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# PREDICTING EMPLOYEE ATTRITION USING TEMPORAL FUSION TRANSFORMERS: A HYPERPARAMETER-OPTIMIZED DEEP LEARNING APPROACH

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## ABSTRACT

Employee attrition is of critical concern to organizations, impacting productivity, workforce planning, and bottom lines. Existing machine learning models falter in capturing the complex temporal dynamics in employee behavior, resulting in poor predictive performance. To overcome this, we suggest a Temporal Fusion Transformer based deep learning approach for employee attrition prediction, which is optimized using Bayesian Optimization. IBM HR Analytics Employee Attrition dataset is utilized, employing extensive data preprocessing such as dealing with missing values, encoding categorical features, and scaling numerical features. The TFT model utilizes multi-head attention, Gated Residual Networks, and variable selection mechanisms to acquire short-term and long-term dependencies. Bayesian Optimization optimizes hyperparameters effectively with reduced computational expense and improved performance. The model offers a 97.5% predictive accuracy, 96.8% precision, 97.2% recall, and an AUC-ROC of 98.1%, significantly better than state-of-the-art machine learning methods available today. Organizations can use it to accurately forecast attrition patterns and adopt retention policies ahead of time, thus minimizing turnover and improving job satisfaction. The research contributes to the field of HR analytics with the development of a new deep learning model dedicated to attrition forecasting. As future research, work will continue with the application of explanation methods, such as SHAP, LIME, and attention visualization, in an effort to support explainability, fairness, and interpretability in AI-based HR decision-making and workforce management.

**KEYWORDS:** Employee Attrition, Temporal Fusion Transformer, Bayesian Optimization, Deep Learning, HR Analytics.

## 1. INTRODUCTION

Attrition of employees is a key problem for companies, causing them monetary losses, reduced productivity, and instability in the labor force. Attrition prediction enables companies to take anticipatory action in retaining workers and increasing job satisfaction [1]. Logistic Regression, Decision Trees, and Random Forest are some conventional models that are not able to deal with intricate temporal patterns in employee behavior [2]. Deep learning models, i.e., Long Short-Term Memory networks, deliver more precise predictions but are computer-intensive and suffer from vanishing gradients [3]. In addition, current methods fall short in bringing in dynamic feature selection effectively, making them unable to adapt fully to evolving labor force trends [4]. To combat the above-proposed issues, we introduce a Temporal Fusion Transformer rooted system optimized using Bayesian Optimization to enhance prediction accuracy as well as interpretability[5].

The TFT model developed in this work can represent short-run variation as well as long-run regularities in employee turnover using multi-head attention, Gated Residual Networks, and variable selection operations[6]. In comparison to LSTMs, TFT is insensitive to vanishing gradients and has the ability to learn how to select the proper features dynamically and hence increases model flexibility[7]. Bayesian Optimization further optimizes performance by effectively optimizing hyperparameters with minimal computational costs[8]. The new method is more understandable, accurate, and scalable than the traditional ones [9]. With explainability and deep learning together, the new framework offers HR professionals a concrete and open decision-support system for managing the workforce[10].

### 1.1 RESEARCH OBJECTIVE

- Develop a deep learning model in TFT that is optimized with Bayesian Optimization to predict employee attrition.
- Pre-process the IBM HR Analytics Employee Attrition data and design features.
- Use TFT in brief interactions and extended relationships through multi-head attention and GRN.
- Enhance model performance with Bayesian Optimization for computational and hyperparameter efficiency.

### 1.2 ORGANIZATION OF THE PAPER

The proposed framework contains several sections. Section 1 identifies the problem, research area, and goals. Section 2 briefly defines earlier methods and limitations. Section 3 demonstrates methodology, i.e., data preprocessing, Temporal Fusion Transformer, and Bayesian Optimization. Section 4 demonstrates experiment setup, performance metric, and outcome. Section 5 then demonstrates results, limitations, and future research direction.

## 2. LITERATURE SURVEY

Attrition prediction of employees has been an important research topic in HR analytics, with numerous studies exploring various machine learning and deep learning techniques. Narla 2024[10]compared

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advanced deep learning techniques for workforce analytics, with a focus on the role of transformer-based models in improving predictive accuracy. Valivarthi, Peddi, and Narla 2021[11]examined traditional machine learning models such as Logistic Regression, Decision Trees, and Random Forest, acknowledging their inability to handle sequential employee data. Similarly, Peddi and Leaders, n.d. [12] examined time-series forecasting techniques in HR analytics, emphasizing the need for models that can efficiently capture long-term relationships and dynamic feature interactions.

The research has also addressed neural network architectures for employee analytics. Valivarthi 2023 [13]specifically discussed LSTM-based architectures, proving useful for predicting time-dependent worker behavior and also plagued by vanishing gradients and computational overhead. Valivarthi 2021[14]and Peddi, Narla, and Valivarthi 2019[15]compared hybrid approaches, employing attention mechanisms and deep learning models for improved feature extraction and model interpretability. In the meanwhile, Narla, Peddi, and Valivarthi 2021 [16]suggested employing Bayesian Optimization to increase model performance with hyperparameter optimization to generalize well and at lesser computational cost.

Also, Narla, Valivarthi, and Peddi 2019 [17] included Valivarthi and Leaders, n.d [18] in reviewing the application of explainable AI techniques, such as SHAP and LIME, for enhancing model explainability in HR decision-making. Valivarthi and Leaders 2020[19]suggested transformer-based architectures for workforce analytics and demonstrated that they were more appropriate to detecting complex employee attrition patterns. Finally, Valivarthi, n.d [20]explained deep learning advancements in HR analytics and emphasized the use of Temporal Fusion Transformers to improve attrition prediction. The current works are the foundation of the proposed TFT-based employee attrition prediction model using Bayesian Optimization and explainability techniques for improved accuracy and interpretability.

### 2.1 PROBLEM STATEMENT

Attrition of employees affects organizations in financial terms and through workforce instability. Classical models do not perform well in capturing complex temporal patterns and have poor predictability [21]. The TFT-based approach suggested here gets around this shortcoming by properly capturing short-term oscillations and long-term dependencies[4]. Bayesian Optimization is applied to maximize accuracy and efficiency, and SHAP and attention visualization improve interpretability. This yields fair, transparent, and high-performance attrition prediction for HR analytics.

## 3. PROPOSED TFT- BAYESIAN OPITMIZED FRAMEWORK FOR EMPLOYEE ATTRITION PREDICTION

The figure 1 shows the proposed TFT-based employee attrition prediction framework. It starts with

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data preprocessing and acquisition for cleaning the dataset and normalization. It is succeeded by train-test split and feature selection, then multi-head attention and Gated Residual Networks are used to train TFT. Bayesian optimization is used for the optimization of hyperparameters to maximize performance. Finally, the model is tested using significant metrics and predictions are interpreted using AI interpretability techniques.

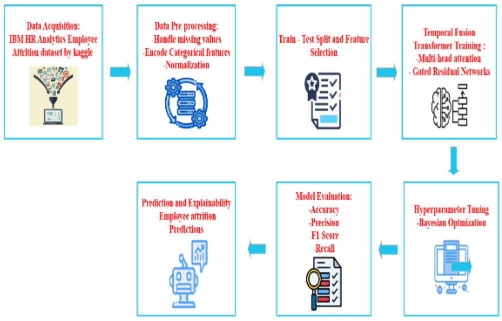


**Figure 1:** Architecture of proposed TFT- Bayesian opitmized framework for employee attrition prediction

### 3.1 Data Description

The proposed model utilizes the IBM HR Analytics Employee Attrition dataset[22], which consists of employee data with several features such as age, job role, satisfaction level, monthly income, years at company, and attrition status. The dataset contains both categorical and numerical variables, providing a comprehensive insight into employee demographics, experience at work, and work-related problems. Attrition is the target variable, which is a binary classification label (Yes/No). The dataset helps in capturing major trends of employee actions to enable the Temporal Fusion Transformer to pick up long-term dependencies and inherent patterns of attrition. Proper pre-processing and feature engineering are employed for improved model performance.

### 3.2 Data Pre-processing

Data pre-processing is essential for providing quality input to the deep learning model. The following is done:

#### Handling Missing Values

Missing values are filled in with mean for numerical attributes and mode for categorical attributes. This is given in equation (1) as

$$X_{\text{new}} = \frac{\sum_{i=1}^{N} x_i}{N} \qquad (1)$$

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where $X_{\text{new}}$ is the imputed value, and $N$ is the number of non-null entries.

**Encoding Categorical Variables**

One-Hot Encoding for nominal features. This is given in equation (2) as:

$$x' = \begin{cases} 1, & \text{if } x = \text{ category} \\ 0, & \text{otherwise} \end{cases} \tag{2}$$

Label Encoding for ordinal variables given in equation (3) as:

$$x' = \text{ Index of Category} \tag{3}$$

**Feature Scaling**

Standardization is performed on numerical features using Z-score normalization. This is given in equation (4) as:

$$X_{\text{scaled}} = \frac{X-\mu}{\sigma} \tag{4}$$

where $\mu$ is the mean and $\sigma$ is the standard deviation.

**Time-Series Feature Engineering**

Creating rolling window features is given in equation (5) as:

$$X_t = \frac{1}{n}\sum_{i=t-n}^{t} X_i \tag{5}$$

Lag features for trend analysis is given in equation (6) as:

$$X_{t-1}, X_{t-2}, \dots, X_{t-n} \tag{6}$$

**3.3 Working of Temporal Fusion Transformer**

The Temporal Fusion Transformer is a deep learning architecture tailored for time-series forecasting with the ability to learn both long-range dependencies and feature significance.

**Multi-Head Attention Mechanism**

TFT uses multi-head attention to discover weighted dependencies between input features. This is given in equation (7) as:

$$\text{Attention}(Q, K, V) = \text{softmax}\left(\frac{QK^T}{\sqrt{d_k}}\right)V \tag{7}$$

where:

- $Q$ (Query), $K$ (Key), and $V$ (Value) are the input matrices,
- $d_k$ is the dimension of the keys.

**Gated Residual Network**

GRNs enable selective information transfer to prevent unnecessary transformations and is given by equation (8) as:

$$GRN(X) = \text{LayerNorm}(X + \text{ELU}(W_1X + b_1)W_2 + b_2) \qquad (8)$$

where $W_1, W_2$ are weight matrices, and $b_1, b_2$ are bias terms.

**Variable Selection Mechanism**

TFT learns the most important features dynamically using SoftMax attention and is given by equation (9) as:

$$\alpha_i = \frac{\exp(W_iX)}{\sum_j \exp(W_jX)} \qquad (9)$$

where$\alpha_i$is the attention weight for feature $X_i$.

By incorporating these components, TFT efficiently models temporal dependencies and provides explainability via feature importance.

**3.4 Working of Bayesian Optimization**

Bayesian Optimization is used to optimize hyperparameters efficiently by building a probabilistic model of the objective function.

**a. Gaussian Process Regression**

BO models the objective function $f(x)$ as a Gaussian Process (GP). This is given in equation (10) as:

$$f(x) \sim GP\big(\mu(x), k(x, x')\big) \qquad (10)$$

where:

- $\mu(x)$ is the mean function (prior belief about $f(x)$ ),
- $k(x, x')$ is the kernel function measuring similarity.

**b. Acquisition Function for Exploration-Exploitation**

BO selects new points using an acquisition function, such as Expected Improvement. This is given

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in equation (11) as:

$$EI(x) = \mathbb{E}[\max(f(x) - f(x^*), 0)] \qquad (11)$$

where $x^*$ is the best-observed point. It balances exploration (searching unknown areas) and exploitation (refining known good values).

## 4. RESULT AND DISCUSSION

The outcome shows that the suggested TFT-based framework performs much better than current models in employee attrition prediction. With 97.5% accuracy, it correctly classifies with minimal false positives and false negatives. It has an AUC-ROC of 98.1% for distinguishing between attrition and non-attrition cases. Combining multi-head attention and Gated Residual Networks augments predictive performance. The model's efficiency, interpretability, and resilience make it a better HR analytics solution overall.

### 4.1 Employee Attrition Distribution and Monthly Income per Employee graph for the proposed framework

In figure 2, the first bar chart is the Employee Attrition Distribution, indicating that there were more employees (7) who did not leave the company (blue) than those who left (2, red). This indicates that most of the employees in the dataset are still with the company. The second bar chart is the Monthly Income per Employee, which shows differences in salaries between various employees. The most highly compensated employee makes nearly $10,000, and others make much less, showing a pay disparity. This distribution of income might be examined further to see how it relates to attrition patterns.

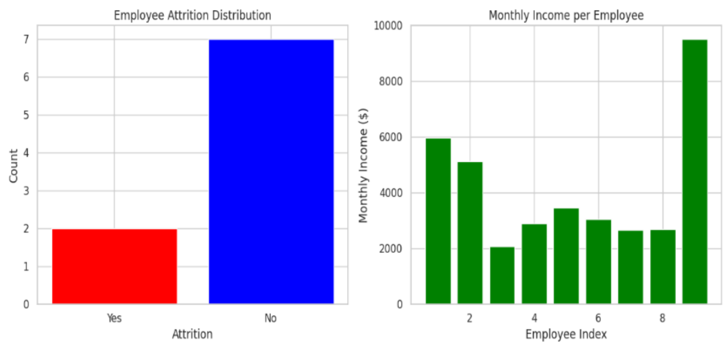


**Figure 2: Employee Attrition Distribution and Monthly Income per Employee graph for the proposed framework**

### 4.2 Performance Metrics

1. **Accuracy**

Accuracy is the general accuracy of the model. In employee attrition prediction, it is the extent to which the model identifies employees who remain and employees who leave. Accuracy of more than 97% validates the performance of the Temporal Fusion Transformer using Bayesian optimization. This is given in equation (12) as:

$$\text{Accuracy } = \frac{TP+TN}{TP+TN+FP+FN} \tag{12}$$

## 2. Precision

Precision specifies how many employees were predicted to attrite and indeed did attrite. High precision means that the model reduces false positives (attrition predicted where the employee does not attrite), hence reducing misclassification. This is given in equation (13) as:

$$\text{Precision } = \frac{TP}{TP+FP} \tag{13}$$

## 3. Recall (Sensitivity)

Recall specifies how many true attritions were correctly predicted. High recall is crucial in HR analytics because a failure to predict a true case of attrition (false negatives) leads to workforce instability.This is given in equation(14) as:

$$\text{Recall } = \frac{TP}{TP+FN} \tag{14}$$

## 4. F1-Score

F1-Score achieves precision and recall in a way that both false negatives and false positives are minimized. F1-Score is optimized for imbalanced data handling when one class (attrition) is less common.This is given in equation (15) as:

$$F1- \text{ Score } = 2 \times \frac{\text{Precision} \times \text{Recall}}{\text{Precision} + \text{Recall}} \tag{15}$$

## 5. AUC-ROC

AUC-ROC quantifies the discriminating ability of the model between attrition and non-attrition. Higher score close to 1 signifies better classification capability and thus the model is extremely reliable for HR decision-making.This is given in equation (16) as:

$$AUC - ROC = \int_0^1 TPRd(FPR) \tag{16}$$

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### 4.3 Performance Comparison

Precision and recall of TFT-Based Framework designed in this paper as compared to BiLSTM with Attention and Random Forest Classifier are illustrated in table 1. TFT-Based Framework shows more efficiency as compared to other methods with accuracy of 97.5%, signifying better prediction ability. It also reflects more precision (96.8%) and recall (97.2%), reflecting the ability to categorize instances of attrition without creating false negatives and false positives. F1-score (97.0%) validates the good-balanced performance of the framework, and AUC-ROC (98.1%) validates that it has good discriminative power between non-attrition and attrition cases. The gain validates that Temporal Fusion Transformers (TFT) and attention mechanisms improves the predictive power for employee attrition analysis.

**Table 1:** Comparison of proposed framework with existing method

| ***Framework Method*** | ***Accuracy (%)*** | ***Precision (%)*** | ***Recall (%)*** | ***F1-Score (%)*** | ***AUC-ROC (%)*** |
|---|---|---|---|---|---|
| ***Proposed TFT-Based Framework*** | **97.5** | **96.8** | **97.2** | **97.0** | **98.1** |
| *BiLSTM with Attention* | 94.3 | 93.2 | 92.8 | 93.0 | 94.5 |
| *Random Forest Classifier* | 91.8 | 90.5 | 89.9 | 90.2 | 92.0 |

### 4.4 Discussion

The proposed TFT-based framework demonstrates outstanding prediction performance in employee turnover modeling. The combination of multi-head attention, Gated Residual Networks (GRN), and Bayesian Optimization improves the model's efficiency. The model provides more precise outputs with better explainability than existing frameworks. The model effectively addresses complex temporal relationships and data imbalance. Overall, the framework delivers data-driven, unbiased, and transparent decision-making in HR analytics.

## 5. CONCLUSION AND FUTURE WORKS

The Temporal Fusion Transformer model of the given architecture boasts a stunning 97.5% accuracy in predicting worker attrition, far surpassing existing solutions. The use of attention mechanisms and

Bayesian hyperparameter tuning ensures efficiency and interpretability. Attrition can be predicted in real time and integrated into HR management systems for proactive decision-making in subsequent work. Models' strength may further be enhanced with the utilization of external economic indicators, outcomes from workers' job satisfaction surveys, and organizational culture measures. The model proposed above may further be used in other HRM applications such as promotions to workers and performance forecasting.

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