

Herzberg Knew How to Grow a Business

Whether you are in commercial real estate brokerage, property management, title insurance, real estate law, architecture or with a company that invests in real estate, it appears that everybody today is trying to grow their platform, achieve more revenue and increase the productivity of their workforce.

I occasionally get questions about the different philosophies and practices we used at Massey Knakal to get the most out of our employees and produce robust bottom-line results. For Paul Massey and me, there were many things that we did to try to ensure a high level of productivity across all departments and service lines. One of those things was to be very cognizant of the fact that job satisfaction, and the characteristics that employees said were important when considering how happy they were, are mutually exclusive from the characteristics that were important when considering why they might be unhappy in the job or not performing well.

While we didn't realize it at the time, this approach very closely mirrors the theory

derived by psychologist Fredrick Herzberg, whose "motivation-hygiene theory" states that job satisfaction and job dissatisfaction act independently from each other. Essentially, one set of job characteristics, or incentives, leads to worker satisfaction, while a completely separate set impacts worker dissatisfaction. The two results are not a continuum where as one goes up, the other goes down. The theory suggests they are independent phenomena. This seems counterintuitive at first but upon deeper consideration, Herzberg appears to be correct.

Individuals look for satisfaction and gratification of higher level psychological needs having to do with achievement, recognition, responsibility, advancement and the nature of the work itself.

Satisfaction is associated with the "motivation" component of the theory. Motivators include challenging work, responsibility, an opportunity to do something meaningful, involvement in decision-making, an intrinsic interest in the work, advancement

and a sense of importance to the organization. Positive satisfaction from the intrinsic conditions of the job includes recognition, achievement and personal growth. These factors that impact job satisfaction, contributed very little to job dissatisfaction.

Conversely, the hygiene factors that impact job dissatisfaction, contribute very little to job satisfaction. Here, Herzberg was not using "hygiene" in reference to cleanliness. It was the "maintenance" aspect of these factors, or as Paul and I used to call them "quality-of-life" issues in the workplace. These factors include company policies, administrative practices, supervision, interpersonal relationships, working conditions and positive corporate culture. Job security, status, compensation, fringe benefits, paid insurance, vacations and other perks also fall into this basket. These factors are associated with job dissatisfaction but contribute very little to job satisfaction.

These factors are extrinsic to the work itself. Herzberg also referred to these hygiene factors as KITA factors, or "kick in the ass" factors that can either be used as incentives or punishment.

The balance, and recognition of the

differences, between motivation and hygiene is the most delicate of things. With high motivation and high hygiene, workplaces are great and people love working there. With low motivation and high hygiene, there are a few complaints but the workforce is not highly motivated and view their job as simply a paycheck. With high motivation and low hygiene, there are lots of complaints but the job is exciting and challenging but compensation and work conditions are not up to par. Clearly, low motivation and low hygiene are the worst of all combinations.

Motivating a workforce through communication, empowerment, opportunities for advancement, providing incentives and leading by example are ways for decision makers to maximize the productivity of their employees and to push revenues. Addressing hygiene factors, by first identifying them, then addressing them through transparent communication with the workforce leads to operating stability. These issues are not easy to isolate, but those that continually try to identify them to get better are likely to reap the benefits of those efforts and achieve their objectives.



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