

Fun at work promotes employee retention but may hurt productivity

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Within the hospitality industry, manager support for fun is instrumental in reducing employee turnover, particularly for younger employees, according to a team of researchers. However, manager support for fun also reduces employee productivity, which can negatively impact sales performance.

"In the hospitality industry, employee turnover is notoriously high because restaurant jobs are highly substitutable—if you don't like your job at Chili's you can go to TGI Friday's down the street," said Michael J. Tews, assistant professor of hospitality management, Penn State. "High employee turnover is consistently quoted as being one of the problems that keeps managers up at night because if you're involved with recruiting and training constantly, then you can't focus on effectively managing your existing staff and providing a high-quality service experience."

The team—which included researchers at Penn State, Loyola University of Maryland and Ohio State University—surveyed 195 restaurant servers from a casual-theme restaurant chain in the United States. The survey included items related to different aspects of fun at [work](#), including "fun activities" and "manager support for fun." The researchers then compared the survey responses to sales performance and turnover data.

In the survey, questions related to "fun activities" focused on social events, such as holiday parties and picnics; teambuilding activities, such as company-sponsored athletic teams; competitions, such as sales

contests; public celebrations of work achievements; and recognition of personal milestones, such as birthdays and weddings.

Examples of survey items related to "manager support for fun" included asking participants to rate the extent to which they agreed to statements, such as "My managers care about employees having fun on the job" and "My managers try to make working here fun."

According to Tews, "manager support for fun" does not necessarily align with "fun activities." For example, "fun activities" may be created by upper-level managers or even by staff members and may or may not be supported by local managers.

The research yielded three key findings. First, manager support for fun lowers turnover, particularly among younger employees. Second, fun activities increase sales performance, particularly among older employees. Third, manager support for fun lowers sales performance irrespective of age. The results appear in the November 2013 issue of *Cornell Hospitality Quarterly*.

"The question becomes, is the [productivity](#) loss associated with manager support for fun worth the significant reduction in employee turnover?" Tews said. "We think if you have both manager support for fun and fun activities, the dip you see in productivity as a result of manager support for fun may be canceled out by the increase in productivity you see as a result of fun activities. In this scenario, you also see the greatest reduction in employee turnover."

"For younger employees, a manager allowing them to have fun on the job is important because fun leads to the development of friendships," Tews said. "As you mature and get a little older, while it is still good to have cordial work relationships, friendships at work are less important because you have other interests, such as family interests."

"The take-home message is that fun can work, but it's not a panacea," Tews said. "You really have to think about what outcome you are trying to achieve, and you also have to consider the characteristics of your workers."

In the future, Tews and his colleagues plan to examine what makes a work activity fun and why some people enjoy participating in these fun work activities, while others do not.

Provided by Pennsylvania State University

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