## HYPOTHESIS GERERATION

This step aims to convert key business questions into testable hypotheses that guide the Exploratory Data Analysis (EDA). By stating each hypothesis clearly, I ensure a structured, goal-driven analysis process.

## **Business Questions**

- 1. Which HR policy areas (e.g., compensation, promotion, work-life balance) are most associated with employee attrition?
- 2. What is the relative influence of each policy-related factor on the risk of turnover?
- 3. Which employee segments are most vulnerable to leaving, based on policy-related patterns?
- 4. What practical, data-driven HR policy adjustments can reduce attrition in high-risk groups?

		Employees workin	g overtime tend to have high	ner attrition.	
	Work-Life Balance	Employees living far from work tend to leave more.  Frequent travel increases attrition risk.  Employees who rate work-life balance as "Bad" are more likely to leave.  The attrition rate of the Junior group is higher than the attrition rate of the other groups.			
	& Flexibility				
	Career —Development &	Promotion- Related Attrition	< 3 years since last p	romotion: <a></a> 3 years in current role: Higher attrition	
	Advancement	Drivers> 6 years since last promotion: High attrition			
		Employees who re tend to have highe		nployees who work overtime tend to ave less time to attend training sessions	
		Employees earning less than  Salary below 2,696 affects attrition in at least one employee group by level and tenure.			
	Compensation &	Employees who receive a lower percent salary hike are more likely to leave			
	Rewards Note: This hypothesis was depr			deprioritized after EDA due to no visible relationship.	
FACTOR CONTRIBUTING TO HIGH ATTRITION RATE		Employees with no to have higher att	o stock option level tend rition	The effect of Stock Option Level on attrition varies by marital status.	
-	Employee ——Engagement &	tend to have highe		4-5 years since last promotion: High attrition	
	Support	Lower levels of performance rating are associated with higher attrition rates.  Note: This hypothesis was deprioritized after EDA due to no visible relationship.  Lower levels of job involvement are associated with higher attrition rates.			
	Performance  Management				
		Lower levels of job	satisfaction are associated	with higher attrition rates.	
	Employees who have worked at only one company or more than five			•	
	Recruitment &	are more likely to leave than those with 2–5 previous employers.			
	Onboarding	Manager Fit & Career Stage	0-3 years at company:_ High attrition	0-1 years with current managers: High attrition	
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