**1.0 Introduction**

**1.1 Research Topic**

Based on the author’s placement experience, knowledge and business interests, the research project is titled:

*An investigation into the communication and perception of remuneration packages within Company X.*

**1.2 Research Topic Rationale**

“Reward strategies are key to attracting, motivating and retaining employees. Employee reward is often seen in terms of financial recompense, but this is not the only means of remuneration.” (Cohen, Nespoli and Downs 2014) Reward management is increasingly becoming an essential aspect within an organisation, however the importance is not purely on financial gain. Employees are interested in the overall package offered by an organisation especially in a competitive industry such as finance. The concept of total reward encompasses financial reward, employee benefits and nonfinancial components. “Total reward has a particularly strong potential to enhance the reputation of an organisation as an employer of choice through its capacity to place a value on the non-basic pay or wider nonfinancial benefits of working for an organisation.” (CIPD 2014) Furthermore, total reward relates to the motivation of employees through the organisations attempt to satisfy the wants and needs of employees. Additionally, within a competitive industry such as oil and gas, providing an appealing reward package can attract skilled employees as well as retain experienced staff. Employee’s wants and needs are in the interest of an employer to maintain job satisfaction, motivation and principally to achieve business goals. Employee benefits are a large factor within a reward scheme and can be valuable to both the employee and their dependants. Organisations hold a degree of responsibility on the welfare and interest of the workforce, which in addition includes their dependents. “Employee benefits consist of arrangements made by employers for their employees that enhance the latter’s well-being” (Armstrong 2007). Different approaches to employee benefits can be implemented by organisations whilst offering a wide variety of benefits. Additionally, with the UKs ageing population, employees may place more value on the employee benefits provided as a means of security rather than financial reward, which tends to have a short-term gain (Jowit 2013). Consequently, an individual is likely to have more of an interest in long term security from employers over short-term financial gain. Effective communication is essential when implementing a reward scheme especially in providing detail on the employee benefits available. For a reward scheme to be effective, an organisation needs to adopt a successful and responsive approach to communication ensuring a sound understanding by employees. “Reward has a key role to play in employee engagement, but many employees underestimate the full value of their reward package. Employers could therefore be losing out on the full benefit of the investment in their employees.” (Attwood 2014). Employees need to understand what is offered to acknowledge the value the benefit holds. Cohen, Nespoli and Downs (2014) stated, “employers that fail to effectively communicate their offerings to employees risk losing talent.” Whilst organisations invest time and money into offering an attractive employee benefits package, the need for effective communication is crucial to improve the awareness and understanding of the workforce.

**1.3 Research Aim and Objectives**

**1.3.1 Research Aim**

The research aim of a thesis is to initially provide a definitive statement on what the proposed result of the research will be (Saunders, Lewis and Thornhill 2012). The research aim should be concise and highlight the goal of conducting the research. For this study, the research aim has been identified as follows:

*To examine the current communication process of employee remuneration with a focus on employee’s perception of the current rewards available and how they feel improvements can be made in regard to communication and availability within Company X.*

**1.3.2 Research Objectives**

The research objectives clarify the purpose of undertaking the research and breaks down what the study hopes to achieve (Saunders, Lewis and Thornhill 2012). In order to achieve the above aim the following objectives have been identified and will be examined throughout the research:

1. To define what constitutes a remuneration package and relate to X’s standard benefits.

2. To identify the communication channels used within the organisation and assess the effectiveness of X’s current approach.

3. To evaluate employee’s perception of the benefits currently available within Company X.

4. Provide an overall summary of the findings and deliver feedback on areas of improvement or consistency.