

Abstract

When supervisors rate multiple employees, the resulting data will likely violate the nonindependence assumption of ordinary least squares (OLS) regression and inflate the standard errors. In this situation, nonindependence occurs because ratings made by the same supervisor will tend to be more similar than those made by different supervisors. However, it is not clear how much nonindependence is typically present in these validity studies. In this study, we sampled validation researchers, consultants, and test publishers to determine the amount of nonindependence in a typical validity study. We then used this information to conduct simulations investigating the effects of nonindependence on significance tests of the predictors.