

## **Executive Summary**

- *The Most Loved Workplace<sup>®</sup> (herein, MLW) audit was measured as a predictor of important organizational outcomes*
- *Strong relationships were found between the MLW audit and employee commitment, innovation, and performance (both individual and sales)*
- *An analysis was conducted measuring the combination of the MLW and a personality measure*
- *When combined as a suite of assessments, the tests emerged as over three times more powerful than using a personality assessment by itself*
- *Therefore, there is statistical evidence that the MLW is reliable and valid, is a strong predictor of key organizational outcomes, and works exceedingly well when packaged with a personality assessment*

## Sample

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300 participants (170 men, average age = 37.8) were included in the validation study.

## Reliability

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The 14-item Most Loved Workplaces scale had a coefficient alpha of .95, indicating very high interrater reliability. Alpha's over .7 are considered acceptable, and thus the results of the study can be considered reliable.

## Validity

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Correlations between the MLW scale and self-report perceptions of an organization are as follows:

CONSTRUCT	CORRELATION WITH MLW
Organizational Commitment	.73**
Organizational Citizenship Behaviors	.37**
Psychological Safety/Freedom to Innovate	.76**

\*\* - implies statistical significance at .01 level

Organizational commitment is "the individual's psychological attachment to their organization" (Meyer & Allen, 1991). Organizational Citizenship Behaviors are "a person's voluntary commitment within an organization or company that is not part of his or her contractual tasks" (Katz, 1964). Psychological safety is "a shared belief that the team is safe for interpersonal risk taking" (Edmondson, 1999), and is directly related to innovative behaviors; when employees feel safe, they are much more likely to feel free to innovate. All of these constructs represent key employee outcomes in relation to their companies, and the MLW is strongly related to each, suggesting that individuals who score positively on the MLW will be higher in commitment, innovation, and OCBs.

Correlations between the MLW scale and individual self-report performance outcomes are as follows:

CONSTRUCT	CORRELATION WITH MLW
Performance	.21**
Likelihood of being Promoted	.37**
Likelihood of Turnover	-.48**
Likelihood of Recommending Company	.72**

Correlations between the MLW scale and an organization's relationship with its customers is as follows:

CONSTRUCT	CORRELATION WITH MLW
Retaining Customers	.52**
Attracting New Customers	.55**

All results were statistically significant. That means that they can be considered legitimate takeaways and are unlikely to be a result of chance. Taken together, the correlations offer strong support for the criterion validity of the MLW instrument, as it has very high relationships with individual feelings towards an organization (e.g. commitment), individual performance within an organization, and perceptions regarding client relationships for an organization.

## Relationship with Big-Five Personality Framework

The MLW, as supported by the findings above, is highly related to both employee and organizational outcomes. However, employee performance must be considered a two-part interaction, *between the individual employee and the company they work for*. In other words, the employee who is motivated, able, and committed to their work will not be able to achieve their full potential without an organization that supports them. Conversely, organizations that create environments in which employees

feel supported and engaged with cannot achieve their maximum performance if employees are not motivated to excel in their work. For an organization to thrive, it must have both top-down and bottom-up excellence, and combining an organizational measure such as the MLW with an individual measure such as personality meets both of these needs.

To meet this need, BPI measured the MLW in conjunction with the Big Five Personality Framework

as predictors of organizational outcomes. The Big Five Personality framework has by far the most empirical support in comparison to other personality measures (e.g. Myers-Briggs, DISC; see Costa & McCrae, 1992; McCrae & Costa, 1989), with over 15,000 current scientific articles currently in existence using it as the measure of personality. Correlations between the MLW and Big Five traits were as follows:

Personality Trait	Correlation with MLW
Agreeableness	.39**
Conscientiousness	.44**
Extroversion	.33**
Neuroticism	-.30**
Openness to new experiences	.24**

These findings indicate that there is a relationship between an individual employees' dispositions and how they feel about their work. For instance, conscientious employees are more likely to love their work, while employees who are highly neurotic are less likely to love their work. However, to measure the benefit of combining the MLW and the Big Five as predictors of organizational outcomes, more technical analyses were conducted, and will now be described.

## Using the MLW and Personality Measure to Predict Outcomes

So how do we measure if combining the MLW with personality is a superior predictor of each on its own? Using the statistical measure of r-squared. R-squared is, simply, the percentage of an outcome you measure. If r-square is .1, you've measured 10% of that outcome. If r-squared is .2,

you've measured 20% of that outcome. So if a regression formula with commitment as an outcome has an r-squared of .13, you've successfully accounted for 13% of commitment within a company.

Because conscientiousness had the strongest relationship with

MLW, and because it is considered the trait that is most relevant to work outcomes (see Barrick & Mount, 1991; Porpoat, 2009), it was chosen as the trait to measure in conjunction with the MLW as a predictor of employee outcomes. The results are as follows:

Outcome	R-Squared: MLW	R-Squared: Conscientiousness	R-Squared: Both + interaction	Gain
Commitment	.14	.13	.57	+.44
OCB's	.14	.06	.16	+.10
Innovation	.58	.20	.61	+.41
Performance	.05	.09	.34	+.25
Attracting Customers	.30	.06	.33	+.27

For the rest of the traits, please see the appendices.

So, for instance, combining the MLW, the personality factor, and the interaction between the two leads to a 44% better measure of commitment than only using a Conscientiousness measure. This increase in predictive capability is an increase in how effective the measures are. Across the five outcome measures, including the MLW instead of using only the personality measure **on average almost quadrupled the predictive power of the assessments.**

## Summary

The analyses above indicated strong support for a relationship between the MLW and key organizational and employee outcomes. Further, it found that combining the MLW with a personality measure leads to increased benefits in terms of the predictive capabilities of each. Therefore, the MLW can be used either by itself, or in conjunction with an individual personality measure as a valid predictor of employee commitment, innovation, and performance, as well as attracting customers.

# APPENDICES

## R-Squared values with MLW and other Big Five Personality Traits

Outcome	R-Squared: MLW	R-Squared: Agreeableness	R-Squared: Both + interaction	Gain
Commitment	.14	.15	.57	+.42
OCB's	.14	.04	.16	+.12
Innovation	.58	.20	.62	+.42
Performance	.05	.05	.10	+.05
Attracting Customers	.30	.10	.33	+.23

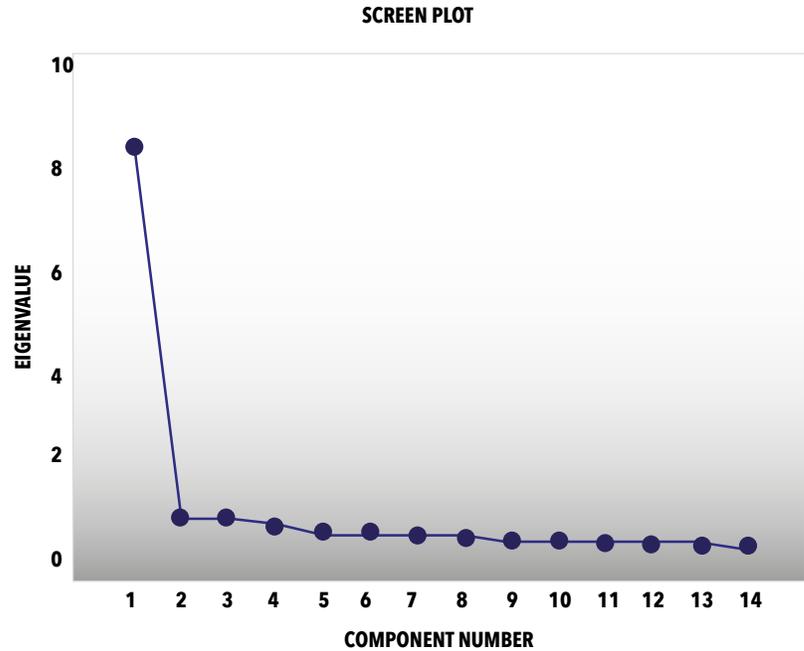
Outcome	R-Squared: MLW	R-Squared: Extroversion	R-Squared: Both + interaction	Gain
Commitment	.14	.11	.55	+.44
OCB's	.14	.07	.16	+.09
Innovation	.58	.08	.59	+.51
Performance	.05	.04	.07	+.03
Attracting Customers	.30	.06	.31	+.25

Outcome	R-Squared: MLW	R-Squared: Neuroticism	R-Squared: Both + interaction	Gain
Commitment	.14	.08	.54	+.46
OCB's	.14	.02	.15	+.13
Innovation	.58	.13	.60	+.47
Performance	.05	.04	.07	+.03
Attracting Customers	.30	.07	.31	+.24

Outcome	R-Squared: MLW	R-Squared: Openness	R-Squared: Both + interaction	Gain
Commitment	.14	.02	.56	+.54
OCB's	.14	.03	.15	+.12
Innovation	.58	.03	.62	+.59
Performance	.05	.06	.08	+.02
Attracting Customers	.30	.03	.30	+.27

## Factor Analysis

Both the scree plot and the eigenvalue chart (with a single factor with an eigenvalue over 1.0) strongly argued for a single construct. This indicates that the MLW measures a single dimension, namely, the degree to which employees feel connected to their companies.



This chart is read by determining which of the dots (or 'factors') stand out, and separate themselves. Here there is clearly a single dot standing apart, which indicates that only one factor emerged from the data.

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