

AN EXPLORATORY STUDY OF TIPPING IN THE HOTEL INDUSTRY IN GHANA

*PAULINA N. ADZOYI, **BEN Q. HONYENUGA

**Lecturer in Hospitality & Tourism Management, Ho Polytechnic, Ghana*

***Senior Lecturer in Management and Public Administration, Ho Polytechnic, Ghana*

ABSTRACT

Tipping is a phenomenon of consumer behavior regarded as a reward or a practice to conform to social norm. The practice generates a lot of income for some countries but the same cannot be said for Ghana because research on the subject appears to be in the cradle. This research therefore is an attempt to explore the tipping phenomenon in the hotel industry in Ghana Through the use of open ended questionnaires, interviews and, participant observation from employees, customers and students in the hospitality industry, the study revealed that though there are no official policies in the industry on tipping, it is widely practiced in the hotel industry in Ghana and involved all categories of people. Furthermore, the findings revealed a variety of reasons for tipping and the category of staff in the industry that are mostly tipped. The findings of the study essentially raised many questions for further research

Keywords: Consumer behaviour, Ghana, hospitality industry, management tipping.

INTRODUCTION

Tipping is used to describe a phenomenon where customers give out extra money to hospitality professionals like waiters, waitresses, bartenders, doormen and other servers after paying their bills for services consumed. This practice which was once regarded as a private interaction between the customer and the service providers is attracting academic enquiry. Azar, for instance, notes that the magnitude of tipping justifies a serious study (Azar, 2003). This paper aims to explore the tipping phenomenon in Ghana in order to determine the extent to which it is practiced, for what reasons it is practiced, how it affects the dynamics of the working environment and how these can be represented for further study.

Review of previous study:

The origin of the practice is still not very clear; however, tipping is assumed to have been traced to as far back as the middle ages where feudal lords tipped beggars to ensure safe passage (Koku, 2005). Others have also traced the practice to the 18th century England where establishments put out brass urns for customers to drop money after eating and drinking (Lynn and Latane, 1984). Tipping in the Dutch language means calling for service by tapping on a table and in Latin it means gift. These widely varied understandings of tipping suggest that perhaps the practice does not occur for a single purpose in every context, although in all cases and definitions, a transaction with money is involved. Consequently, in studying it, various authors have defined it along the particular perspectives from which they examined the phenomenon.

Lynn (1997) defined tipping as a phenomenon of consumer behaviour where customers of restaurants and other eating places give extra money after full payment for services enjoyed. Viewed from this standpoint, tipping has become a widespread custom and a common business practice (Lynn, 1997; Koku, 2005), which is generating a lot of income for many countries. It is suggested, for example, that in the United Kingdom and the United States, income generated from tipping is estimated in billions of dollars (Azar, 2003). Millions of workers in the United States and many other countries also derive a lot of income from tips (Azar, 2003).

Observing it from an economic point of view, and hence as a business transaction, a number of economists have

suggested that tipping is economically inefficient. Yoram (2008) for example, argued that the practice facilitated tax evasion probably because monies collected are often not declared.

Analysis of tipping sizes using restaurant server records by Lynn (2004), revealed significant difference between Black and White tip sizes which he thought may be due to ignorance on tipping by blacks, that is why he suggested education on tipping norms in black communities. Perhaps for this reason, scholars like Ayres et al (2008) suggest that insistence on tipping may likely contribute to racial discrimination since ethnic minorities would often be less able to pay a large tip

Following the argument on ethnic minorities and tipping, Margalioth (2008) found that ethnic minority servers and taxicab drivers received lower tips on average than their white counterparts. The apparent maltreatment of blacks may be traced to the unwelcome treatment meted out to minority group members in restaurants in the 1960s, when African-Americans and other minority racial groups were not allowed to eat in restaurants that were set aside for white patrons (Koku, 2005). It can be inferred from the studies Lynn (2004); Margalioth 2008 and some others that attitudes towards tipping are varied, and may not necessarily be a positive one.

The pertinent question, however, regardless of the attitudes towards the phenomenon is why do consumers leave money after the payment of bills when they are not legally obliged to do so? The question needs to be asked because it is not easy to fully understand the reasons behind the phenomenon since both the givers and receivers of tips are mostly reluctant to reveal information on tips, especially the amount of income they earn from them (Robert and Kevin 1982). Yet, a full understanding or even a partial one can help management in its handling of the interactional environment, and possibly in the improvement of the allocation of duties, and in establishing a conducive environment for both customers and workers, and thereby improving efficiency in the organisation.

Factors influencing tip giving:

Despite these difficulties researchers have attempted to explain the reasons behind tipping. Lynn, (1996) argues that people tip because they want to conform to social norm or to display power and status. This argument of conforming to social norms is also supported by other researchers (Bodvarsson and Gibson, 1999). Disobeying the norms of tipping according to Azar (2003) could lead to a feeling of embarrassment, guilt and unfairness. People also tip to reward quality services (Schein, 1985) even though Lynn (1996), found only a weak correlation between the qualities of service that people report receiving and the tips they give. He (Lynn) argues that exceptional service raised tips by about only 1.5 per cent, which is too small for waiters to notice. Some also argue that people tip out of sympathetic feelings (Suarez, 2009). The reason is that wages and salaries for servers in most countries are most often quite low and therefore incomes derived from tips are important top-ups (Jacob, 2010). Some people also tip to ensure future recognition and to secure preferences (Surowiecki (2005). These various studies, suggest that there may not be a single reason for tip giving, and more research needs to be carried out into the reasons for tipping and the factors that influence the behavior among customers and the employees who receive the tips.

Research also indicates that tipping behavior is influenced sometimes by socio-biological factors. Lynn and Bond (1992) for instance, found that gender affects tipping behaviour. According to them, males tip larger than females. The reason for this is not very clear but the researchers assumed it may be due to differences in income level and the tendency on the part of men to impress female workers (Lynn et al. 1993) In addition, women workers appear to dominate the hospitality industry in many countries especially in restaurants and therefore are likely to get tips from males.

Quality services have also been found to influence tipping behavior of customers (Lynn, 2003, Lynn & Gregor, 2001, Israeli and Barkan, 2004). Others also found that, the size of the bill as well as the mode of payment can also influence tipping; the larger the bill, the bigger the tip (Lynn and Latane, 1984). Customers who pay their bills by using

credit cards are likely to give larger tips than do restaurant guests who pay their bill by cash (Garrity & Degelman, 1990).

Several researches have indicated that repeat customers tend to leave larger tips than new or non-regular customers (Bodvarsson & Gibson, 1994; Dewald, 2003) Research on race also revealed differences in tipping among blacks and whites and it is said that Blacks tip less than Whites (Lynn, 2005).

Other factors like music have also been found to affect consumer behavior (Areni and Kim, 1993, North et al., 2004), and therefore tipping behavior (Jacob, etal, 2010). A studies to test the influence of server-customer relationship with reference to smile, physical contact and calling customer by name on tipping size found an increase in the size of tips (Garrity & Degelman 1990, Lynn & Mynier 1993, Tidd & Lockard 1978).

The question is to what extent are these findings applicable in a developing country like Ghana? It is for this reason that this research aims at exploring tipping phenomenon in Ghana which it is believed will generate academic interest in the subject matter.

Tipping in Ghana:

Ghana offers a range of hospitality facilities including hotels, restaurants, pubs, drinking bars and other eateries. Tipping is permitted in these facilities, but rarely added to the bill. Tipping is commonly expected in up-market hotels, and if added, it is usually 10% of the bill. Tipping is generally considered a generosity on the part of the customer. It is more of an appreciation for quality service than a requirement (GTB 2010). Even though Tipping practices exist in Ghana, the effort to understand and harness its potential is not available. Research on the topic in Ghana also appears not to be available, hence this study to identify the givers and receivers of tips, examine the reasons for tipping and to find out how tippers feel about the phenomenon and finally to examine any policies with regard to tipping at the hotels.

Method

The purpose of this study is to explore the tipping phenomenon in Ghana in order to provide insights and understanding of the situation (Malhotra,2004) Exploratory studies are valuable means of finding out what is happening and to assess a phenomenon in a new light (Robson, 1993). The study therefore adopted a qualitative approach which is a major methodology in exploratory research (Malhotra, 2004). Hotels, customers and hospitality students in the Volta Region of Ghana were conveniently selected for the study. Semi-structured Interviews, open ended questionnaires and participant observation were used as the methods of data collection. An accidental sampling strategy was adopted because of the nature of hospitality business; hence only people willing to partake in the study were sampled. In all, one hundred customers, fifty hotel employees and sixty-six final year hospitality students in the Volta Region were sampled for the study. The managers of the hotels were also interviewed to find out if there were any policies on tipping. Research assistants were also engaged as waitresses for a day of eight hours to observe the phenomenon in some hotel facilities. The hotel industry was targeted for this study because it is a typical service industry where tipping is more likely to be practiced. The hospitality students were also targeted because they are likely to get tips from customers they served during attachment periods at these hotel and restaurants which is a requirement for the award of the Higher National Diploma. Employees of these facilities were also targeted because they are likely to get tips from customers. Data collected was analysed using content analysis in line with Miles & Huberman, 1994 and presented in the form of tables and quotes when necessary.

Findings

The main objective of this study was to explore tipping practices in the hotel industry in Ghana. Specifically, the study seeks to find out the givers and receivers of tips, the reasons for tipping, the amount of money involved and whether

there are any policies on tipping in Ghana. The first objective was to establish the category of customers who give tips.

**Table 1: Category of customers and their response to the question;
'Have you ever tipped a service person?'**

Category	Yes	No	Neutral	Total
Accountant	7	1	4	12
Administrator	3	0	0	3
Barrister	1	0	1	2
Businessman	23	0	0	23
Carpenter	0	0	1	1
Consultant	10	2	0	12
Engineer	1	2	0	3
Teachers	6	4	0	10
Contractor	5	1	0	6
Marketing director	3	0	0	3
Nurse	3	0	1	4
Secretary	2	1	2	5
Soldier	0	3	4	7
Student	0	2	0	1
Journalist	5	1	0	6
Total	70	16	14	100

The result indicates that tipping is quite a common practice in Ghana involving all categories of people as shown in Table 1. Out of hundred (100) respondents, the majority seventy (70%) give tips, 16% of the respondents however do not tip, and 14% did not indicate whether they give tips or not. An interesting observation is that it appears soldiers and students do not give tips at all. On the other hand, all respondents who were businessmen, administrators and marketing directors give tips. Further study will reveal the significance of this finding regarding the categories of workers or classes of people more likely to give tips and those more likely not to give tips to service persons.

The next objective was to identify the receivers of tips in the hotel industry.

**Table 2: Category of hotel employees and their response to the question:
'Do you get tips at work?'**

Category of Staff	Yes	No	Total
Accountant	0	3	3
Bar attendant	6	1	7
Cook	0	1	1
Electrician	0	1	1
House keeper	5	2	7
Pool assistant	0	1	1
Receptionist	7	0	7
Security	5	0	5
Waiter	7	2	9
Waitress	9	0	9
Total	39	11	50

The result as shown in Table 2 above indicates that hotel employees do receive tips. Out of the fifty employees sampled, a majority (39) of them do get tips at work. From the findings represented in Table 2, it is worthy to note that amongst all the professions, receptionists, waitresses, waiters, the security officers, bar attendants and housekeepers are the most tipped in the hotel. However, it is noteworthy that others like cooks, electricians, accountants and pool assistants are not offered tips. It may be because they are not usually in the frontline of service and hence do not regularly interact with customers. The category of staff that do not interact with guests and for that matter receive no tips often felt cheated. For example the cook who prepares the food gets nothing from tips but the waiter who only serves the food receive tips which is used to augment his earnings. Meanwhile hospitality business is teamwork for this reason some managers institute a policy to centrally manage tips.

Following the findings that giving and receiving tips has become usual practice among certain categories of customers; the next concern was to find out why customers give tips. The respondents were asked: 'Why do you tip'?

Reasons for tipping	No.
Quality services	6
For prompt services	8
Good services	37
Exceptional services	23
I don't give tips	4
No idea	4
To help	5
To motivate the waiter	9
To show appreciation	4
Total	100

Analysis shows that customers tip for various reasons. From table 3 above, most of the respondents (ie 37 per cent) indicate that they tip when servers provide what they described as good services. This was followed by exceptional services ie 23 per cent. There are also some customers who tip to motivate servers (9 per cent) and perhaps to ensure future good service. Others Tip to ensure prompt services (8 per cent) and quality services (6 per cent). Finally, the table shows that there are a few who do not have any reasons for tipping.

The findings appear to corroborate the studies on the factors that influence tipping by scholars who argued that people tip because they want to conform to social norm, and to avoid feelings of embarrassment, guilt, and unfairness (Lynn 1996); Azar 2003); and also by Schein (1985) that people tip to reward quality services; and by Suarez (2009) and Jacob (2010) that people tip out of sympathetic feelings because of the low wages and salaries of servers; but also in some cases, in order to ensure future recognition and secure preferences (Surowiecki, 2005).

Regarding the issue of policy on tipping, the study revealed that there is no policy on tipping at the hotels which were the focus of the study. Hotel managers interviewed did not seem to care about whether tipping exists or not. They were of the view that tipping is a private transaction between the customer and the employee and therefore management has nothing to do with it.

Tips are therefore pocketed by the receivers and kept secret. Even though attempts were made to put all tips together and shared at the end of each month, it was not successful because some employees were not faithful. The quote below summarizes the concern of a waiter :

"When I first joined this hotel, I was told to give any tip I get to the supervisor on duty, so that at the end of the month it will be shared to all of us but I had to stop because some of my colleagues were not doing it and nobody cared"

In order to ascertain how much money was earned per day by waiters especially, fifty students were used as research assistants at various hotels. The amount of money from tips has been found to be quite huge. A waiter could earn as much as three hundred percent of her salary from tips. This is based on the fact that on the average the research assistant was able to make as much as fifty Ghana cedis (GHs50) which is an equivalent of Thirty five US dollars (US\$ 35) per day at the hotel, when the average salary for a waiter is two hundred and fifty Ghana cedis a month.

Another findings that emerged from the study was how tipping could influence the working environment in the hospitality industry. Specifically, the findings revealed that tipping could influence employee working behaviour. For instance employees are happy to work more and even overtime in areas where they expect to get more tips. This was expressed by one waitress as follows,

"Everybody will like to work at departments where they are likely to get tips. If you ask me to work on my off day at the restaurant I will do and everybody will do it because of tips. But if you ask me to work in the kitchen I will not do it. People don't see you so you don't get the tips"

Does this mean employers may be receiving more applications for frontline jobs in the restaurants and front office than the back office jobs like the kitchen and accommodation because of tips? This is worth investigating into. In an attempt to find out how hotel employees treat customers, it was found out that employees pay special attention to customers who are known to give tips or are likely to give tips. The quotation below summarises the position of the frontline staff:

"Everybody wants to serve rich customers who give good tips. Even supervisor will want to serve such customers themselves. They actually call out "leave that to me or wait, I will serve them myself, get to the other table". This can be really annoying especially when the customer sits at your station"

This means that tipping can also result in competition and breed jealousy amongst employees whilst poor paying customers could easily be ignored by service staff of the hotels. Tipping has also been found to breed negative employee behaviours in the hospitality industry, such as stealing, jealousy, quarrel, insult, mistrust etc. as deduced from these interactions. This happens when customers leave change either on the table or in the plate in which the receipt was brought without giving it directly to the one who actually served.

"Some employees actually steal tips belonging to their friends. Some customers leave changes in the plate before they leave without actually telling you, so your friends knowing you are busy with other guests will pick it up without telling you. This happens all the time. When you ask them they refuse to give it to you resulting in insults and sometimes real fights"

Inferences and implications of the study:

Results from this study show that tipping exists in Ghana and the reasons for tipping are not too different from other findings like that of Lynn, (2003); Barkan & Israeli, (2004). However, a number of other themes and issues emerge from this exploratory work that would need further study. The cultural sensibility towards giving tips to service persons is generally towards accepting the practice as a 'good' practice. It appears then that the practice is gradually being accepted as normal practice among the majority of Ghanaian customers who patronize hospitality facilities. On the other hand, respondents who practice tipping regularly as a matter of fact, belong to a particular class of workers such as businessmen, administrators, marketing directors, consultants, teachers, journalists, and contractors. The categories of workers who do not generally engage in the practice include barristers, engineers, soldiers and carpenters. Apart from

carpenters who may be categorized at the lowest scale of earnings, it is not clear whether the other professions who do not give tips find it an unusual practice or seldom do so for economic reasons or for reasons related to their professional ethics, or simply because it is an unfamiliar cultural practice. From the responses of those who engage in the practice of tipping, it may be understood that it is done, mainly out of self-interest than for reasons of altruism. This may be adduced from the reasons given by most respondents for tipping. Whereas it may be ordinarily expected that the practice of tipping was being engaged in out of generosity because the service persons were perceived as earning low salaries, only 5 per cent of respondents gave tips in order to help the service persons. Tip giving may therefore be classified as a transaction, either in indirect payment for satisfactory services received from service persons, or in anticipation of future services upon return to the same hotel. If viewed from this standpoint, it becomes clearer, why economists like Margalioth (2008), view tipping through economic eyes and weighs its tax collection and evasion probabilities.

Perhaps the most significant inferences could be drawn in respect of the employees who receive tips and its influence upon the working environment. This is most important because it could inform managers and proprietors better on some of the partially hidden but most influential factors in the distribution of jobs, relationships, discipline and motivation at the workplace. Some workers, such as receptionists, waitresses and waiters, security, bar attendants and housekeepers receive tips regularly, while other categories such as accountants, electricians, pool assistants, and cooks receive less or no tips at all. Those who are usually given tips can be considered to be very visible to the customers because they are at the frontline of service, and interact regularly with them.

It is noticeable, however, that those who are excluded from the frontline and hence do not receive any tips appear to be those workers who work at the backdrop, hidden from customers' view and from interaction with them. This is a plausible suggestion as the cooks who prepare the food that is served at hotels, nonetheless, receive no tips because they are invisible. But it is also important to note that pool assistants who are also at the frontline of service and are highly visible are not given tips. It also interesting to note that, waitresses receive the highest amount of tips; and among the categories of workers who give tips, none abstains from offering tips to waitresses. Compared to waiters, who are also among the highest tip earners, waitresses still earn much higher tips; and whereas no categories of workers who give tips abstain from giving to waitresses, they nevertheless abstain from giving to waiters in some cases. This comparison which highlights the difference in the treatment of waitresses and waiters by customers may also be indicating an influence of gender upon customers in their decisions as to whether to give a tip or not.

CONCLUSION

This research aimed at exploring the phenomenon of tipping in the hotel industry of Ghana. The findings clearly established the existence of the practice of tipping in the industry, and identified the categories customers and employees who give tips and receive tips respectively. Furthermore, the study revealed the lack of policy in the industry and draws attention to how tipping can affect the work environment and behaviour of employees.

Considering the economic advantages tips bestow upon those workers who receive it such as observed by the research assistants who could make as much as fifty Ghana cedis a day, or the observation that service persons can make over three hundred percent of their actual monthly salaries through tips, how does this affect the outlook of those workers who are given no tips at all? How does it affect their demands for increment in salaries, or their efforts to increase their own salaries from the work environment? In effect, how do they compensate for what they do not earn through tips in the work environment?

Although the managers of the hotels in the study insist that customers are not obliged to give tips, the importance of tips to the employees in the frontline of service may create attitudes and body languages or other means that could put

pressure on customers to give tips or be treated differently from those who give the tips regularly. Could this be a source of the undefined guilt and embarrassment that some customers feel when they do not give tips to service persons? If so, how do service persons induce tip giving from customers? These are some of the questions that are left unanswered and need to be pursued through further research.

REFERENCES

- Areni, C.S., Kim, D., 1993. The Influence of background music on shopping behavior: classical versus top-forty music in a winestore. *Advances in Consumer Research* 20, 336-346.
- Aryes Ian, F E Vars,N Zakariya (2008) To Insure Racial Prejudice; Racial Disparities In taxicab Tipping' *Yale Law Journal*, Vol. 114 pp 1613-74
- Azar, O. H. (2004). The history of tipping from sixteenth century England to United States in the 1910s. *Journal of Socio-Economics*, 33, 745-764.
- Azar, O. H (2003) The implications of tipping for economics and management. *International Journal of Social Economics* Vol. 30 No. 10, 2003 pp. 1084-1094
- Barkan, R. Isreali, A. (2004), "Testing servers roles as experts and managers of tipping behaviors", *The Service Industries Journal*, Vol. 24 No. 6, pp. 91-108.
- Bodvarsson, O.B. & Gibson, W.A. (1999), "An economic approach to tips and service quality: results of a survey", *The Social Science Journal*, Vol. 36 No. 1, pp. 137-47.
- Ghana Tourit Board, tipping travel guide available online <http://www.touringghana.com/traveltips.asp> accessed 15 November 2012
- Jacoba C, Nicolas G. & Gaëlle B (2010) Effects of songs with prosocial lyrics on tipping behavior in a hotel
- Koku, P. S. (2005) is there a difference in tipping in restaurant versus non-restaurant service encounters, and do ethnicity and gender matter? *Journal of Services Marketing* Volume 19, No 7 pp 445-452
- Lincoln, T. 2007. How did the practice of tipping begin? Available online <http://askyahoo.com> accessed 28/03/11
- Lynn, M. & Mynier, K. (1993), "Effect of server posture on restaurant tipping", *Journal of Applied Social Psychology*, Vol. 23 No. 8, pp. 678-85.
- Lynn, M. (1996). Seven ways to increase servers' tips. *Cornell Hotel and Restaurant Administration Quarterly*, 37(3), 24-29.
- Lynn, M (1997), Tipping customs and status seeking; a cross-country study' *international journal of hospitality management*, vol. 16 no 2, pp 221-4
- Lynn, M. (2003), "Tip levels and service: an update, extension, and reconciliation", *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 443 No. 576, p. 139.
- Lynn, M. (2004). Ethnic differences in tipping: A matter of familiarity with tipping norms. *Cornell Hotel and Restaurant Administration Quarterly*, 45(1), 12-22.
- Lynn, M. (2005). Servers' perceptions of who are good and poor tipppers. Unpublished manuscript, Cornell University, Ithaca, New York.
- Lynn, M., Zinkhan, G.M. and Harris, J. (1993), "Consumer tipping: a cross-country study", *Journal of Consumer Research*, Vol. 20 No. 3, pp. 478-88.
- Lynn, M. & Bond, C.F. (1992), "Conceptual meaning and spuriousness in ratio correlations: the case of hotel tipping", *Journal of Applied Social Psychology*, Vol. 22 No. 4, pp. 327-41.
- Lynn, M. & Latane, B. (1984), "The psychology of hotel tipping", *Journal of Applied Social Psychology*, Vol. 14, pp.

551-63.

Lynn, M. (2000). The relationship between tipping and service quality: A comment on Bodvarsson and Gibson's article. *The Social Science Journal*, 37, 131-135.

Lynn, M. (2001), "Hotel tipping and service quality: a tenuous relationship", *Cornell Hotel and Hotel Administration Quarterly*, Vol. 42 No. 1, pp. 14-20.

Lynn M, & Gregor, R. 2001 tipping and service; the case of hotel bellmen. *international journal of hospitality management* vol 20, issue3, pg. 299-303

Margalioth, Y. 2008 "The Case Against Tipping". *University of Pennsylvania Journal of Business and Employment Law* Vol, 117 pp 9.

Malhotra, N. K (2004) *Marketing research, an applied orientation*. 4th ed. New Jersey: Pearson prentice hall.

Miles, M. B & Huberman, 1994. *Qualitative data analysis: An expanded source book*, California: Sage Publications

North, A.C., Tarrant, M., Hargreaves, D.J., 2004. The effects of music on helping behaviour: a field study. *Environment and Behavior* Vol 36, pp266-275.

Robson, C. (1993). *Real world research: A resource for social scientists and practitioner researchers*. Oxford, England: Blackwell.

Schein, J. E., Jablonski, E. F., & Wohlfahrt, B. R. (1984). *The art of tipping: Customs and controversies*. Wausau, WI: Tippers International.

Suarez, D. C. 2009 (2009) restaurant tipping; Short-circuiting the morality of the market. *Research in Economic Anthropology*, 29, 307-339

Surowiecki, J. (2005) Check please. *The New Yorker* online <http://www.newyorker.com> accessed 13th March, 2012

Tidd, K. & Lockard, J.S. (1978), "Monetary significance of the affiliative smile: a case for reciprocal altruism", *Bulletin of the Psychonomic Society*, Vol. 11, June, pp. 344-6.