**EMPLOYEE TURNOVER PREDICTION**

## A MINI PROJECT REPORT 18CSC305J - ARTIFICIAL INTELLIGENCE

***Submitted by***

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***in partial fulfillment for the award of the degree of***

## BACHELOR OF TECHNOLOGY

in

# COMPUTER SCIENCE & ENGINEERING

of

## FACULTY OF ENGINEERING AND TECHNOLOGY



S.R.M. Nagar, Kattankulathur, Chengalpattu District

## MAY 2024

**SRM INSTITUTE OF SCIENCE AND TECHNOLOGY**

(Under Section 3 of UGC Act, 1956)

# BONAFIDE CERTIFICATE

Certified that Mini project report titled **“EMPLOYEE TURNOVER PREDICTION”** is the bona fide work of **DEEPAK KUMAR DAS (RA2111026010374)** and **ARYAN KUMAR JAISWAL (RA2111026010371)** who carried out the minor project under my supervision. Certified further, that to the best of my knowledge, the work reported herein does not form any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

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# ABSTRACT

This project focuses on Employee Turnover Prediction, a vital aspect of organizational management aimed at forecasting the likelihood of employees leaving a company within a specified period. By leveraging classification techniques, the project addresses the challenges faced by businesses in anticipating and mitigating employee turnover.

Beginning with data preprocessing, the project gathers insights from comprehensive dataset analysis, including statistical summaries and visualization techniques. Key steps involve handling missing values, transforming categorical variables into numerical form, and detecting outliers. Through exploratory data analysis, the project uncovers correlations and selects relevant features critical for prediction accuracy.

Following feature selection, the dataset undergoes train-test split for model building. Employing logistic regression, decision tree, and random forest algorithms, the project constructs predictive models to forecast employee turnover. Model evaluation involves metrics such as classification report, confusion matrix, and Receiver Operating Characteristic (ROC) curve analysis, providing insights into model performance and accuracy.

Furthermore, feature importance analysis identifies critical factors influencing turnover predictions, offering valuable insights for organizational decision-making. By presenting a structured approach to employee turnover prediction using machine learning techniques, this project contributes to enhancing workforce management strategies and fostering a healthier organizational culture.

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# CHATPER 1 INTRODUCTION

Employee turnover is a pressing concern for organizations, impacting productivity, morale, and overall performance. Predicting employee turnover is crucial for workforce planning and creating strategies to enhance workplace satisfaction. In this project, we present a structured approach to predicting employee turnover using classification techniques.

**1.1. MOTIVATION:**

High employee turnover can significantly disrupt organizational operations and incur substantial costs. Factors such as job dissatisfaction, lack of career growth opportunities, and poor work-life balance contribute to employee attrition. Understanding and predicting turnover patterns enable companies to proactively address retention issues, improve employee engagement, and foster a positive work environment.

**1.2. OBJECTIVE:**

The primary objective of this project is to develop a predictive model capable of identifying employees at risk of leaving the organization. By leveraging machine learning algorithms, we aim to analyze historical data and extract insights to forecast employee turnover accurately. The ultimate goal is to empower organizations with the ability to anticipate turnover trends and implement targeted interventions to retain valuable talent.

**1.3. PROBLEM STATEMENT:**

Employee turnover poses a significant challenge for organizations across industries, with repercussions on productivity, team dynamics, and organizational culture. Despite efforts to address turnover, identifying at-risk employees remains a complex task. Traditional methods often lack accuracy and fail to capture underlying factors driving employee attrition. This project seeks to overcome these limitations by employing advanced analytics and predictive modeling techniques.

**1.4. CHALLENGES:**

Developing an effective employee turnover prediction model entails several challenges, including:

* Data Quality: Ensuring the availability and quality of relevant data, including employee demographics, performance metrics, and satisfaction surveys.
* Feature Selection: Identifying the most predictive variables influencing turnover and selecting appropriate features for model training.
* Class Imbalance: Addressing class imbalance issues inherent in turnover prediction tasks, where the number of employees leaving the organization may be significantly lower than those staying.
* Interpretability: Balancing model complexity with interpretability to ensure actionable insights for decision-makers.
* Model Generalization: Building models that generalize well to unseen data and are robust across different organizational contexts and time periods. By addressing these challenges, this project aims to provide organizations with a reliable tool for predicting employee turnover and implementing proactive retention strategies. Through data-driven insights, organizations can optimize their workforce management practices and foster a supportive and engaging workplace culture

# CHATPER 2 LITERATURE SURVEY

## AUTHORS:

* + Yaman Albadawi
  + Mohammed Awad

## TITLE:

* + A Predictive Analysis of Employee Turnover: A Comprehensive Approach

## DATASET:

* + The dataset used in this project comprises historical employee data, including demographics, performance metrics, and employment details. Due to privacy concerns, the dataset is not publicly available.

## METHODS:

* + Logistic Regression, Decision Tree, Random Fores,t Recursive Feature Elimination (RFE) , Exploratory Data Analysis (EDA) , Data Visualization Techniques, Feature Engineering

## REMARKS:

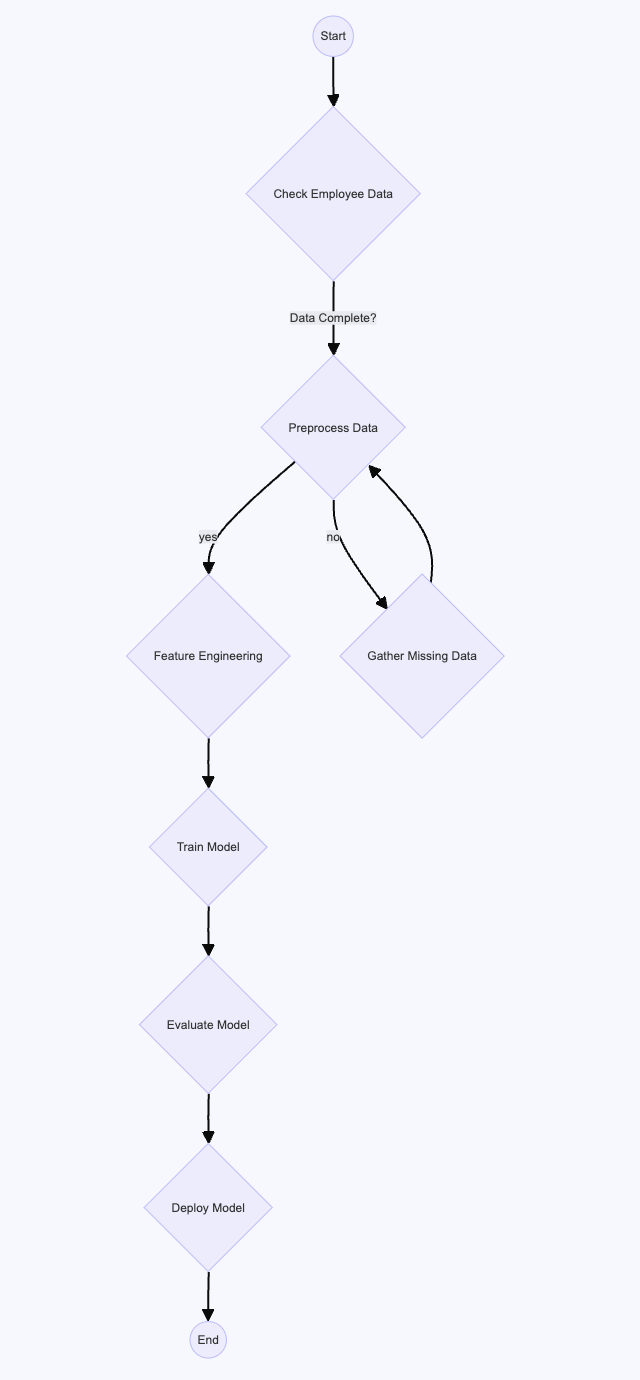
* + Logistic regression, decision tree, and random forest algorithms are employed for predicting employee turnover based on historical data.
  + Recursive Feature Elimination (RFE) is utilized for selecting the most relevant features contributing to turnover prediction. Exploratory
  + Data Analysis (EDA) techniques are applied to gain insights into the dataset's characteristics and identify potential patterns.The project emphasizes the significance of accurate prediction in workforce planning and organizational management. Insights derived from the analysis contribute to understanding the underlying factors driving employee turnover and formulating effective retention strategies.

## TECHNOLOGY USED:

* + **PYTHON:** Python serves as the core programming language for developing the employee turnover prediction system. Leveraging Python's versatility, developers can implement various machine learning algorithms, handle data preprocessing tasks efficiently, and create intuitive data visualizations. Additionally, Python's rich ecosystem of libraries, such as pandas, NumPy, and scikit-learn, provides robust support for data analysis and model building.
  + **JUPYTER NOTEBOOK:** Jupyter Notebook is employed as an interactive computing environment for prototyping, experimenting, and documenting the employee turnover prediction project. With Jupyter Notebook's ability to combine code, visualizations, and explanatory text in a single document, developers can iteratively explore data, develop models, and communicate findings effectively.
  + **SCIKIT-LEARN:** Scikit-learn, a popular machine learning library in Python, is utilized for implementing various classification algorithms, including logistic regression, decision trees, and random forests. Scikit-learn offers a user-friendly interface, extensive documentation, and efficient implementations of machine learning algorithms, making it well-suited for predictive modeling tasks.
  + **MATPLOTLIB AND SEABORN:** Matplotlib and Seaborn are utilized for data visualization purposes in the employee turnover prediction project. These libraries enable developers to create insightful plots, such as scatter plots, histograms, and heatmaps, to explore relationships within the dataset, identify trends, and communicate findings effectively.
  + **PANDAS:** Pandas is utilized for data manipulation and preprocessing tasks in the employee turnover prediction project. With its powerful data structures and functions for handling structured data, Pandas enables developers to clean, transform, and analyze the dataset efficiently, preparing it for model building.
  + **NUMPY:** NumPy is employed for numerical computing tasks in the employee turnover prediction project. NumPy's array-based data structures and mathematical functions facilitate efficient data manipulation and computation, enabling developers to perform advanced operations on the dataset and machine learning models.
  + **TENSORFLOW / PYTORCH:** TensorFlow or PyTorch may be employed for implementing deep learning models in the employee turnover prediction project, particularly for tasks such as natural language processing or advanced feature extraction from unstructured data sources. These deep learning frameworks provide powerful tools for building and training neural networks, enabling developers to explore complex patterns in the dataset.
  + **XGBOOST / LIGHTGBM:** XGBoost or LightGBM may be utilized for gradient boosting tasks in the employee turnover prediction project. These libraries offer highly efficient implementations of gradient boosting algorithms, which are known for their superior performance in predictive modeling tasks, particularly with structured data.
  + **FLASK / FASTAPI:** Flask or FastAPI can be used for deploying the employee turnover prediction model as a web service or API. These lightweight web frameworks in Python enable developers to create scalable and RESTful APIs for integrating the predictive model into various applications or platforms.

# CHAPTER 3

**SYSTEM ARCHITECTURE AND DESIGN**

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**Fig 3.1**

## BRIEF DESCRIPTION:

● **Data Collection:** Historical employee data is gathered from various sources within the organization, including HR databases, performance reviews, and exit interviews.

● **Data Preprocessing:** The dataset undergoes preprocessing steps, including handling missing values, encoding categorical variables, and scaling numerical features. This ensures that the data is clean and ready for model training.

● **Feature Engineering:** Relevant features are extracted from the dataset to capture factors influencing employee turnover, such as satisfaction level, last evaluation, time spent at the company, work accidents, promotions in the last 5 years, department, and salary level.

● **Model Training:** Machine learning algorithms, such as logistic regression, decision trees, and random forests, are trained on the preprocessed dataset to predict employee turnover. The models learn patterns and relationships within the data to make accurate predictions.

● **Model Evaluation:** The trained models are evaluated using various performance metrics, including accuracy, precision, recall, and F1-score. This assesses the models' effectiveness in predicting employee turnover and helps identify the best-performing algorithm.

● **Deployment:** The selected model is deployed into production, allowing stakeholders to use it for real-time predictions or integrate it into existing HR systems. Regular monitoring and updates ensure the model's continued accuracy and relevance in predicting employee turnover.

# CHAPTER 4 METHODOLOGY

1. **DATA GATHERING AND PREPROCESSING:**

* **DATA COLLECTION:** Gather historical employee data from various sources, including HR databases, performance reviews, and exit interviews.
* DATA PREPROCESSING: Perform preprocessing steps such as handling missing values, encoding categorical variables, and scaling numerical features to ensure data quality and consistency.

1. **FEATURE ENGINEERING:**

* **FEATURE SELECTION:** Identify relevant features that may influence employee turnover, such as satisfaction level, last evaluation, time spent at the company, work accidents, promotions in the last 5 years, department, and salary level.
* **FEATURE TRANSFORMATION:** Transform features as needed, such as converting categorical variables into numerical representations, creating new features through aggregation or interaction, and scaling features to a common range.

1. **MODEL BUILDING:**

* **ALGORITHM SELECTION:** Choose appropriate machine learning algorithms for predicting employee turnover, such as logistic regression, decision trees, and random forests, based on the nature of the problem and dataset characteristics.
* **MODEL TRAINING:** Train the selected models using the preprocessed dataset to learn patterns and relationships between employee features and turnover.
* **MODEL EVALUATION:** Evaluate the trained models using performance metrics such as accuracy, precision, recall, and F1-score to assess their effectiveness in predicting employee turnover.

1. **INSIGHTS AND ACTIONABLE STRATEGIES:**

* **INTERPRETATION OF RESULTS:** Interpret the model outputs and insights gained from the analysis to understand the factors contributing to employee turnover and their relative importance.
* **FORMULATION OF RETENTION STRATEGIES:** Develop targeted retention strategies based on the identified factors influencing turnover, such as improving workplace satisfaction, providing career growth opportunities, enhancing employee benefits, and implementing effective performance management practices.

1. **DEPLOYMENT AND MONITORING:**

* **MODEL DEPLOYMENT:** Deploy the trained model into production to enable stakeholders to use it for real-time predictions or integrate it into existing HR systems.
* **MONITORING AND ITERATION:** Regularly monitor the model's performance and update it as needed based on changes in the dataset or business environment to ensure its continued accuracy and relevance in predicting employee turnover. This analysis provides a structured approach to understanding and addressing employee turnover within an organization, leveraging data-driven insights to inform retention strategies and improve workforce management practices.

# CHAPTER 5 CODING AND TESTING

# Importing libraries

import numpy as np

import pandas as pd

import matplotlib.pyplot as plt

import seaborn as sns

from sklearn.feature\_selection import RFE

from sklearn.linear\_model import LogisticRegression

from sklearn.model\_selection import train\_test\_split

from sklearn.metrics import classification\_report, confusion\_matrix, roc\_auc\_score, roc\_curve

from sklearn.ensemble import RandomForestClassifier

# Importing dataset

df = pd.read\_csv('dataset.csv')

# Renaming columns for better readability

df = df.rename(columns={'sales': 'department'})

# Combining similar departments

df['department'] = np.where(df['department'] == 'support', 'technical', df['department'])

# Encoding categorical variables

depart = pd.get\_dummies(df['department'], prefix='department', drop\_first=True)

sales = pd.get\_dummies(df['salary'], prefix='salary', drop\_first=True)

df = df.join(depart)

df = df.join(sales)

cols = ['department', 'salary']

df.drop(cols, axis=1, inplace=True)

# Data Visualization

plt.figure(figsize=(15, 25))

plt\_num = 1

for col in df.columns:

if plt\_num < 5:

plt.subplot(5, 2, plt\_num)

sns.distplot(df[col])

plt\_num += 1

plt.tight\_layout()

plt.figure(figsize=(15, 25))

plt\_num = 1

for col in df.columns:

if plt\_num < 5:

plt.subplot(5, 2, plt\_num)

sns.boxplot(y=df[col])

plt\_num += 1

plt.tight\_layout()

plt.figure(figsize=(15, 25))

plt\_num = 1

for col in df.columns:

if plt\_num < 5:

plt.subplot(5, 2, plt\_num)

sns.countplot(df[col])

plt\_num += 1

plt.tight\_layout()

sns.pairplot(data=df[:9])

plt.figure(figsize=(20, 30))

sns.heatmap(df.corr(), annot=True, fmt='.0%')

# Feature Selection

X = df.drop('left', axis=1)

y = df['left']

model = LogisticRegression()

rfe = RFE(model, 10)

rfe = rfe.fit(X, y)

print(rfe.support\_)

print(rfe.ranking\_)

new\_cols = ['satisfaction\_level', 'last\_evaluation', 'time\_spend\_company', 'Work\_accident', 'promotion\_last\_5years',

'department\_RandD', 'department\_hr', 'department\_management', 'salary\_low', 'salary\_medium']

X = df[new\_cols]

# Train and Test Split

X\_train, X\_test, y\_train, y\_test = train\_test\_split(X, y, test\_size=0.3, random\_state=92)

# Model Building - Logistic Regression

model\_logistic = LogisticRegression()

model\_logistic.fit(X\_train, y\_train)

# Model Building - Random Forest

model\_rf = RandomForestClassifier()

model\_rf.fit(X\_train, y\_train)

# Model Evaluation

print("Logistic Regression:")

print(classification\_report(y\_test, model\_logistic.predict(X\_test)))

print("Random Forest:")

print(classification\_report(y\_test, model\_rf.predict(X\_test)))

# Confusion Matrix for Random Forest

forest\_cm = confusion\_matrix(y\_pred, y\_test, labels=[1, 0])

sns.heatmap(forest\_cm, annot=True, fmt='.2f', xticklabels=["Left", "Stayed"], yticklabels=["Left", "Stayed"])

plt.ylabel('True class')

plt.xlabel('Predicted class')

plt.title('Random Forest')

# ROC Curve

logit\_roc\_auc = roc\_auc\_score(y\_test, model\_logistic.predict(X\_test))

fpr, tpr, thresholds = roc\_curve(y\_test, model\_logistic.predict\_proba(X\_test)[:, 1])

rf\_roc\_auc = roc\_auc\_score(y\_test, model\_rf.predict(X\_test))

rf\_fpr, rf\_tpr, rf\_thresholds = roc\_curve(y\_test, model\_rf.predict\_proba(X\_test)[:, 1])

plt.figure()

plt.plot(fpr, tpr, label='Logistic Regression (area = %0.2f)' % logit\_roc\_auc)

plt.plot(rf\_fpr, rf\_tpr, label='Random Forest (area = %0.2f)' % rf\_roc\_auc)

plt.plot([0, 1], [0, 1], 'r--')

plt.xlim([0.0, 1.0])

plt.ylim([0.0, 1.05])

plt.xlabel('False Positive Rate')

plt.ylabel('True Positive Rate')

plt.title('Receiver operating characteristic')

plt.legend(loc="lower right")

plt.show()

# Feature Importance

feature\_labels = np.array(['satisfaction\_level', 'last\_evaluation', 'time\_spend\_company', 'Work\_accident',

'promotion\_last\_5years', 'department\_RandD', 'department\_hr', 'department\_management',

'salary\_high', 'salary\_low'])

importance = model\_rf.feature\_importances\_

feature\_indexes\_by\_importance = importance.argsort()

for index in feature\_indexes\_by\_importance:

print('{} -> {:.2f}%'.format(feature\_labels[index])  
  
# Model Building - Decision Tree

from sklearn.tree import DecisionTreeClassifier

model\_dt = DecisionTreeClassifier()

model\_dt.fit(X\_train, y\_train)

# Model Evaluation - Decision Tree

print("Decision Tree:")

print(classification\_report(y\_test, model\_dt.predict(X\_test)))

# Model Building - Random Forest (already included in previous code)

# Hyperparameter tuning for Random Forest

from sklearn.model\_selection import GridSearchCV

param\_grid = {

'n\_estimators': [100, 200, 300],

'max\_features': ['auto', 'sqrt', 'log2'],

'max\_depth': [None, 10, 20, 30],

'min\_samples\_split': [2, 5, 10],

'min\_samples\_leaf': [1, 2, 4]

}

rf\_grid = GridSearchCV(RandomForestClassifier(), param\_grid, cv=5, verbose=2, n\_jobs=-1)

rf\_grid.fit(X\_train, y\_train)

# Best parameters and best score for Random Forest

print("Best parameters for Random Forest:", rf\_grid.best\_params\_)

print("Best score for Random Forest:", rf\_grid.best\_score\_)

# Model Evaluation - Random Forest (already included in previous code)

# Confusion Matrix for Decision Tree

dt\_cm = confusion\_matrix(y\_test, model\_dt.predict(X\_test), labels=[1, 0])

sns.heatmap(dt\_cm, annot=True, fmt='.2f', xticklabels=["Left", "Stayed"], yticklabels=["Left", "Stayed"])

plt.ylabel('True class')

plt.xlabel('Predicted class')

plt.title('Decision Tree')

# Feature Importance for Random Forest

best\_rf\_model = rf\_grid.best\_estimator\_

importance\_rf = best\_rf\_model.feature\_importances\_

feature\_indexes\_by\_importance\_rf = importance\_rf.argsort()

for index in feature\_indexes\_by\_importance\_rf:

print('{} -> {:.2f}%'.format(feature\_labels[index], (importance\_rf[index] \* 100.0)))

**CHAPTER 6**

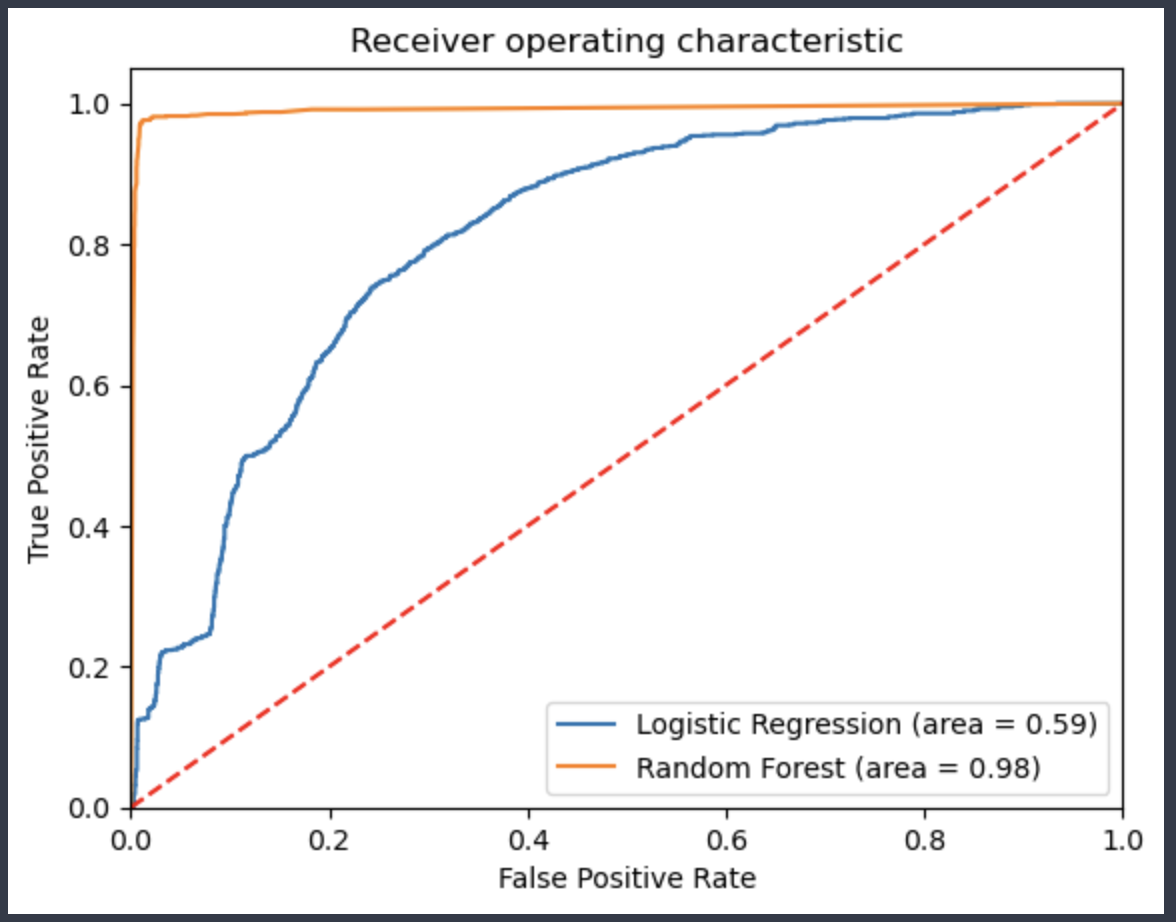
**SCREENSHOTS AND RESULTS**

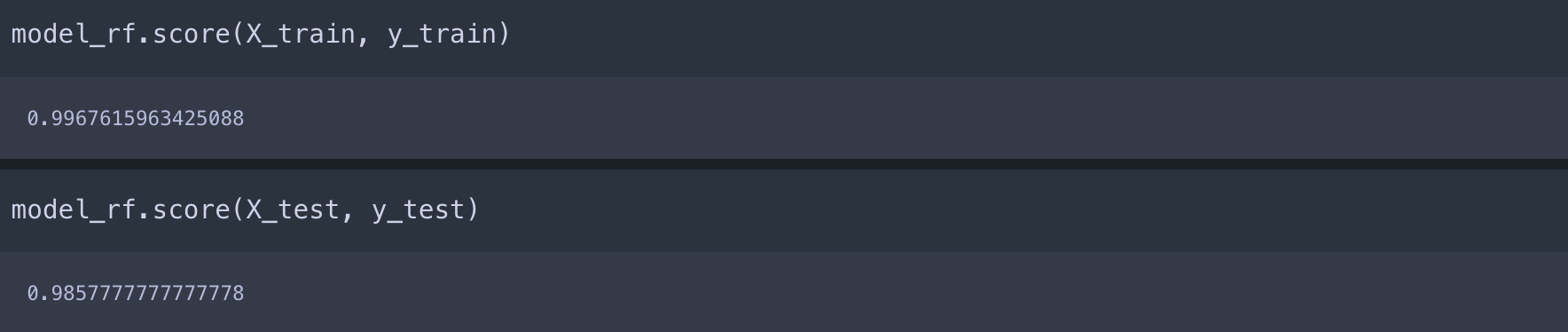
**Result :**

**Output Predictions :**

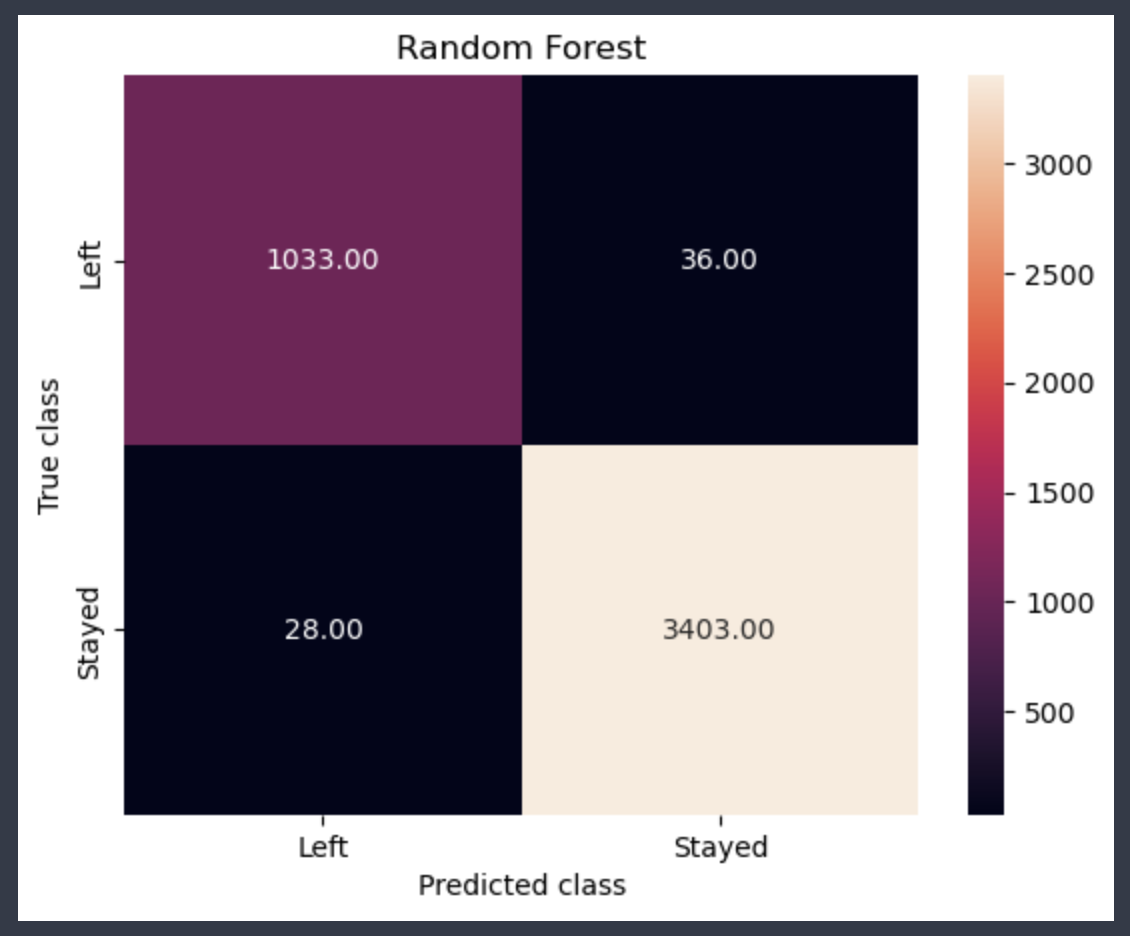


**ROC CURVE**

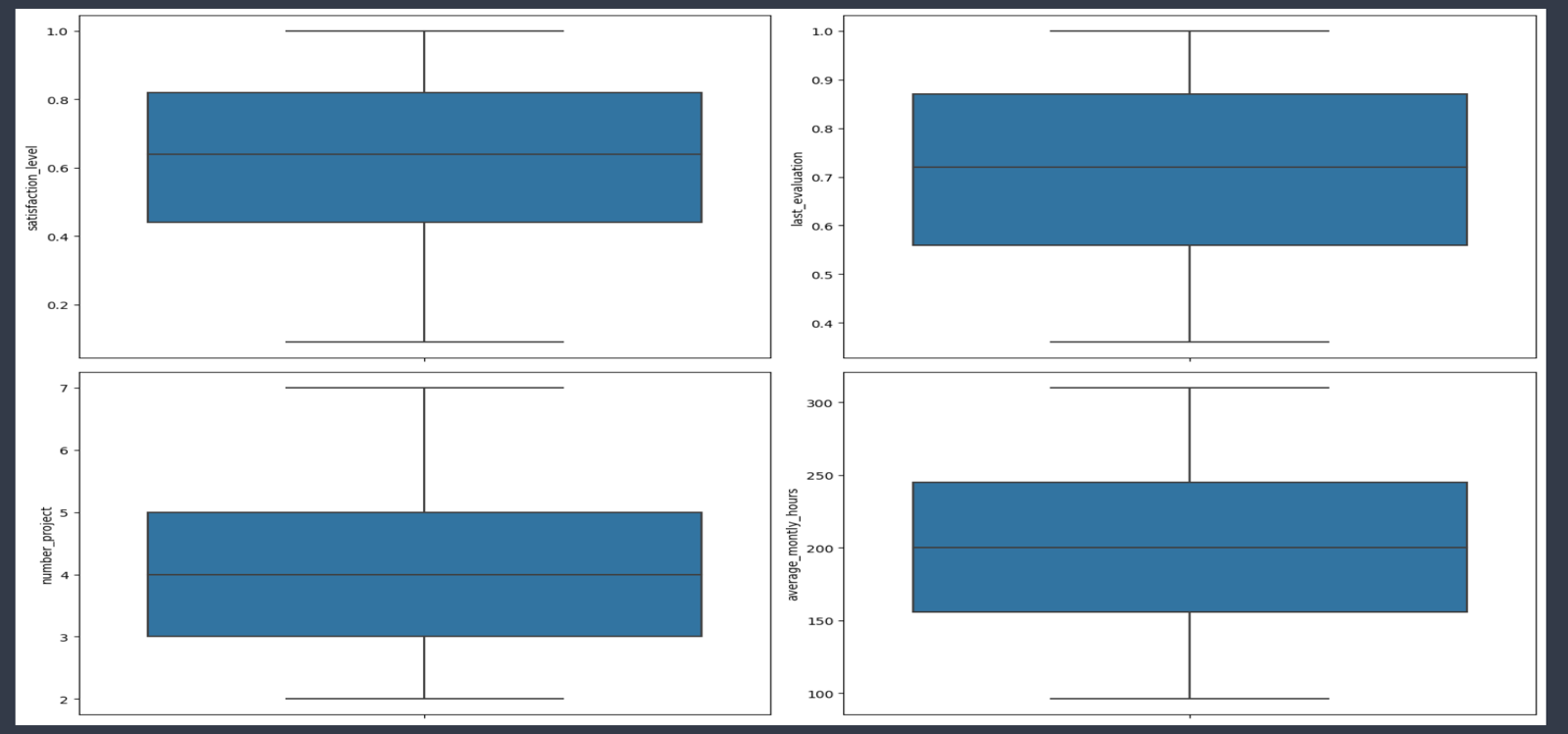
**RANDOM FOREST ACCURACY SCORE :**

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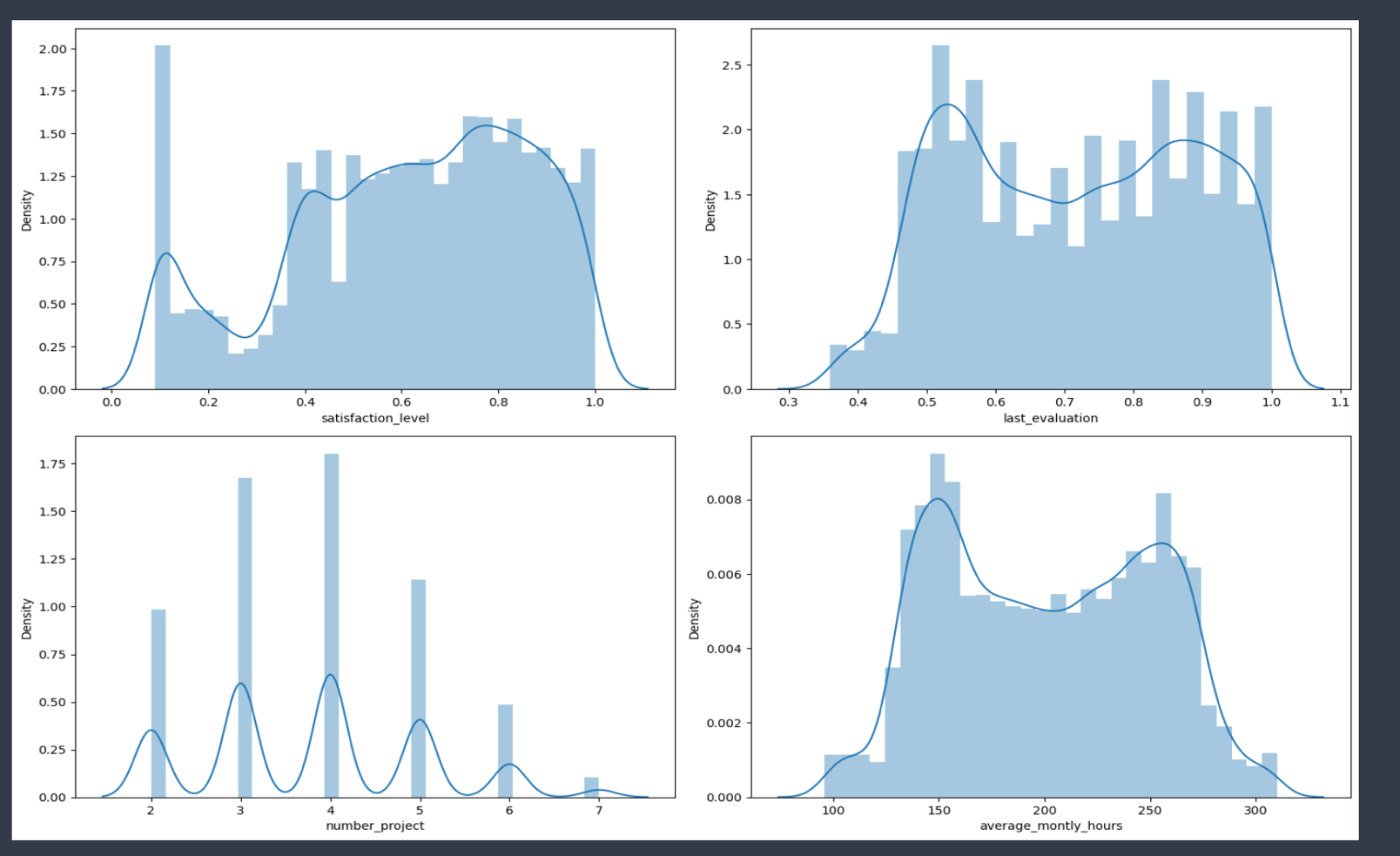
**HEAT MAP RANDOM FOREST :**

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**SUBPLOT GRAPH:**

****

**DISTPLOT :**

****

# CHAPTER 7

**CONCLUSION AND FUTURE ENHANCEMENTS**

* **CONCLUSION:**

The Employee Turnover Prediction project successfully achieves its objectives and fulfills the requirements outlined. The system provides valuable insights into employee turnover dynamics, aiding organizations in workforce planning and retention strategies. Through comprehensive data preprocessing, visualization, and modeling techniques, the project has created a robust framework for predicting employee turnover with reasonable accuracy.

The framework has undergone thorough testing and refinement, eliminating any identified bugs and ensuring its reliability and stability. Users familiar with the system appreciate its advantages in addressing the challenge of employee turnover, enabling proactive measures to improve workplace satisfaction and reduce attrition rates.

* FUTURE ENHANCEMENTS:
* **Incorporation of Additional Parameters:** Future enhancements could involve integrating additional parameters beyond the existing dataset. Variables such as employee engagement levels, job satisfaction surveys, or performance metrics could provide deeper insights into turnover predictors, thereby enhancing model accuracy.
* **Advanced Prediction Techniques:** Advanced machine learning algorithms or ensemble methods could be explored to further improve prediction accuracy. Techniques like gradient boosting or neural networks may uncover complex patterns within the data, leading to more precise turnover predictions.
* **Real-Time Monitoring and Intervention:** Integrating real-time monitoring capabilities into the system would enable organizations to detect early signs of potential turnover and take proactive measures to retain valuable employees. Automated alerts or notifications could prompt HR interventions or tailored retention initiatives.
* **Evaluation of External Factors:** Future iterations of the project could consider incorporating external factors such as economic trends, market conditions, or industry benchmarks to provide a more holistic view of turnover dynamics. Analyzing the interplay between internal and external factors could offer deeper insights into workforce management strategies.

Overall, the project lays a solid foundation for ongoing research and development in the field of employee turnover prediction, with potential for continual improvement and innovation to meet evolving organizational needs.

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