Predicting Whether or Not an Employee Will Quit

Introduction

Many companies often lose some of their best employees due to low satisfactory levels or unsatisfactory working conditions. Often when employees are unhappy, they will jump ship and move on to the next job. Some employees quit without any indication, while others it was a long time coming.

These types of shifts in employee numbers can cause a decrease in overall productivity along with company success. Identifying and catching possible identifiers in whether or not an employee will quit can often save the company from low productivity and losing profit.

Problem

For many companies, losing employees is a costly problem, especially if the employee is highly valued handling top projects. Each time an employee quits, another one must be hired and trained, if the newly trained employee highly productive great, if not they have to repeat the hiring process which is a strain on productivity. The company would like to know why they are losing some of their valued employees, and if there is a way to retain them before they decide to quit.

Our goal in this analysis is to predict whether employees will stay or quit. Companies can then decide on how to retain some of their valued employees. This type of analysis can help companies protect their best employees from quitting.

Data Set

The data set for this analysis focuses on the statistics gathered by human resources on employees that have quit and current employees. In this data set there are 14,999 data entries and 10 variables. The original data set is simulated data to present a possible problem a company may be faced with. The data is located at https://www.kaggle.com/ludobenistant/hr-analytics.

Employee action is to quit or stay. Left (0 = stay, 1 = quit)

Here are the factors included by the HR stats.

- Satisfaction, employee's satisfaction level at work, ranging between 0 and 1.
- Evaluation, company's last evaluation of an employee, ranging between 0 and 1.
- NumberProjects, the number of projects handled by the employee.
- AvgMonthlyHours, the average montly hours worked by the employee.
- YearsWithCompany, number of years the employee has worked for the company.
- WorkAccident, whether or not the employee experience a workplace accident.
- Promotion, whether the employee has been promoted in 5 years (0 = no, 1 = yes)
- Department, 10 levels of different jobs offered by the company.
- Salary, 3 levels of salary, low, medium and high.

Data Limitations

Instead of including the exact amount of salary, the data set only includes a factor with 3 levels. If the exact salary were provided, the company could have a more accurate analysis. Also, by including salary amount can help the company while negotiating new contracts. Instead of a range of between "low and medium" they could have an exact amount predicted to offer their employee for them to stay.

The data set is very straight forward and could include other factors that affect the workplace. For example, employee altercations or commute to work distance. These other factors could help provide a better analysis of whether or not an employee will leave their job.

Data Wrangling

The data did not contain any missing values. We adjusted the column names to better reflect the data represented and to clean up the names for presentation. Also, three of the independent variables needed to be adjusted to be factors, so that they correctly reflect the variables represented.

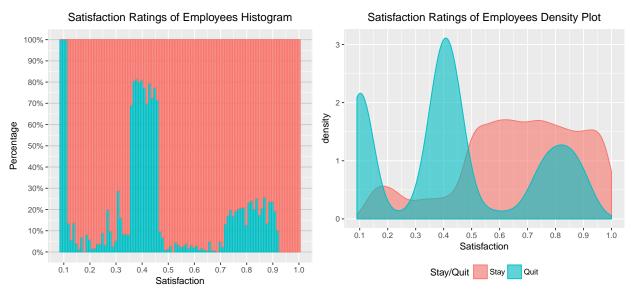
```
satisfaction_level last_evaluation
                                         number_project
                                                           average_montly_hours
##
           :0.0900
                               :0.3600
                                                 :2.000
                                                                  : 96.0
    Min.
                        Min.
                                          Min.
                                                           Min.
##
    1st Qu.:0.4400
                        1st Qu.:0.5600
                                          1st Qu.:3.000
                                                           1st Qu.:156.0
                        Median :0.7200
                                          Median :4.000
##
   Median :0.6400
                                                           Median :200.0
           :0.6128
                               :0.7161
                                                 :3.803
                                                           Mean
                                                                  :201.1
    Mean
                        Mean
                                          Mean
                                                           3rd Qu.:245.0
##
    3rd Qu.:0.8200
                        3rd Qu.:0.8700
                                          3rd Qu.:5.000
           :1.0000
                               :1.0000
                                                 :7.000
                                                                  :310.0
##
    Max.
                        Max.
                                          Max.
                                                           Max.
##
##
   time spend company Work accident
                                               left
##
    Min.
           : 2.000
                        Min.
                               :0.0000
                                                 :0.0000
                                          Min.
    1st Qu.: 3.000
##
                        1st Qu.:0.0000
                                          1st Qu.:0.0000
   Median : 3.000
                        Median :0.0000
                                          Median :0.0000
##
##
    Mean
           : 3.498
                        Mean
                               :0.1446
                                          Mean
                                                 :0.2381
##
    3rd Qu.: 4.000
                        3rd Qu.:0.0000
                                          3rd Qu.:0.0000
##
    Max.
           :10.000
                        Max.
                               :1.0000
                                          Max.
                                                 :1.0000
##
##
    promotion_last_5years
                                   sales
                                                  salary
##
    Min.
           :0.00000
                           sales
                                       :4140
                                               high
                                                     :1237
##
    1st Qu.:0.00000
                                       :2720
                           technical
                                               low
                                                     :7316
##
    Median :0.00000
                           support
                                       :2229
                                               medium:6446
##
           :0.02127
                                       :1227
    Mean
                           product_mng: 902
    3rd Qu.:0.00000
##
##
    Max.
           :1.00000
                           marketing
                                       : 858
##
                           (Other)
                                       :2923
                                                         average_montly_hours
##
    satisfaction_level last_evaluation number_project
##
    Mode :logical
                        Mode :logical
                                         Mode :logical
                                                          Mode :logical
                        FALSE: 14999
   FALSE: 14999
                                                          FALSE: 14999
##
                                         FALSE: 14999
##
   time_spend_company Work_accident
                                            left.
                                                          promotion_last_5years
    Mode :logical
                        Mode :logical
                                         Mode :logical
                                                          Mode :logical
##
    FALSE: 14999
                        FALSE: 14999
                                         FALSE: 14999
##
                                                          FALSE: 14999
##
      sales
                       salary
##
   Mode :logical
                     Mode :logical
##
    FALSE: 14999
                     FALSE: 14999
##
   'data.frame':
                     14999 obs. of
                                   10 variables:
    $ Satisfaction
                              0.38 0.8 0.11 0.72 0.37 0.41 0.1 0.92 0.89 0.42 ...
##
                       : num
##
    $ Evaluation
                       : num
                              0.53 0.86 0.88 0.87 0.52 0.5 0.77 0.85 1 0.53 ...
##
    $ NumberProjects : int
                              2 5 7 5 2 2 6 5 5 2 ...
                              157 262 272 223 159 153 247 259 224 142 ...
    $ AvgMonthlyHours : int
                              3 6 4 5 3 3 4 5 5 3 ...
##
    $ YearsWithCompany: int
##
    $ WorkAccident
                       : Factor w/ 2 levels "0", "1": 1 1 1 1 1 1 1 1 1 1 ...
                       : Factor w/ 2 levels "0", "1": 2 2 2 2 2 2 2 2 2 2 ...
##
    $ Quit
    $ Promotion
                       : Factor w/ 2 levels "0", "1": 1 1 1 1 1 1 1 1 1 1 ...
                       : Factor w/ 10 levels "accounting", "hr", ...: 8 8 8 8 8 8 8 8 8 8 ...
    $ Department
```

Preliminary Analysis

In the premliminary analysis we want to explore each of the independent variables and their relationship to those who left and who stayed.

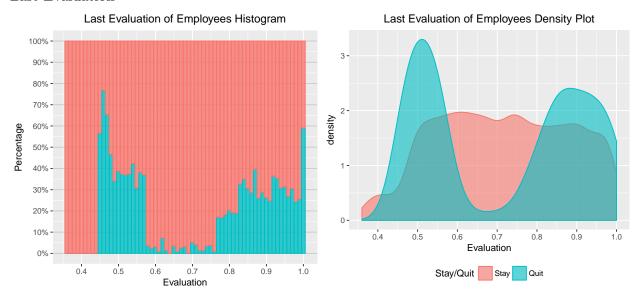
- The average employee satisfaction rating is at 61.28% satisfaction.
- Those who left the company had an average satisfaction rating was 44%.
- The company has a 23.8% employee quitting percentage.
- ## [1] 0.6128335
- ## [1] 0.440098
- ## [1] 0.2380825

Satisfaction Level



- \bullet The plot indicates that most employees who left have a low satisfaction level between 0.37 0.50.
- There is a tri-modal effect. Satisfaction levels of (< 15), (0.35 0.50), (0.7-0.9) left the company more.
- From the individuals who stayed, we can see a general trend of having 50% or higher satisfaction.

Last Evaluation

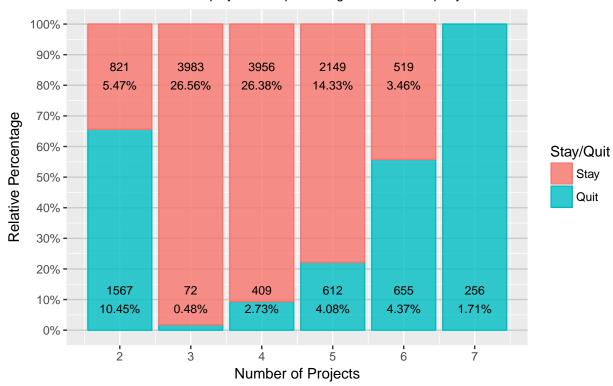


- Bi-modal relationship between quitting and company evaluation. * The company is losing many of their top evaluated performers.
- Individuals who are staying have an evaluation of above 40%.

Number of Projects

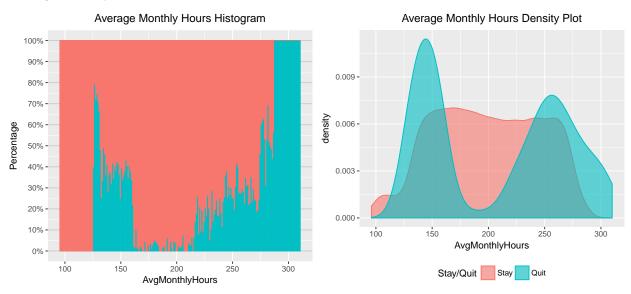
Number of Projects, Stay vs Quit

Bars note number of employees and percentage of whole company.



- Individuals with 2, (4-6+) projects are more likely to quit.
- 65% of individuals with 2 and 6+ projects have quit, 16.53% of the whole company.
- Most employees with 3-4 projects have stayed with the company, 52.94% of employees.
- \bullet Employees with 2 projects, 65% have quit, which is about half of total employee who quit.

Average Montly Hours Worked

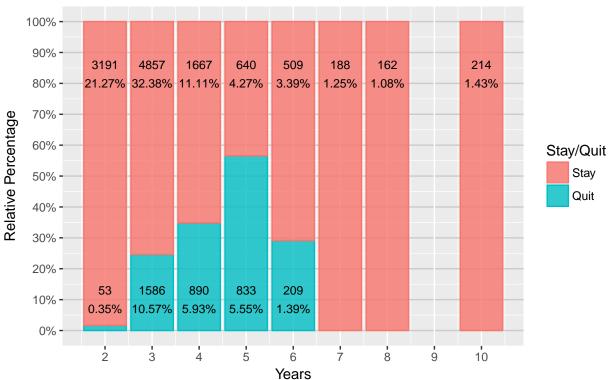


- Bi-modal relationship, many employees who left either worked under 175 hours or above 225.
- There is a higher percentage of employees quitting with 250+ hours.
- Employees who are underworked and overworked are quitting.

Time spent with company

Years in Company

Bars note number of employees and percentage of whole company.

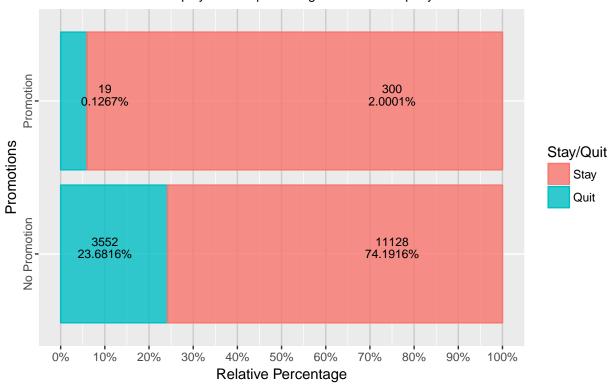


- Most employees left between working 3-6 years with the company, 23.44% of the company.
- Of the employees who have been with the company for 5 years, 50% have quit.

Promotions

Promotions of Employees

Bars note number of employees and percentage of whole company.

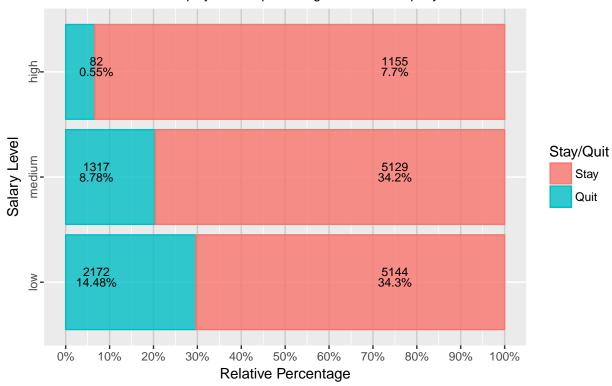


- From this table we see that most individuals who left were not offered a promotion in the last 5 years.
- 25% of employees who were not offered a promotion have quit.
- 5% of promoted employees have quit.

Salary

Salary Level of Employees

Bars note number of employees and percentage of whole company.



- Most of the employees who quit were in the low and medium bracket of salary.
- About 6.6% of high paid employees have quit.
- 20% of medium paid employees have quit.
- 30% of low paid employees have quit.

Correlation of Variables

Checking the correlation of variables can help avoid colinearity in our analysis. Therefore, running a correlation check can help make sure our coefficients show an accurate relationship.

CII	ck can help make so	ire our coemcients s	now a	n accu	пасет	ciatioi	isinp.				
##		Satisfaction E	Evalua	ation	Numbe	erProj	jects	AvgM	onthl	yHours	3
##	Satisfaction	1.00000000 0.	10502	21214	-0.	. 14296	39586	-	0.020	048113	3
##	Evaluation		00000			.34933		(0.339	741800)
##	NumberProjects		34933			.00000				210634	
##	AvgMonthlyHours		33974			.41721				000000	
	YearsWithCompany		13159			. 19678				754910	
##	WorkAccident	0.05869724 -0.				.00474				142888	
	Quit		00656			.02378				287179	
	Promotion	0.02560519 -0.				.00606				544414	ł
##		YearsWithCompany					Quit		Promo		
	Satisfaction	-0.100866073					337498		02560		
##	Evaluation	0.131590722							00868		
##	NumberProjects	0.196785891							00606		
##		0.127754910							00354		
	YearsWithCompany						182217		06743		
##	WorkAccident	0.002120418					162163		03924		
	Quit	0.144822175					17881		06178		
##	Promotion	0.067432925	0.0)39245	0435 -	-0.06.	1/881.	1 1.	00000	3000	
			Satisfaction	Evaluation	NumberProjects	AvgMonthlyHours	YearsWithCompany	WorkAccident	Quit	Promotion	
		Satisfaction				•					-0
		Evaluation									-0
NumberProjects									•		0
	AvgMonthlyHours							•			0
	Year	sWithCompany									
		WorkAccident									
		Quit									
		Promotion									-

- Negative correlation (-0.3883) between quitting and satisfaction rating.
- Positive correlation between evaluation, average monthly hours (0.3397), and number of projects (0.3493). * Positive correlation between average monthly hours, evaluation (0.3397), and number of projects (0.4172).

Machine Learning

Now that we have a general view of the variables in relation to employees who have stayed and quit. We will use different machine learning methods to build models to predict whether or not and indivudal will quit or stay at the company. We will use three different models, classification and regression tree, logistic regression model, and random forest model.

Splitting the Data Into Training and Testing Subsets

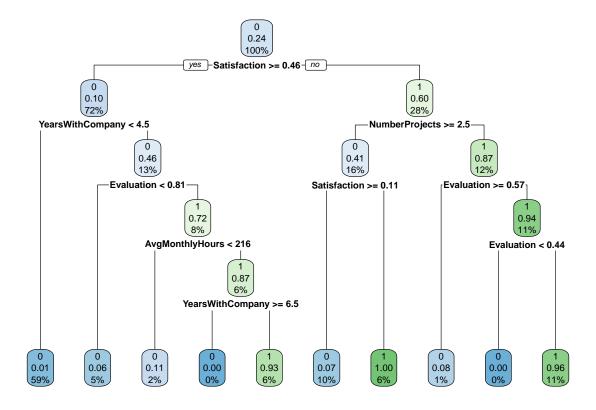
```
#Split data into training and testing.
set.seed(1234)
divide = sample.split(hr_stat, SplitRatio = 0.75)
hr_stat_training = subset(hr_stat, divide == TRUE)
hr_stat_test = subset(hr_stat, divide == FALSE)

#Check the split of data for percentage. Should be approximately 75%
nrow(hr_stat_training)
## [1] 10499
nrow(hr_stat_training)/nrow(hr_stat)
## [1] 0.69998
```

Instead of a 75/25 split, we have about a 70/30 split. Since our data set is large it should not be an issue.

Classification Tree

Running the classification tree will help indicate which variables are most important to our model. By seeing which variables significant we can then make a better logistic regression model.



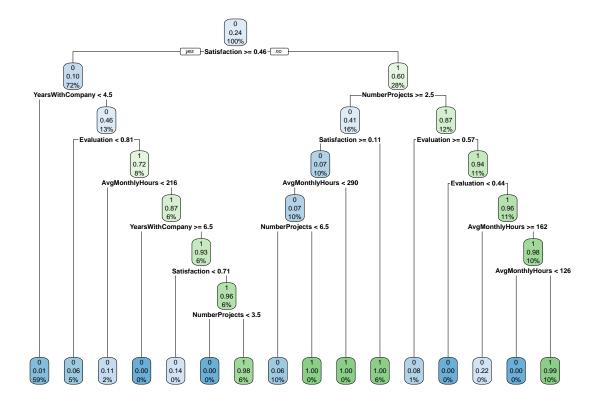
- From the tree the most important factors are satisfaction, years with company, number projects, evaluation, and average monthly hours.
- Now that we have our classification tree, lets see how accurate our model is by using the test subset to predict the whether or not employees will stay or quit.

```
## Confusion Matrix and Statistics
##
##
             Reference
##
  Prediction
                 0
                       1
            0 3391
                      93
##
##
                38
                    978
##
##
                  Accuracy: 0.9709
                     95% CI: (0.9655, 0.9756)
##
##
       No Information Rate: 0.762
##
       P-Value [Acc > NIR] : < 2.2e-16
##
```

```
Kappa: 0.9183
##
    Mcnemar's Test P-Value : 2.382e-06
##
##
##
               Sensitivity: 0.9889
##
               Specificity: 0.9132
            Pos Pred Value: 0.9733
##
##
            Neg Pred Value: 0.9626
                Prevalence: 0.7620
##
##
            Detection Rate: 0.7536
##
      Detection Prevalence : 0.7742
##
         Balanced Accuracy: 0.9510
##
##
          'Positive' Class : 0
##
```

• The classification tree had a 97% accuracy in predicting the test subset.

Lets see if adding more nodes will help strengthen our model.

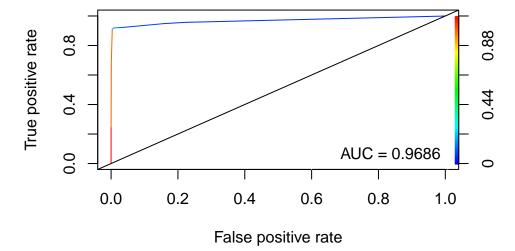


```
Confusion Matrix and Statistics
##
##
             Reference
## Prediction
                       1
##
             0 3417
                      95
##
                 12
                     976
##
##
                   Accuracy : 0.9762
##
                     95% CI : (0.9713, 0.9805)
```

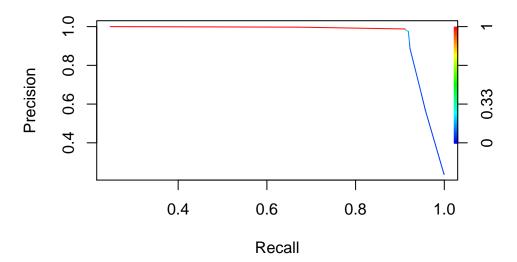
```
No Information Rate: 0.762
##
       P-Value [Acc > NIR] : < 2.2e-16
##
##
##
                     Kappa: 0.9326
    Mcnemar's Test P-Value : 2.241e-15
##
##
##
               Sensitivity: 0.9965
               Specificity: 0.9113
##
##
            Pos Pred Value: 0.9729
##
            Neg Pred Value: 0.9879
##
                Prevalence: 0.7620
            Detection Rate: 0.7593
##
##
      Detection Prevalence: 0.7804
##
         Balanced Accuracy: 0.9539
##
##
          'Positive' Class : 0
##
```

- This model has an accuracy of 97.6% in predicting our test subset.
- Adding more nodes improved the accuracy of our model by 0.5% which is a small improvement. Using the second CART model, lets see the performance of the model by plotting the ROC and precision adn recall curves.

ROC Curve CART Model 2



Precision and Recall Curve CART Model 2



- The ROC curve has an AUC of 0.9686, which means the CART model is an excellent model for predicting whether or not an employee will quit their job.
- There is a high true positive rate without any false positive hits making this a strong model.
- Precision Recall plot also shows high performance of our model, precision does not fall till about 0.9
 recall.

Logistic Regression Model

With the CART model, we were able to achieve 97.6% accuracy, now lets use logistic regression to build a model. First we will build the model, then remove any of the insignificant variables. After we have our significant model, we will run a check on the variables using the variable inflation factor. Since some of our variables are correlated, we want to check to make sure multicollinearity does not occur. Multicollinearity can affect our coefficients and not show the actual relationship of our independent and dependent variables.

```
#First make a logistic regression model using all variables.
model1 <- glm(Quit ~ ., family = binomial, data = hr_stat_training)
summary(model1)</pre>
```

```
##
## glm(formula = Quit ~ ., family = binomial, data = hr_stat_training)
##
## Deviance Residuals:
##
                 10
                      Median
                                    3Q
                                            Max
                     -0.4048
                              -0.1216
##
  -2.1861
           -0.6631
                                         3.0655
##
## Coefficients:
                           Estimate Std. Error z value Pr(>|z|)
##
## (Intercept)
                                     0.1844040
                                                -2.128 0.033349 *
                         -0.3923846
## Satisfaction
                         -4.1399026
                                     0.1171923 -35.326
                                                         < 2e-16 ***
## Evaluation
                          0.8066603
                                     0.1792679
                                                  4.500 6.80e-06 ***
## NumberProjects
                         -0.3218998
                                     0.0256281 -12.560 < 2e-16 ***
```

```
## AvgMonthlyHours
                          0.0045140 0.0006164
                                                 7.323 2.43e-13 ***
                          ## YearsWithCompany
## WorkAccident1
                         -1.4813980
                                    0.1059685 -13.980 < 2e-16 ***
## Promotion1
                         -1.4376200
                                     0.3096515
                                                -4.643 3.44e-06 ***
## Departmenthr
                          0.2345076
                                    0.1579529
                                                 1.485 0.137632
## DepartmentIT
                         -0.1004455 0.1470809
                                                -0.683 0.494653
## Departmentmanagement
                        -0.3027015 0.1902336
                                                -1.591 0.111562
## Departmentmarketing
                          0.1054093
                                     0.1582669
                                                 0.666 0.505397
## Departmentproduct_mng -0.0791575
                                     0.1564702
                                                -0.506 0.612930
## DepartmentRandD
                         -0.6394020
                                     0.1760604
                                                -3.632 0.000282 ***
## Departmentsales
                         -0.0161270
                                     0.1235454
                                                -0.131 0.896143
## Departmentsupport
                          0.1267998
                                     0.1315192
                                                 0.964 0.334988
## Departmenttechnical
                          0.1196931
                                    0.1286373
                                                 0.930 0.352128
                         -1.2928204
## Salary.L
                                    0.1073446 -12.044 < 2e-16 ***
                                               -4.392 1.12e-05 ***
## Salary.Q
                         -0.3085470 0.0702494
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
  (Dispersion parameter for binomial family taken to be 1)
##
##
##
       Null deviance: 11526
                             on 10498
                                       degrees of freedom
                             on 10480
                                       degrees of freedom
## Residual deviance: 9015
## AIC: 9053
## Number of Fisher Scoring iterations: 5
All variables are significant, none will be removed unless there is multicollinearity.
#Run VIF to find if there is a variable inflation.
vif(model1)
                        GVIF Df GVIF^(1/(2*Df))
##
## Satisfaction
                    1.169278 1
                                       1.081332
## Evaluation
                    1.464610
                                       1.210211
## NumberProjects
                    1.810086
                                       1.345394
                              1
## AvgMonthlyHours
                    1.515744
                              1
                                       1.231156
## YearsWithCompany 1.113695
                              1
                                       1.055318
## WorkAccident
                    1.010342
                                       1.005157
                              1
## Promotion
                    1.014848
                              1
                                       1.007397
## Department
                    1.052682
                              9
                                       1.002856
                             2
## Salary
                    1.043847
                                       1.010786
Since the GVIF is not above 5, we do not have multicollinearity and can continue on with our analysis. Now
we will see how accurate our model is on the testing data set.
Predmodel1 <- predict(model1, hr_stat_test, type = "response" )</pre>
confusionMatrix(as.numeric(Predmodel1 > 0.5), hr_stat_test$Quit)
## Confusion Matrix and Statistics
##
##
             Reference
## Prediction
                 Ω
            0 3213
##
                    698
```

##

##

##

1 216 373

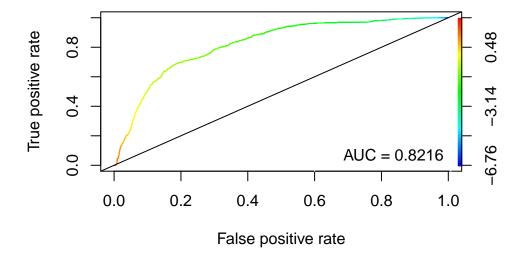
Accuracy: 0.7969

95% CI: (0.7848, 0.8086)

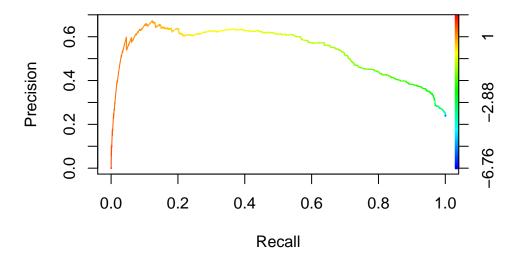
```
##
       No Information Rate: 0.762
##
       P-Value [Acc > NIR] : 1.243e-08
##
##
                     Kappa : 0.3375
    Mcnemar's Test P-Value : < 2.2e-16
##
##
               Sensitivity: 0.9370
##
               Specificity: 0.3483
##
##
            Pos Pred Value : 0.8215
##
            Neg Pred Value: 0.6333
##
                Prevalence: 0.7620
##
            Detection Rate: 0.7140
##
      Detection Prevalence: 0.8691
##
         Balanced Accuracy : 0.6426
##
          'Positive' Class : 0
##
##
```

 \bullet The logistic regression model was 79.69% accurate.

ROC Curve Logistic Regression Model



Precision and Recall Curve Logistic Regression Model



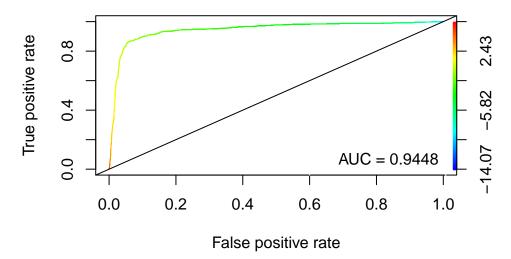
- Logistic regression model is not as accurate as our CART model, but still has high performance with a AUC of 0.8216.
- The precision and recall plot also shows that our logistic regression model is high performing, but not as good as our CART model.
- We can try to improve the model by adding interactions between variables.

```
##
## Call:
   glm(formula = Quit ~ . - Department - WorkAccident - Promotion +
##
       Satisfaction * Evaluation + Satisfaction * NumberProjects +
##
       Satisfaction * YearsWithCompany + Evaluation * NumberProjects +
##
       Evaluation * AvgMonthlyHours + Evaluation * YearsWithCompany,
       family = binomial, data = hr_stat_training)
##
##
## Deviance Residuals:
       Min
                      Median
                                    3Q
##
                 1Q
                                            Max
           -0.3270 -0.1476 -0.0208
##
   -4.0908
                                         4.5588
## Coefficients:
##
                                    Estimate Std. Error z value Pr(>|z|)
## (Intercept)
                                   42.282395
                                               0.981266 43.090 < 2e-16 ***
                                               1.072517 -20.204
## Satisfaction
                                  -21.669347
                                                                  < 2e-16 ***
                                  -60.343972
                                               1.533671 -39.346
                                                                  < 2e-16 ***
## Evaluation
## NumberProjects
                                   -4.527113
                                               0.168207 -26.914
                                                                  < 2e-16 ***
## AvgMonthlyHours
                                   -0.063748
                                               0.003894 -16.371
                                                                  < 2e-16 ***
## YearsWithCompany
                                   -1.893472
                                               0.134888 -14.037
                                                                  < 2e-16 ***
## Salary.L
                                   -1.311418
                                               0.136354
                                                          -9.618
## Salary.Q
                                               0.090975
                                                         -3.427 0.000611 ***
                                   -0.311733
## Satisfaction: Evaluation
                                   19.388175
                                               1.316508
                                                          14.727
                                                          -4.606
                                                                  4.1e-06 ***
## Satisfaction: NumberProjects
                                               0.161048
                                   -0.741789
## Satisfaction: YearsWithCompany
                                    1.700687
                                               0.121943
                                                          13.947
                                                                  < 2e-16 ***
## Evaluation: NumberProjects
                                    6.617394
                                               0.230296
                                                          28.734
                                                                  < 2e-16 ***
## Evaluation: AvgMonthlyHours
                                    0.103599
                                               0.005361
                                                         19.323
                                                                  < 2e-16 ***
```

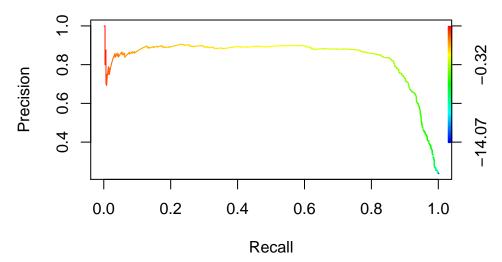
```
## Evaluation: YearsWithCompany
                                   1.454478
                                              0.157140
                                                         9.256 < 2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
##
##
   (Dispersion parameter for binomial family taken to be 1)
##
      Null deviance: 11525.8 on 10498 degrees of freedom
##
## Residual deviance: 5100.2 on 10485 degrees of freedom
## AIC: 5128.2
##
## Number of Fisher Scoring iterations: 7
## Confusion Matrix and Statistics
##
##
             Reference
                 0
##
  Prediction
                      1
            0 3272
                   186
##
##
            1 157
                    885
##
##
                  Accuracy: 0.9238
##
                    95% CI: (0.9156, 0.9314)
       No Information Rate: 0.762
##
##
      P-Value [Acc > NIR] : <2e-16
##
##
                     Kappa: 0.7879
##
   Mcnemar's Test P-Value: 0.1306
##
##
               Sensitivity: 0.9542
##
               Specificity: 0.8263
##
            Pos Pred Value: 0.9462
##
            Neg Pred Value: 0.8493
##
                Prevalence: 0.7620
            Detection Rate: 0.7271
##
      Detection Prevalence: 0.7684
##
##
         Balanced Accuracy: 0.8903
##
##
          'Positive' Class : 0
##
```

- Adding significant interactions has improved our model greatly by 12.69%, our new model has a accuracy of 92.38%.
- Higher satisfaction interacted with number of projects will diminish the chances of quitting. If employees are satisfied, they decrease the chances of quitting due to projects.
- Higher the evaluation of an employee interacted with high projects count, monthly hours and years hired by company will increase the chances of employees leaving. If employees know their worth, but aren't receiving ideal work conditions they are more likely to quit.

ROC Curve Logistic Regression Model with Interactions



Precision and Recall Curve Logistic Regression Model with Interactions



- We were able to improve the model by adding interactions between variables. The AUC is now 0.9448.
- The new model shows that the interactions between variables are significant within the model.

Random Forest Model

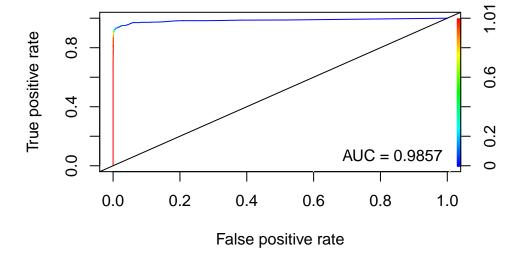
The last model we will build is using the random forest model. The random forest model produces multiple models on the training data set and averages them to create a stronger model than the basic decision tree. By averaging multiple trees, the random forest model reduces the variance in the average decision tree model.

We will use the same training and testing data set from the previous models.

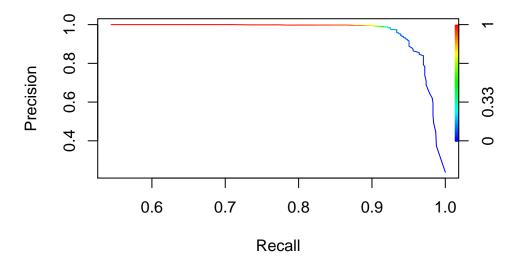
```
## Confusion Matrix and Statistics
##
             Reference
##
                 0
## Prediction
                      1
##
            0 3419
                     91
##
            1
                10
                    980
##
                  Accuracy : 0.9776
##
##
                    95% CI: (0.9728, 0.9817)
       No Information Rate: 0.762
##
##
       P-Value [Acc > NIR] : < 2.2e-16
##
##
                     Kappa: 0.9365
    Mcnemar's Test P-Value : 1.716e-15
##
##
##
               Sensitivity: 0.9971
##
               Specificity: 0.9150
            Pos Pred Value: 0.9741
##
            Neg Pred Value: 0.9899
##
                Prevalence: 0.7620
##
##
            Detection Rate: 0.7598
##
      Detection Prevalence: 0.7800
         Balanced Accuracy: 0.9561
##
##
##
          'Positive' Class : 0
```

This is a 0.14% accuracy improvment on our CART model with 97.76% accuracy.

ROC Curve Random Forest Model



Precision and Recall Curve Random Forest Model



• The random forest model is our best model. It has the highest percentage accuracy in predictions of our testing subset, also the highest ROC and the highest precision and recall plots.

Application of Logistic Regression Model

Hypothetically, if the company is curious about certain employees and would like to see if what the probability is that they will quit, they enter the employee's HR data and see what are they chances they will quit. Similarly, they can see what to offer those employees to decrease the chances of them quitting their job.

First we enter two employees who work for the company. They each have high evaluations and perform well.

```
Satisfaction Evaluation NumberProjects AvgMonthlyHours YearsWithCompany
## 1
             0.11
                         0.93
                                                            308
                                                                                6
## 2
             0.90
                         0.98
                                                            264
##
     WorkAccident Promotion
                              Department Salary
## 1
                 0
                           0
                                       IT medium
## 2
                 0
                           0 product_mng medium
```

Then we insert the values into our logistic model to see what is the probability of the employee quitting.

```
Satisfaction Evaluation NumberProjects AvgMonthlyHours YearsWithCompany
##
## 1
             0.11
                         0.93
                                                           308
                                                                               4
## 2
             0.90
                         0.98
                                            4
                                                           264
                                                                               6
##
     WorkAccident Promotion
                              Department Salary
                                                        fit
                                                                   se.fit
## 1
                 0
                           0
                                       IT medium 0.9957675 0.0008916159
## 2
                 0
                           0 product_mng medium 0.9247015 0.0103458417
##
     residual.scale
## 1
## 2
```

These individuals are 99.6% and 92.4% chance of quitting. Lets try to change their HR data to decrease their chances of quitting. If we decrease their number of projects, decrease their work hours, or increase their salary can we decrease their probability of quiting?

```
Satisfaction Evaluation NumberProjects AvgMonthlyHours YearsWithCompany
##
## 1
             0.11
                         0.93
                                            4
                                                           275
                                                                               4
## 2
             0.90
                         0.98
                                             4
                                                            250
                                                                                6
##
     WorkAccident Promotion Department Salary
                                                        fit
                                                                 se.fit
## 1
                 0
                           0
                                       IT medium 0.4374672 0.04828453
                 0
## 2
                           0 product_mng
                                            high 0.6615020 0.05057592
##
     residual.scale
## 1
## 2
                   1
```

After changing the factors, employee 1 is now 43.7% likely to quit and employee 2 is 66%. Knowing this information, employers can be better prepped for the evaluations and negotiations with their employees.

Conclusions

- 1. Each of our models were strong in predicting whether or not an employee will quit their job. Our strongest model was the random forest model, then the CART model and lastly the logistic regression model.
- 2. The employer can predict the actions of their employees with high accuracy and confidence. They can use the models to help alert whether or not an employee will quit their position.
- 3. Employee satisfaction, evaluation, number of projects, years with company and average monthly hours are high indicators on if an employee will quit or not. Based on our preliminary analysis the employer can determine what is optimal for each of the indicators.

Recommendations

- 1. There are many reasons why an individual quits a job, variables that were not included in this data set. I would recommend adding other variables such as commute time or employee altercations to help train a more resilient model and to rule out extraneous uncontrollable factors like health or personal reasons.
- 2. Instead of using factor levels to describe salary, it would be better to use an actual number or range. This way we can predict how much salary is needed to keep an employee from quitting. By predicting the amount needed, the company will know the best salary offer the employee without overshooting and costing the company resources.
- 3. Lastly, I would recommend the employer to run the model on their currently employees and see which individuals are flagged as potential quitters. Then depending on if the employee is expendable or not the company should take further action to protect their assets.