

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 objective of the model to increase the effectiveness of their employees and reduce the time and money investing in employees.

HR Analytics:

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 HR

Attrition in human resources refers to the gradual loss of employees overtime. 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

How does Attrition affect companies? and how does HR Analytics help in analysing attrition? We will discuss the first question here and for the second question, we will write the code and try to understand the process step by step.

Attrition affecting Companies

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.

Importing the Libraries

import pandas as pd
import numpy as np
import seaborn as sns
from scipy import stats
import warnings
warnings.filterwarnings('ignore')
from matplotlib import pyplot as plt
from scipy.stats import zscore
#data preprocessing
from sklearn import preprocessing
from sklearn.preprocessing import MinMaxScaler
#Over Sampling the data using SMOTE
from imblearn.over_sampling import SMOTE
#modelling

from sklearn.metrics import classification_report, confusion_matrix, accuracy_score

from sklearn.linear_model import LogisticRegression

from sklearn .ensemble import RandomForestClassifier

from sklearn.ensemble import BaggingClassifier

from sklearn.model selection import train test split

from sklearn.neighbors import KNeighborsClassifier

from sklearn.metrics import roc curve

from sklearn.metrics import roc_auc_score

from sklearn.model_selection import cross_val_score

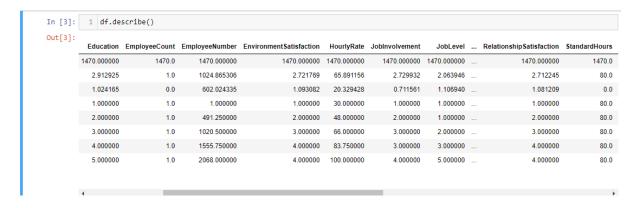
from matplotlib import pyplot

from sklearn.svm import SVC

from sklearn.ensemble import GradientBoostingClassifier

from sklearn.tree import DecisionTreeClassifier

EXPLORATORY DATA ANALYSIS



Employee's average number of years at company is 7.

Mean is not equal to median stating that the data is not normally distributed. Most normally distributes column is Daily rate where mean is almost equal to median

Out[4]: Age	int64
Attrition	object
BusinessTravel	object
DailyRate	int64
Department	object
DistanceFromHome	int64
Education	int64
EducationField	object
EmployeeCount	int64
EmployeeNumber	int64
EnvironmentSatisfaction	int64
Gender	object
HourlyRate	int64
JobInvolvement	int64
JobLevel	int64
JobRole	object
JobSatisfaction	int64
MaritalStatus	object
MonthlyIncome	int64
MonthlyRate	int64
NumCompaniesWorked	int64
Over18	object
OverTime	object
PercentSalaryHike	int64
PerformanceRating	int64
RelationshipSatisfaction	n int64
StandardHours	int64
StockOptionLevel	int64
TotalWorkingYears	int64
TrainingTimesLastYear	int64
WorkLifeBalance	int64
YearsAtCompany	int64

Numeric variables:

- Related to personal information: age, distance_from_home, employee_number
- Related to income: hourly_rate, daily_rate, monthly_rate, monthly_income, percent_salary_hike

Related to duration in company: years_at_company, years_in_current_role, years_since_last_promotion, years_with_curr_manager, total_working_years

num_companies_worked,standard_hourstraining_times_last_year, employee_count

Categorical variables:

- Binary variables: attrition(target variable), gender, over18, over_time
- Nominal variables: department, education_field, job_role, marital_status
- Ordinal variables:

- > Ordinal regarding satisfaction and performance:environment_satisfaction,job_satisfaction, relationship_satisfaction,work_life_balance,job_involvement,performance_rating
- Other ordinal: business_travel, education, job_level, stock_option_level

```
__Handling null values

In [5]: 1 df.isnull().sum()

Out[5]: Age
    Attrition
    BusinessTravel
    DallyMate
    Department
    DistanceFromHome
    Education
    EducationField
    EmployeeCount
    EmployeeCount
    EmployeeNumber
    EnvironmentSatisfaction
    Gender
    HourlyRate
    Jobinvolvement
    Jobicvel
    Jobsatisfaction
    MaritalStatus
    MonthlyIncome
    MonthlyIncome
    MonthlyIncome
    MonthlyIncome
    MorthlyMate
    NumCompaniesWorked
    OverIsme
    PercentSalaryHike
    PerformanceRating
    RelationshipSatisfaction
    StandardHours

NOO DITION

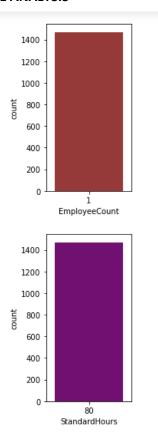
NOO DI
```

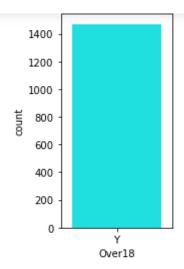
This dataset has no null values

```
In [24]: 1 for col in df:
                 print(col)
                  print(df[col].value_counts())
         Name: EmployeeCount, dtype: int64
         EmployeeNumber
         1368
         1362
         647
645
         2046
         Name: EmployeeNumber, Length: 1470, dtype: int64
```

Displaying value count of unique value in each feature. To identify column having single unique value

UNI VARIATE ANALYSIS



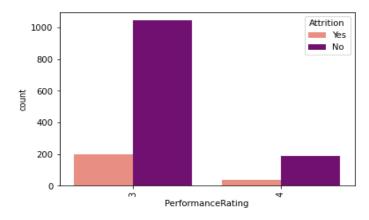


The features standard hours, over18 and employee count has only one value so it won't create any impact on the target feature Attrition.

All the three columns having single value so I'm going to dropping it from the given dataset

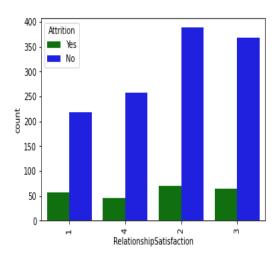
BI VARIATE ANALYSIS (Categorical columns vs Target)

```
[Text(0, 0, '3'), Text(1, 0, '4')]
```

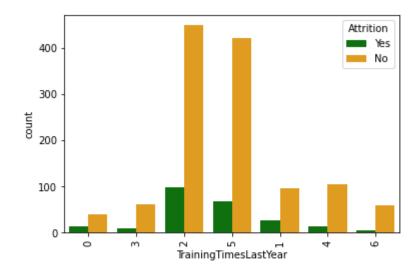


1 the employees who got performance rating as 3 are having less attrition rate.

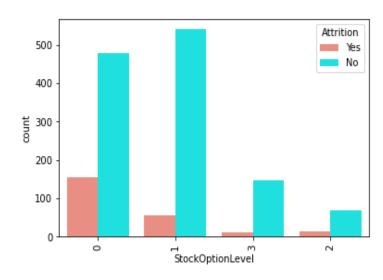
: [Text(0, 0, '1'), Text(1, 0, '4'), Text(2, 0, '2'), Text(3, 0, '3')]



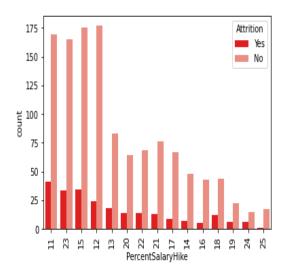
from the above chart its apparent that the employee who having high relationship satisfaction and low relationship satisfaction are having low Attrition rate.so we cannot predict the target coloumn with this value



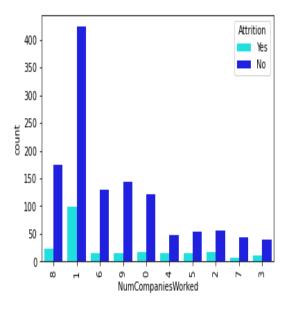
Employee who are trained 2 and 5 times a year are having less attrition rate



the employees who having less stocks are having low attrition rate.



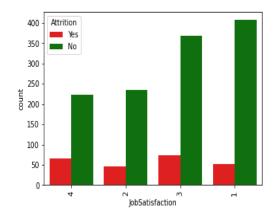
the employees who all are got hike 11 to 15% are having less attrition rate the employees who got hike between 18 to 20% having high attrition rate we can predict the target column using this feature



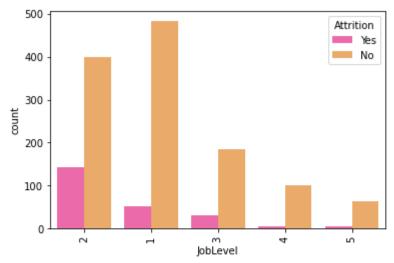
from the above chart its apparent that both the employee who having high satisfaction and low satisfaction are having low Attrition rate.so we cannot predict the target coloumn with this value

from the above chart its apparent that the employees who worked in only one company are having low Attrition rate.

[Text(0, 0, '4'), Text(1, 0, '2'), Text(2, 0, '3'), Text(3, 0, '1')]

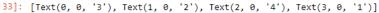


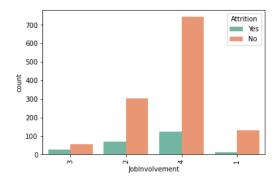
from the above chart its apparent that the employee who having high job satisfaction and low job satisfaction are having low Attrition rate.so we cannot predict the target coloumn with this value



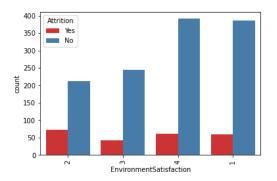
from the above chart its apparent that the entry level employees are having low Attrition rate.

```
33]: 1 = list(df['JobInvolvement'].unique())
2 chart = sns.countplot(df["JobInvolvement"],palette="Set2",hue=df.Attrition)
3 chart.set_xticklabels(labels=l, rotation=90)
```





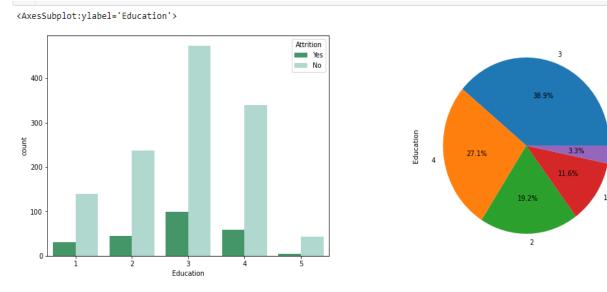
from the above chart its apparent that the employee who all are highly involved in the job having low Attrition rate



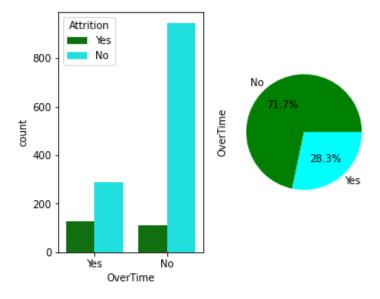
from the above chart its apparent that both the employee who having high satisfaction and low satisfaction are having low Attrition rate.so we cannot predict

5

the target coloumn with this value



The employees of 38.9% belongs to education category 3.compare to other category 3 has less percentange of people moving out of the company

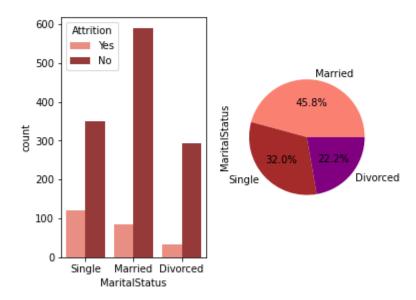


Employees who all are not working overtime has low attrition rate 28.3% employees are willing to work in overtime

Married 673 Single 470 Divorced 327

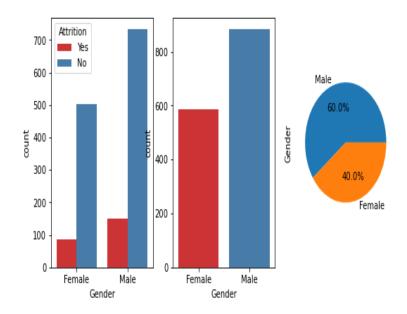
Name: MaritalStatus, dtype: int64

ut[12]: <AxesSubplot:ylabel='MaritalStatus'>

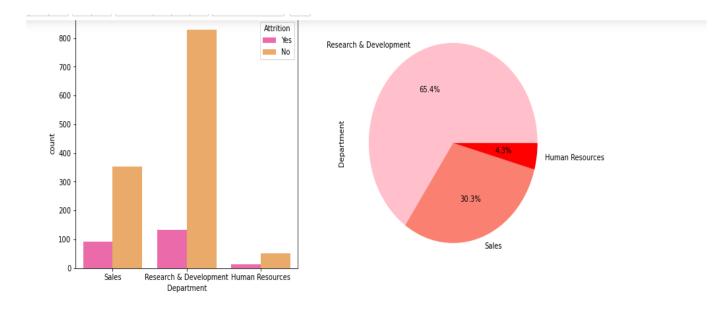


from this above chart its apparent that employees who all are married are having less attrition rate

]: <AxesSubplot:ylabel='Gender'>



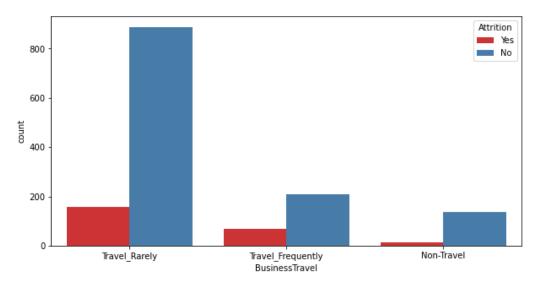
comparing the percentage of attrition out of 588 female only 88 people are quitting it means ((((588-88)/588)100)) 15% female are leaving but in male out of 882 people more than 150 peple are quitting it means(((882-150)/882)100)18% male are leaving



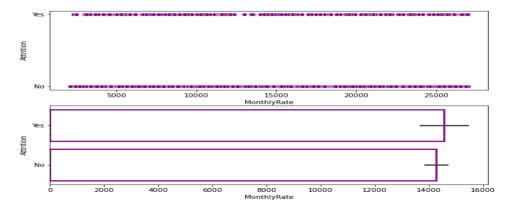
from the above plot its apparent that comparitively the employees who belongs to Research and Development will like to continue their job. The majority percentage (65.4%) of employee belongs to R&D department

```
[38]: 1 plt.figure(figsize=(10,5)) sns.countplot(df.BusinessTravel,palette="Set1",hue=df.Attrition)
```

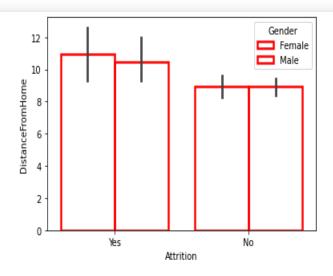
[38]: <AxesSubplot:xlabel='BusinessTravel', ylabel='count'>



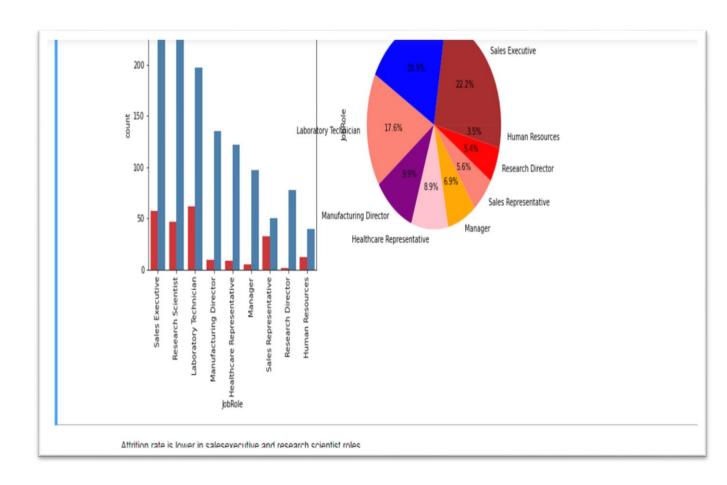
from the above plot its apparent that comparitively the employees who travel rarely will not resign their job

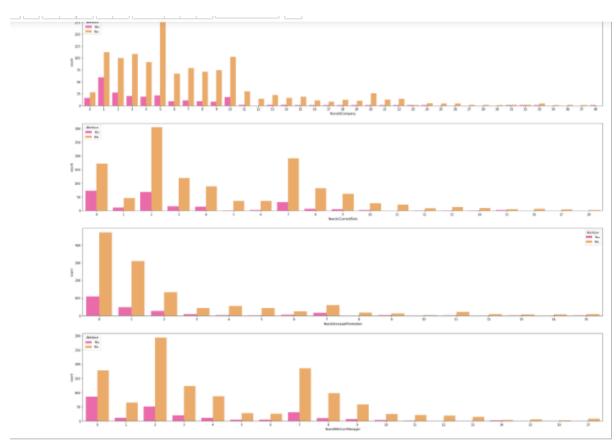


Employees having low monthlyrate are mostly resigning their job



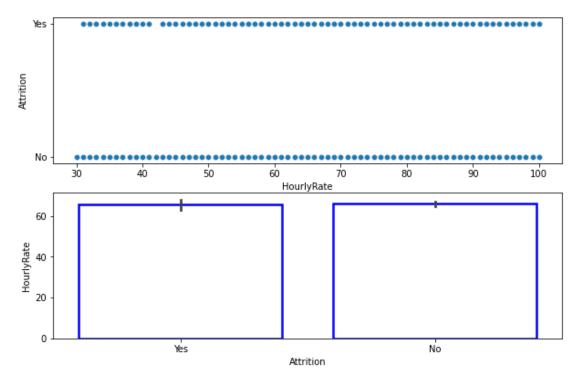
Distance from home is not an important feature to create impact on Attrition feature. Distance from home is not impact on gende





if the employee is in their 5th year with company with same manager are not quitting the job





HourlyRate is not an important feature to create impact on Attrition feature

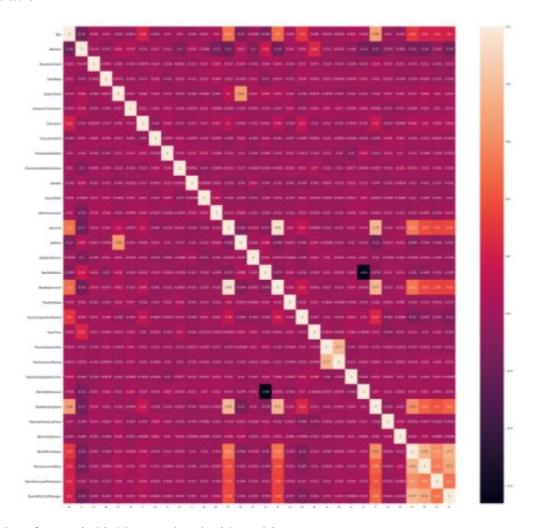
EDA CONCLUSION:

Employees who belongs to below category having less attritionon rate

- > travel rarely
- ➤ who belongs to R&D department
- > who belongs to life science and medical field
- > female
- working as sales executive and research scientists
- unmarried
- > not working over time
- > moderate work life balance
- ➤ high job involvement
- working in single company
- > performance rating:3
- > employees who having 0 stocks
- low monthly income.

we cannot predict using relationship satisfaction,job satisfaction,Environment satisfaction features

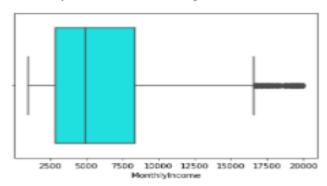
Correlation



Over time feature is highly correlated with attrition

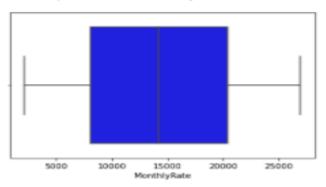
Handling outliers in numerical column:

```
Out[7]: <AxesSubplot:xlabel='MonthlyIncome'>
```



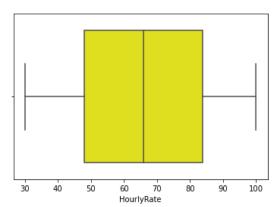
```
In [8]: 1 sns.boxplot(df['MonthlyRate'],color="blue")
```

Out[8]: <AxesSubplot:xlabel='MonthlyRate'>



```
In [9]: 1 sns.boxplot(df['DailyRate'],color="green")
```

Out[10]: <AxesSubplot:xlabel='HourlyRate'>



 $[\hbox{\tt 0.10834951 0.29171859 0.93765369 } \dots \hbox{\tt 0.07669019 0.23647414 0.44597809}] \\$

```
In [14]: 1 df_new['MonthlyIncome'] = df_new.MonthlyIncome[(z1<3)]
2 df_new.shape</pre>
```

Out[14]: (1470, 32)

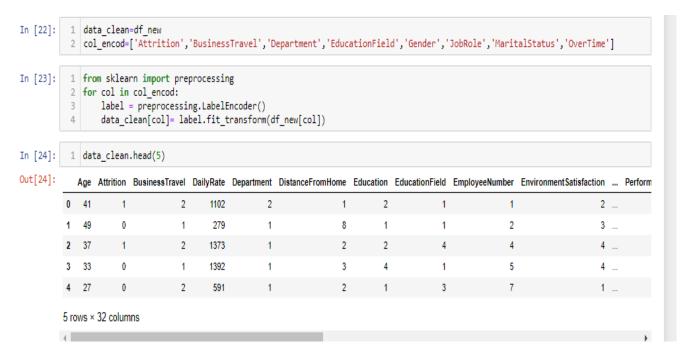
_outliers are removed from numerical data monthly income

Data pre-processing:

The features standard hours, over18 and employee count has only single value so it won't create any impact on the target feature Attrition.

Employee Number feature is just an identifier and it's not required for modelling either. So I'm dropping these features

Encoding all categorical column into numerical column using label encoding technique

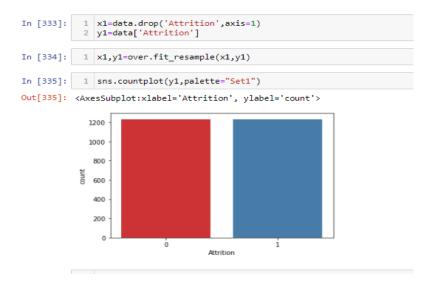


HANDLING CLASS IMBALANCE

Classification problem where the distribution of examples across the known classes is biased or skewed. To avoid this we are using SMOTE technique

the target coloumn attrition has two values 0 and 1.It has class imbalance

SMOTE synthetic over-sampling works to cause the classifier to build larger decision regions that contain nearby minority class points. This will in turn avoid data loss



Scaling using min max scaler

```
In [336]: 1 from sklearn.preprocessing import MinMaxScaler
2 scaler=MinMaxScaler()
3 scaled = scaler.fit_transform(x1)
```

Modelling

It is a binary classification problem so I have modelled using logistic regression and other classification models

MODELING

```
1 from sklearn.metrics import classification_report, confusion_matrix, accuracy_score
2 from sklearn.linear_model import LogisticRegression
3 from sklearn .ensemble import RandomForestClassifier
4 from sklearn.ensemble import BaggingClassifier
5 from sklearn.model_selection import train_test_split
6 from sklearn.neighbors import KNeighborsClassifier
7 from sklearn.metrics import roc_curve
8 from sklearn.metrics import roc_auc_score
9 from sklearn.model_selection import cross_val_score
10 from matplotlib import pyplot
11 from sklearn.svm import SVC
12 from sklearn.ensemble import GradientBoostingClassifier
13 from sklearn.tree import DecisionTreeClassifier
14 x=scaled
15 y=y1
1 rain_test_split(x,y,test_size=0.25,random_state=1)
3 ),RandomForestClassifier(),BaggingClassifier(),KNeighborsClassifier(),GradientBoostingClassifier(),DecisionTreeClassifier()]
            -----
         KNeighborsClassifier()
         Accuracy score: 0.8
          "Confusion Matrix:
          " [[196 101]
[ 21 299]]
         classification_report
                         precision recall f1-score support
                            0.90 0.66 0.76
0.75 0.93 0.83
                     0
                                                              297
                                                              320
                                        0.80 617
0.80 0.80 617
             accuracy
            macro avg
                            0.83
                                        0.80
                                                  0.80
         weighted avg
                             0.82
                                                              617
```

Average accuracy score 0.8022690437601296

BaggingClassifie	er()				
Accuracy score:	0.84				
"Confusion Matri	x:				
" [[262 35]					
[63 257]]					
classification_r	eport				
P	recision	recall	f1-score	support	
0	0.81	0.88	0.84	297	
1	0.88	0.80	0.84	320	
accuracy			0.84	617	
macro avg	0.84	0.84	0.84	617	
weighted avg	0.84	0.84	0.84	617	
Average accuracy	score 0.8	411669367	909238		
Average accuracy	_500,000,00	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	505250		

RandomForestClassifier()

Accuracy score: 0.9

"Confusion Matrix:
" [[276 21]
[43 277]]
classification_report

	precision	recall	f1-score	support
0	0.87	0.93	0.90	297
1	0.93	0.87	0.90	320
accuracy			0.90	617
macro avg	0.90	0.90	0.90	617
weighted avg	0.90	0.90	0.90	617

Average accuracy_score 0.8962722852512156

```
LogisticRegression()
 Accuracy score: 0.8
 "Confusion Matrix:
 " [[245 52]
  [ 69 251]]
 classification_report
              precision recall f1-score support
                 0.78 0.82 0.80 297
0.83 0.78 0.81 320
    accuracy 0.80 617
macro avg 0.80 0.80 0.80 617
ighted avg 0.81 0.80 0.80 617
 weighted avg
 Average accuracy_score 0.8038897893030794
 GradientBoostingClassifier()
 Accuracy score: 0.88
 "Confusion Matrix:
 " [[268 29]
  [ 46 274]]
 classification report
                precision recall f1-score support
                                                297
                   0.85 0.90 0.88
0.90 0.86 0.88
            0
            1
                                                  320
                                       0.88
     accuracy
                                                  617
    macro avg 0.88 0.88
ighted avg 0.88 0.88
                                       0.88
                                                  617
 weighted avg
                                       0.88
                                                  617
 Average accuracy_score 0.8784440842787682
D 1 1 T C1 1C1 //
```

Random forest classifier has highest accuracy is **0.896272**

Cross Validation:

In order to avoid over fitting, Cross-validation is used to estimate the skill of a machine learning model on unseen data.

```
In [51]: | 1 | scorel=[]
           1 lr=LogisticRegression()
           2 scores=cross_val_score(lr,x,y,cv=5)
           3 scorel.append(scores)
           4 scores
 Out[52]: array([0.64574899, 0.85395538, 0.83975659, 0.86206897, 0.84178499])
 In [53]:
           1 rf=RandomForestClassifier()
           2 scores=cross_val_score(rf,x,y,cv=5)
           3 scorel.append(scores)
 Out[53]: array([0.73481781, 0.95537525, 0.93103448, 0.95537525, 0.94523327])
 In [54]:
          1 bg=BaggingClassifier()
           2 scores=cross_val_score(bg,x,y,cv=5)
           3 scorel.append(scores)
 Out[54]: array([0.70445344, 0.9127789 , 0.91075051, 0.90872211, 0.89655172])
           1 kn=KNeighborsClassifier()
           2 scores=cross_val_score(kn,x,y,cv=5)
           3 scorel.append(scores)
           4 scores
 Out[55]: array([0.76923077, 0.831643 , 0.81541582, 0.81541582, 0.82758621])
 In [56]:
           1 gb=GradientBoostingClassifier()
           2 scores=cross val score(gb,x,y,cv=5)
           3 scorel.append(scores)
           4 scores
 Out[56]: arrav([0.65587045. 0.93711968. 0.90872211. 0.9148073 , 0.9148073 ])
```

Difference of predicted model and crossvalidation score:

- ➤ LogisticRegression() difference is 0.0378952
- ➤ RandomForestClassifier() difference is 0.05058173
- ➤ BaggingClassifier() difference is 0.06024702
- ➤ KNeighborsClassifier() difference is 0.02531716
- ➤ GradientBoostingClassifier() difference is 0.03636322
- ➤ DecisionTreeClassifier() difference is 0.05733428

from the observation KNeighborsClassifier model has least difference so I'm selecting KNeighborsClassifier as best model

Hyper Tuning:

Best parameters: {'leaf_size': 1, 'metric': 'minkowski', 'n_neighbors': 5, 'p': 1, 'weights': 'dista nce'}

Modelling using best parameter and best model:

```
♠ Run  C >> Code
                                            ~
Aiter Tryperturing
  1 x_train, x_test, y_train, y_test = train_test_split(x, y,test_size=.25)
     model =KNeighborsClassifier(metric='minkowski', n_neighbors=5,weights='distance',p=1,leaf_size=1)
     model.fit(x_train,y_train)
   4 model.score(x_test,y_test)
: 0.9027552674230146
  1 y_pred_1 = model.predict(x_test)
   1 result = confusion_matrix(y_test, y_pred_1)
   2 print("Confusion Matrix:")
   3 print(result)
   4 result1 = classification_report(y_test, y_pred_1)
   5 print("Classification Report:",)
   6 print (result1)
     result2 = accuracy_score(y_test,y_pred_1)
   8 print("Accuracy:",result2)
  Confusion Matrix:
  [[242 53]
   7 315]]
  Classification Report:
                         recall f1-score support
              precision
                         0.82
0.98
                  0.97
            0
                                     0.89
                                                295
            1
                   0.86
                                     0.91
                                                322
     accuracy
                                     0.90
                                                617
    macro avg
                   0.91
                            0.90
                                      0.90
                                                617
  weighted avg
                  0.91
                             0.90
                                     0.90
                                                617
  Accuracy: 0.9027552674230146
```

Final model after hyper tuning with accuracy **0.9027552674230146**

Best model:KNeighbourClassifier Best param: {'leaf_size': 1, 'metric': 'minkowski', 'n_neighbors': 5, 'p': 1, 'weights': 'distance'}

ROC AUC CURVE:

```
In [68]:

| xtrain,xtest,ytrain,ytest=train_test_split(x,y,test_size=0.25,random_state=1)
| m=KNEsighborsClassifier(metric=iminkowski*, n_neighbors=5,weights='distance',p=1,leaf_size=1)
| m=KNEsighborsClassifier(metric=iminkowski*, n_neighbors=5,weights='distance',p=1,leaf_size=1)
| m=KNEsighborsClassifier(metric=iminkowski*, n_neighbors=5,weights='distance',p=1,leaf_size=1)
| m=Fir=1, m
```

Conclusion:

I have developed a model to predict attrition of an employee with 90.2% accuracy

Saving the model

```
In [398]: 1 from joblib import dump
2 dump(model, 'model_hr.joblib')
Out[398]: ['model_hr.joblib']
In [399]: 1 from joblib import load
2 loaded = load('model_hr.joblib')
```