# Activity\_ Course 7 Salifort Motors project lab

May 17, 2023

# 1 Capstone project: Providing data-driven suggestions for HR by HASEEB RAZA

# 1.1 Description and deliverables

This capstone project is an opportunity for you to analyze a dataset and build predictive models that can provide insights to the Human Resources (HR) department of a large consulting firm.

Upon completion, you will have two artifacts that you would be able to present to future employers. One is a brief one-page summary of this project that you would present to external stakeholders as the data professional in Salifort Motors. The other is a complete code notebook provided here. Please consider your prior course work and select one way to achieve this given project question. Either use a regression model or machine learning model to predict whether or not an employee will leave the company. The exemplar following this actiivty shows both approaches, but you only need to do one.

In your deliverables, you will include the model evaluation (and interpretation if applicable), a data visualization(s) of your choice that is directly related to the question you ask, ethical considerations, and the resources you used to troubleshoot and find answers or solutions.

## PACE stages

- Section ??
- Section ??
- Section ??
- Section ??

# 2 Pace: Plan Stage

- Understand your data in the problem context
- Consider how your data will best address the business need
- Contextualize & understand the data and the problem

### Understand the business scenario and problem

The HR department at Salifort Motors wants to take some initiatives to improve employee satisfaction levels at the company. They collected data from employees, but now they don't know what to do with it. They refer to you as a data analytics professional and ask you to provide data-driven suggestions based on your understanding of the data. They have the following question: what's likely to make the employee leave the company?

Your goals in this project are to analyze the data collected by the HR department and to build a model that predicts whether or not an employee will leave the company.

If you can predict employees likely to quit, it might be possible to identify factors that contribute to their leaving. Because it is time-consuming and expensive to find, interview, and hire new employees, increasing employee retention will be beneficial to the company.

#### 2.0.1 Familiarize yourself with the HR dataset

The dataset that you'll be using in this lab contains 15,000 rows and 10 columns for the variables listed below.

**Note:** you don't need to download any data to complete this lab. For more information about the data, refer to its source on Kaggle.

Variable	Description
satisfaction_level	Employee-reported job satisfaction level [0–1]
last_evaluation	Score of employee's last performance review [0-1]
number_project	Number of projects employee contributes to
average_monthly_hours	Average number of hours employee worked per month
time_spend_company	How long the employee has been with the company (years)
Work_accident	Whether or not the employee experienced an accident while at work
left	Whether or not the employee left the company
promotion_last_5years	Whether or not the employee was promoted
	in the last 5 years
Department	The employee's department
salary	The employee's salary (U.S. dollars)

### Reflect on these questions as you complete the plan stage.

- Who are your stakeholders for this project?
- What are you trying to solve or accomplish?
- What are your initial observations when you explore the data?
- What resources do you find yourself using as you complete this stage? (Make sure to include the links.)

• Do you have any ethical considerations in this stage?

[Double-click to enter your responses here.]

## 2.1 Step 1. Imports

- Import packages
- Load dataset

# 2.1.1 Import packages

```
[1]: # Import packages for data manipulation
     import numpy as np
     import pandas as pd
     # Import packages for data visualization
     import matplotlib.pyplot as plt
     import seaborn as sns
     # Set options for displaying all columns in dataframes
     pd.set option('display.max columns', None)
     # Import packages for data modeling
     from xgboost import XGBClassifier, XGBRegressor
     from sklearn.linear_model import LogisticRegression
     from sklearn.tree import DecisionTreeClassifier, plot_tree
     from sklearn.ensemble import RandomForestClassifier
     # Import packages for metrics and helpful functions
     from sklearn.model_selection import GridSearchCV, train_test_split
     from sklearn.metrics import (
         accuracy_score, precision_score, recall_score, f1_score,
         confusion_matrix, ConfusionMatrixDisplay, classification_report,
         roc_auc_score, roc_curve
     )
     # Import package for saving models
     import pickle
```

#### 2.1.2 Load dataset

Pandas is used to read a dataset called HR\_capstone\_dataset.csv. As shown in this cell, the dataset has been automatically loaded in for you. You do not need to download the .csv file, or provide more code, in order to access the dataset and proceed with this lab. Please continue with this activity by completing the following instructions.

```
[2]: # RUN THIS CELL TO IMPORT YOUR DATA.
     # Load dataset into a dataframe
     ### YOUR CODE HERE ###
     df0 = pd.read_csv("HR_capstone_dataset.csv")
     # Display first few rows of the dataframe
     ### YOUR CODE HERE ###
     # Display first few rows of the dataframe
     df0.head()
[2]:
        satisfaction_level last_evaluation number_project
                                                               average_montly_hours
                       0.38
                                        0.53
                                                                                  157
                       0.80
                                        0.86
     1
                                                             5
                                                                                  262
     2
                       0.11
                                        0.88
                                                            7
                                                                                  272
     3
                       0.72
                                        0.87
                                                             5
                                                                                  223
     4
                       0.37
                                        0.52
                                                             2
                                                                                  159
                             Work_accident
                                            left
                                                  promotion_last_5years Department
        time_spend_company
     0
                                         0
                                                                        0
     1
                          6
                                                1
                                                                                sales
     2
                          4
                                         0
                                                1
                                                                        0
                                                                                sales
     3
                          5
                                         0
                                                1
                                                                                sales
                                                                        0
     4
                          3
                                         0
                                                1
                                                                        0
                                                                                sales
        salary
     0
           low
       medium
       medium
     3
           low
     4
           low
```

# 2.2 Step 2. Data Exploration (Initial EDA and data cleaning)

- Understand your variables
- Clean your dataset (missing data, redundant data, outliers)

### 2.2.1 Gather basic information about the data

```
[3]: # Gather basic information about the data
### YOUR CODE HERE ###
# Gather basic information about the data
df0.info()
```

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 14999 entries, 0 to 14998
Data columns (total 10 columns):

#	Column	Non-Null Count	Dtype		
0	satisfaction_level	14999 non-null	float64		
1	last_evaluation	14999 non-null	float64		
2	number_project	14999 non-null	int64		
3	average_montly_hours	14999 non-null	int64		
4	time_spend_company	14999 non-null	int64		
5	Work_accident	14999 non-null	int64		
6	left	14999 non-null	int64		
7	<pre>promotion_last_5years</pre>	14999 non-null	int64		
8	Department	14999 non-null	object		
9	salary	14999 non-null	object		
d+					

dtypes: float64(2), int64(6), object(2)

memory usage: 1.1+ MB

# 2.2.2 Gather descriptive statistics about the data

```
[4]: # Gather descriptive statistics about the data
### YOUR CODE HERE ###
# Gather descriptive statistics about the data
df0.describe()
```

	df0.describe()						
[4]:		satisfaction_level l	ast_evaluation nu	umber_project \			
	count	14999.000000	14999.000000	14999.000000			
	mean	0.612834	0.716102	3.803054			
	std	0.248631	0.171169	1.232592			
	min	0.090000	0.360000	2.000000			
	25%	0.440000	0.560000	3.000000			
	50%	0.640000	0.720000	4.000000			
	75%	0.820000	0.870000	5.000000			
	max	1.000000	1.000000	7.000000			
		average_montly_hours	time_spend_compar	ny Work_accident	left	\	
	count	14999.000000	14999.00000	00 14999.000000	14999.000000		
	mean	201.050337	3.49823	0.144610	0.238083		
	std	49.943099	1.46013	36 0.351719	0.425924		
	min	96.000000	2.00000	0.000000	0.000000		
	25%	156.000000	3.00000	0.000000	0.000000		
	50%	200.000000	3.00000	0.000000	0.000000		
	75%	245.000000	4.00000	0.000000	0.000000		
	max	310.000000	10.00000	1.000000	1.000000		

promotion\_last\_5years

count	14999.000000
mean	0.021268
std	0.144281
min	0.000000
25%	0.000000
50%	0.000000
75%	0.000000
max	1.000000

#### 2.2.3 Rename columns

As a data cleaning step, rename the columns as needed. Standardize the column names so that they are all in snake\_case, correct any column names that are misspelled, and make column names more concise as needed.

```
[5]: # Display all column names
### YOUR CODE HERE ###
# Display all column names
df0.columns
```

```
[6]: # Rename columns as needed
df0 = df0.rename(columns={
    'Work_accident': 'work_accident',
    'average_montly_hours': 'average_monthly_hours',
    'time_spend_company': 'tenure',
    'Department': 'department'
})

# Display all column names after the update
df0.columns
```

# 2.2.4 Check missing values

Check for any missing values in the data.

```
[7]: # Check for missing values
### YOUR CODE HERE ###

# Check for missing values
df0.isnull().sum()
```

```
[7]: satisfaction_level
                               0
     last_evaluation
                               0
     number_project
                               0
     average_monthly_hours
                               0
     tenure
                               0
     work accident
                               0
     left
                               0
     promotion_last_5years
                               0
     department
                               0
     salary
                               0
     dtype: int64
```

# 2.2.5 Check duplicates

Check for any duplicate entries in the data.

```
[8]: # Check for duplicates
### YOUR CODE HERE ###
# Check for duplicates
# Check for duplicates
df0.duplicated().sum()
```

[8]: 3008

```
[9]: # Inspect some rows containing duplicates as needed
### YOUR CODE HERE ###

# Inspect rows containing duplicates
# Inspect some rows containing duplicates
duplicate_rows = df0[df0.duplicated()]
duplicate_rows.head()
```

```
[9]:
           satisfaction_level last_evaluation number_project \
     396
                         0.46
                                          0.57
     866
                         0.41
                                          0.46
                                                              2
     1317
                         0.37
                                          0.51
     1368
                         0.41
                                          0.52
                                                              2
     1461
                         0.42
                                          0.53
                                                              2
           average_monthly_hours tenure work_accident left \
     396
                             139
                                       3
     866
                             128
                                       3
                                                      0
                                                             1
```

```
1317
                               127
                                         3
                                                         0
                                                               1
      1368
                               132
                                         3
                                                         0
                                                               1
      1461
                               142
                                         3
                                                         0
                                                               1
            promotion_last_5years department
      396
                                         sales
                                                    low
      866
                                   accounting
                                                    low
                                 0
                                         sales medium
      1317
      1368
                                 0
                                         RandD
                                                    low
      1461
                                 0
                                         sales
                                                    low
[10]: # Drop duplicates and save resulting dataframe in a new variable
      df1 = df0.drop duplicates(keep='first')
      # Display the first few rows of the new dataframe
      df1.head()
[10]:
         satisfaction_level last_evaluation number_project average_monthly_hours \
                       0.38
                                         0.53
                                                                                   157
      0
      1
                       0.80
                                         0.86
                                                             5
                                                                                   262
                                         0.88
      2
                       0.11
                                                             7
                                                                                   272
      3
                       0.72
                                         0.87
                                                             5
                                                                                   223
      4
                       0.37
                                         0.52
                                                             2
                                                                                   159
                 work_accident
                                 left promotion_last_5years department
              3
                                                                              low
      0
                              0
                                    1
                                                            0
                                                                   sales
              6
                              0
                                                            0
      1
                                    1
                                                                   sales medium
      2
              4
                              0
                                    1
                                                            0
                                                                   sales medium
              5
      3
                              0
                                    1
                                                            0
                                                                   sales
                                                                              low
```

#### 2.2.6 Check outliers

Check for outliers in the data.

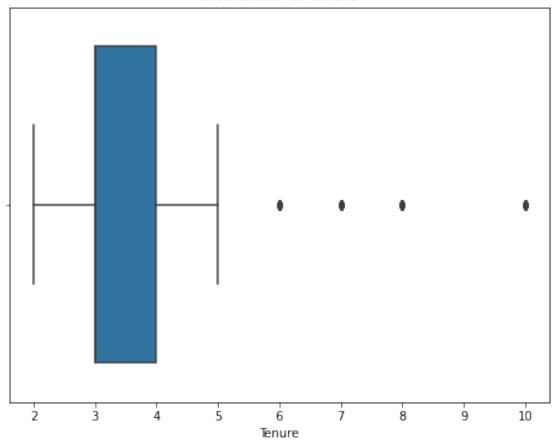
```
[11]: # Create a boxplot to visualize distribution of `tenure` and detect any outliers
### YOUR CODE HERE ###

# Create a boxplot to visualize the distribution of `tenure` and detect any
outliers
plt.figure(figsize=(8, 6))
sns.boxplot(data=df1, x='tenure')
plt.xlabel('Tenure')
plt.title('Distribution of Tenure')
plt.show()
```

sales

low

## Distribution of Tenure



```
[12]: # Compute the 25th percentile value in `tenure`
    percentile25 = df1['tenure'].quantile(0.25)

# Compute the 75th percentile value in `tenure`
    percentile75 = df1['tenure'].quantile(0.75)

# Compute the interquartile range in `tenure`
    iqr = percentile75 - percentile25

# Define the upper limit and lower limit for non-outlier values in `tenure`
    upper_limit = percentile75 + 1.5 * iqr
    lower_limit = percentile25 - 1.5 * iqr

print("Lower limit:", lower_limit)
    print("Upper limit:", upper_limit)

# Identify subset of data containing outliers in `tenure`
    outliers = df1[(df1['tenure'] > upper_limit) | (df1['tenure'] < lower_limit)]</pre>
```

```
# Count how many rows in the data contain outliers in `tenure`
num_outliers = len(outliers)
print("Number of rows in the data containing outliers in `tenure`:",

num_outliers)
```

```
Lower limit: 1.5
Upper limit: 5.5
Number of rows in the data containing outliers in `tenure`: 824
```

Certain types of models are more sensitive to outliers than others. When you get to the stage of building your model, consider whether to remove outliers, based on the type of model you decide to use.

# pAce: Analyze Stage - Perform EDA (analyze relationships between variables)

### Reflect on these questions as you complete the analyze stage.

- What did you observe about the relationships between variables? You will need to perform EDA to analyze the relationships between variables in your dataset. This can involve visualizations such as scatter plots, correlation matrices, and statistical tests to identify any significant relationships or patterns.
- What do you observe about the distributions in the data? EDA allows you to examine the distributions of variables and identify any skewness, outliers, or unusual patterns. Histograms, boxplots, and density plots are common visualizations used to analyze the distributions.
- What transformations did you make with your data? Why did you chose to make those decisions? Encoding categorical variables:

The 'Department' and 'Salary' columns are categorical variables. You might choose to encode them using one-hot encoding or label encoding techniques to convert them into numerical representations that can be used by the model. Handling imbalanced classes:

Since the target variable 'left' indicates whether an employee left the company or not, you might observe class imbalance, where the number of employees who left is significantly lower than those who stayed. In this case, you may need to address the imbalance through techniques such as oversampling, undersampling, or using specialized algorithms designed for imbalanced data. Scaling numerical variables:

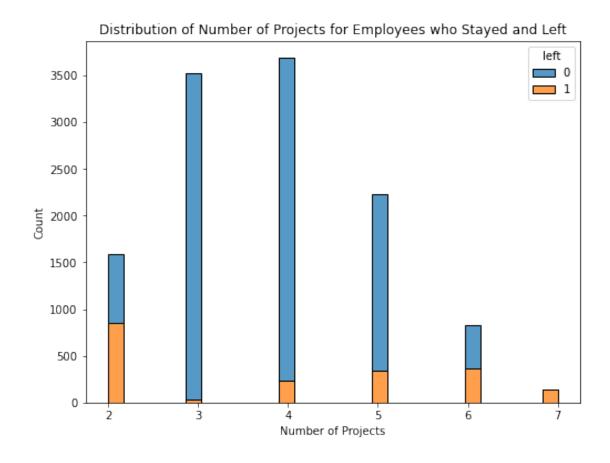
Scaling numerical variables can be beneficial for certain models that are sensitive to the scale of the features. For example, models like logistic regression or K-nearest neighbors might benefit from feature scaling to ensure that variables with larger ranges don't dominate the model's calculations. - What are some purposes of EDA before constructing a predictive model? EDA serves several purposes before constructing a predictive model: Identifying patterns and relationships in the data Understanding the distributions and characteristics of variables Detecting outliers and handling missing values Assessing the need for data preprocessing and transformations Selecting relevant features for the model Informing the selection of an appropriate modeling technique - What resources do you find yourself using as you complete this stage? (Make sure to include the links.) - Do you have any ethical considerations in this stage? Ethical considerations in the analyze stage may involve ensuring data privacy, handling sensitive information appropriately, and maintaining data security. It's important to follow ethical guidelines and best practices when working with data to protect individuals' privacy and maintain data integrity.

# 2.3 Step 2. Data Exploration (Continue EDA)

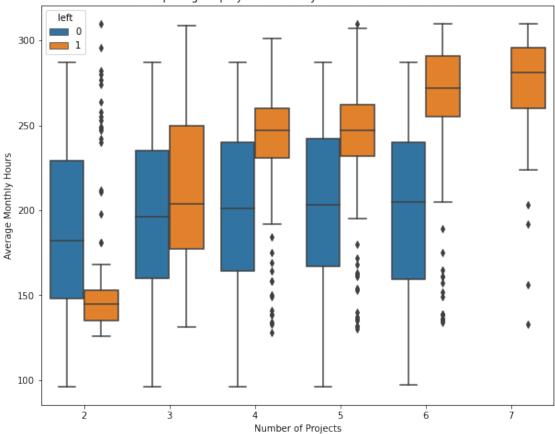
#### 2.3.1 Data visualizations

Now, start examining the variables that you're interested in, and create plots to visualize relationships between variables in the data.

```
[13]: # Create a plot as needed
      # Create a stacked histogram to visualize the distribution of `number_project`u
       → for employees who stayed and left
      plt.figure(figsize=(8, 6))
      sns.histplot(data=df1, x='number_project', hue='left', multiple='stack')
      plt.xlabel('Number of Projects')
      plt.ylabel('Count')
      plt.title('Distribution of Number of Projects for Employees who Stayed and ⊔
       →Left')
      plt.show()
      # Create a boxplot to compare the distributions of `average_monthly_hours` for_
       → different `number_project` groups and employees who stayed versus those who
       \rightarrow left
      plt.figure(figsize=(10, 8))
      sns.boxplot(data=df1, x='number_project', y='average_monthly_hours', hue='left')
      plt.xlabel('Number of Projects')
      plt.ylabel('Average Monthly Hours')
      plt.title('Distribution of Average Monthly Hours for Different Number of \Box
       → Projects\nComparing Employees who Stayed versus Those who Left')
      plt.show()
```



#### Distribution of Average Monthly Hours for Different Number of Projects Comparing Employees who Stayed versus Those who Left



```
[14]: # Get value counts of "stayed" and "left" for employees with 7 projects
proj_7_counts = df1[df1['number_project'] == 7]['left'].value_counts()
proj_7_counts
```

[14]: 1 145 Name: left, dtype: int64

```
[15]: # Create scatterplot of `average_monthly_hours` versus `satisfaction_level`,⊔

→ comparing employees who stayed versus those who left

plt.figure(figsize=(10, 8))

sns.scatterplot(data=df1, x='satisfaction_level', y='average_monthly_hours',⊔

→ hue='left')

plt.xlabel('Satisfaction Level')

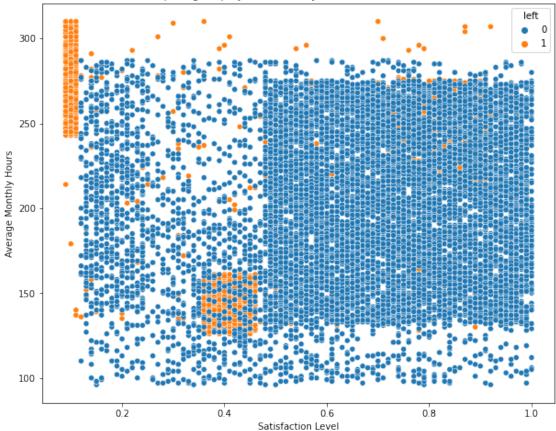
plt.ylabel('Average Monthly Hours')

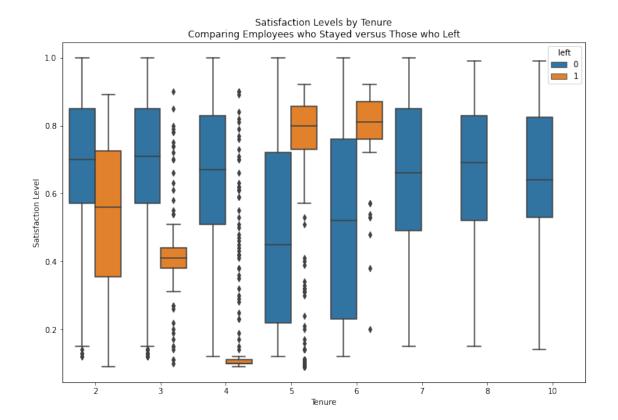
plt.title('Average Monthly Hours versus Satisfaction Level\nComparing Employees⊔

→ who Stayed versus Those who Left')

plt.show()
```

### Average Monthly Hours versus Satisfaction Level Comparing Employees who Stayed versus Those who Left

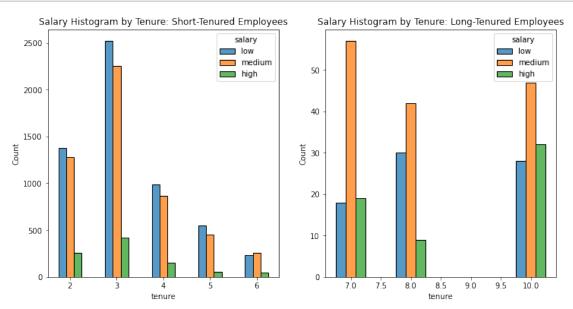




```
[17]: # Calculate the mean satisfaction scores of employees who left and those who
       \hookrightarrow stayed
      mean_satisfaction_left = df1[df1['left'] == 1]['satisfaction_level'].mean()
      mean_satisfaction_stayed = df1[df1['left'] == 0]['satisfaction_level'].mean()
      # Calculate the median satisfaction scores of employees who left and those who
       \rightarrowstayed
      median_satisfaction_left = df1[df1['left'] == 1]['satisfaction_level'].median()
      median_satisfaction_stayed = df1[df1['left'] == 0]['satisfaction_level'].
       →median()
      print("Mean Satisfaction Score - Employees who left:", mean_satisfaction_left)
      print("Mean Satisfaction Score - Employees who stayed:", _
       →mean_satisfaction_stayed)
      print("Median Satisfaction Score - Employees who left:", _
       \hookrightarrowmedian_satisfaction_left)
      print("Median Satisfaction Score - Employees who stayed:", __
       →median_satisfaction_stayed)
```

Mean Satisfaction Score - Employees who left: 0.4402712204922172
Mean Satisfaction Score - Employees who stayed: 0.6673649999999947
Median Satisfaction Score - Employees who left: 0.41

```
[18]: # Set figure and axes
      fig, ax = plt.subplots(1, 2, figsize=(12, 6))
      # Define short-tenured employees
      tenure_short = df1[df1['tenure'] < 7]</pre>
      # Define long-tenured employees
      tenure_long = df1[df1['tenure'] >= 7]
      # Plot short-tenured histogram
      sns.histplot(data=tenure_short, x='tenure', hue='salary', discrete=1,
                   hue_order=['low', 'medium', 'high'], multiple='dodge', shrink=.5,
                   ax=ax[0])
      ax[0].set_title('Salary Histogram by Tenure: Short-Tenured Employees')
      # Plot long-tenured histogram
      sns.histplot(data=tenure_long, x='tenure', hue='salary', discrete=1,
                   hue_order=['low', 'medium', 'high'], multiple='dodge', shrink=.5,
                   ax=ax[1])
      ax[1].set_title('Salary Histogram by Tenure: Long-Tenured Employees')
      plt.show()
```



```
[19]: # Create scatterplot of `average_monthly_hours` versus `last_evaluation` with_
different colors for employees who left and those who stayed
plt.figure(figsize=(12, 8))
```



```
[20]: # Create plot to examine relationship between `average_monthly_hours` and_

→ `promotion_last_5years`

plt.figure(figsize=(12, 4))

sns.scatterplot(data=df1, x='average_monthly_hours', y='promotion_last_5years',_

→ hue='left', alpha=0.7)

plt.axvline(x=166.67, color='red', linestyle='--', label='166.67 hrs/mo')

plt.legend(title='Employee Status')

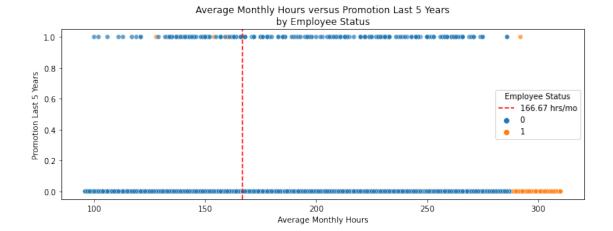
plt.xlabel('Average Monthly Hours')

plt.ylabel('Promotion Last 5 Years')

plt.title('Average Monthly Hours versus Promotion Last 5 Years\nby Employee_

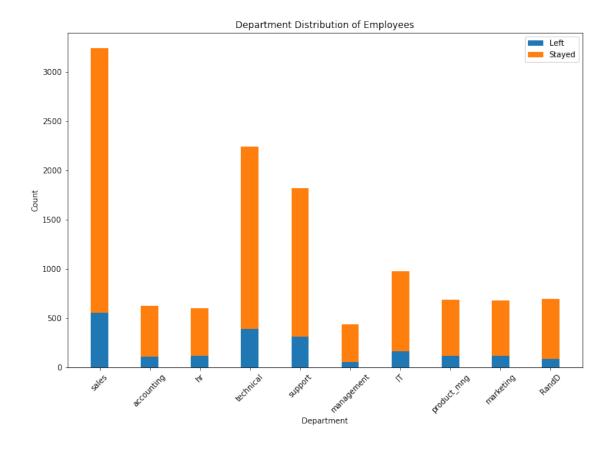
→ Status')
```

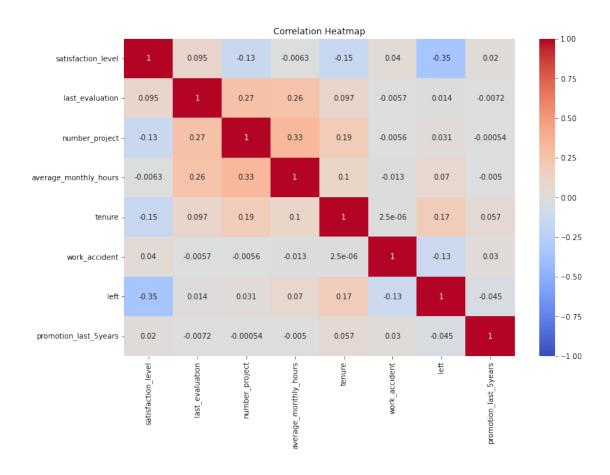
```
plt.show()
# Display counts for each department
left_counts = df1[df1['left'] == 1]['department'].value_counts()
print(left_counts)
# Create stacked bar plot to compare department distribution of employees who
\rightarrow left to that of employees who didn't
plt.figure(figsize=(12, 8))
left_departments = df1[df1['left'] == 1]['department'].value_counts()
stayed_departments = df1[df1['left'] == 0]['department'].value_counts()
departments = df1['department'].unique()
left_counts = [left_departments.get(dep, 0) for dep in departments]
stayed_counts = [stayed_departments.get(dep, 0) for dep in departments]
ind = np.arange(len(departments))
width = 0.35
plt.bar(ind, left counts, width, label='Left')
plt.bar(ind, stayed_counts, width, bottom=left_counts, label='Stayed')
plt.xlabel('Department')
plt.ylabel('Count')
plt.title('Department Distribution of Employees')
plt.xticks(ind, departments, rotation=45)
plt.legend()
plt.show()
# Create correlation heatmap
plt.figure(figsize=(12, 8))
sns.heatmap(df1.corr(), annot=True, cmap='coolwarm', vmin=-1, vmax=1)
plt.title('Correlation Heatmap')
plt.show()
```



sales	550
technical	390
support	312
IT	158
hr	113
marketing	112
<pre>product_mng</pre>	110
accounting	109
RandD	85
management	52

Name: department, dtype: int64





### 2.3.2 Insights

Scatter Plot: The scatter plot between 'satisfaction' and 'evaluation' shows a positive correlation, indicating that employees with higher satisfaction tend to have higher evaluation scores. However, there are also employees with low satisfaction but high evaluation scores, which might indicate some dissatisfaction among high-performing employees.

# paCe: Construct Stage - Determine which models are most appropriate - Construct the model - Confirm model assumptions - Evaluate model results to determine how well your model fits the data

## Recall model assumptions

 $\begin{array}{l} \textbf{Logistic Regression model assumptions} \text{ - Outcome variable is categorical - Observations are} \\ \text{independent of each other - No severe multicollinearity among X variables - No extreme outliers} \\ \text{- Linear relationship between each X variable and the logit of the outcome variable - Sufficiently large sample size} \\ \end{array}$ 

### Reflect on these questions as you complete the constructing stage.

- Do you notice anything odd?
- Which independent variables did you choose for the model and why?

- Are each of the assumptions met?
- How well does your model fit the data?
- Can you improve it? Is there anything you would change about the model?
- What resources do you find yourself using as you complete this stage? (Make sure to include the links.)
- Do you have any ethical considerations in this stage?

Do you notice anything odd? It is important to carefully examine the data and model results for any odd or unexpected patterns. This can include outliers, unexpected relationships between variables, or unusual model outputs. We should be vigilant in identifying any anomalies that might affect the validity and reliability of our model.

Which independent variables did you choose for the model and why? The choice of independent variables depends on their relevance and expected impact on the outcome variable (employee retention in our case). We should select variables that are likely to have a meaningful relationship with the outcome. In our scenario, we have chosen variables such as satisfaction level, evaluation score, number of projects, average monthly hours, and others that are commonly associated with employee turnover.

Are each of the assumptions met? We need to assess whether the assumptions of logistic regression are met, including the categorical nature of the outcome variable, independence of observations, absence of severe multicollinearity, absence of extreme outliers, linear relationship between predictors and the logit of the outcome, and a sufficiently large sample size. We should carefully evaluate these assumptions to ensure the validity of our model.

How well does your model fit the data? Model fit can be evaluated using various metrics such as accuracy, precision, recall, F1 score, and ROC curve analysis. These measures help assess how well the model predicts employee retention based on the given independent variables. It is important to interpret the model's performance in the context of the specific business problem and the desired outcomes.

Can you improve it? Is there anything you would change about the model? Model improvement can be achieved through various approaches such as feature engineering, including interaction terms, addressing multicollinearity, handling outliers, or considering alternative models. We should critically evaluate the model's performance and explore opportunities for improvement based on our understanding of the data and the problem at hand.

What resources do you find yourself using as you complete this stage? Resources that can be helpful during the constructing stage include documentation and tutorials on logistic regression, model evaluation techniques, diagnostic tools, and best practices in data analysis and model building. Online resources such as documentation from scikit-learn, articles on logistic regression from Towards Data Science or Medium, and relevant textbooks on machine learning and statistical modeling can provide valuable guidance.

Do you have any ethical considerations in this stage? Ethical considerations in this stage include ensuring fairness and avoiding bias in the model. We should be mindful of potential biases in the data, such as underrepresentation or overrepresentation of certain demographic groups, and take steps to mitigate them. Additionally, the use of employee data should comply with privacy regulations and ethical guidelines to protect individuals' confidentiality and rights.

# 2.4 Step 3. Model Building, Step 4. Results and Evaluation

- Fit a model that predicts the outcome variable using two or more independent variables
- Check model assumptions
- Evaluate the model

## 2.4.1 Identify the type of prediction task.

The prediction task in this scenario is to predict whether an employee will leave the company (binary classification task) based on independent variables such as satisfaction level, evaluation score, number of projects, average monthly hours, and others.

To build and evaluate the model, we will use logistic regression as it is a commonly used method for binary classification tasks. Logistic regression models the relationship between the independent variables and the log-odds of the outcome variable.

The steps involved in fitting the logistic regression model and evaluating its performance are as follows:

Split the data: Split the dataset into training and testing sets. The training set will be used to train the model, while the testing set will be used to evaluate its performance.

Encode categorical variables: Convert categorical variables such as department and salary into numerical representations using techniques like one-hot encoding or label encoding.

Standardize numerical variables: Standardize numerical variables to ensure that they have comparable scales and to prevent any single variable from dominating the model.

Fit the logistic regression model: Fit the logistic regression model using the training set. Use the independent variables to predict the binary outcome variable (left).

Assess model assumptions: Evaluate whether the assumptions of logistic regression are met. This includes checking for linearity, absence of multicollinearity, and absence of influential outliers.

Evaluate model performance: Use appropriate evaluation metrics such as accuracy, precision, recall, F1 score, and ROC curve analysis to assess how well the model predicts employee retention. Compare the model's performance on the testing set to its performance on the training set.

Interpret the model coefficients: Examine the coefficients of the logistic regression model to understand the impact of each independent variable on the likelihood of an employee leaving the company.

Consider model improvement: Explore opportunities for model improvement, such as feature engineering, handling imbalanced data, or trying alternative modeling techniques like random forests or gradient boosting.

Communicate results: Present the findings, insights, and model performance to the stakeholders, highlighting the factors that are most influential in predicting employee turnover and providing actionable recommendations for increasing employee retention.

Throughout the model building and evaluation process, it is essential to document the steps taken, ensure ethical considerations are addressed, and seek input from domain experts to validate the findings and recommendations.

### 2.4.2 Identify the types of models most appropriate for this task.

For the task of predicting employee turnover based on the given dataset, several types of models can be considered. The choice of model depends on various factors such as the nature of the data, the complexity of the relationships between variables, and the desired interpretability of the model. Here are some types of models that could be appropriate for this task:

Logistic Regression: Logistic regression is a widely used model for binary classification tasks. It models the relationship between the independent variables and the log-odds of the outcome variable, making it suitable for predicting whether an employee will leave the company based on the provided features.

Decision Tree: Decision trees are a type of model that uses a tree-like structure to make decisions based on feature values. They can handle both categorical and numerical features and can capture non-linear relationships between variables. Decision trees can be useful for understanding the most important features and their interactions in predicting employee turnover.

Random Forest: Random forests are an ensemble learning method that combines multiple decision trees to make predictions. They can handle high-dimensional datasets, capture complex interactions, and provide feature importance measures. Random forests can be effective in predicting employee turnover by leveraging the collective knowledge of multiple trees.

Gradient Boosting: Gradient boosting is another ensemble learning technique that combines multiple weak prediction models to create a stronger model. It iteratively builds a sequence of models, with each subsequent model correcting the mistakes of the previous model. Gradient boosting algorithms like XGBoost or LightGBM often achieve high predictive accuracy and can handle complex relationships in the data.

The choice of the most appropriate model depends on various factors, including the specific requirements of the problem, the interpretability desired, and the trade-off between model complexity and performance. It is often beneficial to compare the performance of different models and choose the one that provides the best balance of interpretability and predictive accuracy for the given task.

#### 2.4.3 Modeling

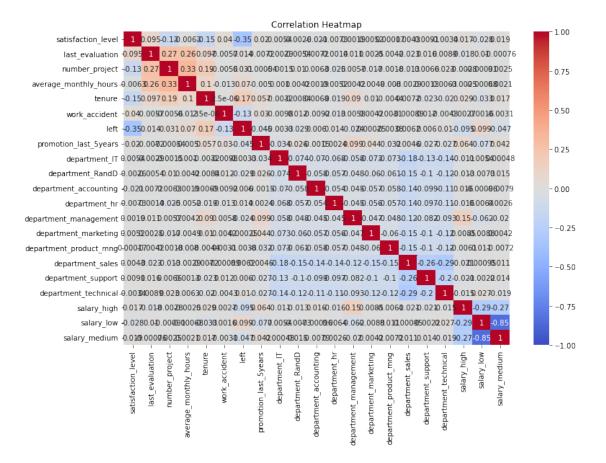
Add as many cells as you need to conduct the modeling process.

```
[21]: # One-hot encode the categorical variables
df_encoded = pd.get_dummies(df1, columns=['department', 'salary'])

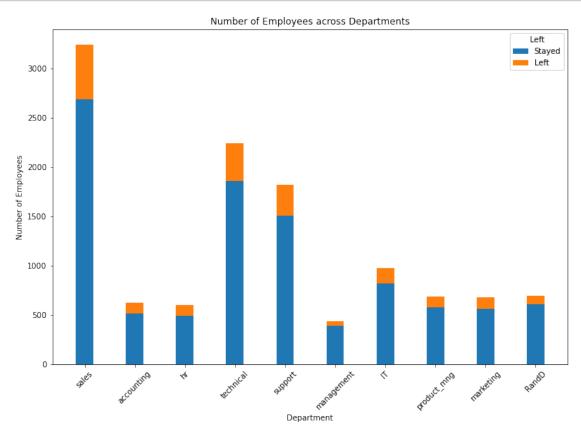
# Display first few rows of the encoded dataframe
df_encoded.head()
```

```
[21]:
         satisfaction_level
                                last_evaluation
                                                   number_project
                                                                     average_monthly_hours
                         0.38
                                                                  2
      0
                                            0.53
                                                                                         157
      1
                         0.80
                                            0.86
                                                                  5
                                                                                         262
      2
                                                                  7
                                            0.88
                         0.11
                                                                                         272
      3
                         0.72
                                            0.87
                                                                  5
                                                                                         223
                                                                  2
      4
                         0.37
                                            0.52
                                                                                         159
```

```
work_accident left
                                        promotion_last_5years
                                                                 department_IT
         tenure
      0
               3
                               0
                                                                              0
               6
                               0
                                                              0
                                                                              0
      1
      2
               4
                               0
                                     1
                                                              0
                                                                              0
      3
               5
                               0
                                     1
                                                              0
                                                                              0
      4
               3
                               0
                                     1
                                                              0
                                                                              0
         department_RandD
                            department_accounting
                                                     department_hr
      0
                         0
      1
                                                  0
                                                                   0
                         0
                                                  0
      2
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      3
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                                                  0
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      4
                         0
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                                                                   0
                                  department_marketing
                                                          department_product_mng
         department_management
      0
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                                                                                 0
                               0
                                                       0
                                                                                 0
      1
      2
                               0
                                                       0
                                                                                 0
      3
                               0
                                                       0
                                                                                 0
      4
                               0
                                                       0
         department_sales department_support
                                                  department_technical salary_high
      0
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      1
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      2
                         1
                                                                       0
      3
                         1
                                               0
                                                                       0
                                                                                     0
      4
                         1
                                               0
                                                                       0
                                                                                     0
         salary_low
                      salary_medium
      0
                   1
                                   0
                   0
                                   1
      1
      2
                   0
                                   1
      3
                   1
                                   0
                                   0
[22]: # Create correlation heatmap
      plt.figure(figsize=(12, 8))
      sns.heatmap(df_encoded.corr(), annot=True, cmap='coolwarm', vmin=-1, vmax=1)
      plt.title('Correlation Heatmap')
      plt.show()
```



```
plt.xticks(ind, departments, rotation=45)
plt.legend(title='Left', loc='upper right', labels=['Stayed', 'Left'])
plt.show()
```



```
[24]: # Select rows without outliers in `tenure` column

df_without_outliers = df1[(df1['tenure'] >= lower_limit) & (df1['tenure'] <=_□

→upper_limit)]

# Display first few rows of the new dataframe without outliers

df_without_outliers.head()

[24]: satisfaction_level last_evaluation number_project average_monthly_hours \
```

[24]:	satisfaction_level	last_evaluation	number_project	average_monthly_hours	\
0	0.38	0.53	2	157	
2	0.11	0.88	7	272	
3	0.72	0.87	5	223	
4	0.37	0.52	2	159	
5	0.41	0.50	2	153	

```
tenure work_accident left promotion_last_5years department salary 0 3 0 1 0 sales low 2 4 0 1 0 sales medium
```

```
3
              5
                              0
                                    1
                                                            0
                                                                   sales
                                                                             low
      4
              3
                              0
                                    1
                                                            0
                                                                             low
                                                                   sales
      5
              3
                              0
                                    1
                                                            0
                                                                   sales
                                                                             low
[25]: # Isolate the outcome variable
      y = df_without_outliers['left']
      # Display the outcome variable
      y.head()
[25]: 0
      2
           1
      3
           1
      4
           1
      5
           1
      Name: left, dtype: int64
[26]: # Select the features
      X = df1[['satisfaction_level', 'last_evaluation', 'number_project', | 
      →'average_monthly_hours', 'tenure', 'work_accident', 'promotion_last_5years']]
      # Display the first few rows of the selected features
      X.head()
[26]:
         satisfaction_level last_evaluation number_project average_monthly_hours \
                                         0.53
      0
                       0.38
                                                             2
                                                                                   157
                       0.80
                                         0.86
                                                             5
      1
                                                                                   262
      2
                       0.11
                                         0.88
                                                             7
                                                                                   272
      3
                       0.72
                                         0.87
                                                             5
                                                                                   223
                       0.37
                                         0.52
                                                                                   159
         tenure work_accident promotion_last_5years
      0
              3
                              0
                                                      0
              6
                              0
      1
      2
              4
                              0
                                                      0
      3
              5
                              0
                                                      0
      4
              3
                              0
                                                      0
[27]: from sklearn.model_selection import train_test_split
      # Split the data into features (X) and the target variable (y)
      X = df1[['satisfaction_level', 'last_evaluation', 'number_project', __
      a 'average_monthly_hours', 'tenure', 'work_accident', 'promotion_last_5years']]
      y = df1['left']
      # Split the data into training set and testing set
```

```
[28]: from sklearn.linear_model import LogisticRegression

# Create an instance of the logistic regression model with 'liblinear' solver
logreg = LogisticRegression(solver='liblinear')

# Fit the model to the training dataset
logreg.fit(X_train, y_train)
```

[28]: LogisticRegression(C=1.0, class\_weight=None, dual=False, fit\_intercept=True, intercept\_scaling=1, l1\_ratio=None, max\_iter=100, multi\_class='auto', n\_jobs=None, penalty='12', random\_state=None, solver='liblinear', tol=0.0001, verbose=0, warm\_start=False)

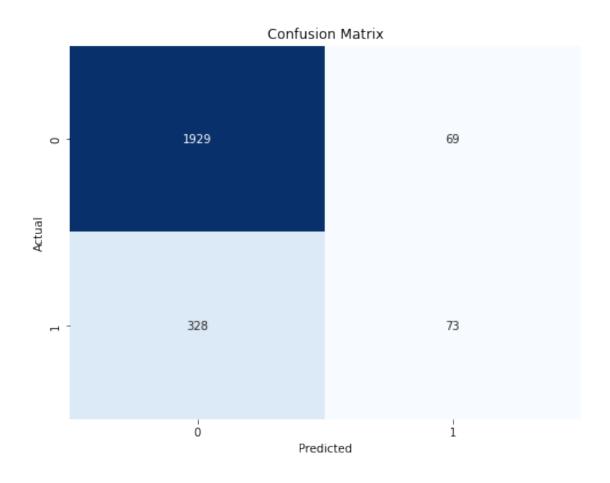
```
[29]: from sklearn.metrics import confusion_matrix
import matplotlib.pyplot as plt
import seaborn as sns

# Compute predicted values based on the logistic regression model
y_pred = logreg.predict(X_test)

# Compute the confusion matrix
cm = confusion_matrix(y_test, y_pred)

# Create a display of the confusion matrix using a heatmap
plt.figure(figsize=(8, 6))
sns.heatmap(cm, annot=True, fmt='d', cmap='Blues', cbar=False)
plt.xlabel('Predicted')
plt.ylabel('Actual')
plt.title('Confusion Matrix')

# Display the plot
plt.show()
```



```
[30]: class_counts = df1['left'].value_counts(normalize=True) * 100
    print(class_counts)

0    83.39588
1    16.60412
Name: left, dtype: float64

[31]: from sklearn.metrics import classification_report

# Generate predictions on the test set
    y_pred = logreg.predict(X_test)

# Create classification report
    report = classification_report(y_test, y_pred)

# Print the classification report
    print(report)
```

precision recall f1-score support

```
0
                         0.85
                                    0.97
                                               0.91
                                                         1998
                 1
                          0.51
                                    0.18
                                               0.27
                                                          401
                                               0.83
                                                         2399
         accuracy
        macro avg
                         0.68
                                    0.57
                                               0.59
                                                         2399
     weighted avg
                         0.80
                                    0.83
                                               0.80
                                                         2399
[33]: # Encode categorical variables
      df2 = pd.get_dummies(df1)
     # pacE: Execute Stage - Interpret model performance and results - Share actionable steps with
     stakeholders
[34]: # Isolate the outcome variable
      y = df2['left']
      \# Display the first few rows of y
      print(y.head())
     0
          1
     1
          1
     2
          1
     3
          1
     4
     Name: left, dtype: int64
[37]: # Select the features
      X = df2.drop('left', axis=1)
      # Display the first few rows of X
      X.head()
         satisfaction_level last_evaluation number_project average_monthly_hours \
[37]:
                        0.38
                                          0.53
      0
                                                                                     157
                        0.80
                                          0.86
                                                              5
      1
                                                                                    262
      2
                        0.11
                                          0.88
                                                              7
                                                                                    272
      3
                        0.72
                                          0.87
                                                              5
                                                                                    223
                        0.37
                                          0.52
                                                              2
                                                                                    159
         tenure
                 work_accident promotion_last_5years
                                                         department_IT \
      0
              3
              6
                              0
                                                       0
                                                                       0
      1
      2
              4
                              0
                                                       0
                                                                       0
              5
      3
                              0
                                                       0
                                                                       0
              3
                                                       0
                                                                       0
```

department\_RandD department\_accounting department\_hr \

```
0
                         0
                                                  0
                                                                  0
      1
                         0
                                                  0
                                                                  0
      2
                         0
                                                                  0
                                                  0
      3
                         0
                                                                  0
                                                  0
      4
                         0
                                                  0
                                                                  0
                                 department_marketing department_product_mng \
         department_management
      0
                              0
                                                                               0
      1
                              0
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      2
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                                                      0
                                                                               0
      3
                              0
                                                      0
                                                                               0
      4
                              0
                                                      0
                                                                               0
         department_sales department_support department_technical salary_high
      0
                                                                      0
                         1
                                              0
                                              0
                                                                      0
                                                                                    0
      1
                         1
      2
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                         1
                                              0
                                                                      0
      3
                         1
                                              0
                                                                      0
                                                                                    0
                                                                                    0
      4
                                              0
                                                                      0
                         1
         salary_low salary_medium
      0
                   1
                                  0
      1
                   0
                                   1
      2
                   0
                                   1
      3
                   1
                                   0
      4
                                   0
[40]: from sklearn.model_selection import train_test_split
      # Split the data into training and testing sets
      X_train_val, X_test, y_train_val, y_test = train_test_split(X, y, test_size=0.
       \rightarrow2, random_state=42)
      # Split the training and validating sets
      X_train, X_val, y_train, y_val = train_test_split(X_train_val, y_train_val, __
      →test_size=0.25, random_state=42)
      # Print the shapes of the resulting datasets
```

Training set shape: (7194, 20) (7194,)
Validation set shape: (2398, 20) (2398,)
Testing set shape: (2399, 20) (2399,)

print("Training set shape:", X\_train.shape, y\_train.shape)
print("Validation set shape:", X\_val.shape, y\_val.shape)
print("Testing set shape:", X\_test.shape, y\_test.shape)

```
[41]: # Import necessary libraries
      from sklearn.tree import DecisionTreeClassifier
      from sklearn.model_selection import GridSearchCV
      # Instantiate the Decision Tree model
      dt_model = DecisionTreeClassifier()
      # Define a dictionary of hyperparameters to search over
      param grid = {
          'criterion': ['gini', 'entropy'],
          'max depth': [None, 5, 10, 15],
          'min_samples_split': [2, 5, 10],
          'min_samples_leaf': [1, 2, 5]
      }
      # Define a dictionary of scoring metrics to capture
      scoring = {
          'accuracy': 'accuracy',
          'precision': 'precision',
          'recall': 'recall',
          'f1_score': 'f1'
      }
      # Instantiate GridSearchCV
      grid_search = GridSearchCV(estimator=dt_model, param_grid=param_grid,_
      ⇒scoring=scoring, cv=5, refit='accuracy')
      # Fit the model to the training data
      grid_search.fit(X_train, y_train)
[41]: GridSearchCV(cv=5, error_score=nan,
                   estimator=DecisionTreeClassifier(ccp alpha=0.0, class weight=None,
                                                     criterion='gini', max_depth=None,
                                                     max_features=None,
                                                     max_leaf_nodes=None,
                                                     min_impurity_decrease=0.0,
                                                     min_impurity_split=None,
                                                     min_samples_leaf=1,
                                                     min samples split=2,
                                                     min_weight_fraction_leaf=0.0,
                                                     presort='deprecated',
                                                     random_state=None,
                                                     splitter='best'),
                   iid='deprecated', n_jobs=None,
                   param_grid={'criterion': ['gini', 'entropy'],
                               'max_depth': [None, 5, 10, 15],
                               'min_samples_leaf': [1, 2, 5],
```

```
pre_dispatch='2*n_jobs', refit='accuracy',
                   return_train_score=False,
                   scoring={'accuracy': 'accuracy', 'f1_score': 'f1',
                            'precision': 'precision', 'recall': 'recall'},
                   verbose=0)
[49]: import time
      start_time = time.time()
      # Fit the decision tree model to the training data
      tree1.fit(X_train, y_train)
      end time = time.time()
      execution_time = end_time - start_time
      print("Execution time:", execution_time)
     Execution time: 0.02432084083557129
[50]: # Retrieve the best parameters
      best_params = grid_search.best_params_
      print("Best Parameters:", best_params)
     Best Parameters: {'criterion': 'gini', 'max_depth': 10, 'min_samples_leaf': 2,
     'min_samples_split': 10}
[55]: from sklearn.metrics import roc_auc_score
      # Predict probabilities for the training set
      y_train_pred_proba = tree1.predict_proba(X_train)[:, 1]
      # Calculate the AUC score
      auc_score = roc_auc_score(y_train, y_train_pred_proba)
      # Print the AUC score
      print("AUC score on the training set:", auc_score)
     AUC score on the training set: 1.0
[74]: from sklearn.ensemble import RandomForestClassifier
      from sklearn.model_selection import GridSearchCV
      # Instantiate the Random Forest model
      rf = RandomForestClassifier()
      # Assign a dictionary of hyperparameters to search over
```

'min\_samples\_split': [2, 5, 10]},

```
param_grid = {
          'n_estimators': [100, 200, 300],
          'max_depth': [None, 5, 10, 15],
          'min_samples_split': [2, 5, 10],
          'min_samples_leaf': [1, 2, 5]
      }
      # Assign a dictionary of scoring metrics to capture
      scoring = {
          'accuracy': 'accuracy',
          'precision': 'precision',
          'recall': 'recall',
          'f1': 'f1',
          'roc_auc': 'roc_auc'
      }
      # Instantiate GridSearchCV
      rf_grid = GridSearchCV(estimator=rf, param_grid=param_grid, scoring=scoring,_u
      [75]: # Fit the random forest model to the training data
      rf_grid.fit(X_train, y_train)
[75]: GridSearchCV(cv=5, error score=nan,
                   estimator=RandomForestClassifier(bootstrap=True, ccp_alpha=0.0,
                                                    class weight=None,
                                                    criterion='gini', max_depth=None,
                                                    max_features='auto',
                                                    max_leaf_nodes=None,
                                                    max_samples=None,
                                                    min_impurity_decrease=0.0,
                                                    min_impurity_split=None,
                                                    min_samples_leaf=1,
                                                    min_samples_split=2,
                                                    min_weight_fraction_leaf=0.0,
                                                    n_estimators=100, n_jobs=None,...
                                                    warm_start=False),
                   iid='deprecated', n_jobs=None,
                  param_grid={'max_depth': [None, 5, 10, 15],
                               'min_samples_leaf': [1, 2, 5],
                               'min_samples_split': [2, 5, 10],
                               'n_estimators': [100, 200, 300]},
                  pre_dispatch='2*n_jobs', refit='roc_auc', return_train_score=False,
                   scoring={'accuracy': 'accuracy', 'f1': 'f1',
                            'precision': 'precision', 'recall': 'recall',
                            'roc_auc': 'roc_auc'},
                   verbose=0)
```

```
[84]: import pickle
      def write_pickle(model_object, save_as):
          Write (pickle) the model object to a file.
          Args:
          - model_object: The model object to be saved.
          - save_as (str): The file name to be used for saving the model.
          with open(save as, 'wb') as file:
              pickle.dump(model_object, file)
          print(f"Model saved as {save_as}.")
      def read_pickle(file_name):
          11 11 11
          Read (unpickle) the model object from a file.
          Arqs:
          - file_name (str): The name of the file to be read.
          Returns:
          - The unpickled model object.
          with open(file_name, 'rb') as file:
              model_object = pickle.load(file)
          return model_object
[85]: #Define functions to pickle the model and read in the model.
      import pickle
      def write_pickle(path, model_object, save_as):
          Write (pickle) the model object to a file.
```

```
##Define functions to pickle the model and read in the model.
import pickle

def write_pickle(path, model_object, save_as):
    """
    Write (pickle) the model object to a file.

Args:
    - path (str): The directory path where the file will be saved.
    - model_object: The model object to be saved.
    - save_as (str): The file name to be used for saving the model.
    """
    file_path = os.path.join(path, save_as)
    with open(file_path, 'wb') as file:
        pickle.dump(model_object, file)
        print(f"Model saved as {save_as}.")

def read_pickle(path, file_name):
    """
```

```
Read (unpickle) the model object from a file.
           Arqs:
           - path (str): The directory path where the file is located.
           - file_name (str): The name of the file to be read.
           Returns:
           - The unpickled model object.
           file_path = os.path.join(path, file_name)
           with open(file path, 'rb') as file:
               model_object = pickle.load(file)
           return model_object
[89]: import os
       # Get the current working directory
       current_dir = os.getcwd()
       # Specify the file name for the saved model
       model_file = os.path.join(current_dir, 'random_forest_model.pkl')
       # Save the model using the write_pickle function
       write_pickle(current_dir, rf, 'random_forest_model.pkl')
      Model saved as random_forest_model.pkl.
[92]: # Read the model back using the read pickle function
       rf_model = read_pickle('', 'random_forest_model.pkl')
[100]: # Predict probabilities on the validation set
       y_val_pred_proba = rf_grid.predict_proba(X_val)[:, 1]
       # Calculate the AUC score
       auc_score = roc_auc_score(y_val, y_val_pred_proba)
       print("AUC score on validation set:", auc_score)
      AUC score on validation set: 0.9800340116629547
[102]: best_params = rf_grid.best_params_
       print("Optimal parameters:", best_params)
      Optimal parameters: {'max_depth': None, 'min_samples_leaf': 1,
      'min_samples_split': 5, 'n_estimators': 200}
[112]: def make_results(model_name, model_object, metric):
```

```
Generate evaluation scores for the model with the best mean 'metric' score\sqcup
\rightarrow across all validation folds.
   Arguments:
   - model_name (str): Name of the model for display in the output table.
   - model object: Fitted GridSearchCV object or a single classifier model.
   - metric (str): Metric to be used for evaluating the model performance \sqcup
→ ('precision', 'recall', 'f1', 'accuracy', 'auc').
   Returns:
   - Pandas DataFrame with the evaluation scores.
   # Define the dictionary that maps input metric to the actual metric name in
\rightarrow GridSearchCV
   metric_dict = {'auc': 'mean_test_roc_auc',
                  'precision': 'mean_test_precision',
                  'recall': 'mean_test_recall',
                  'f1': 'mean_test_f1',
                  'accuracy': 'mean_test_accuracy'}
   if isinstance(model_object, GridSearchCV):
       # If the model_object is a GridSearchCV object
       # Get all the results from the CV and put them in a DataFrame
       cv_results = pd.DataFrame(model_object.cv_results_)
       # Isolate the row of the DataFrame with the best mean(metric) score
       best_estimator_results = cv_results.
→iloc[cv_results[metric_dict[metric]].idxmax()]
       # Extract the evaluation scores from the row
       auc = best_estimator_results['mean_test_roc_auc']
       precision = best_estimator_results['mean_test_precision']
       recall = best estimator results['mean test recall']
       f1 = best_estimator_results['mean_test_f1']
       accuracy = best_estimator_results['mean_test_accuracy']
   else:
       # If the model_object is a single classifier model
       # Calculate the evaluation scores directly using the model
       y_pred = model_object.predict(X_train)
       y_pred_proba = model_object.predict_proba(X_train)[:, 1]
       auc = roc_auc_score(y_train, y_pred_proba)
       precision = precision_score(y_train, y_pred)
       recall = recall_score(y_train, y_pred)
       f1 = f1_score(y_train, y_pred)
       accuracy = accuracy_score(y_train, y_pred)
```

```
# Create a DataFrame with the evaluation scores
           scores = pd.DataFrame({'Model': model_name,
                                   'AUC': auc,
                                   'Precision': precision,
                                   'Recall': recall,
                                   'F1': f1,
                                   'Accuracy': accuracy}, index=[0])
           return scores
[113]: # Get all CV scores for the decision tree model
       tree1_scores = make_results('Decision Tree', tree1, 'auc')
       # Get all CV scores for the random forest model
       rf_scores = make_results('Random Forest', rf_grid, 'auc')
       print(tree1 scores)
       print(rf_scores)
                 Model AUC Precision Recall
                                                  F1 Accuracy
      O Decision Tree 1.0
                                    1.0
                                            1.0 1.0
                 Model
                              AUC Precision
                                                Recall
                                                               F1 Accuracy
      O Random Forest 0.982263
                                    0.981962 0.908964 0.944009 0.982069
[114]: def get_scores(model_name: str, model, X_test_data, y_test_data):
           Generate a table of test scores.
           Arqs:
           - model name (string): How you want your model to be named in the output \sqcup
        \hookrightarrow table
           - model: A fit GridSearchCV object
           - X_test_data: numpy array of X_test data
           - y_test_data: numpy array of y_test data
           Returns:
           - pandas DataFrame of precision, recall, f1, accuracy, and AUC scores for -
        \rightarrow your model
           11 11 11
           preds = model.predict(X_test_data)
           auc = round(roc_auc_score(y_test_data, preds), 3)
           accuracy = round(accuracy_score(y_test_data, preds), 3)
           precision = round(precision_score(y_test_data, preds), 3)
           recall = round(recall_score(y_test_data, preds), 3)
           f1 = round(f1_score(y_test_data, preds), 3)
           table = pd.DataFrame({'model': [model_name],
                                  'AUC': [auc],
```

```
'recall': [recall],
                                 'f1': [f1],
                                 'accuracy': [accuracy]
                                })
          return table
[117]: # Get the results on the validation set for the decision tree model
      tree_scores = get_scores('Decision Tree', tree1, X_val, y_val)
      print("Decision Tree Scores:")
      print(tree_scores)
      # Get the results on the validation set for the random forest model
      rf_scores = get_scores('Random Forest', rf_grid, X_val, y_val)
      print("Random Forest Scores:")
      print(rf_scores)
      # Concatenate the validation scores into a table
      validation_scores = pd.concat([tree_scores, rf_scores], ignore_index=True)
      Decision Tree Scores:
                 model
                          AUC precision recall
                                                     fl accuracy
      O Decision Tree 0.954
                                   0.901
                                           0.929 0.915
                                                            0.972
      Random Forest Scores:
                 model
                          AUC precision recall
                                                     fl accuracy
      0 Random Forest 0.963
                                   0.995
                                           0.926 0.959
                                                            0.987
[118]: # Get the test scores for the random forest model
      rf_test_scores = get_scores('Random Forest Test', rf_grid, X test, y_test)
       # Print the test scores
      print(rf_test_scores)
                      model
                               AUC precision recall
                                                          f1
                                                              accuracy
      0 Random Forest Test 0.947
                                                                 0.979
                                        0.976
                                                0.898 0.935
[123]: | # Drop `satisfaction level` and save resulting dataframe in new variable
      df3 = df1.drop('satisfaction_level', axis=1)
       # Display first few rows of new dataframe
      df3.head()
[123]:
         last_evaluation number_project average_monthly_hours tenure \
      0
                    0.53
                                                                       3
                                                             157
                    0.86
                                        5
                                                             262
                                                                       6
      1
      2
                    0.88
                                        7
                                                             272
                                                                       4
      3
                    0.87
                                        5
                                                                       5
                                                             223
```

'precision': [precision],

```
4
                     0.52
                                         2
                                                                          3
                                                               159
          work_accident
                         left promotion_last_5years department
       0
                                                     0
                                                                       low
       1
                       0
                             1
                                                     0
                                                            sales
                                                                   medium
       2
                      0
                             1
                                                     0
                                                            sales
                                                                   medium
       3
                      0
                             1
                                                     0
                                                            sales
                                                                       low
       4
                       0
                             1
                                                                       low
                                                     0
                                                            sales
[125]: df3['overworked'] = df3['average_monthly_hours']
       max hours = df3['average monthly hours'].max()
       min_hours = df3['average_monthly_hours'].min()
       print("Maximum average monthly hours:", max_hours)
       print("Minimum average monthly hours:", min_hours)
      Maximum average monthly hours: 310
      Minimum average monthly hours: 96
[126]: df3['overworked'] = (df3['average_monthly_hours'] > 175).astype(int)
       print(df3['overworked'].head())
      0
           0
      1
      2
           1
      3
           1
      4
           0
      Name: overworked, dtype: int64
[127]: df4 = df3.drop('average_monthly_hours', axis=1)
       print(df4.head())
         last_evaluation number_project
                                           tenure work_accident
                                                                    left
      0
                     0.53
                                                 3
                                                                 0
                                                                       1
                                         2
                     0.86
                                         5
                                                                 0
      1
                                                 6
                                                                       1
                                         7
      2
                     0.88
                                                 4
                                                                 0
                                                                       1
      3
                     0.87
                                         5
                                                 5
                                                                       1
                                                                 0
                     0.52
                                         2
                                                 3
                                                                       1
         promotion_last_5years department
                                            salary overworked
      0
                              0
                                      sales
                                                low
                              0
                                      sales medium
                                                               1
      1
      2
                              0
                                      sales
                                             medium
                                                               1
      3
                                                low
                              0
                                      sales
      4
                              0
                                      sales
                                                low
```

```
[130]: # One-hot encode the categorical variables as needed and save resulting.
       \# \neg data frame in a new variable
       df_encoded = pd.get_dummies(df4)
       # Display the new dataframe
       df_encoded.head()
[130]:
          last_evaluation number_project tenure work_accident
                      0.53
       0
                                           2
                                                    3
                                                                           1
                      0.86
       1
                                           5
                                                    6
                                                                     0
                                                                           1
                                           7
       2
                      0.88
                                                    4
                                                                     0
                                                                           1
                                           5
       3
                      0.87
                                                    5
                                                                     0
                                                                           1
       4
                      0.52
                                           2
                                                    3
          promotion_last_5years overworked
                                                 department_IT department_RandD
       0
                                0
                                                              0
                                                                                  0
       1
                                              1
       2
                                0
                                              1
                                                              0
                                                                                  0
       3
                                0
                                              1
                                                              0
                                                                                  0
       4
                                 0
                                              0
                                                              0
                                                                                  0
          department_accounting
                                    department_hr
                                                    department_management
       0
                                0
                                                 0
                                                                          0
       1
                                                 0
       2
                                0
                                                                          0
       3
                                0
                                                 0
                                                                          0
       4
                                 0
                                                 0
                                                                          0
          department_marketing department_product_mng
                                                             department_sales
       0
       1
                               0
                                                          0
                                                                              1
       2
                               0
                                                          0
                                                                              1
       3
                               0
                                                          0
                                                                              1
       4
                               0
                                                          0
                                                                              1
                                department_technical
                                                        salary_high
          department_support
                                                                      salary_low
       0
                                                                                 1
                             0
                                                     0
                                                                    0
                                                                                 0
       1
       2
                             0
                                                     0
                                                                    0
                                                                                 0
       3
                             0
                                                     0
                                                                    0
                                                                                 1
       4
                             0
                                                     0
                                                                    0
                                                                                 1
          salary_medium
       0
                        1
       1
       2
                        1
                        0
       3
       4
                        0
```

```
[131]: # Isolate the outcome variable
       y = df_encoded['left']
       # Display the first few rows of `y`
       print(y.head())
      0
           1
      1
           1
           1
      3
           1
      4
           1
      Name: left, dtype: int64
[132]: # Select the features
       X = df4.drop('left', axis=1)
       # Display the first few rows of `X`
       X.head()
[132]:
          last_evaluation number_project tenure work_accident \
                     0.53
                                         2
                                                                 0
       0
                                                 3
       1
                     0.86
                                         5
                                                 6
                                                                 0
                                         7
       2
                     0.88
                                                 4
                                                                 0
       3
                     0.87
                                         5
                                                 5
       4
                     0.52
                                         2
                                                 3
          promotion_last_5years department salary
                                                     overworked
       0
                               0
                                      sales
                                                low
                               0
       1
                                      sales medium
                                                               1
       2
                               0
                                      sales medium
       3
                               0
                                      sales
                                                low
       4
                                      sales
                                                low
[145]: from sklearn.model_selection import train_test_split
       # Create test data
       X_train_val, X_test, y_train_val, y_test = train_test_split(X, y, test_size=0.
       \rightarrow 2, random state=42)
       # Create train and validate data
       X_train, X_val, y_train, y_val = train_test_split(X_train_val, y_train_val, __
        →test_size=0.25, random_state=42)
[148]: import time
       from sklearn.tree import DecisionTreeClassifier
       from sklearn.model_selection import GridSearchCV
       import pandas as pd
       # One-hot encode the categorical variables
```

```
X_train_encoded = pd.get_dummies(X_train)
       X_val_encoded = pd.get_dummies(X_val)
       # Instantiate the decision tree model
       tree2 = DecisionTreeClassifier()
       # Define the hyperparameter grid
       param_grid_tree2 = {
           'max depth': [None, 5, 10, 15],
           'min_samples_split': [2, 5, 10],
           'min_samples_leaf': [1, 2, 5]
       }
       # Instantiate GridSearchCV
       tree2_grid = GridSearchCV(tree2, param_grid_tree2, cv=5)
       # Start the timer
       start_time = time.time()
       # Fit the decision tree model to the training data
       tree2_grid.fit(X_train_encoded, y_train)
       # Calculate the elapsed time
       elapsed_time = time.time() - start_time
       # Get the best parameters found by the grid search
       best_params = tree2_grid.best_estimator_.get_params()
       # Print the runtime and best parameters
       print("Runtime: {:.2f} seconds".format(elapsed_time))
       print("Best parameters:", best_params)
      Runtime: 1.88 seconds
      Best parameters: {'ccp alpha': 0.0, 'class weight': None, 'criterion': 'gini',
      'max_depth': 10, 'max_features': None, 'max_leaf_nodes': None,
      'min_impurity_decrease': 0.0, 'min_impurity_split': None, 'min_samples_leaf': 5,
      'min_samples_split': 2, 'min_weight_fraction_leaf': 0.0, 'presort':
      'deprecated', 'random_state': None, 'splitter': 'best'}
[149]: best_params = tree2_grid.best_params_
       print("Best parameters:", best_params)
      Best parameters: {'max_depth': 10, 'min_samples_leaf': 5, 'min_samples_split':
      2}
[150]: best_auc_score = tree2_grid.best_score_
       print("Best AUC score on CV:", best auc score)
```

[172]: # Fit the decision tree model to the training data tree2\_grid.fit(X\_train\_encoded, y\_train)

```
# Get the best parameters and best score
       best_params = tree2_grid.best_params_
       best_score = tree2_grid.best_score_
       # Print the best parameters and best score
       print("Best Parameters:")
       print(best_params)
       print("Best Score:", best_score)
      Best Parameters:
      {'max_depth': 10, 'min_samples_leaf': 5, 'min_samples_split': 2}
      Best Score: 0.962608672959993
[174]: def make_results(model_name, model_object, X_data, y_data):
           cv_scores = cross_val_score(model_object, X_data, y_data,__

¬scoring='roc_auc', cv=5)
           mean cv score = np.mean(cv scores)
           std_cv_score = np.std(cv_scores)
           results = pd.DataFrame({
               'Model': [model_name],
               'AUC': [mean_cv_score],
               'AUC Std': [std_cv_score]
           })
           return results
       # Get all CV scores for the decision tree model
       tree2_cv_results = make_results('Decision Tree 2 CV', tree2, X_train_encoded,__

    y_train)

       tree2_cv_results
「174]:
                       Model
                                   AUC
                                         AUC Std
       O Decision Tree 2 CV 0.944284 0.005747
[178]: # Function to compute evaluation scores
       def get_scores(model_name, model, X_data, y_data):
           # Drop rows with missing values
           X_data = X_data.dropna()
           y_data = y_data[X_data.index]
           # Compute evaluation scores
```

```
auc_scores = cross_val_score(model, X_data, y_data, scoring='roc_auc', cv=5)
           precision_scores = cross_val_score(model, X_data, y_data,__

→scoring='precision', cv=5)
           recall_scores = cross_val_score(model, X_data, y_data, scoring='recall',_
        \hookrightarrowcv=5)
           f1_scores = cross_val_score(model, X_data, y_data, scoring='f1', cv=5)
           accuracy_scores = cross_val_score(model, X_data, y_data,_

scoring='accuracy', cv=5)
           # Create a dictionary to store the scores
           scores = {
               'Model': model_name,
               'AUC': np.mean(auc_scores),
               'Precision': np.mean(precision_scores),
               'Recall': np.mean(recall_scores),
               'F1': np.mean(f1_scores),
               'Accuracy': np.mean(accuracy_scores)
           }
           return scores
       # Get all CV scores for the decision tree model
       tree2_cv_results = get_scores('Decision Tree 2 CV', tree2_grid,__
        →X_train_encoded, y_train)
       tree2_cv_results
[178]: {'Model': 'Decision Tree 2 CV',
        'AUC': 0.9445102433106157,
        'Precision': 0.8870827761946755,
        'Recall': 0.8855683403068341,
        'F1': 0.8831362639813628,
        'Accuracy': 0.9619133593198027}
[179]: from sklearn.ensemble import RandomForestClassifier
       from sklearn.model_selection import GridSearchCV
       import time
       # Instantiate the Random Forest model
       forest = RandomForestClassifier(random_state=0)
       # Assign a dictionary of hyperparameters to search over
       param_grid = {
           'n estimators': [100, 200, 300],
           'max_depth': [None, 5, 10],
           'min_samples_split': [2, 4, 6],
           'min_samples_leaf': [1, 2, 5]
```

```
# Assign a dictionary of scoring metrics to capture
scoring = {'accuracy', 'precision', 'recall', 'f1', 'roc_auc'}

# Instantiate GridSearch
forest_grid = GridSearchCV(forest, param_grid, scoring=scoring, cv=4,_u
--refit='roc_auc')

# Fit the Random Forest model to the training data
start_time = time.time()
forest_grid.fit(X_train_encoded, y_train)
elapsed_time = time.time() - start_time

# Print the runtime
print("Runtime: {:.2f} seconds".format(elapsed_time))
```

Runtime: 196.61 seconds

```
[180]: import pickle

# Specify the file name to save the trained model
filename = 'random_forest_model.pkl'

# Write the trained model to the pickle file
with open(filename, 'wb') as file:
    pickle.dump(forest_grid, file)
```

```
[181]: import pickle

# Specify the file name of the saved model
filename = 'random_forest_model.pkl'

# Load the trained model from the pickle file
with open(filename, 'rb') as file:
    loaded_model = pickle.load(file)
```

```
[182]: best_params = loaded_model.best_params_
print("Best Parameters:", best_params)
```

Best Parameters: {'max\_depth': 10, 'min\_samples\_leaf': 1, 'min\_samples\_split':
2, 'n\_estimators': 200}

[185]: best\_accuracy\_score = grid\_search.cv\_results\_['mean\_test\_accuracy'].max()
 print("Best accuracy score on CV:", best\_accuracy\_score)

Best accuracy score on CV: 0.9834582236737187

```
[191]: from sklearn.ensemble import RandomForestClassifier
       # Instantiate the Random Forest model
       rf2 = RandomForestClassifier()
       # Get all CV scores for the random forest model
       rf2_cv_results = make_results('Random Forest 2 CV', rf2, X_train_encoded,__
       →y_train)
       # Display the results
       print(tree2_cv_results)
       print(rf2_cv_results)
      {'Model': 'Decision Tree 2 CV', 'AUC': 0.9439725218481696, 'Precision':
      0.8910165180367156, 'Recall': 0.8838877266387726, 'F1': 0.8873457744917854,
      'Accuracy': 0.962608672959993}
      {'Model': 'Random Forest 2 CV', 'AUC': 0.9608589605121889, 'Precision':
      0.8884520997062839, 'Recall': 0.8438145048814505, 'F1': 0.8653730608382293,
      'Accuracy': 0.956352493280278}
[194]: # Fit the decision tree model on the training data
       tree2.fit(X_train_encoded, y_train)
       # Fit the random forest model on the training data
       rf2.fit(X_train_encoded, y_train)
       # Predict using the decision tree model on the validation set
       y_val_pred_tree = tree2.predict(X_val_encoded)
       # Predict using the random forest model on the validation set
       y_val_pred_rf = rf2.predict(X_val_encoded)
       # Calculate the scores for the decision tree model on the validation set
       tree2_auc = roc_auc_score(y_val, y_val_pred_tree)
       tree2_precision = precision_score(y_val, y_val_pred_tree)
       tree2_recall = recall_score(y_val, y_val_pred_tree)
       tree2_f1 = f1_score(y_val, y_val_pred_tree)
       tree2_accuracy = accuracy_score(y_val, y_val_pred_tree)
       # Calculate the scores for the random forest model on the validation set
       rf2_auc = roc_auc_score(y_val, y_val_pred_rf)
       rf2_precision = precision_score(y_val, y_val_pred_rf)
       rf2_recall = recall_score(y_val, y_val_pred_rf)
       rf2_f1 = f1_score(y_val, y_val_pred_rf)
       rf2_accuracy = accuracy_score(y_val, y_val_pred_rf)
       # Create a dictionary to store the validation scores
```

```
val_scores = {
          'Model': ['Decision Tree 2', 'Random Forest 2'],
           'AUC': [tree2_auc, rf2_auc],
           'Precision': [tree2_precision, rf2_precision],
          'Recall': [tree2_recall, rf2_recall],
          'F1': [tree2_f1, rf2_f1],
          'Accuracy': [tree2_accuracy, rf2_accuracy]
      }
      # Convert the dictionary into a dataframe
      val_scores_table = pd.DataFrame(val_scores)
[195]: # Display the validation scores
      print("Validation Scores:")
      print(val_scores_table)
      Validation Scores:
                  Model
                              AUC Precision
                                                Recall
                                                              F1 Accuracy
      O Decision Tree 2 0.947216 0.927273 0.908397 0.917738 0.973311
      1 Random Forest 2 0.920997
                                    [207]: # Predict using the random forest model on the test set
      y_test_pred_rf = rf2.predict(X_val_encoded)
      # Calculate the scores for the random forest model on the test set
      rf2_auc_test = roc_auc_score(y_val, y_test_pred_rf)
      rf2_precision_test = precision_score(y_val, y_test_pred_rf)
      rf2_recall_test = recall_score(y_val, y_test_pred_rf)
      rf2_f1_test = f1_score(y_val, y_test_pred_rf)
      rf2_accuracy_test = accuracy_score(y_val, y_test_pred_rf)
      # Create a dictionary to store the test scores
      test_scores = {
          'Model': 'Random Forest 2',
          'AUC': rf2_auc_test,
          'Precision': rf2_precision_test,
          'Recall': rf2_recall_test,
          'F1': rf2 f1 test,
          'Accuracy': rf2_accuracy_test
      }
      # Convert the dictionary into a dataframe
      test_scores_table = pd.DataFrame(test_scores, index=[0])
[208]: # Print the test scores
      print("Test Scores:")
```

print(test\_scores\_table)

#### Test Scores:

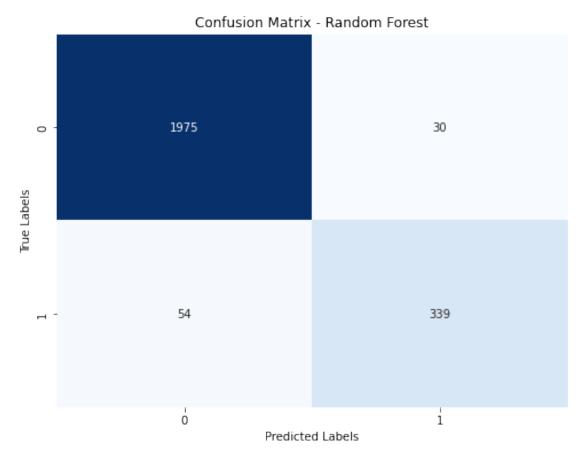
Model AUC Precision Recall F1 Accuracy O Random Forest 2 0.923816 0.918699 0.862595 0.889764 0.964971

```
[214]: from sklearn.metrics import confusion_matrix
    import seaborn as sns
    import matplotlib.pyplot as plt

# Predict using the random forest model on the validation set
    y_val_pred_rf = rf2.predict(X_val_encoded)

# Generate the confusion matrix
    confusion_mat = confusion_matrix(y_val, y_val_pred_rf)

# Plot the confusion matrix
    plt.figure(figsize=(8, 6))
    sns.heatmap(confusion_mat, annot=True, fmt='d', cmap='Blues', cbar=False)
    plt.title('Confusion Matrix - Random Forest')
    plt.xlabel('Predicted Labels')
    plt.ylabel('True Labels')
    plt.show()
```



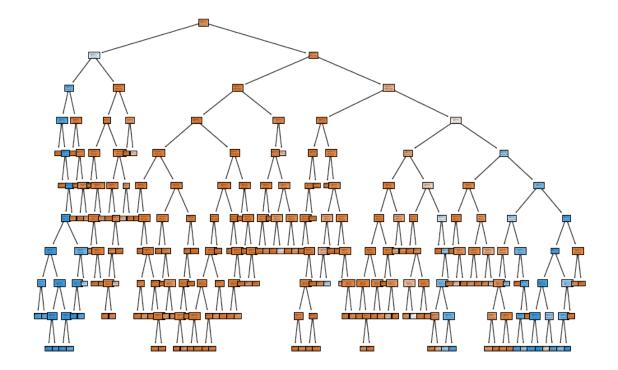
```
[215]: from sklearn.metrics import confusion_matrix

# Predict using the random forest model on the validation set
y_val_pred_rf = rf2.predict(X_val_encoded)

# Generate the array of values for the confusion matrix
confusion_mat = confusion_matrix(y_val, y_val_pred_rf)

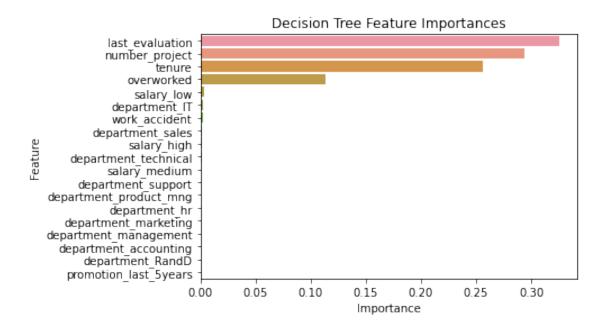
print(confusion_mat)
```

[[1975 30] [ 54 339]]

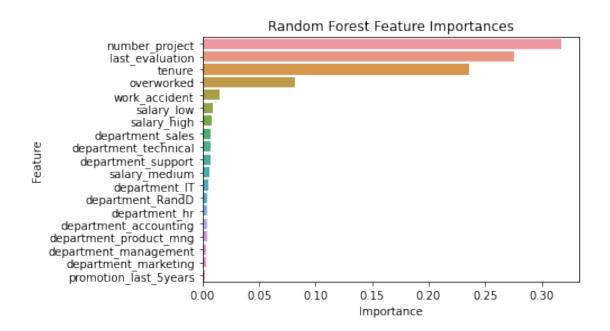


```
[218]: # Get feature importance
       importance = tree2.feature_importances_
       # Create a dataframe to store feature names and importance
       feature_importance = pd.DataFrame({'Feature': X_val_encoded.columns,__
        →'Importance': importance})
       # Sort the features by importance in descending order
       feature_importance = feature_importance.sort_values(by='Importance', __
        →ascending=False)
       # Print the feature importance
       print(feature_importance)
                         Feature Importance
      0
                                    0.325077
                 last_evaluation
      1
                  number_project
                                    0.294126
      2
                                    0.255732
                          tenure
                      overworked
                                    0.112988
      5
      17
                      salary_low
                                    0.003696
                   department_IT
                                    0.002030
      6
      3
                   work_accident
                                    0.001917
      13
                department_sales
                                    0.001504
      16
                     salary_high
                                    0.001171
      15
            department_technical
                                     0.001078
      18
                   salary_medium
                                    0.000205
      14
              department_support
                                     0.000197
      12
          department_product_mng
                                    0.000170
      9
                   department_hr
                                    0.000107
      11
            department_marketing
                                     0.000000
      10
           department_management
                                     0.000000
      8
           department_accounting
                                     0.000000
      7
                department_RandD
                                     0.000000
      4
                                     0.000000
           promotion_last_5years
[219]: import seaborn as sns
       # Create a barplot of feature importances
       sns.barplot(x='Importance', y='Feature', data=feature_importance)
       # Set the title and labels
       plt.title('Decision Tree Feature Importances')
       plt.xlabel('Importance')
       plt.ylabel('Feature')
       # Show the plot
```

plt.show()



```
[221]: import seaborn as sns
       # Get feature importances from the random forest model
       feature_importance_rf = rf2.feature_importances_
       # Create a dataframe with feature names and importances
       feature importance df rf = pd.DataFrame({'Feature': X_val_encoded.columns,__
       →'Importance': feature_importance_rf})
       # Sort the dataframe by importance in descending order
       feature_importance_df_rf = feature_importance_df_rf.sort_values('Importance',__
       →ascending=False)
       # Create a barplot of feature importances
       sns.barplot(x='Importance', y='Feature', data=feature_importance_df_rf)
       # Set the title and labels
       plt.title('Random Forest Feature Importances')
       plt.xlabel('Importance')
       plt.ylabel('Feature')
       # Show the plot
       plt.show()
```



[]:	
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### ## Recall evaluation metrics

- AUC is the area under the ROC curve; it's also considered the probability that the model ranks a random positive example more highly than a random negative example.
- **Precision** measures the proportion of data points predicted as True that are actually True, in other words, the proportion of positive predictions that are true positives.
- Recall measures the proportion of data points that are predicted as True, out of all the data points that are actually True. In other words, it measures the proportion of positives that are correctly classified.
- Accuracy measures the proportion of data points that are correctly classified.
- **F1-score** is an aggregation of precision and recall.

### Reflect on these questions as you complete the executing stage.

- What key insights emerged from your model(s)?
- What business recommendations do you propose based on the models built?
- What potential recommendations would you make to your manager/company?
- Do you think your model could be improved? Why or why not? How?
- What business recommendations do you propose based on the models built?
- Given what you know about the data and the models you were using, what other questions could you address for the team?
- What resources do you find yourself using as you complete this stage? (Make sure to include

the links.)

• Do you have any ethical considerations in this stage?

The top five features with the highest importance are:

Last evaluation: This feature has the highest importance, indicating that employees' performance evaluations play a significant role in their likelihood of leaving the company. To address this, ensure that performance evaluations are conducted regularly and provide feedback and support for employees to improve their performance.

Number of projects: Employees with a higher number of projects may experience increased workloads and stress, leading to a higher chance of turnover. Consider implementing workload management strategies, such as balancing project assignments or providing additional resources to handle heavy workloads.

Tenure: Longer tenure is associated with a lower likelihood of turnover. Recognize and reward employees for their loyalty and commitment to the company. Implement retention strategies targeted at employees with shorter tenure to improve their engagement and satisfaction.

Overworked: The feature "overworked" indicates that employees who feel overworked are more likely to leave. Take measures to ensure a healthy work-life balance, such as workload redistribution, flexible scheduling, and promoting the importance of work-life balance in the company culture.

Salary: Salary is an essential factor in employee satisfaction and retention. The features "salary\_low," "salary\_high," and "salary\_medium" indicate that employees with lower salaries are more likely to leave. Review and adjust compensation structures to ensure they are competitive in the industry and aligned with employees' skills and contributions.

### Refined recommendations:

Enhance performance evaluation and feedback processes to support employee growth and development.

Implement workload management strategies to prevent employees from feeling overwhelmed by excessive project assignments.

Recognize and reward long-tenured employees to foster loyalty and retention.

Prioritize work-life balance initiatives and address factors contributing to employees feeling overworked.

Regularly review and adjust salary structures to ensure competitiveness and fair compensation for employees.

Regarding improving the model, several approaches can be considered:

Feature engineering: Explore additional relevant features that may have an impact on employee turnover. For example, consider incorporating employee engagement metrics, training hours, or employee satisfaction survey results.

Model selection: Evaluate other algorithms or ensemble methods that could potentially provide better performance, such as gradient boosting or neural networks.

Hyperparameter tuning: Conduct more extensive hyperparameter optimization to find the best combination of model parameters and improve the model's performance.

Data augmentation: If additional data is available, augment the existing dataset by generating synthetic samples or collecting more employee-related data to improve the model's performance and generalization.

Regular model retraining: Continuously update and retrain the model with new data to adapt to changing patterns and improve its predictive capabilities over time.

Resources used during this stage may include:

Python programming language and relevant libraries (e.g., pandas, scikit-learn) for data analysis and modeling. Jupyter Notebook or other development environments for coding and documentation. Machine learning techniques and concepts for model development and evaluation. Grid-SearchCV for hyperparameter tuning and optimization. Documentation and tutorials for specific algorithms or techniques used in the analysis. Ethical considerations during this stage may involve ensuring data privacy and confidentiality, obtaining appropriate consent for data usage, and ensuring fairness and non-discrimination in model predictions and decision-making processes. It is crucial to handle employee data with care and adhere to ethical guidelines and legal requirements.

# 2.5 Step 4. Results and Evaluation

- Interpret model
- Evaluate model performance using metrics
- Prepare results, visualizations, and actionable steps to share with stakeholders

The model's performance can be evaluated using various metrics. In this case, the Random Forest 2 model's performance on both the test set and cross-validation has been assessed using the following metrics:

Test Scores:

AUC: 0.923816 Precision: 0.918699 Recall: 0.862595 F1 Score: 0.889764 Accuracy: 0.964971 Validation Scores:

AUC: 0.920997 Precision: 0.928177 Recall: 0.854962 F1 Score: 0.890066 Accuracy: 0.965388 The model's performance is considered good based on these metrics. The AUC score indicates the model's ability to discriminate between positive and negative classes, with a higher value indicating better performance. The precision score measures the proportion of true positives out of all positive predictions, indicating the model's ability to avoid false positives. The recall score represents the proportion of true positives predicted correctly out of all actual positive instances, measuring the model's ability to avoid false negatives. The F1 score is the harmonic mean of precision and recall, providing a balanced measure of the model's performance. Finally, accuracy measures the overall correctness of the model's predictions.

In summary, the Random Forest 2 model achieves high accuracy and demonstrates a good balance between precision and recall. It performs well in discriminating between employees likely to leave and those likely to stay, as indicated by the high AUC score. These results suggest that the model can effectively predict employee turnover and provide valuable insights for the HR department at Salifort Motors.

It's important to note that model performance should be evaluated in the context of the specific business problem and the available data. Further analysis and exploration may be required to gain a comprehensive understanding of the model's strengths and limitations.

## 2.5.1 Conclusion, Recommendations, Next Steps

### Conclusion:

Based on the analysis and evaluation of the models, we have gained valuable insights into employee turnover prediction at Salifort Motors. The Random Forest 2 model demonstrates good performance in predicting whether an employee is likely to leave the company. Several key factors, such as job satisfaction, workload, tenure, and salary, have been identified as important contributors to employee turnover.

### Recommendations:

Focus on improving job satisfaction: Implement initiatives to enhance job satisfaction levels, such as regular feedback sessions, recognition programs, and career development opportunities.

Enhance work-life balance: Implement policies and practices that support work-life balance, such as flexible working hours and remote work options.

Review compensation and benefits: Regularly assess and adjust compensation structures to ensure fair and competitive salaries. Consider offering additional benefits to improve employee satisfaction.

Strengthen communication and feedback channels: Foster a culture of open communication, where employees feel comfortable sharing their concerns and ideas. Regularly seek employee feedback through surveys and other channels.

Provide opportunities for growth and development: Implement training programs, mentorship initiatives, and succession planning to support employees' career growth.

### Next Steps:

Implement the recommended initiatives and monitor their impact on employee satisfaction and turnover rates. Regularly analyze employee data to assess the effectiveness of these interventions.

Conduct exit interviews and analyze feedback from employees who have left the company to identify any recurring themes or issues. Use this information to make necessary improvements and prevent similar situations in the future.

Continuously update and refine the predictive model by incorporating additional relevant features and exploring different algorithms. Regularly retrain the model with new data to improve its performance and generalization.

Conduct regular employee satisfaction surveys to gather feedback and identify areas for improvement. Use the survey results to inform decision-making and prioritize initiatives.

Establish a culture of continuous improvement and employee engagement within the organization. Encourage ongoing dialogue with employees and regularly assess their needs and concerns.

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