Categorical predictors and nonlinear models

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Demo Overview

We are practicing three different ways of examining categorical predictors in a regression framework:

- 1) Dummy coding
- 2) Effect coding
- 3) Orthogonal Polynomial Contrasts

Note: our outcome variables are continuous in each of these examples

Load Libraries

```
6 * # Load Libraries
7 * ```{r}
8 library(tidyverse)
9 library(olsrr)
10 library(psych)
11
```

Read in Data

```
15 - # Read in dataset
16 • ```{r}
    slp <- read_csv("slpdata.csv")</pre>
18
     Parsed with column specification:
     cols(
       cond = col_double(),
       prior = col_double(),
       age = col_double(),
       anxiety = col_double(),
       hygiene = col_double(),
       support = col_double(),
       sleep = col_double(),
       lifesat = col_double(),
       sex = col_double(),
       id = col_double()
```

This is the same slpdata we've used in previous lab activities.

We'll use these data for parts 1-2 of the demo, for dummy coding and effect coding

Our research question for parts 1-2:

To what extent do treatment condition, sex, and the interaction between these two variables predict sleep hygiene?

We will show two different ways to approach this question using different coding methods for the categorical predictor variables: dummy coding and effect coding

These two methods are similar, but the coding and interpretations are slightly different.

Part 1: Dummy coding

What is dummy coding and why use it?

One of the most common and simplest approaches to evaluating categorical predictors in psychology

Dummy coding allows you to compare the mean difference between two levels of a categorical variable: the level that is coded as a 1 versus the level that is coded as 0

- You can specify any level of the variable to be the reference group (i.e., the level coded as 0)
- Create a new "dummy coded" binary variable for every comparison you want to make between two groups
- You only need to use dummy coding if you have more than two levels of a categorical predictor

Dummy coding

- For dummy coding, we will be converting categorical variables into a series of binary variables.
- For all but one of the levels of the categorical variable, a new variable will be created that has a value of 1 for each observation at that level and 0 for all others.

Level of race	New variable 1 (x1)	New variable 2 (x2)	New variable 3 (x3)
1 (Hispanic)	1	0	0
2 (Asian)	0	1	0
3 (African American)	0	0	1
4 (white)	0	0	0

Specify dummy codes

Syntax of ifelse() function

```
ifelse(test_expression, x, y)

TRUE FALSE
```

We created two new variables:

<u>cond2</u> is a dummy coded binary variable in which condition 2 is coded as 1 and condition 1 is coded as 0. This variable allows us to compare the mean difference in Y between conditions 2 and 1.

<u>cond3</u> is a is a dummy coded binary variable in which condition 3 is coded as 1 and condition 1 is coded as 0. This variable allows us to compare the mean difference in Y between conditions 3 and 1.

Run model with dummy coded condition variable

```
41 - ## Run model
42 - ```{r}
43   m1 <- lm(hygiene ~ cond2 + cond3, data = slp)
44   ols_regress(m1)
45</pre>
```

Note: We aren't including sex and the interaction term in this first model to make the initial interpretation simpler.

```
41 - ## Run model
   ```{r}
 m1 <- lm(hygiene ~ cond2 + cond3, data = slp)
 ols_regress(m1)
 Model Summary
 0.630
 RMSE
 1.224
 R-Squared
 0.397
 Coef. Var
 20.418
 Adj. R-Squared
 0.395
 1.498
 Pred R-Squared
 0.391
 MAF
 0.973
 RMSE: Root Mean Square Error
 MSE: Mean Square Error
 MAE: Mean Absolute Error
 ANOVA
 Sum of
 Squares
 Mean Square
 Sig.
 Regression
 589.467
 294.733
 196.774
 0.0000
 Residual
 894.205
 1.498
 597
 1483.671
 Parameter Estimates
 Std. Error Std. Beta
 model
 upper
```

53.853

19.399

0.488 13.293

0.712

0.000

0.000

0.000

4.830

1.867

2.615

4.490

1.386

2.134

4.660

2.374

1.627

(Intercept)

cond2

cond3

0.087

0.122

0.122

#### Interpretations

**Intercept:** The predicted sleep hygiene score when all x variables are zero, so participants in Condition 1.

**cond2:** the predicted difference in sleep hygiene score between participants in condition 2 compared to condition 1.

**cond3:** the predicted difference in sleep hygiene score between participants in condition 3 compared to condition 1.

## Run model with dummy coded condition, sex & interaction

```
48 * ## Run model
49 * ```{r}
50
51
52 m1 <- lm(hygiene ~ sex.f + cond2 + cond3 + sex.f*cond2 + sex.f*cond3, data = slp)
53 ols_regress(m1)
54
55 ```</pre>
```

```
48 * ## Run model

49 * ```{r}

50

51

52 m1 <- lm(hygiene ~ sex.f + cond2 + cond3 + sex.f*cond2 + sex.f*cond3, data = slp)

53 ols_regress(m1)

54

55 ```
```

		•	
R	0.771	RMSE	1.007
R-Squared	0.594	Coef. Var	16.801
Adj. R-Squared	0.591	MSE	1.014
Pred R-Squared	0.585	MAE	0.799

Model Summary

RMSE: Root Mean Square Error MSE: Mean Square Error MAE: Mean Absolute Error

ANOVA					
	Sum of Squares	DF	Mean Square	F	Sig.
 Regression Residual Total	881.213 602.459 1483.671	5 594 599	176.243 1.014	173.768	0.0000

#### Parameter Estimates

model	Beta	Std. Error	Std. Beta	t	Sig	lower	upper
(Intercept)	3.751	0.098		38.346	0.000	3.559	3.943
sex.ffemale	1.935	0.143	0.418	13.562	0.000	1.655	2.215
cond2	2.084	0.132	0.625	15.813	0.000	1.825	2.343
cond3	2.962	0.135	0.888	21.933	0.000	2.697	3.227
sex.ffemale:cond2	-0.643	0.207	-0.119	-3.113	0.002	-1.048	-0.237
sex.ffemale:cond3	-1.160	0.203	-0.223	-5.710	0.000	-1.558	-0.761

#### Interpretations

Intercept: The predicted sleep hygiene score when all  ${\bf x}$  variables are zero, so males in Condition 1.

**female:** This variable is involved in an interaction, so it's a simple slope. Specifically, it is the effect of female when both cond2 = 0 and cond3 = 0, so people in Condition 1. Therefore, it is the predicted difference in sleep hygiene between females and males in Condition 1. The slope is positive, meaning that females in Condition 1 tend to have better sleep hygiene than males in Condition 1. This is a statistically significant difference (p-value is less than alpha).

**cond2:** This variable is involved in an interaction, so it is a simple slope. It is the effect of being in Condition 2 (compared to Condition 1) when female = 0, so among males. It is the predicted difference in sleep hygiene for males in Condition 2 compared to males in Condition 1. This is a statistically significant difference (p-value is less than alpha).

**cond3:** This variable is involved in an interaction, so it is a simple slope. It is the effect of being in Condition 3 (compared to Condition 1) when female = 0, so among males. It is the predicted difference in sleep hygiene for males in Condition 3 compared to males in Condition 1. This is a statistically significant difference (p-value is less than alpha).

female:cond2: The predicted differential effect of being in Condition 2 compared to Condition 1 for females compared to males. This is a statistically significant difference (p-value is less than alpha). The coefficient for cond2 presents the effect (i.e., benefit) of being in Condition 2 (compared to 1) for

of being in Condition 2 (compared to Condition 1) for females is 1.441. **female:cond3:** The predicted differential effect of being in Condition 3 compared to Condition 1 for females compared to males. This is a statistically

males. To get the effect for females, we take the effect for males (2.084) and add the female:cond2 interaction term (-.643). Therefore, the effect (i.e., benefit)

significant difference (p-value is less than alpha). The coefficient for cond3 presents the effect (i.e., benefit) of being in Condition 3 (compared to 1) for males. To get the effect for females, we take the effect for males (2.962) and add the female:cond3 interaction term (-1.160). Therefore, the effect (i.e., benefit) of being in Condition 3 (compared to Condition 1) for females is 1.802.

Part 2: Effect Coding

## What is effect coding and why use it?

Similar to dummy coding, except here, you are comparing one level of a categorical predictor to the *mean* of all of the levels.

Instead of asking "are two conditions different from each other?" using dummy coding, effect coding asks "is this condition different from average?"

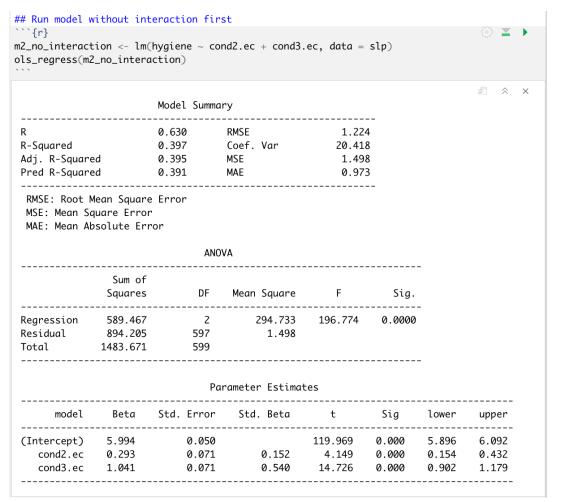
While the "rule" in dummy coding is that only values of 0 and 1 are valid, the "rule" in effect coding is that all of the values in any new variable must sum to zero.

## Specify effect coding variables

We created two new variables:

<u>cond2.ec</u> is a effect coded variable in which condition 2 is coded as 1, condition 1 is coded as -1, and condition 3 is coded as 0. This variable allows us to compare the mean difference in Y between condition 2 and the average score across all conditions.

<u>cond3.ec</u> is a is a dummy coded binary variable in which condition 3 is coded as 1, condition 1 is coded as -1, and condition 2 is coded as 0. This variable allows us to compare the mean difference in Y between condition 3 and the average score across all conditions.



#### Interpretations

**Intercept:** In effect coding, the intercept is the grand mean of sleep hygiene across all the three treatment groups

**cond2:** the predicted difference in sleep hygiene score between participants in condition 2 compared to the mean of all three treatment conditions.

cond3: the predicted difference in sleep hygiene score between participants in condition 3 compared to the mean of all three treatment conditions.

Note: We aren't including sex and the interaction term in this first model to make the initial interpretation simpler.

0.591 Adj. R-Squared MSE 1.014 Pred R-Squared 0.585 0.799 MAE RMSE: Root Mean Sauare Error MSE: Mean Square Error MAE: Mean Absolute Error

Mean Sauare

176,243

1.014

1.007

16.801

Sig.

-0.791

-0.326

0.0000

-4.719

0.000

 $m2 \leftarrow lm(hyqiene \sim sex.f + cond2.ec + cond3.ec + sex.f*cond2.ec + sex.f*cond3.ec, data = slp)$ 

Model Summary

RMSF

ANOVA

594

599

-0.559

Coef. Var

0.771

0.594

Sum of

Sauares

881.213

602.459

1483.671

## Run model with interaction

```{r}

ols_regress(m2)

R-Squared

Regression

sex.ffemale:cond3.ec

Residual

Total

| Parameter | Estimates |
|-----------|-----------|
| | |

173.768

| | | | | | | | | 1 |
|----------------------|--------|------------|-----------|---------|-------|--------|-------|----|
| model | Beta | Std. Error | Std. Beta | t | Sig | lower | upper | |
| (Intercept) | 5.433 | 0.054 | | 101.005 | 0.000 | 5.327 | 5.539 | 1 |
| sex.ffemale | 1.334 | 0.084 | 0.418 | 15.880 | 0.000 | 1.169 | 1.499 | |
| cond2.ec | 0.402 | 0.074 | 0.209 | 5.425 | 0.000 | 0.257 | 0.548 | 1 |
| cond3.ec | 1.280 | 0.076 | 0.665 | 16.831 | 0.000 | 1.131 | 1.429 | |
| sex.ffemale:cond2.ec | -0.042 | 0.120 | -0.014 | -0.349 | 0.727 | -0.278 | 0.194 | ١, |

-0.193

The model suggests that males benefit more from cond3 compared to average, compared to how much females benefit from cond3 compared to average.

0.118

Interpretations

Intercept: The intercept is the grand mean of sleep hygiene among males (i.e.,

sex.ffemale: This variable is involved in an interaction, so it's a simple slope. It is the predicted difference in average sleep hygiene between females and

males across all of the conditions cond2: This variable is involved in an interaction, so it is a simple slope. It is the effect of being in Condition 2 (compared to the average of all three conditions) when female = 0, so among males. It is the predicted difference in sleep hygiene for males in Condition 2 compared to the grand mean of sleep hygiene

(the mean of condition 2 is 0.402 higher than the grand mean, 5.433). This is a

statistically significant difference (p-value is less than alpha). cond3: This variable is involved in an interaction, so it is a simple slope. It is the effect of being in Condition 3 (compared to the average of all three conditions) when female = 0, so among males. It is the predicted difference in sleep hygiene for males in Condition 3 compared to the grand mean of sleep hygiene (the mean of condition 3 is 1.280 higher than the grand mean, 5.433). This is a

statistically significant difference (p-value is less than alpha).

when x = 0) across all of the conditions...

Condition 2 compared to the grand mean for females compared to males. This is not a statistically significant difference (p-value is greater than alpha). The coefficient for cond2 presents the effect (i.e., benefit) of being in Condition 2 (compared to average) for males. To get the effect for females, we take the effect for males (0.402) and add the female:cond2 interaction term (-.042). Therefore, the effect (i.e., benefit) of being in Condition 2 (compared to average for females is 0.36.

female:cond3: The predicted differential effect of being in Condition 3

female:cond2: female:cond2: The predicted differential effect of being in

compared to average for females compared to males. This is a statistically significant difference (p-value is less than alpha). The coefficient for cond3 presents the effect (i.e., benefit) of being in Condition 3 (compared to average) for males. To get the effect for females, we take the effect for males (1.280) and add the female:cond3 interaction term (-.559). Therefore, the effect (i.e., benefit) of being in Condition 3 (compared to average) for females is 0.721.

Part 3: Orthogonal polynomials contrasts

What are orthogonal polynomial contrasts (aka trend contrasts) and why use them?

Allow us to evaluate non-linear relations between a categorical predictor and an outcome

- With continuous predictors we can model these by squaring X to test a quadratic effect, cubing X to test a cubic effect, etc.
- With categorical predictors, we can use specific polynomial contrasts to test different effects. These contrast levels can be found online, or in the table on slide 25!

This type of coding system should be used only with an ordinal variable in which the levels are equally spaced

Efffects we can evaluate with more than 3 levels of a categorical predictor:

Linear: If we increase the dose level the Y values will increase, and we can select the best level based on the highest dose. Y = a + bX

Quadratic: If we increase the dose level the Y values will be increased until certain dose after that the level of dosage will have a negative effect. $Y = a + b_1X + b_2X^2$

Cubic: The dosage would increase Y values after certain dosage and then decrease and if we increase more the dosage level, the Y values will increase. $Y = a + b_1X + b_2X^2 + b_3X^3$

New dataset description

Researchers were interested in the effect of time spent in practice on the performance of a visual discrimination task. Subjects were randomly assigned to different levels of practice, following which a test of visual discrimination is administered, and the number of correct responses is recorded for each subject. 40 subjects were randomly assigned to practice 0 minutes, 2 minutes, 4 minutes, 6 minutes, 8 minutes, 10 minutes, 12 minutes, or 14 minutes.

There are two variables:

practice = minutes spent practicing, this was assigned
by the experimenter

score = the number of correct answers on the test

```
96 - ```{r}
    cog <- read_csv("cogtest.csv")</pre>
98
     Parsed with column specification:
     cols(
       subject = col_double(),
       practice = col_double(),
       score = col_double()
```

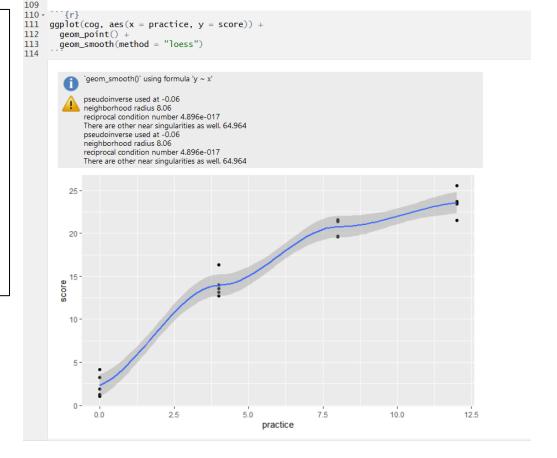
Filter practice to only 4 conditions

```
100 - # Filter prectice
101 - ```{r}
102 cog <- filter(cog, practice == 0 | practice == 4 | practice == 8 | practice == 12)
103 ```</pre>
```

We selected four evenly spaced conditions to test non-linear effects between practice and score

We could include more than four levels of practice if we wanted to, but we use four levels in this example for a simpler interpretation

Visualize the relation between X and Y



The slope appears to become less steep as practice time increases. Since there may be a curve to the regression line, we should test for more than a linear effect. Since we have four levels of our categorical variable, we can test both a quadratic and cubic effect.

Number of Degree of polynomial treatment +1+16

The coefficients used for calculating sums of squares are:

| , | | | | | |
|-----------|--------|-----|----|----|------------------|
| T | reatme | | | | |
| | | | | | Divisor |
| T2 | T3 | T4 | T5 | T6 | $k = \sum c_i^2$ |
| T2
+1 | | | | | 2 |
| | | | | | |
|) | +1 | | | | 2 |
| 2 | +1 | | | | 6 |
| 1 | . 1 | 1.2 | | | 20 |
| 1 | +1 | +3 | | | 20 |
| 1 | -1 | +1 | | | 4 |
| +3 | -3 | +1 | | | 20 |
| -1 | 0 | +1 | +2 | | 10 |
| -1 | -2 | -1 | +2 | | 14 |
| +2 | 0 | -2 | +1 | | 10 |
| 4 | +6 | -4 | +1 | | 70 |
| | | · | | | , , |
| 3 | -1 | +1 | +3 | +5 | 70 |
| ·1 | -4 | -4 | -1 | +5 | 84 |
| ⊦7 | +4 | -4 | -7 | +5 | 180 |
| .3 | +2 | +2 | -3 | +1 | 28 |
| +5 | -10 | +10 | -5 | +1 | 252 |
| | -I£ | | | | |

We have 4 treatment levels

Specify the orthogonal polynomial contrasts

```
117 - ## Orthoganol polynomials
118 - ```{r}
119
120
     cog <- mutate(cog,</pre>
121
122
                   linear = ifelse(practice == 0, -3, practice ),
                   linear = ifelse(practice == 4, -1, linear
123
124
                   linear = ifelse(practice == 8, 1, linear
125
                   linear = ifelse(practice == 12, 3, linear
126
127
                   quadratic = ifelse(practice == 0, 1, practice ),
                   quadratic = ifelse(practice == 4, -1, quadratic).
128
129
                   quadratic = ifelse(practice == 8, -1, quadratic),
130
                   quadratic = ifelse(practice == 12, 1, quadratic),
131
132
                   cubic = ifelse(practice == 0, -1, practice).
133
                   cubic = ifelse(practice == 4, 3, cubic
134
                   cubic = ifelse(practice == 8, -3, cubic
135
                   cubic = ifelse(practice == 12, 1, cubic
136
137
138
```

All of these contrasts come from the table on the previous slide!

We created three new variables:

<u>linear</u> specifies contrasts for testing a linear effect <u>quadratic</u> specifies contrasts for testing a quadratic effect cubic specifies contrasts for testing a cubic effect

Step 1: Regress score on linear effect

```
142 m3 <- lm(score ~ linear, data = cog)
    ols_regress(m3)
                             Model Summary
                             0.953
                                                             2.635
      R-Squared
                             0.909
                                         Coef. Var
                                                            17,400
      Adj. R-Squared
                             0.903
                                                             6.943
      Pred R-Squared
                                                             2,207
      RMSE: Root Mean Square Error
      MSE: Mean Square Error
      MAE: Mean Absolute Error
                                     ANOVA
                     Sum of
                    Squares
                                         Mean Square
      Regression
                   1240.975
                                         1240.975 178.727
                                                                   0.0000
      Residual
                  124.981
                                               6.943
                   1365.957
      Total
                                       Parameter Estimates
                                            Std. Beta
      (Intercept)
                     15.144
                                   0.589
                                                         25,702
                                                                   0.000
                                                                            13.906
                                                                                       16.382
                     3.523
                                   0.264
                                                                   0.000
           linear
                                                0.953
                                                         13.369
                                                                             2.969
```

The model testing the linear effect between practice and score explained 90.9% of the variance in score, and the linear trend was statistically significant at p<0.001.

This model fits the data pretty well, but since we observed a potential curved relationship when we plotted the data, there could be a better way to examine this relationship.

Evidence of linear effect

Step 2: Regress score on linear & quadratic effect

```
m4 <- lm(score ~ linear + quadratic, data = cog)
ols_regress(m4)
                         Model Summary
                         0.990
                                                        1.274
                         0.980
 R-Squared
                                     Coef. Var
                                                        8.411
 Adj. R-Squared
                         0.977
                                                        1.623
 Pred R-Squared
                         0.972
                                     MAE
                                                        0.944
 RMSE: Root Mean Square Error
 MSE: Mean Square Error
 MAF: Mean Absolute Error
                                 ANOVA
                 Sum of
                Squares
                                     Mean Square
 Regression
              1338.373
                                         669.187
                                                    412.425
                                                               0.0000
 Residual
              27.584
                               17
                                          1.623
               1365.957
 Total
                                   Parameter Estimates
       model
                          Std. Error
                                        Std. Beta
 (Intercept)
               15.144
                               0.285
                                                     53.168
                                                               0.000
                                                                        14.543
                                                                                   15.745
                               0.127
      linear
                3.523
                                            0.953
                                                     27.655
                                                               0.000
                                                                         3.254
                                                                                    3.791
                -2.207
  quadratic
                               0.285
                                           -0.267
                                                     -7.748
                                                                         -2.808
                                                               0.000
                                                                                   -1.606
```

148

The model testing the linear and quadratic effects between practice and score explained 98.0% of the variance in score, which is 7.1% higher than the model that only tested the linear relation.

The quadratic term is statistically significant, indicating that there is a substantial curve to the relation between practice and score (i.e., it's not linear). We need to maintain the quadratic term in the model.

Evidence of quadratic effect

Step 3: Regress score on linear, quadratic & cubic effect

```
m5 <- lm(score ~ linear + quadratic + cubic, data = coq)
ols_regress(m5)
                          Model Summary
                          0.990
 R-Squared
                          0.980
                                      Coef. Var
                                                          8.641
 Adj. R-Squared
                          0.976
                                      MSE
                                                          1.712
 Pred R-Squared
                          0.969
                                                          0.954
  RMSE: Root Mean Square Error
  MSE: Mean Square Error
  MAE: Mean Absolute Error
                                  ANOVA
                 Sum of
                                      Mean Square
                Squares
                                                                   Sia.
 Regression
               1338.559
                                          446.186
                                                      260.572
                                                                 0.0000
 Residual
                 27.397
                                16
                                            1.712
               1365.957
 Total
                                    Parameter Estimates
                                                                                      upper
                                0.293
 (Intercept)
                15.144
                                                       51.755
                                                                 0.000
                                                                          14.524
                                                                                     15.764
                 3.523
                                0.131
                                                      26.921
                                                                 0.000
                                                                           3.245
                                                                                      3.800
      linear
                                             0.953
                                0.293
   quadratic
                -2.207
                                            -0.267
                                                       -7.542
                                                                 0.000
                                                                          -2.827
                                                                                     -1.586
                                                        0.330
       cubic
                                0.131
                                              0.012
                                                                 0.746
```

We tested the cubic term to determine if there is a second bend to the relationship between practice and score. Since we have at least four levels of our categorical predictor, we can test the cubic effect.

This model explains the same amount of variance in score as the previous model that only included the linear and quadratic effects (i.e., adding the cubic effect does not increase the explanatory power of the model).

The cubic term is not significant, indicating that there is not a second bend to the relationship. **Therefore, the quadratic model is the best fit for these data.**

Additional resources on categorical variable coding systems:

- https://stats.idre.ucla.edu/spss/faq/coding-systems-for-categoricalvariables-in-regression-analysis/
- http://www.jds-online.com/files/JDS-563.pdf
- https://www.ndsu.edu/faculty/horsley/Polycnst.pdf
- https://www.researchgate.net/post/Linear_quadratic_and_cubic_polyn omial_contrasts