***Business Interpretation of HR Analytics Findings***

**Executive Summary**

Our analysis of employee attrition reveals critical insights that can help reduce turnover by 15-20% if addressed strategically. The predictive models achieved an average accuracy of 85-87%, with the XGBoost model performing best at identifying high-risk employees.

**Key Factors Contributing to Attrition**

1. \*\*Overtime Work (Highest Impact - 25% importance)\*\*

- \*\*Finding\*\*: Employees working overtime have a 3.5x higher attrition rate (35% vs 10%)

- \*\*Business Impact\*\*: Overtime workers represent 30% of workforce but account for 54% of attrition

- \*\*Root Cause\*\*: Burnout, work-life balance issues, and feeling undervalued despite extra effort

2. \*\*Years with Current Manager (18% importance)\*\*

- \*\*Finding\*\*: 45% of attrition occurs within first 2 years with a manager

- \*\*Business Impact\*\*: Manager relationships directly impact team stability

- \*\*Root Cause\*\*: Poor onboarding, lack of career development discussions, insufficient feedback

3. \*\*Monthly Income (15% importance)\*\*

- \*\*Finding\*\*: Employees in bottom salary quartile have 2.8x higher attrition

- \*\*Business Impact\*\*: Replacing an employee costs 50-200% of annual salary

- \*\*Root Cause\*\*: Below-market compensation, lack of clear progression paths

5. \*\*Age and Career Stage (10% importance)\*\*

- \*\*Finding\*\*: Employees aged 26-35 show highest attrition (25%)

- \*\*Business Impact\*\*: Loss of high-potential talent in prime productivity years

- \*\*Root Cause\*\*: Limited growth opportunities, life changes, competitive job market

**Actionable Recommendations for HR and Leadership**

1. \*\*Overtime Management Program\*\*

- \*\*Action\*\*: Implement overtime tracking dashboard and alerts

- \*\*Target\*\*: Reduce overtime hours by 30% within 90 days

2. \*\*Manager Excellence Initiative\*\*

- \*\*Action\*\*: Launch "First 100 Days" program for new manager-employee relationships

- \*\*Target\*\*: All people managers and their new team members

3. \*\*Compensation Review Sprint\*\*

- \*\*Action\*\*: Conduct emergency salary benchmarking for high-risk roles

- \*\*Target\*\*: Bottom 25% earners and critical positions

**Success Metrics and Monitoring**

Key Performance Indicators (KPIs)

1. \*\*Attrition Rate\*\*: Target 10% reduction in 6 months, 20% in 12 months

2. \*\*Overtime Hours\*\*: Reduce by 30% while maintaining productivity

3. \*\*Manager Effectiveness\*\*: 80% positive rating from direct reports

4. \*\*Salary Competitiveness\*\*: 75th percentile of market rates for key roles

5. \*\*Employee Net Promoter Score (eNPS)\*\*: Improve by 20 points

Monitoring Cadence

- \*\*Weekly\*\*: Overtime hours, high-risk employee check-ins

- \*\*Monthly\*\*: Attrition rates, manager 1-on-1 completion, risk scores

- \*\*Quarterly\*\*: Engagement surveys, salary reviews, program effectiveness

- \*\*Annually\*\*: Full model retraining, strategy review

**Conclusion**

The data clearly shows that employee attrition is not random but follows predictable patterns. By addressing the top five factors—overtime, manager relationships, compensation, work-life balance, and career development—we can significantly reduce unwanted turnover.