



## Memorandum

To: The Board of Directors  
From: Rebekah McKamie, Human Resources Director  
Date: June 23, 2024  
Subject: Break Room Effectiveness 2024 Project Report

Enclosed, you will find Jawbone Fitness's "Break Room Effectiveness 2024 Project Report." The report contains an overview of the break room project completed in 2024 and an analysis of its effectiveness during the fourth quarter of 2024.

### **Break Room Success**

The break room's effectiveness was analyzed based on employee surveys, a cost analysis, and turnover rate. The report examines lunch break habits of employees as well as the employee retention rate. Evidence of the break room's success is both quantitative and qualitative, as shown in the detailed report.

### **Goals of the Report**

I hope this report will show that the initial cost of the break room will be worth it in the long run both financially and for the morale of current and future personnel. The report will be available companywide by January 15<sup>th</sup> as a downloadable PDF on our employee portal and posted on the bulletin board in the new break room.

Thank you for reviewing these findings. Please reach out if you have any questions.



BREAK ROOM EFFECTIVENESS

2024 Project Report

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Report Distributed January 15, 2025

Prepared for  
Board of Directors  
Jawbone Fitness

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## **EXECUTIVE SUMMARY**

This report examines the effectiveness of Jawbone Fitness’s new break room. After a proposal in June 2024, Jawbone Fitness converted an extra massage room into a break room for employees. Employees voluntarily worked overtime to complete the project as a team.

Based on research into attributes of effective lunch breaks, the goal of the break room was to offer employees relaxation, socialization, and control over how their break was spent. The success of the break room was therefore based on employee surveys, turnover rate, and a cost analysis of the break room program as related to the cost of onboarding.

Even though the project ran slightly over budget, it was deemed cost effective because it contributed to a dramatic decrease in the turnover rate. Compared with the expense of employee onboarding and training, the cost of the break room project was negligible.

The effectiveness of the break room is most apparent in the retention and increased health, satisfaction, and camaraderie of employees. One important finding is that with access to a break room, employees are far more likely to comply with labor laws that require a lunch break. The financial aspect is also notable. The break room contributed to a sizable savings from a lack of onboarding costs. It also gave some direction for future opportunities.

Based on these findings, Jawbone Fitness has some opportunities moving forward. Recommendations include (1) adding funding to the monthly budget that allows Jawbone to offer nutritious snacks and drinks, (2) providing periodic meals to the whole team, and (3) seeking out opportunities for other teambuilding activities.

## **INTRODUCTION**

This project report analyzes the effects of the break room project that was completed during 2024 and provides the Board of Directors with data necessary to assess the effectiveness of the break room. Based on the data, recommendations are given that can improve upon this project in the coming months and years.

### **The Break Room Project**

In June of 2024, the Human Resources department proposed a break room project that was subsequently approved by the Board of Directors. By August, a break room was created using an extra massage room within the Jawbone Fitness facility. The completed project includes tables, comfortable chairs, a refrigerator, microwave, and cabinets as well as monthly purchase of healthy snack options. The addition of a break room had the following objectives:

- To maximize an employee's scheduled hours and comply with labor laws by giving them the choice to stay at the facility during their lunch break
- To provide employees with relaxation, socialization, and control over their breaks (Bosch et al., 2018)
- To increase employee morale and decrease the turnover rate of employees and thus reduce the costs of onboarding new hires
- To ensure the physical health of employees by allowing them to bring their own nutritious lunch to work
- To provide healthy snack food for employees to consume at lunch and throughout the day

This report analyzes the success of those objectives using data derived from employee surveys, a quarterly analysis of employee retention, and an analysis of onboarding costs from previous years. Success of the break room is measured based on the following factors, as derived from the initial objectives. These factors are all based on a comparison of data from before and after the break room project.

- Employee time clocks
- Employee surveys requesting a report of adequate relaxation, socialization, and control over break time while at work
- Employee retention rate
- Employee health, as reported on surveys

### **Break Room Usage**

The most direct information provided by this report will be the usage of the break room. Employees were surveyed regarding their use of the new break room, specifically concerning the type of food they were consuming. This report includes pie graphs to show the break room usage.

## **Employee Retention**

Jawbone Fitness provides sign-on bonuses and extensive training to new employees to meet our standard of excellence. The break room project proposal came in response to an urgent need to retain talented employees who had undergone this costly onboarding process. Many of them quit within three months, and the Board of Directors proposed eliminating the costly training. The break room project was approved on the condition that data be collected to show such changes could immediately improve employee morale. This report provides that data and gives further recommendations for how the break room could further improve employee morale.

## **Cost Analysis**

Finally, this report provides a breakdown of costs. The actual project costs are compared first with the project budget, and then with the decreasing onboarding costs. This analysis shows most clearly the effectiveness of the break room project on employee retention.

## BREAK ROOM USAGE

### Lunch Break Comparison

Prior the proposal, data was collected from current employees to determine how they spent their lunch break. Employees were asked how they spent their lunch break on an average day. Some variation was expected, but this represents the way each employee spent the majority of their lunch breaks. The same data was collected after the break room project, but with more options given the expanded choices provided by the break room.

#### *Before the Break Room Project*

Of the 24 full time employees, 16 would eat at area restaurants during their lunch break, 4 would skip their lunch break, and 4 would either sit in their personal vehicle in the parking lot or travel home during lunch break. Figure 1 shows this distribution. It should be noted that anyone who skipped a lunch break and continued working was not in compliance with labor laws.

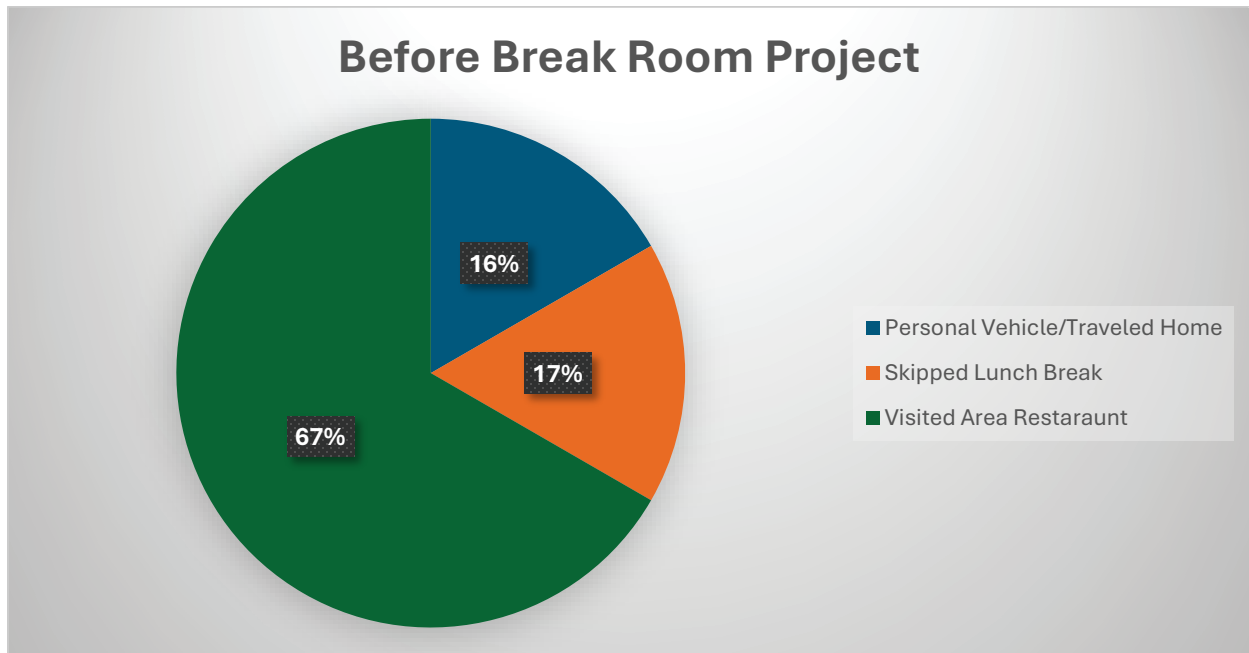


Figure 1 Lunch break habits before break room accessibility

#### *After the Break Room Project*

Since gaining access to a break room, the numbers have shifted. Of the same 24 full time employees, 12 now bring lunch from home, 6 eat only food provided by Jawbone Fitness, 3 visit area restaurants, 2 skipped lunch, and 1 did not use to break room, instead favoring their personal vehicle. Figure 2 gives a visual representation of these numbers.

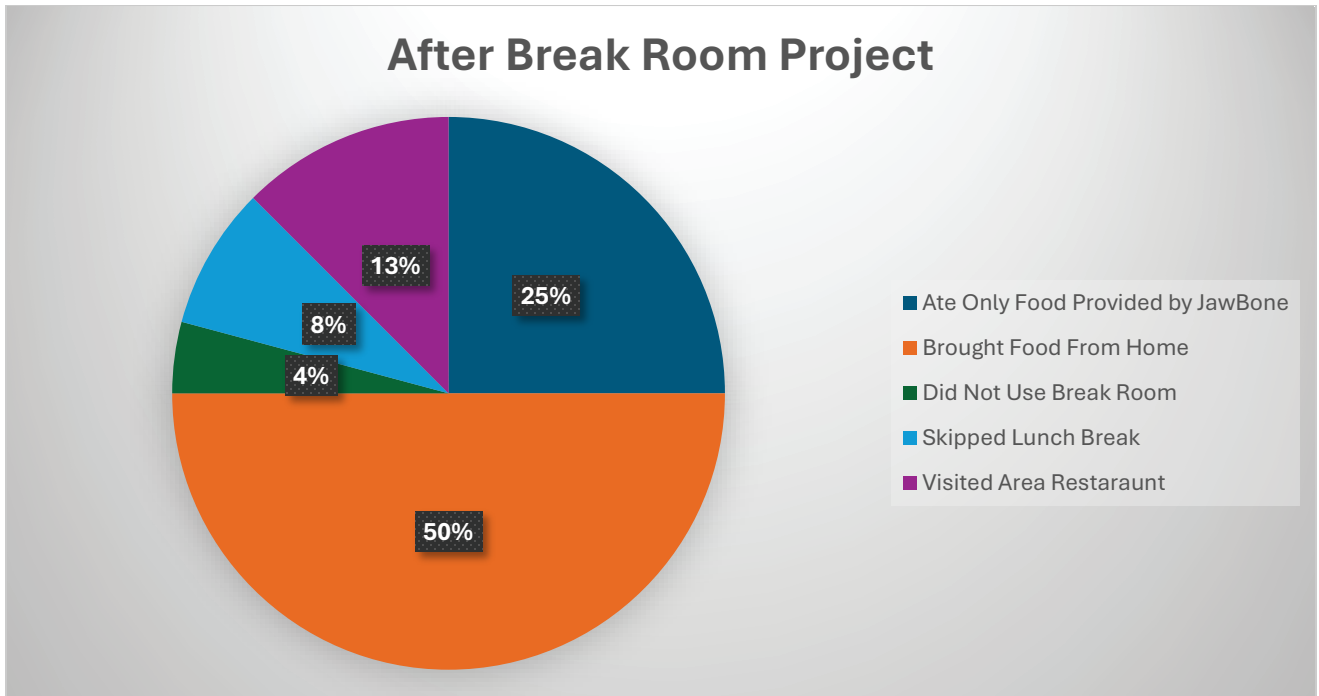


Figure 1 Lunch break habits after break room project

### *Comparison*

One of the objectives for the break room project was to provide employees with control over how they spend their break time. Data shows that when new food options opened up with the addition of a break room, most employees changed the location they took their lunch break and even the food they ate. Most employees believe they are healthier physically and less stressed overall.

It should be noted that on the second survey, each employee mentioned a dramatic increase in morale and camaraderie since the break room project. All employees report feeling more refreshed after their lunch break than they did before they had access to a break room.

### **Employee Timecard Impact**

Employee timecards were analyzed to show the impact of the break room on employee ability to return to work on time. In the time since the break room project, no employees have returned to their stations later than the allotted hour, except in rare cases.



## ANALYSIS OF BREAK ROOM PROJECT COST

### Project Budget vs. Actual Costs

The Financial Director approved a budget based on the break room project proposal, but slightly more conservative. Figure 3 shows the difference in cost from the amount initially proposed, to the approved budget, to the actual costs of the project once completed.

<b>Budget Item</b>	<b>Proposed Cost</b>	<b>Approved Cost</b>	<b>Actual Cost</b>
<b>Tables and chairs</b>	\$1,640	\$1,200	\$1,239
<b>Table power outlets</b>	\$94	\$75	\$88
<b>Kitchen system with refrigerator, microwave, cabinets, and countertops</b>	\$7,740	\$5,000	\$4,726
<b>Coffee maker</b>	\$40	\$35	\$33
<b>Decorations</b>	\$200	\$150	\$126
<b>Employee overtime</b>	\$1,600	\$2,000	\$3,622
<b>Total</b>	<b>\$11,314</b>	<b>\$8,430</b>	<b>\$9,834</b>

Figure 3 One-time break room project cost comparison

During the approval process, the Board of Directors deviated some from the proposal, favoring instead a ready-to-assemble kitchenette and opting to pay employees the overtime to assemble it. The reasoning for this was to cultivate socialization and a sense of ownership over the project that would continue once the project was completed. Figure 3 reflects the total of a kitchen system, not individual components as in the original proposal.

<b>Budget Item</b>	<b>Proposed Cost</b>	<b>Approved Cost</b>	<b>Actual Cost (Monthly Average)</b>
<b>Snacks, drinks, and coffee</b>	\$400	\$300	\$325
<b>Cleaning supplies</b>	\$65	\$50	\$32
<b>Disposable plates, cups, and utensils</b>	\$85	\$50	\$47
<b>Total</b>	<b>\$550</b>	<b>\$400</b>	<b>\$404</b>

Figure 4 Monthly costs associated with break room project

Figure 4 shows the monthly costs associated with the break room project. These costs began in September 2024, so using the average monthly cost, the total recurring break room expenses for 2024 was \$1,616. The projected yearly break room expense is \$4,848.

The project went slightly over budget in both one-time and monthly expenses but stayed well under the amount expected in the original proposal.

## **EMPLOYEE RETENTION ANALYSIS**

Employee turnover rate is a good indicator of a business's work culture, among other things (Shweta & Main, 2024). For this reason, employee turnover rate was used as a data point on which to measure the success of the break room project.

### **Cost of Onboarding**

Jawbone Fitness offers sign-on bonuses and paid off-site training to ensure that employees are well suited for their roles in our gym do not struggle financially during this process. Since opening in June 2021, Jawbone has spent a total of \$460,000 for onboarding. This amounts to around \$150,000 per year.

### **Turnover Rate First Three Quarters**

The year 2024 began with the same trend as previous years. The employee turnover rate was nearing 75 percent and stayed steady for the first three quarters of the year. Jawbone Fitness was planning to implement a few interventions, including the employee break room.

### **Turnover Rate Fourth Quarter 2024**

The fourth quarter turnover rate dropped to 0 percent. There are many factors that could have contributed to this decrease, including the small sample of time available and the holiday season. However, it cannot be ignored that during third quarter, the employees rallied and assembled all furniture in the break room in just one week of overtime. After that, there was a noticeable sense of camaraderie during lunch hour, and no one left the company for the remainder of the year.

### **Cost Savings Based on Lower Turnover**

If the fourth quarter 2024 trend continues, Jawbone Fitness will save \$150,000 per year in onboarding costs for new employees. Even subtracting the full one-time cost for the break room project and a year of the monthly expenses to maintain it, this is still a savings of \$135,318 per year.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

Based on the objectives for the break room project, and the data that supports those objectives being met, the project was a success. Employees are spending less time on their lunch break, but data shows that this time is more refreshing than it was previously. They are staying with the company longer and report an increase in morale and camaraderie among the staff of Jawbone Fitness.

Jawbone Fitness previously struggled to get employees to comply with lunch break requirements in labor laws, but this is no longer a problem. Employees can be refreshed on-site during their lunch break and return to work on time. They also feel healthier overall.

An unexpected side effect of the break room project was the teamwork required to complete it. When the Board of Directors chose to save on installation costs by asking employees to assemble a kitchen system, this jump-started the improvement of a company culture that had perhaps contributed to employee turnover rate.

### **Recommendations**

Because of the proven effectiveness of an on-site break room, the Board of Directors should consider the following recommendations:

- Monthly costs are extremely low in comparison with money saved on onboarding, so Jawbone should increase the monthly budget for break room food. At least 25 percent of employees report being served by having healthy food choices available, and more could be served if the options expand.
- Since camaraderie has also increased among the staff, Jawbone Fitness should capitalize on this opportunity by providing periodic full meals during select lunch hours.
- The project itself, completed by physically fit employees, contributed to the success of the break room. Jawbone Fitness should seek out similar opportunities for employees to build teamwork together and work toward an even more positive company culture.

Jawbone Fitness is still in its first years of operation, but the work environment has improved dramatically in the past few months. If Jawbone continues to implement projects and programs that increase employee retention and save on costs, the company itself will continue to thrive.

## REFERENCES

- Bosch, C., Sonnentag, S., & Pinck, A. What makes for a good break? A diary study on recovery experiences during lunch break. (2018, March). *The British Psychological Society*, 91 (1), 134–157. <https://doi.org/10.1111/joop.12195>
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