The purpose of changing the bonus plan was to ensure that bonuses were awarded as according to the performance of the employees. The new plan acts as both an incentive and appreciation of good performance by workers. As opposed to the old bonus plan which does not consider the efforts of an individual towards the performance.

Initially, the bonuses for division managers were paid semiannually and in the year 2006, the bonus amounts were calculated as two percent of segment operating profits. After the new bonus plan, the amount of bonus is determined by the performance of deliveries, sales of return, patent, scrap and rework and customer satisfaction. An increase in bonus comes with an excellent performance.

The main difference between the old and the new bonus plans is that the old system is constant. The new system of bonus is different as it awards better performance. An increase in bonus is granted an increase in deliveries, sales of return, patent, scrap and rework and customer satisfaction.

The development of new products, the efficiency of production and customer service are considered the services that considered factors that determine the operating profit. The main problem facing the company is to increase this factor so as to achieve greater operating profit. By introducing the new bonus program, performance in 2007 increases in the different year quarters. This is because the employees are motivated to work

In conclusion, the new bonus problem is worth implementing and records better performance regarding profits attained.