Employee Absenteeism Project

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29 November 2018

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I. Introduction:

1.1. Problem Statement

Absenteeism is a serious workplace problem and an expensive occurrence for both employers and employees. Absenteeism of employees from work leads to back logs, piling of work and thus work delay. Human capital plays an important role in collection, transportation and delivery at XYZ Courier Company. The company is passing through genuine issue of Absenteeism. The aim of the project is to reduce the number of absenteeism amongst employees of company XYZ by bringing necessary changes accordingly. We would like to predict the losses that will occur every month if the same trend of absenteeism continues in the year 2011.

1.2. Data

The task is to build predictive regression models, which will predict the employees' absenteeism, based on the various factors given in the data of the XYZ Courier Company.

Given below is a sample of the data set that we are using to predict the employee absenteeism:

Table 1.1: Absenteeism at work sample data (XYZ Company)

ID	Reason for absence	Month of absence	Day of the week	Seasons	Transportation expense	Distance from Residence to Work	Service time	Age	Work load Average/day
11	26	7	3	1	289	36	13	33	239,554
36	0	7	3	1	118	13	18	50	239,554
3	23	7	4	1	179	51	18	38	239,554
7	7	7	5	1	279	5	14	39	239,554
11	23	7	5	1	289	36	13	33	239,554

Hit target	Disciplinary failure	Education	Son	Social drinker	Social smoker	Pet	Weight	Height	Body mass index	Absenteeism time in hours
97	0	1	2	1	0	1	90	172	30	4
97	1	1	1	1	0	0	98	178	31	0
97	0	1	0	1	0	0	89	170	31	2
97	0	1	2	1	1	0	68	168	24	4
97	0	1	2	1	0	1	90	172	30	2

Therefore, in the table below, we have the following 20 independent variables, using which we have to predict the employee Absenteeism:

Table 1.2: Predictor Variables

No. Independent Variables

- 1 ID
- 2 Reason for Absence
- 3 Month of Absence
- 4 Day of the week
- 5 Seasons
- 6 Transportation Expense
- 7 Distance from Residence to work
- 8 Service time
- 9 Age
- 10 Work load Average/day
- 11 Hit target
- 12 Disciplinary failure
- 13 Education
- 14 Son
- 15 Social Drinker
- 16 Social Smoker
- 17 Pet
- 18 Weight
- 19 Height
- 20 Body Mass Index

We have 11 numerical and 9 categorical independent variables in this data.

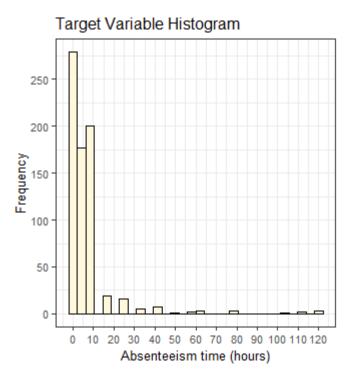
II. Methodology

2.1. Exploratory Data Analysis:

The objective first is to study each feature available in the data and try to assess some patterns and understand the dimensions & properties of the data by exploring it visually. It helps us in understanding the nature of data in terms of distribution of the individual variables/features, finding missing values, relationship with other variables and many other things.

2.1.1. Univariate Analysis:

A. Dependent Target Variable: "Absenteeism time in hours"



Since our target variable is continuous, we can visualize it by plotting its histogram.

Fig.2.1

Observation:

- Most of the employees have taken leave of short durations, but in the long run, it adds
 up to the absenteeism problem. It is a right (positively) skewed variable and can be
 transformed to treat its skewness using logarithmic, cube root or square root function.
- Removing outliers might help reduce the skewness in data as well.

B. Independent Numeric Variables:

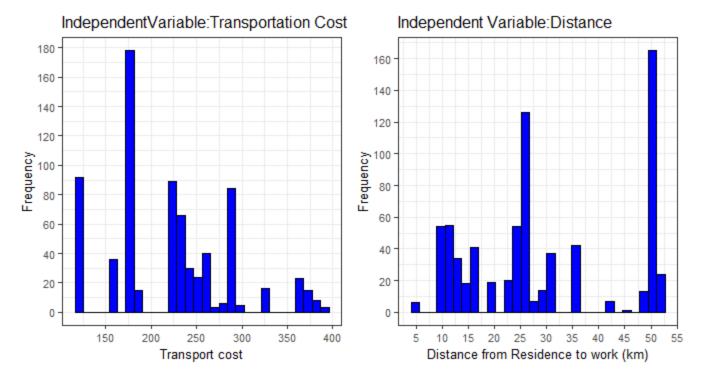


Fig.2.2

- The mean transportation expense of the employees is 221.03 (rs.) and mean distance from residence to work is 29.67 km.
- There is no clear-cut pattern in "transportation Expense" & "Distance from residence to work" variable.

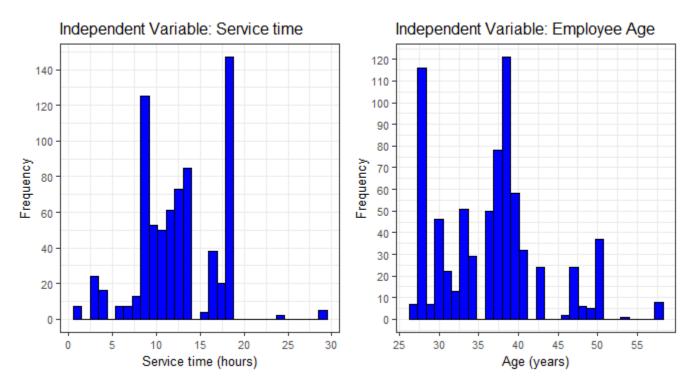


Fig.2.3

- Most of the absentees have a "Service time" around the median hour of 13 hours and an average of 12.56 hours, i.e. employees with high or less service time have not taken much leaves comparatively.
- Most of the absentees are below the "Age" of 50, i.e. around the median of 37 years.
 However, this could be because they hire less old employees working in this company as there is need for active members who can collect, transport & delivery courier and therefore, we have to look for more relations.

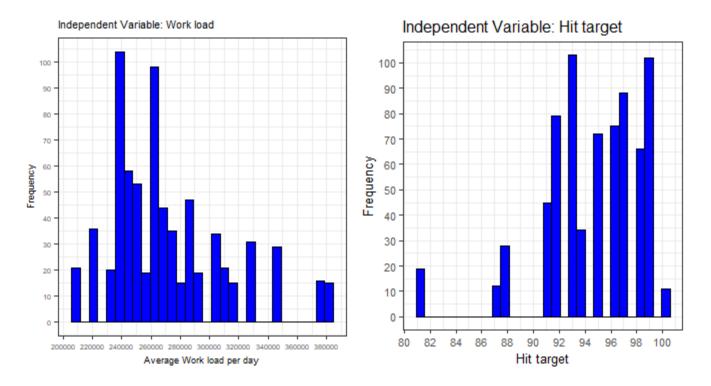


Fig.2.4

- Employees with moderately low "Average work load per day" were absent having an average of 271188.8.
- It can be clearly seen that employees with high "Hit Target" were more absent from work comparatively. Hence, the employer can look into minimizing their employee's targets.

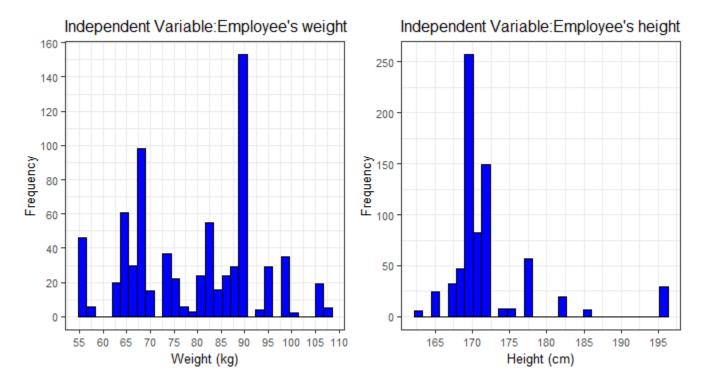


Fig.2.5

- There is no clear-cut pattern in "Employee's weight".
- There is right skewness towards low heighted employees and this can be reduced by outlier analysis.

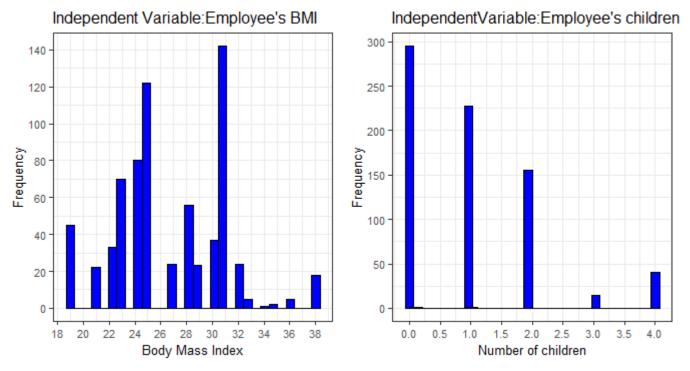
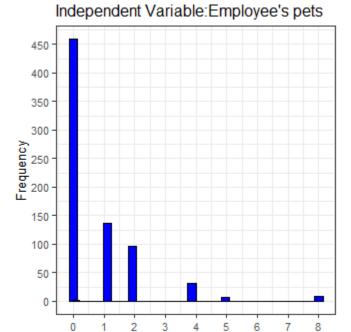


fig.2.6

- Normal BMI is considered between 18.5 to 25. The average "BMI" for absentees is 26.7, which comes under the category of 'slightly overweight'. The XYZ Company can therefore create some fitness awareness or routines for their employees.
- Most of the absentees have no "Son" or just one in number. The median of this variable is 1.



Number of pets

fig.2.7

Observation:

• Most of the employees who were absent have no pet, median & mode being '0'. However, we cannot say that responsibility of a pet at home could be necessarily a generic reason of absence in this company.

C. Independent Categorical Variables:

Bar graphs for the categorical variables in the data as follows:

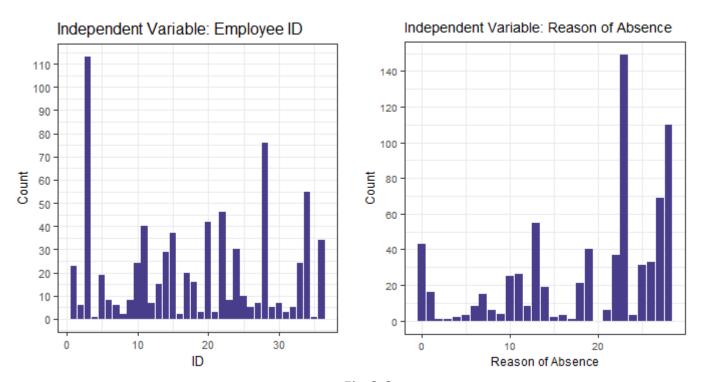


Fig.2.8

- The bar graph for "ID" tells us about which employees were absent the most. Thus, recognizing the most frequent absentees and helping the company heads to micromanage them.
- The mode of "Reason of Absence" variable is '23: Medical Consultation' and 2nd highest mode is '28: Dental Consultation'. So, if the company can arrange regular health checkups near or in their company premises, the losses due absenteeism can be reduced.
- In the "Reason of Absence" variable, there is a category '0', which is an anomaly in data as it is not mentioned in either ICD reasons or without ICD ones.

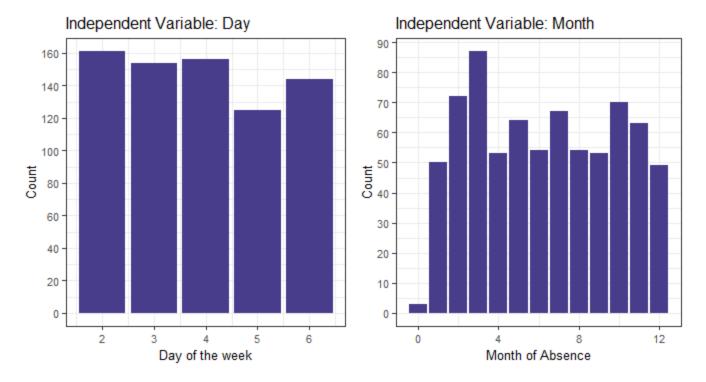


Fig.2.9

- There is no clear-cut pattern in both "Day of the week" & "Month of Absence" variables.
- There is anomaly in the "Month of Absence" variable as '0'Th month is not a valid month.

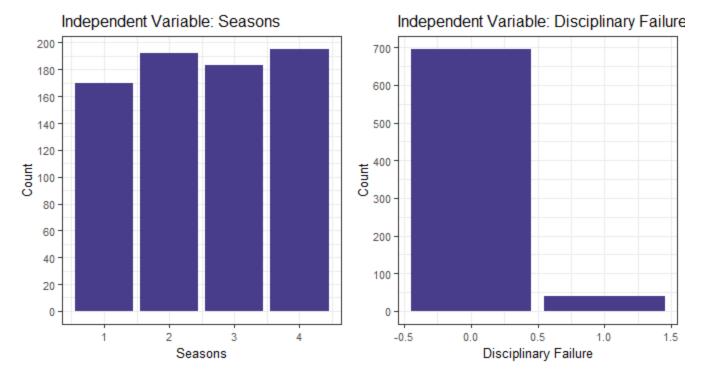


Fig.2.10

- There is no clear-cut pattern in "Seasons" variable.
- There are very few absentees with disciplinary failure. This, in general, is a positive thing for the company, but this may or not be related to absenteeism issue. Let's see further.

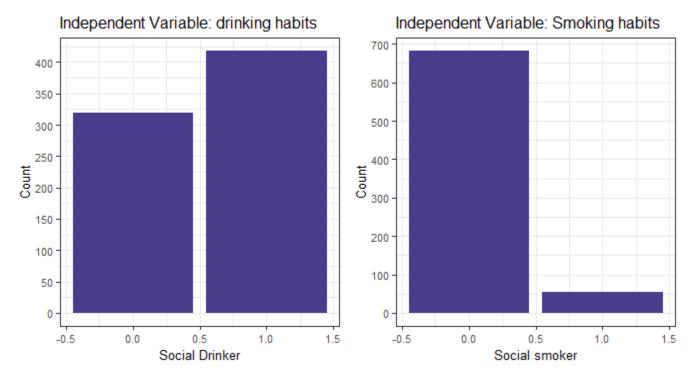
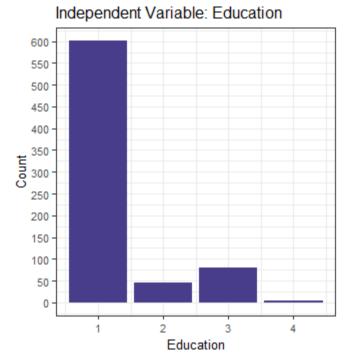


Fig.2.11

Observation:

- There is no clear-cut pattern in the "social drinker" variable.
 - Most of the absentees are non-smokers.



Observation:

 Most of the absentees are high school pass outs and very few amongst them have gone for higher studies.

Fig.2.12

2.1.2. Bivariate Analysis:

After looking features individually, let's explore the independent variables with respect to the target variable using scatter plots to discover hidden relationships between the independent variable and the target variable and use those findings in missing data imputation and feature engineering.

A. Dependent target Variable Vs Independent Variables:

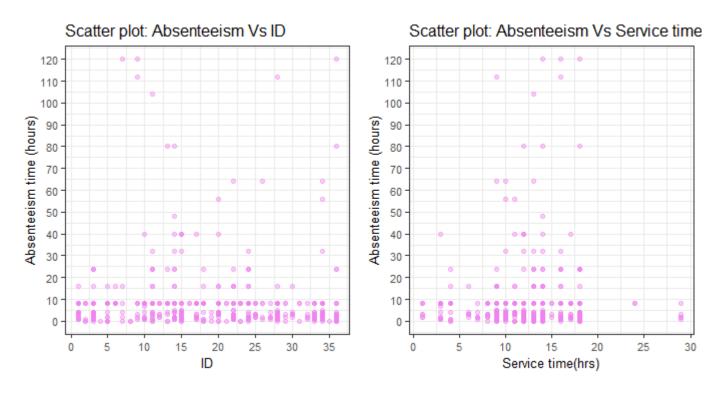
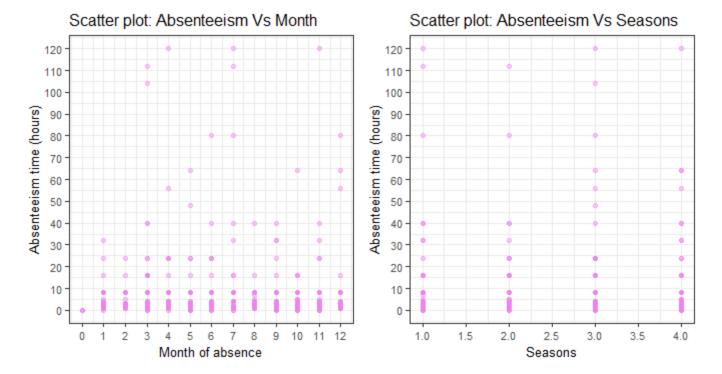
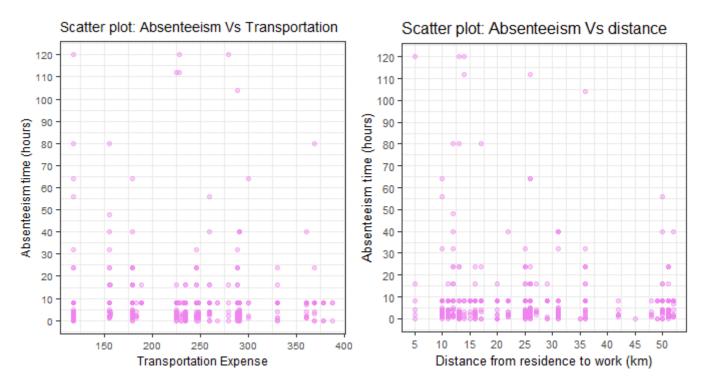


fig.2.13

- "Absenteeism time in hours" target variable Vs "ID" can help the company to manage absentees who took a long period of leave at a time and to counsel or warn them, if needed.
- There are more & high absents observed in the mid-range of "Service time".

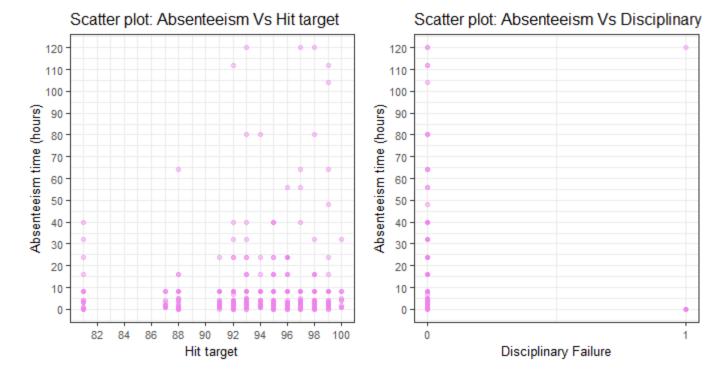


 "Month of Absence" & "Seasons" are quite spread well across the entire range of the Absenteeism time without any obvious pattern.

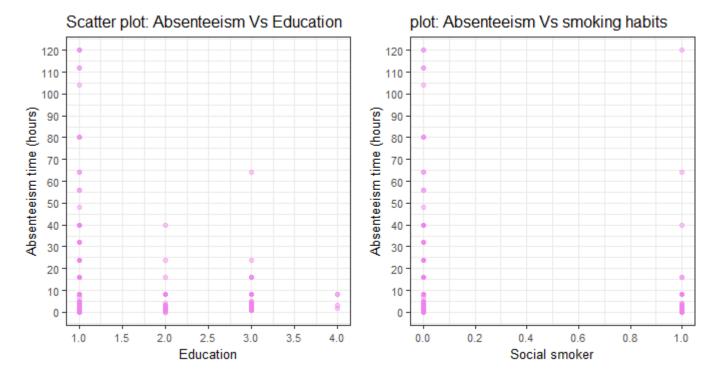


Observation:

 Intuitively, it is expected that the absenteeism will increase with the increase in "distance from work" and "transportation expense", however, that is not the case for this company.



- It can be noticed that absentees of this company have high hit targets, and therefore the employer might reconsider their individual targets for the future.
- Most of the absents are those having no disciplinary failure in their record.

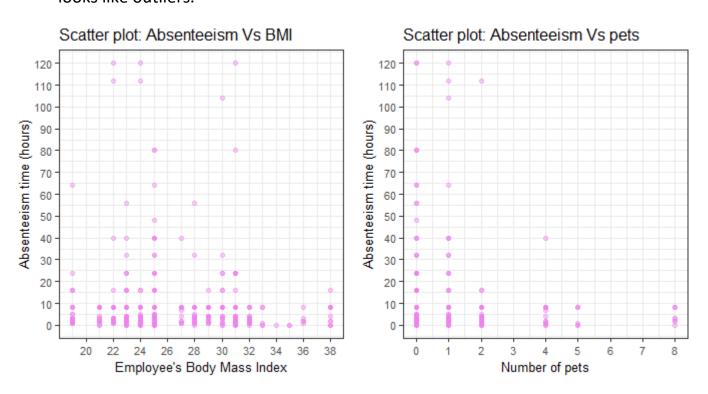


Observation:

 Most the absentees are high school graduates, whereas employees with higher education degrees tend to take less leaves in this company. • There is a pattern in "social smoker" vs Absenteeism that non-smokers are more absent.



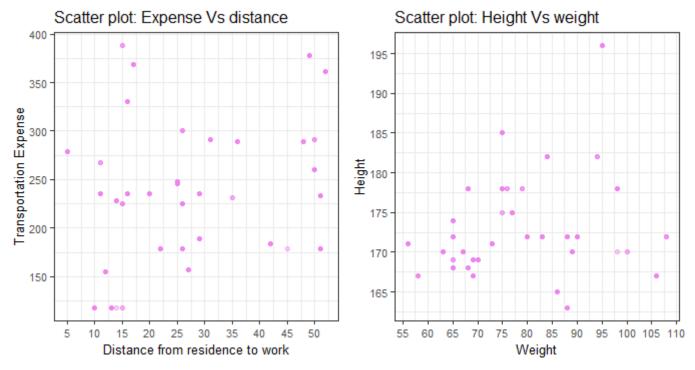
- There is no obvious pattern in "Weight" Vs Absenteeism time.
- We can see that more absentees are short to medium heighted. Heights above 190cm looks like outliers.



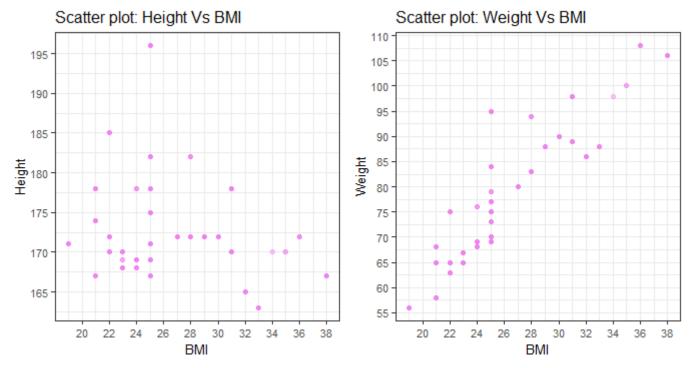
- 'Body Mass Index" Vs "Absenteeism time" shows no such pattern except that most of the absentees have slightly obese BMI range.
- Most of the absentees have no or few pets at home.

B. Independent Variable Vs Independent Variable (Interdependencies):

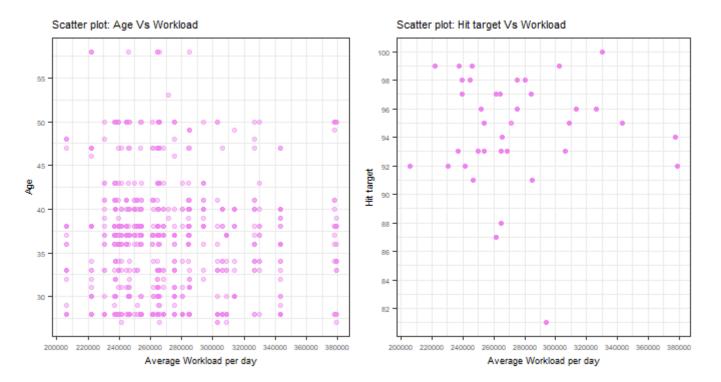
Let's explore the independent variables with respect to other independent variables using scatter plots to discover hidden relations or dependencies between them.



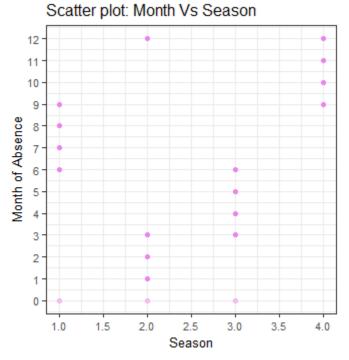
- Intuitively, it is expected that Transportation expense will roughly increase with increasing distance, but that is not the case here. Probably, the employees have different modes of transport.
- 'Height' & 'Weight' do not seem correlated much.



- Body Mass Index or BMI formula is proportional to body weight & inversely proportional
 to the square of height. There is a clear positive linear relationship between weight and
 BMI in this data and therefore they are redundant variables.
- On the other hand, it is hard to say anything about the pattern between height and BMI for this dataset.



- Most absentees have a higher Hit Target, but low to medium Average workload per day comparatively.
- Comparatively, younger absentees with low-medium average workload/day are more.



• The "Seasons" tend to stay for 4 months in a year, after which they disperse into a new season. This transition of season in a month is smoother and hence two seasons may overlap in a month. However, there is anomaly at 0th month where 3 seasons overlap. We need to fix this before data processing.

2.1.3. Fixing Data Anomalies:

Since all data are in numeric type, even the categorical ones, we do not need to convert it for data consolidation.

From the pre-processing and visualizing the variables, it has been found that two variables, i.e. "Reason of Absences" & "Month of Absence", have invalid zero values in them, so we can treat them as missing values and them impute them further accordingly.

```
zero_index = which(data$Reason.for.absence == 0)
for(i in zero_index){
   data$Reason.for.absence[i]= NA
}
zero_index = which(data$Month.of.absence == 0)
for(i in zero_index){
   data$Month.of.absence[i]= NA
}
```

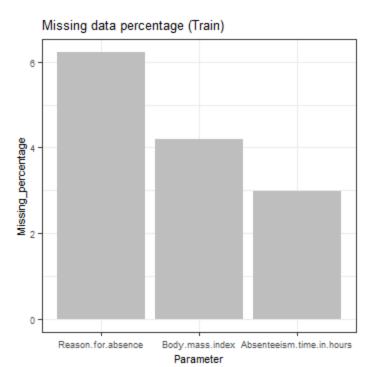
2.1.4. Missing Value Analysis:

Missing data can have a severe impact on building predictive models because the missing values might be contain some vital information, which could help in making better predictions. So, it becomes imperative to carry out missing data imputation.

The total missing values in the data are computed as follows:

•	Columns	Missing_percentage	NumberOfMissingValues [‡]
1	Reason.for.absence	6.2162162	46
2	Body.mass.index	4.1891892	31
3	Absenteeism.time.in.hours	2.9729730	22
4	Height	1.8918919	14
5	Work.load.Average.day.	1.3513514	10
6	Education	1.3513514	10
7	Transportation.expense	0.9459459	7
8	Hit.target	0.8108108	6
9	Disciplinary.failure	0.8108108	6
10	Son	0.8108108	6
11	Month.of.absence	0.5405405	4
12	Social.smoker	0.5405405	4

The highest missing value percentage is about 6%, which is less than 10% and therefore can be acceptably replaced with statistical approximations or using KNN imputation. To find the suitable method of imputation, a missing value is created and mean/median/KNN imputation methods applied to find the closest predicted value to the actual value.



##To test for the best method to find missing values for this dataset

data[6,6]=179

data[6,6]=NA

#By median method:

data \$ Transportation. expense [is.na (data \$ Transportation. expense)] = median (data \$ Transportation. expense, and the state of th

na.rm = T)

#data[6,6]=225 (median)

#By mean method:

#reupload data

data[6,6]=NA

data\$Transportation.expense[is.na(data\$Transportation.expense)]=mean(data\$Transportation.expense,

na.rm = T)

#data[6,6]=221.129 (mean)

#By KNN Imputation:

#reupload data

data[6,6]=NA

data=knnImputation(data, k=5)

#data[6,6]=179 (KNN), which is the closest to 179 (actual value) and hence, we freeze this method.

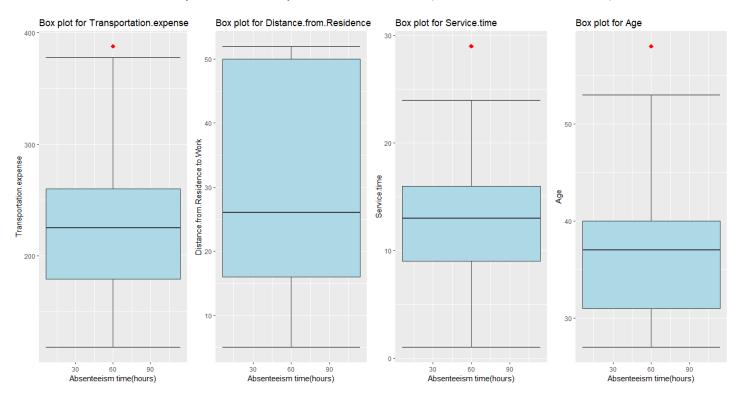
The missing data was successfully imputed in the features using KNN imputation.

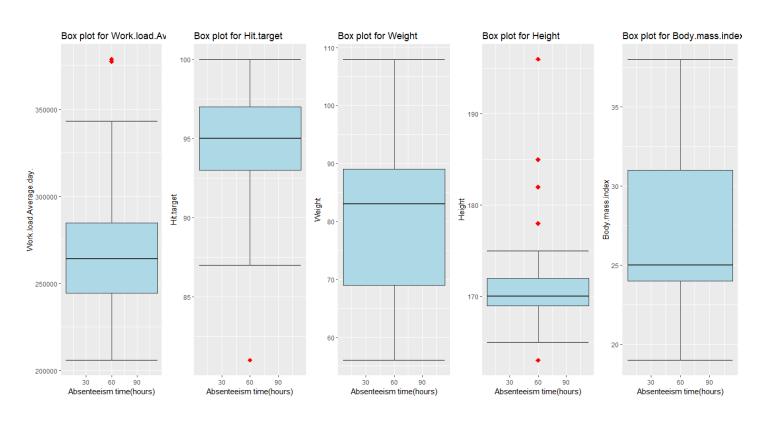
2.1.5. Outlier Analysis:

By definition, outliers are points that are distant from remaining observations. As a result, they can potentially skew or bias any analysis performed on the dataset. It is therefore important to detect and adequately deal with outliers.

We draw box plots to check the distribution & outliers in the dataset.

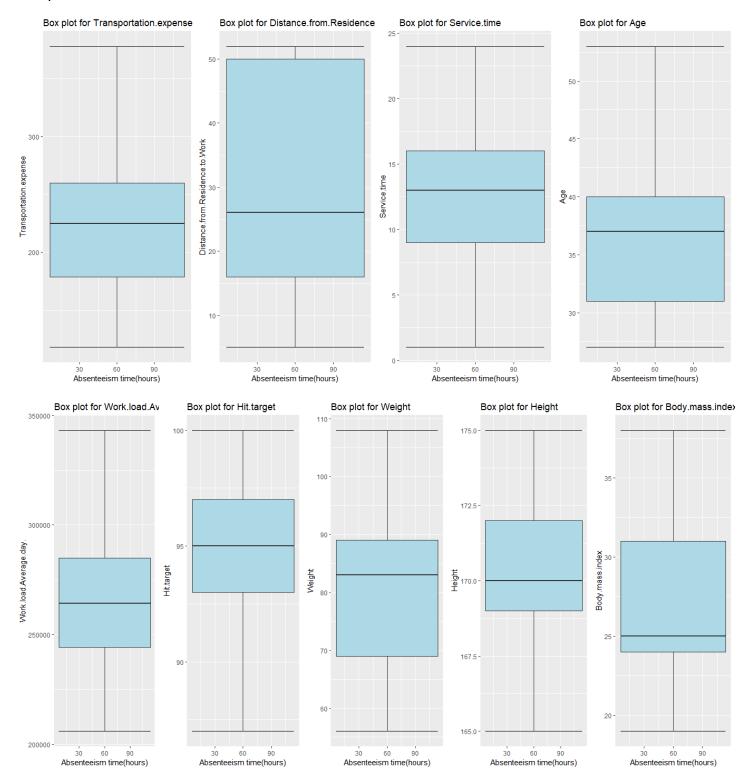
Absenteeism time Box plots for Independent Variables (before Outlier removal):





Outliers make sense only in numeric or continuous data for this dataset. The "Absenteeism time" variable consists of the labels to be used to train and test the predictive models and hence it should be left untouched by further manipulation by outlier analysis.

Box plots of the variables after Outlier removal:

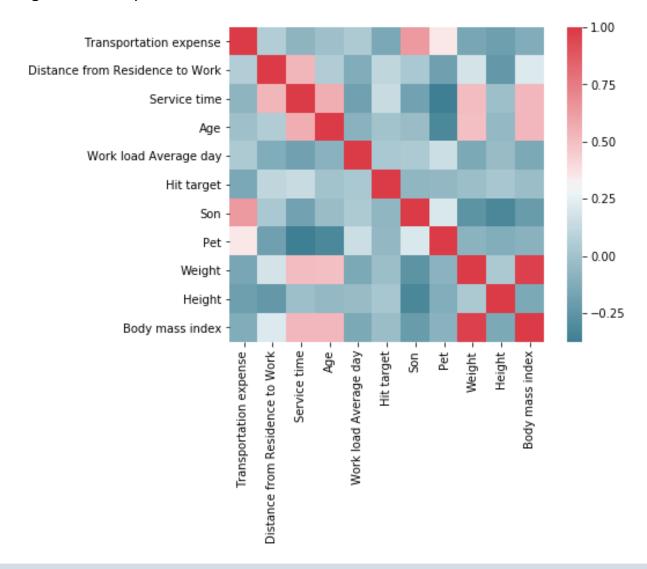


After performing outlier Analysis and removing outliers using Boxplot Method, Predictor vs Absenteeism boxplots is plotted again to compare the differences.

2.1.6. Feature Selection:

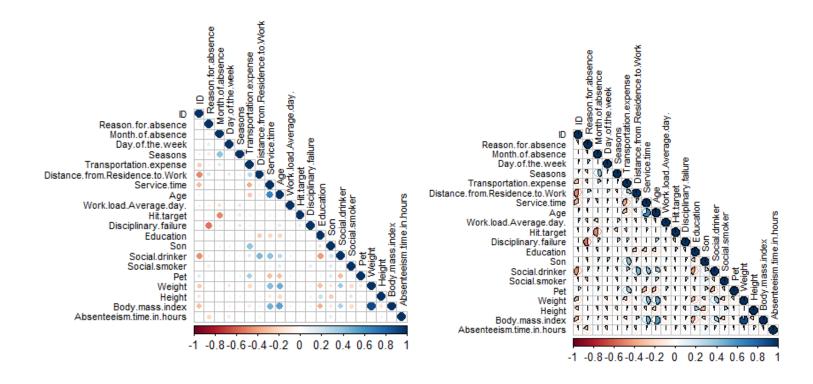
It is needed that we assess the importance of each predictor variable in our analysis, as there is a possibility that many variables in our analysis are not important at all to predict the 'Absenteeism time' values.

A. Using Correlation plots:



corrgram(data, order = F, upper.panel=panel.pie, text.panel=panel.txt, main = "Correlation Plot", font.labels = 1)
mat = cor(data)
corrplot(as.matrix(mat),method= 'pie',type = "lower", tl.col = "black", tl.cex = 0.7)

- If |r|>0.8 for two variables, those variables are considered redundant variables and one of them can be removed from the dataset.
- Output: "Weight" & "Body.Mass.Index" variables are highly positively correlated as expected after performing the pre-processing of the data.



B. Using Chi-square test of Independence (relationship between categorical variables):

```
n = c(1,2,3,4,5,12,13,15,16) #indices of the categorical variables

for(i in n){
    print(names(data[i]))
    print(chisq.test(table(data$Absenteeism.time.in.hours,data[,i])))
}
```

- If p-value<0.05 (Reject Null Hypothesis) => Target variable depends on the independent variable.
- If p-value>0.05 (Do Not Reject Null Hypothesis) =>Target variable & independent variable are independent of each other.
- Output:

```
"ID": X-squared = 1577.1, df = 1330, p-value = 2.868e-06

"Reason.for.absence": X-squared = 6085.7, df = 2698, p-value < 2.2e-16

"Month.of.absence": X-squared = 576.12, df = 570, p-value = 0.4206

"Day.of.the.week": X-squared = 185.04, df = 152, p-value = 0.03512

"Seasons": X-squared = 178.62, df = 114, p-value = 0.000105

"Disciplinary.failure": X-squared = 615.77, df = 38, p-value < 2.2e-16

"Education": X-squared = 55.066, df = 114, p-value = 1

"Social.drinker": X-squared = 57.514, df = 38, p-value = 0.022

"Social.smoker": X-squared = 45.661, df = 38, p-value = 0.1837
```

• Target Variable "Absenteeism.time.in.hours" depends on all the categorical variables, except "month of absence", "Education" & "Social.smoker" attributes.

C. Using Random Forest Algorithm:

 $data.rf=randomForest(data$Absenteeism.time.in.hours^.,data = data, ntree=1000, keep.forest= F, importance= T) importance(data.rf,type = 1)$

Output:

•		%IncMSE
•	ID	10.6189921
•	Reason.for.absence	13.9939070
•	Month.of.absence	8.9653443
•	Day.of.the.week	1.0176514
•	Seasons	9.0015197
•	Transportation.expense	4.4330720
•	Distance.from.Residence.to.Work	5.8995292
•	Service.time	9.8489478
•	Age	11.7781713
•	Work.load.Average.day.	2.2867752
•	Hit.target	0.3832429
•	Disciplinary.failure	-0.8874999
•	Education	3.0991756
•	Son	8.3011303
•	Social.drinker	5.3789409
•	Social.smoker	-1.2207280
•	Pet	2.6435399
•	Weight	7.2855691
•	Height	14.4292822
•	Body.mass.index	6.6481634

• "Hit Target", "Disciplinary.failure", "Social Smoker" & "day of the week" have the least variable importance with 0-1% (approx.).

D. Dimensional Reduction:

We should remove those features that do not contribute to predicting the target variable as it will only lead to increase in the complexity of the model and incorrect prediction.

- From Correlation Plot --> We can drop "Weight" or "Body.Mass.Index" column. From RF variable importance output, we see that "weight" has higher importance, so we can drop "Body.Mass.Index" variable.
- From Chi square test & Random Forest --> We drop "Education" & "Social.smoker" variables.

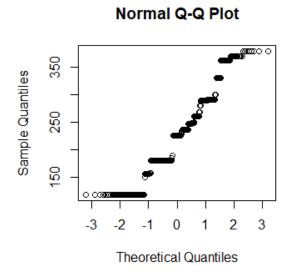
2.1.7. Feature Scaling:

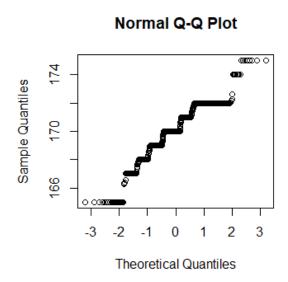
The dataset contains features that are highly varying in magnitudes, units and range. Feature Scaling (Normalization/Standardization) is a step of Data Pre-Processing, which is applied to independent variables or features of data. It helps to normalize the data within a particular range and sometimes helps in speeding up the calculations in distance-based algorithms. Standardization works well if the data is normally distributed, otherwise we scale data by normalization method.

A. Normality Check:

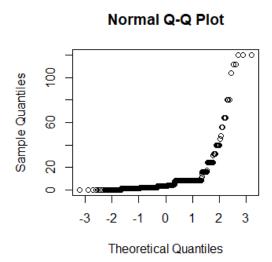
Q-Q Plot for continuous variables:

qqnorm(data\$Transportation.expense)
qqnorm(data\$Height)



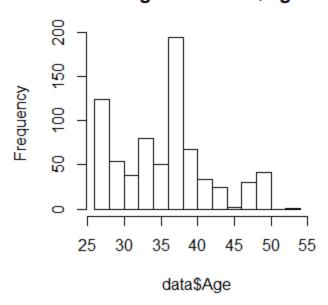


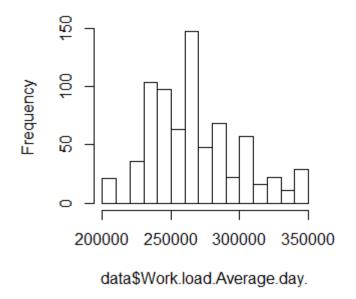
qqnorm(data\$Distance.from.residence.to.work)
qqnorm(data\$Absenteeism.time.in.hours)



Histogram of data\$Age

listogram of data\$Work.load.Average





None of the continuous variables is normally distributed. So, we scale the data using Normalization method.

Normalization formula:

$$z = \frac{x - \min(x)}{\max(x) - \min(x)}$$

```
#Only for continuous variables
for(i in OutCol){
  print(i)
  data[,i] = (data[,i] - min(data[,i]))/(max(data[,i]) - min(data[,i]))
}
```

2.1.8. Data Sampling:

The whole dataset is divided into train and test split sets so that there is data from which the model can learn and there is a part of the data set using which we can do unbiased evaluation of the trained model.

Random sampling without replacement is used to split 80% of the data into training set and remaining 20% into test set.

```
sample.index = sample(nrow(data), 0.8*nrow(data), replace = F)
train = data[sample.index,]
test = data[-sample.index,]
```

2.2. Modeling

2.2.1. Model Selection:

The dataset of XYZ Company indicates that this is a supervised learning problem as there is the task of inferring a function or values from the labeled training data. Secondly, the dependent variable "Absenteeism time in hours" is of real valued or continuous type and therefore our prediction is of a quantity & it is a regression problem. Since we have many input variables, we shall perform a **multivariate regression analysis** on the given dataset.

2.2.2. Decision Tree Algorithm

```
dt=rpart(Absenteeism.time.in.hours~.,data = train,method= "anova")
> summary(dt)
Call:
rpart(formula = Absenteeism.time.in.hours ~ ., data = train,
  method = "anova")
 n = 592
     CP nsplit rel error xerror
                                xstd
1 0.12020120
               0 1.0000000 1.0064746 0.2705362
2 0.04928046
              1 0.8797988 0.8915125 0.2404877
3 0.02205094
              3 0.7812379 0.9141441 0.2155769
               5 0.7371360 0.9371219 0.2190678
4 0.01065252
5 0.01054222
                7 0.7158310 0.9627655 0.2255687
6 0.01000000
                8 0.7052887 0.9626555 0.2255695
Variable importance
      Reason.for.absence
                                                                    Transportation.expense
                                        Age
                                                           Son
                                                   9
                                                                     8
               33
                                 16
Distance.from.Residence.to.Work
                                             Height
                                                                 Weight
                                                                                  Service.time
                                 7
                                                  5
     Work.load.Average.day
                                          Pet
                                                       Social.drinker
                                                                               Hit.target
               4
                                 2
                                                  2
                                                                    1
               ID
               1
Node number 1: 592 observations, complexity param=0.1202012
 mean=6.991777, MSE=173.0504
 left son=2 (378 obs) right son=3 (214 obs)
 Primary splits:
   Reason.for.absence
                            < 19.10219 to the right, improve=0.12020120, (0 missing)
   Son
                               to the left, improve=0.03804571, (0 missing)
                       < 0.6174526 to the left, improve=0.02067571, (0 missing)
   Distance.from.Residence.to.Work < 0.287234 to the right, improve=0.01763882, (0 missing)
   Transportation.expense
                              < 0.5980769 to the left, improve=0.01338666, (0 missing)
```

```
Surrogate splits:
   Height
                       < 0.7086694 to the left, agree=0.659, adj=0.056, (0 split)
   Work.load.Average.day
                               < 0.9519718 to the left, agree=0.655, adj=0.047, (0 split)
   Transportation.expense
                               < 0.9826923 to the left, agree=0.645, adj=0.019, (0 split)
   Distance.from.Residence.to.Work < 0.05319149 to the right, agree=0.644, adj=0.014, (0 split)
                      < 0.8269231 to the left, agree=0.644, adj=0.014, (0 split)
   Age
Node number 2: 378 observations
mean=3.560138, MSE=9.371554
Node number 3: 214 observations, complexity param=0.04928046
mean=13.05327, MSE=404.6228
left son=6 (137 obs) right son=7 (77 obs)
Primary splits:
                      < 0.375
                                to the left, improve=0.04478752, (0 missing)
   Son
   ID
                     < 15.5
                               to the right, improve=0.02774764, (0 missing)
   Service.time
                         < 0.4565217 to the left, improve=0.02342015, (0 missing)
   Distance.from.Residence.to.Work < 0.2021277 to the right, improve=0.02322409, (0 missing)
   Social.drinker
                                   to the left, improve=0.01759270, (0 missing)
                          < 0.5
Surrogate splits:
   Transportation.expense < 0.4961538 to the left, agree=0.748, adj=0.299, (0 split)
                  < 0.310058 to the right, agree=0.720, adj=0.221, (0 split)
   Heiaht
   Service.time
                    < 0.4130435 to the left, agree=0.706, adj=0.182, (0 split)
   Weight
                   < 0.6442308 to the left, agree=0.696, adj=0.156, (0 split)
   Reason.for.absence < 14.18197 to the left, agree=0.668, adj=0.078, (0 split)
Node number 6: 137 observations, complexity param=0.01065252
mean=9.861817, MSE=196.9078
left son=12 (101 obs) right son=13 (36 obs)
Primary splits:
   Age
             < 0.4615385 to the left, improve=0.02954384, (0 missing)
              < 0.5875101 to the left, improve=0.02574266, (0 missing)
   Height
                            to the right, improve=0.02398209, (0 missing)
   Day.of.the.week < 4.5
   Social.drinker < 0.5
                          to the left, improve=0.01599686, (0 missing)
   Pet
             < 0.5853116 to the right, improve=0.01461495, (0 missing)
Surrogate splits:
   Weight
             < 0.7211538 to the left, agree=0.847, adj=0.417, (0 split)
                    to the left, agree=0.825, adj=0.333, (0 split)
   ID
             < 0.3980134 to the right, agree=0.788, adi=0.194, (0 split)
   Height
   Service.time < 0.4347826 to the left, agree=0.774, adj=0.139, (0 split)
Node number 7: 77 observations, complexity param=0.04928046
mean=18.73158, MSE=723.8284
left son=14 (69 obs) right son=15 (8 obs)
 Primary splits:
```

```
Age
                      < 0.1757286 to the right, improve=0.11158270, (0 missing)
   Day.of.the.week
                            < 3.5
                                     to the right, improve=0.08138058, (0 missing)
   Distance.from.Residence.to.Work < 0.2021277 to the right, improve=0.08000780, (0 missing)
  ID
                     < 15
                              to the right, improve=0.05764600, (0 missing)
   Work.load.Average.day
                               < 0.2005483 to the right, improve=0.03857452, (0 missing)
Node number 12: 101 observations
mean=8.42184, MSE=102.3121
Node number 13: 36 observations, complexity param=0.01065252
mean=13.90175, MSE=440.163
left son=26 (23 obs) right son=27 (13 obs)
Primary splits:
   Height
                  < 0.5697937 to the left, improve=0.08744407, (0 missing)
   Day.of.the.week
                      < 4.5
                               to the right, improve=0.07850019, (0 missing)
   Reason.for.absence < 13.11839 to the right, improve=0.06744882, (0 missing)
  Social.drinker
                    < 0.5
                             to the left, improve=0.04207122, (0 missing)
   Work.load.Average.day < 0.244397 to the right, improve=0.03724410, (0 missing)
Surrogate splits:
   Distance.from.Residence.to.Work < 0.4680851 to the left, agree=0.917, adj=0.769, (0 split)
  Service.time
                         < 0.6086957 to the right, agree=0.917, adj=0.769, (0 split)
  Pet
                     < 0.1234224 to the left, agree=0.917, adj=0.769, (0 split)
                               < 0.575 to the left, agree=0.833, adj=0.538, (0 split)
   Transportation.expense
   Social.drinker
                          < 0.5
                                   to the right, agree=0.833, adj=0.538, (0 split)
Node number 14: 69 observations, complexity param=0.02205094
mean=15.67147, MSE=459.3171
left son=28 (54 obs) right son=29 (15 obs)
Primary splits:
   Distance.from.Residence.to.Work < 0.1702128 to the right, improve=0.07076549, (0 missing)
   Social.drinker
                                  to the left, improve=0.06729260, (0 missing)
                         < 0.5
                        < 0.7307692 to the left, improve=0.06373516, (0 missing)
  Hit.target
   Seasons
                        < 2.5
                                 to the left, improve=0.05947428, (0 missing)
  Reason.for.absence
                             < 18.82234 to the left, improve=0.04594533, (0 missing)
Surrogate splits:
   Transportation.expense < 0.1884615 to the right, agree=0.928, adj=0.667, (0 split)
                   < 0.7403846 to the left, agree=0.928, adj=0.667, (0 split)
   Weight
   ID
                         to the right, agree=0.797, adj=0.067, (0 split)
                < 7.5
Node number 15: 8 observations
mean=45.125, MSE=2227.859
Node number 26: 23 observations
mean=9.237525, MSE=56.28467
```

```
Node number 27: 13 observations
 mean=22.15385, MSE=1012.746
Node number 28: 54 observations, complexity param=0.02205094
 mean=12.66667, MSE=313.4815
 left son=56 (39 obs) right son=57 (15 obs)
 Primary splits:
   Reason.for.absence < 18.82234 to the left, improve=0.13441000, (0 missing)
                < 0.8846154 to the left, improve=0.07125832, (0 missing)
   Hit.target
   Day.of.the.week < 5.5
                           to the left, improve=0.06361566, (0 missing)
   Month.of.absence < 5.5 to the right, improve=0.06091959, (0 missing)
   Social.drinker < 0.5
                          to the left, improve=0.05751834, (0 missing)
 Surrogate splits:
   Hit.target < 0.8076923 to the left, agree=0.778, adj=0.2, (0 split)
Node number 29: 15 observations
 mean=26.48875, MSE=834.8078
Node number 56: 39 observations, complexity param=0.01054222
 mean=8.641026, MSE=70.94806
 left son=112 (31 obs) right son=113 (8 obs)
 Primary splits:
   Work.load.Average.day < 0.8204879 to the left, improve=0.39032040, (0 missing)
   Reason.for.absence < 13.5
                                 to the right, improve=0.11775290, (0 missing)
   ID
                < 21.5
                         to the right, improve=0.09704926, (0 missing)
   Month.of.absence
                     < 3.5
                                to the right, improve=0.08930142, (0 missing)
   Transportation.expense < 0.6788462 to the right, improve=0.07056163, (0 missing)
Node number 57: 15 observations
 mean=23.13333, MSE=792.3822
Node number 112: 31 observations
 mean=5.967742, MSE=9.257024
Node number 113: 8 observations
 mean=19, MSE=175
Now, we predict for new test cases:
```

2.2.3. Random Forest Algorithm

predict.dt=predict(dt,test[,-18])

rf = randomForest(Absenteeism.time.in.hours~., train, importance = TRUE, ntree = 500)
> summary(rf)
Length Class Mode

```
call
         5 -none-call
type
          1 -none- character
predicted
           592 -none- numeric
         500 -none- numeric
mse
         500 -none- numeric
rsq
           592 -none- numeric
oob.times
importance
             34 -none- numeric
importanceSD 17 -none- numeric
localimportance 0 -none-NULL
           0 -none- NULL
proximity
ntree
          1 -none- numeric
mtry
          1 -none- numeric
forest
          11 -none-list
coefs
          0 -none- NULL
        592 -none- numeric
         0 -none- NULL
test
inbag
           0 -none- NULL
terms
           3 terms call
```

We predict for test set:

```
predict.rf <- data.frame(predict(rf, subset(test, select = -c(Absenteeism.time.in.hours))))</pre>
```

2.2.4. Multiple Linear Regression

Multicollinearity is when independent variables in a regression model are correlated. It tries to inflate or resist the variance of different strong regressors in the data. Therefore, we need to do a collinearity check before performing linear regression.

```
> vif.data= vif(data[,-18])
> vifcor(data[,-18], th = 0.8)
No variable from the 17 input variables has collinearity problem.
The linear correlation coefficients ranges between:
min correlation (Month.of.absence ~ ID ): -4.542897e-05
max correlation ( Age ~ Service.time ): 0.661807
----- VIFs of the remained variables -----
             Variables
                          VIF
1
                  ID 2.509781
2
         Reason.for.absence 1.102944
3
          Month.of.absence 1.720037
4
           Day.of.the.week 1.078431
5
               Seasons 1.335310
       Transportation.expense 2.458060
7 Distance.from.Residence.to.Work 1.841511
```

```
8
            Service.time 3.445202
9
                 Age 3.134506
10
        Work.load.Average.day 1.151894
              Hit.target 1.355962
11
12
         Disciplinary.failure 1.090212
13
                  Son 1.493890
            Social.drinker 2.387001
14
                  Pet 1.689840
15
16
                Weight 2.032082
                Height 1.238693
17
```

Now that multicollinearity is not an issue, we can build our regression model.

```
Ir = Im(Absenteeism.time.in.hours~., data = train)
> #summary of the model
> summary(Ir)
Call:
Im(formula = Absenteeism.time.in.hours ~ ., data = train)
Residuals:
 Min
      1Q Median 3Q Max
-21.417 -4.351 -1.436 1.195 106.290
Coefficients:
              Estimate Std. Error t value Pr(>|t|)
(Intercept)
                  14.82960 5.58499 2.655 0.008145 **
ID
               Reason.for.absence
                     Month.of.absence
                      0.01028  0.19447  0.053  0.957861
Day.of.the.week
                    Seasons
                  0.27226  0.52728  0.516  0.605818
Transportation.expense
                        1.68389 3.10483 0.542 0.587791
Distance.from.Residence.to.Work -7.19587 2.16700 -3.321 0.000955 ***
Service.time
                   8.01568 5.05313 1.586 0.113226
                -4.91859 3.76004 -1.308 0.191356
Age
                        -1.47516 2.30282 -0.641 0.522045
Work.load.Average.day
Hit.target
                  3.67282 2.48753 1.476 0.140360
                    -1.92652 2.39856 -0.803 0.422194
Disciplinary.failure
                6.74366 2.23318 3.020 0.002642 **
Son
                   3.67838 1.58240 2.325 0.020444 *
Social.drinker
               -1.02093 1.82474 -0.559 0.576041
Pet
Weight
                 -3.75747 2.86896 -1.310 0.190822
                 5.97834 3.03563 1.969 0.049389 *
Height
```

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 '' 1

```
Residual standard error: 12.23 on 574 degrees of freedom
Multiple R-squared: 0.1621, Adjusted R-squared: 0.1373
F-statistic: 6.532 on 17 and 574 DF, p-value: 2.675e-14
```

Then we predict for the test set:

```
predict.lr=predict(lr, test[,-18])
```

2.2.5. KNN Implementation

KNN is distance based non-parametric algorithm and it never stores patterns from the training data, but classifies for new test cases based on a similarity measure.

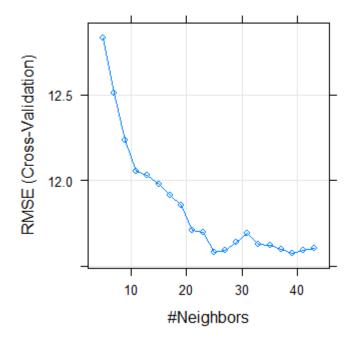
First, we need to check for the best no. of neighbors (k):

```
#K=5:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 5)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
   mae
            mse
                    rmse
                             mape
 6.712344 199.341057 14.118819
                                      Inf
> #K=7:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 7)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
            mse
                    rmse
   mae
                             mape
 6.418315 196.195775 14.006990
                                      Inf
> #K=9:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 9)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
   mae
            mse
                    rmse
                             mape
 6.167826 187.593597 13.696481
                                      Inf
> #K=13:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 13)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
   mae
            mse
                    rmse
                             mape
 6.039239 192.793157 13.884998
                                      Inf
> #K=15:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 15)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
   mae
            mse
                    rmse
                             mape
 6.081862 195.226633 13.972352
                                      Inf
> #K=17:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 17)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
   mae
                    rmse
            mse
                             mape
 5.944805 194.947266 13.962352
                                      Inf
```

```
> #K=19:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 19)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
                    rmse
    mae
            mse
                             mape
 5.853058 193.726139 13.918554
                                      Inf
> #K=21:
> predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k= 21)
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
                    rmse
                             mape
    mae
            mse
 5.855254 194.307576 13.939425
                                      Inf
```

Another way to check best k value:

```
model <- train(Absenteeism.time.in.hours~., data = train, method = "knn",
+ trControl = trainControl("cv", number = 10),
+ tuneLength = 20)
> model$bestTune
   k
18 39
> plot(model)
```



After checking both methods, it is best to choose k=19 as it gives us the least prediction error.

III. Conclusion

3.1 Model Evaluation:

Now that we have a few models for predicting the target variable, we need to decide which one to choose. Several criterias exist for evaluating and comparing models; here we can

compare the models by using assessing the 'Predictive Performance' of the models. Predictive performance can be measured by comparing Predictions of the models with real values of the target variables, and calculating some average error measure like MAE, MSE, RMSE or MAPE.

```
> #Error metric for Decision Tree:
> regr.eval(test[,18], predict.dt, stats = c("mae", "mse", "rmse", "mape"))
            mse
                   rmse
                           таре
 5.753875 180.407076 13.431570
                                    Inf
> #Output:
> #mae
           mse
                  rmse
                           mape
> #5.753875 180.407076 13.431570 Inf
> postResample(predict.dt,test[,18])
   RMSE Rsquared
                       MAE
13.4315701 0.1213995 5.7538750
> #Error metric for Random Forest:
> regr.eval(test[,18], predict.rf, stats = c("mae","mse","rmse","mape"))
   mae
            mse
                   rmse
                           mape
 5.295667 153.418298 12.386214
                                    Inf
> #Output:
> #mae
           mse
                   rmse
                            mape
> #5.295667 153.418298 12.386214
                                     Inf
> postResample(predict.rf,test[,18])
   RMSE Rsquared
12.3862140 0.2561696 5.2956666
> #Error metric for Multiple Linear Regression:
> regr.eval(test[,18], predict.lr, stats = c("mae","mse","rmse","mape"))
                   rmse
   mae
            mse
                           mape
 6.527533 188.009158 13.711643
                                    Inf
> #Output:
>#mae
           mse
                  rmse
                           mape
>#6.527533 188.009158 13.711643 Inf
> postResample(predict.lr,test[,18])
   RMSE Rsquared
                        MAE
13.71164317 0.08126101 6.52753308
> #Error metric for KNN Implementation:
> regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
   mae
            mse
                   rmse
                           mape
```

MAPE (mean absolute percentage error) values come infinity because the denominator of the MAPE formula has actual values of the target variable which is '0 hours' too and it is obvious that MAPE won't work for this dataset. Therefore, we compare the predictive models using MAE, MSE and RMSE.

3.2 Final Model Selection:



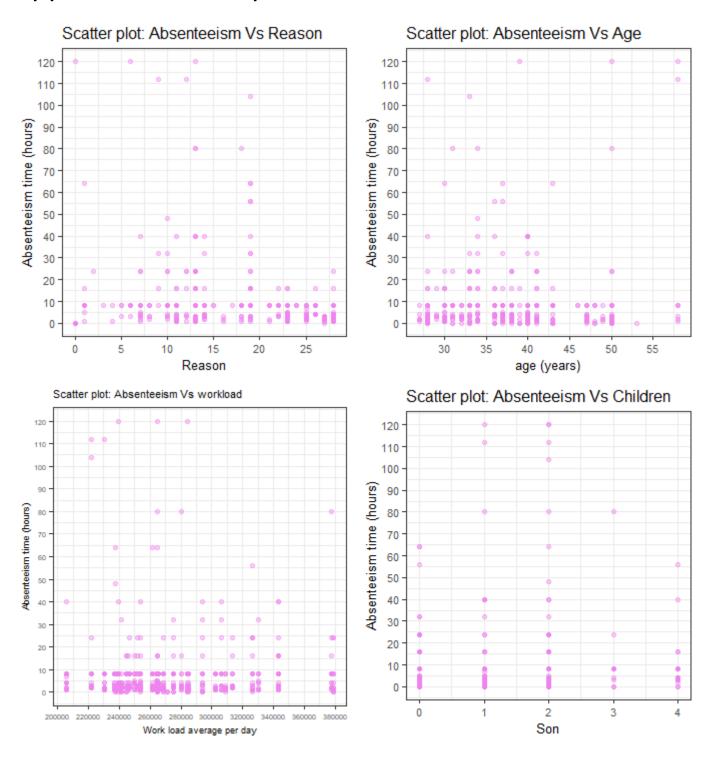
As we can observe that "Random Forest" algorithm produces the least error or RMSE (Root mean Square Error), we can freeze this algorithm as the model for analysis of new data or test cases of Absenteeism time of Company XYZ.

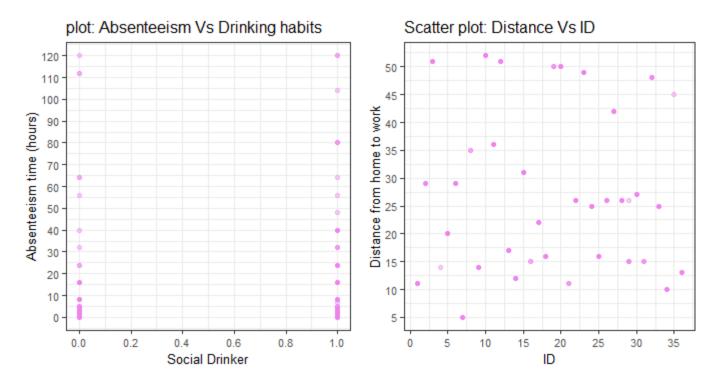
3.3 Solutions:

- A better model can be developed if there is more data available. More variables that are relevant can be added as the input variables and the dependent variable are less correlated and we can also see that R squared values are very low, i.e. the variance of target variable is not explained by the independent variables much.
- The employer can look into optimizing their employees' targets as more absentees have higher hit targets.

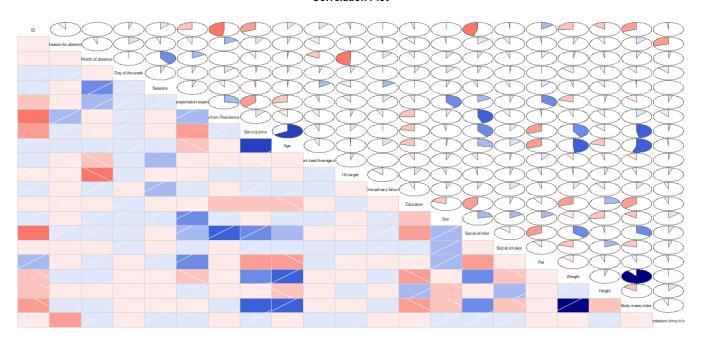
- Employer can consider hiring highly educated employees as according to the data, they seem to take less leaves.
- The company can arrange regular health checkups near or in their company premises,
 the losses due absenteeism for doctor consultation can be reduced.
- Some absentees were spending more money for less distance from work; therefore, the company should provide a common mode of transport for all employees, if reasonable.

Appendix A: Extra plots









Appendix B: R code

#To clear the R environment of any predefined objects
rm(list=ls())
#To set working directory
setwd("F:/DS/edWisor/Project 1")
getwd()

```
#To load required libraries
library(xlsx)
library(dplyr)
                # used for data manipulation and joining
library(ggplot2) # used for ploting
library(caret)
                # used for modeling
library(corrgram)
library(corrplot) # used for making correlation plot
library(DMwR)
library(randomForest)
library(class)
library(FNN)
library(scales)
#To load the data
data = read.xlsx("Absenteeism at work Project.xls",sheetIndex = 1, header = T)
data[data == " " | data == "" | data == "NA"] = NA
##########Data Exploration############
str(data)
dim(data)
#Data has 9 categorical variables & 12 numeric variables
#Target variable is continuous in nature
###Univariate Analysis
#Since all data are in numeric type, we don't need to convert it for data consolidation
#Histogram for Target variable (continuous variable)
ggplot(data, aes string(x = data$Absenteeism.time.in.hours)) +
 geom histogram(fill="cornsilk", colour = "black") + geom density() +
 scale y continuous(breaks=pretty breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
 theme bw() + xlab("Absenteeism time (hours)") + ylab("Frequency") + ggtitle("Target
Variable Histogram") +
 theme(text=element_text(size=10))
#Histogram for Independent Continuous Variables
ggplot(data, aes_string(x = data$Transportation.expense)) +
 geom histogram(fill="blue", colour = "black") + geom density() +
 scale_y_continuous(breaks=pretty_breaks(n=10)) +
```

```
scale x continuous(breaks=pretty breaks(n=10))+
theme_bw() + xlab("Transport cost") + ylab("Frequency") +
ggtitle("IndependentVariable:Transportation Cost") +
theme(text=element_text(size=10))
ggplot(data, aes_string(x = data$Distance.from.Residence.to.Work)) +
geom histogram(fill="blue", colour = "black") + geom density() +
scale_y_continuous(breaks=pretty_breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
theme bw() + xlab("Distance from Residence to work (km)") + ylab("Frequency") +
ggtitle("Independent Variable:Distance") +
theme(text=element text(size=10))
ggplot(data, aes string(x = data$Service.time)) +
geom histogram(fill="blue", colour = "black") + geom density() +
scale_y_continuous(breaks=pretty_breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
theme bw() + xlab("Service time (hours)") + ylab("Frequency") + ggtitle("Independent
Variable: Service time") +
theme(text=element text(size=10))
ggplot(data, aes_string(x = data$Age)) +
geom histogram(fill="blue", colour = "black") + geom density() +
scale y continuous(breaks=pretty breaks(n=10)) +
scale_x_continuous(breaks=pretty_breaks(n=10))+
theme bw() + xlab("Age (years)") + ylab("Frequency") + ggtitle("Independent Variable:
Employee Age") +
theme(text=element_text(size=10))
ggplot(data, aes_string(x = data$Work.load.Average.day.)) +
geom_histogram(fill="blue", colour = "black") + geom_density() +
scale y continuous(breaks=pretty breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
theme bw() + xlab("Average Work load per day") + ylab("Frequency") + ggtitle("Independent
Variable: Work load") +
theme(text=element text(size=7))
ggplot(data, aes string(x = data$Hit.target)) +
geom_histogram(fill="blue", colour = "black") + geom_density() +
scale y continuous(breaks=pretty breaks(n=10)) +
scale_x_continuous(breaks=pretty_breaks(n=10))+
theme bw() + xlab("Hit target") + ylab("Frequency") + ggtitle("Independent Variable: Hit
target") +
theme(text=element_text(size=10))
```

```
ggplot(data, aes string(x = data$Son)) +
 geom histogram(fill="blue", colour = "black") + geom density() +
 scale y continuous(breaks=pretty breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
 theme_bw() + xlab("Number of children") + ylab("Frequency") + ggtitle("Independent
Variable:Employee's children") +
 theme(text=element text(size=10))
ggplot(data, aes string(x = data$Weight)) +
 geom_histogram(fill="blue", colour = "black") + geom_density() +
 scale y continuous(breaks=pretty breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
 theme bw() + xlab("Weight (kg)") + ylab("Frequency") + ggtitle("Independent
Variable:Employee's weight") +
 theme(text=element_text(size=10))
ggplot(data, aes string(x = data$Height)) +
 geom histogram(fill="blue", colour = "black") + geom density() +
 scale_y_continuous(breaks=pretty_breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
 theme_bw() + xlab("Height (cm)") + ylab("Frequency") + ggtitle("Independent
Variable:Employee's height") +
 theme(text=element text(size=10))
ggplot(data, aes_string(x = data$Body.mass.index)) +
 geom histogram(fill="blue", colour = "black") + geom density() +
 scale_y_continuous(breaks=pretty_breaks(n=10)) +
 scale_x_continuous(breaks=pretty_breaks(n=10))+
 theme bw() + xlab("Body Mass Index") + ylab("Frequency") + ggtitle("Independent
Variable: Employee's BMI") +
 theme(text=element text(size=10))
ggplot(data, aes string(x = data$Pet)) +
 geom histogram(fill="blue", colour = "black") + geom density() +
 scale_y_continuous(breaks=pretty breaks(n=10)) +
 scale x continuous(breaks=pretty breaks(n=10))+
 theme bw() + xlab("Number of pets") + ylab("Frequency") + ggtitle("Independent
Variable:Employee's pets") +
 theme(text=element text(size=10))
#Bar graph for Independent Categorical Variables
ggplot(data, aes string(x = data$ID)) +
 geom_bar(stat="count",fill = "DarkSlateBlue") + theme_bw() +
```

```
xlab("ID") + ylab('Count') + scale y continuous(breaks=pretty breaks(n=10)) +
ggtitle("Independent Variable: Employee ID ") + theme(text=element_text(size=10))
ggplot(data, aes string(x = data$Reason.for.absence)) +
geom bar(stat="count",fill = "DarkSlateBlue") + theme bw() +
xlab("Reason of Absence") + ylab('Count') + scale_y_continuous(breaks=pretty_breaks(n=10))
ggtitle("Independent Variable: Reason of Absence") + theme(text=element text(size=9))
ggplot(data, aes string(x = data$Month.of.absence)) +
geom bar(stat="count",fill = "DarkSlateBlue") + theme bw() +
xlab("Month of Absence") + ylab('Count') + scale y continuous(breaks=pretty breaks(n=10))
ggtitle("Independent Variable: Month") + theme(text=element_text(size=10))
ggplot(data, aes string(x = data$Day.of.the.week)) +
geom_bar(stat="count",fill = "DarkSlateBlue") + theme_bw() +
xlab("Day of the week") + ylab('Count') + scale_y_continuous(breaks=pretty_breaks(n=10)) +
ggtitle("Independent Variable: Day ") + theme(text=element text(size=10))
ggplot(data, aes_string(x = data$Seasons)) +
geom bar(stat="count",fill = "DarkSlateBlue") + theme bw() +
xlab("Seasons") + ylab('Count') + scale_y_continuous(breaks=pretty_breaks(n=10)) +
ggtitle("Independent Variable: Seasons ") + theme(text=element_text(size=10))
ggplot(data, aes string(x = data$Disciplinary.failure)) +
geom_bar(stat="count",fill = "DarkSlateBlue") + theme_bw() +
xlab("Disciplinary Failure") + ylab('Count') + scale y continuous(breaks=pretty breaks(n=10))
ggtitle("Independent Variable: Disciplinary Failure ") + theme(text=element_text(size=10))
ggplot(data, aes string(x = data$Social.drinker)) +
 geom bar(stat="count",fill = "DarkSlateBlue") + theme bw() +
xlab("Social Drinker") + ylab('Count') + scale_y_continuous(breaks=pretty_breaks(n=10)) +
ggtitle("Independent Variable: drinking habits") + theme(text=element_text(size=10))
ggplot(data, aes string(x = data$Social.smoker)) +
 geom bar(stat="count",fill = "DarkSlateBlue") + theme bw() +
xlab("Social smoker") + ylab('Count') + scale y continuous(breaks=pretty breaks(n=10)) +
ggtitle("Independent Variable: Smoking habits") + theme(text=element text(size=10))
ggplot(data, aes_string(x = data$Education)) +
geom bar(stat="count",fill = "DarkSlateBlue") + theme bw() +
xlab("Education") + ylab('Count') + scale_y_continuous(breaks=pretty_breaks(n=10)) +
ggtitle("Independent Variable: Education") + theme(text=element text(size=10))
###Bivariate Analysis
```

```
##Target Variable Vs Independent Categorical Variables
length(unique(data$ID))
#1.Absenteeism time Vs ID
ggplot(data) +
 geom_point(aes(data$ID, data$Absenteeism.time.in.hours),colour = "violet", alpha = 0.4) +
 theme bw()+ ylab("Absenteeism time (hours)") + xlab("ID") + ggtitle("Scatter plot:
Absenteeism Vs ID") +
 theme(text=element text(size=10)) +
 scale x continuous(breaks=pretty breaks(n=10)) +
 scale y continuous(breaks=pretty breaks(n=10))
#2. Absenteeism time Vs Reason of Absence
ggplot(data) +
 geom_point(aes(data$Reason.for.absence, data$Absenteeism.time.in.hours),colour =
"violet", alpha = 0.4) +
 theme bw()+ ylab("Absenteeism time (hours)") + xlab("Reason") + ggtitle("Scatter plot:
Absenteeism Vs Reason") +
 theme(text=element text(size=10)) +
 scale_x_continuous(breaks=pretty_breaks(n=10)) +
 scale y continuous(breaks=pretty breaks(n=10))
#3. Absenteeism time Vs Month of Absence
ggplot(data) +
 geom_point(aes(data$Month.of.absence, data$Absenteeism.time.in.hours),colour = "violet",
alpha = 0.4) +
 theme bw()+ ylab("Absenteeism time (hours)") + xlab("Month of absence") + ggtitle("Scatter
plot: Absenteeism Vs Month") +
 theme(text=element text(size=10)) +
 scale x continuous(breaks=pretty breaks(n=10)) +
 scale y continuous(breaks=pretty breaks(n=10))
#4. Absenteeism time Vs Month of Absence
ggplot(data) +
 geom_point(aes(data$Seasons, data$Absenteeism.time.in.hours),colour = "violet", alpha =
0.4) +
 theme_bw()+ ylab("Absenteeism time (hours)") + xlab("Seasons") + ggtitle("Scatter plot:
Absenteeism Vs Seasons") +
 theme(text=element text(size=10)) +
 scale_x_continuous(breaks=pretty_breaks(n=10)) +
```

```
scale y continuous(breaks=pretty breaks(n=10))
#5. Absenteeism time Vs Transportation Expense
ggplot(data) +
geom point(aes(data$Transportation.expense, data$Absenteeism.time.in.hours),colour =
"violet", alpha = 0.4) +
theme bw()+ ylab("Absenteeism time (hours)") + xlab("Transportation Expense") +
ggtitle("Scatter plot: Absenteeism Vs Transportation") +
 theme(text=element text(size=9)) +
 scale x continuous(breaks=pretty breaks(n=10)) +
scale y continuous(breaks=pretty breaks(n=10))
#6.Absenteeism time Vs Distance from residence to work
ggplot(data) +
 geom point(aes(data$Distance.from.Residence.to.Work,
data$Absenteeism.time.in.hours),colour = "violet", alpha = 0.4) +
theme_bw()+ ylab("Absenteeism time (hours)") + xlab("Distance from residence to work
(km)") + ggtitle("Scatter plot: Absenteeism Vs distance") +
theme(text=element_text(size=10)) +
scale x continuous(breaks=pretty breaks(n=10)) +
scale y continuous(breaks=pretty breaks(n=10))
#7. Absenteeism time Vs Service time
ggplot(data) +
geom_point(aes(data$Service.time , data$Absenteeism.time.in.hours),colour = "violet", alpha
= 0.4) +
theme bw()+ ylab("Absenteeism time (hours)") + xlab("Service time(hrs)") + ggtitle("Scatter
plot: Absenteeism Vs Service time") +
 theme(text=element text(size=10)) +
scale x continuous(breaks=pretty breaks(n=10)) +
scale y continuous(breaks=pretty breaks(n=10))
#8.Absenteeism time Vs Age
ggplot(data) +
geom_point(aes(data$Age, data$Absenteeism.time.in.hours),colour = "violet", alpha = 0.4) +
 theme bw()+ ylab("Absenteeism time (hours)") + xlab("age (years)") + ggtitle("Scatter plot:
Absenteeism Vs Age") +
theme(text=element text(size=10)) +
scale_x_continuous(breaks=pretty_breaks(n=10)) +
```

```
scale y continuous(breaks=pretty breaks(n=10))
#9.Absenteeism time Vs workload
ggplot(data) +
geom_point(aes(data$Work.load.Average.day., data$Absenteeism.time.in.hours),colour =
"violet", alpha = 0.4) +
theme bw()+ ylab("Absenteeism time (hours)") + xlab("Work load average per day") +
ggtitle("Scatter plot: Absenteeism Vs workload") +
 theme(text=element text(size=7)) +
 scale x continuous(breaks=pretty breaks(n=10)) +
 scale y continuous(breaks=pretty breaks(n=10))
#And so on. The graphs are plotted and recorded in the project report.
#########Fixing Data Anomalies#########
#Treating the 0's in 'Reason of absences' & 'Month of absence' as missing values
zero_index = which(data$Reason.for.absence == 0)
for(i in zero index){
 data$Reason.for.absence[i]= NA
zero index = which(data$Month.of.absence == 0)
for(i in zero_index){
 data$Month.of.absence[i]= NA
missing_val = data.frame(apply(data,2,function(x){sum(is.na(x))}))
missing_val$Columns = row.names(missing_val)
names(missing val)[1] = "Missing percentage"
missing val$NumberOfMissingValues = missing val$Missing percentage
missing val$Missing percentage = (missing val$Missing percentage/nrow(data)) * 100
missing val = missing val[order(-missing val$Missing percentage),]
row.names(missing val) = NULL
missing_val = missing_val[,c(2,1,3)]
write.csv(missing val, "Missing percentage.csv", row.names = T)
ggplot(data = missing_val[1:3,], aes(x=reorder(Columns, -Missing_percentage),y =
Missing percentage))+
geom_bar(stat = "identity",fill = "grey")+xlab("Parameter")+
```

```
ggtitle("Missing data percentage (Train)") + theme bw() + theme(text=element_text(size=8))
##To test for the best method to find missing values for this dataset
#data[6,6]=179 (actual)
data[6,6]=NA
#By median method:
data$Transportation.expense[is.na(data$Transportation.expense)]=median(data$Transportati
on.expense, na.rm = T)
data[6,6]
#data[6,6]= 225 (median)
#reupload data again
rm(list = ls())
data = read.xlsx("Absenteeism at work Project.xls",sheetIndex = 1, header = T)
data[data == " " | data == "" | data == "NA"] = NA
zero index = which(data$Reason.for.absence == 0)
for(i in zero index){
 data$Reason.for.absence[i]= NA
zero index = which(data$Month.of.absence == 0)
for(i in zero index){
 data$Month.of.absence[i]= NA
#By mean method:
data[6,6]=NA
data$Transportation.expense[is.na(data$Transportation.expense)]=mean(data$Transportatio
n.expense, na.rm = T)
data[6,6]
#data[6,6]= 221.0929 (mean)
#reupload data again
rm(list = ls())
data = read.xlsx("Absenteeism at work Project.xls",sheetIndex = 1, header = T)
data[data == " " | data == "" | data == "NA"] = NA
zero index = which(data$Reason.for.absence == 0)
for(i in zero index){
 data$Reason.for.absence[i]= NA
zero index = which(data$Month.of.absence == 0)
for(i in zero index){
 data$Month.of.absence[i]= NA
```

```
#By KNN Imputation:
data[6,6]=NA
data=knnImputation(data, k=5)
data[6,6]
#data[6,6]= 179 (KNN), which is the closest to 179 and hence, we freeze this method.
#reload the data & replace the missing values
rm(list = ls())
data = read.xlsx("Absenteeism at work Project.xls",sheetIndex = 1, header = T)
data[data == " " | data == "" | data == "NA"] = NA
zero_index = which(data$Reason.for.absence == 0)
for(i in zero index){
 data$Reason.for.absence[i]= NA
zero index = which(data$Month.of.absence == 0)
for(i in zero_index){
 data$Month.of.absence[i]= NA
data = knnlmputation(data, k=5) #KNN
sum(is.na(data)) #To verify
write.csv(data, 'data Missing.csv', row.names = F)
####Box Plot distribution & outlier check####
#str(data)
#since all the variables are numeric data type, we don't need to change data type here
cnames = colnames(data)
for(i in 1:length(cnames)){
     assign(paste0("gn",i), ggplot(aes string(y = (cnames[i]), x =
data$Absenteeism.time.in.hours), data = subset(data))+
     stat boxplot(geom = "errorbar", width = 0.5) +
     geom boxplot(outlier.colour="red", fill = "light blue",outlier.shape=18,outlier.size=3,
notch=FALSE) +
     theme(legend.position="bottom")+
     labs(y=cnames[i],x="Absenteeism time(hours)")+
```

```
ggtitle(paste("Box plot for",cnames[i])))
 }
#Plotting plots together
gridExtra::grid.arrange(gn2,gn3,gn4,gn5,ncol=4)
gridExtra::grid.arrange(gn6,gn7,gn8,gn9,ncol=4)
gridExtra::grid.arrange(gn10,gn11,gn18,gn19, gn20,ncol=5)
#Replace all outliers with NA and impute using KNN:
#for(i in cnames){
# val = data[,i][data[,i] %in% boxplot.stats(data[,i])$out]
# print(length(val))
# data[,i][data[,i] %in% val] = NA
#}
#sum(is.na(data)) #To verify
#No. of NAs(outliers in whole dataset)= 501, which is high.
OutCol = colnames(data)
#We don't want some categorical columns to manipulated for outliers, like ID (Employee's ID is
unique and can't be an outlier).
#also, Target variable shouldn't be manipulated much.
OutCol = OutCol[c(-1,-2,-3,-4,-5,-12,-13,-15,-16,-21)] #OutCol contains only continuous
variables now
for(i in OutCol){
 val = data[,i][data[,i] %in% boxplot.stats(data[,i])$out]
 print(length(val))
 data[,i][data[,i] \%in\% val] = NA
sum(is.na(data)) #To verify
#No. of NAs(outliers in numeric variables) = 231 (without categorical variables)
#highest no. of outliers found in "height" column, i.e. 119 NA in that column now
#119/740*100 = 16\% > 10\%, the part of the data to be manipulated.
#We fill in the NAs using KNN imputation.
data = knnlmputation(data, k=5)
sum(is.na(data)) #to verify
write.csv(data, 'data_without Outliers.csv', row.names = F)
```

```
#Correlation Plot
corrgram(data, order = F,
    upper.panel=panel.pie, text.panel=panel.txt, main = "Correlation Plot", font.labels = 1)
mat = cor(data)
corrplot(as.matrix(mat),method= 'pie',type = "lower", tl.col = "black", tl.cex = 0.7)
#If |r| > 0.8, those two variables are redundant variables.
#Output: "Weight"&"Body.Mass.Index" are highly positively correlated.
#Chi-square Test of Independence
n = c(1,2,3,4,5,12,13,15,16)
                              #indices of the categorical variables
for(i in n){
 print(names(data[i]))
print(chisq.test(table(data$Absenteeism.time.in.hours,data[,i])))
#If p-value<0.05 (Reject Null Hypothesis) => Target variable depends on the independent
variable.
#If p-value>0.05 (Do Not Reject Null Hypothesis) =>Target variable & independent variable are
independent of each other.
#Using Random Forest Algorithm:
data.rf=randomForest(data$Absenteeism.time.in.hours~.,data = data, ntree=1000,
keep.forest= F, importance= T)
importance(data.rf,type = 1)
#From Correlation Plot --> We can drop "Weight" or "Body.Mass.Index" column.
#From Chi square test --> We drop "Education" & "Social.smoker"
data= subset(data, select= -c(Body.mass.index,Education,Social.smoker))
if("Body.mass.index" %in% OutCol) OutCol = OutCol[ - which(OutCol == "Body.mass.index")]
if("Education" %in% OutCol) OutCol = OutCol[ - which(OutCol == "Education")]
if("Social.smoker" %in% OutCol) OutCol = OutCol[ - which(OutCol == "Social.smoker")]
#############################Feature
#Only for continuous variables
#Normality check
```

```
qqnorm(data$Absenteeism.time.in.hours)
qqnorm(data$Transportation.expense)
qqnorm(data$Distance.from.Residence.to.Work)
ggnorm(data$Service.time)
qqnorm(data$Height)
ggnorm(data$Weight)
#None of the continuous variables have a normal distribution.
hist(data$Age)
hist(data$Work.load.Average.day.)
#We go for "Normalization", instead of standardization
data1 = data
for(i in OutCol){
print(i)
data[,i] = (data[,i] - min(data[,i]))/(max(data[,i]) - min(data[,i]))
set.seed(1234)
sample.index = sample(nrow(data), 0.8*nrow(data), replace = F) #80% data -->Train set, 20%-
-> Test set
rm(list= ls()[!(ls() %in% c('data','sample.index','data1'))])
train = data[sample.index,]
test = data[-sample.index,]
dim(train)
dim(test)
######1.Decision Tree######
library(rpart)
dt=rpart(Absenteeism.time.in.hours~.,data = train,method= "anova")
summary(dt)
#Predict for new test cases
predict.dt=predict(dt,test[,-18])
#Error metric:
regr.eval(test[,18], predict.dt, stats = c("mae", "mse", "rmse", "mape"))
```

```
#Output:
#mae
          mse
                  rmse
                          mape
#5.753875 180.407076 13.431570 Inf
postResample(predict.dt,test[,18])
#RMSE Rsquared
#13.4315701 0.1213995 5.7538750
#MAPE is Inf as some actual values of target variable is 0 hours.
#MAPE is not usually used as a measure in case of time-series Analysis.
rms.dt = RMSE(predict.dt, test[,18], na.rm = F)
#######2.Random Forest Algorithm######
rf = randomForest(Absenteeism.time.in.hours~., train, importance = TRUE, ntree = 500)
summary(rf)
#Predict for test case:
predict.rf <- data.frame(predict(rf, subset(test, select = -c(Absenteeism.time.in.hours))))</pre>
#Error metric:
regr.eval(test[,18], predict.rf, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
          mse
                  rmse
                           mape
#5.295667 153.418298 12.386214
                                     Inf
postResample(predict.rf,test[,18])
#RMSE Rsquared
                      MAE
#12.3862140 0.2561696 5.2956666
#MAPE is Inf as some actual values of target variable is 0 hours.
#Errors did decrease.
rms.rf = RMSE(predict.rf, test[,18], na.rm = F)
#######3.Multiple Linear Regression########
#Check Multicollinearity
library(usdm)
vif.data= vif(data[,-18])
vifcor(data[,-18], th = 0.8)
#Output:
#No variable from the 17 input variables has collinearity problem.
```

```
#To run regression model
Ir = Im(Absenteeism.time.in.hours~., data = train)
#summary of the model
summary(Ir)
#Predict for test case:
predict.lr=predict(lr, test[,-18])
#Error metric:
regr.eval(test[,18], predict.lr, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
         mse
                rmse
                         mape
#6.527533 188.009158 13.711643 Inf
postResample(predict.lr,test[,18])
#RMSE Rsquared
                      MAE
#13.71164317 0.08126101 6.52753308
#Random Forest Algorithm got better result than Linear Regression.
rms.lr = RMSE(predict.lr, test[,18], na.rm = F)
#Predict for test data:
#K=5:
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
5)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
         mse
                 rmse
                         mape
#6.712344 199.341057 14.118819
                                  Inf
#K=7:
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
7)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
        mse
                rmse
                         mape
#6.418315 196.195775 14.006990 Inf
#K=9:
```

```
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
9)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
         mse
                 rmse
                          mape
#6.167826 187.593597 13.696481 Inf
#K=11:
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
11)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
         mse
                 rmse
                          mape
#6.136897 192.691006 13.881319 Inf
#K=13:
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
13)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
         mse
                 rmse
                          mape
#6.039239 192.793157 13.884998 Inf
#K=15:
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
15)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
                 rmse
         mse
                           mape
#6.081862 195.226633 13.972352 Inf
#K=17:
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
17)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#Output:
#mae
                 rmse
                          mape
         mse
#5.944805 194.947266 13.962352 Inf
```

```
#K=19:
predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
19)
print(predict.knn)
#Error metric:
regr.eval(test[,18], predict.knn$pred, stats = c("mae", "mse", "rmse", "mape"))
#Output:
#mae
                          mape
         mse
                  rmse
#5.853058 193.726139 13.918554 Inf
postResample(predict.knn$pred,test[,18])
#RMSE
            Rsquared
                          MAE
#13.91855378 0.05935665 5.85305761
#K=21:
#predict.knn = knn.reg(train = train[,-18],test = test[,-18],train$Absenteeism.time.in.hours, k=
21)
#regr.eval(test[,18], predict.knn$pred, stats = c("mae","mse","rmse","mape"))
#mae
         mse
                  rmse
                          mape
#5.855254 194.307576 13.939425 Inf
#To check for best k value:
model <- train(Absenteeism.time.in.hours~., data = train, method = "knn",
        trControl = trainControl("cv", number = 10),
        tuneLength = 20
model$bestTune
plot(model)
rms.knn = RMSE(predict.knn$pred, test[,18], na.rm = F)
#A new dataframe to store results
algorithm <- c('Decision Tree', 'Random Forest', 'Linear Regression', 'KNN')
RMSE val <- c(rms.dt,rms.rf,rms.lr,rms.knn)
results <- data.frame(algorithm, RMSE val)
print(results)
barplot(results$RMSE val, width = 1, names.arg = results$algorithm,
    ylab="RMSE value", xlab = "Algorithm",col='pink')
```

Appendix C: Python code

```
#Set working directory
import os
os.chdir("F:/DS/edWisor/Project 1")
os.getcwd()
Load libraries
import pandas as pd
import matplotlib.pyplot as plt
import numpy as np
import seaborn as sns
from sklearn.model selection import train test split
from random import randrange, uniform
from scipy.stats import chi2 contingency
from fancyimpute import KNN
from ggplot import *
#Load the data
data = pd.read_excel("Absenteeism_at_work_Project.xls")
data.shape
data.head(10)
Data Exploration
#Histogram for Target Variable
ggplot(data, aes(x = 'Absenteeism time in hours')) + geom histogram(fill="DarkSlateBlue",
colour = "black") +\
  geom density() +\
  theme_bw() + xlab("Absenteeism time (hours)") + ylab("Frequency") + ggtitle("Target
Variable Analysis") +\
  theme(text=element text(size=20))
#fixing data anomalies
data['Reason for absence'] = data['Reason for absence'].replace(0.0,np.nan)
data['Month of absence'] = data['Month of absence'].replace(0.0,np.nan)
Missing Value Analysis
#create dataframe with missing percentage
missing_val=pd.DataFrame(data.isnull().sum())
missing_val=missing_val.reset_index()
missing val=missing val.rename(columns={'index':'variables',0: 'Missing %'})
missing val['Missing %']=(missing val['Missing %']/len(data))*100
missing_val=missing_val.sort_values('Missing %',ascending=False).reset_index(drop=True)
```

```
missing val.to csv('Missing %.csv',index=False)
missing val
#imputation method
data['Height'].loc[129]
#Actual value = 171
#create missing value
data['Height'].loc[129]=np.nan
#impute with mean
data['Height'] = data['Height'].fillna(data['Height'].mean())
data['Height'].loc[129]
#mean value = 172.154
#reload data
data = pd.read excel("Absenteeism at work Project.xls")
data['Reason for absence'] = data['Reason for absence'].replace(0.0,np.nan)
data['Month of absence'] = data['Month of absence'].replace(0.0,np.nan)
#impute with median
data['Height'].loc[129]=np.nan
data['Height'] = data['Height'].fillna(data['Height'].median())
data['Height'].loc[129]
#median value = 170.0
#reload data
data = pd.read_excel("Absenteeism_at_work_Project.xls")
data['Reason for absence'] = data['Reason for absence'].replace(0.0,np.nan)
data['Month of absence'] = data['Month of absence'].replace(0.0,np.nan)
#impute with KNN
#since we have all data in numeric, we can apply KNN.
data.dtypes
data['Height'].loc[129]=np.nan
data = pd.DataFrame(KNN(21).fit transform(data),columns=data.columns)
#KNN value = 170.73, closest to 171. so we freeze this method.
#to verify
pd.DataFrame(data.isnull().sum())
Outlier Analysis
#Plot boxplot to visualize Outliers
%matplotlib inline
plt.boxplot(data['Absenteeism time in hours'])
#save numeric names
```

```
cnames = ["Transportation expense", "Distance from Residence to Work", "Service time",
"Age", "Work load Average day", "Hit target", "Son", "Pet", "Weight", "Height", "Body mass
index"]
#Detect and delete outliers from data
for i in cnames:
  print(i)
  q75, q25 = np.percentile(data.loc[:,i], [75,25])
  iqr = q75 - q25
  min = q25 - (iqr*1.5)
  max = q75 + (iqr*1.5)
  print(min)
  print(max)
  #Replace with NA
  data.loc[data[i] < min,:i] = np.nan
  data.loc[data[i] > max,:i] = np.nan
  #Calculate missing value
   pd.DataFrame(data.isnull().sum())
  #Impute with KNN
  data = pd.DataFrame(KNN(21).fit transform(data), columns = data.columns)
Feature Selection
##Correlation analysis
#Correlation plot
df corr = data.loc[:,cnames]
#Set the width and height of the plot
f, ax = plt.subplots(figsize=(7, 5))
#Generate correlation matrix
corr = df corr.corr()
#Plot using seaborn library
sns.heatmap(corr, mask=np.zeros_like(corr, dtype=np.bool), cmap=sns.diverging_palette(220,
10, as cmap=True),
      square=True, ax=ax)
#Chisquare test of independence
```

```
#Save categorical variables
cat names = ['ID', 'Reason for absence', 'Month of absence', 'Day of the week',
    'Seasons', 'Disciplinary failure', 'Education', 'Social drinker',
    'Social smoker']
#loop for chi square values
for i in cat names:
  print(i)
  chi2, p, dof, ex = chi2 contingency(pd.crosstab(data['Absenteeism time in hours'], data[i]))
  print(p)
data = data.drop(['Body mass index'], axis=1)
Feature Scaling
#Normality check
%matplotlib inline
plt.hist(data['Height'], bins='auto')
cnames = ["Transportation expense", "Distance from Residence to Work", "Service time",
"Age", "Work load Average day",
     "Hit target", "Son", "Pet", "Weight", "Height"]
#Nomalisation
for i in cnames:
  print(i)
  data[i] = (data[i] - data[i].min())/(data[i].max() - data[i].min())
Model Development
#Data Sampling
nrow= len(data.index)
train, test = train test split(data, test size = 0.2)
train.shape
test.shape
#####Decision Tree Algortithm
from sklearn.tree import DecisionTreeRegressor
fit dt= DecisionTreeRegressor(max depth=2).fit(train.iloc[:,0:19],train.iloc[:,19])
fit dt
predict dt= fit dt.predict(test.iloc[:,0:19])
#Calculate RMSE
def RMSE(actual, pred):
  return np.sqrt(((pred - actual) ** 2).mean())
RMSE(test.iloc[:,19],predict_dt)
#output = 13.009041545395686
#####Random Forest Algorithm
from sklearn.ensemble import RandomForestRegressor
```

```
fit rf = RandomForestRegressor(n estimators = 100, random state =
99).fit(train.iloc[:,0:19],train.iloc[:,19])
fit rf
predict rf= fit rf.predict(test.iloc[:,0:19])
RMSE(test.iloc[:,19],predict_rf)
#output = 10.168282568103772
######Multiple Linear Regression
import statsmodels.api as sm
fit Ir = sm.OLS(train.iloc[:,19],train.iloc[:,0:19]).fit()
fit Ir.summary()
predict Ir = fit Ir.predict(test.iloc[:,0:19])
RMSE(test.iloc[:,19],predict lr)
#output = 13.350487470207554
#####KNN Implementation
from sklearn import neighbors
                   #to store rmse values for different k
rmse val = []
for K in range(30):
  K = K+1
  fit knn = neighbors.KNeighborsRegressor(n neighbors = K)
  fit knn.fit(train.iloc[:,0:19], train.iloc[:,19]) #fit the model
  predict knn = fit knn.predict(test.iloc[:,0:19]) #make prediction on test set
  error = RMSE(test.iloc[:,19], predict_knn) #calculate rmse
  rmse_val.append(error) #store rmse values
  print('RMSE value for k= ' , K , 'is:', error)
#plotting the rmse values against k values
curve = pd.DataFrame(rmse_val)
curve.plot()
#K=12 is the value of neighbors for least RMSE.
#For K=12:
fit knn = neighbors.KNeighborsRegressor(n neighbors = 12)
fit knn.fit(train.iloc[:,0:19], train.iloc[:,19]) #fit the model
predict_knn = fit_knn.predict(test.iloc[:,0:19]) #make prediction on test set
RMSE(test.iloc[:,19], predict knn)
#Thus, we find the "Random Forest Algorithm" gives us the best result with the least RMSE for
this dataset.
```

References

Mitchell, T. (1997). Machine Learning. McGraw Hill. p. 2

Brieman, Friedman, Olshen and Stone, Classification and Regression Trees, 1984