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# Tipping: African American Perceptions and Practices

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# **Tipping: African American Perceptions and Practices**

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# Abstract

Of late, tipping has become a topic of great debate. This pilot study attempted to capture tipping perceptions and practices in a largely minority population. The study found that respondents perceived the need to tip restaurant servers more regularly than other hospitality service providers such guest service employees and shuttle drivers. The study indicated that the respondents were inconsistent with their perceptions regarding the importance of tipping and practices for two out of the three service providers (guest service employees and hotel shuttle drivers) regarding tipping in the restaurant establishments. The results also indicated that prompt service, attentiveness, a warm welcome, a positive deposition, attire, skills and knowledge and being proactive about the service experience were justifications for tipping in general.

Key Words: Tipping, Perceptions, Practices, African American

# Introduction

To the service recipient, a tip is defined as "a gift or a sum of money tendered for a service performed or anticipated" (Merriam-Webster, 2011). However, the service provider views a tip as a reward for providing quality service and more importantly – a supplement of their income (Brewstera & Mallinsonb, 2009). Individuals largely tip for three reasons: 1) service quality, 2) helping people, and 3) meeting or exceeding expectation (Gibson, 1999; Speer, 1997; Zappone, 2006). However, as early as 1997, Speer reported a couple of problems with the concept of tipping: 1) there is an unfair burden being placed on the customers in the form of remorse if no tip is provided and 2) the idea that tipping is an attempt for the employer to shift paying servers to the customer.

There are many schools of thought on the art of tipping. Cindy Streit, president of Etiquette Training Services, stated that tipping is never required but it may be expected in many situations...tipping should be thought of as a reward for excellent service (Zappone, 2006). Another school of thought supports the notion that if you have received service far beyond what you have paid, you should feel obligated to tip. However, if you feel that service is below the cost of your [experience], then of course, you can choose not to (Ebony, 2000). This difference in viewpoints: server expectations versus consumer practices, has rendered this gifting process a source of contention. This contentiousness is especially evident in regards to the tipping norms (Lynn, 2004b; Lynn & Thomas-Haysbert, 2003). The afore mentioned animosity (based on stereotypes) has led to restaurant servers justifying the provision of inferior service quality to African Americans (Brewstera & Mallinsonb, 2009): a practice that has led to

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discrimination claims (Bragg, 1999). As Lynn (2004) reports, this stereotype has far reaching implications for African Americans which include the reluctance of full service restaurant chains to open in black communities.

#### **Literature Review**

Researchers have reported that racial differences in tipping practices exist in the United States (Leodoro & Lynn, 2006; Lynn, 2004b, 2006; Lynn & Thomas-Haysbert, 2003). These disparities have largely been extracted from a variety of different methodologies: server records, customer surveys at the restaurants, and national telephone surveys. These studies revealed that African Americans are more likely to provide a flat tip versus a percentage tip; stiff (fail to tip) servers, and or leave a smaller average tip than their Caucasian counterparts (Lynn, 2004a; Lynn & Thomas-Haysbert, 2003). However, Lynn & Thomas-Haysbert (2003) reported that a small percentage of African Americans claimed to regularly tip more that 15% of the bill. The former school of thought regarding tips promoted the idea that 15% of the ticket amount is appropriate and expected by servers; however, more recent reports find that the average tip for wait staff in US restaurants is now closer to 20% (Travel & Leisure, 2008).

In multiple studies, Lynn suggested that African Americans were not familiar with tipping norms – thus perpetuating the stereotype that African Americans are poor tippers (Lynn, 2004b; Lynn & Thomas-Haysbert, 2003). These differences were found to exist when factoring in socioeconomic status, average check, server ethnicity, and the receipt of comparable levels of service. The purpose of this study was to investigate the perceptions and tipping practices of African Americans in two Southern Urban Cities: Atlanta, Georgia and Charlotte, North Carolina. More specifically the survey addressed the following: 1) The frequency with which African Americans used hospitality services that could result in tipping; 2) the perceptions of African Americans regarding tipping guest service employees, hotel shuttle drivers, and restaurant servers; 3) the tipping practices of African Americans; 4) the frequency of fixed dollar tipping versus percentage-based tips; and 5) the factors that positively influence African American tipping decisions.

# Methodology

The instrument for this study was adapted from a survey developed by Thomas-Haysbert and Bryant (2009) which focused on the tipping practices of Business Students at two Historically Black Universities. The survey instrument consisted of five sections: 1) demographics; 2) frequency of usage of hospitality related services; 3) perceptions surrounding tipping; 4) personal tipping practices; and 5) factors positively influencing personal tipping practices. Section II of the instrument asked questions such as "When I stay in hotels, I use guest services; never, rarely, sometimes and often. Section III asked respondents to indicate which service provider should receive a tip. Section IV indicated when guests tipped and if it were based on a percentage or fixed amount. Section V asked respondents to indicate which attributes made a positive influence on their tipping decisions ie: promptness, ethnicity, gender and quality of service.

The survey was piloted to ensure the validity and reliability of the instrument. This study focuses on three specific service providers in the hospitality industry: 1) guest service employees 2) shuttle drivers, and 3) restaurant servers. The service component relating to the duties of guest service employees involved: escorting incoming hotel guests to their rooms, assisting with hand luggage, offering information pertaining to available services and facilities within the hotel, points of interest, and entertainment attractions. The shuttle driver services includes: driving individuals to destinations, assisting clients with entering and leaving the vehicle, loading and unloading luggage, and providing a safe wholesome travel experience. The restaurant server's customer services involves taking orders, delivering food, answering questions and offering suggestions regarding the menu, and anticipating the needs of the diners.

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The authors utilized convenience sampling in collecting the data. The survey instrument was distributed at two large churches (predominantly Black) in North Carolina and Georgia to individuals attending Sunday services. The purpose of the survey was read during the church announcements and individuals were invited to participate. Surveys were completed by participants after the church services and returned to the point of contact. The data in this study were analyzed using SPSS version 17.0 and Microsoft Excel 2007. Microsoft Excel 2007 was used for data entry. SPSS version 17.0 was used to report demographic information, the frequency and percentage and other analysis.

# Results

Of the 2000 surveys distributed, 1322 were returned yielding 66.0%. Further inspection of the instruments resulted in 1289 usable surveys for data analysis (64.5%). Approximately 71% of the respondents were female and 29% male. The majority of the respondents (90.1%) were African Americans (1160), while the remaining 5.5% (71) were Caucasians. In regards to age, 51.4% were between the ages of 31-50, 31.4% were 51 years of age and above and 17.3% were below the age of 30. Of the 1,275 individuals reporting their educational level 23.7% (303) achieved a High School Diploma, GED or less, 40% (510) had attended and received some college credits, while the remaining 36.2% (462) obtained a four- year college degree or above.

Approximately 52.4% (632) of the 1206 respondents reported that they earned less than \$40,000 a year while 29.4% (354) earned \$41,000 – \$60,000, and 18.2% (220) earned \$61,000 or more. Approximately 38.9% (465) of the 1196 respondents were employed in their current occupation less than 5 years, 22.1% (264) were employed in their current positions 6 - 10 years, and 39.0% (466) were employed in their current positions for 11 years and above. Sixty-nine percent of the individuals in this study had worked for tips at some point in their career.

### Tipping of the Hotel Guest Service Employees

Of the 1,240 respondents 65.6% (814) indicated that they rarely or never used guest services. However, 91.0% agreed or strongly agreed that guest service employees should receive tips. When asked for the reasons why they would tip guest service employees, respondents reported prompt service, attentiveness, a warm welcome, a positive disposition, their attire, and being proactive and error free in service. Respondents that indicated they tipped a fixed amount tipped from \$2 to \$5; and respondents indicating they tipped per bag largely provided \$1 to \$2 per bag.

# Tipping of Hotel Shuttle Service Employees

Of the 1,227 respondents, approximately 70.3% (862) indicated that they rarely or never used the courtesy shuttle services. Seventy-one percent (71%) agreed or strongly agreed that drivers of the courtesy shuttles should receive tips. However, when used, only 45.0% reported that they actually tipped the courtesy shuttle drivers. Respondents also indicated that they tipped a fixed amount ranging from \$2 to \$5. Specifically the respondents reported that they tipped \$1 - \$2 dollars per bag and \$1 to \$2 dollars per mile. The most frequently cited reasons for tipping were prompt service, a warm welcome, attentiveness, a positive disposition skill and knowledge, and being proactive in situations where there were no errors in service.

# Tipping of the Restaurant Servers: Fine Dining, Casual Dining, and Banquet/Family Dining

Of the 1,259 respondents, 76.6% sometimes or frequently patronized casual dining restaurants 76.5% sometimes or frequently patronized family/banquet dining establishments and 77.3% reported that they sometimes or frequently patronized fine dining establishments. Appropriately ninety-four percent (94.8%) of the respondents indicated that servers should receive tips and 94.6% (1191) reported that they generally tip restaurant servers. The

most frequently cited reasons for tipping were prompt service, a warm welcome, attentiveness, a positive disposition, attire, and skills and knowledge.

When tipping in a restaurant 69.7% of the respondents indicated that they tipped based on the bill total, understanding that the bill total would vary across eating establishments. The researchers found there to be significant differences amongst the mean amount tipped to the three service providers. Servers on average were tipped the highest with the guest service employee and shuttle drivers finishing in 2<sup>nd</sup> and 3<sup>rd</sup> respectively shown in Table 1 below.

Pair	Mean	Ν	Mean Difference	Std. Deviation	t	df	Sig. (2-tailed)
Server Tip -	5.72	205	1.53	2.933	7.468	204	.000*
Shuttle Tip	4.19						
Bell Tip -	5.14	296	.82	4.090	3.439	295	.001*
Shuttle Tip	4.32						
Server Tip -	5.88	253	.75	4.215	2.819	252	.005*
Bell Tip	5.13						
Note * indicate	es items are	statisticall	y different at s	significance l	evel .05		

# Conclusions

The majority of the respondents agreed that service workers should receive tips: guest service employees (91.0%), shuttle drivers (71.0%), and restaurant servers (94.8%). However, reporting by respondents that service workers should be tipped did not reflect in their tipping practices reported for guest service employees (67.1%), and shuttle drivers (45.0%). Tipping practices in restaurant establishments reflected their tipping perceptions (94.6%). Respondents also reported that restaurant servers should receive tips regardless of the quality of food mainly because they are paid minimum wage. Perhaps the assumption is that customers are supposed to supplement the income of restaurant employees more than lodging employees. This might be based on how much the respondents believed the service workers earned and how hard they worked. The amount of the compensation for service workers has been largely shown to be inadequate in regards to the industry expectations of the service worker (Lynn, 2004b; Speer, 1997).

In regards to lodging service workers, there was not a large discrepancy in regards to respondents providing a fixed tip amount or an amount based on service parameters. Lynn (2004b) and Lynn and Thomas-Haysbert (2003) previously reported that African Americans were more likely to tip a flat amount versus a fixed amount. This study does not prove this to be false. The fixed amount most frequently reported was \$5 with per mile for shuttle drivers and \$1 to \$2 per bag for bell hops. This could lead to an assumption that the range of the total tip would be the same in many situations. Respondents largely reported that they tipped restaurant servers based on the total bill regardless of the type of dining establishment (fine dining, casual, family style/banquet), however, the tip percentage largely ranged from 10% to 20% and fixed amounts ranged from \$2 to \$10 with the large majority indicating \$5.

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Much of what hospitality consumers expect or consider acceptable practices is taught by frequently patronizing the industry. In regards to tipping, many factors come into play other than the prompt service, warm welcome, attentiveness, attire, a positive disposition, skills and knowledge, and proactive nature of the service provider. This is largely consistent with Gibson (1999), Speer (1997), and Zappone (2006) who found service quality, the perception of helpfulness, and exceeding expectations as having a strong influence on tipping. One large factor is disposable income. Income alone is a significant factor as to the frequency and the type of restaurants, and lodging properties visited as well as the meals selected at the restaurants. The age and number of children could play a role in the frequency of dining out and the amount of money one is willing to dispense for a tip. In conclusion, the study indicates that the respondents were inconsistent with their perceptions regarding the importance of tipping and practices for two out of the three service providers (guest service employees and hotel shuttle drivers) regarding tipping in the restaurant establishments. The results also indicated that prompt service, attentiveness, a warm welcome, a positive deposition, attire, skills and knowledge and being proactive about the service experience were justifications for tipping in general.

### Limitations

There are a couple of limitations to this study. One such limitation is in regards to the scaling of the questions. Given that many of the variables that would naturally be compared were measured on different scales (2 pt vs. 4 pt), the items could not be compared. Also, 71% of the population was female. Given the fact that the data was collected at church in the urban south, the results may not be generalizable to the entire African American population.

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