

## EXHIBIT 7.12 Accuracy of Prediction

### A. General Illustration

| Actual criterion |   |                       |   |
|------------------|---|-----------------------|---|
| High             | D | Errors in predictions | A |
| Low              | C | Correct predictions   | B |
|                  |   |                       |   |

$$\text{Accuracy} = \frac{A + C}{A + B + C + D} \times 100$$

### B. Selection Example (n = 100 job applicants)

| Actual performance |    |    |  |
|--------------------|----|----|--|
| High               | 20 | 45 |  |
| Low                | 25 | 10 |  |
|                    |    |    |  |

Predicted performance (based on test scores)

$$\text{Accuracy} = \frac{45 + 25}{45 + 10 + 25 + 20} \times 100 = 70\%$$

## Validation of Measures in Staffing

In staffing, there is concern with the validity of predictors in terms of both accuracy of measurement and accuracy of prediction. It is important to have and use predictors that accurately represent the KSAs to be measured, and those predictors need to be accurate in their predictions of job success. The validity of predictors is explored through the conduct of validation studies.

Two types of validation studies are typically conducted. The first of these is criterion-related validation, and the second is content validation. A third type of