

2004

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Recommended Citation

Lynn, M., & Lynn, A. (2004). *National values and tipping customs: A replication and extension* [Electronic version]. Retrieved [insert date], from Cornell University, School of Hospitality Administration site: <http://scholarship.sha.cornell.edu/articles/95>

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Abstract

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Keywords

tipping, social norms, national values, service

Disciplines

Food and Beverage Management

Comments

Required Publisher Statement

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National Values and Tipping Customs:
A Replication and Extension of Lynn, Zinkhan and Harris (1993)

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This study examined the relationships between national values, as measured by Hofstede (1983) and Schwartz (1994), and the customary size of restaurant tips in a sample of 54 nations. The results of this study indicate that the customary sizes of restaurant tips in the absence of service charges are unrelated to the customary sizes of restaurant tips given on top of service charges. They also indicate that the former tip sizes increase with Hofstede's (1983) uncertainty avoidance and masculinity scores, while the latter tip sizes decrease with Schwartz's (1994) hierarchy/egalitarianism and mastery/harmony scores.

In many countries around the world, it is customary for consumers of hospitality and other services to provide gifts of money (called “tips”) to the workers who have served them. However, the specific service workers it is customary to tip, and the amounts it is customary to tip those workers, vary across nations. For example, consumers tip over 30 different service professions in the United States, but tip no service professions in Iceland (Star 1988). Also, consumers tip restaurant servers 15 to 20% of the bill in Mexico, but tip only 5 to 10 % of the bill in Romania (Putzi 2002a). These variations in tipping norms are sources of uncertainty for international travelers and phenomena to be explained by consumer researchers.

One set of explanations for national tipping customs can be found in the idea that human behavior is often purposive. Individually and collectively, people act in ways that they believe will produce desirable outcomes (see Becker 1976; Sanderson 2001). Building on this idea, Lynn, Zinkhan and Harris (1993) argued that national differences in the prevalence of tipping stem from differences in the value that nations place on the perceived consequences of tipping. In a test of this proposition, they examined the relationships between the number of service professions it is customary to tip and four national values identified and measured by Hofstede (1983). These values were: (1) power distance, which reflects a nation’s tolerance of power and status inequalities, (2) uncertainty avoidance, which reflects a nation’s dislike for ambiguous and uncertain situations, (3) individualism, which reflects a nation’s emphasis on the independence of individuals from organizations, and (4) masculinity, which reflects a nation’s prioritization of traditionally masculine values such as achievement and materialism over traditionally feminine values such as caring for others and relationships. In bivariate

analyses, the number of tipped professions decreased with individualism and increased with the other three values. In multivariate analyses, however, only uncertainty avoidance and masculinity explained unique variance in the number of tipped service professions.

The relationships of power distance, uncertainty avoidance, and masculinity with the number of tipped professions support Lynn et al.'s (1993) proposition. Tipping gives consumers power over servers (Hemenway 1984; Lynn 2000a; Shamir 1984) and this consequence of tipping should be particularly valued by nations high in power distance. Tipping also helps reduce server envy/resentment of their customers (Foster 1974; Lynn 1994; Shamir 1984) and nations high in uncertainty avoidance should find this aspect of tipping particularly appealing. Finally, tipping serves as an incentive/reward for good service (Lynn 2000a; Shamir 1984) and as a means of conspicuously displaying material success (Lynn 1997; Shamir 1984). Both of these functions of tipping should appeal to nations with masculine values more than to those with feminine values.

Lynn (1994, 1997, 2000a, 2000b) followed-up his initial work in this area with a series of studies that identified other predictors of national differences in tipping customs – such as extraversion, neuroticism, psychoticism, desire for recognition, need for achievement and need for power. However, all of these studies examined national differences in the number of service professions it is customary to tip. These studies also used data that is 20 or more years old. There is a need for additional research to examine new dimensions of tipping customs using more current data. These needs are addressed in a conceptual replication and extension of Lynn et al.'s (1993) work that is reported below.

This study examines the relationships between national values, as measured by Hofstede (1983) and Schwartz (1994), and a previously unstudied dimension of tipping customs – specifically, the customary size of tips given to restaurant servers. We expected Hofstede’s (1983) values to predict customary tip sizes just as they predicted the number of tipped professions in Lynn et al.’s (1993) study. Schwartz’s (1994) national values are related to tipping for the first time in this study. They are described along with their expected relationships to tipping customs in the following paragraph.

Schwartz (1994) found that national values fall along one of three dimensions – hierarchy versus egalitarianism, mastery versus harmony, and conservatism versus autonomy. He also reported national scores on the poles of these dimensions. The hierarchy/egalitarianism dimension contrasts values such as wealth and social power with values such as equality and social justice. Since tipping gives consumers power over servers and displays consumers’ wealth (Scott 1916; Shamir 1984), the customary size of restaurant tips was expected to increase with national hierarchy, and to decrease with national egalitarianism, scores. The mastery/harmony dimension contrasts values such as ambition and success with values such as protecting the environment and a world of beauty. Since tipping acts as a financial incentive to servers and displays consumers’ material success (Lynn 1997 2000a; Shamir 1984), the customary size of restaurant tips was expected to increase with national mastery, and to decrease with national harmony, scores. The conservatism/autonomy dimension contrasts values such as obedience and reciprocation of favors with values such as curiosity and pleasure. Since tipping involves obedience to social norms and reciprocity for services (Hemenway, 1984; Shamir 1984),

the customary size of restaurant tips was expected to increase with national conservatism, and to decrease with national autonomy, scores.

METHOD

Independent Variables

National values scores were obtained from Hofstede (1983) and Schwartz (1994). Hofstede (1983) provided indices of power distance, uncertainty avoidance, individualism, and masculinity. These measures were derived from country-level analyses of data on work-related values obtained from the employees of a large multinational corporation. All four of Hofstede's values were used as predictors of tipping customs in the analyses below.

Schwartz (1994) provided measures of conservatism, hierarchy, mastery, affective and intellectual autonomy, egalitarian commitment, and harmony. These measures were derived from country-level analyses of data on general values obtained from schoolteachers in various nations. Since hierarchy opposes egalitarianism, mastery opposes harmony, and conservatism opposes autonomy in Schwartz's (1994) conceptual model and empirical work, we standardized the national scores on these values and subtracted scores on egalitarianism from hierarchy, harmony from mastery, and the average of intellectual and affective autonomy from conservatism. The resulting three measures were used as predictors of tipping customs in the analyses below.

Dependent Variables

Information about the customary size of restaurant tips was obtained from the Compact Disc version of the Global Road Warrior (Putzi 2002a). This guide for corporate travelers, which is updated yearly, provides data on 161 nations from varied sources such as tourist bureaus, embassies, business travelers, and other sources within the countries (Putzi 2002b). Two variables were obtained from this data source – (1) the customary size of tips given to restaurant servers when service charges *are not* added to the bill, and (2) the customary size of tips given to restaurant servers when service charges *are* added to the bill (tip in addition to service charge).

All tip sizes were recorded as a percentage of the bill. In a few cases where the custom is to leave the change, round up the bill, or leave small amounts specified in the local currency, the tipping rate was recorded as three percent. When customary tip ranges were provided, the midpoint of the range was recorded. When foreigners were advised to tip differently than do locals, the tip rates for locals was recorded. When service charges were described without mentioning voluntary tips, it was assumed that no tips are added to those service charges. When tipping customs were described without reference to the presence or absence of service charges, it was assumed that those rates applied only when no service charges are added. All coding decisions were made by two independent judges who agreed on over 90% of the initial decisions. The few disagreements that did occur were readily resolved upon discussion.

Outliers

The distribution of tip sizes in the absence of service charges had one observation (Taiwan) that was 2.9 standard deviations from the mean. Taiwan, whose tip rate was 0%, also emerged as a significant outlier with a residual that was 2.9 standard deviations from the mean in our initial regression of customary tip sizes (without service charges) on Hofstede's (1983) values. Therefore, we checked several additional sources (e.g., Tucker 2001), discovered that service charges are common in Taiwan, and recoded this country accordingly (see Table 1).

The distribution of tips given on top of service charges had two observations (Portugal and Venezuela) that were over 2.7 standard deviations from the mean. Portugal and Venezuela, whose tip rates were 7.5% and 10% respectively, also emerged as significant outliers with residuals that were over 2.9 standard deviations from the mean in our initial multivariate analyses. Other sources generally confirmed our coding of tipping customs for these countries, so rather than drop these countries (or have their extreme values distort our analyses), we capped the values for this variable at 5%. Thus, there were three levels of tip sizes given on top of service charges (i.e., 0%, 3% and 5% or more) in the analyses reported below.

Sample

The study sample consisted of 54 nations for which we could obtain both some information about customary tip sizes and national scores on either Hofstede's (1983) or Schwartz's (1994) values. These nations, and the final coded tipping rates for each, are presented in Table 1.

RESULTS

Information about the customary size of restaurant tips both when service charges are added to the bill and when service charges are not added to the bill was available for 27 of the nations in our sample. Among these nations, the two tip sizes were not significantly correlated ($r = -.05$, *ns*). Therefore, these two tip sizes were treated as separate variables in analyses that examined their relationships with Hofstede's (1983) and Schwartz's (1994) values. Those analyses are described below and summarized in Table 2.

Insert table 1 about here

Tip Sizes without Service Charges

The customary size of restaurant tips when no service charges are added to the bill was positively correlated with Hofstede's (1983) masculinity scores ($r = .43$, $n = 26$, $p < .03$) and was uncorrelated with his power distance ($r = -.21$, *ns*), uncertainty avoidance ($r = .12$, *ns*), and individualism ($r = .18$, *ns*) scores. However, in a simultaneous multiple regression of this dependent variable on all four of Hofstede's values, customary tip sizes increased with both uncertainty avoidance (*partial* $r = .47$, $t(21) = 2.43$, $p < .03$) and masculinity (*partial* $r = .58$, $t(21) = 3.22$, $p < .005$) as expected. Power distance (*partial* $r = -.24$, $t(21) = -1.12$, *ns*) and individualism (*partial* $r = -.01$, $t(21) = -.05$, *ns*) were not

significantly related to customary tip size in this analysis, which produced a model R^2 of .39 ($F(4, 21) = 3.30, p < .03$). These multivariate findings replicate and extend those of Lynn et al. (1993).

Contrary to our expectations, Schwartz's three value dimensions were not significantly related to the customary size of restaurant tips when no service charges are added to the bill (see Table 2). A multiple regression of this tip size on all three value dimensions produced an R^2 of only .18 ($F(3, 9) = .67, ns$). However, these analyses are based on only 13 nations and should not be over-interpreted.

Insert table 2 about here

Tip Sizes with Service Charges

The customary size of restaurant tips given on top of service charges was not significantly related to Hofstede's (1983) national value scores (see Table 2). A multiple regression of this tip size on all four values produced an R^2 of only .10 ($F(4, 39) = 1.11, ns$). The contrast between this finding and the findings described earlier suggests that tipping is not valued for the same reasons when service charges are added to the bill as when they are not.

Tips given on top of service charges were related to some of Schwartz's value dimensions, but in directions opposite to those expected. In simple correlation analyses, tip sizes added to service charges decreased with hierarchy/egalitarianism ($r = -.44, n = 28, p < .02$) and with mastery/harmony ($r = -.42, p < .03$). These tip sizes were

uncorrelated with conservatism/autonomy ($r = -.17, ns$). In a multiple regression of this dependent variable on all three of Schwartz's value dimensions, none of the predictors explained unique variance in the customary size of tips given on top of service charges -- hierarchy/egalitarianism (*partial* $r = -.26, t(24) = -1.33, n.s.$), mastery/harmony (*partial* $r = -.24, t(24) = -1.21, n.s.$), and conservatism/autonomy (*partial* $r = .05, t(24) = .25, ns$). The model R^2 was .25 ($F(3, 24) = 2.60, p < .08$). These findings suggest that tipping on top of service charges is related to some value connected with both the hierarchy/egalitarian and mastery/harmony dimensions of national values.

DISCUSSION

The results of this study indicate that the customary sizes of restaurant tips in the absence of service charges are unrelated to the customary sizes of restaurant tips given on top of service charges. They also indicate that the former tip sizes increase with Hofstede's (1983) uncertainty avoidance and masculinity scores, while the latter tip sizes decrease with Schwartz's (1994) hierarchy/egalitarianism and mastery/harmony scores. The contributions of these and other findings are discussed below along with directions for future research.

Contributions

The results of this study conceptually replicate and extend the work of Lynn et al. (1993). In doing so, they make several contributions to the research literature on tipping.

First, they reaffirm the relationships between national tipping customs and national uncertainty avoidance and masculinity. In turn, these relationships support the idea that national differences in tipping customs reflect national differences in the value placed on the consequences of tipping (Lynn et al. 1993). They also support arguments that tipping (at least in the absence of service charges) is valued as a way to reduce server envy/resentment of customers (Foster 1972; Lynn 1994), a reward for server effort (Lynn 2000a; Shamir 1984), and a display of consumer wealth (Lynn 1997; Shamir 1984).

Second, the results of this study demonstrate that Hofstede's (1983) values predict national variation in customary tip sizes (when no service charges are added) as well as national variation in the number of tipped service professions (see Lynn et al. 1993). That both dimensions of national tipping customs are related to national values makes sense because both dimensions affect the consequences of tipping that underlie its relationships with national values. For example, consumers can display greater wealth by leaving larger tips and can do so more often by tipping more service workers. To the extent that national values relate to important consequences of tipping and those consequences are affected by both the prevalence of tipping and the customary size of tips, then the values should predict both dimensions of tipping customs. However, there is no a-priori reason to believe that the functions (or sought after consequences) of tipping are invariant across service professions, so the customary sizes of restaurant tips do not have to be predicted by the same values that predict the number of tipped professions. Our study is the first to shed light on this empirical issue.

Third, this study's results demonstrate that Hofstede's (1983) value indices predict current as well as past tipping customs. Hofstede's (1983) indices are based on data

collected in the 1960's and 70's and Lynn et al.'s (1993) measure of tipping customs was based on data collected in the 1980's. National values and/or tipping customs may have changed enough in the intervening years to invalidate Lynn et al.'s (1993) findings. Our findings allay this concern. In particular, our demonstration that Hofstede's (1983) measures predict tipping customs 30 years later provides reassuring evidence for their continuing validity and utility.

Fourth, the results of this study identify a limit to the generalizability of Lynn et al.'s (1993) findings. Specifically, uncertainty avoidance and masculinity, which predict customary tip sizes in the absence of service charges, fail to predict customary tip sizes when service charges have been added to the bill. This suggests that service charges may alter the functions normally served by tipping. In particular, our findings suggest that service charges may reduce the roles of tipping as insurance against server envy/resentment (Foster 1972; Lynn 1994), a reward for server effort (Lynn 2000a; Shamir 1984), and a display of consumer wealth (Lynn 1997; Shamir 1984). Since servers usually (but not always) receive the money from service charges, it makes sense that service charges reduce consumers' needs to buy servers' goodwill and reward servers' efforts. However, it is not clear why service charges would reduce the use of tipping as a means of displaying wealth.

Finally, the results of this study revealed new relationships between tipping customs and Schwartz's (1994) dimensions of national values. Those value dimensions were unrelated to national tip rates in the absence of service charges, but the sample size was too small to make those analyses very meaningful. These value dimensions did predict the customary size of restaurant tips given on top of service charges. Specifically,

tip rates on top of service charges decreased with national hierarchy/egalitarianism and mastery/harmony scores. The value “helpful” is located close to the boarder between the egalitarian and harmony clusters of values (Shwartz 1994), so our findings may reflect a tendency for tipping on top of service charges to be regarded as a means of helping out servers (see Shamir 1984).

Directions for Future Research

In addition to making the aforementioned contributions, this study raises several questions and issues for future research. First, it raises questions about the relationships between Hofstede’s (1983) and Schwartz’s (1994) national values. These two sets of values are conceptually similar, but they have different relationships with national tipping customs. Why are hierarchy/egalitarianism and mastery/harmony related to the customary tip sizes given on top of service charges, while the similar values of power distance and masculinity are not? Schwartz (1994) reports only modest correlations between hierarchy/egalitarianism and power distance and between mastery/harmony and masculinity, so the easy answer is that these values are simply different from one another. However, this answer belies the similarities in the ways the values are described. Clearly, more research is needed to explicate the relationships between these two sets of national values.

Second, this study raises questions about why tipping customs co-vary with national uncertainty avoidance, masculinity, and (in the case of tips given on top of service charges) hierarchy/egalitarianism and mastery/harmony. We have argued that

these national values affect consumers' acceptance and support of tipping customs because they are related to several important consequences of tipping. Specifically, we suggested that (1) uncertainty avoidance is related to the desire to reduce servers' envy of customers (Foster 1974; Lynn 1994), (2) masculinity is related to the desire to reward work effort (Lynn 2000a; Shamir 1984) and to display consumer wealth (Lynn 1997; Shamir 1984), and (3) hierarchy/egalitarianism and mastery/harmony are related to the desire to help servers (Shamir 1984). However, additional research is needed to fully test these explanations.

Finally, this study raises questions about the relationships between values and tipping behavior at the individual level of analysis. National level relationships between values and tipping need not generalize to individual level relationships (Ostroff 1993). However, it is plausible that the processes underlying our national level findings operate at the level of individuals within nations (Schwartz 1994). If so, tipping should be affected by individual differences in values and traits conceptually related to uncertainty avoidance, masculinity, hierarchy/egalitarianism, and mastery/harmony. This is certainly a possibility worth exploring. We encourage consumer researchers to pursue these and other lines of inquiry in order to further our understanding of tipping behaviors and customs.

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TABLE 1
NATIONAL TIPPING RATES WITH AND WITHOUT SERVICE CHARGES

Country	Customary Restaurant Tip Without Service Charges	Customary Restaurant Tip With Service Charges
Argentina	-	.0%
Australia	10.0%	.0%
Austria	-	5.0%
Belgium	15.0%	.0%
Brazil	12.5%	.0%
Bulgaria	-	3.0%
Canada	15.0%	-
China	-	.0%
Columbia	12.5%	.0%
Costa Rica	12.5%	.0%
Denmark	-	.0%
Ecuador	-	.0%
Estonia	15.0%	.0%
Finland	-	3.0%
France	15.0%	3.0%
Germany	15.0%	3.0%
Greece	-	.0%
Guatemala	15.0%	.0%
India	10.0%	.0%

Indonesia	10.0%	.0%
Iran	10.0%	.0%
Ireland	15.0%	.0%
Israel	15.0%	.0%
Italy	-	5.0%
Jamaica	12.5%	.0%
Japan	-	.0%
Malaysia	10.0%	.0%
Mexico	17.5%	.0%
Netherlands	-	3.0%
New Zealand	-	.0%
Norway	-	5.0%
Pakistan	12.5%	.0%
Panama	15.0%	.0%
Peru	15.0%	5.0%
Philippines	10.0%	-
Poland	-	3.0%
Portugal	-	7.5% ^a
Singapore	-	.0%
Slovakia	10.0%	.0%
Slovenia	3.0%	3.0%
South Africa	12.5%	.0%
South Korea	-	.0%

Spain	7.5%	.0%
Sweden	-	3.0%
Switzerland	-	.0%
Taiwan	-	.0%
Thailand	-	.0%
Turkey	-	.0%
United Kingdom	-	.0%
United States	17.5%	-
Uruguay	-	.0%
Venezuela	15.0%	10.0% ^a
Yugoslavia	3.0%	3.0%
Zimbabwe	10.0%	.0%

^a recoded as 5% for our analyses in order to minimize problems with outliers

TABLE 2
STUDY RESULTS

Predictor	<u>Tip Without Service Charge</u>		<u>Tip With Service Charge</u>	
	r	partial-r	r	partial-r
Power Distance	-.21	-.23	-.17	-.09
Uncertainty Avoidance	.12	.47*	.12	.20
Individualism	.18	-.01	.15	.12
Masculinity	.43*	.58**	-.19	-.20
	(n = 26)	(n = 26)	(n = 44)	(n = 44)
Hierarchy/Egalitarianism	-.13	-.37	-.44*	-.26
Mastery/Harmony	.19	.41	-.42*	-.24
Conservatism/Autonomy	-.07	.12	-.17	.05
	(n = 13)	(n = 13)	(n = 28)	(n = 28)

*p < .05, **p < .01