

## 4.0 Hypothesis

In statistical analysis, hypothesis testing is a crucial step that involves formulating a null hypothesis ( $H_0$ ) assuming no effect or difference, and an alternative hypothesis ( $H_1$ ) assuming a relationship or significant difference. Statistical tests, such as “chi-square tests” is carried out for categorical variables. For the continuous variable, “t-tests” is carried out to analyse data and investigate if there is sufficient evidence to reject the  $H_0$  and support  $H_1$  (Mishra et al., 2019).

ANOVA, or Analysis of Variance, is a statistical approach employed to compare the average values of several treatments (Mishra et al., 2019). It evaluates whether the observed differences in group means are likely due to genuine differences or random chance. ANOVA calculates an F-statistic by comparing the difference within groups and between group means. High F-statistic and corresponding p-value is below a predetermined cutoff (usually 0.05).

Levene's test for homogeneity of variance is employed for checking if assumption of equal variances holds true when conducting ANOVA. It assesses whether the variances of a continuous variable are similar across different groups or categories. A significant result suggests that there are significant differences in variances between the groups. On the other hand, Welch's ANOVA is a substitute for regular ANOVA when the rule of equal variances is broken. It adjusts the F-statistic and degrees of freedom to accommodate unequal variances. Both Levene's test and Welch's ANOVA play essential roles in statistical analysis, especially when comparing means between groups using ANOVA. They ensure that the underlying assumptions are met and yield more accurate results when there are variations in variances among the groups.

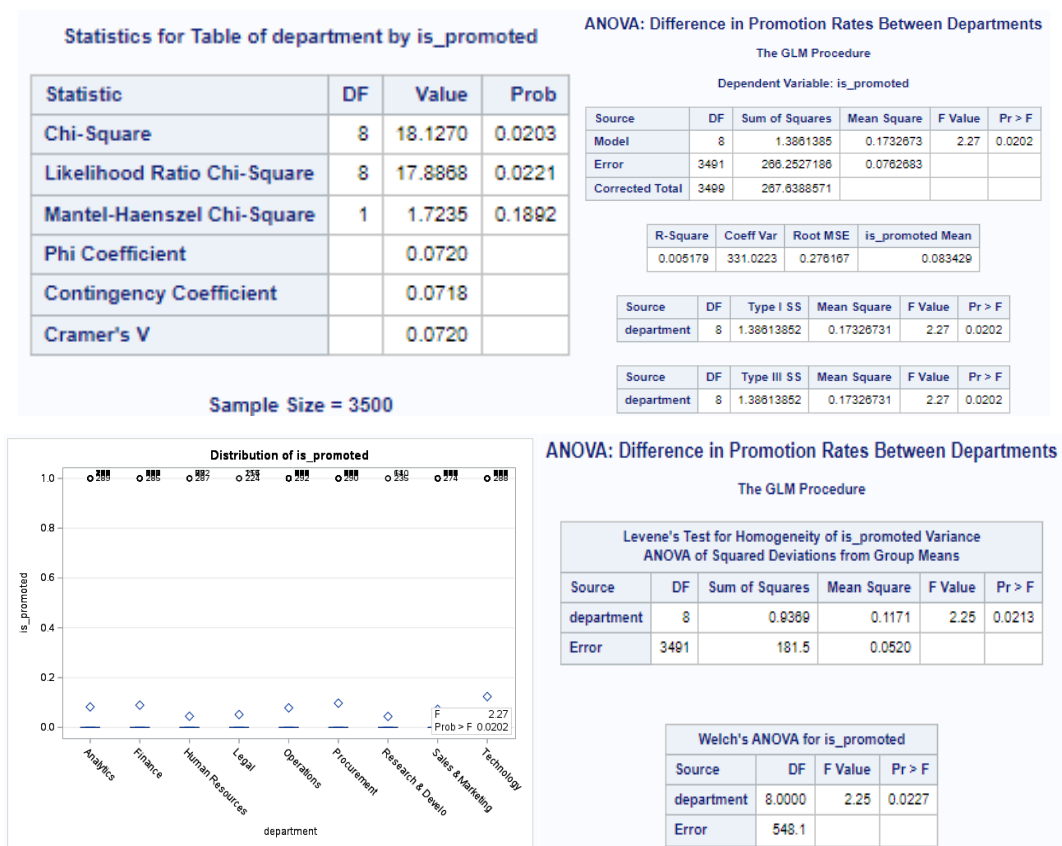
### 4.1 Hypothesis 1

$H_0$ : There is no significant difference in the “promotion status” between employees in different departments.

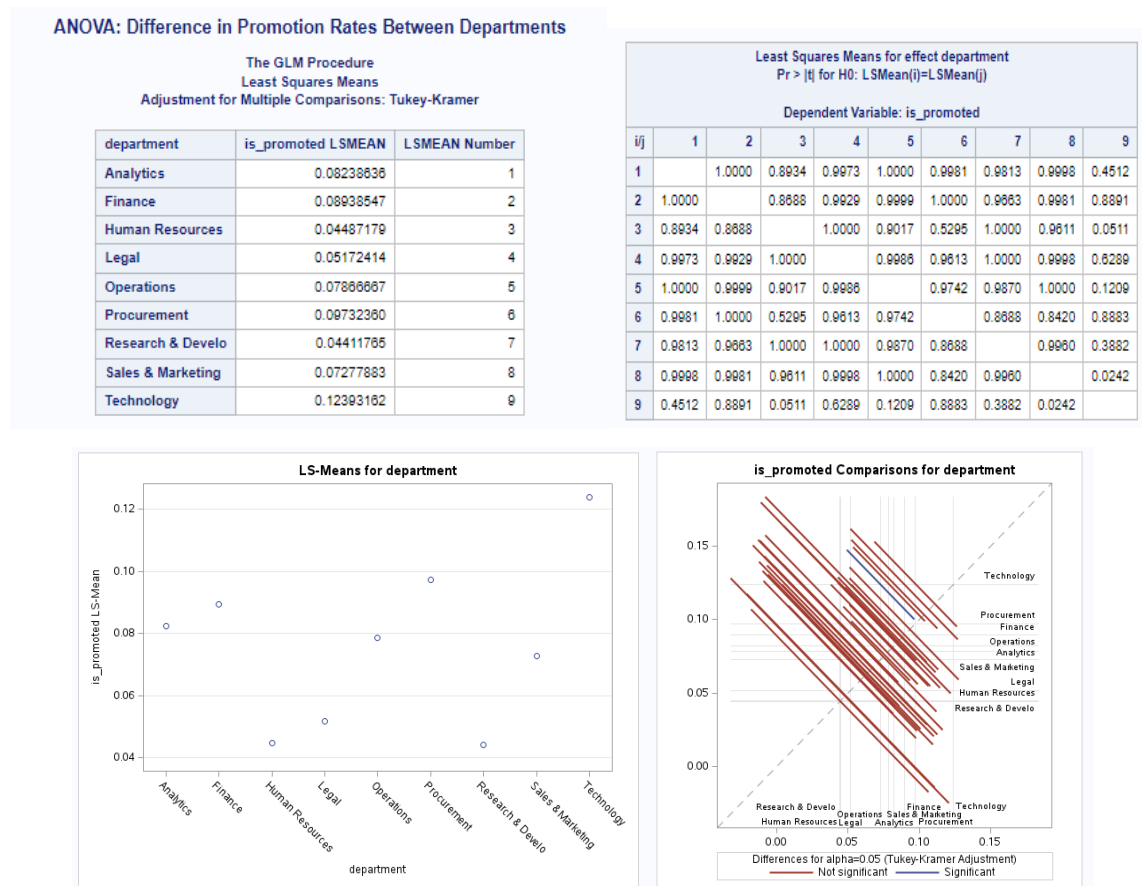
$H_1$ : There is a significant difference in the “promotion status” between employees in different departments.

Based on the chi-square test, the p-value is 0.0203 which is below the significance level of 0.05 (Figure 28). Hence, the null hypothesis is rejected while an alternative hypothesis is accepted. Based on ANOVA analysis, the p-value is 0.202. Similar to the chi-square test, the p-value is less than 0.05, the null hypothesis is rejected. Based on Levene's test and Welch's ANOVA, the p value 0.0213 and 0.0227, respectively, are below the typical significance level

of 0.05 which rejects the null hypothesis. For Tukey-Kramer adjusted pairwise comparison, between Sales & Marketing and Technology yields a p-value of 0.242 which is less than the significance level of 0.05 (Figure 29). It is suggested the occurrence of significant difference in the promotion status between employees in these two departments which support the alternative hypothesis. Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis is rejected while the alternative hypothesis is accepted. This summarizes that there is a significant difference in the promotion rates between employees in different departments.



**Figure 28.** The chi-square and ANOVA test of the department by promotion status.



**Figure 29.** The Tukey-Kramer adjusted pairwise comparison of the department by promotion status.

## 4.2 Hypothesis 2

H0: There is no relationship between the recruitment channel and employee promotions.

H1: There is a relationship between the recruitment channel and employee promotions.

Based on the chi-square test, the p-value is 0.1278 which is more than the significance level of 0.05 (Figure 30). Hence, the null hypothesis failed to be rejected. Based on ANOVA analysis, the p-value is 0.1278. Based on Levene's test and Welch's ANOVA, the p value 0.1690 and 0.2831, respectively, are above the typical significance level of 0.05 which do not reject the null hypothesis. Similar to the chi-square test, the p-value is greater than 0.05, the null hypothesis is not rejected. For pairwise comparison, the p-values are greater than 0.05, indicating no significant difference in promotion rates between employees recruited from different channels (Figure 31). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis failed to be rejected and concludes that no statistical test to support significant relationship between the recruitment channel and employee promotions.

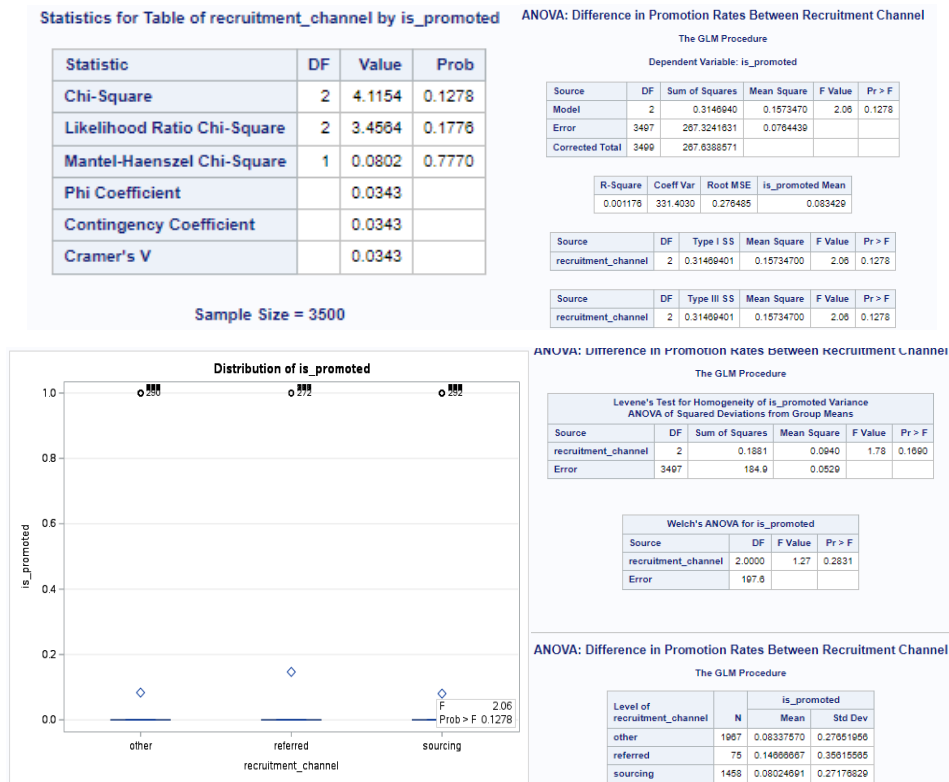


Figure 30. The chi-square and ANOVA test of the recruitment channel by promotion status.

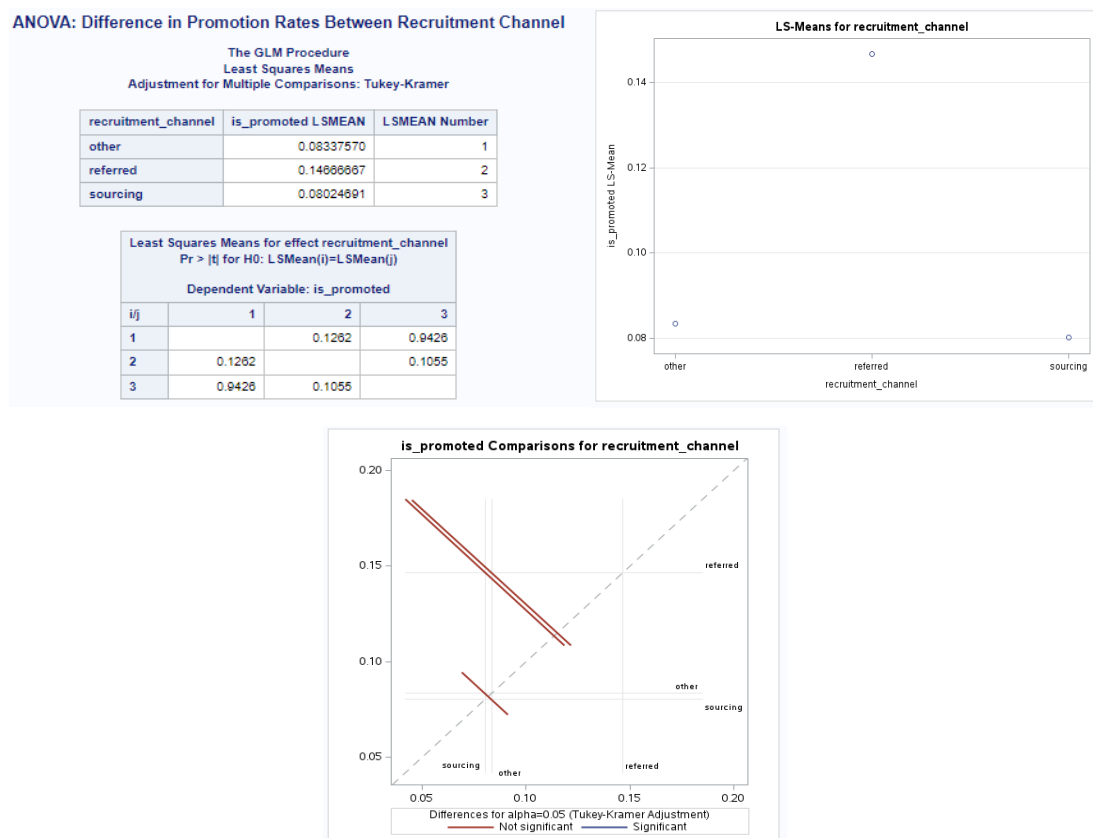


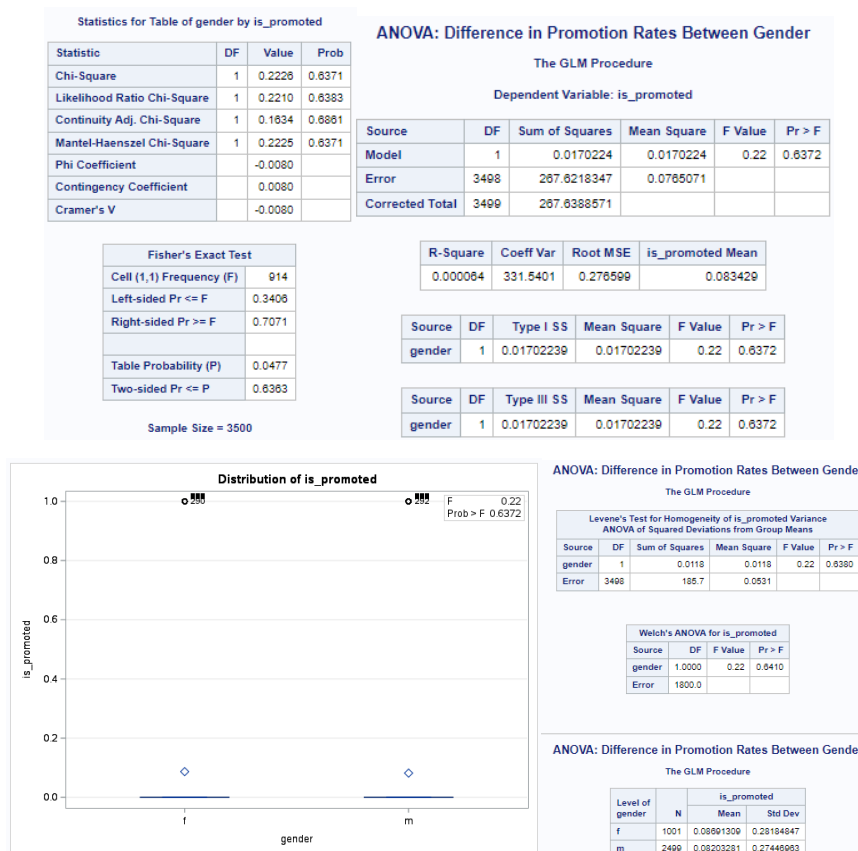
Figure 31. The Tukey-Kramer adjusted pairwise comparison of the recruitment channel by promotion status.

### 4.3 Hypothesis 3

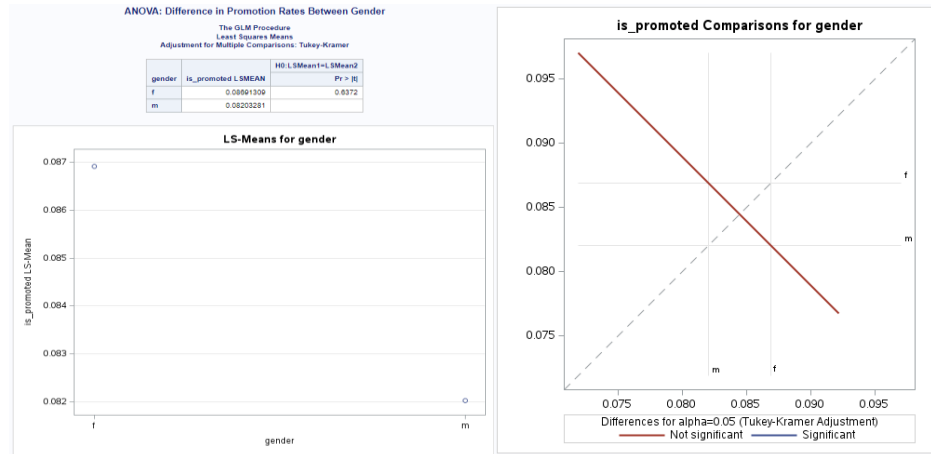
H0: There is no significant difference in the promotion rates between male and female employees.

H1: There is a significant difference in the promotion rates between male and female employees.

Based on the chi-square test, the p-value is 0.6371 which is more than the significance level of 0.05 (Figure 32). Hence, the null hypothesis failed to be rejected. Based on ANOVA analysis, the p-value is 0.6372. Similar to the chi-square test, the p-value is above 0.05, the null hypothesis is not rejected. According to Levene's test and Welch's ANOVA, the p value 0.6380 and 0.6410, respectively, are above the typical significance level of 0.05 which do not reject the null hypothesis. For pairwise comparison, the p-values are greater than 0.05, indicating no significant difference in promotion rates between employees' gender (Figure 33). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis failed to be rejected and concludes with no significant relationship between the gender and employee promotions.



**Figure 32.** The chi-square and ANOVA test of gender by promotion status.



**Figure 33.** The Tukey-Kramer adjusted pairwise comparison of the gender by promotion status.

#### 4.4 Hypothesis 4

H0: Age does not have a significant impact on the likelihood of promotion.

H1: Employees with higher age are more likely to be promoted.

Based on the t-test, logarithm of age was used as the original age data exhibit skewed distribution and nonlinear relationship. The logarithm of age help to stabilize variance which enhance the interpretability of results. The p-value of Pooled method is 0.1052 while for Satterthwaite method is 0.1033 which is above significance level of 0.05 (Figure 34). Hence, the null hypothesis failed to be rejected with the conclusion of no significant effect of age on employee promotions. Binning of age was used for ANOVA analysis as the categorical representation allows a straightforward comparison of mean difference across different age group. It enhances interpretability of the ANOVA result. Based on ANOVA analysis, the p-value is 0.1992. Similar to the t-test, the p-value is above 0.05, the null hypothesis is not rejected. Based on Levene's test and Welch's ANOVA, the p value 0.2051 and 0.2329, respectively, are above the typical significance level of 0.05 which do not reject the null hypothesis. For pairwise comparison, the p-values are greater than 0.05, indicating no significant difference in promotion status between employees' age (Figure 35). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis failed to be rejected and concludes no significant relationship between the age and employee promotions.

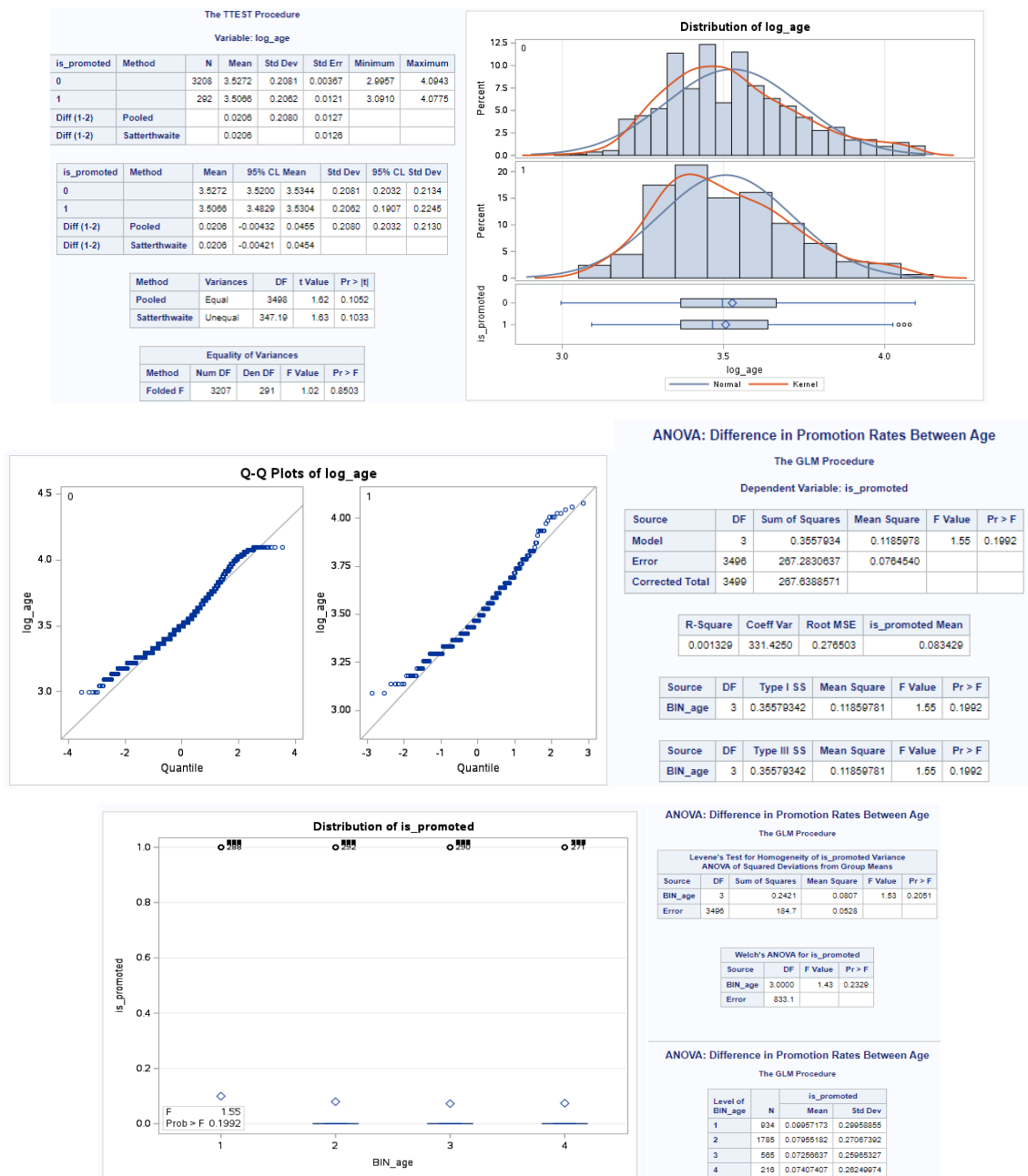


Figure 34. The t-test and ANOVA test of age by promotion status.

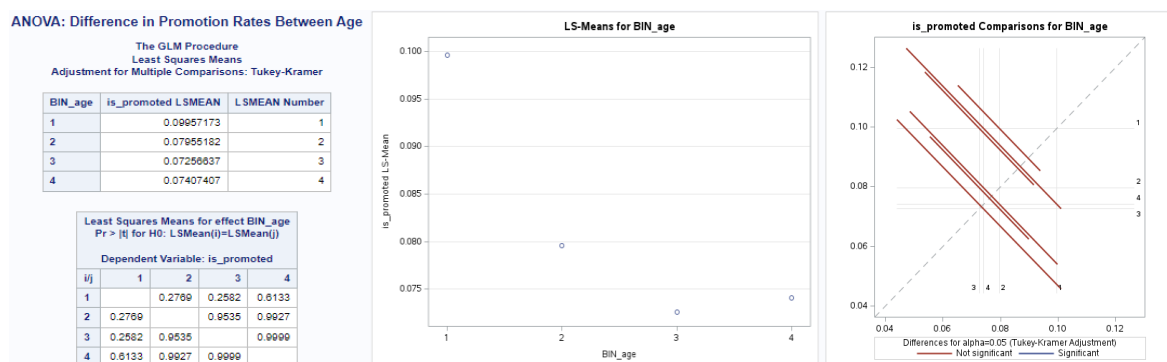


Figure 35. The Tukey-Kramer adjusted pairwise comparison of the age by promotion status.

## 4.5 Hypothesis 5

H0: The length of service does not have a significant impact on the likelihood of promotion.

H1: Employees with longer length of service are more likely to be promoted.

Based on the t-test, the p-value of Pooled method is 0.0006 while for Satterthwaite method is 0.0007 which is lesser than significance level of 0.05 (Figure 36). Hence, the null hypothesis is rejected with acceptance in alternative hypothesis. The p-value of equality of variances is 0.8512 which indicates no significant difference in variances. Based on ANOVA analysis, the p-value is 0.1746 which is greater than 0.05. The null hypothesis is not rejected. Based on Levene's test and Welch's ANOVA, the p value 0.1579 and 0.1164, respectively, are above the typical significance level of 0.05 which do not reject the null hypothesis of significant difference in variances and means. For pairwise comparison, the p-values are above 0.05, supporting no significant difference in promotion status between employees' length of service (Figure 37). Overall, the t-tests provide evidence that there is a significant impact of length of service on the likelihood of promotion. However, the ANOVA tests do not provide sufficient evidence to support this conclusion.

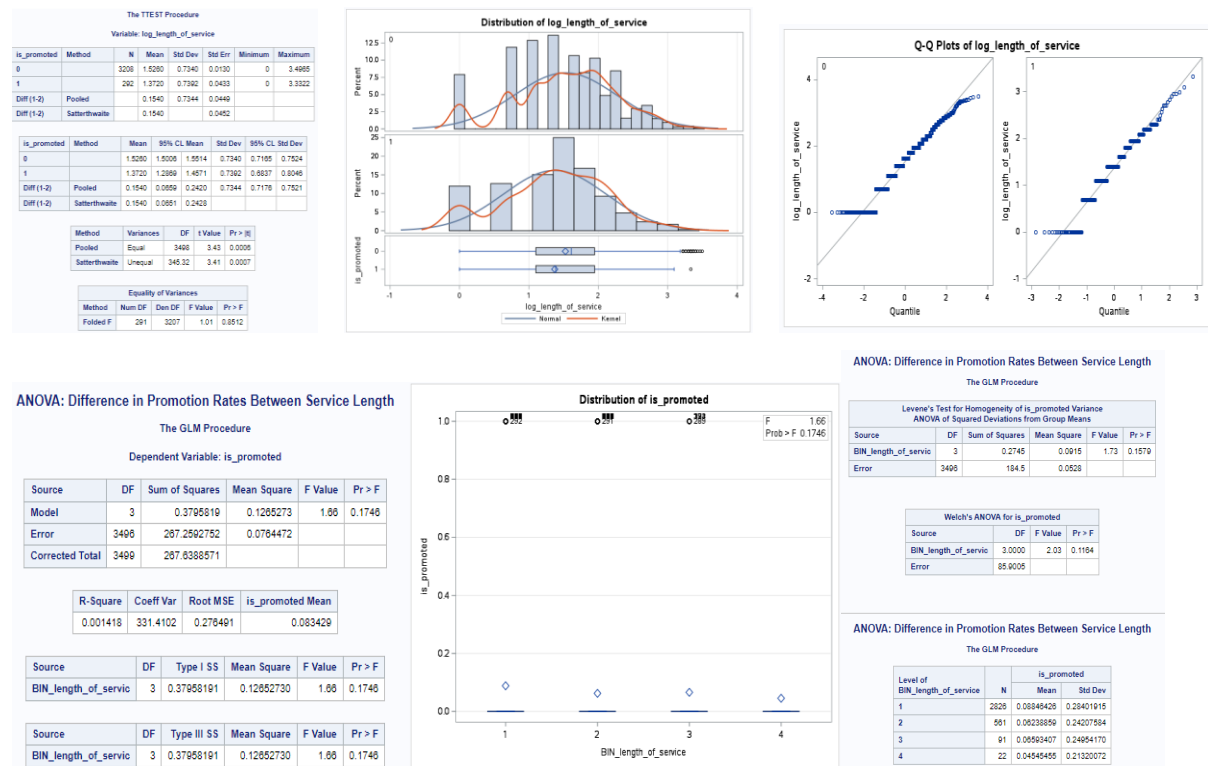
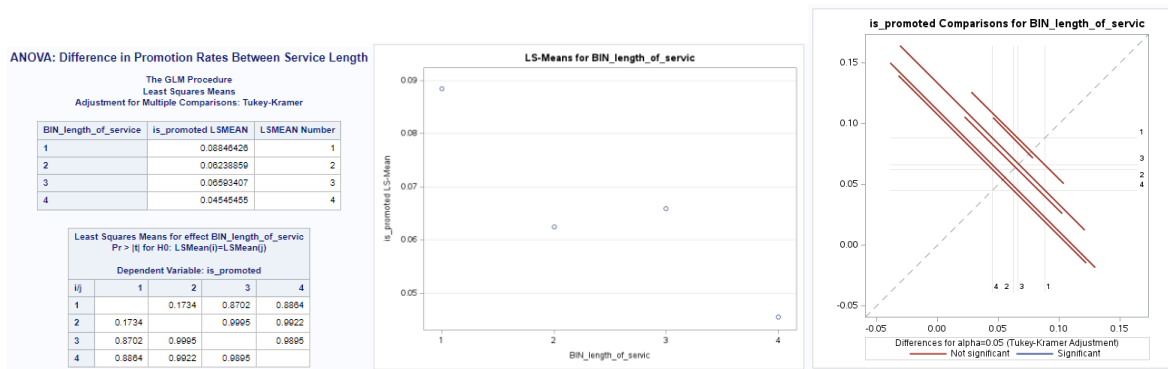


Figure 36. The t-test and ANOVA test of service length by promotion status.





**Figure 37.** The Tukey-Kramer adjusted pairwise comparison of the service length by promotion status.

## 4.6 Hypothesis 6

H0: There is no significant difference in promotion rates between employees with different previous year ratings.

H1: Employees with higher previous year ratings are more likely to be promoted.

Based on the chi-square test, the p-value is less than 0.0001 which is below the significance level of 0.05 (Figure 38). Hence, the null hypothesis is rejected with acceptance in alternative hypothesis. Based on ANOVA analysis, the p-value is less than 0.0001. Similar to the chi-square test, the p-value is less than 0.05, the null hypothesis is rejected. Based on Levene's test and Welch's ANOVA, the p values are less than 0.0001 which are below the typical significance level of 0.05 which reject the null hypothesis. For pairwise comparison, the p-values are less than 0.0001, indicating employees with higher previous year ratings are more likely to be promoted (Figure 39). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis is rejected. This summarizes a significant relationship between the previous year rating and employee promotions.

Statistics for Table of previous\_year\_rating by is\_promoted

Statistic	DF	Value	Prob
Chi-Square	4	73.1110	<.0001
Likelihood Ratio Chi-Square	4	73.1372	<.0001
Mantel-Haenszel Chi-Square	1	60.6683	<.0001
Phi Coefficient		0.1445	
Contingency Coefficient		0.1430	
Cramer's V		0.1445	

Sample Size = 3500

ANOVA: Difference in Promotion Rates Between Previous Year Ratings

The GLM Procedure		
Class Level Information		
Class	Levels	Values
previous_year_rating	5	1 2 3 4 5
Number of Observations Read		
Number of Observations Used		
3500		

ANOVA: Difference in Promotion Rates Between Previous Year Ratings

The GLM Procedure						
Dependent Variable: is_promoted						
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F	
Model	4	5.5909678	1.3976690	18.84	<.0001	
Error	3495	282.0481895	0.0749780			
Corrected Total	3499	287.6391573				

R-Square	Coeff Var	Root MSE	is_promoted Mean
0.020889	328.2103	0.273621	0.083429

Source	DF	Type III SS	Mean Square	F Value	Pr > F
previous_year_rating	4	5.59096780	1.39766900	18.84	<.0001

Source	DF	Type III SS	Mean Square	F Value	Pr > F
previous_year_rating	4	5.59096780	1.39766900	18.84	<.0001

ANOVA: Difference in Promotion Rates Between Previous Year Ratings

The GLM Procedure						
Levene's Test for Homogeneity of is_promoted Variance						
ANOVA of Squared Deviations from Group Means						
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F	
previous_year_rating	4	3.6580	0.9145	18.92	<.0001	
Error	3495	188.9	0.0483			

Welch's ANOVA for is_promoted				
Source	DF	F Value	Pr > F	
previous_year_rating	4.0000	20.91	<.0001	
Error	1208.5			

ANOVA: Difference in Promotion Rates Between Previous Year Ratings

The GLM Procedure				
is_promoted				
Level of previous_year_rating	N	Mean	Std Dev	
1	408	0.02205882	0.14705521	
2	275	0.04727273	0.21280853	
3	1427	0.07708479	0.28681945	
4	868	0.07335329	0.26091090	
5	722	0.15373951	0.36094902	

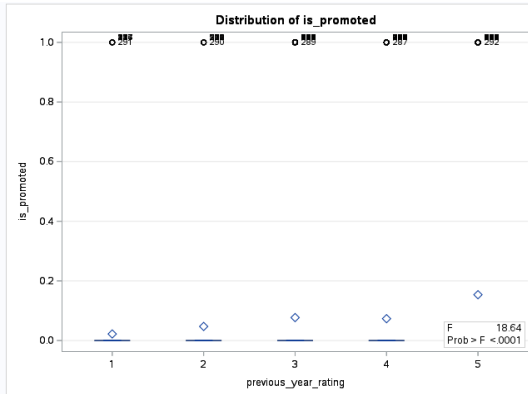


Figure 38. The chi-square test and ANOVA test of previous year rating by promotion status.

ANOVA: Difference in Promotion Rates Between Previous Year Ratings

The GLM Procedure			
Least Squares Means			
Adjustment for Multiple Comparisons: Tukey-Kramer			
previous_year_rating	is_promoted LSMEAN	LSMEAN Number	
1	0.02205882	1	
2	0.04727273	2	
3	0.07708479	3	
4	0.07335329	4	
5	0.15373951	5	

Least Squares Means for effect previous_year_rating					
Pr >  t  for H0: LSMean(i)=LSMean(j)					
Dependent Variable: is_promoted					
i\j	1	2	3	4	5
1		0.7628	0.0032	0.0241	<.0001
2	0.7628		0.4634	0.6729	<.0001
3	0.0032	0.4634		0.9984	<.0001
4	0.0241	0.6729	0.9984		<.0001
5	<.0001	<.0001	<.0001	<.0001	

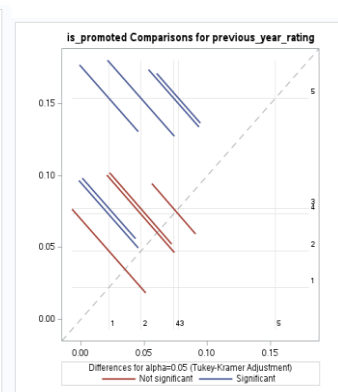
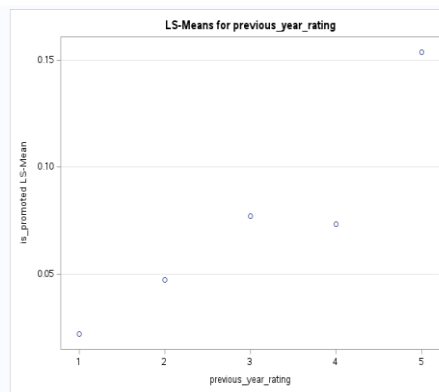


Figure 39. The Tukey-Kramer adjusted pairwise comparison of the previous year rating by promotion status.

## 4.7 Hypothesis 7

H0: The awards won do not have a significant impact on the likelihood of promotion.

H1: Employees with awards won are more likely to be promoted.

Based on the chi-square test, the p-value is less than 0.0001 which is below the significance level of 0.05 (Figure 40). Hence, the null hypothesis is rejected while the alternative hypothesis is accepted. Based on ANOVA analysis, the p-value is less than 0.0001. Similar to the chi-square test, the p-value is less than 0.05, the null hypothesis is rejected. Based on Levene's test and Welch's ANOVA, the p values are less than 0.0001 which are below the typical significance level of 0.05 which reject the null hypothesis. For pairwise comparison, the p-value is less than 0.0001, indicating employees with awards won are more likely to be promoted (Figure 41). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis is rejected and an alternative hypothesis is accepted. This concludes that there is a significant relationship between the awards won and employee promotions.

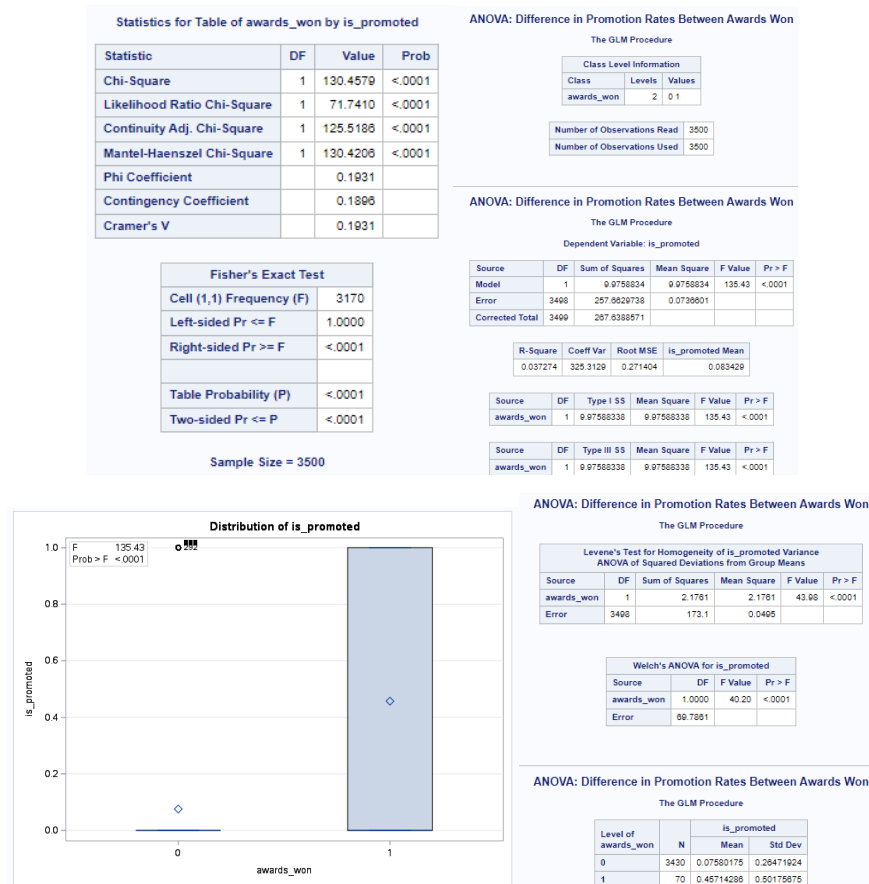
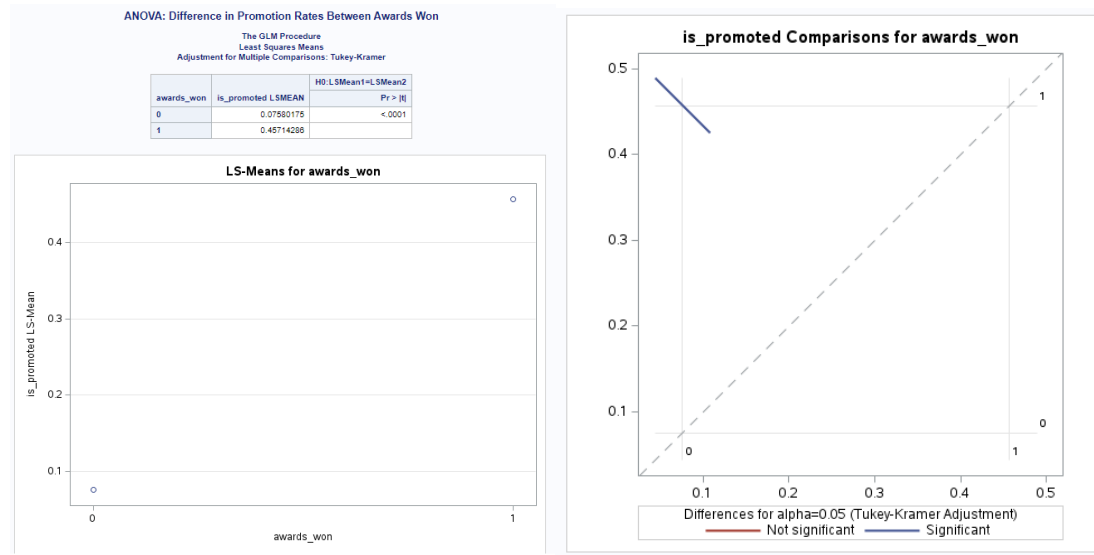


Figure 40. The chi-square test and ANOVA test of awards won by promotion status.



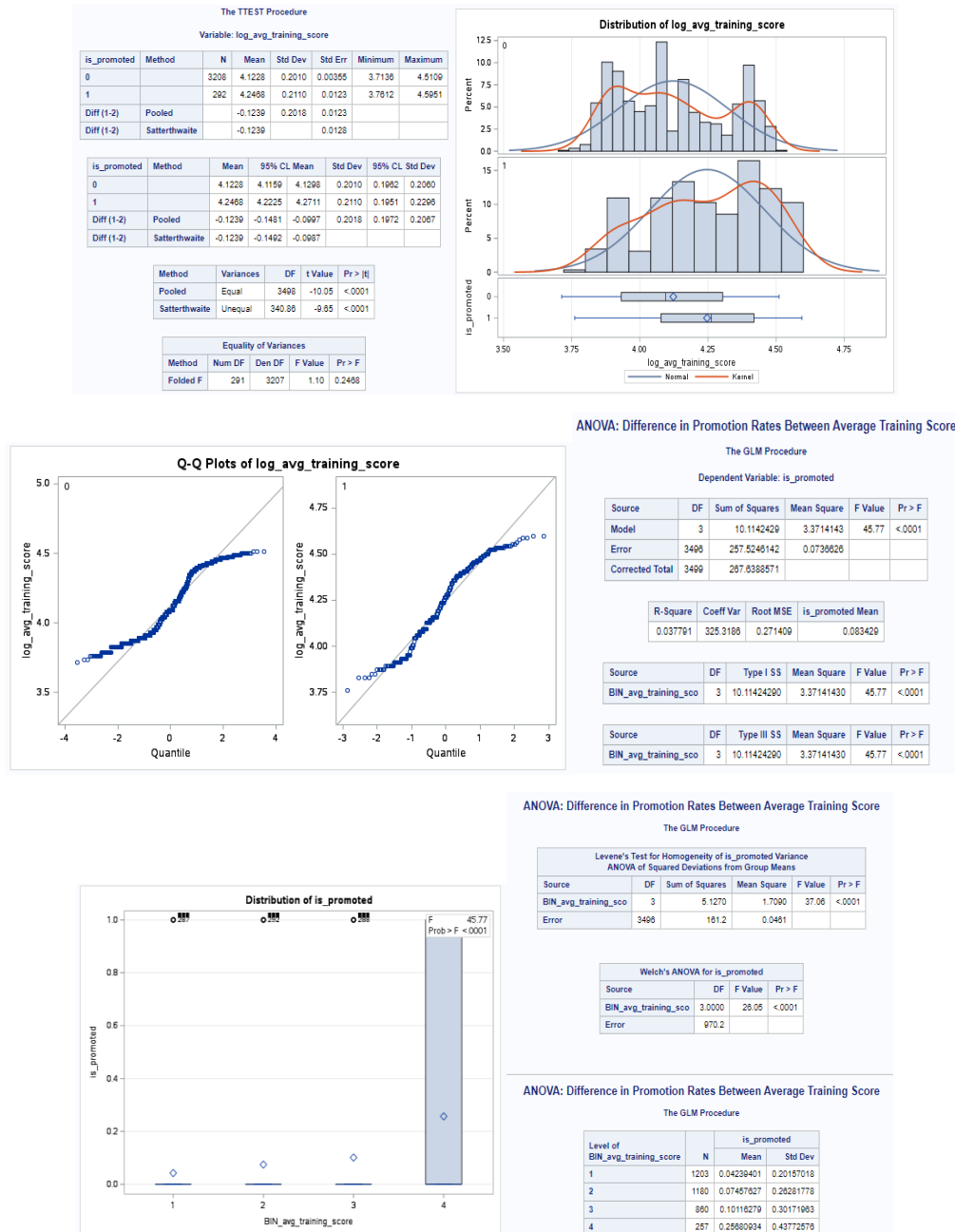
**Figure 41.** The Tukey-Kramer adjusted pairwise comparison of the awards won by promotion status.

#### 4.8 Hypothesis 8

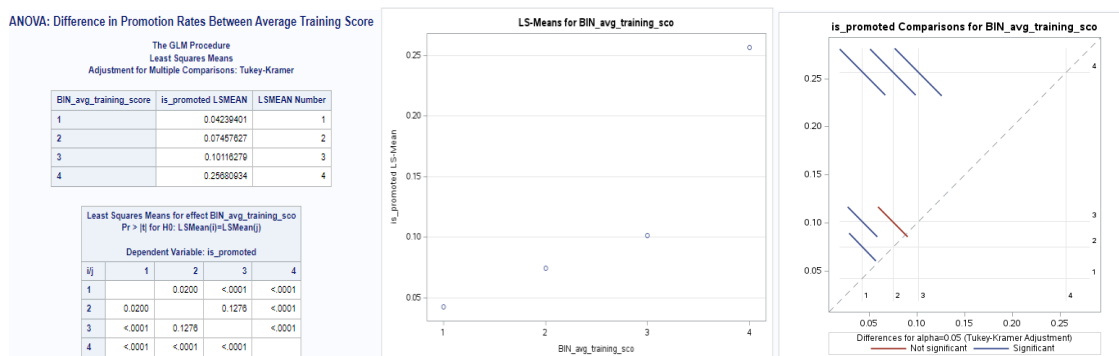
H0: There is no significant difference in promotion rates between employees with higher and lower average training scores.

H1: Employees with higher average training scores are more likely to be promoted.

Based on the t-test, the p-value of Pooled method is below 0.0001 while for Satterthwaite method is less than 0.0001 which is less than significance level of 0.05 (Figure 42). Hence, the null hypothesis is rejected and an alternative hypothesis is accepted. Based on ANOVA analysis, the p-value is less than 0.0001. Similar to the t-test, the p-value is less than 0.05, the null hypothesis is rejected. Based on Levene's test and Welch's ANOVA, the p values are less than 0.0001 which are below the typical significance level of 0.05 which reject the null hypothesis. For pairwise comparison, the p-value is below 0.05, indicating employees with high average training scores are more likely to be promoted (Figure 43). Overall, based on the t-test, ANOVA results and pairwise comparison, the null hypothesis is rejected. This summarizes a significant relationship between the average training score and employee promotions.



**Figure 42.** The t-test and ANOVA test of average training score by promotion status.



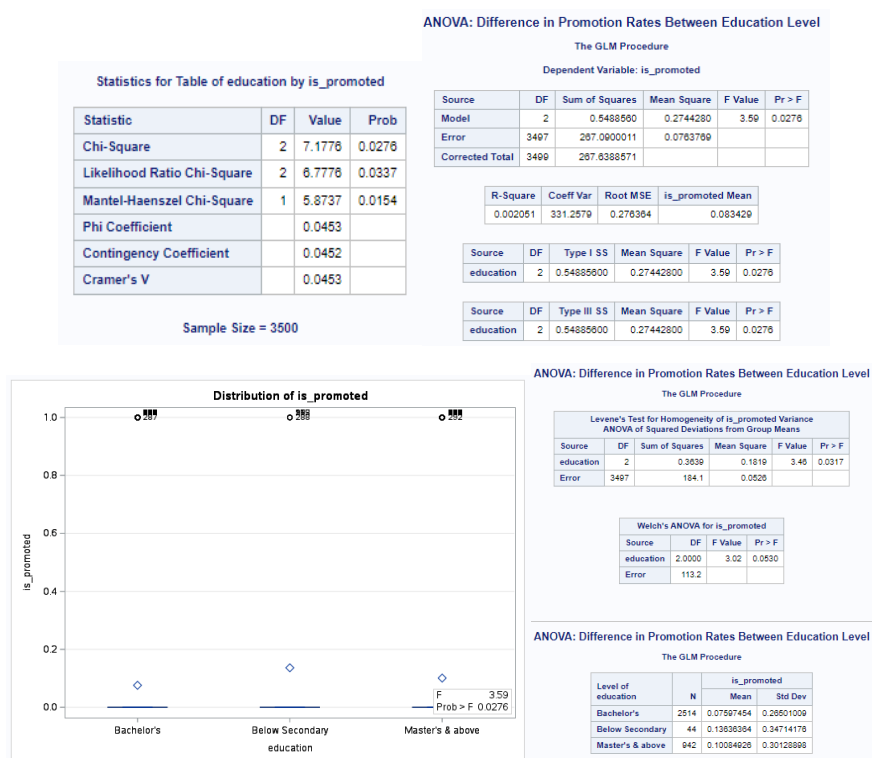
**Figure 43.** The Tukey-Kramer adjusted pairwise comparison of the average training score by promotion status.

## 4.9 Hypothesis 9

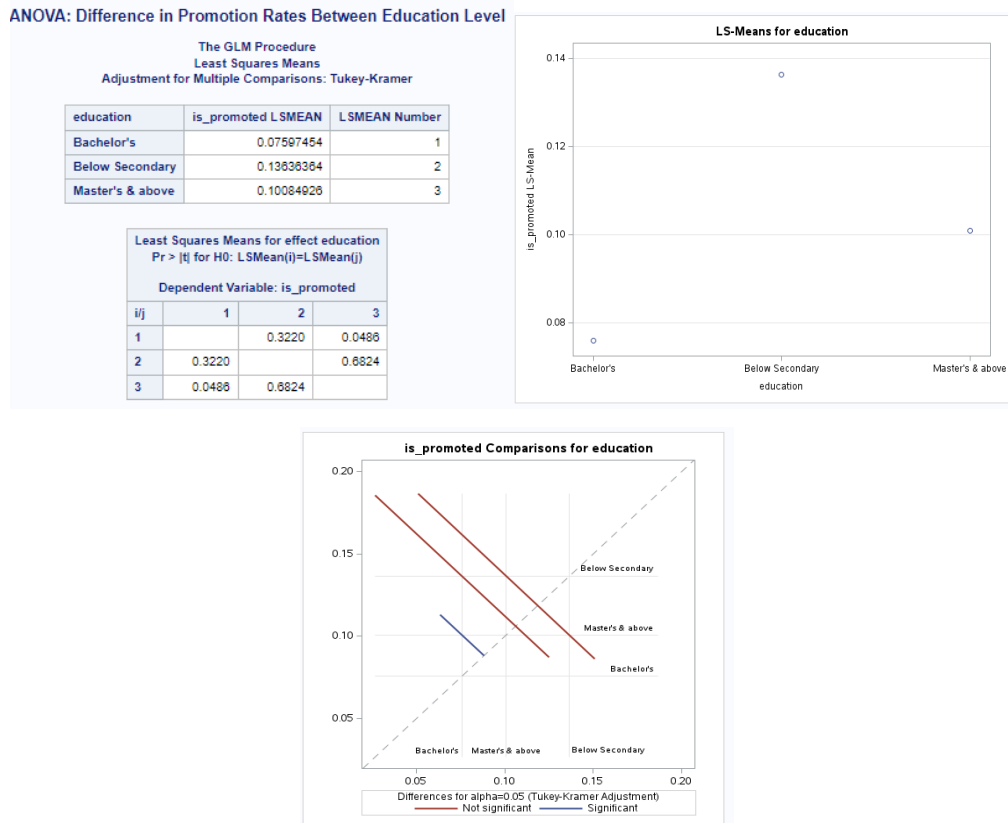
H0: There is no association between the education level of employees and their promotion status.

H1: There is an association between the education level of employees and their promotion status.

Based on the chi-square test, the p-value is 0.0276 which is less than the significance level of 0.05 (Figure 44). Hence, the null hypothesis is rejected and the alternative hypothesis is accepted. Based on ANOVA analysis, the p-value is 0.0276. Similar to the chi-square test, the p-value is less than 0.05, the null hypothesis is rejected. Based on Levene's test and Welch's ANOVA, the p values are 0.0317 which is below 0.05 indicating there is a significant difference in variances between the education levels. Welch's ANOVA is 0.0530, which is slightly above the significance level of 0.05, suggesting that there is weak evidence to reject the null hypothesis of no significant difference in means. For pairwise comparison, the p-value of Master's and above and Bachelor's is 0.0486, indicating there is a significant difference within these education levels (Figure 45). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis is rejected and concludes with significant relationship between the education and employee promotions.



**Figure 44.** The chi-square test and ANOVA test of education level by promotion status.



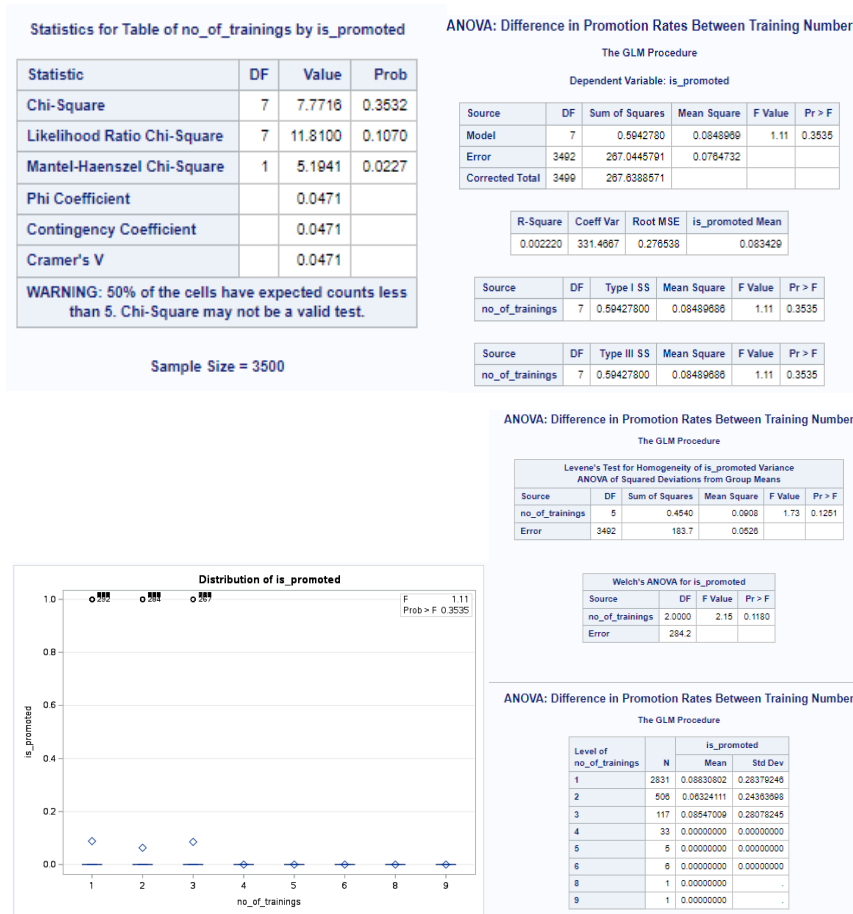
**Figure 45.** The Tukey-Kramer adjusted pairwise comparison of the education level by promotion status.

#### 4.10 Hypothesis 10

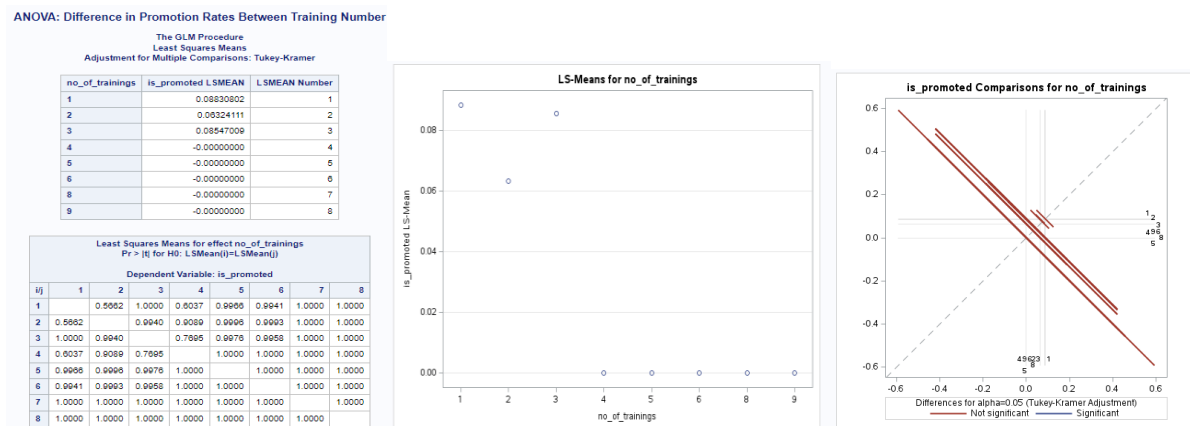
H0: The number of training sessions does not have a significant influence on the likelihood of promotion.

H1: Employees with a higher number of training are more likely to be promoted.

Based on the chi-square test, the p-value is less than 0.3535 which is greater than the significance level of 0.05 (Figure 46). Hence, the null hypothesis is not rejected. Based on ANOVA analysis, the p-value is 0.3535. Similar to the chi-square test, the p-value is more than 0.05, the null hypothesis is not rejected. According to Levene's test and Welch's ANOVA, the p values are 0.1251 and 0.1180, respectively, which are above the typical significance level of 0.05 which do not reject the null hypothesis. For pairwise comparison, the p-values are more than 0.05, indicating training numbers have no significant impact on promotion status (Figure 47). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis is not rejected and concludes with no significant relationship between the training numbers and employee promotions.



**Figure 46.** The chi-square test and ANOVA test of training numbers by promotion status.



**Figure 47.** The Tukey-Kramer adjusted pairwise comparison of the training numbers by promotion status.

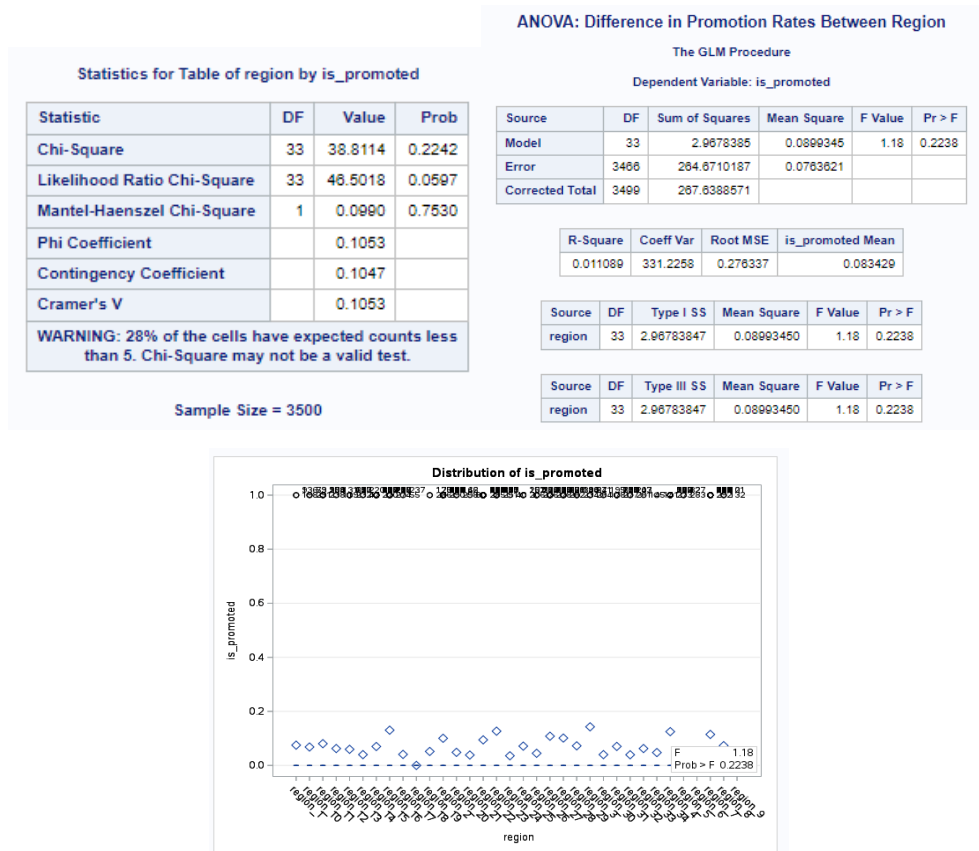


#### 4.11 Hypothesis 11

H0: There is no association between the region of employees and their promotion status.

H1: There is an association between the region of employees and their promotion status.

Based on the chi-square test, the p-value is less than 0.2242 which is greater than the significance level of 0.05 (Figure 48). Therefore, the null hypothesis is not rejected with the conclusion of no significant effect of region on employee promotions. Based on ANOVA analysis, the p-value is 0.2238. Similar to the chi-square test, the p-value is more than 0.05, the null hypothesis is not rejected. Based on Levene's test and Welch's ANOVA, the p values are 0.1136 and 0.2431, respectively, which are above the typical significance level of 0.05 which do not reject the null hypothesis. For pairwise comparison, the p-values are more than 0.05, indicating the region has no significant impact on promotion status (Figure 49). Overall, based on the chi-square test, ANOVA results and pairwise comparison, the null hypothesis is not rejected and concludes with no significant relationship between the region and employee promotions.



**Figure 48.** The chi-square test and ANOVA test of region by promotion status.

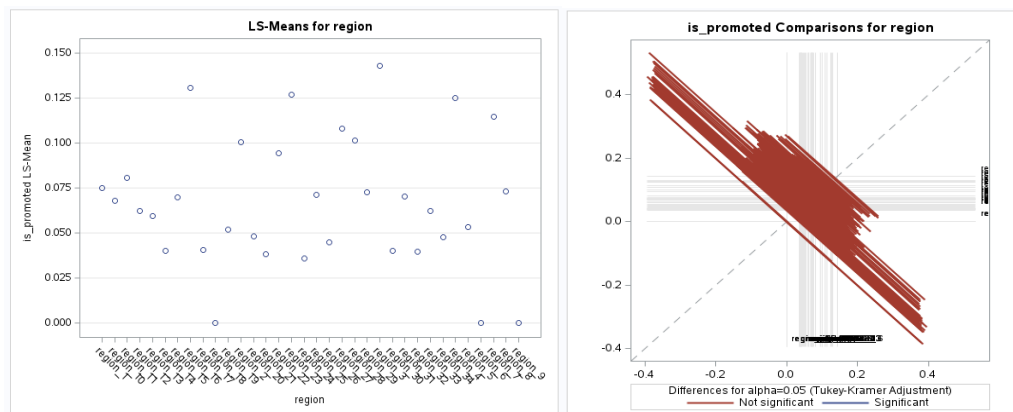
## ANOVA: Difference in Promotion Rates Between Region

### The GLM Procedure

Levene's Test for Homogeneity of is_promoted Variance ANOVA of Squared Deviations from Group Means					
Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
region	32	2.1311	0.0666	1.31	0.1136
Error	3465	176.0	0.0508		

Welch's ANOVA for is_promoted			
Source	DF	F Value	Pr > F
region	30.0000	1.17	0.2431
Error	542.7		

Least Squares Means for effect region Pr >  t  for H0: LSMean(i)=LSMean(j)																												
Dependent Variable: ln_purchased																												
i \ j	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
1		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3				1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4					1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
5						1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
6							1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
7								1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
8									1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9										1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
10											1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
11												1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
12													1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
13														1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
14															1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
15																1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
16																	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
17																		1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
18																			1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
19																				1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
20																					1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
21																						1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
22																							1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
23																								1.0000	1.0000	1.0000	1.0000	1.0000
24																									1.0000	1.0000	1.0000	1.0000
25																										1.0000	1.0000	1.0000
26																											1.0000	1.0000
27																												1.0000
28																												



**Figure 49.** The Tukey-Kramer adjusted pairwise comparison of the region by promotion status.