

What's in a tip? Surprising answers from those who serve you

December 7 2010, by Jordan Reese

(PhysOrg.com) -- What's in a gratuity? Is it a reward for good service? A bad way to redistribute wealth? Or a complex social lubricant, easing an awkward relationship?

All this and more, says Holona Ochs, assistant professor of political science, who interviewed more than 425 tip-earners in 50 occupational categories to get their views on tipping and compensation. With the results, she co-authored *Gratuity: A Contextual Understanding of Tipping Norms from the Perspective of Tipped Employees*. (Lexington Books. July 2010)

More than 90 percent of Americans tip. "We found that tips are generally a weak signal of quality of service," Ochs says. "People appear to tip rather for social and emotional reasons. In other words, we tip because we care about how others perceive us. And we tend to tip better those who meet our social expectations."

Customers appear to conform to tipping norms for social and emotional reasons, rather than rational ones—such as good service, a bonus, or as an incentive, according to Ochs. Ochs also points out that:

- Tips are a price set almost entirely by the customer and less connected to the economics of demand than to social code.
- Tips don't necessarily signal the quality of service received. Therefore, tips don't serve as an effective monitoring tool for management because

they don't reflect quality

- Tip recipients use tip amounts to make assumptions about the tipper rather than interpret the tip as a reflection of the quality of the service they provide.
- Servers make plenty of assumptions about tipping and act on them. Servers in the U.S. often assume that foreigners, kids, and the elderly are less likely to tip generously. Servers reported being more likely to spend less time or focus less on providing the highest quality [service](#) to those customers.
- The amount of a tip does not appear to increase in accordance with perceived social inequality. Such “Tipper Bias” creates a misguided redistribution of wealth. For example, customers are more likely to give a higher tip to an affluent college student waiting tables than a single mother working in a family restaurant.

So could a holiday tip be perceived as a slap in the face?

“The holidays are a good time to show our appreciation for people in our lives who help us get our work done,” Ochs says. “With that in mind, if we’re motivated by tipping as being a redistribution of wealth, it’s more likely a gratuity and not a demonstration of status. [Tipping](#) in this situation would be perceived a gratuitous act and not an indicator of status that may create an awkward relationship.”

The typical combined holiday gratuity a worker receives is up to one week’s salary.

Provided by Lehigh University

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