



RESEARCH PROPOSAL

MBA DISSERTATION (LCMB 7020)

“The impact of Reward Structure on Human Resource Management. Evidence from FPT company in VietNam”

Student Name: Phuong Bich Bui (1911695)

MBA Course

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1. Introduction

Human Resource Management is a set of organizational activities including recruiting, training, rewarding and appraising (Regis, 2008). According to (Armstrong M. , 2006), human resource management actions affect directly the effectiveness of employee and employer. If the organization expect to boost the good relationship between managers and their staff, they need to consider Reward management as a pioneer solution. Reward management is considered as an effective way to attract and retain employees in the organization as well as to motivate their performance (Shields, 2007).

FPT company was established in 1988 with the original name is The Food Processing Technology Company in Vietnam. Then, FPT engaged in computer distribution from the early 90s of the 20th century and quickly became one of the major distributors in the market. FPT's telecommunications infrastructure has cover 59/63 provinces and cities in Vietnam and has constantly expand globally with 46 officers in 22 countries and territories abroad. FPT is now working in Technology, Telecommunications and Educations as its core business sectors with more than 28,000 employees and more than 1,500 managers under the age of 40. This Research will choose FPT company to collect data and analysis on achieving the following objectives:

- To discuss the theories and current literature involving in Reward Structure and Human Resource Management
- To analyzing the impact of reward structure on the employee's performance with case study in the FPT company in Vietnam
- To recommend some effective reward strategies

2. Literature Review

2.1 Rewards

In general, rewards are used in order to enhance the job effort and performance. Based on (UPADHYAY, 2009), when employee realize that their performance and effort will be considered to evaluate and reward regularly, they can have more motivation to work and devote to the company. Therefore, they realize rewards as a motivational function. Rewards system have also been shown to influence an employee's decision to come to work or to remain with the organization. In other words, it shows the employee commitment to the organization.

2.2 Total Reward System

Total reward system is considered as a main factor related to the engagement of employees. In general, total rewards are defined as some benefits such as base pay, and others benefits that employees can bring to the company (Armstrong, 2007). Total reward including monetary and non-monetary rewards, which are beneficial for the organization to build its reputation as the ideal working environment.

2.3 Types of Rewards

Rewards are divided in to two types: tangible and intangible. Tangible are called by another name as money, vacations and some kind of objects. According to (Flamholtz, 2012), money can be used more effectively when the organization use them directly as a bonus to some outstanding performance or some new goal achievement. Intangible rewards are known as some types of praise, thanks, public acknowledgment, or some gift such as voucher or lunch out.

2.4 Performance appraisal based on reward system

The organization can use reward system and performance appraisal to encourage employees to work on company goals. A company can offer different compensation based on some different standard. The fact is that the target for the appraisal of employee performance need to be assessable (Debrincat, 2014). In order to motivate employee performance, the organization can apply some effective ways such as bouses, profit sharing.

2.5 Total reward strategy

If the organization desires to build an effective total rewards strategy, it not only finds out the market paying generally, but it also discovers how to build a system of compensation and reward properly (Michael Armstrong, Duncan Brown, 2006). On the one hand, rewards strategy has to be suitable with the method and culture of the organization to promote the good result. On the other hand, those strategies need to be applied properly to ensure employees receive the enough payment, as well as consider the non-financial reward. Furthermore, (Todd M. Manas, Michael Dennis Graham, 2003) agreed that some propositions of each employee can be different and it requires the flexibility of the organization in making decision for staff rewards. When comprehensive solution cannot be handled correctly, it leads to time-wasting and expensive to achieve the goals.

The objectives of this research are to make survey and find out how satisfaction and engagement of employees in FPT company through the reward system. There are some basic questions can be used in this research to collect correct data as bellowed:

- What is the existing rewards system of the FPT company?
- How effective of the rewards system in FPT company in promoting and motivating the working environment?
- How effective of total rewards system in FPT company in the employee engagement?
- How does staff/employee in FPT company perceive a good compensation plan?
- What are the possible reward recommendation which employees in FPT want to raise?

3. Methodology

3.1 Research Methodology

Research methodology is the outline of the overall research and methods involving in it. In this study, the research method is used is quantitative research method. It allows the information can be collected in flexible and repetition ways (Creswell, 1994). While data is collecting, the choice and the design of methods will be changed regularly based on

ongoing analysis. Therefore, some new issues can be raised, which also could help the investigators reject the unproductive from the initiate plan.

3.2 Data collection

There are two techniques of collection information can be used in this research. The first method is participant observation, which is considered as a good way to get the directly and accurately data from people who have the experiences. The second method is interviewing with top managers of HRM in FPT company. Their views collected will be used properly due to the valuable information collected.

3.3 Data analysis

This study will focus on the data collected by the survey to analyze or predict the relationship between variables.

3.4 Participants

This study will be done by collecting the information of employees and managers in FPT company with around 28,000 staffs.

3.5 Qualitative research

Another method can be used in this research is qualitative research method. Qualitative research method is considered as a good way to find out and build up the theory which can explain the relationship of one variable with another variable through qualitative elements in research. Moreover, the elements of these qualitative method will evaluate by attitudes, opinions and beliefs instead of standard measures.

Furthermore, qualitative research is defined based on the multimethod and natural assessment involving directly to the issues (Creswell J. , 1994). As a result, qualitative methods are used in this research to find out the better solution for the problems by combining the effective methods.

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