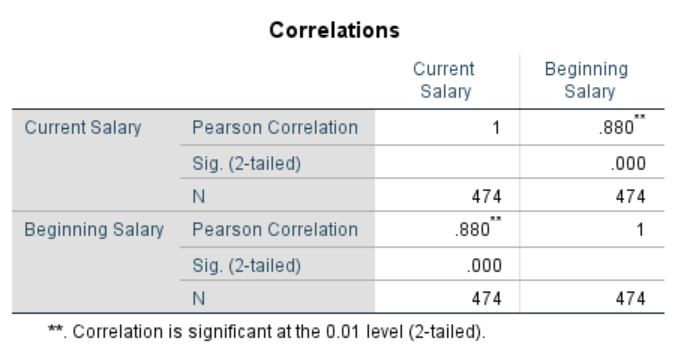
**Exercise 6**

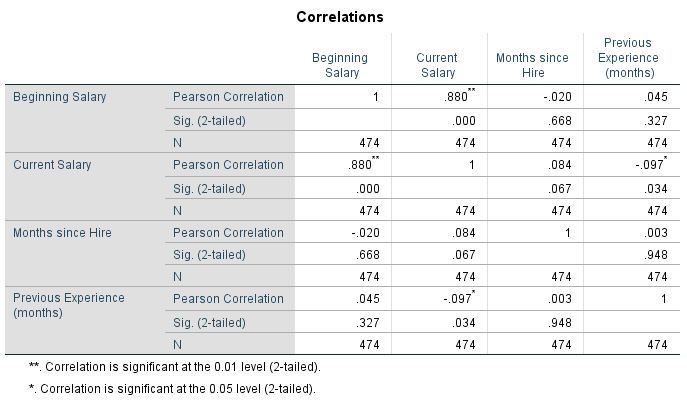
1. To produce a correlation **Analyze -> Correlate -> Bivariate** and place the variables representing current and starting salary into the variables box.

The correlation shows a strong, positive, significant relationship between the variables (r=.88, p<.001) suggesting that as starting salary increases, so does current salary.

2. Using the **Graphs -> Chart Builder** dialogue box, produce the following:

3. r2 tells you the percentage of the variance in current salary that is explained by starting salary. In this case, that’s .88 x .88 = .77; or 77% of the variance. The R2 value can also be seen in the graph above, next to the line of best fit.

4. To produce the matrix go to **Analyze -> Correlate -> Bivariate** and place the variables into the variables box.



5. The only significant correlations are between starting and current salary (r=.88, p<.001), and previous experience and current salary (r=-.10, p<.05).

6. The relationship between previous experience and current salary suggests the more experience employees have, the less the currently get paid.

7. As education is classed as an ordinal variable (rather than a scale variable), Spearman’s non-parametric correlation should be used. Results indicate a significant positive relationship between the two variables (rs=.69, p<.001).

