HR Department:

Employee Attrition and its Causes

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Introduction

Dataset and Data processing

Libraries









Data storage and processing

Visualization and Plotting

Model generation and evaluation

Data transformation and modelling

Dataset

Workshop-Shopee-machinelearning...

Name	Description		
AGE	Numerical Value - Age of the employee		
ATTRITION	Employee leaving the company (NO, YES)		
BUSINESS TRAVEL	Business travel frequency		
DAILY RATE	Numerical Value - Salary Level		
DEPARTMENT	Department of the employee		
DISTANCE FROM HOME	Numerical Value - THE DISTANCE FROM WORK TO HOME		
EDUCATION	Numerical Value - 1 'Below College' 2 'College' 3 'Bachelor' 4 'Master' 5 'Doctor'		
EDUCATION FIELD	Education filed of the employee		
EMPLOYEE COUNT	Numerical Value		
EMPLOYEE NUMBER	Numerical Value - EMPLOYEE ID		
ENVIROMENT SATISFACTION	Numerical Value - SATISFACTION WITH THE ENVIROMENT (1 'Low' 2 'Medium' 3 'High' 4 'Very High'		
GENDER	Gender of the employee		
HOURLY RATE	Numerical Value - HOURLY SALARY		
JOB INVOLVEMENT	Numerical Value - JOB INVOLVEMENT (1 'Low' 2 'Medium' 3 'High' 4 'Very High')		
JOB LEVEL	Numerical Value - LEVEL OF JOB (1 'Junior', 2 'Senior', 3 'Manager', 4 'Senior Manager', 5 'Director')		
JOB ROLE	Job role		
JOB SATISFACTION	Numerical Value - SATISFACTION WITH THE JOB (1 'Low' 2 'Medium' 3 'High' 4 'Very High')		
MARITAL STATUS	Marital status		
MONTHLY INCOME	Numerical Value - MONTHLY SALARY		
MONTHY RATE	Numerical Value - MONTHY RATE		
NUMCOMPANIES WORKED	Numerical Value - NO. OF COMPANIES WORKED AT		

- Features 1370 HR files with 35
 descriptive and categorial variables of
 individual anonymous employees of a
 single undisclosed company
- Includes metadata for each column in a separate documentation
- Is generally well structured, exhibiting no signs of artifacts or inconsistencies
- Can be found on kaggle.com together with the original uploaders more ML driven EDA

Processing

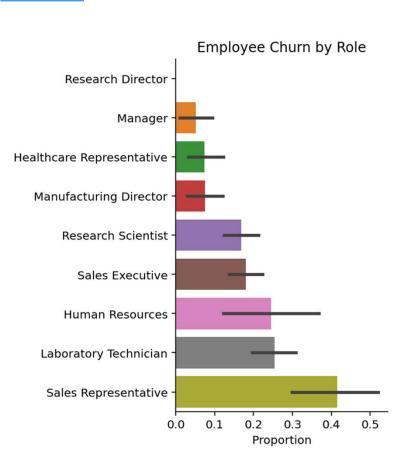
Validation and processing steps included:

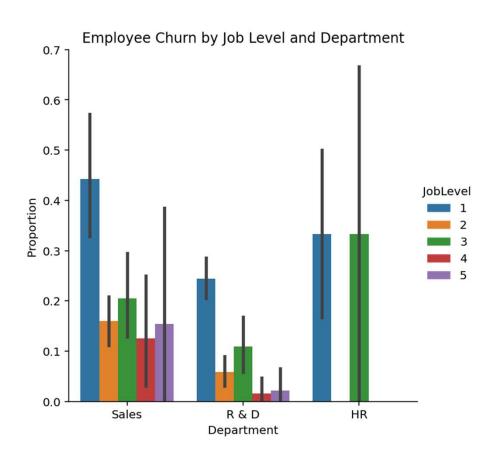
- NA Handling: None found
- Empty Values: None found
- Duplicate Entries, especially UIDs: None found
- Elimination of columns with no variance: 3 Variables
- Transformation of all categorial variables into descriptive dummies

O2 Visualization

Suggested Plots and EDA

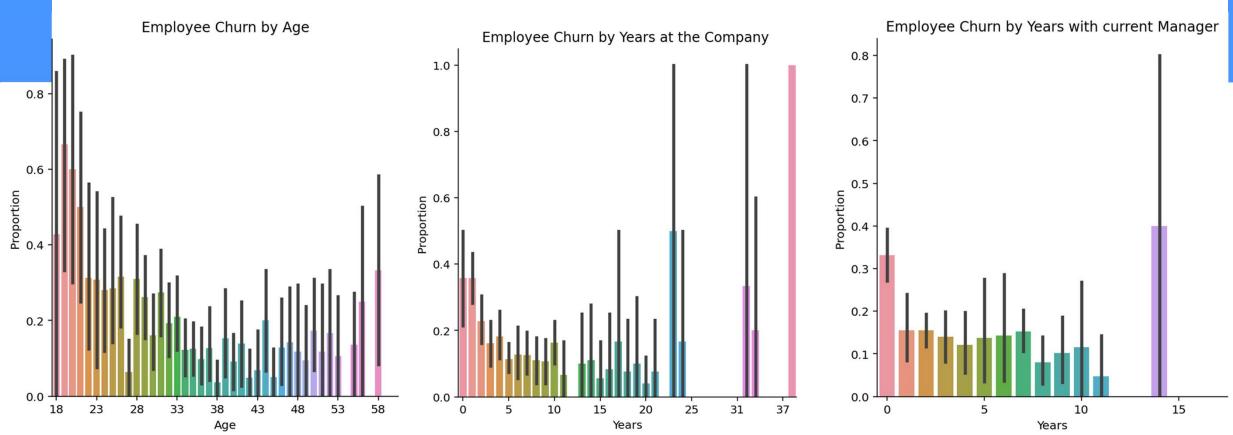
Role and Level





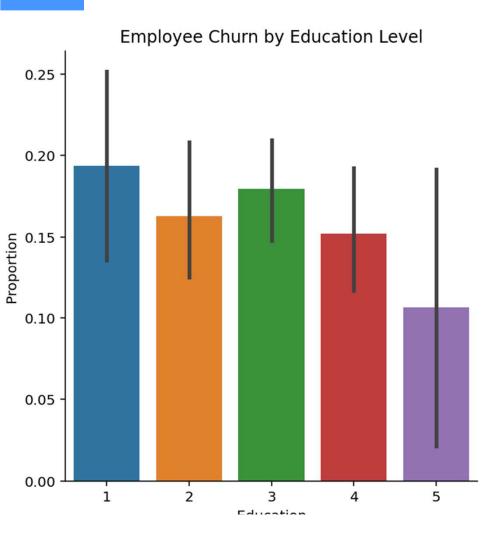
Junior employees have the highest churn rates but outward facing departments generally face increased attrition

Age and Structures



- Plot 1 shows a relative decrease in churn by age until early retirement age
- But plot 2 strongly indicates a company pension scheme
- Lastly plot 3 highlights the effect of consistent team and management structures to reduce attrition

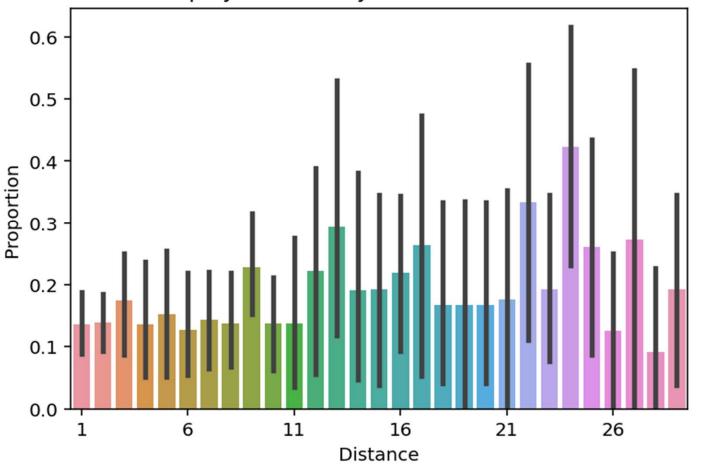
Education



- While the churn rate decreases in education level
- Our confidence intervals increase as the sample sizes for each additional degree grow smaller

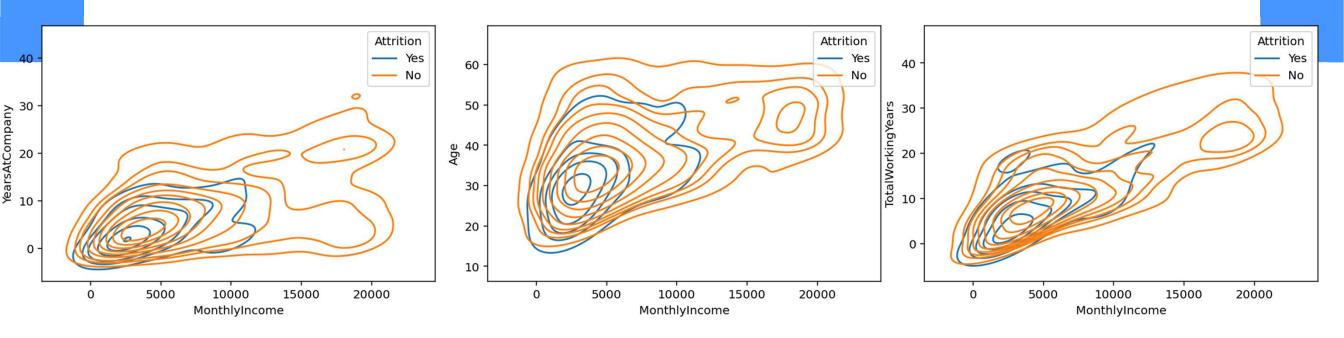
Commute





- Churn increases slightly in distance
- Regular peaks indicate changes in mode of travel, type of road and geographical features
- But variance explodes as sample sizes decrease

Income



- Employees are less likely or willing to churn as age or time at the company increases
- But attrition is still far more likely if income is on the lower end of the age~pay scale

Statistics

Summary Statistics and Correlation Analysis

Summary Statistics

	mean	std	min	50%	max
Age	36.9	9.2	18.0	36.0	60.0
DailyRate	803.9	402.8	102.0	806.5	1499.0
DistanceFromHome	9.3	8.1	1.0	7.0	29.0
Education	2.9	1.0	1.0	3.0	5.0
EmployeeNumber	1022.7	603.0	1.0	1016.5	2068.0
EnvironmentSatisfaction	2.7	1.1	1.0	3.0	4.0
HourlyRate	65.8	20.3	30.0	66.0	100.0
JobInvolvement	2.7	0.7	1.0	3.0	4.0
JobLevel	2.1	1.1	1.0	2.0	5.0
JobSatisfaction	2.7	1.1	1.0	3.0	4.0
MonthlyIncome	6521.1	4716.0	1009.0	4933.0	19999.0
MonthlyRate	14284.8	7115.6	2094.0	14225.5	26999.0
NumCompaniesWorked	2.7	2.5	0.0	2.0	9.0
PercentSalaryHike	15.2	3.7	11.0	14.0	25.0
PerformanceRating	3.2	0.4	3.0	3.0	4.0
RelationshipSatisfaction	2.7	1.1	1.0	3.0	4.0
StockOptionLevel	0.8	0.8	0.0	1.0	3.0
TotalWorkingYears	11.3	7.8	0.0	10.0	40.0
Training Times Last Year	2.8	1.3	0.0	3.0	6.0

Correlation Analysis

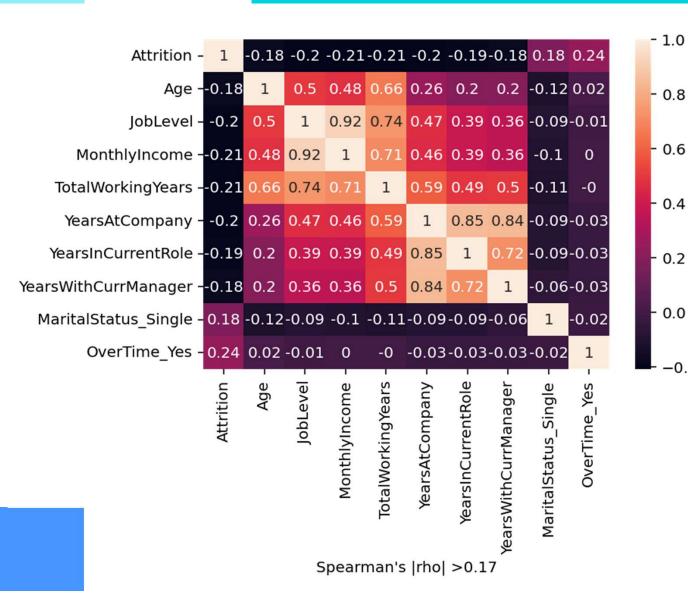
- 1.0

- 0.6

- 0.4

0.2

0.0



- Overtime has the strongest impact
- But generally, factors associated with youth and mobility, like unmarried, low job level etc. also noteworthy
- However, both soft, like consistency and hard factors, like payment in the top 10 causes

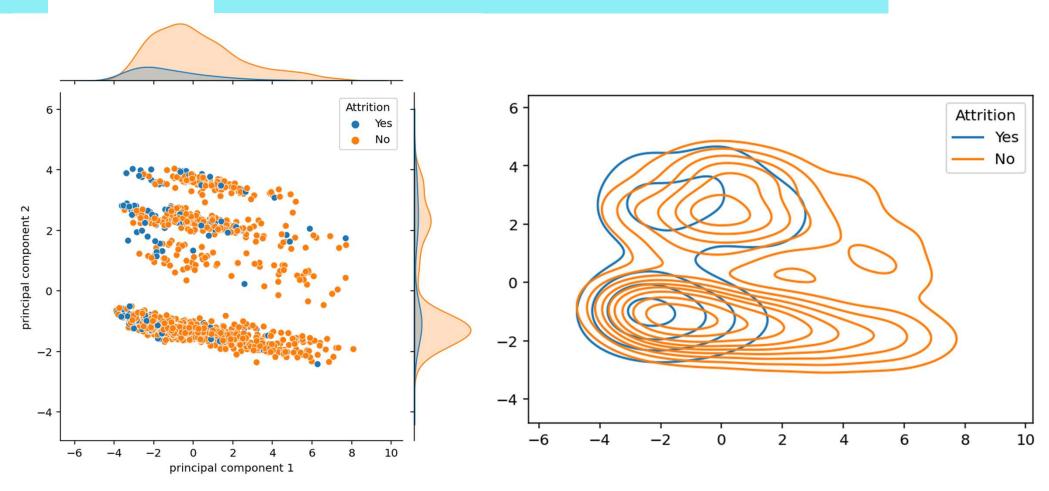
Predictive

Challenges and Opportunities

Challenges

- High dimensionality hampers intuitive and more hands-on approaches
- Endogeneity, cross-interactions and causality likely to cause issues and require additional care in analysis
- The dataset is heavily imbalanced with only 16.8% of observations churning
- Some more advanced ML algorithms require additional transformation of the data
- Part of the data-set needs to be split off to test models to avoid biased in sample predictions

Opportunities



 PCA: Enables us to visualize high dimensional data while maintaining a significant share of the original variance

Opportunities

	Coef.	Std.Err.
const	0.630008	0.076038
DistanceFromHome	0.003640	0.001086
EnvironmentSatisfaction	-0.043793	0.008052
JobInvolvement	-0.061574	0.012326
JobSatisfaction	-0.039277	0.008025
NumCompaniesWorked	0.016831	0.003894
RelationshipSatisfaction	-0.023538	0.008203
TotalWorkingYears	-0.007325	0.001630
TrainingTimesLastYear	-0.015804	0.006848
WorkLifeBalance	-0.028556	0.012642
YearsAtCompany	0.006581	0.003043
YearsInCurrentRole	-0.010343	0.003972
YearsSinceLastPromotion	0.009773	0.003523
YearsWithCurrManager	-0.009163	0.004085
BusinessTravel_Travel_Frequently	0.164672	0.034457
BusinessTravel_Travel_Rarely	0.072633	0.029854
EducationField_Human Resources	0.162593	0.065499
EducationField_Technical Degree	0.087606	0.030579
$Gender_Male$	0.041157	0.018127
JobRole_Laboratory Technician	0.114158	0.025394
JobRole_Sales Executive	0.067513	0.022609
JobRole_Sales Representative	0.228171	0.040819
MaritalStatus_Divorced	-0.150824	0.024570
$MaritalStatus_Married$	-0.124815	0.020562
OverTime_Yes	0.212079	0.019684

- Linear probabilities enable intuitive interpretation and explanation
- But consistent variance estimation is not possible
- P-value driven exploration is therefore of doubtful benefit
- Can however still perform well if benchmarked

THANKYOU

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