HR Analytics Project

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Problem statement:

Every year a lot of companies hire a number of employees. The companies invest time and money in training those employees, not just this but there are training programs within the companies for their existing employees as well. The aim of these programs is to increase the effectiveness of their employees.

Human resource analytics (HR analytics) is an area in the field of analytics that refers to applying analytic processes to the human resource department of an organization in the hope of improving employee performance and therefore getting a better return on investment. HR analytics does not just deal with gathering data on employee efficiency. Instead, it aims to provide insight into each process by gathering data and then using it to make relevant decisions about how to improve these processes.

Attrition in human resources refers to the gradual loss of employees over time. In general, relatively high attrition is problematic for companies. HR professionals often assume a leadership role in designing company compensation programs, work culture and motivation systems that help the organization retain top employees.

A major problem in high employee attrition is its cost to an organization. Job postings, hiring processes, paperwork and new hire training are some of the common expenses of losing employees and replacing them. Additionally, regular employee turnover prohibits your organization from increasing its collective knowledge base and experience over time. This is especially concerning if your business is customer facing, as customers often prefer to interact with familiar people. Errors and issues are more likely if you constantly have new workers.

Thus, in this study we will find out:

- 1) The key parameters of an employee on which attrition can be done
- 2) The strategies that can be applied to improve the employee retention and finding out the attrition in advance.

DATA ANALYSIC:

The data provided have 13 features and 1 target. All parameters are as follows:-

- 1) Age: Age of employee
- 2) Business travel: Upon on frequency of travel it is divided into three categories -:
 - a) Travel rarely
 - b) Travel frequently
 - c) Non-travel
- 3) Daily Rate: the amount of money paid per day
- 4) Department: Three departments are present in the data. They are:
 - a) Research & Development
 - b) Sales
 - c) Human resources
- 5) Distance from Home: Home distance of employee from work place.
- 6) Education: The Education is divided into five categories (1, 2, 3, 4, 5). 'Below College' 2 'College' 3 'Bachelor' 4 'Master' 5 'Doctor'
 - a) 1: 'Below College'
 - b) 2: 'College'
 - c) 3: 'Bachelor'
 - d) 4: 'Master'
 - e) 5: 'Doctorate'
- 7) Education Field: It is divided into sex categories:
 - a) Life science
 - b) Medical
 - c) Marketing
 - d) Technical Degree
 - e) Human resources
 - f) Other
- 8) Employee count
- 9) Employee Number: ID for employee
- 10) Environment Satisfaction: Numerical Value SATISFACTION WITH THE JOB (1, 2, 3, 4), where 4 is highest satisfaction.
- 11) Gender: Male & Female
- 12) Hourly Rate: Numerical Value HOURLY SALARY
- 13) OVER 18: (1=YES, 2=NO)
- 14) OVERTIME: (1=NO, 2=YES)
- 15) Job involvement: Numerical Value JOB INVOLVEMENT (1, 2, 3, 4), where 4 is the highest involvement.
- 16) Job level: Numerical Value LEVEL OF JOB (1, 2, 3, 4, 5), where 5 is the highest level of job.
- 17) Job Role: There are total 9 job role given. They are:
 - a) Sales Executive
 - b) Research Scientist
 - c) Laboratory Technician
 - d) Manufacturing Director
 - e) Healthcare Representative

- f) Manager
- g) Sales Representative
- h) Research Director
- i) Human Resources
- 18) Job satisfaction: Numerical Value SATISFACTION WITH THE JOB (1, 2, 3, 4), where 4 is the highest job satisfaction level.
- 19) Marital status: It is divided into Three categories:
 - a) Married
 - b) Single
 - Divorced
- 20) Monthly income: Numerical Value MONTHLY SALARY
- 21) MONTHY RATE: Numerical Value MONTHY RATE
- 22) NumCompaniesWorked: Numerical Value NO. OF COMPANIES WORKED AT (0, 1, 2, 3, 4, 5, 6, 7, 8)
- 23) Percent Salary Hike: Numerical Value PERCENTAGE INCREASE IN SALARY
- 24) Performance Rating: Numerical Value PERFORMANCE RATING (1, 2, 3, 4)
- 25) Relationship Satisfaction: Numerical Value RELATIONS SATISFACTION (1, 2, 3, 4)
- 26) Standard Hours: Numerical Value STANDARD HOURS
- 27) Stock Option Level: Numerical Value STOCK OPTIONS (0, 1, 2, 3)
- 28) TOTAL WORKING YEARS: Numerical Value TOTAL YEARS WORKED
- 29) Training Times Last Year: Numerical Value HOURS SPENT TRAINING
- 30) Work Life Balance: TIME SPENT BEWTWEEN WORK AND OUTSIDE. They are divided into 4 categories (1, 2, 3, 4)
- 31) Years at company: Numerical Value TOTAL NUMBER OF YEARS AT THE COMPNAY
- 32) Years in current role: Numerical Value -YEARS IN CURRENT ROLE
- 33) Years Since Last Promotion: Numerical Value LAST PROMOTION
- 34) Years with current manager: Numerical Value YEARS SPENT WITH CURRENT MANAGER

Thus, we have understood all the parameter above.

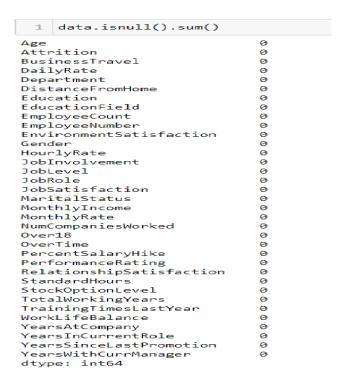
1. Importing Libraries and dataset:

Firstly, we import libraries- pandas, numpy, seaborn & matplotlib.

Through pandas we import data "HRdata.csv".

```
import pandas as pd
import numpy as np
import seaborn as sns
import matplotlib.pyplot as plt
import wapnings
   import warnings
warnings.filterwarnings('ignore')
data=pd.read_csv('HRdata.csv')
data
     Age Attrition BusinessTravel DailyRate Department DistanceFromHome Education EducationField EmployeeCount
0 41 Yes Travel_Rarely 1102
                                                        Sales
                                                                                                   2 Life Sciences
                                                                                       1
                 No Travel_Frequently
                                               279 Research &
Development
                                                                                                          Life Sciences
                                               1373 Research & 
Development
                                               1392 Research & Development
                 No Travel_Frequently
                                                                                                          Life Sciences
                       Travel Rarely
                                                                                                                Medical
```

2. Checking the null values in the data Set.



There is no null value in the dataset

3. Understanding Data

A) Finding unique values and their counts

Firstly, we load the data into Data Frame 'df'. Then we check all unique values and their counts in all attributes.

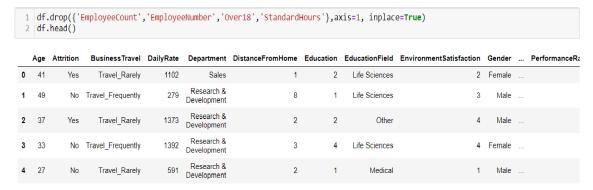
```
1 df=pd.DataFrame(data)
                                                                             Attrition
      for i in df.columns:
    print(i)
    print(df[i].value_counts())
    print('\n')
                                                                             No
                                                                                      1233
                                                                                       237
                                                                             Name: Attrition, dtype: int64
 A5333416920333338077829243444445244554555555555551165Nam
                                                                             BusinessTravel
                                                                              Travel_Rarely
                                                                                                        1043
                                                                             Travel_Frequently
Non-Travel
                                                                                                         277
                                                                                                         150
                                                                             Name: BusinessTravel, dtype: int64
                                                                             DailyRate
                                                                             691
                                                                              1082
                                                                             329
                                                                              1329
                                                                              530
                                                                              897
                                                                             891
                                                                             889
                                                                             Name: DailyRate, Length: 886, dtype: int64
                                                                             Department
                                                                              Research & Development
                                                                                                               961
                                                                              Sales
                                                                                                               446
                                                                              Human Resources
      4
e: Age, dtype: int64
                                                                             Name: Department, dtype: int64
```

```
DistanceFromHome 2 211 208 109 86 9 85 3 84 7 84 8 80 5 65 4 64 64 66 59 16 32 11 29 24 28 29 27 23 27 18 26 15 26 25 25 25 25 26 25 25 26 25 26 25 26 25 26 25 26 25 26 27 20 13 19 22 11 12 20 17 20 13 19 22 19 21 18 27 12 Name: DistanceFro
                                                                                        EmployeeCount
1 1470
Name: EmployeeCount, dtype: int64
                                                                                       EmployeeNumber
2046 1
641 1
644 1
645 1
647 1
                                                                                        1364
1367
1368
1369
2048
                                                                                        Name: EmployeeNumber, Length: 1470, dtype: int64
                                                                                        Name: EnvironmentSatisfaction, dtype: int64
                                                                                       Gender
Male 882
Female 588
Name: Gender, dtype: int64
 Name: DistanceFromHome, dtype: int64
                                                                                        HourlyRate
66 29
42 28
98 28
 Education
         572
398
282
                                                                                        48
84
                                                                                                 28
28
        170
                                                                                       31 15
68 14
53 14
38 13
34 12
Name: HourlyRate, Length: 71, dtype: int64
 Name: Education, dtype: int64
 EducationField
 Life Sciences
Medical
Marketing
Technical Degree
                                                                                        JobInvolvement
3 868
2 375
4 144
1 83
 Technical Degree 82
Other 82
Human Resources 27
Name: EducationField, dtype: int64
                                                                                        Name: JobInvolvement, dtype: int64
  JobLevel
                                                                                              MonthlyRate
         543
534
                                                                                              4223
                                                                                              9150
                                                                                                             3
         106
                                                                                              6670
                                                                                              7324
 Name: JobLevel, dtype: int64
                                                                                              4658
  JobRole
                                                                                              11585
 JobRole
Sales Executive
Research Scientist
Laboratory Technician
Manufacturing Director
Healthcare Representative
                                              326
                                                                                              15682
                                              292
259
                                                                                              3395
                                                                                                             1
                                              145
                                                                                              9541
                                                                                                             1
 Manager
Sales Representative
Research Director
Human Resources
Name: JobRole, dtype: int64
                                                                                              8192
                                                                                                             1
                                              102
                                                                                              Name: MonthlyRate, Length: 1427, dtype: int64
                                                83
                                                52
                                                                                              NumCompaniesWorked
                                                                                                    521
 JobSatisfaction
                                                                                                      197
         459
                                                                                                      159
 3
         442
                                                                                                      146
                                                                                                      139
 Name: JobSatisfaction, dtype: int64
                                                                                                        74
                                                                                                        70
                                                                                              6
 MaritalStatus
                                                                                                        63
                                                                                              5
 Married 673
Single 470
Divorced 327
Name: MaritalStatus, dtype: int64
                                                                                              9
                                                                                                        52
                                                                                              8
                                                                                                        49
                                                                                              Name: NumCompaniesWorked, dtype: int64
 MonthlyIncome
 2342
 5562
2741
                                                                                                    1470
                                                                                              Name: Over18, dtype: int64
  2451
  5381
                                                                                              OverTime
  13577
                                                                                              No 1054
  12965
  3339
                                                                                                          416
                                                                                              Yes
  14336
                                                                                             Name: OverTime, dtype: int64
 Name: MonthlyIncome, Length: 1349, dtype: int64
```

```
TotalWorkingYears
10 202
6 125
8 103
9 96
5 88
1 81
7 81
4 63
12 48
3 42
15 40
16 37
13 36
11 36
11 36
11 36
12 31
22 31
14 31
22 31
14 31
22 31
14 31
20 30
18 27
19 22
23 22
24 18
27 19
28 14
28 14
29 10
31 9
32 9
37 7
33 7
36 6
34 5
37 4
35 3
40 2
38 1
 PercentSalaryHike
 11
13
14
12
15
18
17
16
19
22
20
21
23
24
25
              201
                48
 Name: PercentSalaryHike, dtype: int64
PerformanceRating
3 1244
4 226
Name: PerformanceRating, dtype: int64
 RelationshipSatisfaction
            303
 1 276
Name: RelationshipSatisfaction, dtype: int64
 StandardHours
 80 1470
Name: StandardHours, dtype: int64
                                                                                                               Name: TotalWorkingYears, dtype: int64
                                                                                                              TrainingTimesLastYear
2 547
3 491
4 123
5 119
1 71
6 65
0 54
Name: TrainingTimesLastYear, dtype: int64
 StockOptionLevel
            596
            158
 3 85
Name: StockOptionLevel, dtype: int64
                                                                                                                    YearsInCurrentRole
2 372
8 244
7 222
3 135
4 104
8 89
9 67
1 57
6 37
6 37
6 37
1 22
13 14
14 11
12 10
15 8
16 8
17
17 4
18 11
18 2
Name: YearsInCurrent
WorkLifeBalance
3 2 4
           153
1 80
Name: WorkLifeBalance, dtype: int64
YearsAtCompany
5 196
1 171
3 128
2 127
10 120
4
7
9
8
6
0
11
20
13
15
14
22
12
21
             110
               90
82
               80
76
44
               32
27
               24
                20
18
               15
               14
18
16
19
17
24
33
25
26
31
32
36
27
29
23
34
37
               13
12
                                                                                                                           e: YearsSinceLastPromotion, dtype: int64
Name: YearsAtCompany, dtype: int64
                                                                                                                                YearsWithCurrManager, dtype: int64
```

The following points we understand:-

- a) Over18, Employee Count and Standard Hours have one unique value only, thus, we can drop it.
- b) All employees have unique IDs, so we can also drop "EmployeeNumber' column.

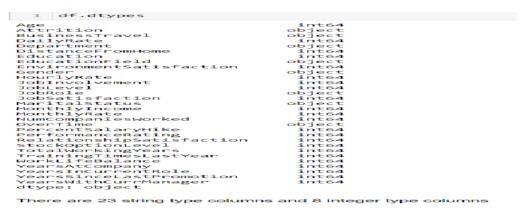


5 rows × 31 columns

Thus, we have drop 'EmployeeCount', 'EmployeeNumber', 'Over18', 'StandardHours' attributes. Now, there are 30 attributes and 1 target variable.

B) Finding data types

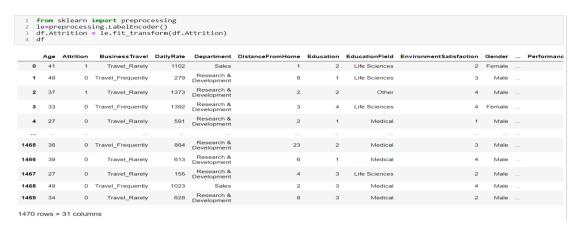
We check the data types of all the columns.



There are 23 string type columns and 8 integer type columns

C) Transforming target variables

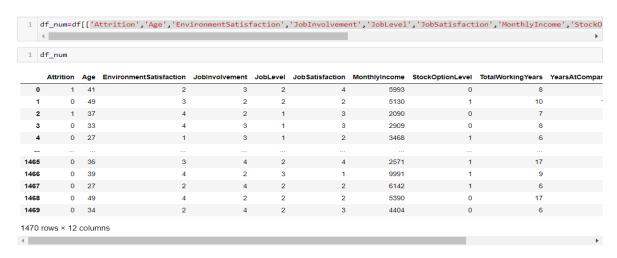
Now, we convert attrition values from ('yes' & 'No') to (1, 0).



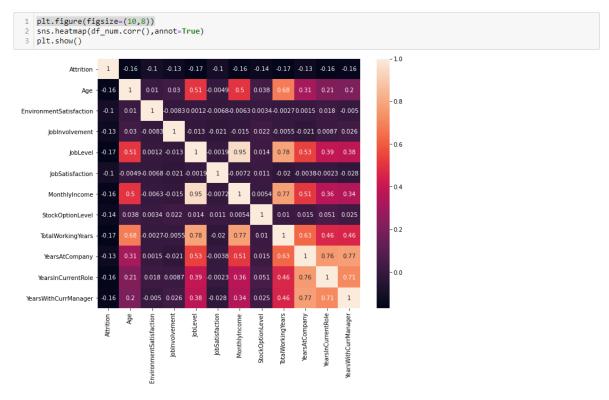
D) Studying Correlation of target with other variables.



Attributes - 'Age', 'EnvironmentSatisfaction', 'JobInvolvement', 'JobLevel', 'JobSatisfaction', 'MonthlyIncome', 'StockOptionLevel', 'TotalWorkingYears', 'YearsAtCompany', 'YearsInCurrentRole', 'YearsWithCurrManager' have considerable correlation with 'Attrition'. Thus, we will copy this column in new data frame 'df_num'.



We now check correlation of target with other variables in new data Frame 'df-num'



'YearATCompany' have good correlation with 'YearsInCurrentRole' & 'YearsWithCurrManager' and lowest correlation with 'Attrition' as compare to both of them. So we can drop it. 'MonthlyIncome' 'JobLevel' are highly correlated, thus we can drop any one.

'YearATCompany' have good correlation with 'YearsInCurrentRole' & 'YearsWithCurrManager' and lowest correlation with 'Attrition' as compare to both of them. So we can drop it.
 'MonthlyIncome' 'JobLevel' has high correlation with each other, thus we can drop any one.



3

0

8

7

Thus, we have drop 'MonthlyIncome' & 'YearsAtCompany'.

4

3

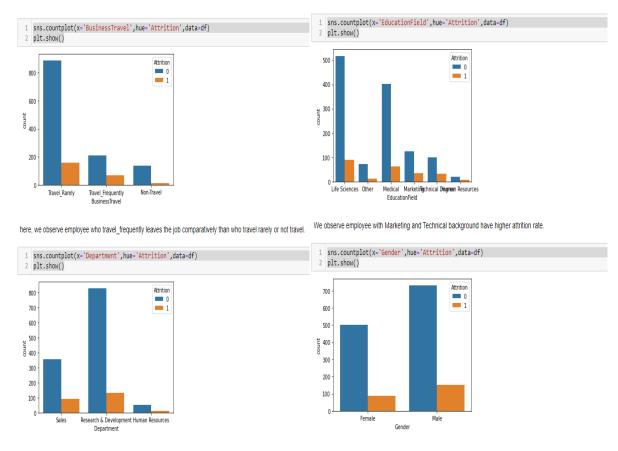
4. EDA

3

0 33

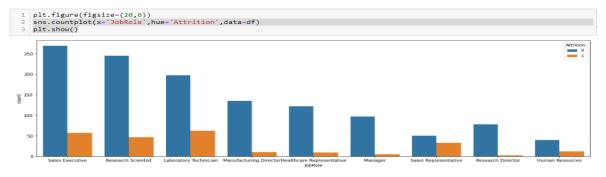
0 27

Now, we try to understand graphically relationship of Target variable with other variables.

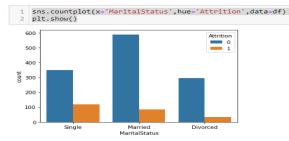


Here, we observe employee from sales Department have higher attrition ratio.

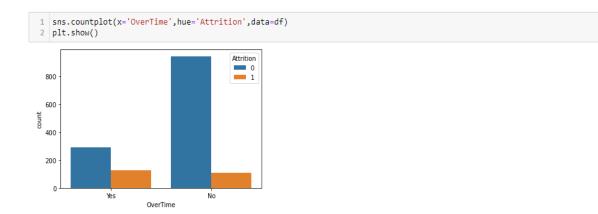
we observe Male have comparatively higher attrition rate than female. But the difference is small around 2-4% $\,$



here, we observe employees with Laboratory Technician, Sale representative & Human resouse job role have higher attrition rate



We observe single employees have higher attrition rate.



Employees working overtime have higher attrition rate

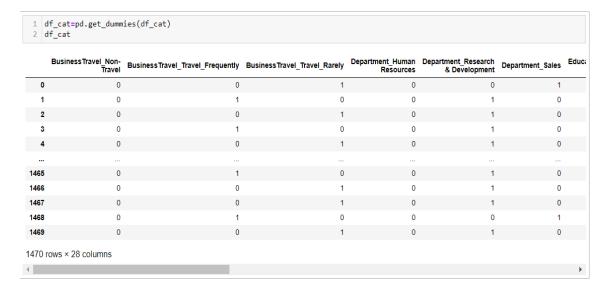
```
df_cat=df[['BusinessTravel', 'Department','EducationField','Gender', 'JobRole' , 'MaritalStatus','OverTime']].copy()
df_cat.head()
```

	BusinessTravel	Department	EducationField	Gender	JobRole	Marital Status	OverTime
0	Travel_Rarely	Sales	Life Sciences	Female	Sales Executive	Single	Yes
1	Travel_Frequently	Research & Development	Life Sciences	Male	Research Scientist	Married	No
2	Travel_Rarely	Research & Development	Other	Male	Laboratory Technician	Single	Yes
3	Travel_Frequently	Research & Development	Life Sciences	Female	Research Scientist	Married	Yes
4	Travel_Rarely	Research & Development	Medical	Male	Laboratory Technician	Married	No

- A) The following points have been observed from the above graphs:-
 - 1) We observe that employees, who travel frequently in job, have higher attrition rates than employees than who travel rarely or not travel.
 - 2) We observe employees from sales Department have higher attrition ratio.
 - 3) We observe employees with Marketing and Technical background have higher attrition rate.
 - 4) We observe Male employees have comparatively higher attrition rate than female employees. But the difference is small around 2-4%.
 - 5) We observe employees with Laboratory Technician, Sale representative & Human recourse job role have higher attrition rate.
 - 6) We observe single employees have higher attrition rate.
 - 7) Employees working overtime have higher attrition rate.

Thus we new form a new data frame 'df_cat' with columns 'BusinessTravel', 'Department', 'EducationField', 'Gender', 'JobRole', 'MaritalStatus', 'OverTime' having non-numercial values.

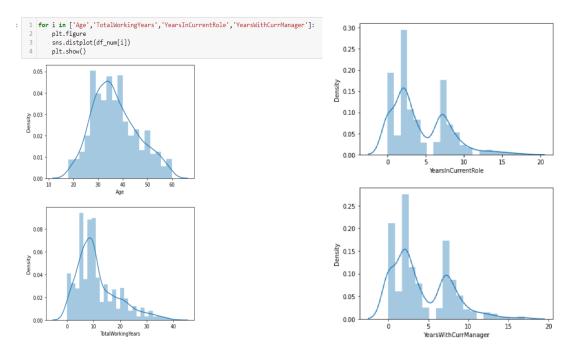
B) Applying get_dummies function on df_cat Data Frame.



C) Joining df_num & df_cat Data fame into df_hr.

	<pre>df_hr=pd.concat([df_num,df_cat],axis=1) df_hr</pre>										
	Attrition	Age	EnvironmentSatisfaction	Jobinvolvement	JobLevel	Job Satisfaction	StockOptionLevel	TotalWorkingYears	YearsinCurrentRole	YearsWith(
0	1	41	2	3	2	4	0	8	4		
1	0	49	3	2	2	2	1	10	7		
2	1	37	4	2	1	3	0	7	0		
3	0	33	4	3	1	3	0	8	7		
4	0	27	1	3	1	2	1	6	2		
1465	0	36	3	4	2	4	1	17	2		
1466	0	39	4	2	3	1	1	9	7		
1467	0	27	2	4	2	2	1	6	2		
1468	0	49	4	2	2	2	0	17	6		
1469	0	34	2	4	2	3	0	6	3		

D) 'Age', 'TotalWorkingYears', 'YearsInCurrentRole', 'YearsWithCurrManager' have considerable sknewness. It can be ignored, as it may affect the correlation with the target variable.



Thus, we can see below, 'df_hr' data frame have all attributes of integer data type.



5. Model Development and Evaluation

Now, we drop 'Attrition' target variable from df_hr and store the remaining data in x and store the 'attribute' in y.



The shape of x is (1470, 37) and y is same is (1470,1). Thus, both have same no. of columns.

The algorithms used for training and testing are LogisticRegression(), DecisionTreeClassifier(), KneighborsClassifier() & SpaceVectorClassifier()

MODEL SELECTION

```
from sklearn.model_selection import train_test_split, cross_val_score
from sklearn.linear_model import LogisticRegression
from sklearn.metrics import accuracy_score,confusion_matrix,classification_report
from sklearn.tree import DecisionTreeClassifier
from sklearn.neighbors import KNeighborsClassifier
from sklearn.svm import SVC
1 x train,x test,y train,y test=train test split(x,y,test size=0.20,random state=42)
```

The key metrics used are Accuracy score, Confusion matrix and classification report.

```
model=[DecisionTreeClassifier(), KNeighborsClassifier(), SVC()]
   for i in model:
      print(i)
      i.fit(x_train,y_train)
     print('\n')
10
DecisionTreeClassifier()
Accuracy score : 0.7755102040816326
Confusion matrix :
[[215 40]
 [ 26 13]]
Classification report:
            precision recall f1-score support
             0.89 0.84
0.25 0.33
                                        255
                                0.87
         0
                                0.28
                               0.78
                                        294
294
294
macro avg 0.57 0.59 0.57
weighted avg 0.81 0.78 0.79
```

```
KNeighborsClassifier()
Accuracy score : 0.8571428571428571
Confusion matrix :
[[247 8]
[34 5]]
Classification report:
              precision
                          recall f1-score
                                            support
          0
                 0.88
                          0.97
                                    0.92
                                               255
                 0.38
                           0.13
                                    0.19
                                               39
          1
                                               294
   accuracy
                                    0.86
                 0.63
  macro avg
                           0.55
                                     0.56
                                               294
weighted avg
                 0.81
                           0.86
                                     0.82
                                               294
************
SVC()
Accuracy score : 0.8673469387755102
Confusion matrix :
[[255 0]
[39 0]]
Classification report:
              precision
                          recall f1-score
                                            support
                 0.87
                                    0.93
                                               255
          0
                          1.00
                           0.00
                 0.00
                                    0.00
                                               39
                                               294
   accuracy
                                    0.87
                 0.43
                           0.50
  macro avg
                                     0.46
                                               294
weighted avg
                 0.75
                           0.87
                                     0.81
                                               294
```

Since, SVC() gives no zero fi-score to value '1', we reject it. KNeighborsClassifier() has the best accuracy score.

A) ENSEMBLE TECHNIQUE

ENSEMBLE

```
1 from sklearn.ensemble import RandomForestClassifier
   rf=RandomForestClassifier(random_state=42)
 3 rf.fit(x_train,y_train)
 4 pred2=rf.predict(x_test)
 print('Accuracy Score:',accuracy_score(y_test,pred))
print('Confusion matrix:',confusion_matrix(y_test,pred))
 7 print('Classification report', classification_report(y_test, pred))
Accuracy Score: 0.8673469387755102
Confusion matrix: [[255 0]
 [ 39
       0]]
Classification report
                                    precision recall f1-score support
                   0.87
                             1.00
                                        0.93
                                                    255
                   0.00
                                        0.00
           1
                              0.00
                                                     39
                                        0.87
                                                    294
   accuracy
   macro avg
                  0.43
                            0.50
                                       0.46
                                                    294
                   0.75
                              0.87
                                         0.81
                                                    294
weighted avg
```

Although it give good accuracy score, but it has zero fi-score for value '1'. We reject it.

CROSS VALIDATION

```
1:
    1
       for i in model:
          cross=cross_val_score(i,x,y,cv=5)
    2
    3
          print(i)
    4
          print('Score:',cross)
    5
          print('Mean_score:',cross.mean())
          print('STD_score:',cross.std())
          print('*******************/n')
    7
   DecisionTreeClassifier()
   Score: [0.81292517 0.82653061 0.79931973 0.74489796 0.82653061]
   Mean_score: 0.8020408163265307
   STD score: 0.03030075843717018
   ***********/n
   KNeighborsClassifier()
   Score: [0.81292517 0.84693878 0.85034014 0.83333333 0.84693878]
   Mean score: 0.8380952380952381
   STD score: 0.013874883030184445
   ************/n
   Score: [0.83673469 0.83673469 0.84013605 0.84013605 0.84013605]
   Mean score: 0.8387755102040817
   STD score: 0.0016663195529137286
   _
******************/n
1:
    1 cross=cross val score(rf,x,y,cv=5)
    2 print('RandomForestClassifier()')
    3 print('Score:',cross)
    4 print('Mean_score:',cross.mean())
    5 print('STD_score:',cross.std())
    6 print('******************/n')
   RandomForestClassifier()
   Score: [0.83673469 0.86394558 0.86394558 0.85714286 0.86734694]
   Mean_score: 0.8578231292517007
   STD score: 0.011053113475695153
   ***********/n
```

There is high difference of highest score and lowest score in DecisionTreeClassifier(). Thus, we reject it.

KNeighborsClassifier(), SVC() & RandomForestClassfier() has good cross validation.

Since KNeighborsClassifier gave the highest accuracy score. We pass it on to Hyperparameter Tuning.

HYPERPARAMETER TUNING

```
1 from sklearn.model_selection import GridSearchCV
    parameters = {'n_neighbors':[1,10]}
    3 knc=KNeighborsClassifier()
    4 Grid=GridSearchCV(knc,parameters)
    5 Grid.fit(x train,y train)
: GridSearchCV(estimator=KNeighborsClassifier(),
               param_grid={'n_neighbors': [1, 10]})
    1 Grid.best_params_
|: {'n neighbors': 10}
    1 knc2=KNeighborsClassifier(n_neighbors=10)
    2 knc2.fit(x_train,y_train)
    3 pred=knc2.predict(x_test)
    4 print('Accuracy score :', accuracy_score(y_test,pred))
    5 print('Confusion matrix :\n', confusion_matrix(y_test,pred))
    6 print('Classification report: \n ', classification_report(y_test,pred))
  Accuracy score: 0.8741496598639455
  Confusion matrix :
   [[254 1]
   [ 36 3]]
  Classification report:
                  precision
                               recall f1-score support
             0
                     0.88
                               1.00
                                         0.93
                                                    255
                               0.08
             1
                     0.75
                                         0.14
                                                     39
                                         0.87
                                                    294
      accuracy
                     0.81
                               0.54
                                         0.54
                                                    294
     macro avg
  weighted avg
                     0.86
                               0.87
                                         0.83
                                                    294
```

Thus, by applying hyperparameter tunning, we have find out, the algorithm will give best result with the number of neighbors to be 10.

We apply it again and found the result as shown above.

It gives an accuracy score of 87.42%