The perceptions of employees towards tipping and motivation in the hotel industry

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Abstract

Restaurant tipping has been taken as a bone of contention which discriminates front and back employees involved with the service delivery in a hotel set-up. Monetary benefits affect worker motivation to some extent. Hence the study sought to analyze employee views on tipping and motivation. A lot of confusion and abhorrence has been created as to whom exactly should benefit from the tips servers get from guests. Qualitative research design was used to assess the extent to which tips are perceived as a reward for good service and how this influences worker motivation. Results showed that tipping is a two barreled tool where it can be a motivational tool to those who are tipped and a demotivator to those who are not tipped. The implication of the study is a service charge system to share tips is required to motivate all employees since the guest experience is a product of collective effort from almost all the employees in a hotel establishment.

Keywords: tipping, tipping systems, service quality, motivation, reward, incentive
Introduction

A tip is defined as "a gift or a sum of money tendered for a service performed or anticipated" (Webster, 2011). However, the tippee (server) views a tip as a reward for providing quality service and more importantly – a supplement of their income (Brewstera & Mallinsonb, 2009).

Lin and Namasivayam (2007) propose that it is important to understand tipping systems not only from the customers’ point of view, but also from that of employees’. A lot of confusion and abhorrence has been created as to whom exactly should benefit from the tips servers get from guests. Mkono (2011) posit that in Zimbabwe the culture of tipping has a significant impact on employee work relationships. He further notes that these tips have the potential either to build and fortify relationships or to damage them, especially when tables are shared and a tip is given. In this case strong friendships and camaraderie are possible or the opposite can be true. Lack of trust and an aura of suspicion can develop in the restaurant as a result of such tendencies, creating, in the long term, a general lack of esprit de corps and, in some cases, forcing some waiters to leave the job. However this research was carried out to further assess the relationship between tips and motivation for good service which were not examined by (Mkono 2011; Brewstera & Mallinsonb, 2009; Lin and Namasivayam 2007; Azar 2003; Ogbonna and Harris, 2002; Wessels, 1997). The purpose of this study sought to establish the influence between tipping and motivation of restaurant food service employees. The specific objectives were to:

1. assess the views of restaurant food service employees towards tipping in Zimbabwe.
2. To explore the relationship between tipping and worker motivation

The significance of this research is that it may assist restaurant managers in understanding, and managing tips and worker motivation for quality service delivery. More specifically, hotel managers can gain insight into tipping systems and their variables that impact on waiter motivation with a view to using them as a tool for superior service quality.

Literature Review

Tipping is used to describe a phenomenon where customers give out extra money to hospitality professionals like waiters and waitresses, bartenders and other servers after paying their bills for services (Azar 2003). A tip also called a gratuity is money tendered for a service performed or anticipated. The tip is at the discretion of the patron being served and is a reward for services rendered (Brewster and Zachary 2009). In tipping, the waiter provides an exceptional service and rewarded by the guest as a gratuity. Pinder (1998) defines work motivation as the set of internal and external forces that initiate work-related behaviour, and determine its form, direction, intensity, and duration. The definition recognizes the desire to exert high levels of effort toward organizational goals, conditioned by the effort’s ability to satisfy some individual need. An essential feature of the definition is that it views work motivation as an invisible, internal, hypothetical construct (Pinder, 1998). We cannot actually see work motivation nor can we measure it directly. The idea of using tips as a tool to motivate service employees in the restaurant and its controversy are quite interesting.

There is a plethora of research in the field of tipping. Most research focus on tipping as a social norm of some countries, racial differences in tipping (black-white), ethnic differences in tipping, tipping and service
quality, tipping behavior of diners, tipping systems in hotels, motivation to tip. However none seem to focus on the supply side perceptions given the nature of the service industry that requires the tip offering at the end of service delivery. The waiter/waitress perceptions in the hotels have been ignored in research studies concerning the whole tipping norm. Yet they are the catalyst between the hotel and the guest in the encounter. Research on tipping has been conducted in various disciplines such as economics, sociology, and psychology, but most research focused on tipping from customers’ perspectives and why customers tip (Azar, 2011; 2010; 2008; 2007; 2005; 2003; Lynn, 2003; Wessels, 1997). However, limited literature on tipping from the employees’ perspective is available (Curtis et al., 2009; Liu, 2008; Shamir, 1983). The server’s own view of the practice of tipping is very crucial in the service cycle as they are the front stage that delivers a service to the guest during the moment of truth’.

There are various factors which explain why customers tip and the need for better quality was discovered to be the major reason why customers provide tips (Speer 1997; Zapone 2006; Gatta 2009). One common explanation for tipping is that it is the most efficient way to provide service workers with performance-contingent rewards and to motivate them to deliver good service Lynn, Kwortnik and Sturman (2010). Panwar and Gupta (2012) and Kwortnik, Lynn, and Ross (2009) concur in their research that money is a motivational tool for employees. Their studies found out that money whether it is in the form of pay or some other kind of remuneration is an obvious motivation. This means that the use of the tip in the hotel from the guest has a motivational effect on the server and their productivity levels. These factors illustrate that the waiter’s behavior has an influence on the tipping behavior of the customer.

Brewstera and Mallinsonb, 2009; Azar 2008; Lynn, 2003) opine that guests tipped basing on the sex of the waiter, size of the dining party, economic status of the tipper, number of courses ordered, and dining party’s consumption of alcohol. In the case of the last two, the waiter can influence the behavior of the customer to a degree through his/her selling techniques, Koku (2005) and Lynn and Larate (2008). According to the motivation theory by Vroom (1964) employees efforts will lead to performance which will lead to rewards. Rewards may be either positive or negative. The more positive the reward the more likely the employee will be highly motivated. Conversely, the more negative the reward the less likely the employee will be motivated. It is further argued by Lynn, (2003, 2001) that there is a weak correlation between tip levels and service, although many managers insist on basing employee motivation on tip levels. The practice of tipping enables workers to get extra rewards, however it discriminates in that only those workers who interface with clients are the ones who get the rewards, yet worker act collectively to provide a service to customers. Tipping is always the main motivation for servers in the restaurant and hotel industry, Zahari, Rashdi, Radzi and Othman (2011). Employees’ are actually appreciating the reward received and it acts as their main motivation to serve better next time around (Zahari, Rashdi, Radzi and Othman, 2011). There is need to also assess whether tipping has an impact on the motivational levels of non tipped.

Apart from the employees, the hotel has been found to gain from this norm of tipping which Lynn and Withiam,(2008) argued as major gains from tipping to the business as it; lowers nominal prices, increases profits through price discrimination, acts as an incentive for up-selling and service, attracts competent workers, and lowers tax
payments. The same organization gains are noted by Zachary (2012) with special emphasis on leaving the tipping institution to the waiter/tress as a monitoring and quality control measure. It is estimated that over three million people earn an income from tips and this can be connected to the economic wellbeing of society (Curtis, Upchurch & Severt 2009). These are indicative of some of the factors that influence hotels to continue accepting tipping as a norm for quality service.

Systems of tipping in hotels

According to Lin and Namasivayam (2011) there are many different tipping systems the world over but only three general categories of distributing tips have been widely used. These include the equal sharing of tips (without a service charge) or restaurants can adopt equal sharing of tips (including a service charge) or agree to have no sharing of tips (servers retain all the tips).

In their study they also highlight the preference for the pooled tipping system which provides high levels of control amongst the servers. The use of a service charge can be fair and just as a tipping system because a flat fee expressed as a percentage of the total bill will be levied to the guest by the service organization (Boy es, 2006) and then shared equally but this can arguably cause varying levels of motivation. Customers may be discouraged from tipping because the tendency is to tip that person who would have provided the service. The employee perceptions on these systems are more important as tips are a reward for the exceptional service thus the need to implement systems that the employee suggests. Weaver (1988) developed Theory M as a potential motivating way to make employees feel that they are being paid what they are worth. Weaver’s primary motivator was money. The incentive would be paid as soon as possible after the service. However this theory then might mean that the back of the house employees are not providing an exceptional service and yet they provide the front servers with the meals attractively and on time. This theory may well explain why Panwar and Gupta (2012) posit that money can provide positive motivation in the right circumstance, not only because people need and want money but also because it serves as a highly tangible means of recognition. It can be considered as a “scorecard” through which employees can evaluate how much they are worth.

Motivations of tipping

Tipping is either motivated by social or psychological motives by the guest as a way of rewarding excellent service. However servers’ behavior influences the size and frequency of the tips. As Azar (2004: 60) points out, tipping “has attracted a lot of attention from psychologists, but little from economists”. It has also attracted little attention from other social sciences. The motivation to tip thus becomes a very dicey issue and can only be further explored through the perceptions of the servers, as they influence tips through their service. The tips are a motivational tool that can be used to retain servers and this is of crucial importance to the success of hotels, because this can avert the high costs associated with turnover (Dermody, Young, & Taylor, 2004). It becomes the employers’ task to better understand and motivate workers. This fact has been noted by Enz (2001) who posits that the number one problem in the hospitality industry is the care and motivation of human capital.

Hence motivation might be a key driver to increase service delivery and exploring the perceptions of tips as a motivator need to be understood.
Methodology

Qualitative design was used through interviews, questionnaires and on sight observation.

Questionnaire Guide

The questionnaire was organized into two sections. Questionnaires included both closed- and open-ended questions. The first part was comprised 8 questions related to bio-data to ascertain respondents’ service and tipping norms in the restaurant. The second part consisted of 10 questions related to the perceived respondents’ value of tipping as a motivational tool and how it can be improved.

Interview Guide

Interviews were conducted face-to-face during the time when managers were free from work obligations. This consisted of informal in depth interviews to further probe into the tipping and motivation norm as a tool for quality service delivery in the restaurant of a hotel. In-depth interviews are useful to gain a more detailed account of thoughts and behaviors or want to explore issues in depth. According to Boyce and Neale (2006) interviews are often used to provide context to other data (such as outcome data), offering a more complete picture. This was the case where managers were asked questions in depth to ascertain the current tipping and motivation views. For the purposes of gathering further insight on tipping phenomena possibly being solely for waiter motivation chefs were also interviewed. All the executive chefs (total of 7) each from the hotels were also interviewed as the back performers that are not usually tipped. This allowed a better cross sectional view of all the team members who are part of the service encounter. This allowed triangulation of data.

Observation Guide

The researchers also observed the waiters during the service period to note down any peculiar and phenomenal actions taking place during the service encounter. Observation has been used in a variety of disciplines as a tool for collecting data about people, processes, and cultures in qualitative research. Observation provides researchers with ways to check for nonverbal expression of feelings, determine who interacts with whom, grasp how participants communicate with each other, and checks for how much time is spent on various activities (Schmuck, 1997). Nonparticipant observation, was used which requires no intervention by the researcher. It is simply studying behaviors that occur naturally in natural contexts, unlike the artificial environment of a controlled laboratory setting. Importantly, in naturalistic observation, there is no attempt to manipulate variables.

Population and sample

Hotels in Zimbabwe’s capital city of Harare situated in the central part of the business district (CBD) constituted the population, (a total of 7 Hotels). A sample of 3 hotels from hotel groups was used because each group of hotels has at least two units in the CBD (African Sun, Rainbow Group and Cresta Hospitality). A sample of one from each was sufficient representation of the group. The researcher got permission from the Human resource Director of each group of Hotels to interview selected unit managers. The selection was based on the notion that Human resources management offers the required training and selects competent employees for the vacant posts. The Food and Beverage managers on the other hand are operatives that provide service to guests in the restaurant and those being crucial to delegation of service delivery were also chosen for the study. A total of 6 managers,
this constituted the Human Resources Manager and the Food and Beverage Manager from each hotel were used. Restaurant waiters and waitresses were selected using convenient sampling. Waiters and waitresses that were on restaurant duty the time and day (post-prime lunch and supper service hours) of conducting the research were selected. A sample of 40 waiters and waitresses from a total population of 140 restaurant servers were drawn to answer the questionnaire. Each hotel shift on average during prime service hours has a minimum of 20 servers. Thematic approach was used to analyse data.

**Results and Discussion**

**Respondent rate**
There was a 100% response rate from the waiters and waitresses chosen as the sample size. The biodata on waiters (19) and waitresses (21) revealed that there were (51%) of females to (49%) males indicative of negligible gender bias. This was further interrogated in the interviews to managers and it was noted that females were more preferred as they had a feminine touch. The themes that emerged from the data included money as a key indicator of motivation to the front service providers, the same factor came out from the chefs, gender bias in tipping as also an emergent factor and teamwork in tipping as in service.

1) **Current tipping systems in restaurants**
   a) Waiters’ views on Sharing of tips
The idea of tips being shared or any form of fair distribution was totally not agreeable. When asked 80% of the employees stated that it was not fair to distribute tips to workers who are not part of the service delivery. The argument of production and service delivery then seemed to arise. Waiters serve what others have produced despite all this it would surely demotivate them instead. Some qualitative comments noted from waiters interviewed were;

   ‘There is no point in sharing with workers who did not participate when I was delivering the service, aah motivation will not be there for me anymore to serve in the restaurant’

   ‘If they also want a tip why do they not come and join us to serve the guests so that they see why we get that tip’

   ‘It is not easy to share with others maybe the chefs who were part of us by preparing the food might be entitled to a portion of the tip but I did all the service alone, I have the right to decide how to portion it. After all it is my reward’

From the comments above it shows that the workers do not appreciate the team effort. They think that front line people are the ones who should only benefit from the proceeds yet for the service delivery to be complete it is through everyone’s effort in the organization. This implies that there is need to foster the spirit of sharing since all members contribute to service delivery. This was further explained by the Food and Beverage Managers who supported the norm of tipping and employees keeping the tip as part of their incentive. They also cited approval to the norm as tipping was seen as a way of keeping good staff and maintain the growth of the organization. Zachary (2012) concurs with this tipping business being the sole ownership of servers and guests as it leaves both (waiter and server) with the tipping institution and more importantly the task of quality control. The managers further hinted at formalizing the practice of tipping as it contributed to the service quality of the organization and its growth. To them waiters become more service alert and motivated to get a tip for quality service delivery creating competition
amongst themselves whilst excelling in service provision.

b) Restaurant chefs views on tipping and motivation

The other employees that are not tipped but provide the meal and drinks to the waiter/ess had mixed views on the tipping system and motivation from tips. Some claimed a right to the tip seeing them as part of the service delivery chain for tipping;

‘I am the best chef here, I get no tips from my cuisine but what motivates me is my passion for cooking.’

‘Tips are for waiters if we get any it will be from waiters that want to give us a share of what they got from the bill, we are also motivated by the praises we get.’

‘It is not fair at all, a tip must be shared even to us at the back because it is me (chef) that prepared the meal and set it attractively. The waiter then presents it to the guest. So we all want to be motivated.’

‘We are never recognized at all and yet we are a team with the waiters so as a team we must all get a share of the tips’

These were interesting views. As noted above the tip is a motivator to even the back of the house servers. No one wants to be left out of the service delivery benefits if there are any. This clearly indicates that tipping and motivation are appreciated by all. The fact that a team worked to service the guest might indicate that fair distribution of the tip is only fair in their opinion.

c) Gender bias view in tipping in the restaurant

Almost all the respondents agreed that the main factor that influenced a guest to tip was the quality of service that they got from the waiter/tresses. However, it was indicated by 33.3% of the respondents that the tip and size were pronounced more in females than in males which posed further investigations. Waiter comments ranged from the fact that male guests prefer female servers. Citing reasons from natural sense of attraction between males and females, better service from the opposite sex and psychologically women guests would not tip a waiter as it has cultural connotations in Zimbabwe. This is supported by Lynn and Latare (2008) who note that women are tipped more than males. However no difference between the tip earnings for some of these reasons has clearly been found. A few waiters hinted at the fact that if a waitress served in the restaurant the numbers of tips collected were more than their male counterparts. Respondent responses varied from;

‘Aaah the waitresses here collect a lot of tips than us males whether we serve the same number of tables per day.’

‘The waitresses in the restaurant always get more tips every time we are not a match even though I am the best waiter in this Hotel.’

‘We do not compete with these ladies on tips even when our quality of service is the same.’

Some of the other factors that were mentioned were employee appearance. They also indicated that white caucasians from countries such as America and Britain tip more than the indigenous black population. This discrepancy could be due to differences in disposable income, culture of tipping and one’s value system. Only a few cited the time of shift as another contributory factor. However managers were not worried about these factors but that the practice of tipping is essential for them to maintain high standards in the pursuit of exceeding customer expectations and organizational growth.
**Objective 2: Waiter’s views on the relationship between tipping and motivation**

**Money as a motivator**

The restaurant waiters/ress viewed tipping as a good practice (64%) and relevant in the hospitality industry. This is also noted in the literature by Brewster and Mallinson (2009) who supports the notion that tipping is a good way to reward good service. The waiters (56%) agreed that tips are an incentive indicator of good service quality. This is also noted by Azar (2010) who posit that the main justification for tipping is to promote better service, by giving the workers an incentive to do their best to satisfy the needs of the customer.

The waiters all agreed that tipping motivates the server and contributes to their service delivery and income. It is a tangible means of recognition that provides the positive motivation at the right circumstances. The success or failure is determined by the service quality offered especially the restaurant industry (Bodvarson, 2005). Waiters agreed that they would provide good service (70%) whether they were tipped or not tipped because of the organizations values that must be maintained through good service quality. Similarly this was noted the chefs who commented that:

‘I am the best chef here, I get no tips from my cuisine but what motivates me is my passion for cooking.’

Being tipped or not does not affect how the employees serve the guest because the company values tell them to serve accordingly. Hence the size of tip or none at all meant the organizational goals would still be met. The undertones of organizational culture as a driver to the employee could be noted from the respondents. However a tip if given would be an extra reward, for exceptional service. Of the results also 45% revealed that the practice of tipping is not formalized. Mkono, (2011) supports this concurring that tipping alternatives, such as mandatory service charges, are still uncommon in the Zimbabwe, and hotels generally prefer to leave it to the guest to use their discretion regarding a tip/ reward. In this regard waiters become more motivated to provide quality service that will be rewarded.

Through observation it was rather difficult to see the impact of tipping on motivation during service because waiters and waitresses tend to provide their best service in anticipation of receiving tips. One of the comments heard by the researchers after a waiter serving the guests where such comments as:

‘sha-a with all this running around I did not even get a dollar from the client’

Some waiter/tress have gone to the extent of giving clients names such as chapungu (eagle) which is culturally regarded as a stingy species whereas some are referred to as mhene (steenbok) meaning someone with a lot of money. This means that there is some stereotype in service delivery which then will lead to discrimination of clients by class, race, gender and social status. It was also noted that long serving waiters had a tendency of leaving clients who were considered to be mean with tips to new members or to students to serve them thus leading to discrimination of clients. These were identified by merely looking at the car they are driving and or the dressing they are putting on. Most of the employees also did not agree that a tip size could affect how they serve the guest because the company values tell them to serve accordingly. Hence the size of tip or none at all meant the organizational goals would still be met. The undertones of organizational culture as a driver to the employee could be noted from the respondents. However a tip if given would be an extra reward, for exceptional service. Of the results also 45% revealed
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3) Systems and strategies to implement for tipping and motivation

The Hospitality industry being multi-faceted obviously requires professional well trained staff that can deliver the goals of the organization. At the heart of the service the employees providing the service (both the front and back providers) when asked how they wanted to continue using tipping as a motivational tool all including the managers indicated the practice of tipping be left to the server and the customer. Both managers and servers recommended that the tip be part of the bill (as a service charge) Customers would be charged a percentage of the service charge inclusive to their bill for the server to collect at the end of the shift. This is also noted by Weaver (1988) in his Theory of money and Panwar and Gupta (2012) where theory M (money) is the main motivator and a server gets what they are worth in value. A switch to a mandated service charge will not only reduce opportunities for discrimination in that all guests are served in the same way, but may also significantly improve service compliance. Hence the use of this theory in Hotels can actually benefit the industry and at the same time reduce the possibilities of high labour turnover at the front, where waiters seek better organizations that have a culture of tipping.

The other system suggested was that the tip not to be part of the bill as it was the sole motivation for the employees. The customers’ discretion on tipping after the service was agreed on. It meant that the customer is at the helm of control and monitoring in the service encounter and the servers obligation is to exceed expectations through quality service. This, employees agreed would surely make them provide quality service as the rewards would be theirs.

The pooling system was discussed and what was noted was that it gave opportunity to share tips with all shift members but that it was not fair. Respondents felt that a smaller portion than from the previous system would be pocketed. Regardless of it being shared amongst the shift team members, respondents discredited it on the basis of some team members not working hard or tips not given after serving various tables.

Conclusion and recommendations

Tipping positively influences motivation. By mere observation and discussion tipping is an incentive that motivates servers to put an extra effort at providing a good service in the restaurant. The study also points to the important fact of introducing tipping systems in Zimbabwean restaurants/hotels. The absence of this norm has implications to human resource turnover, social economics and worker discrimination by gender. While there is need of sharing tips it has emerged that organizational culture also motivate workers to produce quality service whether they are tipped or not tipped. Implications to management indicate the need to devise new and relevant strategies to motivate their workers especially the non-tipped as a way of compensating them. Another implication in this study points out the need for multi-skilling and job rotation amongst employees in the same section of a department which can afford most of the workers the opportunity to receive tips. Motivational factors can vary in each hotel and each period. It still remains the manager's
responsibility to ensure high standards of service are maintained and organizational goals met. From the comments made it is implied that there is need for further research on tipping in developing countries by gender and dressing in the restaurant as it was noted that attractive females get more tips than their male counterparts.

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