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## Visualizing exploratory factor analysis models

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# Visualizing exploratory factor analysis models

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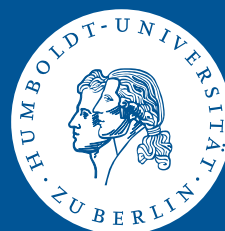


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# Visualizing exploratory factor analysis models

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**Abstract.** Exploratory factor analysis (EFA) is an important tool in data analyses, particularly in social science. Usually four steps are carried out which contain a large number of options. One important option is the number of factors and the association of variables with a factor. Our tools aim to visualize various models with different numbers in parallel of factors and to analyze which consequences a specific option has. We apply our method to data collected at the School of Business and Economics for evaluation of lectures by students. These data were analyzed by Zhou (2004) and Reichelt (2007).

**Keywords:** Factor analysis, visualization, questionnaire, evaluation of teaching

**JEL classification:** C39, C45, C63

## 1 Introduction

The exploratory factor analysis of a dataset consists of four steps:

1. **estimating the correlation matrix**  $\hat{R}$  between the observed  $p$  items.  
The Bravais-Pearson correlation is the one usually used. For ordinal data Kendall's  $\tau_b$ , Spearman's rank correlation or polychoric correlation (underlying variable approach, see e.g. Bartholomew, Steele, Moustaki and Galbraith, 2002) can be used.
2. **estimating the number of common factors**  $k < p$ . Various criteria are used to find the number of factors: Kaiser (eigenvalues larger than 1), Parallel analysis of Horn (1965), 90% of explained variance and Elbow-criterion.

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3. **estimating the loadings matrix**  $\hat{A}$  of the common factors. Depending on the beliefs about the data, several extraction methods can be used: principal component (PC), principal axis (PA), maximum likelihood (ML), unweighted least squares (ULS).
4. **rotating the loadings** to improve interpretability. Different rotation methods have been developed, e.g. the varimax rotation if the rotated factors should be uncorrelated and the promax rotation if the rotated factors can be correlated.

## 2 Visualizations

We have used four plots to obtain information about our items and factor models:

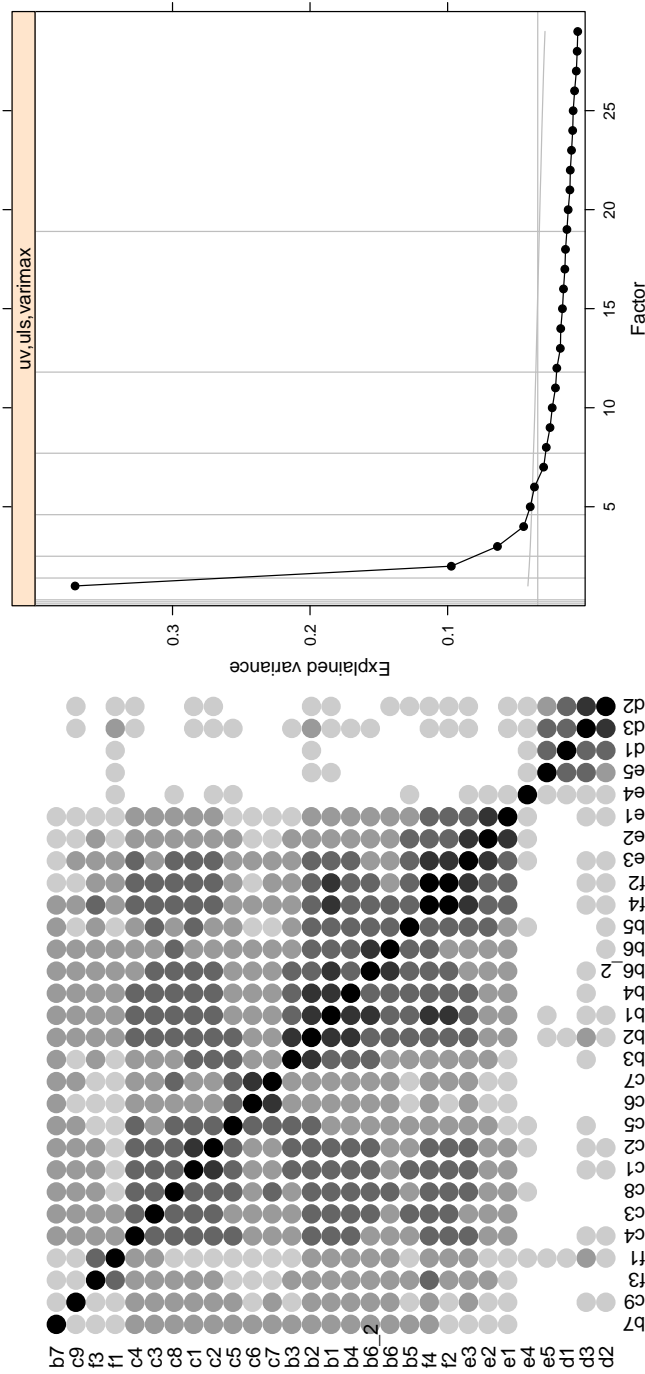
**correlation plot** which visualizes the underlying correlation matrix of the items (see Figure 1 left). White here represents a small correlation whereas black represents a large absolute correlation. If we group the highly correlated variables together then we can see which variables will become a factor.

**scree plot** which is a simple Scree plot added with the decision criteria (see Figure 1 right) mentioned before. The horizontal grey line represents the Kaiser criterion, the (nearly) horizontal falling line represent the Horn criterion and the vertical lines the 10%, ..., 90% variance criterion. This plot indicates how many factors should be chosen.

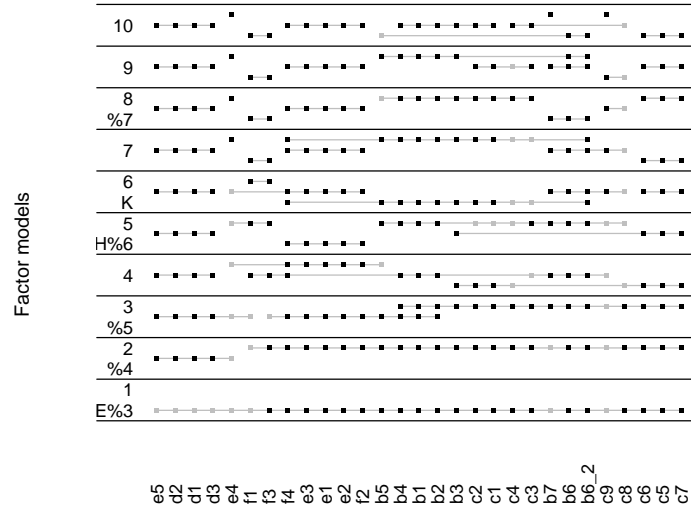
**factor model plot** we can see for each factor model which variables are explained by the same factor (see Figure 2). These variables are combined by a grey horizontal line. A grey square indicates that the absolute factor loading is smaller than a cut-off value (default: 0.5), but still has its absolute maximum loading at this factor. The black square indicates that the absolute factor loading is above the cut-off value. The colored plot version allows to differentiate between small and large loadings above the cut-off value.

**communality plot** where each curve represents one factor model and shows how much "variance" is explained by it (see Figure 3). For each model we can see where it improves the variance explanation of an item.

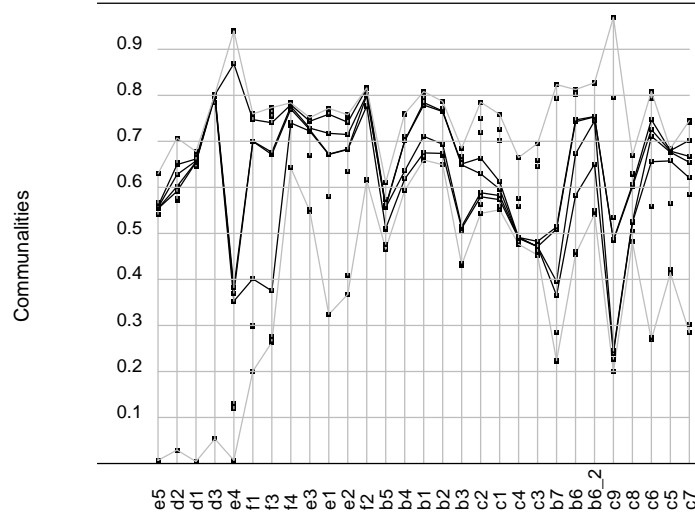
In all graphics except the scree plot we can choose the order of the variables. In the correlation plot the variables are arranged in such a way that variables with the largest absolute correlation are near to each other. In the factor model plot and communality plot we count, in all computed models, how often variables are explained by the same factor (based on the grey *and* black squares). The variables with the highest counts are placed near to each other.



**Fig. 1.** Left: Tetrachoric correlation of the 29 items in the evaluation data. A darker circle means a higher absolute correlation between the items (white: between -0.2 and 0.2, ..., black: below -0.8 or above 0.8). Right: Scree plot for the evaluation data. The horizontal grey line indicates the Kaiser criterion, the slowly falling, nearly horizontal, grey line the Horn criterion and the vertical grey lines indicate the 10%, 20%, ... up to 90% explained variance lines.



**Fig. 2.** We see the factor models starting from one up to ten factors. Black squares indicate an absolute loading larger than 0.5, grey squares indicate the largest absolute loading of a variable. Variables explained by the same common factor are connected by a grey line.



**Fig. 3.** Communalities of variables explained by several factor models. The lower grey line represents the one-factor model, the upper grey line the ten-factor model, the black lines the four-, five-, six- and seven-factor model (from lower to upper).

### 3 Application

For more than ten years, each semester students of the School of Business and Economics have been asked (see appendix A) to evaluate by questionnaire the lectures they have attended. Questionnaire data for the summer term 2002, 2003, 2005 and 2006 was analyzed by Zhou (2004) and Reichelt (2007). Here we reanalyze the data from lectures in the summer term of 2003 where the questionnaire consisted of 29 questions, each item with five answers ranging from good to bad. The missing values have been replaced by the maximum likelihood for categorical data method as described in Schafer (1997, p. 239ff).

The correlation plot, Figure 1 left, indicates that we should expect around five factors. One with the variables e5-d3; this is pretty much uncorrelated with all other factors. The other four groups of variables (c4-c5, c6+c7, b3-b6, b5-e1) seem to be correlated to each other.

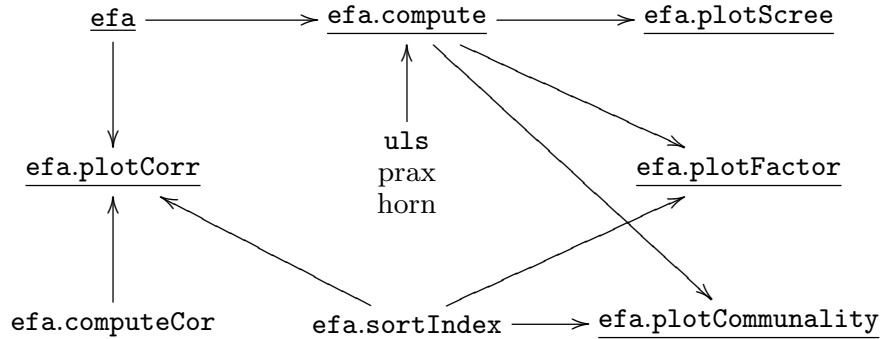
In the scree plot in Figure 1 (right) we identify four (Horn) or five factors (Kaiser). Both explain between 60% and 70% of the total variance. Zhou (2004) identified five factors: "communication skill" (b1, b2, b3, b4, c1, c2, c3), "lecture notes" (c5, c6, c7), "course attributes" (d1, d2, d3, e5), "question answering" (b6, b6\_2) and "student reactions" (e1, e2, e3, f2, f4). It might also be interesting to look at the seven factor model since the eigenvalue curve here falls down a fraction.

For the factor model plot we therefore decided to visualize all models starting from a one factor model up to a ten factor model. We are currently looking for a set of variables which form a factor and which is stable to about several factor models.

Looking for the models, especially the four till seven factor model, we see that

- the variables e5, d1, d2 and d3 (course attributes) form a stable factor over nearly all models. Since the questionnaire was carried out four weeks before the exams, the student could also appreciate the speed and difficulties of a course.
- Another set of variables is f2, f4, e1, e2 and e3 (student reactions). However, as the variable f4 also loads on a different factor, it might be better to exclude it from the factor.
- c5, c6 and c7 also form a stable factor (lecture notes).
- In the eight factor model the variables b1-b5 and c1-c4 form one factor (communications skill). However some variables turn out to be problematic in earlier models: b3 and b5 belong either to different factors or also load on a different factor.
- Finally, we have two factors (f1, f3 and "question answering": b6, b6\_2, b7) with a small number of items.

We end up with four or six factors depending whether we want factors with a small number of items or not. This complies with Zhou's result (2004) that a six factor model is appropriate; her final choice of a five factor model is



**Fig. 4.** Shows the relationship of the `efa` routines. The underlined routines are the ones which are usually used.

due to the fact that in the other three datasets she found a five-factor model. The visual analysis of several factor models provides us, via stability analysis and variance explanation for each item, with a more informative and reliable result.

However, an analysis of later data in Reichelt (2007) for the lectures in 2005 and 2006 revealed a high correlation ( $\approx 0.7$ ) between the factors "communication skills" and "lecture notes" in a promax rotated model. This is also reflected to some extent in the factor models: later split between items means higher correlation between them, see for example the factor "course attributes". This clearly indicates that students tend to make a general judgment about a lecture rather than differentiating its characteristics which in Reichelt (2007) led to a two factor model:

1. Did the student like the course?
2. Did the student consider the course difficult?

## 4 R routines

To produce our plots we have written several R routines. Figures 4 and 5 show the order how the routines should be applied:

`efa` generates from a data set a R object of class `efa` and computes a correlation matrix. Possible correlations are: `pearson` (default) for Bravais-Pearson correlation, `kendall` for Kendalls  $\tau$ , `spearman` for Spearman's rank correlation, `cov` for covariance and `uv` for tetrachoric correlation (slow).

`efa.plotCorr` visualizes the correlation between the variables (see Figure 1 left).



```

v103_full <- read.csv2("v103_impute.csv")
v103      <- v103_full[,8:36] # extract question answers
efa_v103  <- efa(v103, "uv")
efa.plotCorr (efa_v103)
efa_v103   <- efa.compute(efa_v103, factors=10,
                          extract="uls", horn=T)
efa.plotScree (efa_v103)
efa.plotFactor (efa_v103)
efa.plotCommunality (efa_v103, modelsep=c(1,4:7,10),
                    col=c("grey", "black", "black",
                          "black", "black", "grey"))

```

**Fig. 5.** Basic R program to generate the graphics in the paper.

`efa.compute` computes the factor models based on the correlation matrix. Options are `none`, `promax` and `varimax` (default) for rotation, `pc` (principal component), `uls` (unweighted least squares), `mle` (maximum likelihood) and `prax` principal axis for extraction. The parameter `factors` determines the maximal number of factors and can either be a text (`kaiser`, `elbow` or `horn`) or a number. Numbers between zero and one are interpreted as minimal percentage of variance explained and numbers larger than one give the maximal number of factors to be extracted.

`efa.plotFactors` visualizes the computed factor models (see Figures 2), `efa.plotScree` shows the scree plot with the selection criteria (see Figures 1 right) and `efa.plotCommunality` shows the explained variance per item (see Figure 3).

Additionally some helper routines have been written to realize specific extraction methods etc.:

`uls` unweighted least squares method to compute the factor loadings,  
`prax` principal axis method to compute the factor loadings (like in SPSS),  
`horn` computes the eigenvalues for a parallel analysis (Horn, 1965),  
`efa.computeCor` computes the correlation for an R object of class `efa` and  
`efa.sortIndex` computes an order of variables based on a square matrix,  
 e.g. the correlation matrix.

The R routines are still in development, but can be requested from the first author (sigbert@wiwi.hu-berlin.de).

## 5 Conclusion

The factor model plot, in particular, will simplify the task of understanding how many factors we can identify with an exploratory factor analysis and

which variables should belong to a factor. It also incorporate steps from a more traditional approach (computing a model, creating scales and computing reliability). If a variable in a scale leads to a too small Cronbachs  $\alpha$ , it may load on different factors in different factor models.

With a different questionnaire we were able, based on the factor model plot, to analyze the effect of missing value treatment and to provide a better interpretable factor model.

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## A Evaluation questionnaire

Lecturer		
b1 Explain ability	b5	Stimulation of independent thought
b2 Content clarity	b6	Willingness to answer questions
b3 Transparency quality	b6.2	Quality of answered questions
b4 Didactical ability	b8	Time allowed after course
Lecture Concept		
c1 Aspects covered deepness	c6	Availability of lecture notes
c2 Topic structure clarity	c7	Presence in the internet
c3 Related topics reference	c8	Content update
c4 Practical example application	c9	Relevance between lecture and exercise
c5 Choice of lecture notes		
Course attributes		
d1 Lecture speed	d3	Difficulty
d2 Mathematical level		
Self assessment		
e1 Interest degree	e4	Preparation level
e2 Attention span	e5	Challenging feeling
e3 Knowledge increase		
Course atmosphere		
f1 Atmosphere-stress level	f3	Atmosphere-disciplined degree
f2 Atmosphere-interest degree	f4	Atmosphere- motivation level

For the questionnaire form and coding see Zhou (2004), page 64 and 70.

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