

Assignment 1

FOR LAB ON HYPOTHESIS TESTING

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Question 1: Read the dataset "salary.sav" as a data frame and use the function str() to understand its structure.

```
> str(salarv)
'data.frame':
                     474 obs. of 11 variables:
 $ id
             : num 1 2 3 4 5 6 7 8 9 10 .
 $ salbeg : num 8400 24000 10200 8700 17400 ..
              : Factor w/ 2 levels "MALES", "FEMALES": 1 1 1 1 1 1 1 1 1 1 . . .
 $ time
             : num 81 73 83 93 83 80 79 67 96 77 ...
              : num 28.5 40.3 31.1 31.2 41.9 ..
 $ age
 $ salnow : num 16080 41400 21960 19200 28350
 $ edlevel : num 16 16 15 16 19 18 15 15 15 12 ...
 $ work : num 0.25 12.5 4.08 1.83 13 ...
$ jobcat : Factor w/ 7 levels "CLERICAL", "OFFICE TRAINEE", ...: 4 5 5 4 5 4 1 1 1 3 ...
$ minority: Factor w/ 2 levels "WHITE", "NONWHITE": 1 1 1 1 1 1 1 1 1 1 ...
S sexrace: Factor w/ 4 levels "WHITE MALES",..: 11 11 11 11 11 1...

- attr(*, "variable.labels")= Named chr [1:11] "EMPLOYEE CODE" "BEGINNING SALARY" "SEX OF EMPLOYEE" "JOB SENIORITY" ...

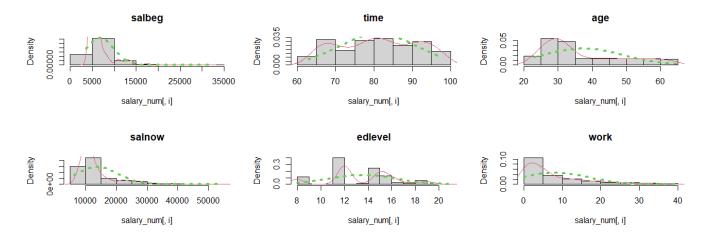
... attr(*, "names")= chr [1:11] "id" "salbeg" "sex" "time" ...
 - attr(*, "codepage")= int 1253
```

After reading the dataset "salary.sav" as a data frame, using the str() function we can see that it has 11 variables, numerical variables and 4 factor variables and all the observations are 474. Moreover, we have variable labels which help us understand the data. Furthermore, we have ids of the employees, the beginning salary, the gender, the job seniority, the age of the employees, the current salary, educational level of the employees, their working experience, their working position, minority classification and gender and race classification. Only gender and the last three variables are categorical variables which are factors in our data frame. Age and working experience are decimal variables and ids, beginning salary, seniority, current salary and education level are integer variables.

Question 2: Get that summary statistics of the numerical variables in the dataset and visualize their distribution (e.g. use histograms etc.). Which variables appear to be normally distributed? Why?

```
> summary(salary_num)
                                             salnow
                                                           edlevel
    salbeg
                  time
                                 age
                                                                          work
Min. : 3600
              Min. :63.00 Min. :23.00 Min. : 6300 Min. : 8.00 Min. : 0.000
1st Ou.: 4995    1st Ou.:72.00    1st Ou.:28.50    1st Ou.: 9600    1st Ou.:12.00    1st Ou.: 1.603
 Median: 6000 Median: 81.00 Median: 32.00 Median: 11550 Median: 12.00 Median: 4.580
 Mean : 6806 Mean :81.11 Mean :37.19 Mean :13768 Mean :13.49 Mean : 7.989
 3rd Qu.: 6996 3rd Qu.:90.00 3rd Qu.:45.98
                                          3rd Qu.:14775
                                                       3rd Qu.:15.00 3rd Qu.:11.560
      :31992
                    :98.00
                                  :64.50
                                                :54000
                                                             :21.00 Max. :39.670
              Max.
                            Max.
                                          Max.
                                                       Max.
```

After creating a new data frame in order to have only numeric values, we get a summary statistics and we've made histograms in order to see normally distributed attributes as you can see below:



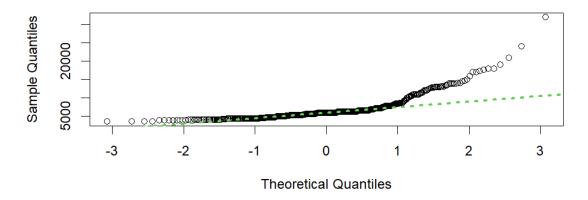
As we can see from the chart, none of the above is normally distributed variable.

Question 3: Use the appropriate test to examine whether the beginning salary of a typical employee can be considered to be equal to 1000 dollars. How do you interpret the results? What is the justification for using this particular test instead of some other? Explain.

In order to assume normality at beginning salary, we need to test both Kolmogorov-Smirnov test and Shapiro-Wilk test.

In all 3 tests, p-value is much less than 0.05 so we reject the H_o hypothesis that the beginning salary of all employees are normally distributed.

Normal Q-Q Plot



Q-Q Plot doesn't help us with the normality either. Our sample is big enough (n>50) so we need to see at least if the mean is sufficient descriptive measure for central location.

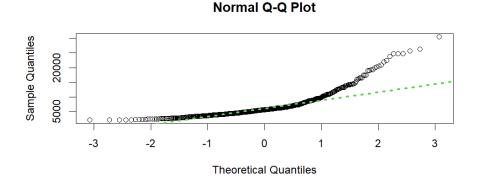
As we can see, both the comparison of mean and median as far as the symmetry test didn't help us to assume that mean is sufficient descriptive measure(if the symmetry test failed then the mean and the median are far away from each other). So, we will use Wilcoxon test for one sample in order to test the medians.

So, we reject the H_0 hypothesis that the beginning salary for a typical emploee is equal to 1000\$.

Question 4: Consider the difference between the beginning salary (**salbeg**) and the current salary (**salnow**). Test if the there is any significant difference between the beginning salary and current salary. (Hint: Construct a new variable for the difference (salnow – salbeg) and test if, on average, it is equal to zero.). Make sure that the choice of the test is well justified.

In order to assume normality at the difference between the current salary and the beginning salary, we need to test both Kolmogorov-Smirnov test and Shapiro-Wilk test.

In all 3 tests, p-value is much less than 0.05 so we reject the $H_{\rm o}$ hypothesis that the salary difference at all employees is normally distributed.



Q-Q Plot doesn't help us with the normality either. Our sample is big enough (n>50) so we need to see at least if the mean is sufficient descriptive measure for central location.

As we can see, both the comparison of mean and median as far as the symmetry test didn't help us to assume that mean is sufficient descriptive measure. So, we will use Wilcoxon test for one sample in order to test the medians.

So, we reject the H_o hypothesis and we say that there is a difference between the beginning salary and the current salary in every emploee.

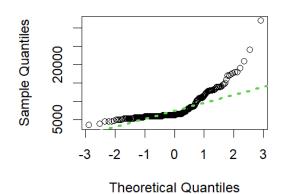
Question 5: Is there any difference on the beginning salary (**salbeg**) between the two genders? Give a brief justification of the test used to assess this hypothesis and interpret the results.

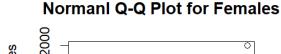
After creating a new data frame in order to keep only gender and beginning salary, we need to test both Kolmogorov-Smirnov test and Shapiro-Wilk test for every gendet(MALES and FEMALES).

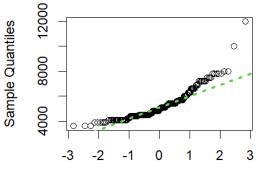
```
> by( salary_gen$salbeg, salary_gen$sex, lillie.test)
salary_gen$sex: MALES
        Lilliefors (Kolmogorov-Smirnov) normality test
data: dd[x, ]
D = 0.25863, p-value < 2.2e-16
salary_gen$sex: FEMALES
        Lilliefors (Kolmogorov-Smirnov) normality test
data: dd[x, ]
D = 0.14843, p-value = 1.526e-12
> by( salary_gen$salbeg, salary_gen$sex, shapiro.test)
salary_gen$sex: MALES
        Shapiro-Wilk normality test
data: dd[x, ]
W = 0.73058, p-value < 2.2e-16
salary_gen$sex: FEMALES
        Shapiro-Wilk normality test
data: dd[x, ]
W = 0.85837, p-value = 2.98e-13
```

In 2 tests, p-value is much less than 0.05 so we reject the H_o hypothesis that the beginning salary of males and the beginning salary of females at all employees is normally distributed.









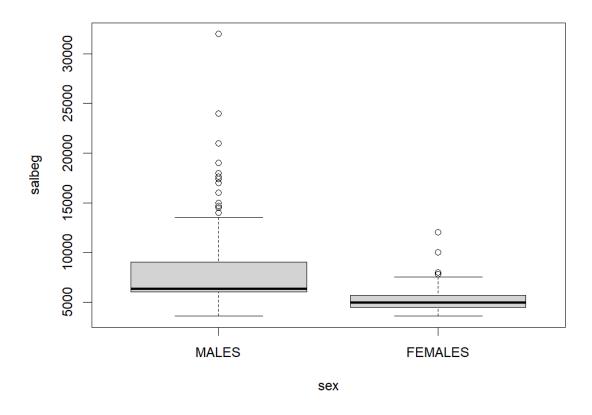
Theoretical Quantiles

Q-Q Plot doesn't help us with the normality of the males and the females either. Our sample is big enough (n>50) so we need to see at least if the mean is sufficient descriptive measure for central location.

```
> mean(salary_gen$salbeg[which(salary_gen$sex=='MALES')])
[1] 8120.558
> median(salary_gen$salbeg[which(salary_gen$sex=='MALES')])
[1] 6300
> symmetry.test(salary_gen$salbeg[which(salary_gen$sex=='MALES')])
        m-out-of-n bootstrap symmetry test by Miao, Gel, and
        Gastwirth (2006)
data: salary_gen$salbeg[which(salary_gen$sex == "MALES")]
Test statistic = 13.829, p-value < 2.2e-16
alternative hypothesis: the distribution is asymmetric.
sample estimates:
bootstrap optimal m
> mean(salary_gen$salbeg[which(salary_gen$sex=='FEMALES')])
[1] 5236.787
> median(salary_gen$salbeg[which(salary_gen$sex=='FEMALES')])
> symmetry.test(salary_gen$salbeg[which(salary_gen$sex=='FEMALES')])
        m-out-of-n bootstrap symmetry test by Miao, Gel, and
        Gastwirth (2006)
data: salary_gen$salbeg[which(salary_gen$sex == "FEMALES")]
Test statistic = 5.2527, p-value < 2.2e-16
alternative hypothesis: the distribution is asymmetric.
sample estimates:
bootstrap optimal m
```

As we can see, both the comparison of mean and median in every gender as far as the symmetry test didn't help us to assume that mean is sufficient descriptive measure. So, we will use Wilcoxon test for one sample in order to test the medians.

So, we reject the H_o hypothesis and we say that there is a difference between the beginning salary of males and females.



In this boxplot, we can see that in general, the lowest value in the boxplots is the same so in the low paid employees, there isn't any difference at any gender. The majority of male employees are starting at a higher salary that the majority of the female employees. Moreover, as we can assume from the boxplot, there are more outliers at males than females which means that more males tend to start at higher positions which have higher beginning salary, but that's only an assumption.

Question 6: Cut the AGE variable into three categories so that the observations are evenly distributed across categories (Hint: you may find the cut2 function in Hmisc package to be very useful). Assign the cut version of AGE into a new variable called age_cut. Investigate if, on average, the beginning salary (salbeg) is the same for all age groups. If there are significant differences, identify the groups that differ by making pairwise comparisons. Interpret your findings and justify the choice of the test that you used by paying particular attention on the assumptions.

After "cutting" our sample in three groups based on age, we do an ANOVA (ANalysis Of VAriance) testing in order to see if there is a difference in the beginning salary among the three groups based on age.

```
> age_cut <- cut2(salary_num$age,g=3)</pre>
> head(age_cut)
[1] [23.0,29.7) [39.8,64.5] [29.7,39.8) [29.7,39.8)
[5] [39.8,64.5] [23.0,29.7)
Levels: [23.0,29.7) [29.7,39.8) [39.8,64.5]
> salary_num <- data.frame(salary_num,age_cut)</pre>
> anova1 <- aov(salbeg~age_cut, data = salary_num)</pre>
> anova1
Call:
   aov(formula = salbeg ~ age_cut, data = salary_num)
                  age_cut Residuals
Sum of Squares 396471437 4291673358
Deg. of Freedom 2
Residual standard error: 3018.581
Estimated effects may be unbalanced
> summary(anova1)
Df Sum Sq Mean Sq F value Pr(>F)
age_cut 2 3.965e+08 198235718 21.76 9.18e-10 ***
Residuals 471 4.292e+09 9111833
Signif. codes:
0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

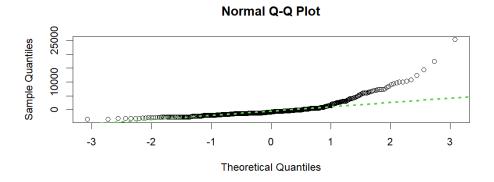
After that, we need to test both Kolmogorov-Smirnov test and Shapiro-Wilk test for the residuals to see if they are normally distributed.

> lillie.test(anova1\$residuals)

In 2 tests above, p-value is much less than 0.05 so we reject the H₀ hypothesis that the beginning salary in the residuals of the anova is normally distributed.

```
> bartlett.test(salbeg~age_cut, data = salary_num)
       Bartlett test of homogeneity of variances
data: salbeg by age_cut
Bartlett's K-squared = 83.024, df = 2, p-value < 2.2e-16
> fligner.test(salbeg~age_cut, data = salary_num)
       Fligner-Killeen test of homogeneity of variances
data: salbeg by age_cut
Fligner-Killeen:med chi-squared = 6.777, df = 2, p-value = 0.03376
> leveneTest(salbeg~age_cut, data = salary_num)
Levene's Test for Homogeneity of Variance (center = median)
       Df F value
                    Pr(>F)
        2 5.5026 0.004342 **
group
      471
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

In the 3 tests above, we can see that the Homoscedasticity (or the homogeneity of variances) is rejected either.



Q-Q Plot doesn't help us with the normality of the residuals in the ANOVA either. Each group is big enough (n>50) so we need to see at least if the mean is sufficient descriptive measure of central location for all groups.

```
> mean(salary_num$salbeg[which(salary_num$age_cut=='[23.0,29.7)')])
[1] 5767.788
> median(salary_num$salbeg[which(salary_num$age_cut=='[23.0,29.7)')])
[1] 5370
> symmetry.test(salary_num$salbeg[which(salary_num$age_cut=='[23.0,29.7)')])
        m-out-of-n bootstrap symmetry test by Miao, Gel, and Gastwirth (2006)
data: salary_num$salbeg[which(salary_num$age_cut == "[23.0,29.7)")]
Test statistic = 4.5813, p-value < 2.2e-16
alternative hypothesis: the distribution is asymmetric.
sample estimates:
bootstrap optimal m
> mean(salary_num$salbeg[which(salary_num$age_cut=='[29.7,39.8)')])
[1] 7997.795
> median(salary_num$salbeg[which(salary_num$age_cut=='[29.7,39.8)')])
[1] 6600
> symmetry.test(salary_num$salbeg[which(salary_num$age_cut=='[29.7,39.8)')])
        m-out-of-n bootstrap symmetry test by Miao, Gel, and Gastwirth (2006)
data: salary_num$salbeg[which(salary_num$age_cut == "[29.7,39.8)")]
Test statistic = 9.0684, p-value < 2.2e-16
alternative hypothesis: the distribution is asymmetric.
sample estimates:
bootstrap optimal m
> mean(salary_num$salbeg[which(salary_num$age_cut=='[39.8,64.5]')])
[1] 6681.949
> median(salary_num$salbeg[which(salary_num$age_cut=='[39.8,64.5]')])
[1] 5700
> symmetry.test(salary_num$salbeg[which(salary_num$age_cut=='[39.8,64.5]')])
        m-out-of-n bootstrap symmetry test by Miao, Gel, and Gastwirth (2006)
data: salary_num$salbeg[which(salary_num$age_cut == "[39.8,64.5]")]
Test statistic = 6.556, p-value < 2.2e-16
alternative hypothesis: the distribution is asymmetric.
sample estimates:
bootstrap optimal m
                 49
```

As we can see, both the comparison of mean and median in every group as far as the symmetry test didn't help us to assume that mean is sufficient descriptive measure. We will try to see the same tests on the residuals of the ANOVA.

As we can see, both the comparison of mean and median in the residuals as far as the symmetry test didn't help us to assume that mean is sufficient descriptive measure. So, we will use Kruskal-Wallis test for one sample in order to test the equality of medians.

```
> kruskal.test(salbeg~age_cut, data = salary_num)
```

```
Kruskal-Wallis rank sum test
```

```
data: salbeg by age_cut
Kruskal-Wallis chi-squared = 92.742, df = 2, p-value < 2.2e-16</pre>
```

So, we reject the H_o hypothesis and we say that there is a difference between the beginning salary in some of the groups. We will try to find out in what group we have differences or if we have differencies between all of them using pairwise Wilcox rank in order to do multiple comparisons between all groups.

> pairwise.wilcox.test(salary_num\$salbeg,salary_num\$age_cut)

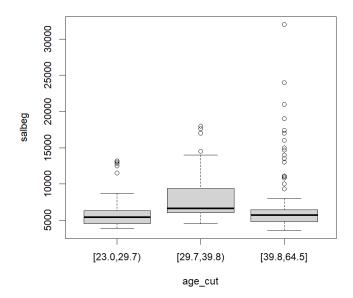
Pairwise comparisons using Wilcoxon rank sum test with continuity correction

data: salary_num\$salbeg and salary_num\$age_cut

```
[23.0,29.7) [29.7,39.8)
[29.7,39.8) < 2e-16 -
[39.8,64.5] 0.089 8.9e-12
```

P value adiustment method: holm

We observe that in the first and the third group don't have any significant difference because p-value is more than 0.05(0.089 to be precise) but there might be a difference in the 2nd group and we will use boxplot in order to see if there is actual difference.



As we can see, the 2nd group is higher than the rest of them (the median also is higher) which can answer our question. On average, there are differences between the beginning salary in the groups. Specifically, in the age between 29,7 and 39,8, you will probably take a better beginning salary in this company.

Question 7: By making use of the factor variable minority, investigate if the proportion of white male employees is equal to the proportion of white female employees.

In order to answer this question, we need to make a table with the gender of the employees and the minority of them as well.

```
> CrossTable(salary$sex, salary$minority, digits = 1, format = "SPSS", prop.r = T,
            prop.c = F, prop.t = F, prop.chisq = F, chisq = T, fisher = T, mcnemar = F)
  Cell Contents
                  Count
             Row Percent
Total Observations in Table: 474
            | salary$minority
 salary$sex |
                WHITE | NONWHITE | Row Total
      MALES
                  194
                                          258
                  75.2%
                             24.8%
                                         54.4%
    FEMALES
                 81.5%
                             18.5%
                                         45.6%
Column Total
                 370
                             104
                                        474
```

Then we need to make a Pearson Chi-squared test and a Fisher test in order to come with a conclusion.

Statistics for All Table Factors

```
Pearson's Chi-squared test
Chi^2 = 2.713926 d.f. = 1 p = 0.0994759
Pearson's Chi-squared test with Yates' continuity correction
Chi^2 = 2.359218 d.f. = 1 p = 0.1245446
Fisher's Exact Test for Count Data
Sample estimate odds ratio: 0.6894628
Alternative hypothesis: true odds ratio is not equal to 1
p = 0.1186169
95% confidence interval: 0.429148 1.098149
Alternative hypothesis: true odds ratio is less than 1
p = 0.06183135
95% confidence interval: 0 1.023731
Alternative hypothesis: true odds ratio is greater than 1
p = 0.9611881
95% confidence interval: 0.4617367 Inf
      Minimum expected frequency: 47.39241
```

As we can see from the above, it is the first time that we don't reject the H_o hypothesis. Therefore, the proportion of white male employees might be equal to the proportion of white female employees and in conclusion, these are independent groups.

Code:

```
library(foreign)
library(psych)
library(Hmisc)
# Question 1
salary <- read.spss("salary.sav",to.data.frame=TRUE)
str(salary)
# Question 2
numeric.only <- sapply(salary, class) == "numeric"
numeric.only
salary_num <- salary[numeric.only]
salary_num <- salary_num[,-1]</pre>
```

```
head(salary_num)
summary(salary_num)
p <- ncol(salary_num)
par(mfrow=c(2,3))
for (i in 1:p){
hist(salary_num[,i], main=names(salary_num)[i], probability=TRUE)
lines(density(salary\_num[,i]),\,col {=} 2)
index <- seq( min(salary_num[,i]), max(salary_num[,i]),</pre>
         length.out=100)
ynorm <- dnorm( index, mean=mean(salary_num[,i]),</pre>
          sd(salary_num[,i]) )
lines(index, ynorm, col=3, lty=3, lwd=3)
}
dev.off()
# Question 3
library('nortest')
shapiro.test(salary_num$salbeg)
lillie.test(salary_num$salbeg)
ks.test(salary_num$salbeg, 'pnorm')
qqnorm(salary_num$salbeg)
qqline(salary\_num\$salbeg,col=_3,\,lty=_3,\,lwd=_3\,)
library(lawstat)
mean(salary_num$salbeg)
median(salary_num$salbeg)
symmetry.test(salary\_num\$salbeg)
wilcox.test(salary_num$salbeg, mu=1000)
# so we reject the Ho that the avg of beginning salary of a typical
# employee is equal to 1000$
# Question 4
salary\_num\$saldiff <- \ salary\_num\$salnow \ - \ salary\_num\$salbeg
shapiro.test(salary_num$saldiff)
lillie.test(salary_num$saldiff)
ks.test(salary_num$saldiff,'pnorm')
```

```
qqnorm(salary_num$saldiff)
qqline(salary_num$saldiff,col=3, lty=3, lwd=3)
mean(salary_num$saldiff)
median(salary_num$saldiff)
symmetry.test(salary_num$saldiff)
wilcox.test(salary_num$saldiff, mu=o)
# so we reject the Ho that there isn't any significant difference
# between beggining salary and current salary
# Question 5
salary_gen <- salary[,c("salbeg","sex")]</pre>
by( salary_gen$salbeg, salary_gen$sex, lillie.test)
by( salary_gen$salbeg, salary_gen$sex, shapiro.test)
par(mfrow=c(1,2))
qqnorm(salary_gen$salbeg[which(salary_gen$sex=='MALES')], main = 'Normanl Q-Q Plot for Males')
qqline(salary_gen$salbeg[which(salary_gen$sex=='MALES')],col=3, lty=3, lwd=3)
qqnorm(salary_gen$salbeg[which(salary_gen$sex=='FEMALES')], main = 'Normanl Q-Q Plot for Females')
qqline(salary_gen$salbeg[which(salary_gen$sex=='FEMALES')],col=3, lty=3, lwd=3)
dev.off()
mean(salary_gen$salbeg[which(salary_gen$sex=='MALES')])
median(salary_gen$salbeg[which(salary_gen$sex=='MALES')])
symmetry.test(salary\_gen\$salbeg[which(salary\_gen\$sex=='MALES')])
mean(salary_gen$salbeg[which(salary_gen$sex=='FEMALES')])
median(salary_gen$salbeg[which(salary_gen$sex=='FEMALES')])
symmetry.test(salary\_gen\$salbeg[which(salary\_gen\$sex=='FEMALES')])
wilcox.test(salary\_gen\$salbeg[which(salary\_gen\$sex=='MALES')], salary\_gen\$salbeg[which(salary\_gen\$sex=='FEMALES')]) \\
# so we reject the Ho that the median in beginning salary of males
# is equal to the median in the beginning salary of females
boxplot(salbeg~sex, data = salary_gen)
boxres<-boxplot(salbeg~sex, data = salary_gen, plot=F)
out.index <- which(salary_gen$salbeg %in% boxres$out)
# Question 6
age_cut <- cut2(salary_num$age,g=3)
head(age_cut)
```

```
salary_num <- data.frame(salary_num,age_cut)</pre>
anovai <- aov(salbeg~age_cut, data = salary_num)
anovaı
summary(anova1)
lillie.test(anovai$residuals)
shapiro.test(anovai$residuals)
bartlett.test(salbeg~age_cut, data = salary_num)
fligner.test(salbeg~age_cut, data = salary_num)
library(car)
leveneTest(salbeg~age_cut, data = salary_num)
qqnorm(anovaı$residuals)
qqline(anova1$residuals,col=3, lty=3, lwd=3)
mean(anovai$residuals)
median(anovaı$residuals)
symmetry.test(anovai$residuals)
mean(salary\_num\$salbeg[which(salary\_num\$age\_cut == '[23.0,29.7)')])
median(salary_num$salbeg[which(salary_num$age_cut=='[23.0,29.7)')])
symmetry.test(salary\_num\$salbeg[which(salary\_num\$age\_cut == '[23.0,29.7)')])
mean(salary_num$salbeg[which(salary_num$age_cut=='[29.7,39.8)')])
median(salary_num$salbeg[which(salary_num$age_cut=='[29.7,39.8)')])
symmetry.test(salary\_num\$salbeg[which(salary\_num\$age\_cut == '[29.7,39.8)')])
mean(salary_num$salbeg[which(salary_num$age_cut=='[39.8,64.5]')])
median(salary_num$salbeg[which(salary_num$age_cut=='[39.8,64.5]')])
symmetry.test(salary_num$salbeg[which(salary_num$age_cut=='[39.8,64.5]')])
median(anovai$residuals)
median(anovai$residuals)
symmetry.test(anovai$residuals)
kruskal.test(salbeg~age\_cut, data = salary\_num)
pairwise.wilcox.test(salary_num$salbeg,salary_num$age_cut)
# so we reject the Ho that the median in beginning salary
# is equal to all three groups
boxplot(salbeg~age_cut, data = salary_num)
boxres<-boxplot(salbeg~age_cut, data = salary_num, plot=F)
```

```
out.index <- which(salary_num$salbeg %in% boxres$out)
# Question 7
tab1 <- table(salary$sex, salary$minority)
tabı
prop.table(tab1)
prop.table(tab1, 1)
prop.table(tab1, 2)
prop.test(tab1)
chisq.test(tab1)
# We don't reject the Ho so these are independent groups
#Second way of showing results
require(gmodels)
CrossTable(salary$sex, salary$minority)
CrossTable(salary$sex, salary$minority, digits = 1, format = "SPSS")
CrossTable(salary\$sex, salary\$minority, digits = 1, format = "SPSS", prop.r = T,
      prop.c = F, prop.t = F, prop.chisq = F, chisq = T, fisher = T, mcnemar = F)
#Third way of showing results
require(sjPlot)
require(sjstats)
sjt.xtab(salary$sex, salary$minority, show.cell.prc = F, show.col.prc = F, show.exp = F)
sjp.xtab(salary$sex, salary$minority)
```