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Perceptions of intergroup tipping differences, discriminatory service, and tip earnings among restaurant servers



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ABSTRACT

In addition to encouraging good service, there are concerns that the custom of tipping may also motivate restaurant servers to discriminate in their service delivery by giving relatively less attention to members of groups thought to be poor tippers. Surprisingly, however, there is a notable scarcity of studies that have directly assessed the relationship between the custom of tipping and discriminatory restaurant service. Further, to the degree that servers discriminate in response to their predictions of customers' tipping intentions they are presumed do so in order to maximize their tip earnings and yet there have been limited attempts to directly assess the efficacy of discrimination as a profit maximizing strategy. In response, this study analyzes data (n = 954) from a large online survey of current and former restaurant servers to explore the relationships between perceptions of intergroup tipping differences, discriminatory service, and tip earnings. Results indicate that servers' who harbor negative attitudes about customer types stereotypically thought to be poor tippers are also more likely to report that they discriminate in their service delivery. Harboring stereotypic attitudes towards customer aggregates thought to be especially good tippers, however, was not found to be predictive of service discrimination. Further, in contrast to popular beliefs this study's results suggest that discriminatory service in response to servers' a priori predictions of customers tipping intentions may not be an effective way for servers to enhance their tip earnings.

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1. Introduction

The custom of leaving gratuities, or tips, following many service encounters is quite pervasive in the United States and beyond (e.g., bellmen, taxi drivers, barbers, hairstylist, food delivery drivers, etc. see Lynn et al., 1993). Tipping is a particularly salient characteristic of the full-service restaurant industry. In fact, in the US alone there are nearly 3 million waiters, waitresses, and bartenders who are economically dependent on the estimated \$40 billion in tips that consumers voluntarily relinquish to food service workers each year (Azar, 2009). By delegating control responsibilities to consumers who leave tips in accordance with the quality of service they received, tipping has been shown in this literature to be a cost effective way for restaurant operators to motivate servers to provide quality service (see Lynn and Withiam, 2008 for a review of these advantages; also see Azar, 2003, 2004, 2009, 2011; Kwortnik et al., 2009; Lynn and Sturman, 2010; Ogbonna and Harris, 2002).

However, according to conventional wisdom dating back to at least the 19th century, in addition to encouraging good service, tipping may also function to motivate service providers to discriminate in their service delivery by giving relatively less attention to customers thought to be poor tippers (cf. Brewster, 2013; Margalioth, 2006; Wang, 2014). In fact, concerns about discriminatory service stemming from the custom of tipping continue to be expressed and cited as a primary reason why the custom should be abolished and replaced with inclusive pricing or automatic service charges (e.g., Palmer, 2013; Peterson, 2013; Wang, 2014; Wells, 2013). Despite such widespread and enduring concerns there is a notable scarcity of studies that have directly assessed the relationship between servers' perceptions tipping differences across social aggregates and their tendencies to discriminate in their service delivery. Further, those existing studies that have assessed this relationship (see Brewster, 2012a, 2013) have been plagued with methodological shortcomings.

Additionally, to the degree that servers do extend differential service according to their predictions of customers' tipping intentions they are presumed do so in order to maximize their tip earnings. Yet, attempts to assess the nature of the alleged relationship between discriminatory service and tip earnings have been

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limited. Thus, it is unknown if servers do in fact garner greater tips as a result of providing service that is predicated on their a priori predictions of customers' tipping intentions. If this is the case, discriminatory service delivery could rightfully be considered, at least in part, an economically rational server behavior and could logically be curtailed by replacing voluntary tipping with inclusive pricing or by adding automatic service charges to customers' bills.

Given the uncertainties inherent in predicting the tipping behaviors of individual customers, however, it is equally plausible that discriminatory service is either economically ineffective or even counterproductive (cf., Maynard and Mupandawana, 2009). If either of these latter scenarios is true, restaurant proprietors who decide to implement an alternative remuneration system in lieu of voluntary tipping as a way to encourage servers' to provide equitable service may effectively be throwing the baby out with the bath water. That is, by abolishing tipping in their establishments they may be forfeiting all of the documented advantages of tipping (see Lynn and Withiam, 2008) in order to reduce an undesirable employee behavior that could otherwise be curtailed via designing and implementing training initiatives to teach servers that discriminatory service is not economically effective.

This study advances the literature on the causes and consequences of service discrimination in two ways. First, I attempt to replicate and extend extant findings linking servers' perceptions of tipping differences across social aggregates and discriminatory restaurant service (cf. Brewster, 2013; Brewster et al., in press). Second, this study aims to explore the relationship between service discrimination and tip earnings in an attempt to assess the validity of servers' claims that discriminatory service is an economically effective response to perceived variability in customers' tipping behaviors.

2. Background and predictions

2.1. Perceptions of intergroup tipping practices and service discrimination

Server anecdotes (and from other tip dependent service employees), past and present, portraying some groups of customers to be more generous in their tipping practices than others are common. Only recently, however, have scholarly efforts been taken to empirically identify those customer characteristics that are most often associated by restaurant servers with good or bad tipping behaviors. One of the most robust findings to emerge from these studies is that African American, Hispanic, and Asian customers tend to be perceived by servers to be poor tippers relative to their white counterparts (Brewster et al., in press; Brewster and Rusche, 2012; McCall and Lynn, 2009; Noll and Arnold, 2004). Among other customer types that have been shown to be perceived by servers to be comparatively inadequate tippers are foreigners, women, teenagers, elderly adults, tables with small children, Christians/religious people, and anyone bearing coupons (Harris, 1995; Lynn, in press; Lynn and Katz, 2013; Maynard and Mupandawana, 2009; McCall and Lynn, 2009)¹.

Thus, according to conventional logic any customer who is a member of these social aggregates are at risk of receiving less of their servers' attention vis-à-vis their counterparts who are members of aggregates perceived to be better tippers. While direct tests of this relationship are rare, findings from three recent studies do support the idea that service quality varies systematically by servers' perceptions of intergroup tipping differences. First, in an analysis of data derived from a small community (n = 175)survey of restaurant servers Brewster (2012a) found that positivity toward the tipping practices of Blacks was, as predicted, inversely related to servers' self-reported tendencies to vary their service according to their customers' race. The link between servers' perceptions of interracial tipping differences and race-based discriminatory service was subsequently replicated and extended by Brewster et al. (in press). In an analysis of survey data collected from a large geo-demographically diverse sample of U.S. restaurant servers (n = 872), the authors found that servers who harbor negative attitudes towards the tipping practices of customers of color (i.e., Blacks or Hispanics) or positive attitudes towards Whites' tipping behaviors were also more likely to report withholding effort from their Black and Hispanic patrons.

In a third study, Brewster (2013) analyzed survey items that asked respondents to consider eighteen scenarios, each representing realistic inter and intra-table variation in customer attributes (e.g., three white college age men, three Hispanic teenagers, two elderly couples, etc.), and report on a five-point scale how each table is typically thought to tip (very good = 1—very bad = 5). Servers who were more sensitive to tipping differences across these scenarios were also found to be more likely to report that they discriminate in their service delivery by differentially extending excellent service in response the predicted likelihood that they would be rewarded with a commensurately good tip.

While these studies document a link between servers' perceptions of intergroup differences in tipping behaviors and discriminatory service delivery many questions surrounding this relationship remain. First, given Brewster's (2012a, 2013) reliance on a small community sample of servers, the generalizability of the aforementioned results has not been adequately established. Second, while Brewster (2012a), Brewster et al. (in press) demonstrate that discriminatory service is, in part, the result of server attitudes towards the tipping practices of African Americans and Hispanics that are congruent with stereotypes casting these customers as poor tippers it is unclear whether server attitudes that are congruent with stereotypes depicting other customer types as poor tippers (e.g., elderly, teens, etc.) also encourage discriminatory service as suggested by conventional logic.

Third, it is unclear if or how server attitudes that are congruent with stereotypes depicting certain customer types as relatively better tippers (e.g., whites, middle aged, men, etc.) affect their propensities to discriminate in their service delivery. To the degree that servers' discriminate against customer types perceived be relatively poor tippers by withholding effort from these clientele they should also be motivated to discriminate in their service delivery by allocating extra effort to customer types perceived to be above average tippers. Alternatively, given that servers' negativity towards some customers' tipping practices is likely to surface only in relation to their perceptions of other customer types as being especially good tippers, and vice-a-versa, it seems equally plausible that discriminatory service is primarily the outcome of server attitudes that are congruent with both positive and negative tipping stereotypes.

Finally, while the results of Brewster, 2013 study suggests that discriminatory service may stem from servers' perceptions of tipping differences across customer aggregates the measure of subjects' sensitivity to such differences did not differentiate servers' who harbor consistently negative attitudes towards customers' tipping practices from those who harbor consistently positive

¹ Studies assessing the validity of some of these perceived intergroup differences in tipping (e.g., religious customers, women, coupon users) have produced mixed results (Boyes et al., 2004; Grossman and Parrett, 2011; Lynn and Thomas-Haysbert, 2003; Lynn, 2013; Lynn and Katz, 2013; Lynn and Brewster, 2015; Maynard and Mupandawana, 2009; Parrett, 2006). Nevertheless, the totality of existing evidence indicates that servers' perceptions of intergroup tipping differences are not groundless (Maynard and Mupandawana, 2009). Studies have found, for instance, that some of the customer types that servers perceive to be inadequate tippers (e.g., Blacks, Hispanics, Asians, lower income) may on average tip their servers statistically less than their counterparts, in part, as a result of being comparatively less familiar with U.S. tipping norms (cf., Lynn, 2004, 2006a, 2006b, 2011, 2013; Lynn and Brewster, 2015)

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