

Online Service Company

PI Learning Indicator Validity Study
September 2017



Introduction

- **Goal:** Provide insight that can be used to inform use of the PI Learning Indicator in selection decisions.
- **Context:** This study was conducted shortly after the client began using the PI Learning Indicator to help provide insights for setting a target score.
- **Question:** Are there relations between PI Learning Indicator scores and the HR Manager's subjective ranking of employees' performance?

Client Overview

- Company
 - Online service to help consumers find shopping deals.
 - Blogs about smart shopping and personal finance.
 - Founded 2001
 - Diverse employee backgrounds (“Fashionistas, comic artists, and yoga teachers”)

Study Overview

- 70 employees
 - Working across variety of roles
 - All employees participated in study, including CEO and new hires
- PI Learning Indicator results collected in July and August 2017
- HR Manager subjectively rated employees as high, medium, or low performers.
- Study found moderate positive relations between PI Learning Indicator scores and the HR Manager's ratings.

Descriptive Statistics

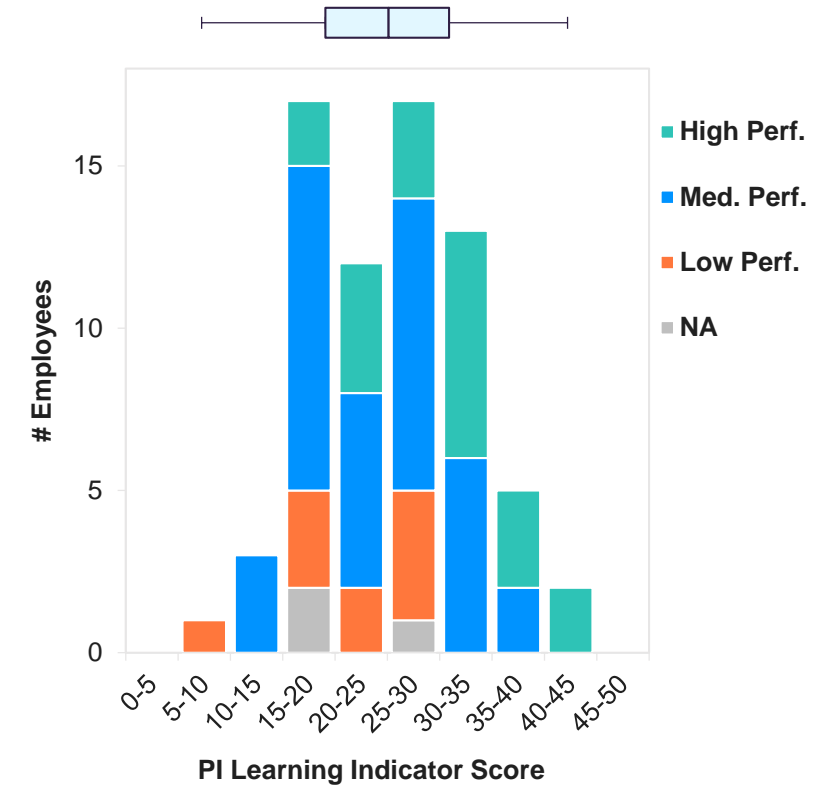
Distribution of HR Manager's Ratings

	NA	Low	Medium	High
# of Employees	3 (4%)	10 (14%)	36 (51%)	21 (30%)

Distribution of PI Learning Indicator Scores

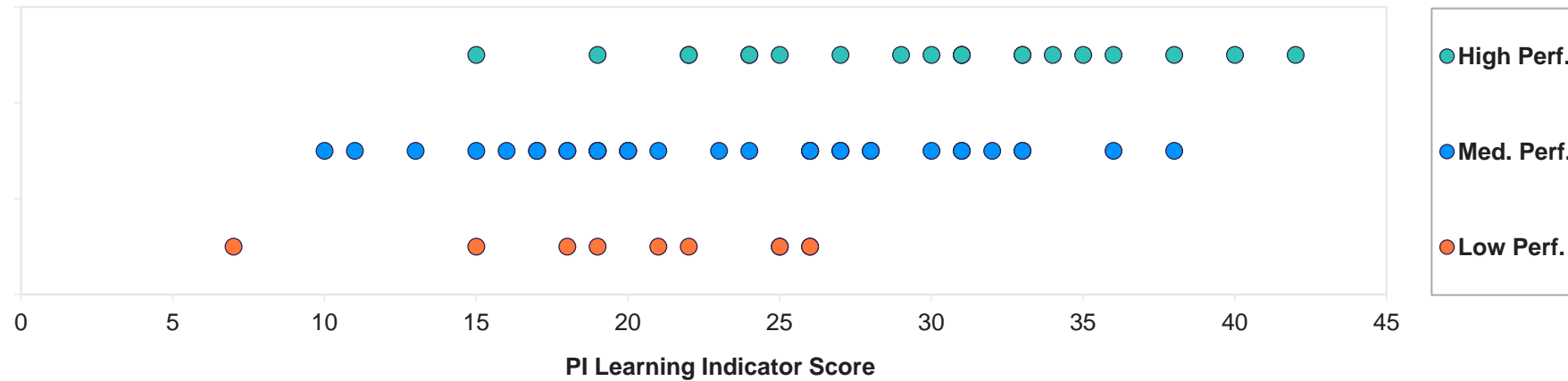
	N	Mean	S.D.	Min	Q1	Q2	Q3	Max
LI Scores	70	24.7	7.5	7	19	25	31	42

Score Distribution by Ratings



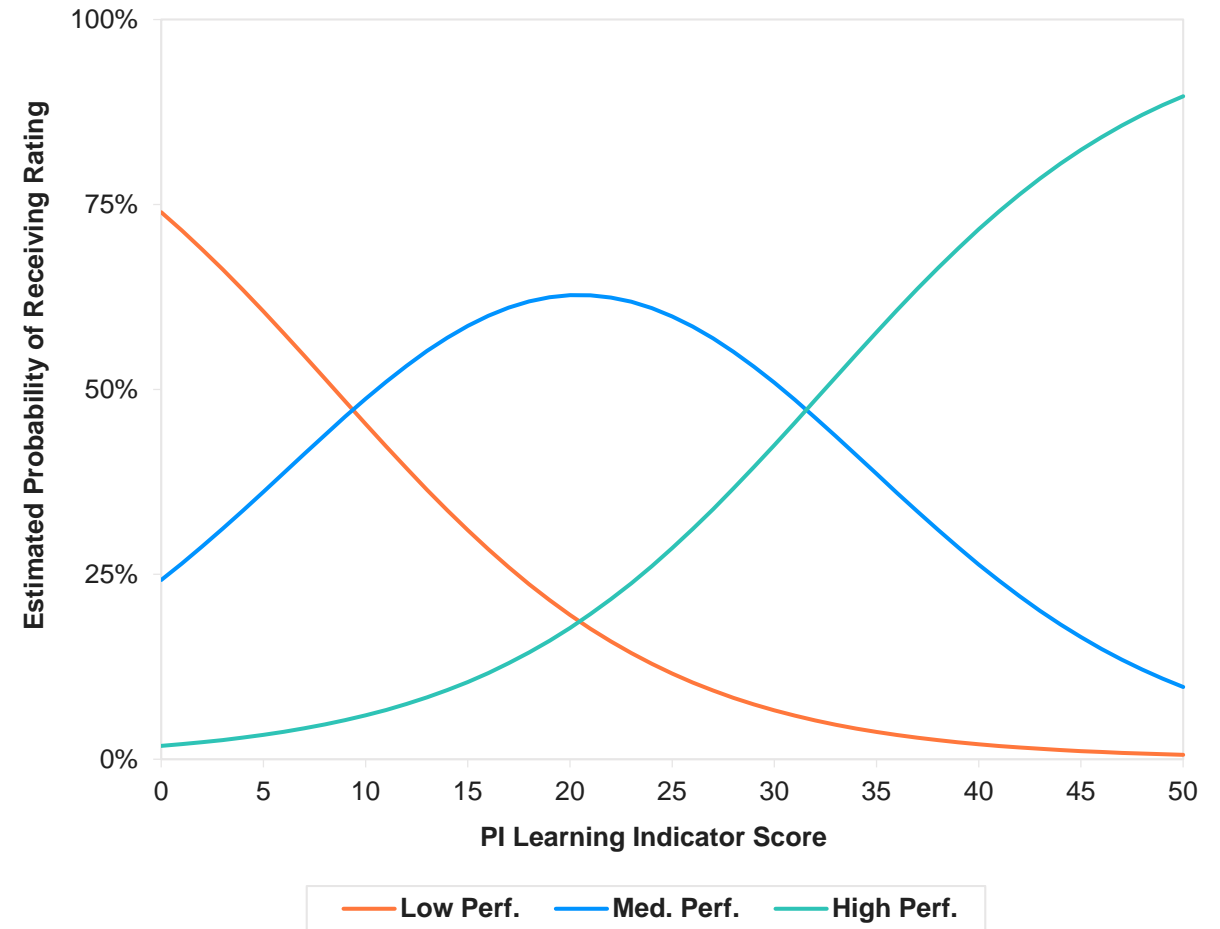
Correlational Results

- There is a moderate positive correlation between PI Learning Indicator scores and the HR Manager's ratings ($r = 0.43$)



Predicting Ratings from Scores

- As PI Learning Indicator scores increase, probability of receiving a High Performance rating increases, and probability of receiving a Low Performance rating decreases.
- Ordinal regression model shows moderate effect size for predicting HR Manager ratings from scores (Nagelkerke $R^2 = 0.21$).
- Model primarily serves to differentiate people with High Performance ratings. Model does not have significant prediction between Low and Medium Performance.



Action Items

- Sample consists of multiple roles, as well as some new hires. The results may not generalize to all employees.
- However, at a company level, the Low Performance rating becomes the least likely outcome for employees with PI Learning Indicator scores of 21 and higher.
- Roles with different levels of cognitive complexity may require different target scores, but these results may help inform those target scores.
- The results show that PI Learning Indicator scores do relate to higher performance ratings across the entire sample.



Thank You!

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