

Tipping Customs and Status Seeking: A Cross-Country Study

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Tipping is a widespread custom in which service patrons give voluntary payments of money to the workers who have served them. This study found that tipping is more prevalent in countries the greater the value their citizens place on status/prestige. This finding suggests that tipping functions (in part) as a status display for consumers. Hospitality managers should keep this and other functions of tipping in mind when considering whether or not to permit tipping of their employees.

Introduction

Consumers often give voluntary payments of money (called "tips") to service workers after those workers have served them. This practice of tipping service workers is particularly widespread in the hospitality industry. For example, it is common for consumers in the US to tip bartenders, bellhops, busboys, cabinboys, casino croupiers, chambermaids, cocktail servers, doormen, maitre-d's, parking valets, restaurant musicians, waiters/waitresses, washroom attendants, and wine stewards. Of course, not all of these hospitality workers receive tips in other countries. There are vast differences across countries in the number of service professionals that it is customary to tip. In some countries, like the US and Argentina, it is customary to tip many different service professionals while in other countries, like Japan and New Zealand, it is customary to tip only a very few service professionals.

Recently, scholars have attempted to understand and explain the cross-country differences in tipping's prevalence (Lynn, 1994; Lynn et al., 1993). They found that tipping is more prevalent the greater a country's anxiety/neuroticism and the greater its intolerance of uncertainty. They also found that tipping is less prevalent the less accepting a country's culture is of power differences between

people and the greater is a country's emphasis on social as opposed to economic relationships. These findings suggest that the custom of tipping functions to reduce consumers' anxieties and uncertainties regarding the service encounter, but that the acceptance of this custom is constrained by dislike of its power and social implications.

In order to further our understanding of the functions and roles of tipping customs, this paper examines yet another potential predictor of cross-country differences in the prevalence of tipping, i.e. national differences in the value placed on status/prestige. Tipping may function as a form of conspicuous consumption (Veblen, 1965). The custom may exist because it allows wealthy and status conscious consumers to demonstrate to themselves, their guests, and/or their servers that they are successful people who can afford to give money away. Less successful and wealthy tippers may leave tips to avoid admitting their inferior status. Of course, this idea is not new. Similar arguments about the role of tipping as a status display have been advanced by other scholars (see Paules, 1991; Shamir, 1984). If tipping does serve such a role, then it should be more prevalent the greater the value a country's citizens place on status/prestige. This relationship is tested in the study reported below.

Method

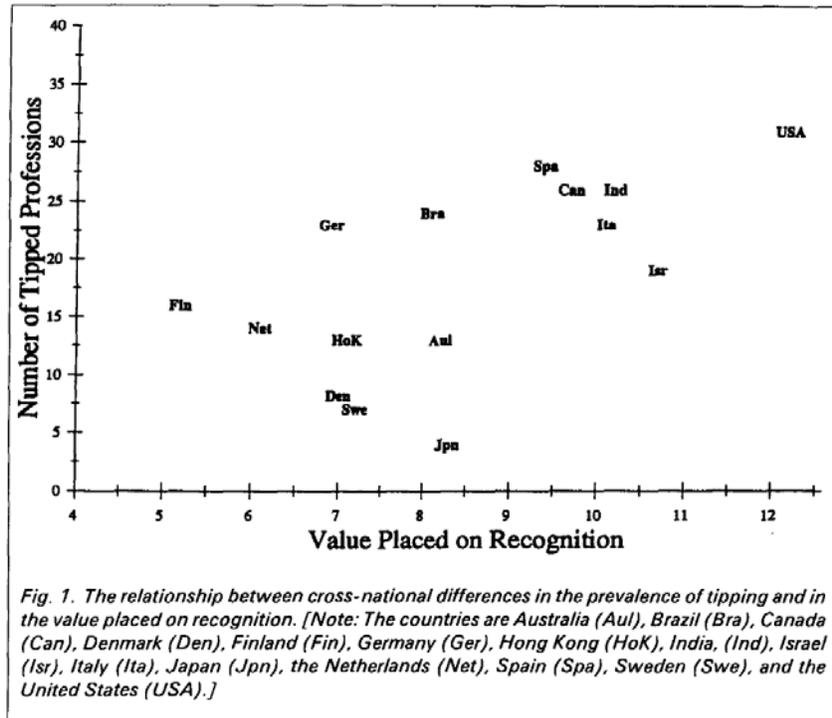
A measure of cross-country differences in the prevalence of tipping was obtained from Lynn et al. (1993). These authors used the Nancy Star (1988) International Guide to Tipping as a source of information and added up the number of 33 different service professions that are customarily tipped in each of 30 countries. The validity of this measure is attested to by its relationships to several theoretically relevant variables as described in the introduction (see Lynn, 1994; Lynn et al., 1993).

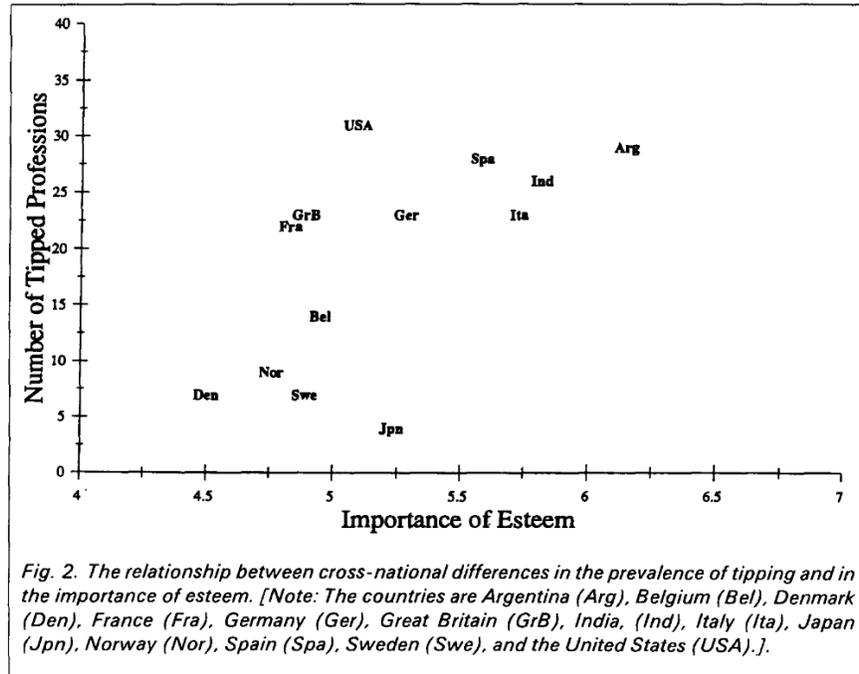
Measures of cross-country differences in the value placed on status/prestige were obtained from two different sources. Gordon (1976) provided national averages of the value placed on "recognition" (i.e. "being looked up to and admired..."), which he obtained from a forced-choice, values questionnaire administered to male students from 24 countries. Haire et al. (1966) provided national

averages of the importance attached to "esteem" (i.e. "the prestige of my management position..."), which they obtained from a rating-scale, values questionnaire administered to business managers from 14 countries. The validity of these two measures (obtained from different samples using different measurement techniques) is attested to by their correlation with one another ($r=0.50$, $n = 8$, $p < 0.21$).

Results

Measures of both the value placed on recognition and the number of tipped service professions were obtained for 15 countries, while measures of both the importance placed on esteem and the number of tipped service professions were obtained for 13 countries. The relationships between these paired variables are depicted in Figs 1 and 2. The value placed on recognition correlates at 0.62 ($p < 0.02$) with the number of tipped service professions and the importance placed on esteem correlates at 0.61 ($p < 0.03$) with the number of tipped service professions. Thus, both of the measures of national differences in the value placed on status were significantly and positively related to the prevalence of tipping in this study.





Discussion

This study found that tipping is more prevalent in countries the greater the value their citizens place on status/prestige. This finding suggests that tipping functions as a status display for consumers in addition to its function as a mechanism for reducing consumer anxiety over the service encounter. Hospitality managers should keep these two functions of tipping in mind when considering whether or not to permit tipping of their employees.

Although consumers' decisions about whom to tip are largely determined by custom, hospitality managers need not passively accept the dictates of custom. Managers can encourage tipping by allowing employees to accept tips, by placing tip jars in visible places, and by posting signs that say things like "Gratuities Appreciated". Managers can also discourage tipping by prohibiting employees from accepting tips, by charging a fixed service fee, and by posting signs that say things like "No Tipping". Hospitality managers may consider using these techniques to establish counter-normative tipping policies as a way of differentiating their establishments from the competition. In fact, a few

hotels and restaurants in the US have done just that by prohibiting tipping in a country where it is almost universally accepted (Seal, 1995).

Hospitality managers can make more informed decisions about tipping policies if they know why the tipping norms in their countries are the way they are. The results of this study together with those of previous studies suggest that national differences in the prevalence of tipping reflect (1) national differences in the value placed on status displays, (2) national differences in anxiety and uncertainty-avoidance, (3) national differences in tolerance of power differences between people, and (4) national differences in the importance of social as opposed to economic relationships. Managers contemplating counter-normative tipping policies should consider whether or not their target market-segments are atypical on these dimensions. If the answer to this question is yes, then counter-normative tipping policies may be called for. If not, then counter-normative tipping policies may need to be accompanied by additional measures designed to compensate for either the presence of unwanted social implications of tipping or the absence of desired tipping functions.

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