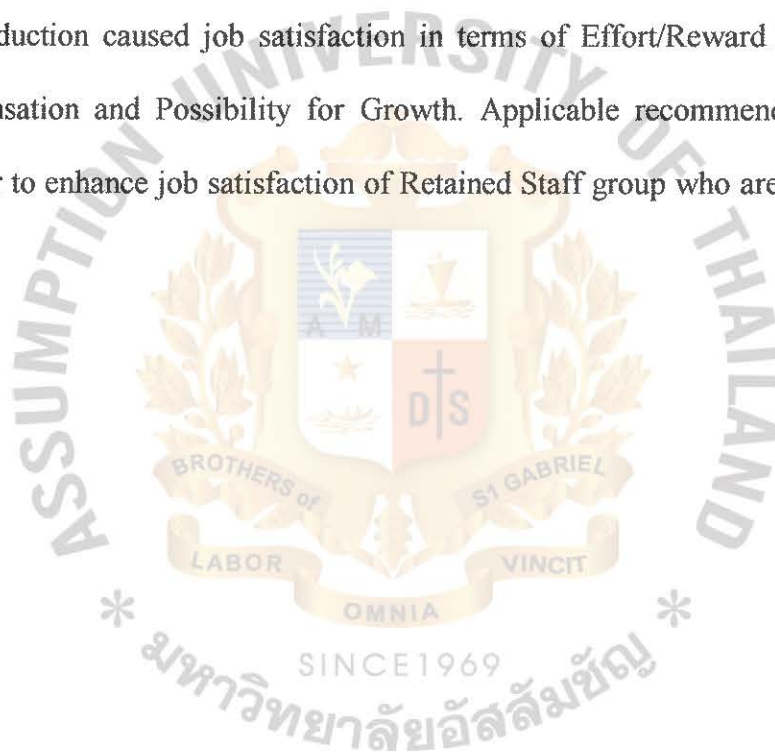
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ABSTRACT

In current situation, in order to survive in the business the financial institution both local and international could not avoid the rightsizing. Event though 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.



ACKNOWLEDGEMENT

Without full support from my advisers, this thesis could not be accomplished. Sincerely thanks to Dr. Noel Jones for teaching me how to think systematically, for enlightening my idea about interested topic of this study. In addition, thanks for motivating me to complete thesis proposal. Cordially thank to Dr. Salvacion E. Villavicencio for useful advice on how to conduct the correct format of thesis and helpful advice for thesis analysis. Many thanks to Dr. Somprot Sarakosas for very useful comment and feedback for the overlook point. Unforgettable thanks given to Ms. Sunisa Kwanbumphen (P 'Tim) for her kind assistance on guiding me how to find out and select the books and article in library. Special acknowledgement to my friends in target international bank for co-operating in answering the questionnaire and devoting their time for interview.

I also wish to give my deepest gratitude to my beloved family for support and encouragement.

Finally, I would like to extend my heartfelt thanks to my lover for his understanding and patience during this thesis

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CHAPTER 1

INTRODUCTION

1.1 Generalities of the Topic

Currently organization's environment such as economic condition, globalization, and competitive climate are factors, which affect an organization's ability. The changed environment has lead to organization decline and force organization to adapt /change / develop itself in term of cost effectiveness, human resources, computerized technology, and competitive strategy (Ivancevich and Matterson, 1999)

In mid -1997 the economic, financial and political turmoil that struck Asia represented both a crisis and a panic. The crisis was one of fundamentals. It was a growth crisis. Its core was obsolescent financial systems that relied almost exclusively on commercial banks to provide capital for economic expansion. These institutions were very highly leveraged and poorly regulated for the most part, could no longer support the high growth that most of the region had sustained for nearly twenty years.

Asia's financial systems have had to rely on what was called " 19th century technology" since there was no alternative. Capital markets were poorly developed. As is inevitable, the misallocated capital and employed weak credit controls. Thailand 's financial markets in the 1980s could best be described as fairly inconsequential. Equity markets were modest, there was little in the way of long term opportunities, and the banking sector was basically limited. The first crack in the financial system appeared in 1994, but the Thai politicians kept this problem hidden until 1997. When the Thai baht was devalued on July 1997, panic spread among both foreign and domestic creditors and investors. Thailand was the starting point of the Asian crisis. It was from Bangkok that the panic first spread to the

rest of the region. The Thai crisis was probably inevitable, but Thailand is squarely responsible for the panic that it created. The authorities handled the problem inefficiently. Moreover after the bubble economy collapsed Thailand encountered problem in the financial and banking sectors i.e. non-performing loan, monetary deficits, and lack of liquidity.

Since 1997 Thailand's economy has been under going a recession period. Economic recession affected the banking and financial sectors most. Ninety-six financial, and securities companies have been officially closed by government. Government amended and launched new laws allowing foreigner to hold more than 25 % banking shares. This law attracts foreign investors to take over some Thai banks. Investment in capital markets is one that was mostly affected by economic problems. Foreign investors decided to sell Thai stock in order to transfer their capital to other emerging markets. However, the direction of Thailand's economy was not clear enough to expect when the recovery would be occurred. Until September 11th 2001, after the terrorists attacked the United States of America, this significant event accelerated a global economic slowdown. The dramatic collapse in American consumer confidence, following the World Trade Center attack, increased the likelihood the US economy would slide into recession. However, the debate is now increasingly focusing on how far-reaching the damage will be and how long the downturn will last. At present, the world becomes contrasting with the world pre-Sept 11. The change is radical, almost a paradigm shift in circumstances especially in term of economic.

When there is a combination of global downturn and severe drop in commodity price and a huge reduction in international trade, the people in the developing countries are the ones who suffer most. Thailand is one of the developing country. Due to global economic downturn, inevitably, the financial status of most businesses in Thailand, especially financial and banking businesses, including international banks have got worse (Delhaise, 1998)

In the study, researcher focuses on Thailand Branch of target international bank. Target international bank first opened in Thailand in 1894. In the early days, most of the Bank's business was associated with the purchase of bills drawn against shipments of rice to Hong Kong and the Straits Settlements. Over the years, the target international bank has been developed a high profile as a premier commercial bank and maintained its excellent reputation providing services in Thailand. Currently, the target international bank operates through a branch in Bangkok. It is one of only three international banks in Thailand that provide a comprehensive service to individual, corporate customers, banks and investment institutions.

For over 100 years in Thailand, target international bank has earned the respect and trust of customers and leading financial institutions. The target international has evolved into one of the leaders in the Thai banking and financial industry, providing full range of financial services while aiming to deliver outstanding value through reliable, knowledgeable and efficient services to its customers in a helpful, personal and responsive manner.

At present, target international bank mainly provides global market services, and wholesale banking services to Thai and foreign customers. The global market services are operated by frontline staff of and back office staff of Global Market department and Global Market Operation department respectively. While the wholesale banking services are operated by frontline staff and service delivery staff of Corporate and Institutional Banking division, Trade Finance Services department, Cash Management Services department, Inward and Outward Payment Services department. In addition, the target international bank has Financial Control department, which mainly functions in control all accounting system of the bank. While Human Resources department provides all functions related to human resource management to the bank. All these divisions, departments, and service centers are supported by Global Technology department in terms of system and computer technology. While

consumer banking services are separately provided by another local bank after an acquisition of target international bank (Internal electronic document of target international bank).

The bank's goal is to be the number one institution in its chosen market, and the bank remains committed to this goal. As an integral part of achieving this goal, the bank must continually focus on both generating revenue and on critically examining its costs. The bank needed to review the cost of doing business by considering cost and income ratio to determine the core value business activities versus non-core value business activities. It is a fact that in a banking service business, staff costs are a significant part of the bank's cost of doing business. Management needed to look critically at the skills the bank required to do the business and the number of people required. As a result, management of the target international bank decided to implement an organization development (OD) intervention or programs to secure the future of the business, even in these adverse economic times. The program called the "Restructuring Scheme," which is an alternative cost saving strategy for an organization development intervention that management of the target international bank selected to adopt in order to re-shape and refocus its business. This is consistent with a long-term strategy of reducing employee costs, and delivering value to the Group and shareholders. However, headcount reduction is the result of a sound business case which management must carefully review.

As part of this re-focusing of the business, management announced that some 80 positions were to be eliminated; approximately 30 of these positions were in the front/middle office and 50 in the Global Technology, Financial Control Department, and all wholesale banking service centers. Management made every effort to re-deploy staff affected by this decision. Management has a plan to manage staff by re-deploying staff from low growth or low potential areas to those with high growth or high potential ones. As for support functions, the bank had to continually address the efficiency of various units with a view to making

them highly productive, and with the optimum staffing levels. The bank therefore must have regular adjustments to the staff complement in the support functions, which are dictated by the extent of business needs. (Document of target international bank)

There are a variety of terms used for this OD intervention for cost strategies i.e. downsizing, layoffs, rightsizing, resizing, consolidating, reorganizing, restructuring, reshaping, and re-deploying. The restructuring in fact involves redesigning tasks by merging organizational units, eliminating management layers, and staff re-deployment. But it is a fact that this restructuring scheme actually concentrated on workforce reduction by the use of layoffs, voluntary retirement, and transfers. The employees who were in the laid-off and voluntary retirement group were called in this research the “Laid-off Staff group.” Those employees who were laid-off and voluntarily retired have received the support of the target international bank i.e. outplacement services including severance packages. While the employees who are not in the laid off staff group were called the “Retained Staff group.” Some retained staff transferred from one department to another department as a part of re-deployment. The target international bank adjusted the number of staff according to the required volume of work and the revenue it created. It also simply involved a freeze on hiring, combined with increasing performance. Thus, fewer employees means fewer employees per unit of output. By doing so it increased the amount of work generated with a decrease in the number of workers. Because of this scenario, the researcher chose rightsizing as an appropriate way to refer in this study.

Even though rightsizing is an effective strategy and a short cut to cost reduction for improving financial performance, there are many anticipated benefits of rightsizing in terms of economic levels and increased operational efficiency of the organization, management need to implement this OD intervention carefully. Since rightsizing is a transitional change initiated from the top down, it probably creates many unintended consequences involving

psychological factors that impact the employees who remain in the organization. These psychological impacts include: increased pressure, demand, workloads, and stress all fall onto remaining staff who are called survivors. These results can further lead to lower job satisfaction. In this study, the researcher select to stud about rightsizing and job satisfaction due to the belief that job satisfaction is the one significant factor that effects overall organization performances in terms of effectiveness and efficiency. Lock (1997) job satisfaction refers to the individual's emotional reaction to a particular job. Lock also defines job satisfaction as a pleasurable ore positive emotional state, resulting from the appraisal of one's job or job experience. Therefore, increasing job satisfaction will increase productivity and hence the profitability of organizations.

1.2 Research Objectives

Rightsizing is a strategic alternative that organizations select for the purpose of creating value by reducing employee costs. These efforts are aimed at becoming the lowest-cost producer in order to maintain its business in industry. However, rightsizing processes create particular kinds of changes in organizations, which result in the change of the perception on the determinants of job satisfaction of organization members. The overall research objective is to identify and examine respondents' perception on alternative approaches in rightsizing and on determinants of job satisfaction before and after the rightsizing. The critical results and lessons learned would help top management of the Target International Bank to better know and understand employees 'perceptions toward the alternative approaches to rightsizing. Moreover the researcher wish management of the bank and other financial institutions use this research as a case study in considering the criteria used in implementation of rightsizing and improve it to be effective rightsizing. In addition, the study would help the bank in consideration intervention to enhance job satisfaction of

Retained Staff group after implementation. The specific objectives of this research are as follows: -

1.2.1 To determine what differences, if any, exist between the demographic profiles of respondents in the Retained Staff and Laid-off Staff groups.

1.2.2 To study and explain why there might be differences between the demographic profiles of respondents in the Retained Staff and Laid-off Staff groups.

1.2.3 To determine the relationship between the demographic profiles, and the criteria used for selection of respondents in the Retained Staff and Laid-off Staff groups.

1.2.4 To assess the perception of respondents in Retained Staff and Laid-off Staff groups on alternative approaches used in rightsizing.

1.2.5 To measure the perception of respondents in Retained Staff and Laid-off Staff groups on the determinants of job satisfaction before and after the implementation of rightsizing by comparing the perception of respondents in Retained Staff and Laid-off Staff groups on the determinants of job satisfaction before implementation of rightsizing to the perception of respondents in Retained Staff and Laid-off Staff groups after implementation of rightsizing.

1.2.6 To study the influence of the alternative approaches to rightsizing on job satisfaction.

1.3 Statement of Problem

Rightsizing is one of the organizational changes, which management needs to carefully select from alternative approaches to the Restructuring Scheme. There were various alternative approaches that management selected to rightsizing i.e. alternative criteria for employee cost reduction, openness of communication, job design alternatives, psychological contract/ employment relationship, and management style. If alternative approaches to rightsizing, which the management of the target international bank chose are not managed

well, there will be attitudinal changes, which reflect on attitude and feelings of employees in terms of job satisfaction. Job satisfaction is one significant factor that influences overall performance of the bank in term of effectiveness and efficiency.

Management adopted the first phase of the rightsizing strategy. The rightsizing strategy of target international bank cannot be done at once like in manufacturing business. The reasons were that some functions cannot be immediately eliminated because they probably affect global standards of services, which impact customer satisfaction. Therefore, the tasks were performed by the staff who were laid-off must be transferred to the existing staff, and needed to be handed-over appropriately. Existing staff needed to be retrained / reeducated by laid off staff for additional skills, and knowledge to cover displaced positions, for 3-9 months depending on how important or difficult those tasks were. Additionally, some staff were transferred from low potential areas to high potential areas. These staff needed to be retrained for new skills and knowledge also. The rightsizing in this case therefore was the organizational change process that takes a long period of time. Moreover, there was uncertainty in the climate for the status of employment in the future. The whole staff of the bank, including the researcher were affected by alternative approaches used in rightsizing that management selected to use and how the rightsizing was managed. There was a lot of rumor in the bank after official announcement from management. Most of staff worried about their employment status. They said each other that if they could find a new job with other organizations they preferred to resign from the bank. Since most of staff perceived that there might be the second round of layoff and the next ones might be them who are terminated without paying for severance package. If the bank announce the second round for offering severance package, some of staff preferred to take severance package in order to run their own business because they think that there was no guarantee for job security in working with target international bank.

Research Questions

This study sought the answers of the following specific questions.

1. What is the difference between the demographic profile of respondents in Retained Staff and Laid-off Staff groups in terms of
 - 1.1 Age
 - 1.2 Gender
 - 1.3 Educational background
 - 1.4 Length of Services
 - 1.5 Position
 - 1.6 Salary
2. Why are there differences between the demographic profile of respondents in Retained Staff and Laid-off Staff groups in terms of
 - 2.1 Age
 - 2.2 Gender
 - 2.3 Educational background
 - 2.4 Length of Services
 - 2.5 Position
 - 2.6 Salary
3. What is the relationship between the respondents in Retained Staff and Laid-off Staff groups and the criteria used for selection in terms of
 - 3.1 Age
 - 3.2 Performance
 - 3.3 Educational background
 - 3.4 Length of Services
 - 3.5 Salary

4. What is the perception of respondents in Retained Staff and Laid-off Staff groups on alternative approaches in rightsizing in terms of
 - 4.1 Alternatives and criteria for employee cost reduction
 - 4.2 Openness of communication
 - 4.3 Job design alternatives
 - 4.4 Psychological contract / employment relationship
 - 4.5 Management style
5. What is the perception of respondents in the laid off staff and retained staff groups on determinants of job satisfaction before implementation of rightsizing in terms of
 - 5.1 Individual factors
 - 5.1.1 Effort/ Reward –ratio
 - 5.1.2 Commitment
 - 5.1.3 Expectation
 - 5.2 Internal factors
 - 5.2.1 The work itself
 - 5.2.2 Job variety
 - 5.2.3 Possibility for growth
 - 5.3 External factors
 - 5.3.1 Job security
 - 5.3.2 compensation
 - 5.3.3 Opportunity for other employment
6. What is the perception of respondents in Retained Staff and Laid-off Staff groups on determinants of job satisfaction after implementation of rightsizing in terms of
 - 6.1 Individual factors
 - 6.1.1 Effort/ Reward –ratio

6.1.2 Commitment

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6.1.3 Expectation

6.2 Internal factors

6.2.1 The work itself

6.2.2 Job variety

6.2.3 Possibility for growth

6.3 External factors

6.3.1 Job security

6.3.2 compensation

6.3.3 Opportunity for other employment

6. Do the alternative approaches to rightsizing in terms of 1) alternative criteria for employee cost reduction 2) Openness of communication 3) Job design alternatives 4) Psychological contract / employment relationship, and 5) Management style, has an influence on job satisfaction ?
7. Which of the alternative approaches to rightsizing has the greatest influence on job satisfaction?

1.4 Research Hypotheses

From the point of view of researcher, the following hypotheses are assumed to test the influence of independent variables on dependent variables.

Ha1 : There are differences in demographic profile of respondents in Retained Staff and Laid-off Staff groups

Ha 2 : There is a significant difference in the perception of respondents in Retained Staff and Laid-off Staff groups on alternative approaches to rightsizing.

Ha 3 : There is a significant difference in the perception of respondents in Retained Staff and Laid-off Staff groups on the determinants of job satisfaction before and after rightsizing.

Ha 4 : The alternative approaches to rightsizing has an influence on job satisfaction.

Ha 5 : The alternative approaches to rightsizing that has the greatest influence on job satisfaction is psychological contract/ Employment relationship.

1.5 Scope of Research and Limitations of the Study

The respondents are from the employees of Target International Bank who are Retained Staff and Laid-off Staff groups, which consist of four levels i.e. clerical staff, assistant managers, managers, senior managers. The target respondents are in the Bangkok branch of an international bank in the Global Technology department, Financial Control department, Whole Sale Service Delivery, and Corporate Banking and Institutional division. Before implementation rightsizing program, the Bangkok branch of the target international bank consists of 300 employees, of which consist of 210 clerical staff, 50 assistant managers (AM), 30 managers, and 10 senior managers. According to official announcement from top management of the bank, about 80 employees were terminated with different effective date. While Retained Staff group needs to take more responsible to assume functions of terminated staff. In addition, the Retained Staff group worried about their employment status and had question whether or not there would be the second round of layoff. Due to job insecurity, the Retained Staff with good performance tried to seek a new job from other organizations.

Rightsizing program that the Target International bank implemented takes time at least 1 to 2 years. Addition, rightsizing is sensitive issue that concerns confidentiality due to reputation of the organization. At the present most of staff feel shock that some of their colleagues who worked for the bank more than 10 years are laid off without noticeable sign.

Most of staff perceived that they were facing uncertain in employment status and insecure on their job and their future. Therefore there are research limitations as follows: -

1. The success of data collection depends on the understanding of management for the benefits of the study.
2. Because of the sensitive of the rightsizing, The number of respondents in Retained Staff and Laid-off Staff groups was not transparently disclosed.
3. Data collection through Human Resource Department might not be resulted in a 100% responded. The number of questionnaires returned depends on the decision of Human Resource Department and due to the dynamic of rightsizing.
4. Due to the difficulty of data collection from respondents in the Laid-off Staff group who no longer worked for the bank and from respondents in Retained Staff group in some department such as Financial Control department, which researcher does not have a direct connection with, the completed questionnaires may not be resulted in a 100% responded.
5. The accuracy of data to be collected may not be fully achieved since the respondents may not provide true answers because they may be concerned about job security if their answers are to be disclosed to the management.

1.6 Significance of the Study

Rightsizing is a challenge for management because there could be misunderstandings among staff and lead to many negative consequences i.e. workload, and demand that lead to psychological impacts. These psychological impacts such as pressure, stress from feelings of insecurity and uncertainty can effect the organizations overall performance.

The study will help to clarify whether or not the rightsizing is managed well. In this case, the researcher as a student of Organization Development Management intends to help the organization to identify determinant factors that enhance employees' job satisfaction

most. Moreover, at least the study would probably be one part that helps the target international bank to be successful in organization change in rightsizing. In addition, the study would provide useful guidelines for other financial institutions, both local and international institutions, for implementing rightsizing. The results of the study would be beneficial for other laid-off staff to have a positive perception about opportunities for other employment after being laid off. Finally, after obtaining the results of the study, the researcher wants to suggest OD interventions that help to minimize the negative consequences of rightsizing, enhance job satisfaction, support employment relationship, and improve the quality of work life of Retained Staff group in order to be a healthy and effective organization.

1.7 Definition of Terms

To clarify uniformity of understanding throughout this research, basic terms that applied in the research are defined as follows:

- Rightsizing It refers to (1) the strategic aims at reducing employee costs and the size of an organization's workforce, usually through a combination of layoffs, voluntary retirements, and transfers, and (2) the accompanying restructuring of surviving workers and work processes in response to the organization's altered size, resources and goals. It is assumed that there are fewer workers than before and that reorganization or restructuring to re-deploy the existing workforce will occur. (Amrosed, 1997: 6)

- Laid off staff group Refers to the target international bank 's employees who are selected to be laid off, or voluntarily retired.

- Retained staff Refers to the target international bank 's employees who are selected to be laid off but have alternatives to transfer from one department to another department, including employees who are not selected to be laid off

- Alternative criteria for employee cost reduction It is a strategic method that organizations select to reduce employee costs by using specific criteria. The alternatives used are layoff, voluntary retirement, and transfer. And the criteria used are based on the value of the activity, performance, and employee costs, which are paid per employee.

- Layoff It means dismissed employees with severance packages more than the lowest rate prescribed by Thai law.

- Voluntary retirement It is an option for employees who are willing to resign and take a severance package, which is more than the lowest rate prescribed by Thai law.

- Transfer It is another option for some employees who are in the list of rightsizing program in case they do not want to be laid off. They can select to transfer from existing departments, which are low growth or low potential area to those with high growth.

- Openness of communication It refers to the tools that management used to communicate with employees to explain about the rightsizing program with the significant information of why, how, what, and who. In addition, it is used to handle employee's further questions on rightsizing. And it is a strategy for improved understanding between management and staff in the organization.

- Job design It refers to the process by which management reconsider a range and depth of the job according to the requirements and situation of the organization.

- Job rotation It is a practice of moving employees from job to job to reduce the potential boredom and increase potential motivation. Job rotation is one part of transfers in a rightsizing program.

- Job enlargement It is a practice of increasing the number of tasks for which and employee is responsible. It relates to an increase in job range, which is one tool for employee cost reduction when there is displacement.

- Job enrichment It is a practice of increasing the discretion employees can use to select activities and outcomes without requesting permission from higher levels.
- Psychological contract / employment relationship It refers to the exchange that underlies an employee's working relationship with an employer. It describes the exchange that both employee and employer expect for contribution and reward.
- Long-term employment relationship means ultimate and codependent employment relationship between an employee and their employer.
- Situational employment relationship means flexible employment relationship depending on situation and organization environment i.e. economic, financial status, requirement of organization on the number of workforce and good work.
- Promotion It refers to the kind of rewards for good performance before rightsizing program. Before rightsizing program, promotion means giving the reward by assuming a higher position for good performance.
- Loyalty In the psychological contract before rightsizing program it means staying with the target international bank until retirement. In psychological contract after implementation of rightsizing program it means a responsible, psychologically mature workforce.
- Management style It refers to 1) the way that work is organized by management 2) the way people work with or against each other and 3) the way in which people co-operate with each other. During the organization transition period, management style has effect on the employees' perception on job satisfaction. This whole definition needs to be changed as it is unclear.
- Authoritarian management style It refers to the style of management where authority is centered at the top. The authority may be passed down to lower levels according to the chain of command.

- Participative management style It refers to the style of management that allows staff to participate in decision making processes and have authority to exercise.
- Effort / reward ratio It relates to employee's perception of the equity or fairness of the relationship between his/her efforts or input and outcomes or rewards in comparison to the inputs and outcomes of another employee.
- Commitment It is the glue that binds employees to their organization where employees give their personal service and invest their energy.
- Employees' Commitment It is the degree to which an employee particularly identifies with the organization and its goal and wishes to maintain their membership in the organization.
- Expectation It is employees' belief that their job should fulfill certain needs i.e. physical needs, safety needs, and needs for belonging.
- The work itself It is about the tasks or kind of work that makes employees commit to the work and organization, including the challenge of interesting work itself. Work that gives employees autonomy or freedom to do it or gives them an opportunity to use their skills or ability in doing it.
- Job variety The requirement of increased skills and knowledge to perform a job.
- Possibility for growth It refers to the possibility to be promoted to a higher level position in that organization.
- Feedback & recognition It refers to written or verbal complement of management or supervisor to employees when they work well or perform a very good job.
- Job security In this study it refers to the safety of employees' job and the assurance of keeping the job until retirement.
- Compensation It is about overall salary, benefits, rewards and bonus, which organizations give to their employees for employment, including severance packages, that

organizations compensate for unemployment. This compensation should be in line with employees' expectation.

- Opportunity for other employment It is employees' belief that their future prospects are good and they have a chance of finding work with another employer. This belief and degree of opportunity relates to the change in the level of job satisfaction.



CHAPTER 2

REVIEW OF RELATED LITERATURES

2.1 Organizational Change

Change occurs when one thing ends and something new or different starts. The period between these two points is transition. This is where people have to learn to let go of the old and embrace the new. Usually, it means moving from the familiar to the unknown. Even when change is positive, psychological processes affect people. Most of people have a strong response to any change. One of the strongest responses can be a feeling of loss, along with the struggle to accept new direction. Change can produce physical symptoms such as sweating, sleep loses, and or emotional distress which can affect the quality of work. (Scott and Jaffe, 1994: 31)

The most common error in managing change in organizations is underestimating the effect will have on people. Many managers think that if they just tell their employees to change, they will. They do not realize how upsetting it is to give up work patterns that are familiar. Always bear in mind the extent of disruption and appreciate that people need time to adjust. (Scott and Jaffe, 1994: 31)

2.2 Change in Environment

Jones (1995) Environment changes that affect organization's ability to obtain scarce resources may be lead to organization decline. The major sources of uncertainty in the environment are complexity, the number of different forces that an organization has to manage; dynamism, the degree to which the environment is changing, the amount of resources available in the environment. The greater the uncertainty in the environment: economic condition, demand of customer, forces organization respond with downsizing that involved the layoff hundred of employees.

2.3 Rightsizing

There are numerous professors and researchers who defined the term “ Rightsizing” differently in literatures, materials, journals and internet documents. There are variety terms used i.e. downsizing, rightsizing, layoff, reorganizing, redeploying, and restructuring to describe this activity. However, most of them utilize the term of “downsizing” in their written. Definitions of rightsizing are described in a different way i.e. as organizational change or organization development intervention or organization strategies.

Cascio (1993) explained a rightsizing as interventions aimed at reducing the size of organization. This typically is accomplished by decreasing the number of employees through layoffs, attrition, redeployment, or voluntary retirement or by reducing the number of organization units or managerial levels through divestiture, outsourcing, reorganization, or delaying. In practice, rightsizing generally involve layoffs where a certain number of organization members is no longer employed by organization. Although traditionally associated with lower-level workers, rightsizing increasingly has claimed the job of specialists, middle manager, and senior executive.

According to the study of Marks (1994) in a major organization change or transition, rightsizing is the event has not just change the structure and style, policies and practice of organizations, it has a profound impact on people who spend their working lives in the organizations. Certainly organizations need to “rightsize” by eliminate unnecessary work and responding to economic, legal, technological, and consumer change. If organization did not change, they would not remain competitive. Management, however, must come to terms with the fact that the way in which organizations transformed themselves during the economic recession has break personal motivation, hindered team performance, and damaged organizational effectiveness. It has been a mostly negative impact, as employees have watched their co-workers get laid off, their career paths and aspirations evaporate. However,

rightsizing can be beneficial for organizations and their employees if there is fat to be cut and waste to be eliminated from many corporations, even profitable one.

Similarly, the study of Downs (1995) defined a rightsizing as the attempt to cut costs and increase profit for organization. Throughout the long period, without the consent from every organization employees, participated in trail- and error of this cutting strategy. Moreover, rightsizing places tremendous stress and work overload on managers and effects surviving employees' morale. Communities also take a hard time during a rightsizing. It decreases tax revenue and falls retails sales all suffered. In addition, it creates a downward economic trend that is ultimately borne by all those who remain employed. It weakens the bonds of community, families are pushed to the limit as they try to accommodate the loss of income with the least amount of devastation.

Dubrin (1996) stated that using the term downsizing, rightsizing or restructuring organizations predominates in the revamped workplace. Rightsizing has improved the financial position and competitiveness of many firms by cutting their workforces, eliminating the jobs of unproductive people and emerging as more profitable. But despite many successes, rightsizing fails to consistently achieve its goals of improving earning and overall company effectiveness. Severe rightsizing can create financial loss rather than gain. Confusion, inefficiency, cost of paying out early retirement, and severance package and legal expense in defending against lawsuits all combine to offset the gain of reduced payroll cost.

According to Wright and Noe (1996), rightsizing is a common way of implementing a cost strategy through the elimination of workforce and jobs. An organization that creates value by reducing costs seeks way to operate more efficiently. Ultimately, these efforts are aimed toward becoming the lowest-cost producer in the industry. When the organization's costs are lower than those competitors, it can gain market shares by charging lower price, or it

can benefit from higher profit margins. Rightsizing may involve reducing the amount of work the organization does or requiring fewer people to do the same amount of work.

Wright and Neo further add that many organizations use a rightsizing strategy because they cannot afford to pay their current workforce and also make the payment on their high level of debt. The major reasons for rightsizing are that organizations expect to achieve lower overhead, less bureaucracy, faster decision making, smoother communications, and increase productivity. However, research has failed to find relationship between rightsizing and improved performance. An organization often has to replace people who were laid off or hire expensive contractors to meet needs formerly felled by staff member. Employees who remain at the organization are typically demoralized, fearful, and ill - equipped to handle some their new responsibilities. At the organization where rightsizing does improve performance, it is implemented with more thought to system and people, including such issues as identifying specific areas of waste and redundancy, getting input from employees on how work is organized, and offering outplacement services to those who are laid off. Given the organizational and human cost associated with rightsizing, organization should use it as a last resort for controlling cost. If rightsizing is necessary, the organization should first consider alternative staffing strategies to reduce cost, such as offering voluntary retirement, reducing the work week, reducing salary, and freezing hiring.

Similarly to the study of Ambrose (1997), rightsizing is used broadly to refer to strategic acts of reducing the size of an organization's workforce usually through a combination of layoffs, early retirement incentives, transfers and natural attrition, and accompanying restructuring of surviving workers and work process in response to the organization's alter size, resources, and goals. Occasionally, a rightsizing does not actually involve layoff or other forms of attrition of personnel. It may simply involve a freeze on hiring, combined with increase production. It is assumed that there are fewer workers than

before may mean fewer workers per units of output. Therefore, the restructure has taken place to redeploy the existing workforces in order to manage inputs and output efficiently and to achieve renewed goals effectively.

According to research of American Psychological Association (1997), this research noted that in today's competitive market, many companies have found that staying in business means rightsizing. The decision to rightsizing is made for strategic and financial reasons. The expectation is that the expense reduction will lead to a positive impact on the bottom line and will ultimately be reflected in improved profitability and productivity. This everyday event in the business world is a unique hopefully event for organization and their employees. However, rightsizing has become a common occurrence in today's business world. Because of this, and many other factors, many employers and employees no longer believe in the concept of lifetime employment. It is important to remember that this event affects not only laid off staff, but also those who remained. In fact, if downsizing is handled improperly, the problems it was designed to correct may be intensified due to the impact on the loyalty and attitudes of the survivors. Many organizations neglect to factor in the psychological impact of downsizing on those who remain. As a result, employers often underestimate the need to provide support to employees, both those who are being released and the 'survivors.' Many employers feel that the only support they can provide is expensive outplacement services.

2.4 Alternative Approaches to Rightsizing

Dubrin (1996) stated that in order to be effective and successful in rightsizing, management can use various alternative approaches to rightsizing i.e. alternative criteria for employee cost reduction, communication, job redesign alternative, psychological contract or employment relationship, and management style.

2.5 Alternative Criteria for Employee Cost Reduction.

There are various alternative criteria for employee cost reduction i.e. layoffs, voluntary retirement, redeployment, and reduce salary.

Layoff

Layoff is the most popular solution in The United State of America in cutting operation expenses. Downs (1995) noted that American Management Association (AMA) found that in 1994 two-third of all workers who were laid off were college-educated, salaries employees. A college degree, a corner office, an officer title, year of seniority – nothing can protect the worker from this solution. The layoff began with companies that were trying to stop a decline in earning, but it has now become popular to lay off employees even when things are going well. Many companies used layoffs as a preemptive measure to ensure that profits continue to grow. One top executive described layoffs as “ an operational hedge against unforeseen changes in economic climate”.

Downs further revealed that corporate gurus said we must cut back if America business is to grow. This widely accepted belief turns out to be not entirely true. Consider this scenario, company 's revenues drop because of a temporary decline in sales, and manager must now decline how much to cut employee costs and drop profits by an equal amount. Or it could leave the payroll intact and force shareholders to bear the brunt of the downturn. What most American companies have been doing is maintaining profits by cutting job. When an American company's output falls by USD 1, the income of workers trends to decline 48 cent. But there is another way: allowing the company's profits to fluctuate realistically with a decline in output, so there is less need to lay off workers. Passing losses as well as gains on to shareholders is healthier in the long run for the company and economy.

Moreover Downs suggested that a company that endures a layoffs mercilessly bleeds critical personnel. It staggers from the loss of talent, knowledge, and moral for months, even

years after a layoff. The loss of productivity after a layoff is profound. Not only does the company lose needed employees; it loses customers. Layoffs destroy customer confidence, and that cause the economy to stagnate. One of the AMA studies, a survey 547 companies that had rightsizing between 1986 and 1992, found that only a minority of these companies (43.5 percent) actually improved operating profits. These studies were confirmed in a separate study by Kenneth De Meuse at the University of Wisconsin, who found that profits actually declined faster after the layoff. Additional AMA research has found that 60 percent of the companies that laid off employees in 1992 also laid off employees in 1993. In a 1994 AMA study, two-thirds of the companies that layoff also reported hiring new employees in other areas. The costs of re-hiring and managerial staff plus the costs of paying out for severance package and voluntary retirement and legal expenses all combine to offset the gains of reduced payroll costs.

According to Dubrin (1996), about alternative criteria for employee cost reduction prior to implement layoffs proposed the following alternatives.

(a) Eliminate low-value/no-value activities

As essential component of rightsizing plan is to eliminate low-value and no-value activities. Zero-based staffing: examining virtually every operation of the company can be done before eliminate low-value/no-value activities. A new job description is created for every position and put all employees at risk of losing their jobs. Under zero-based staffing each position has to be justified for retention after rightsizing. Employees at all levels are rated against the new job descriptions and matched with the new positions. When a new work force emerged, it heavily emphasized abilities and skills to support the demands of the new organization. Subsequently, the management implements an activity-base cost reduction. Activity-based cost reduction is the new term of systematically comparing the cost of a firm's activities with the their actual value of the firm. The company can dismiss the position, which

if that function or task is eliminated the organization will not suffer competitively. But if the function does contribute the firm's competitive strength and the value of the activity worth its costs, the company should remain that function. The lowest value added activities should be the first ones eliminated. The underlying principle is that a cost reduction program is anchored by cutting back on low value work. This means that unnecessary functions and positions will be eliminated.

(b) Use of performance as a criterion

A generally productive criterion for dismissal during a rightsizing is work performance. Dubrin also recommends to measure performance over time rather than conducting performance appraisals for the purpose of rightsizing because it may appear too political. The poorest performers within each organizational unit scheduled for rightsizing are placed on the termination list. For example, if the firm want to cut the work force by 10 percent, the bottom 10 percent of performers are target for dismissal. A main reason of using performance measures is to decrease the political element in rightsizing. Therefore the good performers who hold nonessential functions should be retained to fill opening in the rightsized organization. Moreover, when poor work performance is used as primary criterion for dismissal, the rightsizing becomes an ideal opportunity for getting rid of employees the company does not want.

(c). Employment Status

An easy way for a rightsizing is to lay off part-time and temporary workers because it preserves full-time employees' job security. Moreover, laying off part-time workers can lower the costs because part-time workers are less expensive because their pay is relatively low that their severance package small.

Voluntary retirement

A widespread rightsizing practice is to ask employees to leave the firm voluntarily with an inducement for leaving. The criterion here is that people are selected for layoff if they volunteer. Voluntary quits are popular among employees because they can take severance package to help them start a small business. The voluntary criterion must be controlled by management since there may be too many high-talented people leaving. Volunteers should be accepted only with the approval of top management.

Redeployment

Redeployment refers to employees whose job would be terminated or become redundant can explore career opportunities both inside and outside the company. These employees are given first consideration for new job openings as they occurred. Although the term redeployment is sometimes used as a synonym for layoff, there is a big difference in term of human suffering. In redeployment, the company uses inventive means to find jobs for as many people as possible throughout the organization. Significantly, the employers still achieve its intended cost saving.

Transfer

Stearns (1991) defined transfer as move of employee from one department/unit to another department in the same company. Transferring can be one part of redeployment. Good performers in redundant position/ function should have a chance to select to transfer because transferring carries less financial worry and risk than resignation and a transfer can help the firm retain valuable people.

An employee transfer has been defined as a relatively permanent job reassignment that entails the movement of an employee within an organization from one of its operating site to another (Pinder & Walter, 1984 p 188). Dallon & Todor (1993) have argued that employee transfer includes an additional element beyond that of change of geographic location. Under that categorization an employee would have transferred under three conditions:

- An employee has relocated from one geographical location to another with the same company but retains essentially the same job.
- An employee transfers from one job responsibility to another but within essentially the same location.
- An employee has relocated from one geographical location to another and moves from one job responsibility to another.(Cooper and Jackson , 1997 :386-387)

According to Dubrin (1996), he disposed that management should combine all alternative criteria together in order to be effective rightsizing and retain employees' morale.

2.6 Openness of Communication

The role of communication is emphasized throughout the rightsizing literature, although there has been little systematic research in this area. During rightsizing, the losses due to decreased employee loyalty, morale and lost productivity are compounded by the complexity of the layoff process. For example, the rumor mill that develops, or intensifies, during the preliminary planning stages results in employees spending significant amounts of time gossiping and worrying about what may happen. Unfortunately, many managers in the position of being "in the know" are guided by a policy in which they are to avoid talking about rumors with employees. While this policy may seem appropriate, the associated costs, in terms of lost productivity and employee loyalty, may be significant. Communication will help to curb the worry and re-direct employee energies to the job at hand (Fisher, 1988).

Fisher further revealed that the most preferred method of communication is personal appearances from upper management; however, any communication at all will be helpful.

Ensure that communications cover the following topics:

- talk about the fact that changes are coming; employees already know, but it will increase their trust level if they hear it from you;
- explain the purpose of the rightsizing;
- explain the need for growth and profitability (which can be perceived as legitimate reasons when presented in an appropriate manner);

- if possible, explain future plans including detailed plans for restructuring, upgraded technology, or some processes to increase efficiency;
- communicate, whenever possible, that though employee rightsizing is necessary, each employee who is let go will receive appropriate severance pay and (if you intend to offer it) job placement assistance;
- emphasize that laid-off employees will be treated with respect and dignity; this is important for managing and maintaining remaining employees' moral and company commitment.

According to the study Dubrin (1996), he found the following criterion approaches for openness of communication can maximize the effective of rightsizing

(a) Sharing Information

An important strategy for getting employees refocused on their jobs is for management to share information with employees. Information sharing helps minimize rumors about further reductions in force. Employee should always understand the rational for rightsizing. Following this approach, a Bank of America manager noted²³ they had senior manager showing how their changes trended with the downturn in the economy. They showed with key internal business indicators where their business was in trouble and why they could not continue operating with same number of people.

(b) Listen to Employees

Listen to employees is another strategy for dealing with the potential disruptions stemming from rightsizing. After Bank of America rightsizing, brown-bag lunches were held between executive and employees throughout the firm. Manager gave employees the opportunity to discuss their feeling about the layoff and concerns about their place in the firm. A caution is that this approach can backfire when angry employees are looking for the opportunity to tear into information.

(c) Be Honest

An underlying theme in most approaches to minimizing the disruptions of layoffs is that top management should be honest with employees. According to consultant and business professor Oren Harari, the biggest mistake management can make during a rightsizing is not to be straight with people. Managers should inform people ahead, and in what way. Employees will want to know how the layoff strategy will strengthen the firm and facilitate growth.

To appear and be honest, it is important to tell the same version of the truth to various groups. As implied by this anecdote, the alternative to telling the truth can produce drastic consequences. When people suspect that major decisions about their futures are being formulated in secrecy, negative rumors are certainly to increase, with employees meeting to exchange scenarios.

Similarly, Shaw (1997) integrity is alignment between words and actions, which people view it as an aspect of honesty. Integrity is a key to explaining how management deals with the complex and difficult dilemmas of running large organization.

The Study of Ambrose (1996) who put a remark that management communicated information about layoff and related activities, as well as the new vision and goal is needed for employees. If the employees get insufficient details about the changes, they have no concept of how the layoffs fit into the bigger organizational picture or into the external environment. As a result they have several misperceptions how the layoff are handled. In their information communication with one another, they compare notes and share conflicting viewpoints about the matter. In the absence of consistent, details and accurate facts, their rumor mill processed information that is distorted and demoralizing.

2.7 Job- Redesign

According to Gibson, Ivancevich, and Donnelly (1997), job redesign refers to the process by which managers reconsider what employees are expected to do. It means that management has decided that it is worthwhile to reconsider what employees are expected to do on the job. There are 3 strategies of job redesign: job rotation, Job enlargement, and job enrichment which are used as alternative criteria to rightsizing. These strategies can help the organization in terms of effectiveness and efficiency and help in increasing the employees' job satisfaction.

(a) Job Rotation

Rigon (1992) stated in Wall Street Journal that if employees suffer from over-routinization of their work, one alternative is to use job rotation. When an activity is no longer challenging, the employee is rotated to another job, at the same level, that has similar skill requirement.

Similarly, McClland (1993) who stated in Journal of Applied Psychology that job rotation alternative strategy involves rotating managers and non-managers alike from one job to another. In doing so, individual is expected to complete more job activities because each job includes different tasks. Job rotation involves increasing the range of job and the perception of variety in the job content. Increasing task variety should, according to recent studies, increase employee job satisfaction, reduce mental overload, decrease the number of errors due to fatigue, improve production, and efficiency.

(b) Job Enlargement

Job enlargement is a popular developing mechanism for rightsizing. Management usually uses job enlargement with retained for displacement. It means that retained staff have to cover and handle those displaced staff.

McCelland (1993) verified in *Journal of Applied Psychology* that more than 35 years ago, the idea of expanding job horizontally, or what was called job enlargement became popular. Increasing the number and variety of tasks that an individual performed resulted in job with more diversity. Efforts at job enlargement met with less than enthusiastic results. As one employee who experienced such a redesign on his job remarked that before he had one lousy job. Now through enlargement, he has three. However, there have been some successful applications of job enlargement. For example, U.S Shoe Co, create modular work areas to replace production lines in over half step instead of only one, as in traditional production lines. The result has been footwear production more efficiently and with greater attention to quality.

Walker and Guest (1952), Job enlargement strategies focus upon the opposite of dividing work – they are a form of despecialization or increasing the number of task that an employee performs. For example, a job is redesigned such that the individual performs six tasks instead of three. However, job enlargement requires a longer training period. Job satisfaction usually increases because boredom is reduced. The concept and practice of job enlargement have become considerably more sophisticated.

Chung (1997), in recent years, effective job enlargement involves more than simply increasing task variety. In addition, it is necessary to design certain other aspect of range, including providing worker-paced rather than machine-paced control. Each of these changes involves balancing the gains and losses of varying degrees of division of labor. Contemporary applications of job enlargement involve training individuals to perform several different jobs, each requiring considerable skill, whether in manufacturing or service organization.

Gibson, Ivancevich, and Donnelly (1997) defined that some employees cannot cope with enlarged jobs because they cannot comprehend complexity; moreover, they may not have a sufficiently long attention span to complete an enlarged set of tasks. However, if

employees are amenable to job enlargement and have the requisite ability, then job enlargement should increase satisfaction and product quality and decrease absenteeism and turnover. These gains are not without costs including the likelihood that employee will demand larger salaries in exchange for performing enlarged jobs.

Tomasko (1993) suggested a creative way of supporting emotionally is for the company to recognize the burdensome demands placed upon retained staff. The remaining employees in a streamlined organization work extra hard because they assume the responsibility of laid-off staff. To compensate for this extra work, many companies should create flexible benefits to help employees blend their family and work life. Among these benefits are dependent care facilities, job sharing and part-time work.

(c) Job Enrichment

Job enrichment refers to the impetus for designing job dept was provided by Herberg's two-factor of motivation. The basic of his theory is that factors that meet individual's need for psychological growth especially responsibility, job challenge and achievement must be characteristic of their job. The application of his theory is termed job enrichment. The implementation of job enrichment is realized through direct changes in job depth. Manager can provide employees with greater opportunities to have personal accountability. It means that people should be provided with an opportunity to be accountable for the job. (Alster,1989)

2.8 Psychological Contract

Rousseau (1990) in (Cooper and Jackson, 1997), defined that, the psychological contract is the employee's perception of the reciprocal obligations and expectations that employer and employee have of each other, the violation of which has potentially important negative consequence. Rightsizing represents a major change and violation in the psychological contract. It has increasingly become the practice for rightsized organizations to

cut job and terminate permanent employment contracts, only of then re-employ many employees on short term working contracts or outsourcing.

Wright and Noe (1996) stated that psychological contract is the exchange that underlies a person's working relationship with an employer. The psychological contract describes what the employee expects to contribute and how the organization will reward the employee's expects. Unlike many sales contracts, a psychological contract is not written down. Employees and employers may simply expect that employees will contribute effort, loyalty, time and so forth and that the organization will provide such rewards as pay, status, and career opportunities. If the employee and organization value each other's contributions and believe the contract is being carried out, they will both be satisfied and may not give much thought to their psychological contract. But if one party believes the other is not contributing enough to the make the exchange fair, that party will seek a change.

The New psychological Contract

According to O'Reilly (1994), he verified that in the past decades, the usual psychological contract included an exchange of job security for employee loyalty and satisfactory performance. The job security – performance exchange is being seriously threatened. Competition makes employees expendable in the drive of efficiency; however, in increasingly competitive environment, organizations depend on employees to be innovate and devoted to customer and goals. Employees are unimpressed and many have lost trust in organization as employers. Most employers have recognized this resentment and offered a new psychological contract. Under new contract, the organization promise employment as long as the employee add value to the organization; the employee is expected to find way to add value but can in turn demand interesting work, training, empowerment, and pay link to his or her contribution. In Cleveland, Brush – Wellman asks for commitment from employees, rather than loyalty; in exchange, the company offers training geared toward

enhancing their employability by teaching them skills and helping them plan their careers. Similarly, Raychem, a high – tech company, offers not employment security, but opportunities for self employment and help them in finding new jobs within the organization.

Dubrin (1996) proposed one alternative approaches to rightsizing, which are building a new employment relationship. These approaches are based on developing new psychological employment contract between employees and the organization. Major comparisons of old versus new contracts are as follows: -

Table 2.1 Psychological Employment Contract

Old Psychological Employment Contract	New Psychological Employment Contract
Long term, resulting in an older work force	Situational, resulting in a flexible work force
Reward for good performance is promotion and often resulting in a plateaued work force.	Reward for good performance is recognition of the relevance of one's work.
Management is paternalistic, resulting in a dependent work force.	Management is empowering. The result is an empowered, self-directing work force.
Loyalty means staying with the firm, often leading to a narrow and homogeneous work force.	Loyalty means behaving responsibly and doing good work. The result is a responsible, psychologically mature work force.
Lifetime career is offered, resulting in a codependent work force	Explicit job contracting is offered. The resulting is a bond between employee and employer based on good work.

Building a new psychological employment contract is strategy for management practices, which require changes in order to fit with the realities of the modern workplace.

2.9 Management Style

According to the study of Davidmann (1982), the effectiveness of the organization is determined by the way work is organized and by the way people work with or against each other. The way in which people co-operate with each other, with the leadership and with the community, indeed the extent of their commitment to their organization, depend on the style of management. The measurements of the style of management in individual organizations

and enterprises and relate these to their effectiveness. The effectiveness of organizations depends on their style of management changes. In his study, the style of management has been measured over some years in a number of organizations, on the scale from fully authoritarian to fully participative. The results are extremely interesting and useful.

(a) Authoritarian Style

In authoritarian style, the orders are passed down from above and the manager's role is to pass orders down the chain of command. Management is usually expected to make decisions and so carries responsibility. Management does order and may compel the worker to carry out the tasks demanded from him to produce. Under private ownership, authority is derived from ownership of the means of production and the penalty for disobedience is dismissal. In each case authority is centred at the top. It is the owners who delegate authority to the chief executive, and it is immaterial whether the owners are shareholders. The stick is unemployment and the compelling force is the fear of the economic consequences of unemployment, is the threat of need.

Management will then do all they can to make the stick more effective. The higher the level of unemployment and the greater the need of the working population, the greater is the fear of dismissal and the more effective is the stick. Hence it is those who believe in an authoritarian kind of organization who advocate that the level of unemployment should be kept above a certain minimum level or that it should be increased, and who want to reduce social security spending.

However, enterprises organized on authoritarian management lines have many problems. Orders are passed down and mistakes readily result in critical appraisal and dismissal. Hence people avoid making decisions so that matters to be decided are either passed up for the decisions to be made at a higher level, or decisions are made by committees as it is more difficult to dismiss all the members of a committee for jointly making a wrong

decision. There are likely to be many such committees. People survive by becoming expert at passing the buck. Empire building takes place, this being one way of increasing job security. Blame is passed to someone else, empires are built at someone else's expense; people work against each other and we see conflict instead of co-operation. Senior management tends to be overworked, staff turnover tends to be high and workers restrict effort.

The kind of difficulties which arise are perhaps best illustrated by some examples: a clear case of passing the buck which appears to disregard the interests of those using the airport. Just what is the job of a Ministry of Tourism?

These are only a few examples of the kind of wasteful way in which large units run on authoritarian lines muddle on through crisis after crisis. They cease to be able to learn from past mistakes, the same mistakes are made again and again. The reason some of them are still in existence is because their competitors are just as ineffective, are just as incapable of moving forward in any real sense.

Crisis succeeds crisis in badly managed as well as in authoritarian management. This may be due to bad management but in an extremely authoritarian management, crises are often almost artificially created by managers so as to obtain co-operation. In other words, people try to help each other and an authoritarian management, crisis may succeed crisis as this is one way of getting work done.

Centralized decision-making is quick and decisions can be implemented quickly but it generally fails to utilize the potential of the employees. Larger organizations also generally fail to perform as well as they should because of internal conflict, because of confrontation, lack of co-operation and lack of teamwork. .

(b) Participative Management Style

The workers' representative has authority and exercised it. The question is where his right to command come from and how he use his power to exact obedience. The source of

authority is the consent of the manager to be managed. The method of power is the withdrawal of that consent which is in effect the withdrawal of one's labor, for example by going on strike. Employees participate when they agree to allow themselves to be organized by an employer, and organization, which is based on consent of those being organized is participative.

A participative management style, people accept responsibility for work to be done, accept that it is their job to carry out a part of the company's activities and that they will be held accountable for the quality of their work. The manager's job is to back his subordinate by removing obstacles from the subordinate's path, the subordinate asking for such assistance as the need arises. The manager co-ordinates the work of the group which he manages with that of the higher group in which he is a subordinate. As work may be a source of satisfaction or of frustration, dependent on controllable conditions, the extent to which subordinates derive satisfaction from their work also depends on their own manager's and on the organization's general style of management. People who derive satisfaction from their work will like doing it and do it to the best of their ability; if work is a source of frustration, they will restrict effort and the work is likely to be done badly.

An organization built on this basis is participative, and this means that participation through decision making, including setting of targets, takes place at all levels of the organization.

Degree of Participation

Large employers are often paternalistic, and employees oriented company, sometimes staying with their employer throughout their working life. Since their employees are economically tied to the company, dependent on it for services such as housing, medical or educational, this does not mean that these companies use a participative style of management.

There have been described in outline two systems of management style, which can be regarded as forming either end of a scale. The position of any organization on this scale depends in each case on the balance between the two kinds of authority, that is depends on the degree of participation in decision making which is practiced. One can place on this scale any system of running a company or of governing a country, by considering. For example, whether and to what extent decisions are being made at the various levels or whether people merely follow orders, or whether and to what extent people are free to withdraw their labor, are free to strike, to what extent authority is centered at the top, or where the balance of power lies between management and worker. The position where an organization is placed thus depends on the balance of authority between ruler and ruled, between owner and worker, between the establishment and the population.

Gruneberg (1979) revealed the study of Lischeron and Wall in 1975. Lischeron and Wall noted that the correlational evidence certainly support the view that the degree of perceived participation is related to employee satisfaction. Gruneberg further revealed the study of Coch and French in 1948 on Overcoming Resistance of Change. Coch and French found that involvement in participation resulted in increases in productivity. They did not, however, provide any statistically significant evidence on the effect on job satisfaction.

Gruneberg revealed that in 1960 Frencg, Israel, and As conducted a second study to examine the effects of participation in decision –making on job attitudes and found that in only three out of fourteen items was there a significant improvement in job satisfaction.

Bruce and Blackburn (1992) stated that there is evidence showing the strength relationships between management style and job satisfaction.

According to the study of Wetlaufer (2000), which stated in Harvard Business Review on Crisis Management, she recommended top management of rightsized organizations should change their style of management from authoritarian style to partipative style. Specifically,

that means visiting employees and getting to know employees' names. Moreover, management must keep people informed about the state of the business. The employees should know if the business is doing well or poorly. They should know why and they should have a way to tell management what work for organization and what does not. In other words the employees must be active participants in rightsizing strategy for success not just tools. New management style for implementation of rightsizing must also include a commitment to communication – in both directions with senior management team. Their people should be integral part of rightsizing strategy. To minimize the imminent defections of top-level people, top management needs to do the following:

(a) Stabilized Key People

Top management must carefully assess his senior staff, deciding how much he trusts each person and determining the value that each brings to the company. Then he should sit down with them privately and acknowledge their idea and feeling. These people should be part of management team for rightsizing program. He should ask for each person's commitment for engaging company future.

(b) Appoint a Change Cosponsor

Before undergoing a drastic layoffs and restructuring, top management should not lead a change of such magnitude alone because top management needs help from key person to be a cosponsor for the company's change effort. Find out the person who seems to have creditability with the company employees to cosponsor.

(c) Clarify the Change Message

Before and during the rightsizing, top management need to develop a brief, compelling message that includes three elements: the case for change, a view of future, and a commitment to what will not change. Everyone in management team should know and

understand the message well. In addition, employees need to understand the case for change: how the business change and why the company need to respond.

2.10 Alternative Approaches to Rightsizing Influence Job Satisfaction.

A Valuable Tool: an Employee Satisfaction Survey

According to American Management Association (1997), an employee survey can help a corporation gauge employee satisfaction. As redevelopment programs are implemented, the initial survey will provide a benchmark for comparative measures. Such a survey can also convey to employees that the company is concerned with their satisfaction and the need to build a stable work environment. Companies striving to be leaner and more profitable must consider the cost of employee discontent and must strive to manage any rightsizing practices to keep the goodwill of remaining employees. In addition, the job satisfaction of employees who survive the rightsizing should also be addressed. To management can explain to these people that they have been chosen to carry the organization for

2.11 Job Satisfaction

Gruneberg (1972), job satisfaction is the favorableness and unfavorableness with which employees view their work. It expresses the amount of agreement between one's expectations of the job and the rewards that the job provides. Since job satisfaction involves expectations, it relates to equity the theory, the psychological contact and motivation. Job satisfaction may refer to either a person or a group. In addition, job satisfaction can apply to parts of an individual 's job. For example, although one employee's general job satisfaction may be high, he/she may be dissatisfied with his vacation plan. In the same way that health is important because it represents general physical conditions, job satisfaction is important because it represents general human conditions. It requires attention, diagnosis, and treatment, just as health does.

Lock (1976) defined job satisfaction as a pleasurable or positive emotional state, resulting from the appraisal of one's job or job experience. Similarly, Near, Rice, and Hunt (1978), they stated in Journal of Applied Psychology that job satisfaction is part of life satisfaction. The nature of one's environment off the job does affect one's feeling on the job. Similarly, since a job is an important part of life, job satisfaction influences one's general life satisfaction. The result is that satisfaction arises from a complex set of circumstances in the same way that motivation does.

Drafke and Kossen(1998), stated that the question about the feeling of employees on their job relating to the way most people view quality of work life. The end result of quality of work life is the overall satisfaction one receives from a job. The factors affecting quality of work life have been presented, but there are others that affect job satisfaction. The factors affecting job satisfaction can be divided into three main areas: individual factors, internal factors and external factors.

2.12 Individual Factors

Drafke and Kossen (1998) stated that among three groups of factors, determinant of individual factors have the least to do with the job. The individual factors mainly concern a person and the person's family and network friends. Although, individual factors can greatly affect how someone feel about his or her job, many of these consist of opinions. Opinions can be changed by facts and information. So although these factors can have a large influence on job satisfaction, the individual has more control over them and can effect change if it is need. In this study the researcher selects only factors that related to the research, which are effort reward ratio, commitment, and expectation.

(a)Effort/reward ratio

People compare the reward they receive from the work to the effort they put into work partially to determine job satisfaction. If the ratio between the two is heavy on the

effort side, then people generally feel less satisfied because they feel they are putting more into their work than they are getting out of it. People will also compare their effort/reward ratio to the ratio of others. If they believe their ratio is less than their coworkers' ratios, then they will feel less satisfied because they will feel that they are getting less out of their jobs for the effort they put in than their coworkers. In all of this analysis, people look at total rewards from work, not just monetary compensation. Also, management is once again dealing with people's perceptions of effort and reward, which may be real or imaginary. This individual factor is related to process motivation theory, which is equity theory.

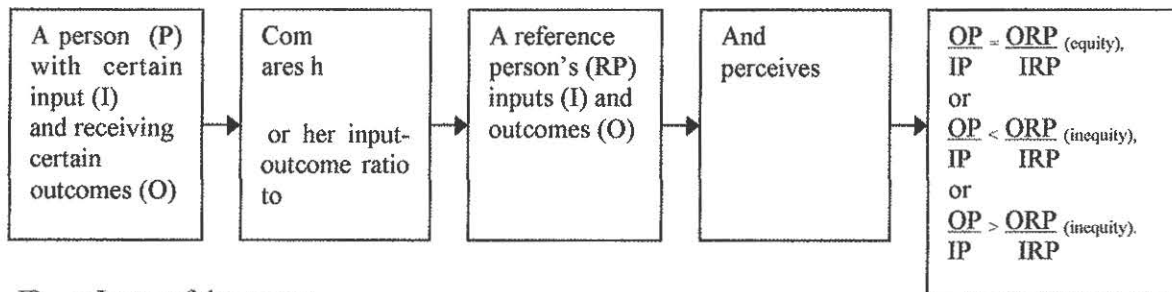
Equity Theory

Gibson, Ivancevich, and Donnelly (1997) defined that J. Stacey Adams, while working as a research psychologist with the General Electric Co. in Crotonville, New York, developed and tested an equity theory of motivation. The essence of equity theory is that employees compare their efforts and reward with those of others in similar work situations. This theory of motivation is based on the assumption that individuals, who work in exchange for rewards from the organization, are motivated by a desire to be equitably treated at work. This is significant as authors such as Pfeffer believe that maintaining employee perceptions of equity is a critical aspect of the management role. Four important terms in this theory are:

- (a) Person: the individual for whom equity or inequity is perceived.
- (b) Comparison other: any individual(s) or group used by Person as a referent regarding the ratio of inputs and outcomes.
- (c) Inputs: the individual characteristics brought by Person to the job. These may be achieved (e.g., skills, experience, learning) or ascribed (e.g., age, sex, race).
- (d) Outcomes: what Person received from the job (e.g., recognition, fringe benefits, pay).

Equity exists when employees perceive that the ratios of their inputs (efforts) to their outcomes (rewards) are equivalent to the ratios of other similar employees. Inequity

exists when these ratios aren't equivalent: an individual's own ratio of inputs to outcomes could be greater or less than that of others. (see Figure 2.1)



IP = Inputs of the person.
 OP = Outcomes of the person.
 IRP = Inputs of reference person.
 ORP = Outcomes of reference person.

Effects on Work Effort

Figure 2.1

The Equity Theory of Motivation

(Source: Organization Behavior and Management by Ivancevich and Matterson, 1999, The McGraw-Hill, p.161)

The Justice Theory

Theories of organizational justice propose that people attend to the processes used to determine outcomes as well as to the end result in determining "fairness." For example, as Brockner's study reported, the remaining employees considered the way in which their co-workers were treated during the downsizing process as well as the outcome (i.e., losing their jobs). From this perspective, layoff survivors can be expected to exhibit the most negative reactions when they identify with the layoff victims, and feel the victims have not been well compensated. When survivors perceived that those laid off had been dismissed with little or no compensation, they reacted more negatively (from an organizational perspective) to the extent that they felt some prior sense of psychological kinship with the laid-off parties" (Brockner et al., 1987). What Brockner's study would indicate is that employees are affected by more than just the fact of layoffs. They are affected by how the layoffs are managed and

by what is done for the individuals in those positions. Brockner found that negative attitudinal changes were reflected in survivors' reduced work performance and lowered commitment to the organization. Conversely, the study showed that employee commitment can actually increase during a layoff process when the company shows some commitment to displaced workers.

The post-layoff setting provides organizations with a rather unique situation in which to express their commitment to employees; that is, if organizations show commitment to their dismissed workers (through caretaking activities of providing severance pay and outplacement counseling,)--even as they are in the process of becoming uncommitted to them by laying them off--the more committed to the organization are survivors apt to be. Moreover, Brockner's study indicates organizations can proactively affect surviving employees' attitudes during periods of downsizing. The next section describes some steps that can be taken to minimize the negative effects of downsizing. (Brockner etc, 1987)

(b) Commitment

Drafke and Kossen (1998), the more carefully someone has researched, selected, and prepared for a job, the more likely that person is to be satisfied with the job. If the actions of researching, selecting, and preparing for the job are highly visible to friends and family, then the person is more likely to be satisfied with the job, and less likely to admit to any dissatisfaction. The larger the commitment the person has made to a job, the bigger the mistake would appear to be if the person said he or she was wrong in selecting it. For a few people, this means that they may stay in an unsatisfying job, unwilling to look foolish or unable to admit to a mistake.

(c) Expectations

Drafke and Kossen (1998) defined that people believe that their job should fulfill certain needs. These beliefs, or expectations, concerning a job's ability to fulfill needs may be

realistic or unrealistic. People who expect work to fulfill all of their needs are probably being unrealistic. Using Maslow's Hierarchy of Needs as an example, it is reasonable for work to fulfill physiologic needs, and some or most of the safety needs, but only some of the belonging needs. Expecting work to provide all of one's needs for belonging would include fulfillment of the social aspects and the individual. Expecting the individual needs for a mate or date to come from one's workplace is not only unrealistic; it is asking for trouble. Even expecting work to provide all of one's social contacts is expecting too much. The important thing there is to determine what one's job can and cannot reasonably provide.

Maslow's Hierarchy of Needs.

Maslow's theory assumes that human's needs are arranged in hierarchy. The lowest level needs are the physiological needs and the highest-level needs are the self-actualization needs. These needs are defined to mean the following:

- (a) Physiological: the need for food, drink shelter, and relief from pain
- (b) Safety and security: the need for freedom from threat, that is the security from threatening events or surroundings.
- (c) Belongingness, social, and love: the need for friendship, affiliation, interaction, and love.
- (d) Esteem: the need for self-esteem and for esteem from others.
- (e) Self-actualization: the need to fulfill oneself and making maximum use of ability, skills, and potential.

Expectancy Theory

According to Ivancevich and Matteson (1999), one of popular explanations of motivation was developed by Victor Vroom in 1964. Numerous studies have been done to test the accuracy of expectancy theory in predicting employee behavior, and direct tests have been generally supportive. Vroom defines motivation as a process governing choices among

alternative forms of voluntary activity. In his review, most behaviors are considered to be under the voluntary control of the person and consequently are motivated. In order to understand expectancy theory, it needs to understand four most important terms are:

(a) First-Level and Second-Level Outcomes.

First level outcomes resulting from behavior are those associated with doing the job itself and included productivity, absenteeism, turnover, and quality of productivity. The second level outcomes are those events; reward or punishments that the first-level outcomes are likely to produce such as merit pay increase, promotion, and termination.

(b) Instrumentality

Instrumentality is the perception by an individual that first level outcomes are associated with second-level outcomes. It refers to the strength of a person's belief that attainment of a particular outcome will lead to attaining one or more second - level outcomes. Instrumentality can be negative, suggesting that attaining second-level outcome is less likely if a first level outcome has occurred or positive, suggesting that the second-level outcomes is more likely if the first - level outcome has been attained.

(c) Valence

Valence refers to the preferences for outcomes as seen by the individual. For example, a person may prefer 10% merit raise over a relocation to a new facility. An outcome is positively valent when it is preferred and negatively valent when it is not preferred or is avoided. An outcome has a valence of zero when the individual is indifferent to attaining or not attaining or not attaining it. The valence concept applies to both first and second - level outcome. Thus, a person may prefer to be high - performing employee because he/she believes this will lead to a desired merit raise in pay.

(d) Expectancy

Drafke and Kossen (1998) noted that expectancy refers to the individual's believe regarding the likelihood or subjective probability that a particular behavior will be followed by a particular outcome, and it is most easily thought of as a single-probability statement. That is, it refers to a perceive chance of something occurring because of the behavior. Expectancy can take values ranging from 0, including no chance that an outcome will occur after the behavior or act to +1, including perceived certainty that a particular outcome will follow a behavior or act. (see figure 2.2)

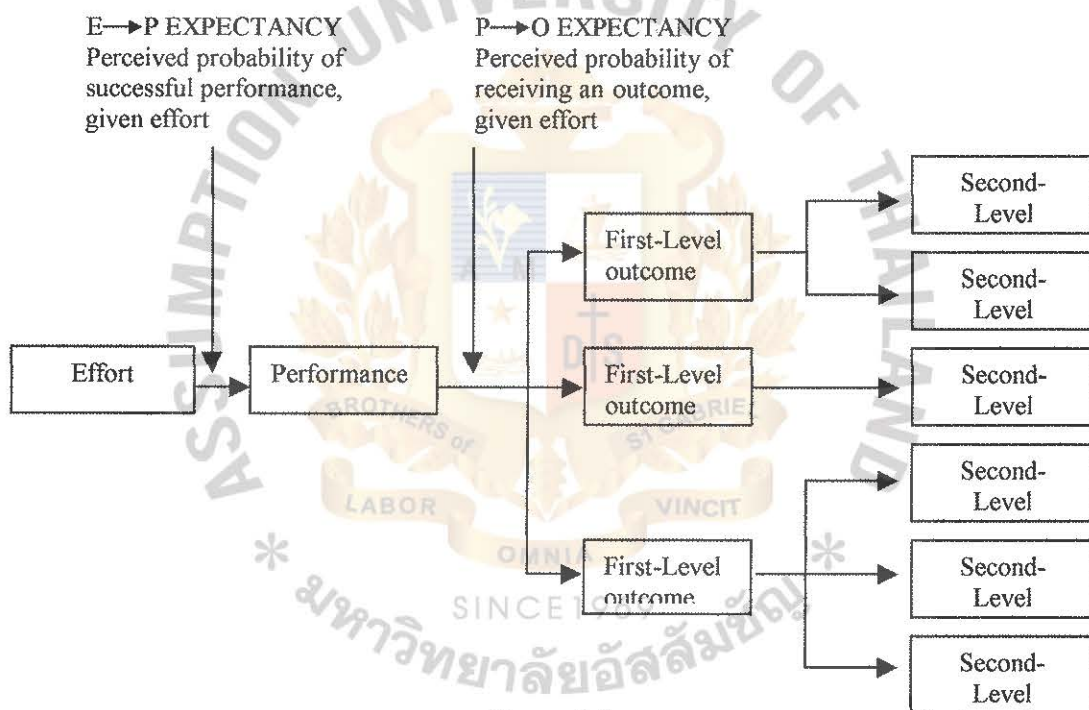


Figure 2.2

Expectancy Theory

(Source: Organization Behavior and Management by Ivancevich and Matterson ,1999, The McGraw-Hill, p.159)

Management implications of expectancy theory

Larson (1986), managers can certainly use expectancy theory in developing their own motivation programs. However, some managerial actions must be taken to improve the theory's value as follows:-

- Managers need to focus on employee expectations for success. That is, do employees feel that they can attain the performance goals that are set for them, or do they perceive that the achievement of these goals and the resultant positive outcomes are beyond their capabilities. If this latter situation is the case, especially in group situations, then low productivity is often the result. Managers need to realign assignments and rewards to facilitate the development of realistic challenge within jobs.
- Managers must actively determine which second-level outcomes are important to employees. For example, Joan valued a day off. Simply providing a notation in her personnel file commenting on her performance wasn't as valued as the day off. Managers who know what subordinates prefer can attempt to provide the highly valued outcomes, because individuals prefer different outcomes, motivation programs should be designed with enough flexibility to address such differences in individual preference.
- Managers should link desired second-level outcomes to the organization's performance goals. Showing through example that there's an actual association between performance goals and desired second-level outcomes increases employees' belief that hard work and good performance resulted in outcomes they prefer.
- Expectancy theory assumes employees allocate their behavior according to anticipated consequences of actions. Workers weigh the information available to them and make decisions according to the value of the consequences and their own probabilities of achieving what they prefer. Expectancy theory thus views behavior as the product of what employees believe will happen in the future.

2.13 Internal and External Factors

Gruneberg (1979) reported that in 1970 Campbell proposed theories of job satisfaction, which are divided into two categories, content theories and process theories. Content theories give an account of the factors, which influence job satisfaction; Maslow's (1943) Needs Hierarchy Theory and its development by Herzberg to the Two Factor Theory of job satisfaction. While process theories try to give an account of the process by which variables such as expectations need and values interacts with the characteristics of the job to produce job satisfaction. Equity theory, for example, argues that job satisfaction occurs when one employee compares what he/she put into a job and the rewards they receive with those of other, and find that he/she is equitably treated. The theory take involves taking account of the expectations of individuals in deciding what is equitable. Need and fulfillment theories account for job satisfaction in term of discrepancy between the individual's needs and values and what the job has to offer.

Herzberg's Two Factor theory

Frederick Herzberg; psychologist and management consultant developed the two – factor content theory. The two factors are called the dissatisfiers - satisfiers, the hygiene-motivators or the extrinsic-intrinsic factors depending on who's discussing the theory. The original research testing this theory included a group of 200 accounts and engineers. Herzberg used interview response to questions. Herzberg's initial study resulted in two specific conclusions. First, there is a set of extrinsic conditions, the job context. They include: salary (pay), job security, working condition, status, company procedure, quality of supervision, quality of interpersonal relations among peers, with superiors and with subordinates. The presence of these conditions to the satisfaction of the employee does not necessarily motivate employee, but their absence results in dissatisfaction because these factors are needed to maintain at least a level of no dissatisfaction. The extrinsic conditions

are called the dissatisfiers or hygiene factors. Second a set of intrinsic conditions, the job content is also present. These conditions include: achievement, advancement, recognition, the work itself, responsibility, and possibility of growth. The absence of these conditions does not prove highly dissatisfying. But when present, they build strong level of motivation that result in good job performance. Therefore, these factors are called the satisfiers or motivators (Herberg,1987).

<u>Job Dissatisfaction</u>	<u>Job Satisfaction</u>
- Company policy and administration	- Achievement
- Supervision	- Recognition
- Relationship with supervisor	- Work itself
- Work conditions	- Responsibility
- Work conditions	- Advancement
- Salary	- Growth
- Relationship with peers	
- Personal life	
- Relationship with subordinates	
- Status	
- Security	

← High High →

2.14 Internal Factors

Drafke and Kossen (1998), they categorized determinant of internal job satisfaction factors and external job satisfaction factors according to Herzberg's Two Factor Theory and Maslow's Hierarchy Needs. They defined internal factors, which are the work itself, job variety, autonomy, possibility for growth, and feedback and recognition. In this study the researcher choose three factors: the work itself, job variety, and possibility for growth because these three factors relate to the rightsizing.

(a) The Work Itself

According to Drafke and Kossen (1998), the prime factor in job satisfaction is the work itself. It is difficult, if not impossible, to have job satisfaction if you have the work you are doing. However, sometimes people claim to hate their job when in fact they just hate doing the job for their current employer. These people actually like the work; they just don't like the people they are currently doing it for. Others may dislike some aspect of their job. To avoid unnecessary career changes, it is important for you to distinguish between disliking the work and disliking your current employer.

(b) Job Variety

Gruneberg (1979) defined that Hackman and Lawler confirmed the finding of Walker and Guest in showing relationship between the variety in a job and job satisfaction. The correlation between general job satisfaction and task variety was 0.38. For specific aspects of job satisfaction, such as self-esteem obtained from the job, and satisfaction with prestige of the job, the correlation with task variety was never less than 0.30. Thus it seems fair to conclude with Walker and Guest that jobs which have variety, on average lead to lower job satisfaction. In their study, Walker and Guest noted that some individuals were happy with jobs which offered little variety but were unable to find means of distinguishing such individuals from those who were dissatisfied with repetitive job.

Similarly, Drafke and Kossen (1998), job satisfaction generally increases as the number of skills used in performing a job increases. Additionally, job satisfaction generally increases as the amount of knowledge needed to perform a job increases. These two factors, required skills and quantity of knowledge, combine to form job variety. The opposite of job variety is task specialization. Task specialization, when taken to an extreme, can create jobs with few tasks that repeat every 5 or 10 seconds. It is easy to see how jobs with such low job variety would provide little job satisfaction for some people. Other people, however, can accept limited job variety. What is an acceptable level of job variety is something that must often be left to each individual.

(c) Possibility for Growth

Gruneberg (1979) cited the study of Hackman and Lawler who found that some individuals desired higher order need, which was opportunity for personal growth. It means that those people preferred to do challenging work. Moreover, they found that those who did not feel a great need to have an opportunity for growth or to do challenging work were less satisfied with job offering little challenging. In addition, Gruneberg stated that in 1964 Vroom cited study in which it was found that the more intelligent clerical workers intended to leave the easier jobs and stay in the difficult ones, whereas for the less intelligent, the reverse was the case. One factor may affect the relationship between intelligent and job satisfaction is role overload and role underload, where giving an individual too much or too little to do in term of his capacities cause frustration and job stress.

Gruneberg further defined that in many commercial organizations, success is often externally signalled by promotion. Promotion does not universally signal recognition of achievement, however as in some organizations promotion may result from seniority or length of stay in the organization rather than from achievement on the job. In deed, in certain occupations, such as banking services, promotion is often given as a result of success off the

job. Nevertheless, in many cases, promotion within organization is the external recognition of a relatively successful job performance. Promotion, in fact, has the other function of placing the most able people in the jobs, which require the greatest exercise of skill. Promotion generally ceases when it is felt that the individual has reached his optimum level of competence.

2.15 External Factors

Drafke and Kossen (1998) revealed that the determinants of external job satisfaction factors are related to the work to the working environment. Those related to the work itself are either to separate from the work than the internal factors or they are easier to change. They include: compensation, achievement, role ambiguity and role conflict, , job security, social interactions, supervision, organization culture, work schedule, opportunity for other employment, seniority. In the study, the researcher selected only three factors, which are compensation, job security, and opportunity for other employment because these factors related to rightsizing strategy.

(a) Compensation

Drafke and Kossen (1998) noted that people sometimes ask for more money when a lack of money is not the problem. To understand the role money plays, we must examine why this is so. First, people generally accept money as suitable compensation when other factors that contribute to job satisfaction are absent. Second, money is viewed as suitable compensation when there are undesirable aspects to a job. When the job is dangerous, extra pay is often given. Third, money seems to have a palliative effect, at least for a short time. A palliative effect means that money removes pain, but does not cure the situation. Placating people with money is often effective for only short time. In order to keep them happy, more money must be given certain intervals. Eventually, no amount of money can compensate for the basic unbearableness of or dissatisfaction with the job. Sometimes people accept the

money because they are dissatisfied but never realize that the satisfaction is temporary because the money does not change or remove the source of the dissatisfaction.

A fourth reason people ask for money is that money is tangible and objective, and a fifth reason is that, in many ways, it is easier. Money can be touched, counted, spent, and measured. In other situations it may be difficult or impossible, due to the nature of the work, to give a person work that is more interesting within the confines of the current job.

The sixth and last reason people may ask for money is that money is symbolic. To many people, money signifies success and achievement. For some people, it increases their sense of self-worth or symbolizes their achieving some goal they set for themselves. Although money may contribute in some positive way, money does not solve all problems.

Money does not solve everything because quite often money treats a symptom and not the problem. Treating a symptom leaves the underlying problem to return and contribute to dissatisfaction again and again. To avoid this problem, people must determine what the problem is. Once the factor or factors that are causing the dissatisfaction are identified, then it must be determined whether money can solve the problem or not. Often, something other than money is needed. For example, maybe a particular person has far too much work and therefore not enough time. More money will not solve this problem. What might be needed is more equipment, or faster equipment, or additional training, or an assistant. Just giving the person more money might compensate him or her for the short term, but it will not add any hours to the day or reduce the number of tasks. Therefore, in order to maximize satisfaction, people need to know the factors that contribute to job satisfaction, they need to identify exactly which ones are causing any dissatisfaction, and they need to take actions that will eliminate the problem rather than simply masking the problem temporarily. This may involve looking at the external job satisfaction factors, the internal factors, or the individual factors.

(b) Job Security

Drafke and Kossen (1998) cited to the theory of Frederick Herzberg's hygiene factors, job security may affect job satisfaction more when it is not present than when it is. When job security, the assurance of employment continuing in the future, is absent there may be less job satisfaction. When present, job security may be taken for granted. Job security itself is affected by intrinsic and extrinsic factors.

Drafke and Kossen additionally defined that some employers strive to offer job security. In other case, job security is an integral part of the employer's culture. However, it sometimes appears that there are fewer and fewer of these employers in today's work environment. For years, IBM, AT&T, and public utilities were known for essentially offering employment for life. Recently both IBM and AT&T have had large layoffs, and even some utilities have become leaner. Although employment for life firms may be difficult to find, many firms still offer significant job security for those who continue to learn, who are flexible and adaptable, and whose work adds real value to the firm. There is a large threat to job security, with some believing it will eventually become extinct. Additional intrinsic threats to job security and job satisfaction can originate with individual managers and the firm's performance.

Through their behavior, individual managers may decrease job security and therefore decrease job satisfaction. Constantly reminding managees that they are easily replaced, valueless, and disposable company assets decreases job security and satisfaction. Eliminating high-paid workers simply to reduce salary expense, laying off workers instantly if work slows down even slightly, and firing workers just before they become vested in the retirement plan are all actions that decrease job security. Poor performance or a poor financial condition of the firm can also reduce job security and satisfaction because the threat of a merger or the

collapse of the firm appears more likely. There are also extrinsic factors, in addition to these intrinsic factors, that can have a negative impact on job security.

The main extrinsic job security factors involve the economic and political-legal environments that businesses operate in. If economic times in general are poor (recession), sales may decline and layoffs may appear more imminent. The political legal environment may also affect the condition of the firm and the job security of those working for the firm. If an industry is suddenly regulated or deregulated, the action may create a conservative sentiment among management, and talk may begin about laying people off. Or the political environment may change so that a main supplier in a foreign country may be forbidden to trade with the company, putting it in a weakened position and creating a knee jerk wave of layoffs in order to save money. In any event, whether due to intrinsic or extrinsic factors, low job security leads to lower job satisfaction.

Angus Reid Group (1995) in (American Psychological Association, 1997), given the frequency and extent of rightsizing, the feeling of job insecurity are widespread. For example, in Canada, data from a nationally representative sample in December, 1995, showed that 24 % of households were directly affected by a job loss or lay-off during 1995 .

Brockner (1992) stated that in the USA, close to 50% of a randomly selected sample of 1265 people were concerned that they or someone in their family may be without a job in the next year. Job insecurity is certainly a chronic stressor: in the same survey, 72% believe that layoff reflect a permanent rather than a temporary problem. Added to this is the fact that most people who are laid off do not acquire an equivalent job in term of responsibility and pay.

According to the study of Brockner and his colleague in 1992, they attempted to determine the impact of rightsizing, the effects of job insecurity and economic need to work on employee attitudes. In this study, Brockner decided to use work effort as a measure of job

attitudes. The study found that high job insecurity coupled with high need to work, resulted in increased work effort following a layoff. High job insecurity, coupled with low need to work resulted in no change in the level of work effort. This seems to indicate that when there are high levels of job insecurity, as would be expected during downsizing, employees with a high need to work will increase their work effort, while those with a low need to work will have no change in work effort. While this result is interesting, of more interest was the finding that variables moderated this observed relationship. Specifically, Brockner found that the remaining employees' perception of the fairness of the lay-off process and their attachment to the lay-off victims colored their views. This issue of fairness has been found to be related to a number of other work-related variables and has its roots in theories of organizational justice.

(c) Opportunity for Other Employment

Drafke and Kossen (1998) defined that many people may have more job satisfaction when they believe that their future prospects are good. These future prospects may mean the opportunity for advancement and growth with their current employer or the chance of finding work with another employer. If people feel they have fewer opportunities with their current employer than they would like, then their job satisfaction may decrease. If people feel they have fewer opportunities, they may in fact have chances for advancement, but if they don't think they do, their job satisfaction suffers anyway. Not only must people think they have good future prospects with their employer, they must think that they have a fair chance of obtaining the future prospects. The same is generally true with opportunities with other companies.

Drafke and Kossen further defined that if people believe there are outside job opportunities, their job satisfaction may increase or decrease and is also dependent on whether or not they feel they have a fair chance at obtaining the outside opportunities. Job satisfaction may decrease if there are outside job opportunities, especially if those jobs are

perceived to be better. A feeling of the grass being greener on the other side can arise, leading to less satisfaction with the current job. Conversely, if the conditions at the outside jobs are perceived to be poorer than at one's current position (less pay, farther away, less desirable work hours), then job satisfaction may actually increase. Actual conditions may be worse, but if someone perceives or believes them to be better, then satisfaction with the current job can be affected.



2.16 Conceptual Framework

After reviewing related literatures, the researcher can conceptualize research framework as in figure 2.4

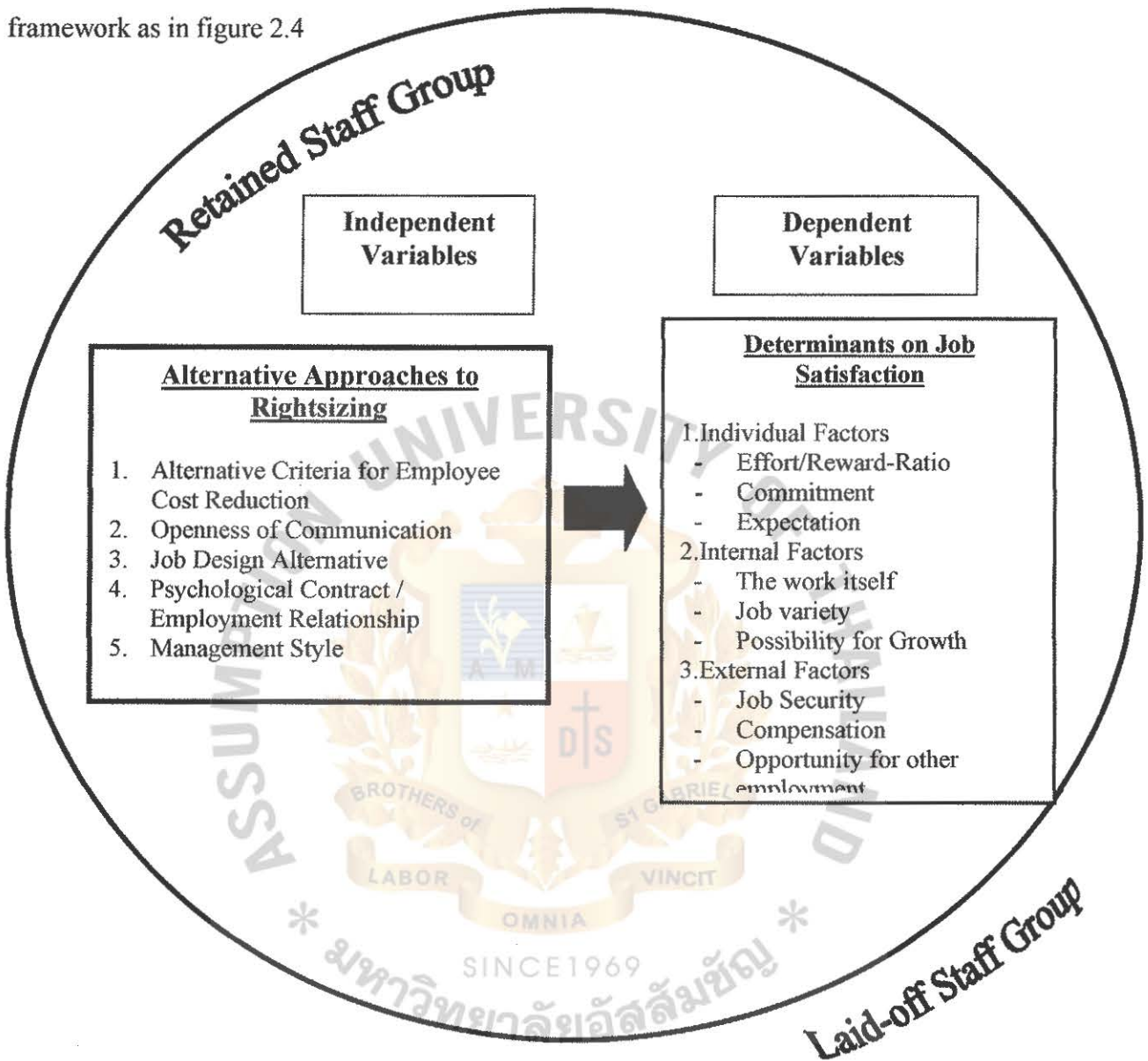


Figure 2.4 Conceptual Framework

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Design

This chapter represents the research methodology, describing the processes used in conducting this research. It consists of the research design, research methodology, sources of data – selection, sampling, tools, other data gathering techniques and procedures. The research instrument was pilot tested and analyzed for reliability and validity, statistical tools were selected for the treatment of data. The research design of this study was qualitative. However, quantitative analysis was also used to support the qualitative analysis.

3.2 Research Methodology

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 their relationship between each others.

The descriptive research was utilized the survey method. The researcher reserved two months for launching survey, data collection and analysis.

3.3 Subjects of Study/ Sources of data – Selection, Sampling

In this study the target respondents were Retained Staff and Laid-off Staff groups of the target international Bank, the Bangkok branch. This research focused only on staff who are affected by the rightsizing, which included Laid-off Staff, and voluntary retired Staff, as well as the Retained Staff group, which included staff in the same department, and those who

were transferred from one department to another department in Global Technology, Financial Control Department, and Corporate and Institutional Division. The number of employees who have been laid off was eighty people, which consists of clerical staff, assistant managers, managers, and senior managers.

According to information from Human Resource Department total population were 300 subjects, which divided into two groups. However the actual numbers of population in each group was not disclosed. In addition, total enumeration respondents which was defied in table 3.1 below shown that the number of respondents of questionnaire via Human Resource department combining by directly hand delivered to Laid-off staff was not resulted in 100%.

Table 3.1 Total Enumeration Respondents

Level of Employee	Number of Employees	Number of Respondents in Laid off Staff Group	Number of Respondents in Retained Staff Group
Clerical Staff Level	210	30	79
Assistant Manager Level	50	15	19
Manager Level	30	0	12
Senior Manager Level	10	0	2
Total	300	45	112

3.4 The Research Instruments

Primary data was collected via questionnaire. Since the respondents were a combination of Thai native speakers, the actual survey instruments were translated into the Thai language to avoid the error in interpretation by respondents and to simplify the respondents themselves. For respondents in Retained Staff group, the researcher contacted and requested permission from the Head of Human Resource to distribute the questionnaires to division heads or department heads. Subsequently, the means of collecting the questionnaires were done by the same channel. For respondents in Laid-off Staff group, the

researcher directly contacted those respondents to hand deliver the questionnaire and conducted formal interviews at the same time.

The researcher used 1) closed-ended alternative questions, 2) Likert Scale questions and 3) open-ended questions which were examined by the expert. The first part will be related to demographic profile, which consists of six questions. The second part will consist of three sections including the perception on alternative approaches in rightsizing, and determinants of job satisfaction before and after implementation of rightsizing. These three sections will employ Likert Scale. The last part will be open-end questions, which are utilized for the purpose of additional data collection. Before launching questionnaire to the respondents, the researcher has conducted P-test with the respondents in other bank to prove the reliability level of questionnaire.

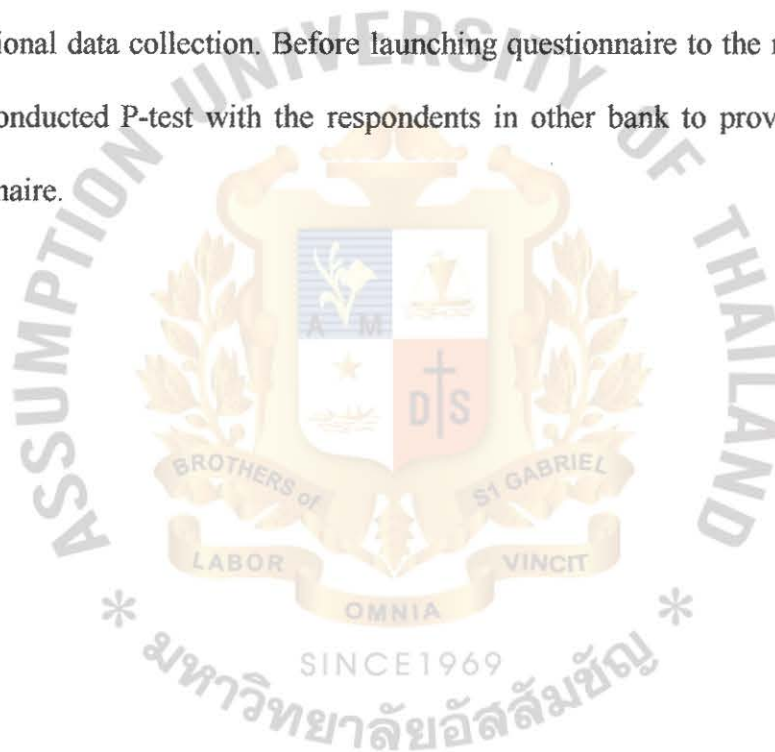


Table 3.2 Arrangement of Questionnaire

Part	Main Variables	Sub-Variable	Question No.
1	Demographic Profile	Age Gender Educational Background Length of Service Position Salary	1 2 3 4 5 6
2/1	Alternative Approaches In Rightsizing	Alternative Criteria for Employee Cost Reduction Openness of Communication Job Design Alternative Psychology Contact / Employment Relationship Management Style	1-6 7-11 12-16 17-21 22-26
2/2	Determinants of Job Satisfaction / Job Attitude before Implementation of Rightsizing	Individual Factors - Effort/Reward-Ratio - Commitment - Expectation Internal Factors - The work itself - Job variety - Possibility for Growth External Factors - Job Security - Compensation - Opportunity for other employment	27-29 30-32 33-35 36-38 39-41 42-44 45-47 48-50 51-53
2/3	Determinants of Job Satisfaction / Job Attitude after Implementation of Rightsizing	Individual Factors - Effort/Reward-Ratio - Commitment - Expectation Internal Factors - The work itself - Job variety - Possibility for Growth External Factors - Job Security - Compensation - Opportunity for other employment	54-56 57-59 60-62 63-65 66-68 69-71 72-74 75-77 78-80
3	Additional information	Suggestion for the Improvement of Rightsizing, if any	81-85

In addition to capturing and observing the actual perceptions of respondents, the researcher conducted formal and informal interviews for 30 minutes per person. An interview guide was used for formal interview. Moreover, the researcher as current staff of the target international Bank did the observation as participant observer. The researcher also made sure to observe for unintended consequences of actions and fresh perspectives. After observation the researcher recorded appropriate data for the study to support information gathered through other means.

Table 3.3 Action Plan for Conducting Research

Activities	Year 2002											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1. Preparation of proposal												
- Approach client for information												
- Literature Review												
- Writing Proposal												
2. Approach Client for review framework												
3. Design Questionnaires												
4. Submitting Thesis proposal												
5. Defend Proposal												
6. Pilot Test												
7. Conducting research												
8. Analysis of Data & Final Result												
9. Thesis Writing												
10. Submitting Final Thesis												
11. Defending the Thesis												

3.5 Instrumentation

The pilot test was conducted with 20 respondents of other bank in order to avoid not true information might be received from the respondents of target international bank in case they known in advance that there was the survey. These respondents for pilot test consisted of senior managers, managers, assistant managers and clerical staff. Subsequently, the researcher analyzed by means of the SPSS software program. The statistics were also used to confirm the reliability of the test.

3.6 Tool for Qualitative and Quantitative Analysis

The statistical computer software i.e. Statistic Package for Social Sciences (SPSS) will be utilized for statistical analysis. The researcher will use the following statistical tools to answer the research questions and research hypothesis of this research study, which mentioned in chapter 1 section 1.3 and 1.4.

Question 1-3 Descriptive Statistic of Frequency Distribution such as mean, standard, deviation, range etc. were used to describe the demographic profile of two groups of respondents which were Retained Staff and Laid-off Staff groups.

Question 4 usage of average weighted means measuring the significant difference on perception of respondents in Retained Staff and Laid-off Staff groups on Alternative Approaches to Rightsizing.

Question 5 and 6 Independent T test statistic was used to measure the significant difference in perception of respondent in Retained Staff and Laid-off Staff groups on determinants of Job Satisfaction before and after implementation. And average weight mean also was utilized to describe deeply in details on how the level of job satisfaction was changed after implementation of rightsizing. The average weighted mean was assigned to the categories of rating as follows: -

Descriptive Rating		Arbitrary level
Strongly Agree	5 points	4.20 – 5.00
Agree	4 points	3.40 – 4.19
Undecided	3 points	2.60 – 3.39
Disagree	2 points	1.80 – 2.59
Strongly Disagree	1 points	1.00 – 1.79

Question 7 - 8: used of Chi- square test to determine and analyze whether Alternative Approaches to rightsizing has an influence Job Satisfaction or not. And used Qui-square test to determine to determine whether or not the Alternative Approaches to Rightsizing that has greatest influence on Job Satisfaction was Psychological Contract/Employment Relationship.



CHAPTER 4

RESEARCH FINDING AND ANALYSIS

The conceptual framework in chapter 3 was organized according to the research questions in chapter 1. The statistical outputs were therefore organized, presented, and interpreted orderly, and logically in accordance with the research questions in chapter 1 (section 1.3) and research hypothesis in chapter 1 (section 1.5). After collecting data through questionnaires, interview, and observation, the findings, interpretation, and critical analysis were presented in this chapter in order to achieve the research objective stipulated in chapter 1, and to convey understandable picture to readers, the related statistical tables were presented firstly and followed by description subsequently.

4.1 The Demographic Profile of respondents

Population were divided into two groups of respondents, which comprise of Retained Staff group and Laid-off Staff group. Three hundred questionnaires were launched to respondents in both groups. One hundred seventeen questionnaires were returned from respondents in Retained Staff group and forty-five questionnaires were feedback from respondents in Laid-off Staff group. From research questions 1,2 and 3, the frequency distribution of Demographic Profile of respondents are described as follows.

4.1.1 Age

From table 4.1, the largest numbers of respondents in Retained Staff group was between 26-30 years olds including of sixty seven or 59.8 % of total respondents in this group .While major respondents who were in Laid-off staff group was between 41-50 years olds comprising of twenty or 44.4 % of total respondents in the group. It could be described that Age might be one criteria used for selection for layoff. According to a study on Age, there are a number positive qualities that older employees bring to their jobs especially, experience, judgment, commitment to quality. But due to the relationship between Age and performance, there is widespread belief that performance declines with increasing age.

Table 4.1 Frequency and Percent Distribution of Age

		Frequency		Percent		Valid Percent		Cumulative Percent	
		Status 0	Status 1	Status 0	Status 1	Status 0	Status 1	Status 0	Status 1
Valid	25 or below	1	0	.9	0	.9	0	.9	0
	26-30	67	10	59.8	22.2	59.8	22.2	60.7	22.2
	31-40	40	15	35.7	33.3	35.7	33.3	96.4	55.6
	41-50	4	20	3.6	44.4	3.6	44.4	100.0	100.0
	Total	112	45	100.0	100.0	100.0	100.0		

(Status 0 = Retained Staff group, and status 1= Laid-off Staff group)

4.1.2 Gender

From table 4.2 the majority of respondents in both groups were female with one hundred and two or 91.1% for Retained Staff group and forty-four or 97.8 % for Laid-off Staff group. This finding agreed with the information that received from Human Resource department, which shown that the majority employees of the target international bank is female.

Table 4.2 Frequency and Percent Distribution of Gender

		Frequency		Percent		Valid Percent		Cumulative Percent	
		Status	Status	Status	Status	Status	Status	Status	Status
		0	1	0	1	0	1	0	1
Valid	Male	10	1	8.9	2.2	8.9	2.2	8.9	2.2
	Female	102	44	91.1	97.8	91.1	97.8	100.0	100.0
	Total	112	45	100.0	100.0	100.0	100.0		

(Status 0 = Retained Staff group, and status 1= Laid-off Staff group)

4.1.3 Educational Background

From table 4.3, it presented that almost half of respondents in Retained groups attained bachelor degree in other fields. Fifty- three out of one hundred and twelve of Retained Staff group were graduated in bachelor degree in other fields. Same as Laid-off staff group, twenty-four out of forty five attained bachelor degree in other fields. Interestingly, majority staff of target international bank attained bachelor degree in other fields not financial and banking fields. It could be described that educational background was not criteria applied for selection for layoff.

Table 4.3 Frequency and Percent Distribution of Educational Background

	Frequency		Percent		Valid Percent		Cumulative Percent	
	Status 0	Status 1	Status 0	Status 1	Status 0	Status 1	Status 0	Status 1
Valid EDU 1	1	0	.9	.0	.9	0	.9	6.7
EDU 2	28	3	25.0	6.7	25.0	6.7	25.9	20.0
EDU 3	4	6	3.6	13.3	3.6	13.3	29.5	73.3
EDU 4	53	24	47.3	53.3	47.3	53.3	76.8	100.0
EDU 5	26	12	23.2	26.7	23.2	26.7	100.0	
Total	112	45	100.0	100.0	100.0	100.0		

(Status 0 = Retained Staff group, status 1= Laid-off Staff group, EDU1= Secondary School or Equivalent, EDU 2 = Diploma or Certificate, EDU3 = Bachelor Degree in Finance and Banking, EDU4 = Bachelor Degree in Other Fields , and EDU 5 = Master Degree or Higher)

4.1.4 Length of Services

From table 4.4 it shown that majority or 57.1 % of respondents in Retained Staff group has been working with the bank for seven to less than ten years. While twenty out of forty five of respondents in Laid off Staff group has been working for more than ten years.

Table 4.4 Frequency and Percent Distribution of Length of Services

	Frequency		Percent		Valid Percent		Cumulative Percent	
	Status	Status	Status	Status	Status	Status	Status	Status
	0	1	0	1	0	1	0	1
Valid - Years								
Less than 1	0	1	.0	2.2	.0	2.2	.0	2.2
1- less than 3	1	10	.9	22.2	.9	22.2	.9	24.4
3- less than 5	7	3	6.3	6.7	6.3	6.7	7.1	31.1
5- less than 7	14	6	12.5	13.3	12.5	13.3	19.6	44.4
7- less than 10	64	5	57.1	11.1	57.1	11.1	76.8	55.6
10 and above	26	20	23.2	44.4	23.2	44.4	100.0	100.0
Total	112	45	100.0	100.0	100.0	100.0		

(Status 0 = Retained Staff group, and status 1= Laid-off Staff group) *

4.1.5 Position

From table 4.5, seventy-nine out of one hundred and twenty of Retained Staff group were clerical staff corresponding to respondents in Laid-off staff group which thirty of forty-five were clerical staff. It presented that majority of respondents in both groups were clerical staff. This finding is compatible with the information from Human Resource department, which presented that principal employees of the bank are clerical staff.

Table 4.5 Frequency and Percent Distribution of Position

	Frequency		Percent		Valid Percent		Cumulative Percent	
	Status	Status	Status	Status	Status	Status	Status	Status
	0	1	0	1	0	1	0	1
Valid Position 1	79	30	70.5	66.7	70.5	66.7	70.5	66.7
Position 2	19	15	17.0	33.3	17.0	33.3	87.5	100.0
Position 3	12	0	10.7	0	10.7	0	98.2	
Position 4	2	0	1.8	0	1.8	0	100.0	
Total	112	45	100.0	100.0	100.0	100.0		

(Status 0 = Retained Staff group, status 1= Laid-off Staff group, Position 1 = Clerical Staff, Position 2 = Assistant Manager, Position 3 = Manager, and Position 4= Senior Manager)

4.1.6 Salary

Table 4.6 shown that majority of respondents in two group or 70.5 % in Retained Staff group and 66.7 % in Laid-off Staff group earning Bht 10,000 to 20,000 per month. Obviously, there was no respondent in Laid-off Staff earning Bht 70,001 and above. It could be implied that the questionnaires were not return back from the respondents who receive highest salary.

Table 4.6 Frequency and Percent Distribution of Salary

	Frequency		Percent		Valid Percent		Cumulative Percent	
	Status	Status	Status	Status	Status	Status	Status	Status
	0	1	0	1	0	1	0	1
Valid Income 1	74	16	66.1	35.6	66.1	35.6	67.0	35.6
Income 2	5	14	4.5	31.1	4.5	31.1	70.5	66.7
Income 3	17	1	15.2	2.2	15.2	2.2	85.7	68.9
Income 4	3	3	2.7	6.7	2.7	6.7	88.4	75.6
Income 5	11	3	9.8	24.4	9.8	24.4	98.2	0
Income 6	2	0	1.8	0	1.8	0	100.0	100.0
Total	112	11	100.0	100.0	100.0	100.0		

(Status 0 = Retained Staff group, status 1= Laid-off Staff group, Income 1 = Bht 10,00-20,000, Income 2 = Bht 20,001 – 30,000, Income 3 = 30,001-40,000
Income 4 = 40,001 – 50,000, Income 5 = 50,001- 70,000, Income 6 = 70,001 –up)

Ha1 : There are difference in demographic profile of respondents in Retained Staff and Laid-off Staff groups

Ho: There is no difference in demographic profile of respondents in Retained Staff and Laid-off Staff groups

Comparing the demographic profile of respondents in Retained staff and Laid- off staff group shown in table 4.1-4.6, there were differences in demographic profile of respondents in the Retained Staff and Laid-off Staff group in terms of age and length of services. Therefore, accept Ha1.

The researcher could further assumed that there was relationship between demographic profile of the respondents in the Retained Staff and Laid-off Staff groups and the criteria that the target international bank used for selection for employee cost reduction or layoff. When the age increase, the length of services also consistently multiply due to the correlation each other. In addition, deeply consideration the relationship between age and performance, profitability based might not be only one criteria, which management considered to select to use for layoff in accordance with officially announcement from management. Therefore, performance of staff might be another critical criteria that the target international bank used for selection for employee cost reduction or layoff since there was replacement in some positions. If those positions were not profitable or not potential business it should not have replacement.

4.2 Alternative Approaches to Rightsizing

Ha2 : There is a significant difference in the perception of Retained Staff and Laid-off Staff group on alternative approaches to rightsizing.

Ho : There is no significant difference in the perception of Retained Staff and Laid-off Staff group on alternative approaches to rightsizing.

From the table 4.7, the overall picture illustrated that there was no significant difference in the perception of the respondents in Retained Staff and Laid-off Staff groups on the alternative approaches to rightsizing in terms of Alternative Criteria for Employee Cost Reduction, Openness of Communication, Job Redesign Alternative, Psychological Contract/ Employment Status, and Management Style. Therefor, reject Ha2. However, in order to study deeply in details, related proxies and each sub variables were also shown to describe how different each group of staff perceived toward them.

Table 4.7: Perception toward Alternative Approaches to Rightsizing in terms of related sub-variables and their proxies

Sub-variable and Proxies	Retained				Laid-off			
	n	Mean	Qualitative Rating	Std Div.	n	Mean	Qualitative Rating	Std Div.
1. Alternative Criteria for employee cost reduction :	112	3.0000	Undecided	0.3777	45	3.1222	Undecided	0.3360
• Layoff Strategy		1.8000	Disagree	0.6300		2.1100	Disagree	1.3500
• Voluntary Retirement		3.3400	Undecided	1.2600		3.8000	Agree	1.4100
• Transfer		3.3700	Undecided	0.9200		3.7300	Agree	0.5400
• Profitability Based		2.5100	Disagree	0.9200		2.3100	Disagree	0.9700
• Performance Based		4.3600	Strongly agree	0.5300		4.2400	Strongly agree	0.7700
• Severance Package		2.6200	Undecided	1.2000		2.5300	Disagree	1.7100
2. Openness of Communication	112	2.7357	Undecided	0.4048	45	2.6578	Undecided	0.7515
• Sharing Information		1.9400	Disagree	0.7000		2.3800	Disagree	1.1700
• Integrity		2.5800	Disagree	1.175		2.2200	Disagree	1.0200
• Listen to Employees		3.4400	Agree	0.7800		2.8900	Undecided	0.9800
3. Job Redesign Alternative	112	3.5268	Agree	0.7166	45	3.6489	Agree	0.4225
• Job Rotation		3.7500	Agree	1.3300		3.9600	Agree	0.5600
• Job Enlargement		3.8900	Agree	0.7400		4.1100	Agree	0.8000
• Job Enrichment		3.5900	Agree	1.0200		2.3100	Disagree	1.1000
4. Psychological Contract/ Employment Relationship	112	3.9911	Agree	0.5050	45	4.4756	Strongly Agree	0.4904
• Long-term Contract		4.6300	Strongly Agree	1.3300		4.7600	Strongly Agree	0.7100
• Situational Contract		2.9300	Undecided	1.2400		3.8700	Agree	1.3600
• Recognition Reward		3.5900	Agree	1.0200		4.4900	Strongly Agree	0.7600
5. Management Style	112	3.2446	Undecided	0.3794	45	2.9600	Undecided	0.5274
• Authoritarian Style		3.2900	Undecided	0.900		3.6550	Agree	1.1700
• Participative Style		3.2133	Undecided	0.7533		2.4966	Disagree	0.9133

4.2.1 Perception toward Alternative Criteria for Employee Cost Reduction

Table 4.8 described that the respondents in both groups perceived toward Alternative Criteria for Employee Cost Reduction, which the bank selected to used for implementation of rightsizing with undecided level of which mean score of 3.000 for Retained Staff and 3.1222 for Laid-off Staff. However, the perception of the respondents in both groups on each sub variable and their related proxies were illustrated as follows: -

Perception toward Layoff Strategy

Table 4.8, majority of respondents in Retained Staff and Laid-off Staff groups perceived toward the Layoff Strategy affirmatively with disagreed level of mean score shown 1.800 for Retained Staff group and almost strongly disagreed level of 2.1100 for Laid-off Staff group. Standard deviation of 0.6300 in Retained Staff group and 1.3500 in Laid-off Staff group presented similarity of perception among respondents. Estimatively, the feedback shown that the employees had negative perception toward Layoff Strategy.

Perception toward Voluntary Retirement

Table 4.8 shown that the respondents in Retained Staff perceived toward the Voluntary Retirement with undecided level of mean score shown 3.3400 with standard deviation of 1.2600. While Laid-off Staff groups perceived positively toward the Voluntary Retirement with agreed level of mean score shown 3.800 with standard deviation of 1.4100. This could be implied that Laid-off Staff group preferred to be voluntarily retired more than to be terminated. It could be also implied that Laid-off Staff group might feel that it was not fair for them to be terminated without willingness or accepting voluntarily.

Perception toward Transfer

From table 4.8, considering the level of mean score of 3.3700 for respondents in Retained Staff, it shown that they felt uncertain or not the transfer would be appropriate alternative. But Laid-off Staff group, perceived toward them with agreed level of mean score

shown 3.7300. It could be described that Laid-off Staff group desired the target international bank to use the way of transfer in rightsizing an organization rather than laying off large numbers of people.

Perception toward Profitability Based

Table 4.8 described that the respondents in Retained Staff and Laidoff staff group perceived toward the Profitability Based with disagreed level of mean score of 2.51 with standard deviation of 0.9200 and 2.3100 with standard and Laid-off deviation of 0.9700 respectively. It could be assumed that both Retained Staff, and Laidoff staff group disbelieved that eliminated positions were non-profitable areas or non-potential business as the management announced.

Perception toward Performance Based

From table 4.8, it presented that the respondents in Retained Staff and Laid-off Staff groups perceived positively toward the Performance Based as the criteria in selection for Layoff with the level of strongly agree. In addition, it shown the highest score among alternative approaches to rightsizing with mean score of 4.3600 for Retained Staff group and 4.2400 for Laid-off Staff group. Obviously, standard deviation of 0.5300 in Retained Staff group and 0.7700 in Laid-off Staff group indicated the similarity of perception among respondents especially in Retained Staff group. It could be assumed that in employees' point of view, performance based is the most effective alternative criteria in selection for layoff.

Perception toward Severance Package

In consideration of the perception toward Severance Package in table 4.8, the respondents in Retained Staff perceived it with undecided level of mean score of 2.6200 with standard deviation of 1.200. While Laid-off Staff group perceived negatively toward the Severance Package criteria that the target international bank used with disagreed level of mean score of 2.5300 and standard deviation of 1.7100. It could be understood that majority

group of Laid-off Staff who worked with the bank for more than 10 years perceived that the severance package that they received was not appropriated for them. Since Laid-off Staff who worked with the bank for more than 10 years received the same rate of severance package as Laid-off Staff who worked with the bank for 10 years. (16 months of their salary according to written announcement of management)

Table 4.8 Perception toward Alternative Approaches to Rightsizing in terms of Alternative Criteria for Employee Cost Reduction

Sub-variable and Proxies	Retained Staff Group				Laid-off Staff Group			
	n	Mean	Qualitative Rating	Std Div.	n	Mean	Qualitative Rating	Std Div.
Alternative Criteria for Employee Cost Reduction :	112	3.0000	Undecided	0.3777	45	3.1222	Undecided	0.3360
• Layoff Strategy		1.8000	Disagree	0.6300		2.1100	Disagree	1.3500
• Voluntary Retirement		3.3400	Undecided	1.2600		3.8000	Agree	1.4100
• Transfer		3.3700	Undecided	0.9200		3.7300	Agree	0.5400
• Profitability Based		2.5100	Disagree	0.9200		2.3100	Disagree	0.9700
• Performance Based		4.3600	Strongly agree	.5300		4.2400	Strongly agree	0.7700
• Severance Package		2.6200	Undecided	1.2000		2.5300	Disagree	1.7100

4.2.2 Perception toward Openness of Communication

Table 4.9 illustrated that the respondents in both groups perceived toward overall Openness of Communication that the bank used during the time of implementation of rightsizing with undecided level of which mean score of 2.7357 for Retained Staff and 2.6578 for Laid-off Staff. However, the perception of the respondents in both groups on each sub variable and their proxies were described as follows: -

Perception toward Information Sharing

In table 4.9 it clearly shown that the respondents in both groups perceived toward Information Sharing with disagreed level of which mean score of 1.9400 for Retained Staff group and 2.3800 for Laid-off Staff group. It could be assumed that the bank did not share

adequate information about rightsizing to their employees. The meaningful information i.e. the reason of rightsizing associated with the evidences exposing the cost and income ratio for each business were not disclosed to the employees.

Perception toward Integrity

From table 4.9, it obviously shown that the respondents in Retained Staff and Laid-off Staff group perceived toward Integrity of management with disagreed level of which mean score of 2.5800 and 2.2200 respectively. This was an indication that the respondents perceived that the rightsizing strategy, which the bank officially informed their employee i.e. the rational and the criteria were different from the actual action taken by management. For example, the eliminated positions based on profitability of each business. But in fact, some staff were laid off due to their poor performance. And if eliminated positions were in non-profitable area, it should not be replaced. In contrast, after laying off some staff there was replacement.

Perception toward Listen to Employees

From table 4.9 it described that the respondents in Retained Staff group perceived positively toward Listen to Employees of management with mean score of 3.4400. Conversely, the respondents in Laid-off Staff group perceived toward Listen to Employees with undecided level of which mean score of 2.8900. It could be explained that the respondents in both groups had different perception toward Listen to Employees. The respondents in Retained Staff group might perceived that they had an opportunity to exchange their feeling and ideas with their supervisor and management. While the respondents in Laid-off Staff group felt undecided whether or not they could exchange their feeling and ideas with their supervisor and management particularly, at the time when they were individually notified that they were terminated. This finding was supported by the

information from interview, Laid-off Staff were not sincerely informed by management and supervisors for the true reason of being laid off.

Table 4.9 Perception toward Alternative Approaches to Rightsizing in terms of Openness of Communication

Sub-variable and Proxies	Retained Staff Group				Laid-off Staff Group			
	n	Mean	Qualitative Rating	Std Div.	n	Mean	Qualitative Rating	Std Div.
Openness of Communication	112	2.7357	Undecided	0.4048	45	2.6578	Undecided	0.7515
• Information Sharing		1.9400	Disagree	0.7000		2.3800	Disagree	1.1700
• Integrity		2.5800	Disagree	1.175		2.2200	Disagree	1.0200
• Listen to employees		3.4400	Agree	0.7800		2.8900	Undecided	0.9800

4.2.3 Perception toward Job Redesign

From table 4.10, it presented that the respondents in both groups perceived positively toward entire Job Redesign with agreed level of which mean score of 3.5268 for Retained Staff and 3.6489 for Laid-off Staff group. In order to understand more about perception of respondents toward each aspect of Job Redesign, the following are description of perception toward Job Redesign in terms of Job Rotation, Job Enlargement, Job Enrichment.

Perception toward Job Rotation

Table 4.10 indicating that the respondents in both groups perceived favorably toward Job Rotation with agree level of which mean score of 3.7500 for Retained Staff group and 3.9600 for Laid-off Staff group. It could be implied that the employees preferred to be rotated within the same department and across department rather than to be laid off.

Perception toward Job Enlargement

From table 4.10, it presented that among Job Redesign, Job Enlargement was rated in highest mean score. The respondents in Retained Staff group view Job Enlargement with mean score of 3.7500, which fall into agreed level for Retained Staff and Laid-off Staff group perceived toward Job Enlargement with almost strongly agreed level of which mean score of

3.8900 and 4.1100 respectively. It could be described that the respondents preferred to be assigned more tasks and responsible rather than to be laid off.

Perception toward Job Enrichment

Table 4.10 shown that Job Enrichment was ranked in lowest mean score comparing to other Job Redesign Alternative. The respondents in Retained Staff group perceived toward Job Enrichment with agreed level of which mean score of 3.5900. In contrast, the respondents in Laid-off Staff group did not accept Job Enrichment. Their rating fall into disagreed level of which mean score of 2.3100. It could be assumed that because Retained Staff group were selected to work for the bank, they consented to be empowered to make decision rather than Laid-off Staff who were selected to be terminated.

Table 4.10 Perception toward Alternative Approaches to Rightsizing in terms of Job Redesign

Sub-variable and Proxies	Retained Staff Group				Laid-off Staff Group			
	n	Mean	Qualitative Rating	Std Div.	n	Mean	Qualitative Rating	Std Div.
Job Redesign Alternative	112	3.5268	Agree	0.7166	45	3.6489	Agree	0.4225
• Job Rotation		3.7500	Agree	1.330074		3.9600	Agree	0.5600
• Job Enlargement		3.8900	Agree	00		4.1100	Agree	0.8000
• Job Enrichment		3.5900	Agree	1.0200		2.3100	Disagree	1.1000

4.2.4 Perception toward Psychological Contract / Employment Relationship

From table 4.11, it presented that the respondents in Retained Staff group perceived toward Psychological Contract / Employment Relationship with agreed level of which mean score of 3.91. While Laid-off Staff group perceived toward Psychological Contract/ Employment Relationship with strongly agreed level of which mean score of and 4.4756. Each sub variables and their proxies of Psychological Contract / Employment Relationship were described as follows: -

Perception toward Long-term Contract

From table 4.11, it illustrated that the respondents in both groups perceived toward Long-term Psychological Contact or Employment Status with strongly agreed level of with mean score of 4.6300 for Retained Staff group and 4.7600 for Laid-off Staff group. It could be comprehended that most respondents still stuck with Long-term Psychological Contact or Employment Status. In fact, in the current situation of economic downturn, the bank itself can no longer offer guarantee for lifetime career or for working with the bank until retirement because the capacity of hiring depends on profitability of the bank itself and performance of employees themselves.

Perception toward Situational Contract

The mean score of 2.9300 in table 4.11 for Retained Staff group described that they felt uncertain whether or not Situational Psychological Contact / Employment Status was reasonable and acceptable for them. Conversely, the respondents in Laid-off Staff group who were terminated shown more understanding about the changing of Psychological Contact/ Employment Status with agreed level of which mean score of 3.8700. It could be implied that Retained Staff group still did not understand about the changing of Psychological Contact or Employment Status.

Perception toward Recognition Reward

From table 4.11, it shown that the respondents in Retained Staff group perceived toward Recognition Reward with agreed level of which mean score of 3.5900. While Laid-off Staff group seemed to more prefer with Recognition Reward with strongly agreed level of which mean score of 4.4900. It could be assumed that the staff want the supervisor and management give recognition when they perform a good job.

Table 4.11 Perception toward Alternative Approaches to Rightsizing in terms of Psychological Contract / Employment Relationship.

Sub-variable and Proxies	Retained Staff Group				Laid-off Staff Group			
	n	Mean	Qualitative Rating	Std Div.	n	Mean	Qualitative Rating	Std Div.
Psychological Contract/ Employment Relationship	112	3.9911	Agree	0.5050	45	4.4756	Strong Agree	0.4904
• Long-term Contract		4.6300	Strongly Agree	1.3300		4.7600	Strongly Agree	0.7100
• Situational Contract		2.9300	Undecided	1.2400		3.8700	Agree	1.3600
• Recognition Reward		3.5900	Agree	1.0200		4.4900	Strongly Agree	0.7600

4.2.6 Perception toward Management Style

Comparing the perception of respondents in both groups in table 4.12, each groups perceived toward Management Style in the same undecided level, which mean score of 3.2446 for Retained Staff group and 2.9600 for Laid-off Staff group. In order to more understand about their perception toward Management Style, the sub variable and related proxies were described as follows: -

Perception toward Authoritarian Style

From table 4.12, it shown that the respondents in Retained Staff group perceived toward Authoritarian Style with undecided level of which mean score of 3.2900. In contrast, the respondents in Laid-off Staff group perceived toward Authoritarian Style with agreed level of which mean score of 3.6650. It could be illustrated that the management still used authoritarian management style during the implementation of rightsizing.

Perception toward Patitipative Style

In table 4.12, it indicated that the respondents in Retained Staff group perceived toward Participative Style with undecided level of which mean score of 3.2133. On the other hand, the respondents in Laid-off Staff group perceived toward Participative Style with disagreed level of which mean score of 2.4966. It could be described that in implementation

of rightsizing the management exercised deficiently Participate Management Style during the implementation of rightsizing. The employees had few opportunities to share their ideas and to participate in decision making process.

Table 4.12 Perception toward Alternative Approaches to Rightsizing in terms of Management Style

Sub-variable and Proxies	Retained Staff Group				Laid-off Staff Group			
	n	Mean	Qualitative Rating	Std Div.	n	Mean	Qualitative Rating	Std Div.
Management Style	112	3.2446	Undecided	0.3794	45	2.9600	Undecided	0.5274
• Authoritarian Style		3.2900	Undecided	0.900		3.6550	Agree	1.1700
• Participative Style		3.2133	Undecided	0.7533		2.4966	Disagree	0.9133

4.3 Perception of Laid-off Staff and Retained Staff group on the Determinants on Job Satisfactions before and after implementation of rightsizing

Ha3 : There is a significant difference in the perception of Laid-off Staff and Retained Staff group on the determinants on job satisfactions before and after implementation of rightsizing

Ho: There is no significant difference in the perception of Laid-off Staff and Retained Staff group on the determinants on job satisfactions before and after implementation of rightsizing

Illustrating in table 4.13 and 4.14, based on Independent Sample T-test. For Independent Sample T-test if F-Sig value is less than .05 means there is significant difference between two groups of respondents. If F-Sig value is greater than .05 means there is no significant difference between two groups of respondents. The statistical description could be specified as follows: -

Before implementation rightsizing : Determinants on Job Satisfaction

F- Sig equals to .194, which greater than .05. Therefore reject Ha3, no significant difference for overall aspect of determinants on job satisfaction.

Individual Factors

F-Sig equals to .53, which greater than .05. Therefore reject Ha3, no significant difference in terms of individual factors

Internal Factors

F-Sig equals to .108, which greater than .05. therefore reject Ha3, no significant difference in terms of internal factors

External Factors

F-Sig equals to .335, which greater than .05. Therefore reject Ha3, no significant difference in terms of external factors

After implementation rightsizing : Determinants on Job Satisfaction

F- Sig equivalents to .293, which greater than .05. Thus reject Ha3, no significant difference for overall aspect of determinants on job satisfaction

Individual Factors

F-Sig equivalents to .003, which less than .05. Thus accept Ha3, there is significant difference in terms of individual factors.

Internal Factors

F-Sig equivalents to .443, which greater than .05. Thus reject Ha3, no significant difference in terms of internal factors.

External Factors

F-Sig equivalents to .161, which greater than .05. Therefore reject Ha3, no significant difference in terms of external factors.

Table 4.13 Summary of Statistical Results of Perception on Determinants on Job Satisfaction before Implementation of Rightsizing

	Levene's Test for Equality of Variance		t-test for Equality of Means			Equal variance assumed	Equal variance not assumed
	F	Sig.	t	df	Sig. (2 tails)		
Individual Factors	6.704	.011	2.172 1.970	155 67,440	.031 .053	x	
1. Effort / Reward Ratio	4.548	0.35	-2.085 -2.377	155 110.393	.039 .019		X
2. Commitment	13.094	.000	1.492 1.328	155 66.281	.138 .189	x	
3. Expectation	3.055	.082	1.872 1.801	155 75.131	.063 .076	x	
Internal Factors	30.433	.000	1.266 1.617	155 143.366	.207 .108	x	
1. The work itself	41.594	.000	3.986 3.187	155 55.809	.000 .002		X
2. Job Varity	0.62	.804	3.572 3.617	155 83.491	.000 .001		X
3. Possibility for growth	7.004	.009	-1.238 -1.385	155 105.245	.218 .169	x	
External Factor	2.053	.154	.967 1.074	155 103.446	.335 .286	x	
1. Job security	12.196	.001	2.407 2.169	155 66.644	.017 .034		X
2. Compensation	.572	.451	2.075 2.063	155 80.318	.040 .042		X
3. Opportunity for other employment	2.053	.154	9.67 1.074	155 103.446	.335 .286	x	
Total	7.986	.005	1.129 1.306	155 114.393	2.60 .194	x	

Table 4.14 Summary of Statistical Results of Perception on Determinants on Job Satisfaction after Implementation of Rightsizing

	Levene's Test for Equality of Variance		t-test for Equality of Means			Equal variance assumed	Equal variance not assumed
	F	Sig.	t	df	Sig. (2 tails)		
Individual Factors	2.623	.107	3.069 2.865	155 70.962	.003 .005		X
1. Effort / Reward Ratio	.942	.333	-1.186 -1.176	155 79.829	.238 .243	x	
2. Commitment	5.720	.018	3.297 2.921	155 64.809	.001 .005		X
3. Expectation	18.640	.000	1.664 1.381	155 58.642	.098 .1732	x	
Internal Factors	28.776	.000	.925 .772	155 59.120	.356 .443	x	
1. The work itself	24.888	.000	.175 .142	155 57.053	.862 .888	x	
2. Job Variety	3.460	.065	-1.209 -1.190	155 78.558	.228 .238	x	
3. Possibility for growth	7.485	.007	.832 .717	155 62.079	.407 .476	x	
External Factor	10.831	.001	1.646 1.419	155 62.112	.102 .161	x	
7. Job security	3.394	.067	.699 .660	155 72.553	.486 .511	x	
8. Compensation	.312	.577	1.730 1.701	155 78.412	.086 .093	x	
9. Opportunity for other employment	24.089	.000	-1.792 -1.367	155 52.687	.075 .177	x	
Total	.139	.710	1.055 1.051	155 80.646	.293 .296	x	

Based on Independent Sample T-test statistic, it could not analysis deeply in details. Therefore, the average weighted means was also utilized in order to find out more details. Table 4.15 described the comparison between the perception of respondents in Retained Staff and Laid-off Staff groups toward Determinants on Job satisfaction before and after implementation of rightsizing. At the period of time: 3 years ago means to before implementation of rightsizing and at period of time: at the present means to after implementation of rightsizing. The perception of respondents toward determinants on job satisfaction in terms of, - Individual Factors, which included Effort/Reward Ratio, Commitment, and Expectation, - Internal Factors, which included the Work Itself, Job variety, and Possibility for Growth, and External Factors, which consisted of Job Security, Compensation, and Opportunity for Other Employment were illustrated with their sub

variables and proxies to provide incisive details about the factors determining the change on level of job satisfaction.

Table4.15 Overview Summary of Determinants on Job satisfaction before and after implementation of Rightsizing.

For the Period of time 2 years ago			Retained Staff				Laid-off Staff	
Sub-variable and Proxies	N	Mean	Qualitative Rating	Std.Div	N	Mean	Qualitative Rating	Std.Div
Job Satisfaction : Individual Factors	112	3.5794	Agree	0.5952	45	3.7432	Agree	0.6020
1. Effort/reward ratio		3.2113	Undecided	0.6437		3.1037	Undecided	0.5588
2. Commitment		3.9137	Agree	0.6049		4.1556	Agree	0.7233
3. Expectation		3.6131	Agree	0.7731		3.9704	Agree	0.8900
Job Satisfaction : Internal Factor		3.6448	Agree	0.5327		3.7556	Agree	0.3758
1. The Work itself		3.6339	Agree	0.3131		3.8593	Agree	0.5294
2. Job Variety		3.7113	Agree	0.7704		4.3111	Strongly Agree	0.7766
3. Possibility for Growth		3.5893	Agree	0.7540		3.0963	Undecided	0.6301
Job Satisfaction : External Factors		3.2133	Undecided	0.5069		3.4296	Agree	0.4327
1. Job Security		3.4244	Undecided	0.3620		3.4000	Agree	0.5299
2. Compensation		2.9405	Undecided	0.8562		3.3333	undecided	0.7487
3. Opportunity for other employment		3.3750	Undecided	0.6905		3.5556	Agree	0.5025
The period of time : At present								
Job Satisfaction : Individual Factor		3.2589	Undecided	0.4435		3.4691	Agree	0.5349
1. Effort/reward ratio		2.6488	Undecided	0.6558		2.4815	Disagree	0.7472
2. Commitment		3.6339	Agree	0.5641		4.1481	Agree	0.7573
3. Expectation		3.4941	Agree	0.4541		3.7778	Agree	0.8558
Job Satisfaction : Internal Factor		3.3740	Undecided	0.4709		3.4519	Agree	0.6989
1. The Work itself		3.4851	Agree	0.5000		3.4963	Agree	0.6913
2. Job Variety		3.7738	Agree	0.5317		3.7630	Agree	0.7093
3. Possibility for Growth		2.8631	Undecided	0.8086		3.0693	Undecided	1.0460
Job Satisfaction : External Factors		2.8690	Undecided	0.3849		2.9654	Undecided	0.6364
1. Job Security		3.1161	Undecided	0.5308		3.0593	Undecided	0.5564
2. Compensation		2.4435	Disagree	0.8219		2.6667	Undecided	0.6715
3. Opportunity for other employment		3.0476	Undecided	0.5675		3.1704	undecided	0.9498

4.3.1 Determinants on Job Satisfaction : Individual Factors

From table 4.16, it presented after implementation of rightsizing the respondents in Retained Staff group changed their perception toward Determinants on Job Satisfactions in term of individual factors form agreed level to undecided level. It seemed that after implementation of rightsizing Retained Staff group felt uncertainty about overall Individual Factors of Determinants on Job satisfaction. Surprisingly, after implementation Laid-off Staff group still remained their perception toward Individual Factors of Determinants on Job Satisfactions in agreed level. However, deeply in details of each related proxies of the factors determining job satisfaction in term of effort/reward ratio, commitment, and expectation were illustrated as follows: -

Perception toward Effort/Reward Ratio

Table 4.16 described that before implementation of rightsizing both respondents in Retained Staff and Laid-off Staff groups felt reluctant or uncertain whether Effort/ Reward ratio they received was fair with the mean score of 3.2113 and 3.1037 with standard deviation of 0.6437 and 0.5588 respectively. However, after implementation of rightsizing overall respondents in Retained Staff still remained their perception toward Effort/Reward Ratio in undecided level with mean score of 2.6488 and standard deviation of 0.6558. But Laid-off group changed their perception toward the Effort/ Reward Ratio to disagreed level with mean score of 2.4815 with standard deviation of 0.7472. Even though the level of job satisfaction for respondents in Retained Staff groups did not change much, they sill felt uncertain whether or not they were treated fairly, especially comparing between their performance and their employment status, which is one kind of reward that they received could not be not guaranteed for their future.

Perception toward Commitment

From table 4.16, it found that, entirely before implementation of rightsizing both respondents in Retained Staff and Laid-off Staff groups perceived positively toward the Commitment with almost strongly agreed level of mean score of 3.9137 and 4.1556 respectively. Interestingly, after implementation of rightsizing respondents both in Retained Staff group and Laid-off Staff still perceived toward Commitment with agreed level with mean score of 3.6339 and 4.1481. The mean score shown that even though Laid-off Staff were terminated, they still committed to perform a good work for the target international bank. From the interview the respondents in Laid-off Staff group replied that from their perspective it could be good recommendation for their future job.

Perception toward Expectation

From table 4.16, before implementation of rightsizing overall respondents both in Retained Staff and Laid-off Staff groups perceived positively toward the Commitment with agreed level of mean score of 3.6131 and 3.9704 respectively. After implementation of rightsizing the respondents in both groups still remained their level of job satisfaction in agreed level with slightly changed mean score of 3.4941 and 3.7778 respectively. Standard deviation of 0.4541 for Retained Staff group shown not much dispersion of perception among the respondents. While standard deviation of Laid-off Staff group was 0.8558 reflecting more vary among the perception of respondents. It could be described that working with target international bank could meet their basic needs especially in social respect.

Table 4.16: Summary of Comparison of Perception of Respondents on Determinants on Job Satisfaction (Individual Factors) between before and after Implementation of Rightsizing.

			Retained Staff Group				Laid-off Staff Group	
Sub-variable and Proxies	N	Mean	Qualitative Rating	Std.Div	N	Mean	Qualitative Rating	Std.Div
For the period of time : 2 years ago								
Job Satisfaction : Individual Factors	112	3.5794	Agree	0.5952	45	3.7432	Agree	0.6020
1. Effort/reward ratio		3.2113	Undecided	0.6437		3.1037	Undecided	0.5588
2. Commitment		3.9137	Agree	0.6049		4.1556	Agree	0.7233
3. Expectation		3.6131	Agree	0.7731		3.9704	Agree	0.8900
The period of time : At present								
Job Satisfaction : Individual Factor		3.2589	Undecided	0.4435		3.4691	Agree	0.5349
1. Effort/reward ratio		2.6488	Disagree	0.6558		2.4815	Disagree	0.7472
2. Commitment		3.6339	Agree	0.5641		4.1481	Agree	0.7573
3. Expectation		3.4941	Agree	0.4541		3.7778	Agree	0.8558

4.3.2 Determinants of Job Satisfaction : Internal Factors

From table 4.17, it illustrated that after implementation, there was a change on the perception of the respondents in Retained Staff group on overall Determinants on Job Satisfaction in terms of internal factors. But there was no change on the perception of the respondents in Laid-off Staff group on overall Determinants on Job Satisfaction in terms of internal factors. This finding is very interesting in studying more details, which described as follows: -

Perception toward the Work Itself

Table 4.17 presented that before implementation of rightsizing both respondents in Retained Staff and Laid-off Staff groups perceived positively toward the Work Itself with agreed level of mean score of 3.6339 and 3.8593 respectively. After implementation of rightsizing the respondents in both group still retained their perception toward Job Varity with almost the same level with mean score of 3.4851, and 3.4963 respectively. This finding

was supported by information from interview. From the point of view of respondents in both groups, the implementation of job redesign in terms of job rotation, job enlargement, and job enrichment as alternative criteria approaches to rightsizing could be the most effective criteria for rightsizing because the respondents still satisfy with their work even though they received more assigned work and handled more responsibility.

Perception toward Job Variety

From table 4.17 it shown that wholly, before implementation of rightsizing respondents in Retained Staff perceived positively toward the Job Variety with agreed level of mean score of 3.7113 and standard deviation of 0.7704. While Laid-off Staff groups perceived very positively toward the Job Variety with strongly agreed level of mean score of 4.3111. After implementation of rightsizing respondents in Retained staff group still perceived toward Job Variety with agreed level with higher mean score of 3.7738. But the mean score of the respondents in Laid-off staff group strongly changed to 3.7630, which rank into agreed level.

Perception toward Possibility for Growth

Table 4.17 described that before implementation of rightsizing the respondents in Retained Staff groups perceived positively toward the Possibility for Growth with agreed level of mean score of 3.5893. Comparing to the respondents in Laid-off Staff group, they perceived toward the Possibility for Growth with undecided level of mean score of 3.0963. However, after implementation of rightsizing the respondents in Retained Staff group strongly changed their perception toward Possibility for Growth to undecided level of mean score of 2.8631. While Laid-off Staff still remained their perception toward possibility for growth in undecided level of means score of 3.0693. It could be assumed that implementation of rightsizing caused respondent in Retained Staff group were reluctant

whether or not they would have opportunity for growth i.e. be promoted, and having career path.

Table 4.17 Summary of Comparison of Perception of Respondents on Determinants on Job Satisfaction (Internal Factors) between before and after Implementation of Rightsizing.

Sub-variable and Proxies	Retained Staff Group				Laid-off Staff Group			
	N	Mean	Qualitative Rating	Std.Div	N	Mean	Qualitative Rating	Std.Div.
The period of time : 2 years ago								
Job Satisfaction : Internal Factor	112	3.6448	Agree	0.5327	45	3.7556	Agree	0.3758
1. The Work itself		3.6339	Agree	0.3131		3.8593	Agree	0.5294
2. Job Variety		3.7113	Agree	0.7704		4.3111	Strongly Agree	0.7766
3. Possibility for Growth		3.5893	Agree	0.7540		3.0963	Undecided	0.6301
The period of time : At present								
Job Satisfaction : Internal Factor		3.3740	Undecided	0.4709		3.4519	Agree	0.6989
1. The Work itself		3.4851	Agree	0.5000		3.4963	Agree	0.6913
2. Job Variety		3.7738	Agree	0.5317		3.7630	Agree	0.7093
3. Possibility for Growth		2.8631	Undecided	0.8086		3.0693	Undecided	1.0460

4.3.3 Determinants of Job Satisfaction : External Factors

From table 4.18, it shown that implementation of rightsizing did not change the perception of the respondents in Retained Staff group toward overview determinants on job satisfaction in term of external factors which consisting of job security, compensation, opportunity for other employment. In contrast, as a result of implementation of rightsizing, the respondents in Laid-off Staff group changed the perception toward overview determinants on job satisfaction in term of external factors which consisting of job security, compensation, opportunity for other employment from agreed level to undecided level. However, deeply in details were illustrated as follows: -

Perception toward Job Security

From table 4.18, it reflected that entirely, before implementation of rightsizing both respondent in Retained Staff and Laid-off Staff groups perceived positively toward the Job Security with agreed level of mean score of 3.4244 in Retained Staff group, and 3.4000 in Laid-off Staff group. Nevertheless, after implementation of rightsizing the respondents in both groups strongly changed their perception toward Job Security to undecided level with mean score of 3.1161 and 3.0593 respectively. It could be described that implementation of rightsizing decreased the respondents' job satisfaction level in term of job security. The respondents might perceive the uncertainty situation after implementation of rightsizing. Particularly, the respondents in Retained Staff group probably felt insecure about their employment status. From the interview, Retained Staff group informed that they wanted to work with stable company because they concerned about earning and their family.

Perception toward Compensation

Table 4.18 described that before implementation of rightsizing the respondents in both groups perceived toward the Compensation with undecided level of means score of 2.9405 with standard deviation of 0.6905 and means score of 3.333 with standard deviation of 0.7487 respectively. However, after implementation of rightsizing the respondents in Retained Staff group perceived toward Compensation negatively with disagreed level of mean score of 2.4435. On the other hand, after implementation of rightsizing, the respondents the in Laid-off Staff group still remained their perception with undecided level of slightly changed mean score of 2.6667. Surprisingly, after implementation the mean score of respondent in Laid-off Staff group was slightly higher than Retained Staff group. It could be understood that majority of Laid-off Staff group preferred with compensation that they received i.e. severance package. Since at the time of launching questionnaire they probably could find opportunity

for their own business with higher return. While Retained Staff still worked for the bank with the same salary.

Perception toward Opportunity for Other Employment

From table 4.18, it presented that before implementation of rightsizing the respondents in Retained Staff perceived toward Opportunity for Other Employment with undecided level of mean score of 3.3750. But the respondents in Laid-off staff perceived toward Opportunity for Other Employment more positively with agreed level of the mean score of 3.5556. However, after implementation of rightsizing the respondents both in Retained Staff group still perceived toward Opportunity for Other Employment with undecided level of mean score of 3.0476. But Laid-off Staff group strongly changed their perception toward Opportunity for Other Employment to undecided level of mean score of 3.1704. Obviously, after implementation the mean score of respondents in Laid-off Staff group was slightly higher than Retained Staff group. It could be assumed that once they were informed to be terminated, they started seeking the appropriate way to earn the money to support their life. They probably tried to apply for new jobs with other organizations or started to run their small own business. Therefore, their mean score was higher than Retained Staff Group who still were codependent with the target international bank.

Table 4.18 Summary of Comparison of Perception of Respondents on Determinants on Job Satisfaction (External Factors) between before and after Implementation of Rightsizing.

For the Period of time 2 years ago			Retained Staff Group				Laid-off Staff Group	
Sub-variable and Proxies	N	Mean	Qualitative Rating	Std.Div	N	Mean	Qualitative Rating	Std.Div
Job Satisfaction : External Factors		3.2133	Undecided	0.5069		3.4296	Agree	0.4327
1. Job Security		3.32444	Agree	0.3620		3.4000	Agree	0.5299
2. Compensation		2.9405	Undecided	0.8562		3.3333	undecided	0.7487
3. Opportunity for other employment		3.3750	Undecided	0.6905		3.5556	Agree	0.5025
The period of time : At present								
Job Satisfaction : External Factors		2.8690	Undecided	0.3849		2.9654	Undecided	0.6364
1. Job Security		3.1161	Undecided	0.5308		3.0593	Undecided	0.5564
2. Compensation		2.4435	Disagree	0.8219		2.6667	Undecided	0.6715
3. Opportunity for other employment		3.0476	Undecided	0.5675		3.1704	undecided	0.9498

4.4 The Influence of the Alternative Approaches to Rightsizing on Job Satisfaction

From table 4.19, it shown that Alternative Approaches to Rightsizing have an influence on Job Satisfaction with value of 9.782 and Asymp Sig (2 sided) of 0.021

Ha 4 : The Alternative Approaches to Rightsizing have an influence on Job Satisfaction

Ho : The Alternative Approaches to Rightsizing does not have an influence on Job Satisfaction

Based on Pearson Chi-Square Test, Asymp Sig (2 Sided) is less than .05 means Alternative Approaches have an influence on Job Satisfaction. Therefore accept HA and reject Ho.

4.5 The Greatest Influence among Alternative Approaches to Rightsizing on Job Satisfaction

From research hypothesis in Chapter 1,

Ha5: The Alternative Approaches to Rightsizing that has the greatest influence on Job Satisfaction is Psychological Contract/ Employment Relationship

Ho : The Alternative Approaches to Rightsizing that has the greatest influence on Job Satisfaction is not Psychological Contract/ Employment Relationship

From table 4.19, it shown that Openness of Communication has the greatest influence on Job Satisfaction with the least score of Asymp. Sig (2 Sided) of .001. In addition, Alternative Criteria for Employee Cost Reduction also has an influence on Job Satisfaction with score of Asymp. Sig (2 Sided) of .005. Therefore, reject HA and accept Ho.



Table 4.19 Summary of Statistical Result of Influence of the Alternative Approaches to Rightsizing on Job Satisfaction (Pearson Chi- Square)

Sub Variables and Proxies	Value	Df	Asymp. Sig. (2-sided)
1. Alternative Criteria for Employee Cost Reduction : Job Satisfaction	14.942	4	.005
2. Openness of communication : Job Satisfaction	26.972	9	.001
3. Job Redesign Alternative : Job Satisfaction	2.491	6	.870
4. Psychological Contract / Employment Relationship : Job Satisfaction	5.032	6	.540
5. Management Style : Job Satisfaction	10.215	12	.597
Total	9.782	3	.021

To deeply analyze and illustrate the influence of Openness of Communication on Job Satisfaction in each aspect, the details were shown in table 4.20, 4.21 and 4.22 below. Comparing between 3 aspect of Job Satisfaction; Individual Factors, Internal Factors and External Factor, Openness of Communication has most influence on Individual Factors and External Factors.

Data gathering from interview could support that respondents did not receive clear information about rightsizing. Most respondents expressed their idea that the formal information that they received from management and the actual approaches and criteria that management applied did not agree. For example, management of target international bank officially announced that elimination based on profitable capacity only. However, there were no evidence indicating the profitable capacity i.e. cost and income ratio of each business or product. In fact, some staff were laid off due to poor performance not profitable capacity and there were replacement in those positions. It could be described that respondents perceived that management was not honest with them and did not share sufficient information. They therefore did not really understand the rationale for rightsizing.

Table 4.20 Summary of Statistical of Influence of Openness of Communication on Job Satisfaction- Individual Factors (Pearson Chi- Square)

Sub Variables and Proxies	Value	Df	Asymp. Sig. (2-sided)
Openness of Communication : Individual Factors	56.416	9	.000
1. Effort/ Reward Ratio	40.063	9	.000
2. Commitment	40.184	9	.000
3.Expectation	58.092	12	.000

Table 4.21 Summary of Statistical of Influence of Openness of Communication on Job Satisfaction- Internal Factors (Pearson Chi- Square)

Sub Variables and Proxies	Value	Df	Asymp. Sig. (2-sided)
Openness of Communication : Internal Factors	26.883	9	.001
1. The Work Itself	43.737	9	.000
2. Job Varity	19.951	6	.003
3. Possibility for Growth	61.001	12	.000

Table 4.22 Summary of Statistical of Influence of Openness of Communication on Job Satisfaction- External Factors (Pearson Chi- Square)

Sub Variables and Proxies	Value	Df	Asymp. Sig. (2-sided)
Openness of Communication : External Factors	62.862	6	.000
1. Job Security	46.032	9	.000
2. Compensation	10.610	6	.000
3. Opportunity for Other Employment	79.200	12	.000

The Alternative Approaches to rightsizing which has subsequent influence on job satisfaction is Alternative Criteria for Employee Cost Reduction. From table 4.23, 4.24, and 4.25 it shown that Alternative Criteria for Employee Cost Reduction has most influence on individual factors of job satisfaction with Asymp. Sig. (2-sided) of .056 effort/ reward ratio and 0.35 for commitment and .004 for expectation. From the figure it could be assumed that the respondents did not agree with Alternative Criteria for Employee Cost Reduction that target international bank selected to apply. From questionnaire answering, most of

respondents rated laidoff in strongly disagreed level and severance package in disagreed level. However, they preferred with voluntary retirement and transfer. It could be implied that respondents perceived that laidoff might not be the most effective criteria for cost reduction and not support target international bank to strengthen the its financial status in the future.

Table 4.23 Summary of Statistical of Influence of the Alternative Criteria for Employee Cost Reduction on Job Satisfaction- Individual Factors (Pearson Chi- Square)

Sub Variables and Proxies	Value	Df	Asymp. Sig. (2-sided)
Alternative Criteria for Employee Cost Reduction : Individual Factors	21.993	6	.001
1. Effort/ Reward Ratio	12.302	6	.056
2. Commitment	13.563	6	.035
3.Expectation	22.852	8	.004

Table 4.24 Summary of Statistical of Influence of the Alternative Criteria for Employee Cost Reduction on Job Satisfaction- Internal Factors (Pearson Chi- Square)

Sub Variables and Proxies	Value	Df	Asymp. Sig. (2-sided)
Alternative Criteria for Employee Cost Reduction : Internal Factors	3.753	6	.710
1. The Work Itself	4.835	6	.565
2. Job Varity	4.542	4	.338
3. Possibility for Growth	8.324	8	.402

Table 4.25 Summary of Statistical of Influence of the Alternative Criteria for Employee Cost Reduction on Job Satisfaction- External Factors (Pearson Chi- Square)

Sub Variables and Proxies	Value	Df	Asymp. Sig. (2-sided)
Alternative Criteria for Employee Cost Reduction : External Factors	3.234	4	.520
1. Job Security	10.563	6	.103
2. Compensation	10.610	6	.101
3. Opportunity for Other Employment	21.162	8	.007

CHAPTER 5

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary

Definitely there were differences in demographic profile of respondents in Retained Staff and Laid-off Staff group in term of age and length of service. The largest number of respondents in Retained Staff group was the age between 26-30 years old. In contrast majority respondents in Laid-off Staff group was the oldest among each classified age. The older the staff, the most likely is laid-off. In addition, the length of services. The Length of Retained Staff group was between 7- less than 10 years. Conversely, length of services of Laid-off Staff group was 10 years – above. When the age increases the length of services also increase because they have correlation each other. According to the belief in relationship between age and performance that the performance declines when the age increase. Therefore, excluding the profitability base, the employees' performance might be another criteria of selection for layoff, which the bank did not formally reveal to their employees.

In aspect of the perception on alternative approaches to rightsizing that the bank selected to implement, it found that there was no significant difference in the perception between Retained Staff and Laid-off Staff. The employees in both groups each feel the most unfavorable to openness of communication especially, in term of information sharing and integrity. Communication is the most mechanism for management in order to make understanding between organization and staff. Moreover, it could help organization to achieve its goal in term of profitability effectiveness and efficiency during this difficult time.

In addition, they viewed that alternative criteria for employees cost reduction was not reasonable for them particularly, layoff strategy and profitability base. But they preferred with performance based, voluntary retirement, job enlargement, and job rotation.

In term of perception on the determinants on job satisfaction, the study found that there was no significant difference in the perception of Retained Staff and Laid-off Staff groups on the determinants on job satisfaction before and after implementation of rightsizing. Moreover, the research found that the level of job satisfaction was lower after implementation of rightsizing due to Openness of Communication in terms of information sharing and integrity. Subsequently, Alternative Approaches for Employee Cost Reduction in terms of layoff, profitability based and severance package that management applied has an influence on job satisfaction. Particularly, Retained Staff group who are the asset and future of the bank, their job satisfaction levels were decreased in term of effort/reward ratio, possibility for growth, job security, and compensation.

The last finding was that the alternative approaches to rightsizing had an influence on job satisfaction. And the Alternative Approaches to Rightsizing, which had the greatest influence on job satisfaction was Openness of Communication and Alternative Criteria for Employee Cost Reduction respectively. This finding agreed with the finding on perception of respondents on Alternative Approaches to Rightsizing, which shown that the employees felt negative to information sharing, integrity, layoff strategy, and profitability base. While they rated performance base, voluntary retirement, job enlargement, job rotation with quite high mean score.

5.2 Conclusion

According to the propose of the researcher, which intended to study the organizational change (rightsizing) of an international bank in Bangkok to be a case study for the bank itself and for other local and foreign financial institutions. From this study, the researcher would like to firmly suggest that in current situation, even though rightsized organization is unavoidable for financial institution in Thailand, this organizational change or organizational transition could be applied effectively, if the management of organization take into consider

for positive and negative sides of rightsizing thoughtfully. Additionally, in consideration of employees' job satisfaction is also important factors for productivity, effectiveness and efficiency of the organization.

From the findings of the research, the following are the conclusion

- There were difference in demographic profile in terms of age and length of service. Majority of Laid-off Staff group was the oldest (41-50 years old). And the length of service of Laid-off Staff group was longer than length of service of Retained Staff group. The age and length of service have correlation each other. It probably related to the belief in relationship between age and performance that performance decline when the age increases.
- Excluding profitability based, the employees' performance might be another criteria of selection for layoff.
- There was no significant difference in the perception between Retained Staff and Laid-off Staff groups. The employees in both groups each felt unfavorable to Openness of Communication most especially in terms of information sharing and integrity.
- The employees viewed that Alternative Criteria for Employees Cost Reduction was unreasonable for them particularly, layoff strategy, and profitability based.
- They preferred with performance based, voluntary retirement, job enlargement and job rotation.
- There was no significant difference in the perception of Retained Staff and Laid-off Staff groups on the determinants on job satisfaction before and after implementation of rightsizing.
- The level of job satisfaction was lower after implementation of rightsizing. Particularly, Retained Staff group who are asset and future of the bank, their job satisfaction decreased in terms of effort/reward ratio, possibility for growth, job securities, and compensation.

- Alternative Approaches to Rightsizing has an influence on job satisfaction
- The Alternative Approaches to Rightsizing that has greatest influence on job satisfaction was Openness of Communication and subsequently be Alternative Criteria for Employee Cost Reduction.
- They felt negative toward information sharing, integrity, layoff strategy, and profitability based with management applied during implementation of rightsizing.

Form the above it could be concluded that the alternative approaches to rightsizing, which the target international bank implemented was not quite effective since it caused the level of job satisfaction of employees decreased after implementation. Particularly, Retained Staff group who should be affected least by the implementation of rightsizing.

5.3 Recommendation

As a result of the study of the researcher about organizational development management in Assumption university for 2 and a half years, and the intention to concentrate on studying the organizational change (rightsizing) in finding out appropriate alternative approaches to rightsizing that could restore and enhance employees' job satisfaction in target international bank, the researcher would like to propose the following recommendations in order for an target international bank itself and other local and foreign financial institutions to be successful in rightsizing.

5.3.1 Information Sharing in Advance

All levels of staff should be informed about the situation and status of organization in advance. Especially, in case there is trend to change in the economy downturn. Internal business indicators, which indicate that the business is in trouble should be shown to staff i.e. the figure of cost and income ratios. All related cost i.e. staff cost, operation cost, and material cost should be clearly informed.

When management decides to implement rightsizing strategy, the information, which is shared in advance could be help staff to understand the rational for rightsizing and why th bank could not continue operating with the same number of staff.

5.3.2 Promote Trustworthiness

In this study, it found that the bank employees felt negative with information sharing, and integrity. Since information sharing and integrity is important thing that management should consider during rightsizing. Therefore, management should promote trustworthiness during implementation rightsizing. Staff should be informed the fact about rightsizing as much as possible. Especially, criteria used for selection for layoff i.e. profitability based combined with performance based. For poor performance staff, they should be warned preceding that, if their performance is rated in improvement needed level in consecutive 2 years, it will affect to their employment status in order for them to be able to have a chance to improve their performance.

5.3.3 Create Participative Environment

Before and during rightsizing the management should create participative management style. Top management should allow core people of the bank to receive information and share their idea about rightsizing. In addition in each unit should allow staff to propose their idea to help the bank in other cost saving.

5.3.4 Create Rightsizing Options

From the finding the bank's employees in both groups felt unfavorable with layoff strategy. Besides layoff staff when the bank need to rightsize the organization, management should seek other creative ways to rightsize an organization with minimum layoff as much as possible. Redeployment could be one option, which management can select to apply. There should be career planing workshop. In this workshop all employees are invited to attend in order for them to explore career opportunity both inside and outside the bank. Employees

with strengths and skills can make career decisions to transfer to other department if they want and their qualification matches with that position. For other employees who find that their skills and knowledge do not match with the bank's requirement, they can choose to leave after finding more suitable position elsewhere.

5.3.5 Enhance Job Redesign

From the research finding and analysis, it shown that the employees in both group felt positively toward Job Re-design. Good performance staff who have skills and knowledge match with required replacement can rotate to that position. For displacement, some existing staff should be assigned more tasks and responsibility by handling the terminated staff's job in order to enlarge their job.

5.3.6 Consider Appropriate Compensation for Displacement

For research finding, level of job satisfaction was lower after implementation of rightsizing in term of effort/ reward ratio and compensation. For displacement in item 5.3.5 the staff who handle terminated staff's job should be compensated by increasing their salary according to the increasing of assigned job. Comparing the cost for salary of terminated staff with increased salary for this displacement, the increased salary for displacement is less than the whole salary and other benefit of that terminated staff. In addition, if job enlargement is applied without increasing compensation, it could bring to lower job satisfaction due to work overload.

5.3.7 Apply Voluntary Rightsizing

From research finding and analysis in Chapter 4, most respondents in both groups perceived positively to voluntary retirement. It demonstrates that it could be another effective alternative for rightsizing in term of maintaining the level of job satisfaction of staff.

By combining the redeployment, job redesign and voluntary rightsizing, there will be minimal layoff, the bank ended up with employees whose skills and ability matched with the needs and requirement.

5.3.8 Offer Appropriate Compensation and Support for the Terminated Staff

Severance package for laid off staff should be according to the length of services that they provide to organization. At least to compensate for their loyalty and good performance in the past that they gave to the bank for the whole working live. The length of service is compatible with the increasing of age. It means that at the present their performance might be lower than standard level due to skills and ability are decreasing according to the increasing of age. But in the past those people used to perform a good job. The next step is providing adequate support to these laid-off staff by offering each person a candid about their performance but sympathetic statement why they are laid off.

5.3.9 Build a New Employment Relationship

From the research finding possibility for growth and job security are still factors that determining job satisfaction. But in the current situation, during the time of downturn in business, the bank can not provide possibility for growth and job security to the employees. The bank should implement intervention for creating new employment relation in order to make understanding between the bank and employees. The following new reward and compensation systems should be gradually conveyed to employees and fully implemented later on.

1. The bank requires responsible and psychological mature work force instead staying with the bank until retirement.
2. The reward for good performance is recognition instead of promotion.
3. The employment status depends on situation i.e. employee's performance and the bank performance

This intervention could be help to restore job satisfaction of Retained staff group after implementation. It can help the remaining employees to have clear understanding about the situation of the bank and the changes on the expectation from the bank.



Appendix 1

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Appendix 2

QUESTIONNAIRE

This survey is designed to study about the influence of alternative approaches to rightsizing to job satisfaction by measuring the perception of laid off staff group and retained staff group in the target international bank on alternative approaches to rightsizing and job satisfaction before and after implementation of rightsizing. Please understand there are no right or wrong answers, the researcher is interested in the most thoughtful and valuable responses that truly reflect your feelings.

All responses will be kept absolutely confidential.

Part 1 : Demographic Profile

Direction : Please complete the following information about yourself by making the checkmark (X) in the blank relating to your own profile . It is necessary to gather this data for the usefulness of research analysis.

1. How old are you ?

☐ 25 or below ☐ 26-30 ☐ 31-40 ☐ 41-50 ☐ 51 and above

2. What is your gender ?

☐ Male ☐ Female

3. What is your highest level of education?

☐ M.6 or equivalent ☐ Diploma or Certificate

☐ Bachelor Degree in Finance and Banking

☐ Bachelor Degree in other field

☐ Master Degree or higher

4. How long have you been working in this organization ?

- ☐ Less than 1 year ☐ 1–Less than 3 years ☐ 3–Less than 5 years
☐ 5 – Less than 7 years ☐ 7–Less than 10 years ☐ 10 years and above

5. What is your recent position level in the bank?

- ☐ Clerical staff
☐ Assistant Manager
☐ Manager
☐ Senior Manager

6. Please state approximately your income in Bhats per month?

- ☐ 10,000 –20,000 ☐ 20,001-30,000 ☐ 30,001-40,000
☐ 40,001-50,000 ☐ 50,001-70,000 ☐ 70,001-up

Part II : The purpose of this section of the questionnaire is to assess perception of respondents in laid off staff and retained staff groups on alternative approaches to rightsizing and on determinants of job satisfaction before and after implementing rightsizing. In addition, to study and identify the influence of alternative approaches to rightsizing on job satisfaction.

Direction : The following statements are meant to be indicative of your own attitude towards alternative approaches to rightsizing, and job satisfaction before and after rightsizing. Please kindly rate the following statements to the extent to which you agree with them.

There are five scales:

- 1 = Strongly Disagree
2 = Disagree
3 = Undecided
4 = Agree
5 = Strongly Agree

On a five point scale, where "5" is strongly agree and "1" is strongly disagree, how much do you agree or disagree with the following statements?

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
<u>Alternative Approaches to Rightsizing</u>					
<u>Alternative Criteria for Employee Cost Reduction</u>					
1) I think that the most effective strategy for employee cost reduction in current situation is layoff ฉันคิดว่ากลยุทธ์ที่มีประสิทธิภาพมากที่สุดสำหรับการลดค่าใช้จ่าย สำหรับพนักงานคือ ปลดพนักงานออก	1	2	3	4	5
2) Appropriate alternative for employee cost reduction is voluntary retirement ทางเลือกที่เหมาะสมสำหรับการลดค่าใช้จ่ายของพนักงานคือ การสมัครใจลาออกโดยพนักงานเอง	1	2	3	4	5
3) Transfer employee from one department to other department is significant part of the employee cost reduction. การโยกย้ายพนักงานจากแผนกหนึ่งไปอีกแผนกหนึ่ง คือ ส่วนสำคัญส่วนหนึ่งของการลดค่าใช้จ่ายของพนักงาน	1	2	3	4	5
4) I agree that the positions that are eliminated is non core value activities. ฉันเห็นด้วยว่าตำแหน่งที่ถูกตัด คือตำแหน่งที่ไม่ก่อให้เกิดรายได้ต่อธนาคาร	1	2	3	4	5
5) I think that the use of performance is fair criteria rather than seniority for layoffs. ฉันคิดว่าการใช้ผลการทำงานเป็นบรรทัดฐานที่ยุติธรรมมากกว่าใช้ความอาวุโสในการปลดพนักงานออก	1	2	3	4	5
6) I think that the severance package is fair for every level of staff. ฉันคิดว่าเงินชดเชยเหมาะสมและยุติธรรมสำหรับพนักงานทุกๆ ระดับ	1	2	3	4	5

<u>Openness of Communication</u>					
7) I always receive enough information about the change in the organization. ฉันมักจะได้รับข้อมูลข่าวสารเกี่ยวกับการเปลี่ยนแปลงภายในองค์กรมากกว่านี้	1	2	3	4	5
8) What I hear from management is more reliable than The grapevine ข้อมูลจากที่ฉันได้ยินมาจาก ผู้บริหาร น่าเชื่อถือมากกว่า ข่าวลือ	1	2	3	4	5
9) I have the opportunity to exchange ideas, feelings, and attitudes with my co-workers, supervisors, and managers. ฉันมีโอกาสที่จะได้แลกเปลี่ยนความคิดเห็น, ความรู้สึก และทัศนคติกับ เพื่อนร่วมงาน, หัวหน้างานและผู้จัดการ	1	2	3	4	5
10) I understand the rational of implementation employee cost reduction strategy. ฉันเข้าใจถึงเหตุผลของการใช้กลยุทธ์ในการลดค่าใช้จ่ายเกี่ยวกับพนักงาน	1	2	3	4	5
11) I belief that the strategy for employee cost reduction makes sense for the bank and its future. ฉันเชื่อว่ากลยุทธ์สำหรับการลดค่าใช้จ่ายเกี่ยวกับพนักงาน เหมาะสมสำหรับธนาคาร และอนาคตของธนาคาร	1	2	3	4	5
<u>Job Redesign Alternative</u>					
12) I like to move from one job to a different job. ฉันต้องการ โยกย้ายงาน ไปยังงานที่มีความแตกต่าง	1	2	3	4	5
13) I think that increasing responsibility for more tasks is challenge. ฉันคิดว่างานที่ใช้ความรับผิดชอบที่สูงขึ้นนั้นเป็นงานที่ท้าทาย	1	2	3	4	5
14) I was delegated authority and had greater opportunity to exercise decision-making.	1	2	3	4	5

ฉันได้รับมอบอำนาจและมีโอกาสมากขึ้นในการฝึกฝนการตัดสินใจ					
15) I think that I can handle job overload well ฉันคิดว่าฉันสามารถจัดการงานที่ได้รับมอบหมายมากขึ้นนั้นได้เป็นอย่างดี	1	2	3	4	5
16) I think that I have sufficient time to do additional tasks that I was assigned. ฉันคิดว่าฉันมีเวลาเพียงพอที่จะทำงานที่ได้รับมอบหมายเพิ่มมากขึ้น	1	2	3	4	5
<u>Psychological Contract/ Employment Relationship</u>					
17) If I do my job well, I can expect that my contribution, i.e. ability, effort loyalty, will be exchanged for appropriate pay, promotion and job security. ถ้าฉันทำงานดี ฉันคาดหวังว่าการมีส่วนร่วม เช่น ความสามารถ, ความพยายาม, ความจงรักภักดี จะได้รับการแลกเปลี่ยนเป็นเงินเดือนที่เหมาะสม, การเลื่อนตำแหน่ง และความมั่นคง ปลอดภัยในงาน	1	2	3	4	5
18) I no longer believe that there is a lifetime career offered. ฉันไม่เชื่ออีกต่อไปว่ามีงานที่สามารถทำได้จนกระทั่งครบเกษียณอายุงาน	1	2	3	4	5
19) I feel proud when I receive compliment and want to work better and better. ฉันรู้สึกภูมิใจเมื่อฉันได้รับคำชมเชยและต้องการทำงานให้ดียิ่งขึ้นไป	1	2	3	4	5
20) I know that the bank expects behaving responsibly and doing good work from me. ฉันรู้ว่าธนาคารคาดหวังความรับผิดชอบในการปฏิบัติงานและการทำงานที่ดีจากฉัน	1	2	3	4	5
21) I agree that employment status should be based on performance. ฉันเห็นด้วยว่าสถานะการจ้างงานควรขึ้นอยู่กับผลของ	1	2	3	4	5

การปฏิบัติงาน					
<u>Management Style</u>					
22) The decision-making is done by supervisors or managers only. การตัดสินใจถูกกระทำโดยหัวหน้างานและผู้จัดการเท่านั้น	1	2	3	4	5
23) The issue must be referred according to the chain of command. ประเด็นต่างๆ จะต้องถูกรายงานตามสายงาน	1	2	3	4	5
24) I feel proud that my ideas seem to be important and acceptable by management. ฉันรู้สึกภูมิใจที่ความคิดของฉันดูเหมือนจะมีความสำคัญและได้รับการยอมรับจากผู้บริหาร	1	2	3	4	5
25) We are encouraged to participate in decision-making process. เราได้รับความสนับสนุนให้มีส่วนร่วมในกระบวนการตัดสินใจ	1	2	3	4	5
26) I have the chance to participate in implementing any changes in the bank. ฉันมีโอกาสมี่มีส่วนร่วมในการริเริ่มความเปลี่ยนแปลงต่างๆ ในธนาคาร	1	2	3	4	5
<u>For the period of time : 3 years ago</u> <u>สำหรับช่วงเวลา : 3 ปีก่อน</u>					
<u>Job Satisfaction : Individual Factors</u>					
1.Effort/reward ratio					
27) I perceive that my effort that I input and reward that I receive is fair. ฉันคิดว่าความพยายามของฉันที่ฉันใส่ลงในงาน และรางวัลในการทำงานที่ฉันได้รับความยุติธรรม	1	2	3	4	5
28) I believe that the reward for my effort and input comparing with the reward of other colleague's effort and input is equal.	1	2	3	4	5

<p>ฉันเชื่อว่ารางวัลสำหรับความพยายามและการทำงานเปรียบเทียบกับรางวัลของเพื่อนร่วมงานและความพยายามทำงานแล้วเท่าเทียมกัน</p>					
<p>29) I think that the reward is based on performance. ฉันคิดว่ารางวัลขึ้นอยู่กับผลของการปฏิบัติงาน</p>	1	2	3	4	5
<p>2.Commitment</p>					
<p>30) I am willing to work harder in order to help my bank's success. ฉันมีความยินดีที่จะทำงานมากขึ้นเพื่อที่จะช่วยธนาคารประสบความสำเร็จ</p>	1	2	3	4	5
<p>31) I decide to work in this organization because it is a good recommendation for my next job. ฉันตัดสินใจที่ทำงานกับองค์กรนี้เพราะเป็นการแนะนำที่ดีสำหรับงานในอนาคตของฉัน</p>	1	2	3	4	5
<p>32) I wish to devote my effort, ability and skills to do the best job. ฉันปรารถนาที่จะอุทิศความพยายาม ความสามารถ และความชำนาญ เพื่อทำงานให้ดีที่สุด</p>	1	2	3	4	5
<p>3.Expectation</p>					
<p>33) I believe that my job can fulfil my needs. ฉันเชื่อว่างานของฉันสามารถบรรลุความต้องการของฉัน</p>	1	2	3	4	5
<p>34) Working at the bank can fulfil my needs in social aspect. การทำงานในธนาคารสามารถบรรลุความต้องการในด้านสังคมของฉัน</p>	1	2	3	4	5
<p>35) People in the community respect me because of my job. ผู้คนในสังคมเคารพนับถือฉันเพราะงานของฉัน</p>	1	2	3	4	5
<p><u>Job Satisfaction : Internal factors</u></p>					
<p>1.The Work itself</p>					

36) I have the flexibility to do my job in the way that I believe is the best. ฉันมีความยืดหยุ่นในการทำงาน ในด้านที่ฉันเชื่อว่าดีที่สุด	1	2	3	4	5
37) I have so much to do for my job sometimes but I still have enough time for my personal life. ฉันมีงานที่ต้องทำมากมายแต่ฉันยังคงมีเวลาเพียงพอสำหรับชีวิตส่วนตัว	1	2	3	4	5
38) I can use my best efforts and my whole ability to do challenging work. ฉันสามารถใช้ความพยายามและความสามารถทั้งหมดของฉัน เพื่อทำงานที่ท้าทาย	1	2	3	4	5
2. Job Variety					
39) Tasks that require various skills and knowledge. ฉันชอบงานที่ต้องใช้ความชำนาญและความรู้หลายๆด้าน	1	2	3	4	5
40) I like to have a lot of variety in my job. ฉันชอบงานที่มีความหลากหลาย	1	2	3	4	5
41) I believe that using various skills, knowledge, and abilities will be beneficial for me. ฉันเชื่อว่าการใช้ความชำนาญ, ความรู้และความสามารถที่หลากหลายจะเป็นประโยชน์สำหรับฉัน	1	2	3	4	5
3. Possibility for Growth					
42) I have opportunities at work to learn and grow. ฉันมีโอกาสในหน้าที่การงานที่จะได้เรียนรู้และมีความเจริญก้าวหน้า	1	2	3	4	5
43) I think that if I perform well I will be promoted. ฉันคิดว่าถ้าฉันปฏิบัติงานได้ดีฉันจะได้รับการเลื่อนตำแหน่ง	1	2	3	4	5

44) My job provides a great deal of opportunity to learn more about process and to increase my skills. งานของฉันให้โอกาสมากมายที่จะได้เรียนรู้เกี่ยวกับกระบวนการทำงานมากขึ้นและเพื่อเพิ่มความชำนาญของฉัน	1	2	3	4	5
Job Satisfaction : External Factors					
1.Job Security					
45) If I continue to perform my job as I am now doing, I can expect to keep my job as long as I wish. ถ้าฉันปฏิบัติงานอย่างที่ทำอยู่อย่างปัจจุบันนี้ ฉันสามารถคาดหวังที่จะทำงานนานเท่าที่ปรารถนา	1	2	3	4	5
46) I prefer to work with a secure company. ฉันชอบที่จะทำงานกับบริษัทที่มีความมั่นคง	1	2	3	4	5
47) I think that unemployment is not a problem for me. ฉันคิดว่า การไม่มีงานทำไม่เป็นปัญหาสำหรับฉัน	1	2	3	4	5
2.Compensation					
48) I believe that my salary is about the same as I would earn elsewhere. ฉันเชื่อว่าเงินเดือนของฉัน เท่ากับที่ฉันจะได้รับจากที่อื่น	1	2	3	4	5
49) My salary is appropriate to my qualifications. เงินเดือนของฉันเหมาะสมกับคุณสมบัติของฉัน	1	2	3	4	5
50) My welfare, and fringe benefit i.e bonus, medical fee, and overtime that I receive is the same as I would earn from elsewhere สวัสดิการและผลประโยชน์ที่ฉันได้รับ เช่น bonus, ค่ารักษาพยาบาล, เงินล่วงเวลา เท่ากับที่ฉันจะได้รับจากที่อื่น	1	2	3	4	5
3.Opportunity for Other Employment					
51) I wish that my experiences in working with the bank will be a good recommendation for the next	1	2	3	4	5

<p>job.</p> <p>ฉันคิดว่าความรู้ความสามารถและความชำนาญในเรื่อง การการเงินการธนาคารสามารถเป็นการแนะนำที่ดีกับ งานของฉันในอนาคต</p>					
<p>52) I think that my abilities, knowledge, skills in the banking field can be adapted to other fields.</p> <p>ฉันคิดว่าความรู้ความสามารถและความชำนาญในเรื่อง การการเงินการธนาคาร สามารถปรับใช้กับงานด้านอื่นๆ ของฉันในอนาคต</p>	1	2	3	4	5
<p>53) I believe that I have opportunity to find a new job at any time.</p> <p>ฉันเชื่อว่าฉันมีโอกาที่จะหางานใหม่เมื่อใดก็ได้</p>	1	2	3	4	5
<p>For the period of time : At Present ช่วงเวลา : ปัจจุบัน Job Satisfaction : Individual Factors</p>					
<p>1.Effort/reward ratio</p>					
<p>54) I perceive that my effort that I input and reward that I receive is fair.</p> <p>ฉันคิดว่าความพยายามของฉันที่ฉันใส่ลงในงาน และ รางวัลในการทำงานที่ฉันได้รับความยุติธรรม</p>	1	2	3	4	5
<p>55) I believe that the reward for my effort and input comparing with the reward of other colleague's effort and input is equal.</p> <p>ฉันเชื่อว่ารางวัลสำหรับความพยายามและการทำงาน เปรียบเทียบกับรางวัลของเพื่อนร่วมงานและความ พยายามทำงานแล้วเท่าเทียมกัน</p>	1	2	3	4	5
<p>56) I think that the reward is based on performance.</p> <p>ฉันคิดว่ารางวัลขึ้นอยู่กับผลของการปฏิบัติงาน</p>	1	2	3	4	5
<p>2.Commitment</p>					
<p>57) I am willing to work harder in order to help my bank's success.</p> <p>ฉันมีความยินดีที่จะทำงานมากขึ้นเพื่อที่จะช่วยให้ ธนาคารประสบความสำเร็จ</p>	1	2	3	4	5

58) I decide to work in this organization because it is a good recommendation for my next job. ฉันตัดสินใจที่จะทำงานกับองค์กรนี้เพราะเป็นการแนะนำที่ดีสำหรับงานของฉันต่อไปในอนาคต	1	2	3	4	5
59) I wish to devote my effort, ability and skills to do the best job. ฉันปรารถนาที่จะอุทิศความพยายาม ความสามารถ และความชำนาญ เพื่อทำงานให้ดีที่สุด	1	2	3	4	5
3.Expectation					
60) I believe that my job can fulfil my needs. ฉันเชื่อว่างานของฉันสามารถบรรลุความต้องการของฉัน	1	2	3	4	5
61) Working at the bank can fulfil my needs in social aspect. การทำงานในธนาคารสามารถบรรลุความต้องการในด้านสังคมของฉัน	1	2	3	4	5
62) People in the community respect me because of my job. ผู้คนในสังคมเคารพฉันเพราะงานของฉัน	1	2	3	4	5
<u>Job Satisfaction : Internal factors</u>					
1.The Work itself					
63) I have the flexibility to do my job in the way that I believe is the best. ฉันมีความยืดหยุ่นในการทำงาน ในด้านที่ฉันเชื่อว่าเป็นที่ดีที่สุด	1	2	3	4	5
64) I have so much to do for my job sometimes but I still have enough time for my personal life. ฉันมีงานที่ต้องทำมากมายแต่ฉันยังคงมีเวลาเพียงพอสำหรับชีวิตส่วนตัว	1	2	3	4	5
65) I can use my best efforts and my whole ability to do challenging work. ฉันสามารถใช้ความพยายามและความสามารถทั้งหมดของฉัน เพื่อทำงานที่ท้าทาย	1	2	3	4	5

2. Job Variety					
66) Tasks that require various skills and knowledge. ฉันชอบทำงานที่ต้องใช้ความชำนาญและความรู้หลายๆ ด้าน	1	2	3	4	5
67) I have a lot of variety in my job. ฉันมีงานที่มีความหลากหลาย	1	2	3	4	5
68) I believe that using various skills, knowledge, and abilities will be beneficial for me. ฉันเชื่อว่าการใช้ความชำนาญ ความรู้และความสามารถที่หลากหลายจะเป็นประโยชน์สำหรับฉัน	1	2	3	4	5
3. Possibility for Growth					
69) I have opportunities at work to learn and grow. ฉันมีโอกาสในหน้าที่การงานเพื่อที่จะได้เรียนรู้และมีความเจริญก้าวหน้า	1	2	3	4	5
70) I think that if I perform well I will be promoted. ฉันคิดว่าถ้าฉันปฏิบัติงานได้ดีฉันจะได้รับการเลื่อนตำแหน่ง	1	2	3	4	5
71) My job provides a great deal of opportunity to learn more about process and to increase my skills. งานของฉันให้โอกาสมากมายที่จะได้เรียนรู้เกี่ยวกับกระบวนการมากขึ้นและเพื่อเพิ่มความชำนาญของฉัน	1	2	3	4	5
<u>Job Satisfaction : External Factors</u>					
1. Job Security					
72) If I continue to perform my job as I am now doing, I can expect to keep my job as long as I wish. ถ้าฉันปฏิบัติงานอย่างที่ทำอยู่อย่างปัจจุบันนี้ ฉันสามารถคาดหวังที่จะทำงานนานเท่าที่ปรารถนา	1	2	3	4	5

73) I prefer to work with a secure company. ฉันชอบที่จะทำงานกับบริษัทที่มีความมั่นคง	1	2	3	4	5
74) I think that unemployment is not a problem for me. ฉันคิดว่า การไม่มีงานทำไม่เป็นปัญหาสำหรับฉัน	1	2	3	4	5
2. Compensation					
75) I believe that my salary is about the same as I would earn from elsewhere. ฉันเชื่อว่าเงินเดือนของฉัน เท่ากับที่ฉันจะได้รับจากที่อื่น	1	2	3	4	5
76) My salary is appropriate to my qualifications. เงินเดือนของฉันเหมาะสมกับคุณสมบัติของฉัน	1	2	3	4	5
77) My welfare, and fringe benefit i.e bonus, medical fee, and overtime that I receive is the same as I would earn from elsewhere สวัสดิการและผลประโยชน์ที่ฉันได้รับ เช่น bonus, ค่ารักษาพยาบาล, เงินล่วงเวลา เท่ากับที่ฉันจะได้รับจากที่อื่น	1	2	3	4	5
3.Opportunity for Other Employment					
78) I wish that my experiences in working with the bank will be a good recommendation for the next job. ฉันคิดว่า ความรู้ความสามารถและความชำนาญในเรื่อง การการเงินการธนาคาร สามารถเป็นการแนะนำที่ดีกับงานของฉันในอนาคต	1	2	3	4	5
79) I think that my abilities, knowledge, skills in the banking field can be adapted to other fields. ฉันคิดว่า ความรู้ความสามารถและความชำนาญในเรื่อง การการเงินการธนาคาร สามารถปรับใช้กับงานด้านอื่นๆ ของฉันในอนาคต	1	2	3	4	5

80) I believe that I have opportunity to find a new job at any time. ฉันเชื่อว่าฉันมีโอกาสที่จะหางานใหม่เมื่อใดก็ได้	1	2	3	4	5
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Open-ended Question

1. How do you think about current situation of the bank?

คุณคิดอย่างไรเกี่ยวกับสถานการณ์ปัจจุบันของธนาคาร?

2. What impress most you in the bank? Please specify and explain why?

อะไรในธนาคารที่ประทับใจคุณที่สุด โปรดระบุและอธิบาย?

3. What is the thing that you would like the bank to improve? And why?

คุณคิดว่าธนาคารควรจะปรับปรุงด้านใด และทำไม โปรดอธิบาย?

4. What do you think that why you are selected to be laid off or retained?

คุณทราบไหมว่าอะไรคือเหตุผลที่คุณถูกเลือกให้ออกหรือให้ทำงานต่อ?

5. What suggestion(s) do you have for the management of the bank on how to improve the process of rightsizing?

คุณมีคำแนะนำอะไรสำหรับผู้บริหารของธนาคาร เกี่ยวกับวิธีการปรับปรุงกระบวนการของการลดขนาดขององค์กร?

Interview Guide

1. Do you think there is any change in your department over the last 3 years?
2. Have you ever been inform in advance about the changes?
3. Do you prepare yourself before the changes take place?
4. What do you think about it? Does such change necessary current situation of the bank?
5. Do you think whether you are responsible and your work is suitable for pay?
6. Do you work under pressure? Please clarify that pressure.
7. Comparing our current management to former management, which do you prefer to deal/
work with most? And why?
8. How long do you plan to work here?
9. If you have plans to move to start a new job in another place. What is your reason for
that?
10. In your point of view which aspect of the organization that should be improved?

Data Checklist

In this study, the researcher will review the following documents, which include in a data checklist as a secondary data to be part of interpretation data / data analysis procedure.

Item	Documents	Status
1.	The company back ground	X
2.	The company profile	X
3.	Organizational Chart	X
4.	The remunerator procedure	X
5.	Memorandum for Restructuring Scheme	X
6.	Performance evaluation and promotion policy procedure	X
7.	Foreign and local management journal	X
8.	Electronic, and internet documents in relation to the topics of this study	X

