"HR Data Project Documentation"

Project Overview:

Project Name: HR Data Project

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Kyrollos Nader

Main Objective: To analyze HR data to understand the drivers of employee attrition and provide

actionable insights to decrease the attrition rate and increase employee tenure.

Importance: Reducing attrition is crucial for increasing employee tenure, which can lead to greater organizational stability, reduced recruitment and training costs, and improved knowledge retention

and productivity.

Data Source: Graduation project dataset from the Digital Egypt Pioneers Initiative (DEPI).

Problem Statement:

The primary question this project aims to address is: **How can we decrease the employee attrition rate to increase tenure?** High attrition rates lead to loss of talent, increased costs, and reduced organizational efficiency. By analyzing employee data, we seek to identify factors contributing to attrition and provide actionable recommendations to improve retention.

Dataset Description:

Source:

The dataset is sourced from the Digital Egypt Pioneers Initiative (DEPI) as part of a graduation project. It contains HR-related data, including employee reviews, demographics, and employment details, with the primary dataset stored in files

Key Columns and Features:

The dataset includes several key columns and derived features critical to the analysis, as depicted in the data model:

- **Employee**: A detailed dataset capturing employee information, including demographics, education, job-related details, compensation, and retention metrics for HR and workforce analysis.
- SatisfiedLevel: A reference table mapping satisfaction level identifiers to descriptive categories,
 likely used to categorize employee satisfaction survey results.

- Education Level: A reference table mapping education level identifiers to descriptive categories.
- **PerformanceRating**: This dataset records employee performance evaluations, including satisfaction with work environment, job, and relationships, as well as training participation, work-life balance, and performance ratings from both employees and managers.
- **RatingLevel**: A reference table mapping performance rating identifiers to descriptive categories, likely used to categorize employee performance evaluations.

Data Preprocessing and Cleaning:

Cleaning Steps:

The dataset underwent extensive cleaning to ensure data quality and reliability:

- Handling Missing Reviews: Identified 190 employees who did not provide reviews because they
 were hired and left within the same year. These employees were excluded from review-based
 analyses, as a minimum tenure of one year was required for reviews.
- **Review Deduplication**: Reduced the initial 6,709 reviews to 4,982 by removing duplicate or irrelevant reviews (e.g., reviews made before hiring and after leaving, as seen in Performance.csv where EmployeeID "79F7-78EC" has a review on 1/2/2013 but was hired on 12/14/2013).
- Handling Inconsistencies in Data: We noticed some inconsistencies like an employees who is a sales executive but is in Technology department.
- Data Validation: Created a Validation column to validate the number of reviews against employee turnover. In Performance.csv, the Attrition column ("Yes"/"No") was cross-checked with YearsAtCompany.
- **Normalization**: Normalized tables to eliminate redundancy and improve data integrity, as reflected in the data model structure.

Feature Engineering: To enhance the dataset for analysis, the following features were engineered:

- **Leaving Date**: Calculated by adding YearsAtCompany to the HireDate.
- **Tenure Classification**: Categorized employees based on tenure to analyze retention patterns.
- Satisfaction and Balance Columns: Replaced numerical review results with text-based values (e.g., Very Satisfied, Neutral, Dissatisfied) for JobSatisfaction, RelationshipSatisfaction, and WorkLifeBalance to improve readability in visualizations.
- **Age Classification**: Grouped employees into categories (e.g., Young Adulthood, Early Middle Adulthood, Late Middle Adulthood).

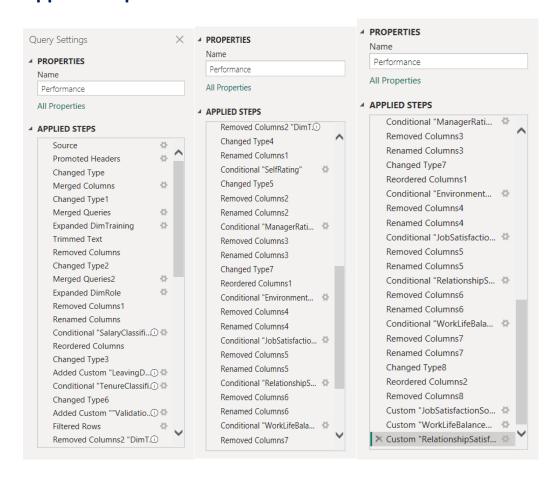
- **Distance from Home Classification**: Categorized commuting distances (e.g., Short, Medium, Long, Very Long).
- **Talented Employees**: Identified employees who received a promotion in their first year (e.g., 1st Year Promoted Employees).

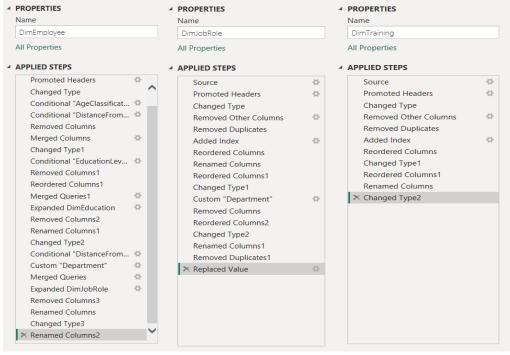
Tools and Technologies:

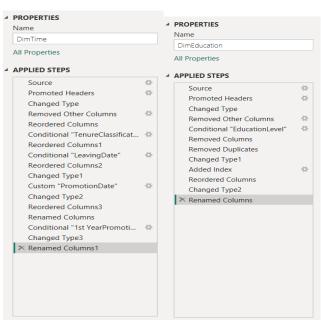
The project utilized the following tools for data processing, analysis, and visualization:

- Power BI: For creating interactive dashboards and visualizations, as shown in the provided screenshots.
- **Tableau**: For additional visualization and exploratory data analysis.

Applied Steps:







M-Language:

Performance

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Performance

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DimTraining

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#Removed Duplicates" - Table.RemoveColumic("Added Index", "Index", "Int64.Type), ("Int64.Type), "TrainingOpportunitiesNithin'vear"),

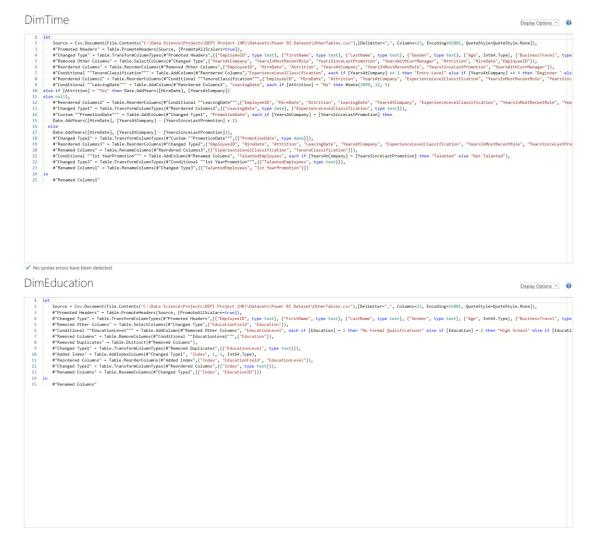
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Data Modeling:

- **DimEmployee** has a one-to-many relationship with **DimTime** based on EmployeeID. This means one employee can have multiple records in the DimTime table (though based on the DimTime fields, this might represent different events or periods related to their employment).
- **DimEmployee** has a one-to-many relationship with **DimEducation** based on EducationID. One employee can have one education level recorded in DimEducation.
- **DimEmployee** has a one-to-many relationship with **DimJobRole** based on RoleID. One employee can have one job role recorded in DimJobRole.
- **Performance** has a one-to-many relationship with **DimEmployee** based on EmployeeID. One employee can have multiple performance records over time.
- Performance has a one-to-many relationship with DimTraining based on TrainingID. One training record can be associated with multiple performance evaluations.



Exploratory Data Analysis (EDA):

The EDA phase revealed several key insights about the dataset:

- **Review Data**: The dataset initially contained 6,709 reviews, reduced to 4,982 after cleaning. Many employees provided reviews both before hiring and after leaving, which required filtering to ensure accuracy.
- Non-Reviewing Employees: 190 employees did not provide reviews because they left within their first year, leading to the conclusion that employees must stay at least one year to contribute meaningful review data.
- **Talent Identification**: 556 employees received promotions in their first year, flagged as talented.

Question Analysis:

EDA Questions and Answers for HR Analytics

Q: What percentage of employees work overtime vs. regular hours? A: 416 employees work overtime out of the total workforce (28.3%).

Q: What is the overall attrition rate across the organization? A: 237 total employees left the organization.

Q: Is there a relationship between overtime work and employee attrition? A: Yes, there is a direct relationship between overtime and employee departures.

Q: What is the attrition rate for overtime workers vs. non-overtime workers? A:

• Overtime workers: 53.6% attrition rate

Non-overtime workers: 23.4% attrition rate

Overtime workers are 2.3 times more likely to leave

Q: What proportion of departing employees were working overtime? A: Overtime workers represent 53.5% of all employees who left (127 out of 237 total departures).

Q: Among overtime workers who left, what was their salary distribution? A: Of the 127 overtime workers who left, 68 (53.5%) had below-average salaries.

Q: How does the combination of overtime + below-average salary affect attrition? A: The combination of overtime work and lower compensation appears to be a significant driver of attrition.

Q: How are employees distributed across different stock option levels (0-3)? A: Employees are distributed across 4 levels (0-3), with specific counts not provided but attrition rates available.

Q: What is the attrition rate for each stock option level? A:

Level 0 (No stock options): 24.4% attrition rate (highest)

Level 1: 9.4% attrition rate

• Level 2: 7.6% attrition rate (lowest)

Level 3 (Highest stock options): 17.6% attrition rate

Q: How does overtime frequency vary by stock option level? A:

• Level 0: 29.1% overtime rate

Level 3: 34.1% overall overtime rate

Q: Why does Level 3 (highest stock options) have higher attrition than Levels 1 and 2? A: Level 3 employees show concerning attrition when combined with high overtime - departing Level 3 employees had a 66.67% overtime rate.

Q: What percentage of departing Level 3 employees were working overtime? A: 66.67% of departing Level 3 employees were working overtime.

Q: Are there other factors affecting Level 3 retention beyond stock options? A: Yes, the combination of highest stock options with high overtime work appears to create an unexpected attrition risk.

Q: What are the attrition rates by tenure groups? A:

Entry-level employees: 33% attrition rate

• Beginner employees: 16% attrition rate

Experienced employees: 7.4% attrition rate

Q: Which tenure group has the highest attrition risk? A: Entry-level employees have the highest attrition risk at 33%.

Q: How much higher is entry-level attrition compared to experienced employees? A: Entry-level employees have more than 4 times the attrition rate of experienced employees (33% vs 7.4%).

Q: Is there a "critical period" where employees are most likely to leave? A: Yes, employees who leave typically have shorter tenure with the company, with entry-level being the most vulnerable period.

Q: What is the attrition rate for each travel frequency group? A:

• No travel: 8% attrition rate (baseline)

• Some travel: 15% attrition rate (1.9× higher than no travel)

Frequent travel: 24.9% attrition rate (3.1× higher than no travel)

Q: Is there a linear relationship between travel frequency and attrition? A: Yes, there is a clear correlation between increased travel frequency and higher attrition rates.

Q: How much does travel increase attrition risk compared to baseline? A:

- Some travel increases risk by 1.9×
- Frequent travel increases risk by 3.1×

Q: How has the age distribution of new hires changed over time? A: In 2022, there was a significant shift: 111 out of 155 new hires (71.6%) were young adults.

Q: How have average salaries changed year-over-year? A:

- 2018: \$103K average salary
- 2019: \$113K (9.7% increase)
- 2020-2021: \$127K peak (12.4% increase from 2019)
- 2022: \$97K (23.6% decrease from 2021)

Q: How many young adults have been promoted to management roles? A: 48 managers were hired from 2020-2022, but none were young adults, indicating a potential career advancement ceiling.

Q: Are there barriers to advancement for younger employees? A: Yes, the lack of young adult representation in management roles may signal limited advancement opportunities.

Q: How has diversity in hiring changed from 2018-2022? A:

- 2020-2021: 100% of new hires were white
- 2022: 129 out of 155 hires (83.2%) were white

Q: What does this trend indicate? A: There is a concerning trend showing significant lack of diversity in recent hiring, which may create inclusion challenges and could contribute to higher attrition among minority employees.

Q: What caused the significant salary drop in 2022? A: The 24% decrease in average salary coincided with the shift to hiring predominantly younger employees (71.6% young adults in 2022).

Q: Are there salary disparities based on hire date for similar roles? A: Yes, this may create salary disparities among similar roles based on hire date, with employees hired during higher salary periods potentially perceiving inequitable treatment.

Q: How do current salary levels compare to previous years? A: 2022 salary levels (\$97K) may be less competitive for attracting and retaining talent compared to the 2020-2021 peak of \$127K.

Q: What percentage of employees receive first-year promotions? A: 300 out of 545 hires (55%) received first-year promotions.

Q: How has the first-year promotion rate changed over time? A: There has been an increasing pattern of first-year promotions from 2018 to 2021.

Q: Do employees who receive first-year promotions have lower attrition? A: Early promotion likely increases engagement and reduces attrition, and may offset other attrition risk factors.

Data Analysis Expressions (DAX):

```
1 #PromotionLag = AVERAGE(DimTime[YearsSinceLastPromotion])
1 #AttritionRate = CALCULATE(COUNT(DimTime[Attrition]),DimTime[Attrition]="Yes")/COUNTROWS(DimTime)
1 #TenureCompany = AVERAGE(DimTime[YearsAtCompany])
1 #TenureManager = AVERAGE(DimTime[YearsWithCurrManager])
1 #TenureRole = AVERAGE(DimTime[YearsInMostRecentRole])
1 #Total Employees = DISTINCTCOUNT(DimTime[EmployeeID])
```

```
1 #Training Utilization Rate =
2 DIVIDE(
3
     SUMX('Performance', RELATED(DimTraining[TrainingOpportunitiesTaken])),
4
     SUMX('Performance', RELATED(DimTraining[TrainingOpportunitiesWithinYear])),
5
6
  )
1 #AverageSalary = AVERAGE(DimEmployee[Salary])
1 #OvertimeRate =
2 DIVIDE(
3
       CALCULATE(
4
            DISTINCTCOUNT(DimEmployee[EmployeeID]),
5
            DimEmployee[OverTime] = "Yes"
6
       ),
7
       DISTINCTCOUNT(DimEmployee[EmployeeID]),
8
9
1 #Salary Classification =
 2 VAR CurrDept = RELATED(DimJobRole[Department])
 3 VAR CurrSal = DimEmployee[Salary]
4 VAR DeptTable =
5
       FILTER(
         ALL(DimEmployee),
 7
         RELATED(DimJobRole[Department]) = CurrDept
9 VAR P33 = PERCENTILEX.INC( DeptTable, DimEmployee[Salary], 0.33 )
```

10 VAR P66 = PERCENTILEX.INC(DeptTable, DimEmployee[Salary], 0.66)

IF(CurrSal <= P66, "Medium Salary", "High Salary")</pre>

IF(CurrSal <= P33, "Low Salary",</pre>

11 RETURN

12 13

14)

Dashboards:

Power BI:

Attrition Analysis

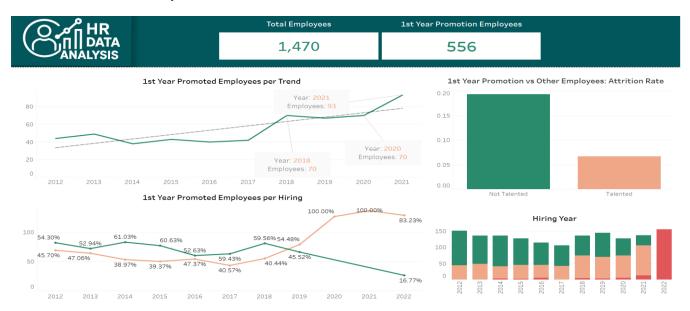


Demographic Analysis



Tableau:

• 1st Year Promotion Analysis



Insights and Recommendations:

Insights:

1. Overtime and Attrition

- Direct relationship: Strong positive correlation between overtime and employee departures
- Overtime workers who left: 127 out of 416 (30.5%)
- Proportion of all departures: Overtime workers represent 53.5% of all employees who left
- Comparative attrition rates:
 - 53.6% for employees working overtime
 - 23.4% for employees not working overtime
 - Overtime workers are 2.3 times more likely to leave
- Salary impact: Of the 127 overtime workers who left, 68 (53.5%) had belowaverage salaries

 Key insight: The combination of overtime work and lower compensation appears to be a significant driver of attrition

2. Stock Option Levels and Attrition

• Level 0 (No stock options)

Highest attrition rate: 24.4%

Overtime rate: 29.1%

o Most vulnerable employee group

Level 1

Low attrition rate: 9.4%

Significantly better retention than Level 0

• Level 2

Lowest attrition rate: 7.6%

- o Most effective stock option level for retention
- Level 3 (Highest stock options)

Unexpectedly high attrition rate: 17.6%

Overall overtime rate: 34.1%

- Departing Level 3 employees had 66.67% overtime rate
- Anomaly: Despite highest stock options, this group shows concerning attrition when combined with high overtime

3. Tenure and Attrition

- Strong inverse relationship: As employee tenure increases, attrition rate decreases significantly
- Entry-level employees: 33% attrition rate
 - o Highest vulnerability in the organization
 - o More than 4 times the attrition rate of experienced employees
- Beginner employees: 16% attrition rate
 - Moderate risk, but still more than double the rate of experienced employees
- Experienced employees: 7.4% attrition rate

- Lowest attrition group
- o Demonstrates the value of employee retention over time
- Key observation: Employees who leave typically have shorter tenure with the company
- Retention priority: Critical need to focus on entry-level employee engagement and development

4. Business Travel and Attrition

- Direct relationship: Clear correlation between increased travel frequency and higher attrition rates
- No travel: 8% attrition rate (baseline)
- Some travel: 15% attrition rate (1.9× higher than no travel)
- Frequent travel: 24.9% attrition rate (3.1× higher than no travel)
- Pattern implication: Business travel appears to be a significant stressor contributing to employee departures
- Consideration: Travel requirements may need reassessment, especially for roles with already high attrition risk factors

5. Age, Hiring Patterns and Attrition

- 2022 Hiring shift: 111 out of 155 new hires (71.6%) were young adults
 - Coincided with drop in average salary to \$97K from \$127K in 2020-2021
- Management hiring bias: 46 managers hired from 2020-2022, none were young adults
 - Potential career advancement ceiling for younger employees
 - May contribute to higher attrition among younger demographic
- Salary trend correlation with age:
 - 2018-2021: Decreasing young employee hires coincided with rising average salaries
 - 2022: Shift to predominantly young hires coincided with 24% drop in average salary
- Career progression concern: Lack of young adult representation in management roles may signal limited advancement opportunities

6. Diversity and Potential Impact on Attrition

- . Concerning trend: Significant lack of diversity in recent hiring
 - 2020-2021: 100% of new hires were white
 - o 2022: 129 out of 155 hires (83.2%) were white
- Organizational culture implications:
 - Potential for homogeneous workplace culture
 - May create inclusion challenges for non-white employees
 - Could contribute to higher attrition among minority employees
- Broader impact: Lack of diversity can limit perspectives, innovation, and company growth
- Regulatory and reputation risks: Increasingly important to stakeholders and potential recruits

7. Salary Trends and Potential Attrition Impact

- 5-year salary progression:
 - 2018: Average salary \$103K
 - 2019: Average salary \$113K (9.7% increase)
 - 2020-2021: Peak average salary \$127K (12.4% increase from 2019)
 - 2022: Drop to \$97K (23.6% decrease from 2021)
- Correlation with hiring practices:
 - Significant 2022 decrease coincides with shift to hiring predominantly younger employees
 - o This may create salary disparities among similar roles based on hire date
- Attrition risk: Employees hired during higher salary periods may perceive inequitable treatment
- Market competitiveness: 2022 salary levels may be less competitive for attracting and retaining talent

8. First-Year Promotion and Retention

- Positive trend: Increasing pattern of first-year promotions from 2018 to 2021
- Promotion rate: 300 out of 545 hires (55%) received first-year promotions

- Potential retention impact:
 - o Early promotion likely increases engagement and reduces attrition
 - May offset other attrition risk factors
- Opportunity: Further analysis needed to correlate first-year promotion with longterm retention

Recommendations:

- Review Overtime Policies
 - Minimize excessive overtime, especially for lower-paid employees, to reduce burnout and turnover.
- Improve Compensation and Benefits
 - Adjust salary structures and stock option plans to enhance retention across all employee levels.
- Strengthen Onboarding and Entry-Level Support
 - Implement mentorship and development programs to increase engagement among new hires.
- Reevaluate Business Travel Requirements
 - Reduce frequent travel for roles with high attrition risk to improve work-life balance.
- Support Early Career Advancement
 - Continue promoting high-performing employees in their first year to boost motivation and loyalty.
- Create Clear Growth Paths for Young Talent
 - Establish transparent promotion opportunities to retain younger employees and avoid career stagnation.
- Promote Diversity in Hiring
 - Adopt inclusive recruitment strategies to build a more diverse and representative workforce.
- Ensure Pay Equity Over Time
 - Monitor internal salary fairness to prevent dissatisfaction among employees hired during different periods

Conclusion:

This HR data analysis project provided critical insights into the underlying drivers of employee attrition and revealed actionable strategies to enhance retention and increase tenure. Through extensive data cleaning, feature engineering, and exploration using Power BI and Tableau, we identified key factors influencing employee turnover.

The analysis uncovered that overtime work, especially when coupled with below-average compensation, is a major contributor to attrition. Employees working overtime were found to be 2.3 times more likely to leave, and more than half of those who left earned less than the average salary. Similarly, lack of stock options, particularly at Level 0, showed the highest attrition rates, highlighting the importance of financial incentives.

Tenure analysis confirmed that new and entry-level employees face the greatest risk of leaving, with a 33% attrition rate, over 4 times higher than that of experienced employees. Moreover, frequent business travel and limited career progression, especially for young adults, emerged as additional stressors that may drive departures.

Diversity issues also surfaced, as recent hiring trends showed a lack of ethnic variety, raising potential concerns around inclusion and long-term engagement. Furthermore, the significant drop in average salaries in 2022 likely contributed to perceived inequities and higher turnover among newer employees.

On a positive note, the study revealed that early promotions (within the first year) strongly correlate with improved retention, offering a promising strategy to boost morale and reduce attrition.

In summary, this project emphasizes that a holistic, data-driven HR strategy—one that balances compensation, promotion opportunities, work-life balance, and inclusive hiring—is essential for retaining top talent and building a stable, productive workforce.