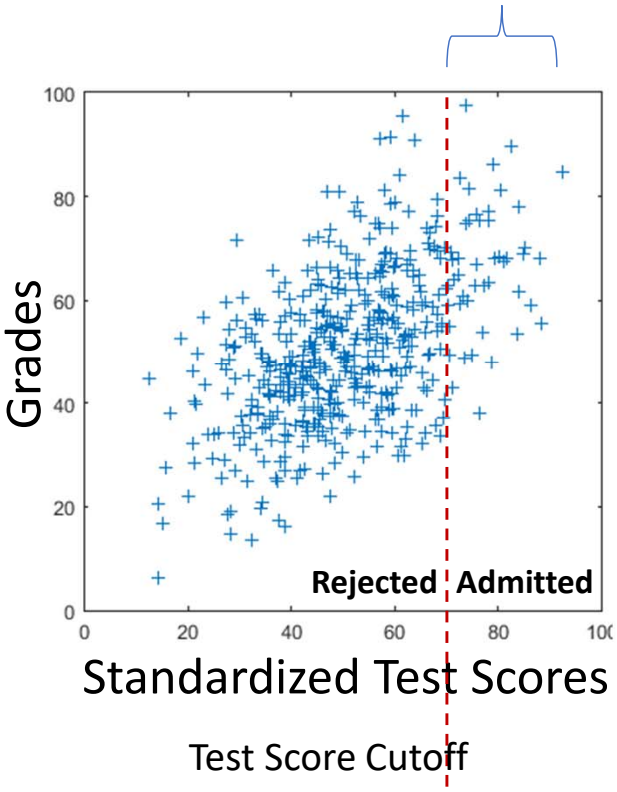
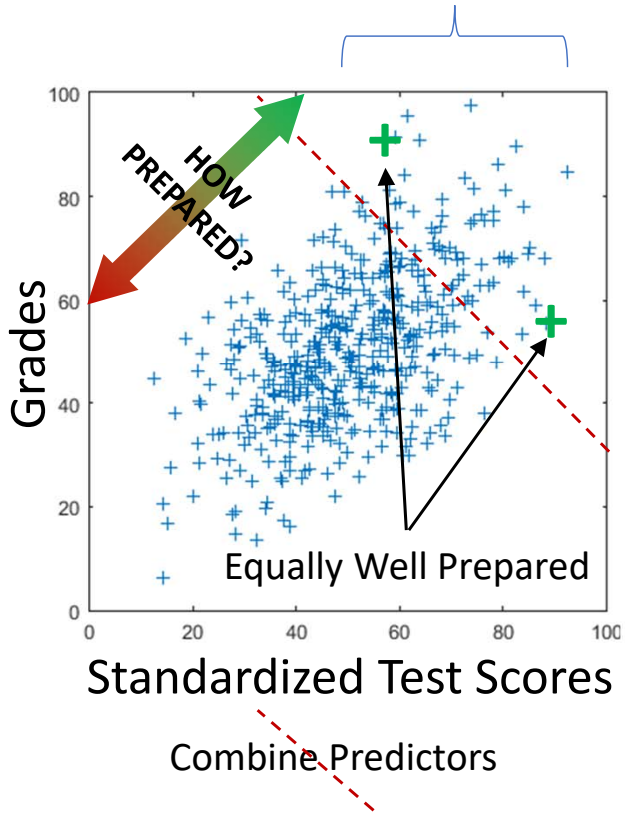
WHAT IS **COMPENSATORY SELECTION**? (and how does it differ from restricted range)

Restricted Range Selection Effect
(can occur when using a cutoff)



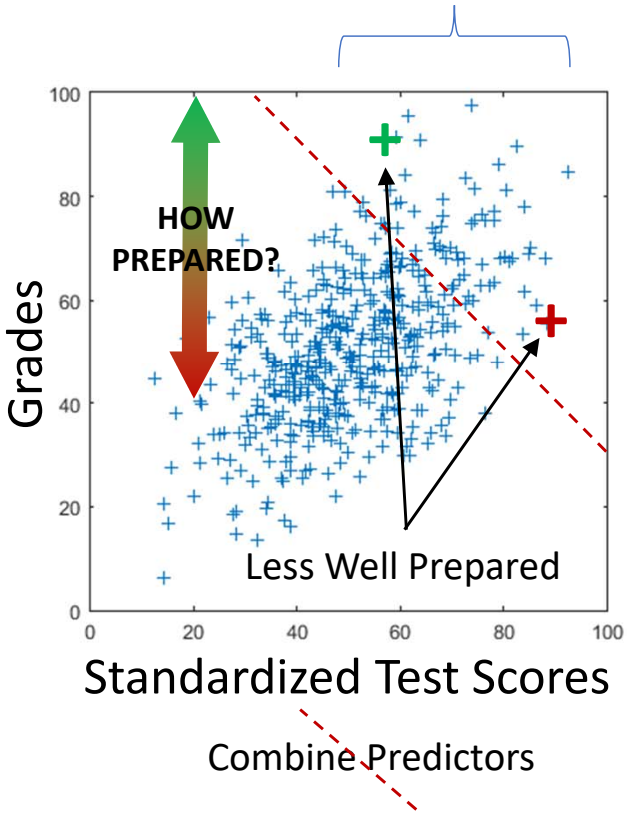
Assessing the predictive validity of standardized test scores is difficult if admissions use a high cutoff. In this case, there is no correlation between test scores and degree success owing to a restricted range selection effect (insufficient test score variation).

Compensatory Selection w/ Valid Test
(**no restricted range**, but no correlation)



An optimal admissions policy that admits using a combination of all valid predictors will reduce or eliminate the correlation between scores and subsequent degree success **even though there is no restricted range**. For the entire pool of applicants, those with higher scores would do better, but this is not true among *those who are admitted*.

Compensatory Selection w/ Invalid Test
(misleading negative correlation)



If test scores are invalid predictors but nonetheless used for admissions along with other predictors, this would create a paradoxical negative correlation. An applicant admitted based on a high test score is less well prepared. Such negative correlations are rarely observed.