## DISHING UP MORALITY: HOW CHEFS ACCOUNT FOR GRATUITY

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**Declaration of Interest**: We wish to confirm that there are no known conflicts of interest associated with this publication and there has been no significant financial support for this work that could have influenced its outcome

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## Abstract

This study delves into the intricate world of tipping, examining how restaurant chefs and chefowners morally justify this practice. While previous research has paved the way for understanding several of the nuances of tipping in the dining experience, little attention has been given to chefs' perspectives on its moral dimensions. In today's evolving restaurant dining landscape, tipping practices have become increasingly contentious. Therefore, it is imperative to grasp the ethical intricacies of tipping experiences, as they hold significant implications for social and economic interactions. This study focuses on interviews with culinary artisans—the masterminds behind the dining experience, including executive chefs, chef-owners, sous chefs, chefs de cuisine, private chefs, and pop-up chefs. Through these conversations, we explore the moral justifications for tipping, unintended consequences that arise, and the advent of tip coercion. Our findings shed light on the moral reasoning and ethical dynamics behind tipping practices. These findings offer a foundation for shaping theoretical frameworks, informing practical solutions, and guiding policy decisions in this complex realm.

#### **1. INTRODUCTION**

*Generosity is giving more than you can, and pride is taking less than you need.* - Khalil Gibran

During a dining experience in the United States patrons are regularly confronted with both an economic and ethical decision regarding the tip. Various aspects of the tip exchange weigh on their minds as they contemplate their choice: Was the service up to par with my expectations? Did the quality of the meal align with its price? How would I rate the overall dining experience? What is the appropriate amount or percent to tip?

In the US restaurant industry, tipping is an increasingly ubiquitous economic event that contributes between \$32 and \$45 billion to the US economy every year (Azar, 2011; Lynn, 2017a; Shierholz et al., 2017). Prior studies on tipping provide a robust foundation for our current research. Scholars have extensively investigated variations in tipping practices across different U.S. states, industries, and occupations (Lynn 2016, 2019; Lynn et al., 1993). Many of these scholars have delivered comprehensive empirical findings concerning the factors influencing tipping behavior (Lynn, 2016, 2019; Lynn et al., 1993; Lynn & Wang 2013). Furthermore, scholarly research has delineated the impact of base wages and their associated economic factors on tipping behavior (Lynn, 2020) as well as psychological, physical, and racial attributes that impact tipping outcomes (Brewster & Lynn, 2014; Lynn & Brewster, 2015).

Yet, existing literature lacks clarity on the moral logics that are used to explain the interaction between service providers, who anticipate tips, and service recipients, who are seemingly under growing pressure to comply with this expectation. Simply put, the moral justifications used for tipping are shrouded in ambiguity. Franklin and Royce (1891) and Mulinari (2019) have provided an onramp to this inquiry by identifying the disconnect between

customers' use of the tip as a mediator of individual's feelings and workers' emphasis on the tip as income. Additional motivation for our study comes from authors citing racial discrimination in tipping behavior (Ayres et al., 2004; Brewster & Lynn, 2014), social norms such as fairness and embarrassment in tipping (Azar, 2005; Lynn 2015a,b; 2016; Lynn & Wang, 2013), and the psychological stress from tipping (Andrea et al., 2020).

In our study, we focus keenly on understanding the moral reasoning that chefs employ when justifying tips, a dimension that has been largely unexplored in the existing literature. Chefs' unique perspective, bridging both the 'front and back of the house'—spanning from the customer experience to the kitchen operations and business management—and the fact that they don't receive tips, renders them ideal interviewees. Their profound insights, drawn from extensive experience in the professional culinary industry, are invaluable for unraveling the intricate moral nuances surrounding tipping.

Examining the moral justifications for tipping is of paramount importance in our current environment. Tipping tensions, which became pronounced during the global pandemic, persist due to escalating global inflationary pressures. These challenges are further compounded by declining consumer purchasing power and tightening labor markets, making it imperative to delve into the ethical foundations that underpin tipping practices. Moreover, tipping behavior has become more selective and potentially duplicitous (Passy, 2022). Kelleher (2022) reported that post-Covid, tipping decreased in sit-down restaurants and for food delivery people, but the willingness to tip hairstylists or barbers increased. Freed (2022) documents the phenomenon of 'tip creep' whereby customers are feeling coerced to tip at grocery stores, bakeries, fast food places and even car repair shops. Recent reports suggest that tip pressure is also coming from plumbers (Fournier, 2022). In courier services, like UberEats, how much you tip could

significantly influence how quickly you get your order (Vermes, 2022). More recently, Starbucks rolled out a new tipping system, where customers paying with debit or with credit cards are asked if they would like to tip the barista (Prakash, 2022). This worked so well for Starbucks that baristas now ask drive-thru customers if they want to tip.

As such, in our study we consider the theories of framing (Goffman 1959, 1974) and signaling (Connelly et al., 2011; Stiglitz, 2002) to set up our investigation of the moral justifications for tips. These theories help to form the basis of our interview questions with executive chefs, chef-owners, sous chefs, chefs de cuisine, private chefs, and pop-up chefs—all of whom we capture under the banner of 'chef' for straightforwardness. From our data and subsequent analysis, we identify five moral justifications that chefs use for tips: 1) Economic – tips are the not-so-sticky glue that holds it together; 2) Pricing – the patron cannot handle the truth; 3) Cultural – it's just what we do here; 4) Power distribution – who really has the power; and 5) Communication – we are trying to be clear. We supplement these findings by describing five unintended consequences of these moral justifications.

Our findings make important contributions to the literature on the morality of tipping in business, and the legitimacy of these moral perspectives. In doing so we advance ethics scholarship by offering a framework for studying ethical tensions in tipping exchanges. We also add to the important conversation of cultural and policy considerations for business ethics, as well as introduce the concept of tip coercion. Overall, the results reported in this paper advance research in the area of ethics of tipping in US restaurants and provide a foundation from which future work on the moral and ethical dimensions of tipping can be served up in good spirits.

## 2. SERVING UP THE COMPLEXITIES OF TIPPING BEHAVIOR

Tips, as described by Lynn (2015a), refer to voluntary monetary contributions made by customers to servers. While commonly perceived as gratuities for services rendered in various societies, May's (1980) research revealed that factors beyond mere gratuity, such as group size, payment method, and the server's attractiveness, significantly impact the size of tips. Mankiw (2007) succinctly captures the perplexing nature of tipping by pointing out the absence of a coherent economic theory behind it. When consumers seek a product, they naturally aim to minimize their expenses. However, in the case of services like meals, haircuts, and taxi rides, customers consistently pay more than necessary. This peculiar behavior not only varies widely across the US and other countries but also lacks a rational explanation. A great example of this is when people from out-of-town tip, despite the real possibility that they never expect to return.

The puzzling aspects of tipping intensify when considering the economic magnitude of tipping. Azar (2008) estimated that tipping in the US amounts to a staggering \$44 billion. More recent figures from the United States Internal Revenue Service's (IRS) W2 reporting indicate that tips in restaurants alone range between \$32 and \$36 billion (Lynn 2017; Shierholz, 2017). Consequently, tipping remains a substantial economic enigma, defying easy explanation.

Hence, the overly simplistic notion of tips solely as gratuity requires a more nuanced understanding and exploration. Lynn, the expert in the field, highlighted alternative drivers of tips in two articles (2019, 2020). He explained the variability in tipping practices across occupations and labor laws. For example, higher minimum wages lead to lower tip percentages in coffee shops but higher average tip percentages in restaurants. But in states with higher tipped minimum wages, the opposite occurs.

During the challenging economic climate brought about by the Covid-19 global pandemic, researchers delved into the dynamics of psychological factors that influence tipping behavior. Lynn (2021a) meticulously examined the tip records of a Texas pizza delivery driver to gauge shifts in consumer generosity during times of adversity. Surprisingly, the findings revealed that tipping habits persisted even amidst hardship. Simultaneously, Alexander et al. (2021) conducted an extensive field experiment exploring the influence of suggested tip amounts. Their research unveiled that while tip recommendations did affect the actual tips given, they had no discernible impact on customer satisfaction, frequency of return visits, or the overall bill size. Additionally, Lynn's (2021b) investigation into the correlation between the Big Five personality traits and tipping behaviors yielded intriguing results. Despite expectations, the study discovered limited predictive power associated with personality traits concerning tipping attitudes and behaviors.

Tipping practices, it appears, might find their roots in the subtle nudges intertwined with the dining experience (Thaler, 2015; Thaler & Sunstein, 2009). Take, for example, the instances where restaurant patrons are offered tableside entertainment along with their culinary experience. In two compelling field experiments, Frank and Lynn (2020) delved into this phenomenon and discovered that subtle nudges could significantly influence tipping perceptions and subsequent choices. For instance, they found that servers received more substantial tips when a magician performed at customers' tables. This intriguing revelation underscores the transformative power of framing the dining experience differently, showcasing how it can sway both economic decisions and behavioral choices.

Intriguingly, there is also evidence suggesting that rating systems can serve as effective nudges. Lynn (2018) scrutinized a chain of restaurants to investigate the dynamics of dining

experiences and subsequent evaluations under both tipping and no-tipping policies. The study revealed that under the tipping scenario, ratings were significantly higher. However, in a subsequent study, Lynn and Kwortnik (2020) delved into customer perspectives when Royal Caribbean discontinued voluntary tipping on its cruise liners. Surprisingly, they found that customers' perceptions, as reflected in ratings, remained unaffected.

Additionally, the impact of nudges might extend directly to the servers themselves. For instance, Lynn et al. (2016) discovered that the color of a server's clothing was intricately linked to the tip amount received. Other studies have explored how national-level norms and customs influence tipping perceptions (Lynn & Starbuck, 2015), although recent findings from Lynn and Brewster (2020) suggest that cultural factors may not always exert moderating effects

Despite this expansive literature on tipping practices, less clear are the moral and ethical justifications used for tips (Lynn, 2016; Udoidem, 1987). Azar (2008) posits that, "one of the most interesting and central questions about tipping is why people tip." Moral posturing must play some role in this. Suarez (2009) states that common rationalizations for tipping rest on economic canon, but customers actually tip based on social, cultural, and moral factors. Noticing this disconnect, Suarez (2009) argues that "the popular distinction between economic and non-economic exchanges is "ideologically maintained". We concur and aim to integrate moral understanding into the economic exchange.

#### **3. THE METHODS IN THE KITCHEN**

*Why Vermont?* Our study was conducted in Vermont, USA. Vermont has a deep historical connection with land and food production (e.g., dairy). It is well known for its breadth and depth of culinary delights. For example, its apple pies, cheese production (e.g., Cabot), cider,

ice cream (e.g., Ben and Jerry's), craft beer/gin (e.g., Bar Hill) and ethnic cuisine are highly regarded nationally and internationally.

Vermont was selected due to its reputation as a leading state in farming, sustainability, and culinary expertise, as demonstrated by its outstanding performance in the food scorecard system<sup>2</sup> and top food rankings.<sup>3</sup> Beyond Vermont's rich culinary heritage and exceptional food quality, what adds an intriguing dimension to this study is the enduring discourse within the state regarding tipped employees; specifically, the debate revolving around legislation related to the minimum wage for tipped employees, which currently stands at 50% (equivalent to \$6.59 per hour) of the full minimum wage.

The escalating tensions surrounding tipping were keenly observed by all four authors. Notably, two members of the author team have extensive professional experience as trained chefs before transitioning to academia, bringing with them valuable practitioner insights into the intricate world of tipping. Their firsthand knowledge of the tipping quagmire informed their perspectives. Moreover, all four authors shared a common interest in exploring the moral justifications underlying tipping practices, fueling their collective curiosity on this topic.

*Why did we interview chefs?* It may seem divergent from the purpose of this research to interview chefs, who are neither the patrons, nor the servers. However, we hold a strong conviction that chefs were the optimal choice of interviewees for this study, and this belief stems from several compelling reasons: Firstly, chefs, by nature, do not directly benefit from tips, enabling them to provide impartial opinions and valuable insights. Secondly, their expertise spans extensive horizons, cultivated through years of rigorous training in professional culinary schools and on-the-job experience, making them true authorities in their field. Thirdly, chefs

<sup>&</sup>lt;sup>2</sup> https://www.ucsusa.org/resources/50-state-food-system-scorecard

<sup>&</sup>lt;sup>3</sup> https://www.busbud.com/blog/top-food-rankings-in-america-by-state/

possess a profound understanding of the business's financial intricacies, including accounting and finance, providing invaluable perspectives on the back-office economics. Lastly, their wealth of experience extends to managing the dining experience, engaging both customers and servers, equipping them with a unique perspective on the dynamics of restaurant interactions.

In sum, chefs were chosen as interviewees because chefs have a deep knowledge and appreciation for the importance of the front-of-house (the server and patron interaction) and the back-of-house staff/management (kitchen and management team). Chefs' understanding of the tipping culture is multidimensional, which for the purpose of this study lends a more wellrounded and insightful data set. Lastly, owing to knowledge of patrons and servers, chefs can offer opinions on the tensions experienced within the dyadic patron-server interaction, while remaining neutral, untethered from personal gain, thereby enriching our exploration with a neutral and rare vantage point.

Between January 2023 and March 2023, we contacted 30 chefs of Vermont-based restaurants to determine their willingness to participate in this research study. In total, 25 chefs —boasting a remarkable collective experience spanning 471 years in an industry—agreed to participate in semi-structured interviews that ranged in length from 10 to 55 minutes. We use the terminology 'chef' to denote a range of culinary expertise, including executive chefs, chef-owners, sous chefs, chefs de cuisine, private chefs, and pop-up chefs. Table 1 gives descriptive information of our sample, while protecting participants' anonymity.

| Anonymized interviewee<br>number | Current job title                         | Restaurant Style | Years of industry<br>experience | Length of<br>interview in<br>minutes | Gender      |
|----------------------------------|---|------------------|---------------------------------|--------------------------------------|-------------|
| 1                                | Executive chef                            | Casual dining    | 12                              | 14                                   | М           |
| 2                                | Chef/owner                                | Casual dining    | 18                              | 26                                   | F           |
| 3                                | Manager/chef                              | Food stand       | 15                              | 14                                   | F           |
| 4                                | Chef/owner                                | Pop-up           | 20                              | 27                                   | М           |
| 5                                | Sous chef                                 | Catering/pop-up  | 18                              | 19                                   | М           |
| 6                                | Executive chef                            | Casual dining    | 13                              | 17                                   | М           |
| 7                                | Chef/owner                                | Café             | 30                              | 25                                   | М           |
| 8                                | Executive chef                            | Casual dining    | 17                              | 15                                   | М           |
| 9                                | Executive chef/owner                      | Catering/pop-up  | 20                              | 25                                   | М           |
| 10                               | Chef/owner                                | Casual dining    | 55                              | 10                                   | М           |
| 11                               | Chef/owner                                | Casual dining    | 15                              | 45                                   | М           |
| 12                               | Chef De Cuisine                           | Casual dining    | 12                              | 23                                   | М           |
| 13                               | Sous chef                                 | Casual dining    | 14                              | 23                                   | F           |
| 14                               | Executive chef                            | Casual dining    | 21                              | 20                                   | М           |
| 15                               | Private Chef                              | Private dining   | 14                              | 28                                   | М           |
| 16                               | Executive chef/food and beverage director | Fine Dining      | 30                              | 26                                   | М           |
| 17                               | Sous chef/pop-up chef                     | Catering/pop-up  | 15                              | 54                                   | М           |
| 18                               | Executive sous chef                       | Casual dining    | 15                              | 35                                   | М           |
| 19                               | Sous chef                                 | Casual dining    | 16                              | 25                                   | М           |
| 20                               | Chef/co-owner                             | Casual dining    | 23                              | 23                                   | F           |
| 21                               | Chef/owner                                | Casual dining    | 10                              | 10                                   | М           |
| 22                               | Executive chef                            | Casual dining    | 13                              | 23                                   | М           |
| 23                               | Chef/owner                                | Casual dining    | 22                              | 24                                   | М           |
| 24                               | Private Chef/Consultant                   | Private dining   | 20                              | 34                                   | М           |
| 25                               | Kitchen manager                           | Casual dining    | 13                              | 27                                   | F           |
|                                  |   |                  | 471                             | 612                                  | F:20%; M:80 |

#### Table 1. Interviewee data.

*The survey instrument.* The qualitative interview guide was divided into seven sections with a total of 25 guiding questions, all related to the ethics of tipping, with the aim of spurring conversations about the challenges and pressures of tipping in Vermont restaurants. The theoretical guideposts for developing the survey instrument for this study were framing theory (Goffman, 1959, 1974) and signaling theory (Connelly et al., 2011; Herbig, 1996; Stiglitz, 2002). These theories were selected because they provide a foundation for the knowledge structures that humans develop to organize, interpret, and communicate information—in this case moral justifications on tipping. Figure 1 visualizes our logic as we developed the interview guide.

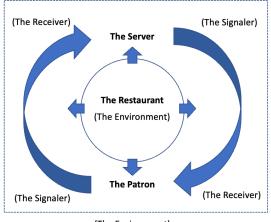


Figure 1. The process of tip framing and signals.

(The Environment)

Our questions gave us flexibility to be both passive and active in our approach to data collection, allowing us to retain the wealth of these rare conversations (Ybema et al., 2010). The survey instrument for our study can be found in Appendix 1. Chef responses were recorded, transcribed, and coded for anonymity. In doing so we closely followed a methodological approach described by the University of Virginia institutional review board as: "A qualitative method for collecting data often used in the social and behavioral sciences. Data are collected through observations and interviews, which are then used to draw conclusions about how societies and individuals function."<sup>4</sup>

*Data analysis.* Our open and flexible approach gave us the opportunity to understand chefs' views on the moral justifications of tips. At no point were we trying to test a hypothesis; however, we were trying to see what interesting ethical findings might emerge at the intersection of tip framing and tip signaling. Our conceptual model in Figure 1 allowed us to bring structure to the chefs' narratives and the perceived realities regarding the morality of tipping, eventually allowing us to make comparisons between them (Corbin & Strauss, 2008).

<sup>&</sup>lt;sup>4</sup> https://research.virginia.edu/irb-sbs/ethnographic-research

Our process, by which we came to conclusions we did, started by analyzing data following Ryan and Bernard's (2003) work on identifying key themes from qualitative data. As Ryan and Bernard (2003) demonstrate, social scientists use different terms for the "themes" that emerge from qualitative data. They state that "grounded theorists talk about "categories" (Glaser and Strauss 1967), "codes" (Miles and Huberman1994), or "labels" (Dey 1993)". More consistent with our work are perhaps terms used by Opler (1945) and called "incidents" by Glaser and Strauss (1967). We treat each interview as an incident and expressions arising from each incident are what we refer to as "units". This is consistent with how Lincoln and Guba (1985) refer to ideas arising from incidents which they term as "units" (p. 345). Elsewhere, such aggregated ideas arising from a more elaborate overarching qualitative data structure are termed "concepts" by Strauss and Corbin (1990).

Also, we followed Miles et al. (2014), as we analyzed our data over multiple iterations. Each member of the research team listened to each interview recording between two and five times to develop a close understanding of what was being said by the chefs. Our attention went back and forth between theory, data, and analysis to reveal chefs' tipping perspectives. We moved from exploratory coding, sticking close to participants' words, toward more aggregate dimensions in search of emerging themes (Gioia et al., 2013). The authors focused their attention on chefs' descriptions, perceptions, experiences and articulations of tips.

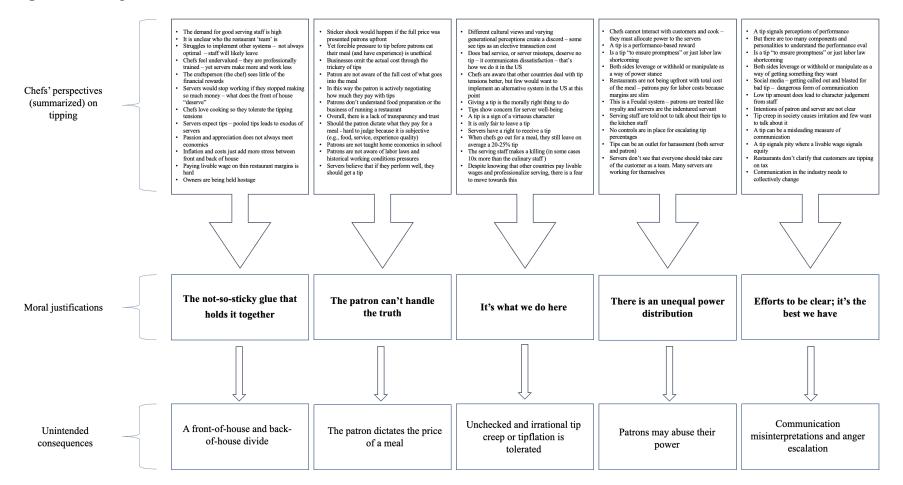
As we collated the transcribed data, we observed similarities among chefs' verbal responses. Conversations ranged from topics of ethical conflicts, moral justifications, disappointment with the US culture of tipping, frustrations, and hope that the dining experience would improve in the future.

The first round of coding consisted of free coding where we identified chefs' verbal accounts. During the second round of coding, we collated chefs' accounts into idea units regarding interviewees' moral perceptions and justifications on the tip exchange. During the third round of analysis, we collapsed codes into meaning codes that accounted for the unintended consequences of such moral perspectives.

## 4. SEASONED FINDINGS: CHEFS' MORAL PALATE ON TIPS

Our interviews revealed previously unexplored themes within existing research. In the upcoming sections, we explore our five significant findings derived from our analysis of the data. We elaborate on how tips are moralized—justified as more right than wrong—in terms of economic adhesive, a mode of truth-telling, a cultural barometer, a bestower of influence, and an implicit communication tool. Illustrated in Figure 2, our analysis delineates the emergence of five fundamental moral perspectives on tipping, as articulated by the chefs we interviewed. These vibrant narratives offered unique insights, illuminating the intricate ethical nuances embedded in tipping practices.

## Figure 2. Coding of interviews.



#### 4.1. Tips are the not-so-sticky glue that holds it together.

The first moral rationale behind tipping, according to chefs, is rooted in economic realities. Chefs unanimously conveyed that the competition for front-of-house staff, particularly servers, is high. In the absence of a tipping system that favors servers, these staff members are prone to migrate to restaurants that meet their tipping expectations. Despite this economic pressure, chefs find themselves in a challenging position: they feel undervalued as artisans and craftsmen, even though their culinary creations are the heart of the dining experience. However, they find themselves compelled to maintain the tipping system to sustain their passion for cooking. One chef commented that, *"Restaurants are being held hostage. You either up the prices by 30% and risk going out of business or do what we are currently doing."* This paradox forces them to perpetuate tipping as a central aspect of the reward system, even though they do not reap the financial benefits of their culinary artistry.

In essence, the chefs we interviewed expressed a sentiment of being trapped within their own businesses. They grapple with the absence of labor laws mandating livable wages, high expectations from servers regarding tips, slim profit margins, and the shortcomings of the voluntary tipping model. These factors combine to create a scenario where chefs, who originally entered the culinary world driven by their love for food and culinary service, now find themselves constrained and restricted in their pursuits.

Interviewees also raised concerns about the impact of inflation on the existing conflict and noted that attempts to modify the system, such as tip pooling, only exacerbate tensions. For instance, any proposal to alter the current tipping setup faces resistance from servers, who strongly believe they deserve the tips more than the kitchen staff. Some respondents emphasized that servers might quit their jobs if they didn't receive the expected tips. One chef underscored

this issue, stating, "Despite knowing that other countries pay livable wages and professionalize serving, there is a fear to move towards this model." The fear of servers leaving their positions further complicates the prospect of transforming the existing system.

The unintended consequence of the existing tipping system is the emergence of team tensions within the restaurant environment. Our analysis revealed a unanimous sentiment among chefs that the current tipping structure fosters discord between front-of-house employees (servers and waitstaff) and back-of-house employees (chefs, cooks, and dishwashers). This divide often manifests as an *'us versus them'* mentality. A notable example of this equity disparity is the lack of a cohesive team atmosphere, with chefs expressing a sense of exclusion. Serving staff, earning up to ten times more than chefs and cooks, work shorter hours and lack professional culinary education, creating a palpable imbalance. One interviewee commented that, *"You are cooking the food and working harder, and then the servers make a ton of money. It is hard when you know how much servers are making."* To mitigate animosity, servers are explicitly instructed not to discuss their tips in the kitchen, underscoring the existing tensions between the front and back of the restaurant.

#### 4.2. The patron cannot handle the truth.

The second moral underpinning for tipping lies in the realm of pricing. Chefs emphasized that if patrons were presented with the entire cost of the dining experience upfront, it could deter them from dining out altogether. One chef vividly noted that patrons might experience "*sticker shock*" if confronted with the true total cost of their meal. Consequently, many chefs felt compelled to attract customers with a lower initial price, only to adjust the overall cost through tips. To maintain an illusion of affordability restaurants engage in somewhat of a bait-and-switch

strategy, where the business omit the actual expense associated with providing servers a living wage, making the meal seem more reasonably priced. Or in other cases restaurants add highly dubious "service fees" whose existence is revealed only at the time of payment. One chef captured the essence of this issue by saying "*Tips are an antiquated system of restaurant owners, presenting a lower price for their goods and service and then creating the expectation for the guest to compensate the owners and employees. It is all smoke and mirrors that ultimately benefits the owners."* 

Furthermore, it became evident that chefs held firm opinions about patrons' lack of understanding with respect to the intricacies involved in pricing a dining experience. A prevalent concern among respondents was the lack of awareness among patrons regarding the actual cost of a meal. Chefs suggested that allowing patrons to determine the tip amount facilitated a more engaged and active negotiation, involving both the patrons and the restaurant staff in shaping the final exchange. One chef expressed that "*A lot of people don't understand where their money goes. There is no transparency and hidden fees.*"

An unintended consequence stemming from this moral rationale is that patrons might develop the belief that they can negotiate the meal's cost. A chef underscored this crucial point, emphasizing that *"it shouldn't be the patron's responsibility to determine employees' earnings"*. Another chef said, *"I can't think of another industry where the customer should be allowed to choose someone's income."* Accordingly, chefs believed that restaurants should clearly communicate that the bill before tax is the basis for tipping. One chef highlighted this point saying, *"We should just be more honest about what it costs to bring out a plate of food."* 

In the absence of this transparency, all parties involved in the transaction can be adversely impacted. Chefs consistently raised concerns about the ethical dilemma surrounding

tips within the context of the business model. They argued that restaurants could bridge this gap in expectations by openly disclosing the total meal costs, rather than passing labor expenses onto patrons due to narrow profit margins. One chef summarized this point well by saying, "*Tip are included at our restaurant. Tips promote more teamwork. It is the performance of the whole team that matters. The servers are happy with that system. It is about everybody taking care of the customer. This changes the outlook for all of us.*"

#### 4.3. It's what we do here.

The third moral basis for tipping is deeply rooted in cultural norms. Despite their reservations, chefs find themselves obligated to adhere to longstanding US cultural practices. One chef said, with a sigh, "*America is pretty standard...20% (tip)*." While chefs acknowledge that other countries have more efficient systems, they feel powerless to initiate change in this deeply ingrained practice. Some chefs acknowledge exceptions to the American tipping norm, but they emphasize the cultural significance of tipping. A low tip, they note, communicates dissatisfaction – whether with the service, server errors, food quality, or the overall ambiance. Essentially, a tip, or lack thereof, serves as immediate feedback.

Our analysis further illuminated chefs' perspectives on cultural expectations. When asked if servers deserve tips, many chefs perceive tipping as the morally upright choice. For some, it signifies genuine concern for the servers' welfare, while others view it as a marker of virtuous character. Numerous interviewees asserted that leaving a tip is simply a matter of fairness. One chef encapsulated this sentiment, remarking, "*A tip signifies pity. It reflects the way US society operates, and the willingness to change this practice remains low*".

An unintended consequence of this moral reasoning is the emergence of 'tip creep' or 'tipflation,' as discussed in the introduction. Within the culinary world, there is a pervasive sentiment that tip creep—referring to the escalating expectations regarding tip amounts and frequency—is on the rise, raising ethical concerns.

The question of whether servers have an absolute right to receive a tip stirred strong emotions. Chefs lamented the flaws in the existing restaurant system and empathized with fellow chefs who witness servers walking away with substantial earnings every night. Despite this, almost all chefs confessed that if they were dining out as patrons, they would still adhere to the convention of leaving a 20% tip. This paradox highlighted their internal struggle with the moral justification of the prevailing philosophy: *"This is just what we do here"*.

#### 4.4. Who really has the power?

The fourth moral rationale behind tipping centers on the dynamics of power within the restaurant setting. Chefs, aspiring to provide the best possible service in their establishments, recognize the impracticality of attending to every table personally. Hence, the employment of servers becomes imperative. Many chefs underscored the role of tips as a powerful motivator for enhancing the performance of servers. By allowing patrons to determine the tip, chefs entrust them with a crucial decision-making power. One chef eloquently articulated this moral reasoning, highlighting the perceptual challenge faced: *"Is a tip an obligation or a performance-based reward?"* 

One chef's perspective was that tipping operates as a performance-based reward system, rooted in the acronym TIP standing for 'To Insure Promptness'. They perceive tips not as mere obligations but as incentives, encouraging servers to excel in their service. This view reflects the

chefs' intent to maintain a high standard of service within their restaurants, acknowledging the necessity of empowering patrons to influence and reward the quality of the dining experience. However, another chef countered this performance-based view with the reflection, "*In our little system here, just within the organization itself, servers do great work. At the end of the day, they make 2, 3, 10 times the money as the kitchen staff. That are not more important than the other staff.*"

An unintended consequence stemming from this moral justification is the issue of patron power abuse. On chef commented that, *"We have been conditioned to feel obliged to support someone serving us."* And worse is that from the patron's perspective, the tipping system creates an expectation of control, which, in turn, leads to underlying conflicts. Chefs voiced their concerns about these conflicts, highlighting the disparities between what various parties (servers, chefs, and patrons) expect in a restaurant setting. Chefs openly questioned whether patrons should wield such authority over what they pay for a meal, especially considering the subjective nature of the dining experience. They pondered whether customers exercise excessive control over the livelihoods of the staff, or if chefs, given their training, should be the ones setting the expectations.

One chef astutely pointed out that "this power dynamic often results in active leveraging or withholding on the part of both patrons and servers, sometimes escalates into harassment between the two parties". This chef aptly summarized the tension between servers and patrons, likening the situation to a feudal system, emphasizing that customers are not royalty, and servers are not indentured servants. The complex power dynamics within this context underscore the ethical challenges faced by both restaurant staff and patrons alike. As one chef said, "Tips are an outlet for harassment." Another chef offered gender and race insights suggesting that the

existing tipping system, "is an unfair system that negatively effects women and people of color. It is a system that is based on old ideas that were already unfair and negative to start with." Another chef reiterated this point saying, "There is a historical basis of racism in tips."

### 4.5. Efforts to be clear. It's the best we have.

The fifth moral justification for tips is rooted in the realm of communication. Chefs emphasized the nuanced significance of tips as signals reflecting the customer's satisfaction, serving as a bridge between internal and external obligations. These gestures prioritize both customer satisfaction and the recognition of the collective team effort toward achieving a shared goal. But another chef made it clear that while the tip might indicate some level of satisfaction it "does not signal concern for the employee, as some may have you believe."

One chef offered valuable insight, expressing that while tipping for the entire dining experience, encompassing all aspects and not just the server, might be a more equitable approach, it is often impractical in practice. Despite the recognition of this potential improvement, the existing system continues to rely on tips as a means of communication, encapsulating the customer's perception of the entire dining experience and the collaborative endeavor of the restaurant staff in meeting customers' needs and expectations. This nuanced communication through tipping reflects the intricate balance between customer feedback, staff recognition, and the practicality of implementing changes within the restaurant industry.

An unintended consequence arising from the moral justification of tips is the occurrence of communication errors. One chef said that *"Tipping is not an indication of the level of service now."* Two other examples include misinterpretations and escalation. Some chefs shared experiences of Quebec-Canadian tourists visiting Vermont restaurants, noting that they often tip

poorly due to differing cultural norms, without intending any offense. However, chefs expressed concerns about communication breakdowns related to tipping. Instances where patrons are publicly criticized on social media for not leaving what the staff considers an appropriate tip are increasingly common.

Despite chefs' desire for improved communication within the culinary system, they recognize the fundamental flaws at the core of the tipping exchange. For instance, one chef pointed out that by tipping, "You are following societal norms whether you agree or not – this is coercive and pushy in itself." Another signaling example is when a server has a negative prior tipping experience and how it can affect their interactions with subsequent tables, leading to mixed signals. One chef captured this complexity, remarking, "It is hard to explain what went wrong when no tip is left. It is a very loaded and multi-factorial signal. It is unclear because there is no way to signal internal experience."

A significant concern among chefs is the fear of drastic changes attempting to improve tips under the guise of better communication, when it is something completely different. For example, one chef pointed out that tips could potentially be "*patrons wanting to be perceived as a good person.*" Another chef echoed this point saying, "*People make decisions on how much they are going to tip because they don't want to seem cheap, they don t want to seem ungenerous, they don't want to be seen a certain way, so they tip more to look a certain way in front of friends and family.*"

More prevalent were comments from chefs about coercive attempts to secure tips even before patrons have the chance to experience the meal. Worse still, digital card reader screens are presented to patrons with the tip percentage starting at 22.5%, often without clear communication that this amount is added on top of the tax. One chef comment that, "*Everywhere* 

you go now you get a screen flipped around at you and you are facing this employee and it is a guilt moment where customer thinks, if I don't tip I am not being a nice person, when really it should be in the costs of the goods and services." These practices further complicate the communication of tipping expectations and contribute to the challenges faced within the restaurant industry.

### **5. GRATUITY BUFFET: DECODING THE MORALITY OF TIPS**

The impetus for this research originated from a profound ethical dilemma prevalent in business and society—the contentious issue of tipping in restaurants. Although prior tipping research has contributed valuable insights, the significant moral intricacies and justifications inherent in the tipping exchange have remained largely unexplored and under-studied.

Numerous chefs we interviewed candidly expressed their frustration with the prevailing tipping system in the United States, characterizing it as a flawed construct rooted in a culture of obligatory gratuity. According to their anecdotes, this system has engendered pervasive discontent, festering beneath the surface and eroding both the restaurant industry and the patrons' dining experience. This begs the question, as one chef asked, *"Would it be better if we put the cost of tipping into the price of the food? The patron would know up front and the server doesn't rely on a stranger to pay their bills."* 

As our interviews delved deeper, a plethora of ethical dilemmas emerged. Discrepancies in earnings between servers, raking in approximately \$60/hour, and kitchen staff, including chefs, earning around \$22/hour, were a common source of tension and resentment. Stories surfaced of patrons begrudgingly tipping due to societal norms, creating a facade of willingness when, in truth, nobody favored the practice except servers. Moreover, servers were often unwilling to participate in pooled tipping systems, further intensifying discord among restaurant staff. One chef summarized the tipping exchange as something that, *"forces a toxic, extrinsic transactional relationship between server and person sitting at the table."* 

Many chefs advocated for a transparent pricing model, proposing that restaurants disclose the total cost upfront. However, they acknowledged the fear of deterring patrons with higher prices, potentially reducing foot traffic. The chefs contemplated whether educating patrons could mitigate ethical tensions, yet the consensus remained that the existing system was fundamentally flawed. One chef aptly criticized the industry, deeming it *"ridiculous, insidious, and degrading for those reliant on it"*, attributing the discontent to patrons' desire for artificially lower food prices. Another chef commented that, *"putting the onus on the guest to subsidize the labor costs of a business is incredibly audacious and precarious notion."* 

Some chefs highlighted the subjective nature of the tipping experience, citing discomfort when faced with point-of-sale systems suggesting a standard tip percentage of 22.5% on the taxed bill amount. This subjectivity raised questions about guests' entitlement to dictate employees' earnings. One chef encapsulated the prevailing sentiment, labeling the US tipping system as *"ethically complicated and broken,"* capturing the profound ethical quandaries embedded within its framework.

What emerges from our study are five potent moral justifications underpinning the existing practice of tipping:

Economic: Acting as the somewhat fragile adhesive that holds the system together.
 Pricing: Shielding patrons from the unvarnished reality, lest it disrupt their dining experience.
 Cultural: Anchored in tradition, it becomes a societal norm that demands adherence.

**4. Unequal Power Distribution:** Underlying the façade of civility, a subtle power play determines who truly wields control.

**5.** Communication: A feeble attempt at transparency, striving to convey clarity amid the ambiguity.

Supplementing these revelations are five stark unintended consequences stemming from these moral justifications. As our findings crystallize, it becomes glaringly apparent that urgent action is imperative. Policy makers and practitioners alike must confront the pervasive issue of 'tip coercion' head-on. What we intend to convey is the deeply unethical nature of the active, forceful, and often aggressive tactics employed to coerce patrons into tipping. The time for change is not just upon us; it demands our immediate attention and corrective action.

We now introduce and offer practical solutions to the intricate dynamics surrounding tipping coercion. By merging our empirical findings with insights from framing and signaling theories, we unveil a complex web of coercive relationships shaped by different knowledge structures among servers, patrons, chefs, and restaurant owners. This duality in coercion stems from fundamental questions about the nature of gratuity, its ethical dimensions, and its role in generating disparities both between strangers (patrons and servers) and among coworkers.

(a) Understanding Servers' Perspective: Servers navigate a moral maze, debating whether tipping signifies a moral obligation or a measure of genuine concern for their wellbeing. Disagreements among chefs further cloud the issue, leading to a fragmented and contentious understanding of gratuity. Despite its inadequacies as a signaling mechanism, tips remain the prevailing form of communication, albeit rife with misunderstandings and frustrations. Reform is imperative as server coercion not only tarnishes the dining experience but also undermines the entire industry. Business owners hold the key to instigating change. By

proactively educating customers and recalibrating the prevailing tipping norm, which currently hovers around 20-30%, owners can pave the way for a more equitable and respectful dining environment.

(b) Understanding Patrons' Perspective: Patrons, driven by limited awareness of the true cost and effort behind their dining experience, wield significant influence through tipping. This perceived entitlement to dictate not only the meal's cost but also servers' wages fosters a coercive relationship. External pressures, including cultural expectations and social media scrutiny, exacerbate this coercion. Furthermore, the widespread belief that various industries deserve tips akin to the restaurant sector creates a societal coercion, blurring labor laws and signaling exploitative practices.

(c) Reimagining the Tip Exchange: Drawing on international culinary experiences, chefs highlight alternative models of gratuity found in Europe and Asia, where a livable wage and professional respect define the industry. These contrasting paradigms underscore the anomaly of the US tipping system. Outdated labor laws and culturally ingrained practices create tensions and ethical ambiguities absent in countries adopting more progressive tipping models. In essence, our study advocates a reevaluation of tipping practices, urging a shift toward equitable models that value restaurant workers' dignity and professionalism. The global landscape offers valuable lessons, emphasizing the urgent need for a transformative update in the US tipping culture, aligning it with modern ethical standards and fair labor practices.

In addition to the practical solutions offered we position our findings within varying streams of existing literature. In Appendix 2 we offer a nexus between additional chef quotes and future research avenues. By doing so, we hope to broaden the fields of tipping ethics, the

economics of the tipping exchange, and tip coercion, for scholars and policy makers that hold a range of interests in this area.

(a) Behavioral Stakeholder Theory: Reciprocity and fairness. The context of our findings is illustrative of issues raised within behavioral stakeholder theory (BST; Keevil 2014). BST proposes and finds that stakeholders do not only expect and value economic benefits to come from a firm. Stakeholders also place individual value on a firm's behavior including moral justifications for actions taken by a firm. In turn, if stakeholders find a firm's behavior to be justified, and if such behavior exceeds stakeholders' expectations, then stakeholders offer reciprocity in action to support a firm's objectives. Tipping to support good service can then be seen as an example of reciprocal behavior from restaurant patrons to acknowledge the effort of an employer to offer an experience that requires some support from the patrons for the service to be offered. Regulatory influences impact minimum wage practices, which in turn influence the restaurant industry's practices involving the use of gratuities. Thus, patrons may be seen as stakeholders in multiple capacities, including as service recipients as well as voters who are able to influence the discussion on minimum wages.

BST also offers insights into select moral justifications for tipping. One of BST's focal constructs is fairness in its distributive, procedural, and interactional forms. Insofar as fairness of tipping was brought up by chefs, issues concerning rules of tipping out the back-of-house can be examined using the lenses of both procedural and distributive fairness. Contemporary moral dilemmas like shoving tipping screens in customers' faces lend themselves to further investigation using the construct of interactional fairness. BST offers the flexibility to study moral dilemmas with specific focus on the context. For instance, the back-of-house and chef discord with servers receiving the lion's share of tips does not involve consumers directly. Yet,

BST offers a lens to focus on the specific issue with its related procedural, distributive, and even interactional fairness concerns.

(b) Cultural and Moral Relativism. The chefs in our study also demonstrated that their understanding of tipping as a social norm is indicative of cultural relativism (Donaldson, 1989, 1993). Customers from Canada did not tip the same way as customers from within Vermont. The chefs' accounts indicate that customers from outside the United States were not expected to tip according to local norms. The effects of a geographical difference of a few miles were exacerbated when the customers tipped according to norms that they were familiar with within their own nation's context.

(c) Moral Sympathy. Maller (1993) offers a perspective on tipping that can help explain at least some of our results. Specifically, the morality of tipping as an act of sympathy with the server was detailed by Maller (1993). Whereas tipping can be egotistical to overtly show off one's altruism and generosity for self-serving reasons, Maller (1993) argues that tipping as a morally sympathetic action is also widely practiced. In the current milieu, the moral sympathy argument holds merit. At least some chefs see the patrons' role as that of the savior of the industry due to customers' support of a subsidy which is not demanded, but still necessary for the survival of the lowest-paid cadre of stakeholders in the restaurant ecosystem.

(d) Moral Rationalization. Scholars of business ethics have cautioned against misinterpretation of stakeholders' moral rationalization of their actions. Stakeholders are known to succumb to reasoning that justifies a decried act on the grounds that the action is necessary because it is a part of a system that can't be changed by the stakeholders. Barsky (2011) found that moral disengagement is a significant contributor to unethical work behavior. Servers who feel that they are mistreated and underpaid will have less motivation to sustain ethical behaviors.

Moral rationalization in business landscapes is also demonstrated by Zyglidopolous and Fleming (2008) who state that individuals within an organizational ecosystem can be innocent bystanders, innocent participants, active rationalizers and guilty perpetrators. Restaurant patrons are likely to self-classify as innocent bystanders, and innocent participants in a corrupt and unfair system that involves them unnecessarily in an act that at least some of them would rather not be complicit in. However, societal norms obligate patrons to continue the tradition of tipping, giving rise to moral rationalizations that customers are helpless and must participate to sustain the system that is already in place.

We close this section by offering several avenues for future research. In this study, we did not untangle the difference, if any, between what constitutes a "job well done" and "job deserving of a tip". A question that emerged from our chefs was whether or not patrons should be both service recipients and gatekeepers over tips and minimum wage laws? These types of questions highlight the need for additional moral and ethical explanations about how the tipping experience should be framed. For a start, future research could compare framing the act of tipping as a reward versus a punishment, or full cost pricing versus the "bait-and-switch" system. Certainly, some restaurants in the US have tried different tipping approaches, but the antecedents, consequences, and mechanisms of these approaches are not yet clear. This is also a simultaneous call for scholars to delve into approaches that reduce the perceptions of inequality and discord between the back-of-house staff and the servers who are receiving the lion's share of tips. Additionally, an important and pressing research avenue is unpacking a belief that chefs in our study articulated, "it's just what we do here". This perception, and subsequent behavior, needs further inquiry. Research comparing different generations and varying countries/cultures might open the oven door for positive change to several of the moral dilemmas and justifications

raised in this paper. Finally, we propose that scholars interested in this domain dig into the idea that tipping may be an *ex post* rationalization, or rather a "performance" of altruism and generosity for self-serving reasons.

In conclusion, the quest remains: Are tips truly indispensable in the United States? Presently, they are undeniably vital due to the orientation of minimum wage laws. However, the larger question looms: is it not time for a paradigm shift in policy? Fair wages, after all, are a fundamental human right. The current system, where the patron holds the reins, seems inherently inequitable. What unites all chefs is the recognition that restaurants are not just businesses; they are societal cornerstones, integral to our cultural fabric. Envisioning a world devoid of these culinary artists, these trained artisans deeply rooted in historical significance, feels nearly inconceivable.

Yet, the existing tipping exchange, while serving as the adhesive in this fractured system, generates ethical dilemmas and fractures relationships among stakeholders due to its coercive nature. The current restaurant industry model, financially challenging with its razor-thin profit margins, necessitates careful reconsideration. It beckons policy makers, community leaders, and restaurant owners to delve into the tipping exchange's antecedents, mechanisms, and consequences. Bold steps must be taken to redefine and reimagine the restaurant experience and the dining culture through policy changes. This paper serves as a foundational document for future policy dialogues, urging a collective reevaluation of our dining norms.

Acknowledging its limitations, this study focuses on a single state in the US. Future research could broaden its scope, examining regions of varying sizes to discern if similar tipping dynamics persist elsewhere. There are, like in all research, blind spots that warrant consideration. Chefs do have some modicum of agency. For example, chefs can impact tips based on their own

performance in the back of the house. And owner-chefs have some discretion over profit distribution and the "dignity environment" in their own shop. While we identify the existence of tip coercion, detailed solutions for these ethical tensions remain unexplored. Following Mankiw's (2007) call for better theorization of tipping, further research could delve into issues of (in)equality in the service industry, approaching the topic through a policy and legal lens. Additionally, we caution that our study does not encompass perspectives from regulators or servers, acknowledging the challenge in eliciting on-the-record conversations with these parties. Nevertheless, such efforts, if undertaken, could immensely enrich the theoretical framework of tip coercion presented in this article.

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# Appendix 1. Interview Guide

# **INTERVIEW GUIDE**

# 1. Consent

Please read the consent form and agree to participate.

## **Title:** Tips in Restaurants **Researchers: (names redacted for manuscript review)**

**Description of the research:** You are invited to take part in a research study that seeks to gain a better understanding of individuals' opinions about tips in a restaurant setting.

What will my participation involve? This interview will take about 20 minutes. Participation is voluntary, and you can choose to not answer any question that you do not want to answer or stop at any time. However, it is important that you answer every question so we can more fully understand your answers.

Are there any risks to you? Data collected in this study is confidential. We do not gather any personally identifiable information. Your individual responses will be combined with those of others who participate in the study and will not be linked to you in any way. We do not anticipate there will be any risks to you from participating in this study.

You may ask any questions about the research at any time. If you have questions about the research, you should contact [AUTHORS NAMES AND EMAILS HERE].

Thank you for participating.

Do you wish to participate in this study? Yes/No

## 2. Demographic

- 2.1. What year were you born?
- 2.2 What is your gender?

# 3. Warmup Questions

3.1. What is your current role/title?

3.2. How long have you been in the culinary industry?

3.3. Do you think tips are expected by staff in the food service industry? [why or why not?]

3.4. Do you think the existing tipping system works well for both the server and the patron? [why or why not?]

4. Ethics Framework Questions [yes or no – can briefly elaborate if they want]

4.1. Do you think giving a tip is the morally right thing to do because it promotes the happiness of the server?

4.2. Does a tip signal a concern for the well-being of the server?

4.3. Are tips a sign of a virtuous character trait?

4.4. Is it only fair to leave a tip, regardless of the service?

4.5. Do servers have a right to receive a tip?

4.6. Is it a patrons' moral duty to leave a tip?

# <u>5. Insights</u>

5.1. Do you see any issues with the current tip culture in America? [If so, what solutions could you suggest that might remedy the tensions that exist?]

5.2. Are you aware of different tipping practices in other countries? [If so, how do you feel they work?]

5.3. Do you believe that tips are or can be coercive (definition: strongarming, forcible, intimidating, pushing)?

5.4. Do you think there is confusion/tension with tipping at restaurants? [If so, why?]

# 6. Signaling Questions

6.1. Do you think societal pressures influence people's tip expectations more so than the restaurant experience (from both server and patron perspectives)?

6.2. Do you think that tipping related signals (e.g., feeling of satisfaction, gratitude, displeasure, annoyance etc.) which are sent and received between servers and patrons gets distorted or misinterpreted? (why, or why not?)

6.3. What signal is sent to the staff of a restaurant when a tip is not given by a patron?6.4. What do you think helps (or could be done to help) the tipping exchange/experience to be more positive (from the perspective of the restaurant, the server, and the patron)?

6.5. What do you think hinders or damages the tipping exchange/experience (from the perspective of the restaurant, the server, and the patron)?

6.6. What are your views on the importance of tipping in restaurants?

# 7. Additional

# 7.1. Political affiliation (modified).

Which political group do you most identify with: Strong Republican, Republican, Independent, Democrat, Strong Democrat

# 7.2. Contempt questions (modified).

I often feel like others are wasting my time. [1 (Strongly disagree) to 5 (Strongly agree)] I often lose respect for others. [1 (Strongly disagree) to 5 (Strongly agree)] I often feel contempt for others. [1 (Strongly disagree) to 5 (Strongly agree)]

# 7.3. Have you ever worked as front of the house staff (i.e., as a server)?

Do you have anything else you would like to add?

Thank you.

Appendix 2. Additional insights from chefs that translate into future research suggestions.

## ADDITIONAL INSIGHTS FROM CHEFS ON TIPS

- I think tips are expected but I don't have a good reason why.
- The patron controls the amount. Someone's livelihood is at their discretion.
- A new business strategy or tactic is to start at the highest amount tip percent of 35%.
- Social media and cancel culture is a new outside influence.
- Tipping surges when there is a big snow day. This demonstrates that much is out of the hand of the server.
- People should have to write or explain why you give a low tip.
- There are so many issues with our tipping culture in America. We should be learning from Canada and Europe.
- "You better give me a good tip" said one server to a chef's investors.
- It can be like the strip culture vibe.
- I tip high even for bad service because I know what goes on.
- Friggin Canadians. Canadians don't know how to tip.
- Why don't we just adopt another system?
- If you don't tip, you are not a good person.
- It's the patron's moral duty to leave a tip!
- Livable wages in Europe, that is the right way.
- I have seen servers do some sketchy stuff for tips.
- Not an ideal system. The guests should not dictate what the employee is making.
- What is normal is not well defined.
- With bad service, yet still feel obligated to tip.
- Who do we tip nowadays and who do we not tip?
- As a community we should be willing to pay people what they are worth.
- There should not be a gratuity system.
- The societal expectation that you can negotiate the cost of your meal is state sanctioned slavery.
- We are stuck in a difficult system. Carrying an expensive bottle of wine to a table and expecting a 20% tip. How do you define value?
- It's getting to the point where it is insulting to the customer. For example, expecting 20-25% on take out.
- Tipping is getting out of control -20, 30, 40%. Just pay the servers well.
- The current system is awful. I am moving forward with all my businesses that tips will be included. It is fully transparent to the patron.
- What hurts the tipping exchange is people being raised poorly by their parents.
- I think tipping is a dying culture. It creates more tensions then benefits.
- There can be misinterpretation, for example, the verbal tip but nothing came out at the end, just got 15% tip.
- I think the confusion is with the older generation. The younger generation tip better.
- Every decade decides on a new percentage that is okay to tip. When I was doing dinner with my dad it was 12-15% and now it is 20%. In America people feel like they have to. I brought my knives into a shop to get sharpened and they wanted a 30% tip. A farmer at a farmers market asked me for a tip the other day.
- Out in San Fran the minimum wage is over \$16 and in other cities/states it is 2.50/hour.
- I would rather work in an industry where everyone was paid a livable wage.
- If people don't give a tip, they are assholes.
- It is kind of wild that no one complains about our auto gratuity.

- We will tell people to stop coming into our restaurant if they don't tip.
- For most customers that are kind and have a conscience, but they don't know what is going on behind the scenes-they are probably overpaying.
- The manager should assess job performance not the customer. The guest grading you on how you are doing is odd.
- Make a fundamental change. Increase the price of goods and services. Increase wages. Accept lower profits. Return gratuity to its origin, which is gratuity not a hidden unspoken rule presented to you on a receipt like how you should pay my staff because I don't, but you have to or you're a bad person.
- Tips are just a 20% tax.

# FUTURE RESEARCH AVENUES

1. *Behavioral Stakeholder Theory:* Are patrons stakeholders of the restaurant? Future research could examine the degree to which patrons are both service recipients as well as voters who are able to influence the discussion on items like tips and minimum wages.

2. *Framing:* Comments regarding preset tipping expectations surfaced numerous times. These expectations are powerful elements of perceptions of fairness. Future research could examine the effects of framing the same act of tipping as a reward versus a punishment.

3. *Accountability:* Tipping was identified as a linchpin in a "bait-and-switch" system. Future research could focus on the role of organizational transparency and full cost pricing that exert influence on the organizational outcomes.

4. *Policy reform:* Interviewees commented that tipping was merely a band aid placed on top of poor minimum wage laws. There is a need for additional scholarship on tipping at the intersection of ethics and policy reform.

5. *Behavioral Stakeholder Theory:* Back-of-house and chef discord with servers receiving the lion's share of tips does not involve consumers directly. Yet, these important aspects need to be investigated to understand related procedural, distributive, and even interactional fairness concerns.

6. *Cultural relativism:* While this paper examines the act of tipping, there is a parallel and equally important track of research needed to unpack the cultural antecedents of not tipping. Chefs commented on the notion "It's what we do here" in our study. This suggests the need for further research in arguments around moral, generational, and cultural relativism.

7. *Moral sympathy:* In what ways can tipping be observed as an egotistical act to overtly show off one's altruism and generosity for self-serving reasons?

8. *Rationalization:* Many interviewees commented on being part of a system that is flawed or broken. Future research could examine the extent to which tipping is an *ex post* rationalization.

9. *Signals signaling:* Many interviewees commented that signal distortion happens frequently. Future research could ask and then answer if there are alternative signals that could be used to accurately communicate a job well (poorly) done, as part of an important feedback loop.