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2000

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Abstract

Tipping is a widespread custom in which service patrons give sums of money above and beyond the contracted prices of those services to the workers who have served them. This study found that, tipping is more prevalent in countries characterized by strong needs for achievement and power than in countries where these needs are weaker. One simple and plausible explanation for these results is that achievement- and power-oriented consumers support tipping more than do others because they value its roles as an incentive/reward more than do others. Hospitality managers should keep this possibility in mind when considering, or implementing, counter-normative tipping policies at their properties.

Disciplines

Applied Behavior Analysis | Food and Beverage Management

Comments
Required Publisher Statement

National Character and Tipping Customs: The Needs for Achievement, Affiliation and Power as Predictors of the Prevalence of Tipping

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Tipping is a widespread custom in which service patrons give sums of money above and beyond the contracted prices of those services to the workers who have served them. This study found that, tipping is more prevalent in countries characterized by strong needs for achievement and power than in countries where these needs are weaker. One simple and plausible explanation for these results is that achievement- and power-oriented consumers support tipping more than do others because they value its roles as an incentive/reward more than do others. Hospitality managers should keep this possibility in mind when considering, or implementing, counter-normative tipping policies at their properties.

Introduction

Consumers of hospitality and travel services often give sums of money above and beyond the contracted prices of those services to the workers who have served them. In the US, these expenditures (called "tips") amount to approximately $16 billion a year (Seligman, 1998). Consumers' decisions about whom to tip are largely determined by custom, but hospitality managers do not have to accept those customs passively. For example, managers can discourage tipping by prohibiting employees to accept tips, by charging a fixed service charge, and by putting "No Tipping" messages on signs, menus and checks. Indeed, some restaurants and hotels have adopted counter-normative tipping policies as a way to differentiate themselves from their competition (see Seal, 1995). Information about the functions and underlying causes of tipping norms would help hospitality managers to better anticipate, understand and deal with customer reactions to such counter-normative tipping policies.

One way to learn about the functions and underlying causes of tipping customs is to examine the predictors of national differences in the number of service professions it is customary to tip. In some countries, like Egypt and the United States, it is customary to tip many different service professions, while in other countries, like Iceland and Japan, it is customary to tip only a few service professions (see Star, 1988). Lynn has found that these national differences are related to the aggregate levels within nations of psychological variables such as personality traits and values (Lynn, 1994, 1997, 2000; Lynn et al., 1993). For example, he has found that it is customary to tip a larger number of service professions in

countries to the extent that the people in those countries are extraverted and status seeking. These findings suggest that tipping is valued by consumers as a status display and an incentive for servers to be more attentive and friendly.

This paper extends prior work examining predictors of national differences in the prevalence of tipping. National levels of the needs for achievement, affiliation and power were correlated with the number of tipped professions in a sample of 27 countries. Reasons for believing that these motives may be related to the prevalence of tipping are presented below.

Need for Achievement

The need for achievement is an intrinsic desire to perform well against a standard of excellence (McClelland, 1961). This need may be positively related to the prevalence of tipping because tipping is supposed to be an incentive/reward for excellent service - in other words, it is supposed to be a reward for server achievement (Lynn et al., 1993). People with a high need for achievement may be particularly accepting/ supportive of customs that reward achievement.

On the other hand, an argument can also be made that the need for achievement may be negatively related to the prevalence of tipping. As previously mentioned, tipping is supposed to function as an incentive/reward for delivering good service (Lynn et al., 1993). Such an extrinsic motivation system should be less necessary (and, therefore, may be less prevalent) in countries characterized by a strong intrinsic need for achievement than in countries where this need is weaker.

Need for Affiliation

The need for affiliation is a desire for "warm, close relationships with other people (McClelland, 1961, p. 161)". People for whom this need is strong may find tipping customs particularly appealing, because tipping is supposed to provide servers with an incentive for delivering attentive, and friendly service (Lynn et al., 1993). If so, then the need for affiliation may be positively related to the prevalence of tipping.

On the other hand, people with a strong need for affiliation also have a reason to dislike tipping. Tips are monetary incentives/rewards which turn server - customer interactions into economic rather than social exchanges (Lynn et al., 1993). This aspect of tipping should bother people who desire warm, close personal relationships with servers. If so, then the need for affiliation may be negatively related to the prevalence of tipping.

Need for Power

The need for power is a desire for the means of influencing other people (McClelland, 1961). People for whom this need is strong may find tipping customs particularly appealing, because tipping is an incentive/reward that gives consumers power over servers (Lynn et al., 1993). This suggests that the need for power may be positively related to the prevalence of tipping.

Method

Independent Variables

Measures of national differences in the needs for achievement, affiliation and power were obtained from McClelland (1961). He coded 21 stories from children's readers published between 1946 and 1955 in each of 40 countries for content reflecting the three needs. Coding instructions were based on extensive research examining the effects on thematic-aperception-test stories of experimental manipulations of the relevant needs. The validity of the resulting national motivation scores was demonstrated by their theoretically intelligible relationships to economic growth, birth rates, and political systems as reported by McClelland (1961).

Dependent Variable

A measure of national differences in the prevalence of tipping was obtained from Lynn et al. (1993). Using information from Nancy Star's (1988) International Guide to Tipping, Lynn et al. (1993) counted the number of 33 different service professions that it is customary to tip in each of the 30 non-communist countries. The number of tipped service professions in each country was used to operationalize national differences in the prevalence of tipping. The validity of this measure has been demonstrated by its theoretically meaningful relationships to other national values and traits as reported by Lynn and his collaborators (Lynn, 1994, 1997, 2000; Lynn et al., 1993).

Study Sample

Measures of both the independent and dependent variables were available for 27 countries * Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany (west), Great Britain, Greece, India, Ireland, Israel, Italy, Japan, Mexico, Netherlands, Norway, New Zealand, Portugal, Spain, Sweden, Switzerland, Turkey and the United States. All of these 27 countries were included in the study sample before significant outliers were detected and deleted.

Results

Analysis of Entire Sample

Among all the 27 countries, the number of tipped professions correlated at r=0.50 (p<0.004) with the need for achievement, at r=-0.16 (p<0.42) with the need for affiliation, and at r=0.05 (p<0.80) with the need for power. A simultaneous multiple regression of the number of tipped professions on national needs for achievement, affiliation and power produced a model R^2 of 26% (F(3, 23)=2.65, p<0.80) as well as a significant regression coefficient for national need for achievement (β=0.49, t(23)=2.67, p<0.02). The regression coefficients for national need for affiliation (β=-0.07, t(23)=-0.39, p<0.71) and national need for power (β=0.04, t(23)=0.21, p<0.84) were not significant. However, these analysis included several countries that appeared upon visual inspection to be outliers, so additional analyses were performed as described below.

Identification of Outliers

Rousseeuw and Leroy's (1987) software program "PROGRESS" was used to identify significant multivariate outliers in the study sample. This program performs a robust regression analysis based on Rousseuw's least median of squares method and calculates standardized residuals from the robust regression line. This program identified five countries in the multivariate analysis above as having large standardized residuals - Austria (residual=3.69), Belgium (residual=2.70), Brazil (residual=4.80), New Zealand (residual=5.66) and Portugal (residual=3.12).

Given the small sample of countries in this study, only Brazil and New Zealand, whose standardized residuals exceeded an absolute value of 4.00, were deleted from the sample as significant outliers. However, the results remain basically the same when all five outliers are deleted. Brazil's status as an outlier may be attributable to poor measurements of national motives for this country. McClelland (1961) p. 463) wrote about this country: "Not used in the main study; scored separately and open to coding bias". New Zealand's status as an outlier is more difficult to explain. However, New Zealand had the most extreme residual, the only outlying residual with a negative value, and the fewest tipped professions in this sample. These considerations suggest that some unique characteristic of New Zealand creates an inhospitable climate for tipping in that country. Identifying that characteristic is left to future research.

Analysis of Sample without Outliers

Among the 25 countries remaining in the sample after the outliers were deleted, the number of tipped professions correlated at r=0.60 (p<0.001) with national need for achievement, at r=-0.20 (p<0.35) with national need for affiliation, and at r=0.31(p<0.14) with national need for power. A simultaneous multiple regression of the number of tipped professions on national need for achievement, need for affiliation, and need for power in this sample produced a model R^2 of 40% (F(3,21)=6.24, p<0.003) as well as significant regression coefficients for national need for achievement (β=0.64, t (21)=3.77, p<0.001) and need for power (β=0.34, t (21)=2.09, p<0.05). The regression coefficient for national need for affiliation was not significant (β=0.09, t (21)=0.54, p<0.60).

Discussion

The results of this study indicated that national levels of the need for achievement and the need for power, as reflected in the content of stories from children's readers, were positively related to the number of tipped professions in a sample of 25 nations. The data were correlational, so they do not prove that the relationships are causal. However, a simple and plausible explanation for these relationships is that the national needs for achievement and power increase the number of tipped professions within nations. Tipping is supposed to be an incentive/reward for service (Lynn et al., 1993). In fact, economists argue that tipping exists because it is the most efficient way of monitoring and rewarding the efforts of service workers (Bodvarsson and Gibson, 1994). The role of tipping as a reward for service should be particularly valued in societies with high levels of need for achievement, because to reward good service is to reward a form of achievement. People with high needs for achievement, more than others, should support customs that reward achievement. The role of tipping as an incentive for delivering good service should be particularly valued in societies with a high need for power, because incentives are a way of controlling others. People with high needs for power, more than others, should support customs that increase their power and control.

The ideas that achievement and power-oriented people are particularly supportive of tipping because they value its roles as a reward and an incentive, respectively, have practical implications for hospitality managers considering counter-normative tipping policies at their properties. Specifically, these ideas suggest that pro-tipping policies will enjoy more support, and anti-tipping policies will encounter more resistance, among achievement- and power-oriented consumers than among consumers for whom these needs are weaker. Thus, managers should consider the strengths of these needs among their target markets when thinking about changes in tipping policies. Managers should

also consider these motives when actually implementing any changes in tipping policies. A move toward tipping may receive more consumer acceptance/support if it is publicly explained and justified as a way of providing employees with an incentive/reward for delivering good service. Conversely, a move away from tipping may receive more consumer acceptance/support if accompanied by public assurances that the company uses other means of rewarding employees and empowering customers.

In summary, this study found that it is customary to tip a greater number of service professions in countries with stronger needs for achievement and power than in countries where these needs are weaker. One simple and plausible explanation for these results is that achievement- and power-oriented consumers support tipping more than do others because they value its roles as an incentive/reward more than do others. Hospitality managers should keep this possibility in mind when considering, or implementing, counter-normative tipping policies at their properties.

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