

## THE RIGHTEOUSNESS OF THE BONUS ALLOCATION

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### ABSTRACT

The righteousness in bonus allocation is an intense debate in the public domain. This question is also meaningful for organizations' survival and continuous growth: if CEO receives a larger proportion of the total bonus and employees receive less, employees will lose motivation. In the real life, usually, the board of directors discusses to determine the CEO' annual bonus. Using discussion cannot avoid bias in the allocation process. In literature, it is lack of quantitative method to answer the question of the righteousness in allocation. This paper focuses on discussing: What is the "righteousness" in the bonus allocation? The goal of the research is to define the "righteousness" from the quantitative perspective.

Keywords: *Quantitative, righteousness, effective, bonus allocation*