

## **Exercise on people analytics**

Chimera corporation is a large office supplies & automation company operating across many cities in W. Europe. It has about 18,000 employees.

The Head of HR at Chimera has been worried about the high rate of attrition of Chimera's employees (about 14% compared to industry average of 8-9%). The cost of replacing an employee can be as much as 6 months of salary (severance, recruitment, re-training etc.), so that the high attrition rate creates a significant disadvantage for Chimera.

Chimera's HR function has gathered data for calendar year 2020 and has produced a cleaned dataset that describes several attributes for each of its employees who was employed with Chimera on Jan 1<sup>st</sup> 2021, also recording if they had left by Jan 1, 2021.

Based on analysis of the data, please suggest some measures that Chimera can take to reduce attrition. You will have to cover the intervention proposed, why you think it will work, potential risks, and why Chimera should adopt it.

Materials:

Table 1: Variable description

Table 2: Means and Standard Deviations

Variable	Description	Unit
exit	Whether the employee left the company this year	Left (1) or not (0)
training	Amount of training given to the employee	Weeks per year
kpi_performance	Evaluation of the employee by his superior last quarter	Company-specific scale
boss_survey	Evaluation of the superior by the employee last quarter	Company-specific scale
city_size	Population of the city where the employee is located	Millions of people
years_since_promotion	Time since the employee was last promoted	Years
job_satisfaction	Job satisfaction reported by the employee last quarter	Company-specific scale
half_day_leaves	Number of times the employee asked permission to leave for half a day	Half-days per year
team_size	Number of peers in the employee's team	Number of people
rank	Hierarchical rank of the employee	Lowest (1) to highest (5) rank
age	Age of the employee	Years
gender	Gender of the employee	Female (0) or male (1)
salary	Salary of the employee	Thousands of dollars
variable_pay	Is some of the employee's performance linked to performance?	Percentage
core	Is the employee part of the core business?	Peripheral functions (0) or core (1)
high_potential	Has the employee been identified as high-potential?	No (0) or yes (1)
part_time	Is the employee on a part-time contract?	No (0) or yes (1)
remote	Is the employee part of a team whose members are in different locations?	No (0) or yes (1)
tenure	How long has the employee been working with the company?	Years
boss_tenure	How long has the employee's boss been working with the company?	Years
subordinates	How many subordinates does the employee have under his control?	Number of people
admin_support	Does the employee have an assistant?	No (0), part-time (1) or full-time (2)
local	Is the employee a national of his place of work?	No (0) or yes (1)
clock_in	Does the employee have to record his working time?	No (0) or yes (1)
tenure_unit	How long has the employee been working in his current unit?	Years

education	Which school has the employee graduated from	Highest-tier (1) to lowest-tier (3)
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Table 1: Variable Description

Variable	Obs	Mean	Std. Dev.	Min	Max
admin_supp~t	18132	.6000441	.7326212	0	2
age	18132	37.8903	4.747666	19	56
boss_survey	18132	.5	.2	-.3795679	1.388878
boss_tenure	18132	3.622711	1.058489	3	32
city_size	18132	5.423323	2.803621	.9	9.4
clock_in	18132	.3491617	.4767183	0	1
core	18132	.8026693	.397995	0	1
education	18132	1.380157	.6605311	1	3
gender	18132	.6287227	.4831597	0	1
half_day_l~s	18132	4.599327	1.23192	0	9
high_poten~l	18132	.107655	.3099527	0	1
job_satisf~n	18132	.6	.2	-.2350918	1.389581
kpi_perfor~e	18132	.7	.1	.3269826	1.128582
local	18132	.6004853	.4898121	0	1
part_time	18132	.2073682	.4054327	0	1
rank	18132	1.767979	.9983409	1	5
remote	18132	.2996912	.4581353	0	1
salary	18132	38.99093	6.979665	21.6647	118.3824
subordinates	18132	1.811273	2.541652	0	8
team_size	18132	7.106111	2.012287	1	15
tenure	18132	1.589455	1.010504	1	32
tenure_unit	18132	1.3924	.8768111	1	32
training	18132	2.600596	.582952	1	4
variable_pay	18132	7.000993	5.874855	0	20
years_sinc~n	18132	3.603353	.7585781	1	6
exit	18132	.1355063	.342273	0	1

Table 2: Means & Standard Deviations