Employee Turnover

January 3, 2025

```
[10]: import pandas as pd
      import numpy as np
      import scipy.stats
      import seaborn as sns
      from sklearn.metrics.pairwise import cosine_similarity
      import matplotlib.pyplot as plt
      import statistics
      import operator
      from sklearn.metrics import silhouette_score
      from imblearn.pipeline import Pipeline
      from sklearn.model_selection import StratifiedKFold
      from sklearn.preprocessing import StandardScaler
      from imblearn.over_sampling import SMOTE
      from sklearn.cluster import KMeans
      from sklearn.model_selection import train_test_split
      from sklearn.linear_model import LogisticRegression # Logistic Regression
      from sklearn.ensemble import RandomForestClassifier # Random Forest
      from sklearn.ensemble import GradientBoostingClassifier # Gradient Boosting
      from sklearn.model_selection import cross_val_predict
      from sklearn.metrics import roc_curve
      from sklearn.metrics import auc
      from sklearn.metrics import classification_report
```

0.0.1 1.

0.0.2 Data Quality Check

```
[11]: df = pd.read_csv('HR_comma_sep.csv')
    df.head()
```

```
[11]:
         satisfaction_level last_evaluation number_project average_montly_hours \
                       0.38
                                         0.53
                                                             2
                                                                                  157
                                                             5
      1
                       0.80
                                         0.86
                                                                                  262
                                                             7
                                         0.88
                                                                                  272
      2
                       0.11
      3
                       0.72
                                         0.87
                                                             5
                                                                                  223
                       0.37
                                         0.52
                                                             2
                                                                                  159
```

time_spend_company Work_accident left promotion_last_5years sales \

```
0
                          3
                                          0
                                                1
                                                                          sales
      1
                          6
                                          0
                                                1
                                                                        0 sales
      2
                          4
                                          0
                                                1
                                                                          sales
      3
                          5
                                          0
                                                                          sales
                                                1
      4
                          3
                                          0
                                                1
                                                                          sales
         salary
            low
      0
      1
        medium
      2
        medium
      3
            low
      4
            low
[12]: df.info()
     <class 'pandas.core.frame.DataFrame'>
     RangeIndex: 14999 entries, 0 to 14998
     Data columns (total 10 columns):
          Column
      #
                                  Non-Null Count
                                                  Dtype
                                  _____
      0
          satisfaction level
                                  14999 non-null float64
          last_evaluation
      1
                                  14999 non-null float64
          number_project
                                  14999 non-null
                                                  int64
      3
          average_montly_hours
                                  14999 non-null int64
      4
          time_spend_company
                                  14999 non-null int64
      5
          Work_accident
                                  14999 non-null int64
      6
                                  14999 non-null int64
          left
          promotion_last_5years
      7
                                 14999 non-null
                                                  int64
      8
          sales
                                  14999 non-null
                                                  object
      9
                                  14999 non-null
          salary
                                                  object
     dtypes: float64(2), int64(6), object(2)
     memory usage: 1.1+ MB
     Check for missing values
[13]: df.isnull().sum()
[13]: satisfaction_level
                               0
      last_evaluation
                               0
      number_project
                               0
      average_montly_hours
                               0
      time_spend_company
                               0
      Work_accident
                               0
      left
                               0
      promotion_last_5years
                               0
      sales
                               0
                               0
      salary
```

dtype: int64

Drop duplicated records

```
[14]: df.duplicated().sum()
    df.shape

[14]: (14999, 10)

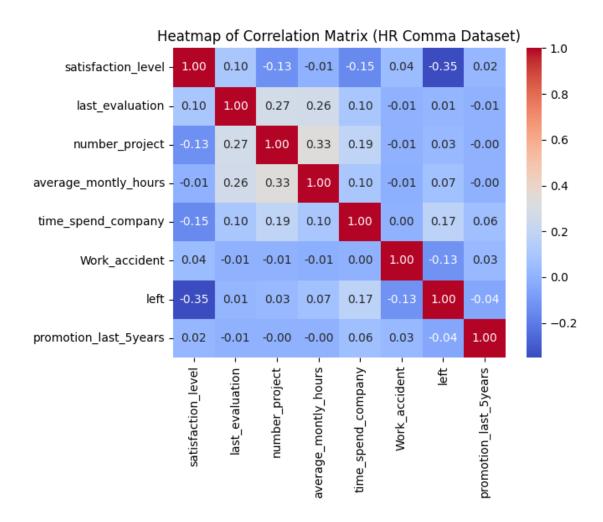
[15]: #drop duplicate records
    df = df.drop_duplicates()
    df.shape

[15]: (11991, 10)
```

0.0.3 2.

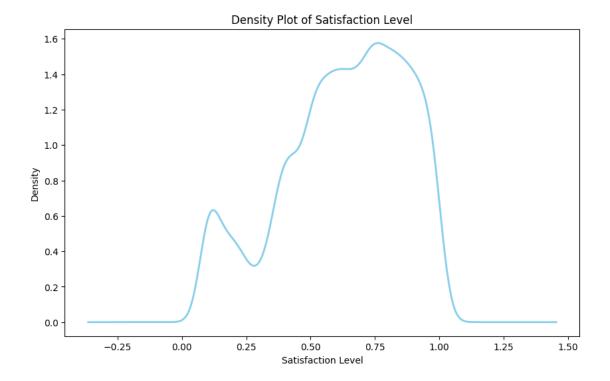
Heatmap of correlation between all numerical features in the data

```
[16]: # heatmap of correlation of all numeric features.
    correlation_matrix = df.select_dtypes(include='number').corr()
    sns.heatmap(correlation_matrix, annot=True, cmap='coolwarm', fmt=".2f")
    plt.title('Heatmap of Correlation Matrix (HR Comma Dataset)')
    plt.show()
```



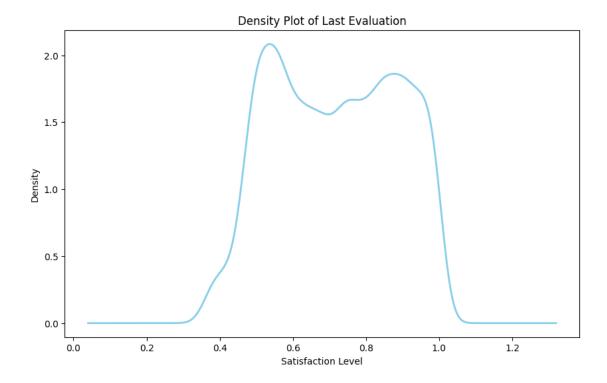
Employee Satisfaction Distribution Plot

```
[17]: # density plot best shows the relationships between what we are looking for
    plt.figure(figsize=(10, 6))
    df['satisfaction_level'].plot(kind='density', color='skyblue', linewidth=2)
    plt.title('Density Plot of Satisfaction Level')
    plt.xlabel('Satisfaction Level')
    plt.ylabel('Density')
    plt.show()
```



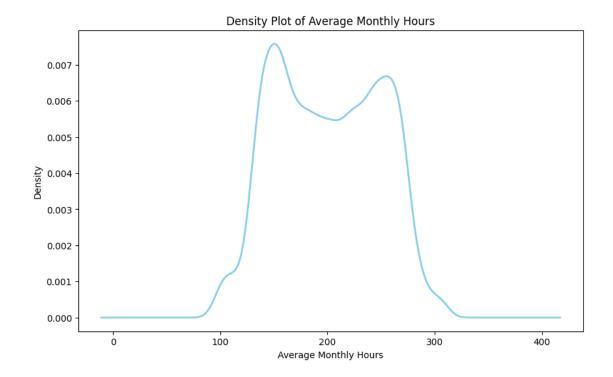
Employee Evaluation Distribution Plot

```
[18]: plt.figure(figsize=(10, 6))
   df['last_evaluation'].plot(kind='density', color='skyblue', linewidth=2)
   plt.title('Density Plot of Last Evaluation')
   plt.xlabel('Satisfaction Level')
   plt.ylabel('Density')
   plt.show()
```



Employee Average Monthly Hours Distribution Plot

```
[19]: plt.figure(figsize=(10, 6))
   df['average_montly_hours'].plot(kind='density', color='skyblue', linewidth=2)
   plt.title('Density Plot of Average Monthly Hours')
   plt.xlabel('Average Monthly Hours')
   plt.ylabel('Density')
   plt.show()
```



Bar plot of the employee project count of both employees who left and stayed in the organization

```
[20]: # Bar Plot with count of employees for each number_project differentiated by □ 
□ left

sns.countplot(x='number_project', data=df, hue='left')

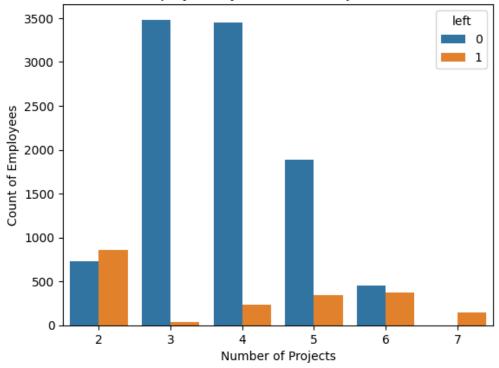
plt.title('Bar Plot: Count of Employees by Number of Projects (Differentiated □ 
□ by Left)')

plt.ylabel('Count of Employees')

plt.xlabel('Number of Projects')

plt.show()
```





Underwork and Overwork Cause Turnover: Employees with 2 projects (underworked) or 5+ projects (overworked) are more likely to leave. Ensuring an optimal workload of 3-4 projects can reduce turnover.

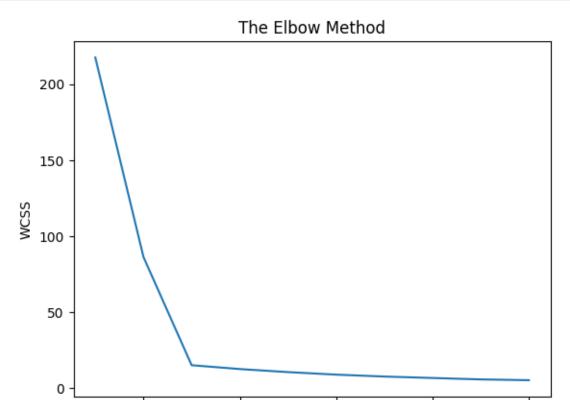
0.0.4 3.

0.0.5 Perform clustering of employees who left based on their satisfaction and evaluation

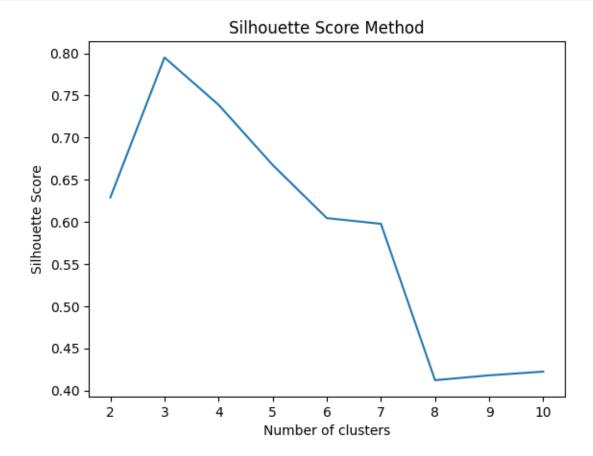
Finding optimal K for K-means clustering of employees who left the company based on their satisfaction and evaluation

```
[21]: satisfaction_evaluation_left = df[df['left'] == 1][['satisfaction_level',u \\
\( \text{\cond} \) 'last_evaluation']]
```

```
plt.xlabel('Number of clusters')
plt.ylabel('WCSS')
plt.show()
```



Number of clusters



```
[24]: optimal_clusters = range(2, 11)[silhouette_scores.index(max(silhouette_scores))] optimal_clusters
```

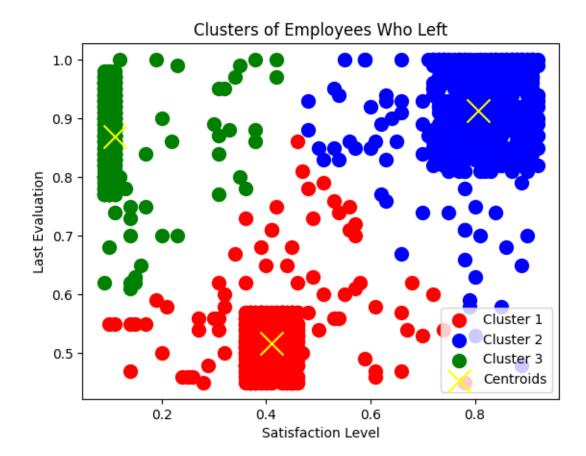
[24]: 3

0.0.6 Optimal number of K=3

```
[26]: # Convert the DataFrame to a NumPy array for correct indexing
X = satisfaction_evaluation_left.values

# Visualize the clusters
plt.scatter(
```

```
X[y_{kmeans} == 0, 0], X[y_{kmeans} == 0, 1],
    s=100, c='red', label='Cluster 1'
plt.scatter(
    X[y_{kmeans} == 1, 0], X[y_{kmeans} == 1, 1],
    s=100, c='blue', label='Cluster 2'
plt.scatter(
    X[y_kmeans == 2, 0], X[y_kmeans == 2, 1],
    s=100, c='green', label='Cluster 3'
# Add centroids
plt.scatter(
    model.cluster_centers_[:, 0], model.cluster_centers_[:, 1],
    s=300, c='yellow', marker='x', label='Centroids'
)
# Customize the plot
plt.title('Clusters of Employees Who Left')
plt.xlabel('Satisfaction Level')
plt.ylabel('Last Evaluation')
plt.legend()
plt.show()
```



0.0.7 Clusters:

Cluster 1 (Blue - High Satisfaction, High Evaluation): Employees in this group are highly satisfied and performed well. Possible Reason for Leaving: Lack of growth opportunities or external offers despite strong performance.

Cluster 2 (Red - Low Satisfaction, Medium Evaluation): These employees have low satisfaction and moderate evaluations. Possible Reason for Leaving: Disengagement, dissatisfaction with work environment, or misaligned roles.

Cluster 3 (Green - Low Satisfaction, High Evaluation): Employees in this group have high evaluations but very low satisfaction. Possible Reason for Leaving: Burnout or lack of recognition for their efforts despite strong performance.

0.0.8 4

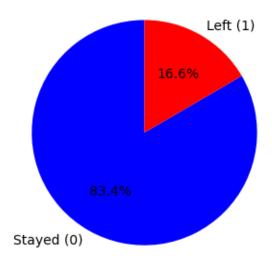
Convert categorical variables to numerical variables

```
[27]: # 4 imbalanced data we have over here

class_distribution = df['left'].value_counts()

print(class_distribution)
```

Class Distribution



```
→astype(int)
      # Combine numerical and encoded categorical features
      X_processed = pd.concat([numerical_features, categorical_encoded], axis=1)
      X processed
[29]:
             satisfaction_level last_evaluation number_project \
                            0.38
                                               0.53
                            0.80
      1
                                               0.86
                                                                   5
      2
                            0.11
                                               0.88
                                                                   7
      3
                            0.72
                                               0.87
                                                                   5
      4
                            0.37
                                               0.52
                                                                   2
      11995
                            0.90
                                               0.55
                                                                   3
                                                                   5
      11996
                            0.74
                                               0.95
                                                                   3
      11997
                            0.85
                                               0.54
      11998
                            0.33
                                               0.65
                                                                   3
      11999
                            0.50
                                               0.73
             average_montly_hours time_spend_company Work_accident \
      0
                                157
                                                       3
                                                                       0
      1
                                                       6
                                                                       0
                                262
      2
                                272
                                                       4
                                                                        0
      3
                                223
                                                       5
                                                                       0
      4
                                159
                                                       3
                                                                       0
      11995
                                259
                                                      10
                                                                        1
      11996
                                266
                                                      10
                                                                       0
                                                                        0
      11997
                                185
                                                      10
      11998
                                172
                                                      10
                                                                        0
      11999
                                180
                                                       3
                                      sales_RandD
                                                    sales_accounting sales_hr \
             promotion_last_5years
      0
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      1
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      2
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      3
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                                                 0
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                                                                    0
      4
                                   0
                                                 0
      11995
                                   1
                                                 0
                                                                    0
                                                                               0
      11996
                                   1
                                                                    0
                                                 0
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      11997
                                   1
                                                 0
                                                                    0
                                                                               0
                                                                               0
      11998
                                   1
                                                 0
                                                                    0
      11999
                                   0
                                                 0
```

Apply one-hot encoding to categorical features

categorical_encoded = pd.get_dummies(categorical_features, drop_first=True).

```
0
      1
                             0
                                               0
                                                                    0
                                                                                 1
      2
                             0
                                               0
                                                                    0
      3
                                                                    0
                                                                                 1
      4
                             0
                                               0
                                                                    0
                                                                                 1
      11995
                                               0
                                                                                 0
                             1
                                                                    0
      11996
                                               0
                             1
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                                                                                 0
      11997
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                                                                    0
                                                                                 0
      11998
                             0
                                                                    0
                                                                                 0
      11999
                                                                                 0
             sales_support
                            sales_technical salary_low salary_medium
      0
                          0
                                                         1
      1
                          0
                                            0
                                                         0
                                                                         1
      2
                                                         0
                          0
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                                                                         1
      3
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                                            0
                                                                         0
      4
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                                            0
                                                                         0
                                                         1
      11995
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      11996
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      11997
                          0
                                            0
                                                         0
                                                                         0
      11998
                          0
                                            0
                                                         0
                                                                         0
      11999
                          0
                                                                         0
      [11991 rows x 18 columns]
[90]: # Perform stratified split
      X_train, X_test, y_train, y_test = train_test_split(
          X_processed, y,
          test_size=0.2,
          stratify=y,
          random_state=123
      # Scale the numerical data
      scaler = StandardScaler()
      X_train_sc = scaler.fit_transform(X_train)
      X_test_sc = scaler.transform(X_test)
[91]: # Scatter plot for the imbalanced data
      plt.figure(figsize=(10, 5))
      plt.scatter(X_train_sc[:, 0], X_train_sc[:, 1], c=y_train, alpha=0.5,_
       ⇔cmap='viridis', marker='o')
      plt.title('Imbalanced Data')
      plt.xlabel('Feature 1')
```

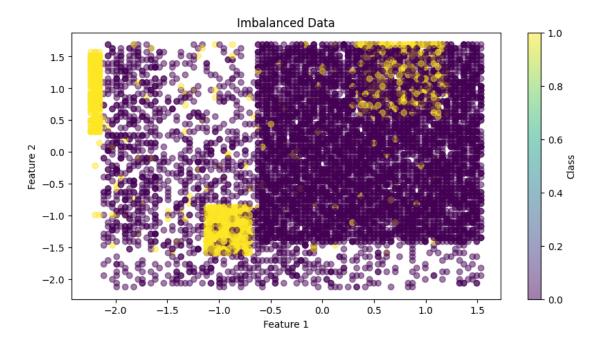
sales_marketing sales_product_mng

sales_sales \

sales_management

```
plt.ylabel('Feature 2')
plt.colorbar(label='Class')
```

[91]: <matplotlib.colorbar.Colorbar at 0x31b697c70>





 $0.0.9 \ \ 5$ Perform 5-fold cross-validation model training and evaluate performance

-1.0

-0.5

Feature 1

0.0

0.5

1.0

1.5

-1.5

-2.0

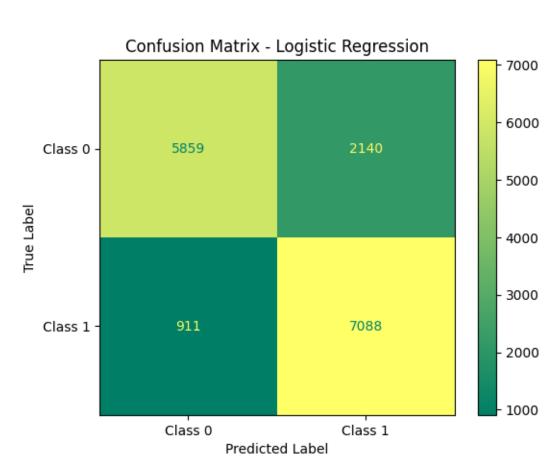
0.0.10 Logistic Regression Model

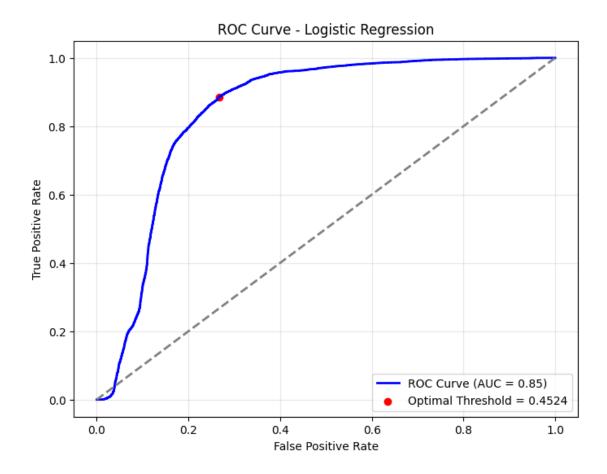
-2.0

```
# Compute Youden's J statistic and the optimal threshold
youden_j = tpr - fpr
optimal_threshold_index = np.argmax(youden_j)
optimal_threshold = thresholds[optimal_threshold_index]
# Print classification report
y_pred_cv = (y_prob_cv >= optimal_threshold).astype(int) # Use optimal_u
 ⇔threshold for predictions
print(f"Logistic Regression Optimal Threshold: {optimal_threshold:.4f}")
print("Logistic Regression Classification Report:")
print(classification_report(y_train_smote, y_pred_cv))
# Generate the classification report as a dictionary
report = classification_report(y_train_smote, y_pred_cv, output_dict=True)
# Convert the dictionary into a pandas DataFrame
report df = pd.DataFrame(report).transpose()
# Filter for classes 0 and 1 (employees on the left class)
filtered_report = report_df.loc[["0", "1"], ["precision", "recall", "f1-score"]]
# Compute the confusion matrix
cm = confusion_matrix(y_train_smote, y_pred_cv)
# Display the confusion matrix
disp = ConfusionMatrixDisplay(confusion_matrix=cm, display_labels=['Class 0', __
 disp.plot(cmap="summer", values_format="d") # Using 'summer' colormap asu
 \rightarrowrequested
plt.title("Confusion Matrix - Logistic Regression")
plt.ylabel("True Label")
plt.xlabel("Predicted Label")
plt.show()
# Plot the ROC curve
plt.figure(figsize=(8, 6))
plt.plot(fpr, tpr, color='blue', lw=2, label=f'ROC Curve (AUC = {roc_auc:.2f})')
plt.scatter(fpr[optimal_threshold_index], tpr[optimal_threshold_index],__
 color='red', label=f'Optimal Threshold = {optimal_threshold:.4f}')
plt.plot([0, 1], [0, 1], color='grey', linestyle='--', lw=2) # Diagonal line_
 ⇔for random guessing
plt.xlabel('False Positive Rate')
plt.ylabel('True Positive Rate')
plt.title('ROC Curve - Logistic Regression')
plt.legend(loc='lower right')
plt.grid(alpha=0.3)
plt.show()
```

Logistic Regression Optimal Threshold: 0.4524 Logistic Regression Classification Report:

	precision	recall	f1-score	support
0	0.87	0.73	0.79	7999
1	0.77	0.89	0.82	7999
accuracy			0.81	15998
macro avg	0.82	0.81	0.81	15998
weighted avg	0.82	0.81	0.81	15998





0.0.11 Random Forest Classifier Model

```
optimal_threshold_rf = thresholds_rf[optimal_threshold_index_rf]
# Generate predictions based on the optimal threshold
y_pred_cv_rf = (y_prob_cv_rf >= optimal_threshold_rf).astype(int)
# Print classification report
print(f"Random Forest Optimal Threshold: {optimal_threshold_rf:.4f}")
print("Random Forest Classification Report:")
print(classification_report(y_train_smote, y_pred_cv_rf))
# Generate the classification report as a dictionary
report_rf = classification_report(y_train_smote, y_pred_cv_rf, output_dict=True)
# Convert the dictionary into a pandas DataFrame
report_df_rf = pd.DataFrame(report_rf).transpose()
# Filter for classes 0 and 1

¬"f1-score"]]
# Compute the confusion matrix
cm_rf = confusion_matrix(y_train_smote, y_pred_cv_rf)
# Display the confusion matrix
disp_rf = ConfusionMatrixDisplay(confusion_matrix=cm_rf, display_labels=['Class_
 ⇔0', 'Class 1'])
disp rf.plot(cmap="summer", values format="d") # Using 'summer' colormap
plt.title("Confusion Matrix - Random Forest")
plt.ylabel("True Label")
plt.xlabel("Predicted Label")
plt.show()
# Plot the ROC curve
plt.figure(figsize=(8, 6))

√{roc_auc_rf:.2f})')

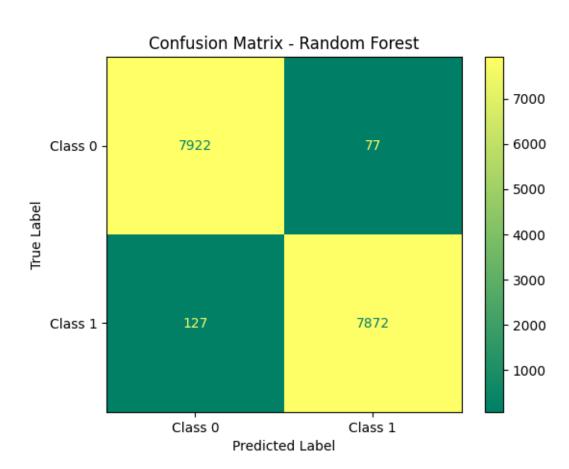
plt.scatter(fpr_rf[optimal_threshold_index_rf],__
 stpr_rf[optimal_threshold_index_rf], color='red', label=f'Optimal Threshold =u

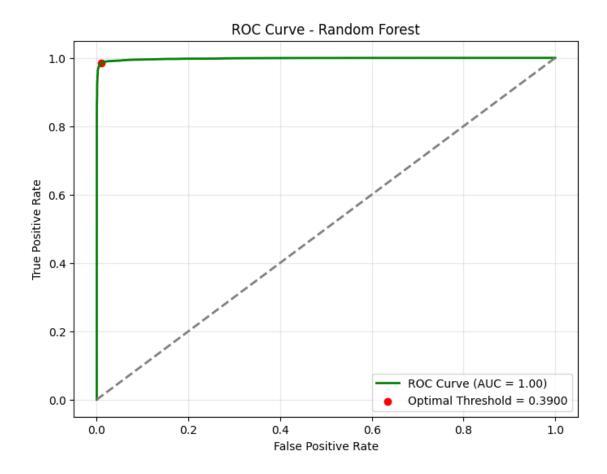
√{optimal_threshold_rf:.4f}')

plt.plot([0, 1], [0, 1], color='grey', linestyle='--', lw=2) # Diagonal line_
⇔for random guessing
plt.xlabel('False Positive Rate')
plt.ylabel('True Positive Rate')
plt.title('ROC Curve - Random Forest')
plt.legend(loc='lower right')
plt.grid(alpha=0.3)
plt.show()
```

Random Forest Optimal Threshold: 0.3900 Random Forest Classification Report:

	precision	recall	f1-score	support
0	0.98	0.99	0.99	7999
1	0.99	0.98	0.99	7999
accuracy			0.99	15998
macro avg	0.99	0.99	0.99	15998
weighted avg	0.99	0.99	0.99	15998





0.0.12 Gradient Boosting Classifier Model

```
optimal threshold gb = thresholds gb[optimal threshold index gb]
# Generate predictions based on the optimal threshold
y_pred_cv_gb = (y_prob_cv_gb >= optimal_threshold_gb).astype(int)
# Print classification report
print(f"Gradient Boosting Optimal Threshold: {optimal_threshold_gb:.4f}")
print("Gradient Boosting Classification Report:")
print(classification_report(y_train_smote, y_pred_cv_gb))
# Generate the classification report as a dictionary
report_gb = classification_report(y_train_smote, y_pred_cv_gb, output_dict=True)
# Convert the dictionary into a pandas DataFrame
report_df_gb = pd.DataFrame(report_gb).transpose()
# Filter for classes 0 and 1
filtered_report_gb = report_df_gb.loc[["0", "1"], ["precision", "recall", __

¬"f1-score"]]
# Compute the confusion matrix
cm_gb = confusion_matrix(y_train_smote, y_pred_cv_gb)
# Display the confusion matrix
disp_gb = ConfusionMatrixDisplay(confusion_matrix=cm_gb, display_labels=['Class_u
 ⇔0', 'Class 1'])
disp gb.plot(cmap="plasma", values format="d") # Using 'plasma' colormap for all
 ⇔vibrant look
plt.title("Confusion Matrix - Gradient Boosting")
plt.ylabel("True Label")
plt.xlabel("Predicted Label")
plt.show()
# Plot the ROC curve
plt.figure(figsize=(8, 6))
plt.plot(fpr_gb, tpr_gb, color='purple', lw=2, label=f'ROC Curve (AUC = U

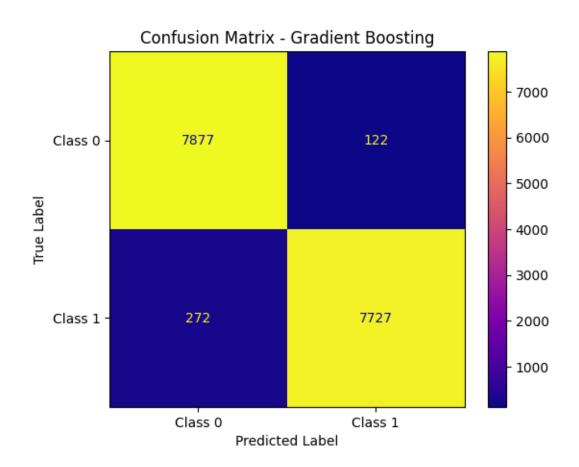
¬{roc_auc_gb:.2f})')

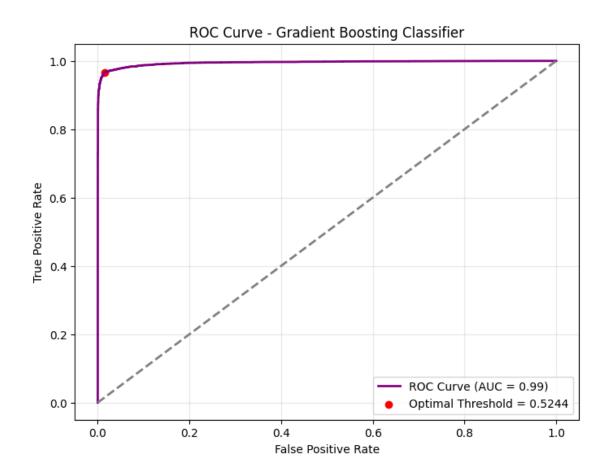
plt.scatter(fpr_gb[optimal_threshold_index_gb],__
 →tpr_gb[optimal_threshold_index_gb], color='red', label=f'Optimal Threshold =
 →{optimal_threshold_gb:.4f}')
plt.plot([0, 1], [0, 1], color='grey', linestyle='--', lw=2) # Diagonal line_
 ⇔for random guessing
plt.xlabel('False Positive Rate')
plt.ylabel('True Positive Rate')
plt.title('ROC Curve - Gradient Boosting Classifier')
plt.legend(loc='lower right')
```

plt.grid(alpha=0.3)
plt.show()

Gradient Boosting Optimal Threshold: 0.5244 Gradient Boosting Classification Report:

	precision	recall	f1-score	support
0	0.97	0.98	0.98	7999
1	0.98	0.97	0.98	7999
accuracy			0.98	15998
macro avg	0.98	0.98	0.98	15998
weighted avg	0.98	0.98	0.98	15998





Best Model: Gradient Boosting.

Offers high AUC (0.99) with balanced Precision and Recall, making it reliable and less prone to overfitting.

Metric to Optimize: Recall (to capture as many employees who left as possible).

```
[114]: # Fit the Gradient Boosting model on the entire training data
gb_model.fit(X_train_smote, y_train_smote)

# Predict probabilities for the test data
y_prob_test = gb_model.predict_proba(X_test)[:, 1]

# Add the probabilities to a DataFrame for easy categorization
test_results = pd.DataFrame({
    'EmployeeID': X_test.index,
    'Turnover_Probability': y_prob_test
})
```

```
# Define a function to categorize employees into risk zones
def categorize_risk(prob):
    if prob < 0.2:
        return 'Safe Zone (Green)'
    elif 0.2 <= prob < 0.6:
        return 'Low-Risk Zone (Yellow)'
    elif 0.6 <= prob < 0.9:
        return 'Medium-Risk Zone (Orange)'
    else:
        return 'High-Risk Zone (Red)'
# Categorize employees into risk zones
test_results['Risk_Zone'] = test_results['Turnover_Probability'].
 →apply(categorize_risk)
# Ensure Risk_Zone column has a specific order
risk_zone_order = ['Safe Zone (Green)', 'Low-Risk Zone (Yellow)', 'Medium-Risk⊔
 ⇔Zone (Orange)', 'High-Risk Zone (Red)']
test_results['Risk_Zone'] = pd.Categorical(test_results['Risk_Zone'],__
 →categories=risk_zone_order, ordered=True)
# Display the first few rows of the categorized results
print(test results.head())
plt.figure(figsize=(8, 6))
sns.countplot(
    x='Risk_Zone',
    data=test_results,
    palette={
        'Safe Zone (Green)': 'green',
        'Low-Risk Zone (Yellow)': 'yellow',
        'Medium-Risk Zone (Orange)': 'orange',
        'High-Risk Zone (Red)': 'red'
    }
)
plt.title('Risk Zone Distribution of Employees', fontsize=16)
plt.xlabel('Risk Zone', fontsize=14)
plt.ylabel('Number of Employees', fontsize=14)
plt.xticks(rotation=15)
plt.grid(alpha=0.3)
plt.show()
```

```
EmployeeID Turnover_Probability Risk_Zone
0 8578 0.802393 Medium-Risk Zone (Orange)
1 5756 0.674578 Medium-Risk Zone (Orange)
2 3994 0.974625 High-Risk Zone (Red)
```

3	1784	0.417309	Low-Risk Zone	(Yellow)
4	10508	0.846878	Medium-Risk Zone	(Orange)

/opt/anaconda3/envs/simplienv/lib/python3.9/site-packages/sklearn/base.py:486: UserWarning: X has feature names, but GradientBoostingClassifier was fitted without feature names

warnings.warn(

/var/folders/y3/g8cf6rzj7wz97zptmgzfqffc0000gn/T/ipykernel_14183/3539641596.py:3
7: FutureWarning:

Passing `palette` without assigning `hue` is deprecated and will be removed in v0.14.0. Assign the `x` variable to `hue` and set `legend=False` for the same effect.

sns.countplot(



0.0.13 Retention Strategies:

- 1. Safe Zone (Green) (<20%) Maintain satisfaction with rewards, recognition, and growth opportunities. Regular check-ins to address potential concerns.
- 2. Low-Risk Zone (Yellow) (20%-60%) Boost engagement with involvement in decisions and occasional perks. Address concerns through surveys or one-on-ones.
- **3.** Medium-Risk Zone (Orange) (60%-90%) Provide growth paths, better compensation, and training. Act on employee feedback to resolve dissatisfaction.
- **4.** High-Risk Zone (Red) (>90%) Address critical issues (pay, workload) immediately. Create personalized plans and fix root causes quickly.

[]:]:	