

The Effects of Work Overload on the Employees' Performance in relation to the Customer Satisfaction

A Case of Water & Power Development Authority
(WAPDA), Attock, Pakistan

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Abstract

Human Resource Management is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business.

Performance management being the indispensable branch of human resource management emphasizes on the development of individuals with competence and commitment working towards the achievement of shared meaningful objective with in an organization which support and encourage their achievements. If the saying 'what gets measured gets managed' (Eccles 1998 p. 27; Pettit 2000) is true, there should be many reasons for organizations to measure their performance.

Government organizations in third world countries like Pakistan proved futile in delivering employee satisfaction. Employee dissatisfaction in consequence generates an array of tribulations which unswervingly affect the organization's outcome and in return the society.

This paper spotlights the concern of work over load and inappropriate compensation on the performance of employees in WAPDA. Main objective is to check out that whether better incentive pay plans can bring better work outcomes of employees in WAPDA and by using performance management make the performance of employees efficient and accurate. A survey through structured questionnaire is conducted among low level management.

Our findings confirm our hypothesis of decline in performance due to inadequate compensation and extensive work load. Our strong recommendation to enhance the performance of employees in WAPDA is to launch an incentive plan to compensate the employees for their extra work load. It creates a sense of competition among employees which in the long run improves organizational performance and creates job satisfaction and motivates them.

INTRODUCTION

The electricity supply service in Pakistan, initially, was undertaken by different agencies, both in public and private sectors, in different areas. In order to provide for the unified and coordinated development of the water and power resources, Water and Power Development Authority (WAPDA) was created in 1958 through WAPDA Act, 1958 as a Semi-Autonomous Body for the purpose of coordinating and giving a unified direction to the development of schemes in Water and Power Sectors, which were previously being dealt with, by the respective Electricity and Irrigation Department of the Provinces. Since October 2007, WAPDA has been bifurcated into two distinct entities i.e. WAPDA and Pakistan Electric Power Company (PEPCO). WAPDA is responsible for water and hydropower development whereas PEPCO is vested with the responsibility of thermal power generation, transmission, distribution and billing. There is an independent Chairman and MD (PEPCO) replacing Chairman WAPDA and Member (Power) who was previously holding the additional charges of these posts. WAPDA is now fully responsible for the development of Hydel Power and Water Sector Projects. PEPCO has been fully empowered and is responsible for the management of all the affairs of corporatised nine Distribution Companies (DISCOs), four Generation Companies (GENCOs) and a National Transmission Dispatch Company (NTDC). These companies are working under independent Board of Directors (Chairman and some Directors are from Private Sectors). The Companies are administratively autonomous and leading to financial autonomy by restructuring their balance sheets by bringing their equity position to at least 20 percent, required to meet the prudential regulations and to facilitate financing from commercial sector (approved by ECC).

The Vision of WAPDA is "Achieve and maintain the highest degree of efficiency, reliability.

The goals Smooth and consistent flow/supply of electricity, Prompt restoration of disrupted electricity supply , Accurate and timely meter reading and billing, Provision of electricity connection in minimum time Open door policy to facilitate our customers , Special concessions for quick and timely payment of bill , Availability of stores to deal with emergencies ,Feedback through Customer Services Centers ,Create awareness amongst employees for adopting safety measures while working on lines, Energy saving message dissemination , Creating positive image of WAPDA , Take steps for welfare of company employees Morale building and to create sense of belonging amongst company employees

In 1992, the Strategic Plan for restructuring the Pakistan Power Sector (PPS) was approved by the GOP/CCI. As a part of the restructuring process, WAPDA's functions under Water Wing and Power Wing were to be segregated in the following manner: Unified Power wing of WAPDA comprising of Generation, Transmission and Distribution to be restructured into fourteen (14) public limited companies under the corporate law. Restructure power sector assets to form autonomous commercial entities through the adoption of prudent business

practices, enhanced efficiency levels, cost reduction and profit orientation, Promote competition to eventually offer affordable electricity to customers.

Through corporatization / commercialization process, promote commercial viability and enhance business value of the assets block of each corporate entity.

Enhance privatization initiatives Major accomplishments to-date is as follows:

Operationalised Pakistan Electric Power Company (PEPCO) as a Private limited management company owned by Government of Pakistan (GOP) to steer, manage and oversee the corporatization/commercialization reforms program.

Formed fourteen (14) Corporate Entities among which Four are Thermal Power Generation Companies (GENCOs), One National Transmission & Power Dispatch Company (NTDC), Nine Distribution Companies (DISCOs), Constituted Board of Directors of the corporate entities with the induction of Directors from the private sector and PEPCO to utilize their experience for formulation of effective corporate policies

Executed Legal agreements such as Business Transfer Agreements (BTA), Operation and Development Agreement (ODA), Electricity Supply Agreements (ESA), Bulk Supply Agreements (BSA) and Fuel Supply Agreements (FSA) between WAPDA and corporate entities for autonomous commercial operation

Transfer of WAPDA staff to the respective corporate entities (Manpower Transition Program Phase-I completed). Phase II is scheduled for completion by June, 2000.

Obtained Federal Tax Exemptions for the corporate entities for Capital Value Tax, Income tax and Wealth Tax

Literature review

If the saying 'what gets measured gets managed' (**Eccles, 1998**) is true, there should be many reasons for organizations to measure their performance. Reasons given could include a desire to increase earnings and improve effectiveness; to encourage new ideas and innovations; to plan for, manage, and even promote change; to better understand best practices; to advance decision making; and to guide strategic planning and design (**De Waal 2001, Neely 1998, Pettit 2000**). Performance measurement is part of the management control mechanism. According to **Hertenstein et al., 2000 and Sharman 1995** A control mechanisms helps to ensure strategies are implemented and objectives are met. It is, therefore, important to have the right performance measurement tools that accurately measure the performance of an organization, so that managers can act upon the results. There are many performance measurement tools and each tool measures a particular aspect of the business operation.

Yet the most commonly used methods that have been around for several decades are the traditional financial measurement tools, which rely on traditional accounting report system (**Neely, 1998**) According to **Hertenstein et al., 2000 and Sharman 1995**, a control mechanism helps to ensure strategies are implemented and objectives are met. It is, therefore, important to have the right performance measurement tools that accurately measure the performance of an organization, so that managers can act upon the results. There are many

performances. The strong public interest in incentive compensation has presumably largely been caused by the great increase in CEO salaries in the late 1990s. Their remunerations, being tied to company stock-price performance through stock options, have benefited from the bull market of the 1990s **(Murphy, 1999)**. Executive compensation has also attracted a large amount of academic research, in particular by agency theorists who have focused on the relationship between managerial performance and incentives **(Prendergast, 1999)** Performance management is the development of individuals with competence and commitment working towards the achievement of shared meaningful objective with in an organization which support and encourage their achievements. **(Eccles, 1998)** All individual being clear about what they need to achieve and expected standards and how they contributes to the overall success of the organization receiving regular fair, accurate feed back and coaching to starch and motivate them to achieve their best. Discussing what are major concerns of performance management, Michael Armstrong et al., writes that actually it is establishing a culture in which managers, individuals and groups take responsibility for continuous improvement of business processes and of their own skills competencies and contributions Performance management is defined as the accomplishment, execution, carrying out working out of any thing order or under take.

Individual incentive plan pay off for individual performances. These plans have been the biggest trend in compensation administration in the United States. Popular approaches included merit pay, piecework plans, time-saving bonuses, and commissions. One popular and almost universally used incentive system is merit pay. Under a merit pay plan, employees who receive merit increase merit increases have a sum of money added to their base salary. Some what likened to a cost-of-living raise, merit pay differs in that the percentage of increase to the base wage rate is attributable solely to performance While the merit pay plans is the most widely used, the best-known incentive is undoubtedly piecework. **(Performance management key strategies and practical guidelines 3rd edition)**

Complete customer satisfaction is only possible when there is full information about customer requirements in the hands of all and everyone who has influence on how they are met. By getting it right first time, the whole customer/supplier chain focuses on meeting the needs of the external customer, and providing customer satisfaction **(Mike Asher 1989)** considers the need for customer satisfaction in the prevailing service-led economy proposes five steps to greater customer satisfaction, the customer satisfaction audit, service strategy development, employee relations, implementing tactics, and maintenance and feedback. Customer satisfaction program requires an understanding of the marketplace, and of the difference between minimum service requirements and value-added services. **(Craig Cina 1989)**

Research Methodology and Design

We are conducting research on effect on the incentive pay plans on bringing efficiency in the work performance of meter readers of WAPDA ATTOCK branch. The problem is basically is that the customers are not satisfied with the billing system of WAPDA this problem has direct link with the meter readers of this organization. Hen we peep deep into the problem we came to know that it is occurring due to work overload without being compensated for extra work. One meter reader is responsible for taking thousand readings per month. But currently he has to take 2500 readings in a month. This in short is making employee de motivated and results in poor performance. So we are conducting research that whether incentive pay programs will boast employee performance and thus effecting customer satisfaction in the long run.

Research statement of the paper is “Employees performance is effected by work overload which directly effect customer satisfaction”

Main objective of this paper is to investigate the important issues related to HRM. Particularly in this research study, we will investigate that whether work overload of employees which result in poor performance can be set off by giving incentive pay program to employees which will give outcome of making customers quality service better. So our main objective is to check out that whether incentive pay plans can bring better work outcomes of employees in WAPDA.(Organization we are currently using for study) and By using performance management make the performance of employees efficient and accurate.

There are different limitations of that study

- Time constraint for this project is limited
- Getting information from meter readers is not easy as there is a general perception that they show biasness in data

The methodology which we will be using for our research study is Surveys through questionnaires. We will use a structured questionnaire. The selected sample of employees will be 26 meter readers in SDO Attock. In which 15 are from SDO Attock main city and 11 are from SDO cant branch all of them have full time jobs. The sample we have selected is of lower management staff.

Questionnaires and informal interviews are used. Questionnaires are better tool for conducting our research because it is a structured way of collecting data and while filling questionnaire we will conduct informal interviews to get the harmony in both data.

The major measures for the study were the effects of incentive plans on employee's performance. Participants were asked to respond to all questionnaire items for these measures using a rating scale ranging from 1 (Strongly Agree) to 5 (Strongly Disagree). Collected data from above methods and techniques would be then processed and analyzed through statistical models and conceptual reasoning. Statistics will be used for quantitative data while conceptual reasoning would be applied for qualitative data extracted from interviews and observations. We are planning to

use SPSS software for analyzing data. Our research time period assigned was of three months and we accomplished it in the given time period.

RESEARCH DESIGN

Concepts	Indicators	Variables	Decision variables
Performance	Motivation	Extrinsic Intrinsic	Rating scale 1. Strongly agree 2. agree 3. neutral 4. disagree 5. strongly disagree
	Job satisfaction	Job itself Supervisor Coworkers Pay Promotion	
Efficiency Productivity Quality Customer-satisfaction	Fair billing Timing No complaints		
Incentive plans	Individual incentive plans	Piece work plans incentive plans merit pay plans Base pay Increments	

Analysis

The results for the first question about their job satisfaction shows that 66% employees show average satisfaction for their overall job and 27.8% fall below average that shows poor satisfaction. When a question is asked about their job quitting 50% employees disagree for quitting this job as it's a government job and 27.8% are neutral that still shows their dissatisfaction level. When a question is asked about their salary package so different opinions can be seen that 22.2% employee's think that their salary package is enough for their motivation but about 50% disagree and 27.8% are neutral that again shows their de-motivation

When the question is asked about that the promotion packages there are different answers that 72% agree and 22.2% are neutral that means promotion packages are what employees want for greater work performance. When a question is asked about that extra work this question shows some thing very important that is about 50% employees strongly disagree and 27.8% disagree that means employees don't want to work extra without being compensated for it. When a question is asked about the credibility of work 55.5% employees think their job satisfaction is satisfactory and 44.4% are neutral. When a question is asked about their performance 55.6% employees are neutral and 38.9% are agreed that their performance is worth. As employees are not being motivated with handsome packages that's why 50% employees take work as boring activity and rest are neutral. 77.8% employees from our sample think that compensation packages are not enough. And majority of the employee's age range from 31 to 40 with salary ranges from 5 to 6 thousand and educational level is intermediate. These are those results which showed that employees of WAPDA are not satisfied with their job and with extra pay or incentives they are not willing to do the work.

CONCLUSION

From our research study we have explored that incentive plans are a good way of bringing efficiency and better work outcome. Employees of WAPDA that we studied for our research show a strong willingness of launching incentive pay plans for the work they do. As the meter reader of WAPDA are being victim of work overload that is a meter reader job requirement is to 1000 meter readings per month but he has to take 2500 readings in actual. That means 1500 extra readings without being paid for it. Which result in poor performance of employees? That takes work as burden and start loosing interest in it. What we have found through our secondary data that is previous studies on incentive pay plans and its benefits further details see literature review.

And by conducting questionnaire and in formal interviews that work overload without being paid for it extra work results in poor performance which directly hits customer's satisfaction

So incentive pay programs should be launched such as equity pay plans as it motivates the worker and make wok efficient.

It creates a sense of competition among employees which in the long run improves organizational performance and creates job satisfaction and motivates them.

Suggestions and Recommendation

There are different suggestions that can be given to WAPDA. First of all talking about the job satisfaction as the average shows that the employees are not satisfied with their job and there are many reasons behind that. They are not trained and also the over burden of work causes dissatisfaction in employees mainly in meter readers. So this can be removed by giving training to employees

and also the job specification i.e. right person for the right job so that over burden from the employees can be removed.

Coming towards the second point that is job quitting the average shows that employees don't want to leave a permanent job. That's why every one has showed that they will do job. In the third part every one is asked about the salary package either they are satisfied or not. And almost everyone is not satisfied with their job. Work overload with a hectic routine without training is the reason. So there are different incentive plans that can be given to them like Incentive compensation plans The organizations that are sincerely committed to developing a compensation system that is designed around performance will want to consider the use of incentive pay. Typically given in addition to rather than in place of the wage incentive plans should be viewed as an additional dimension to the wage structure. Incentives can be paid based on individuals, group, or organization-wide performance- a pay for performance concept in the Individual incentive plan pay off for individual performances. These plans have been the biggest trend in compensation administration in the United States. Popular approaches included merit pay, piecework plans, time-saving bonuses, and commissions. One popular and almost universally used incentive system is merit pay. Under a merit pay plan, employees who receive merit increase merit increases have a sum of money added to their base salary. Some what likened to a cost-of-living raise, merit pay differs

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QUESTIONNAIRE

PERSONAL PROFILE

Name: _____

Educational Level:

Metric Intermediate Graduate Post Graduate

Age:

Under 20 years 21--25 Years
26--30 years. 31--40 Yea
40--50 years above 50 years

Present Salary: _____

1. Considering all aspects of my present job, my overall satisfaction can be expressed with the following level?

a. poor b. below average c. average d. above average e. excellent

2. Have you ever thought about leaving your current job and finding job somewhere else?

a. Strongly agree b. Agree c. neutral d. Disagree e. Strongly Disagree

3. The salary package I am having motivates me to give my fullest effort possible?

a. Strongly Agree b. Agree c. neutral d. Disagree e. Strongly Disagree

4. Promotion packages possibilities stimulate me to work hard?

a. Strongly Agree b. Agree c. neutral d. Disagree e. Strongly Disagree

5. I am prepared to work overload even if I am not paid for this specifically?

a. Strongly Agree b. Agree c. neutral d. Disagree e. Strongly Disagree

6. I am satisfied with my current job performance?

a. Strongly Agree b. Agree c. neutral d. Disagree e. Strongly Disagree

7. My job is worth the effort?

a. Strongly Agree b. Agree c. neutral d. Disagree e. Strongly Disagree

8. I often have to force myself work?

a. Strongly Agree b. Agree c. neutral d. Disagree e. Strongly Disagree

9. Compensation I receive for the work I do fully satisfy me?

a. Strongly Agree b. Agree c. neutral d. Disagree e. Strongly Disagree
