

## The Effects of Tip Distribution Policies:

### Servers' Keeping vs. Sharing/Pooling Tips Affects Tippers' Sentiments but not Tip-Giving

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### **Abstract**

The U.S. Department of Labor recently loosened regulations about who can and cannot participate in tip-sharing and/or pooling and there is interest among restaurateurs and others in expanding use of these policies as a way to reduce front and back-of-house pay differences, so understanding their impact on servers and customers is of practical as well as theoretical value. Accordingly, an online, hypothetical scenario experiment was conducted to examine the effects of different tip distribution policies on consumer sentiment and tipping. Results indicated that consumers (especially those intrinsically motivated to tip) prefer servers to keep their individual tips, rather than share or pool their tips with others, but that tip distribution policies have no effect on the tip amounts that people say they would leave. These findings suggest that: (i) altruistic and reciprocity motives for tipping are primarily directed toward service workers directly interacting with the consumer, (ii) consumers do not see the dilution of servers' tips under tip-sharing and tip-pooling (vs tip-keeping) as effecting the future-service or social-esteem that any given tip will buy, (iii) tip sharing and pooling may decrease customer satisfaction and re-patronage, and (iv) there is little reason for policy makers to fear that tip-sharing and tip-pooling (vs tip-keeping) will adversely affect tip revenues.

Key Words: tip policy, consumer attitudes, tipping

## **The Effects of Tip Distribution Policies:**

### **Servers' Keeping vs. Sharing/Pooling Tips Affects Tippers' Sentiments but not Tip-Giving**

#### **1. Introduction**

In the United States, customers at eating and drinking establishments give an estimated \$45 billion a year in voluntary payments (called “tips”) to the service workers who served them (Azar, 2010). Various aspects of this phenomena have been studied by scholars in anthropology (e.g., Foster, 1972; Suarez, 2009), economics (e.g., Azar, 2020; Bodvarsson and Gibson, 1997; Conlin, et. al., 2003), hospitality (e.g., Becker, et. al., 2012; Karabas, et. al., 2020; Lynn, 2001), human resources (e.g., Banks, et. al., 2018; Chi, et. al., 2011; Ogbonna and Harris, 2002), marketing (e.g., Kwortnik, et. al, 2009; Lynn, et. al., 1993; Van Vaerenbergh and Holmqvist, 2013), political science (e.g., Mansfield, 2016), social psychology (e.g., Crusco and Wetzel, 1984; Freeman, et. al., 1975; Strohmets, et. al., 2002), sociology (e.g., Karen, 1962; Brewster, et. al., 2015; Wilson, 2019), and tourism (e.g., Saayman and Saayman, 2015; Shamir,1984; Schwartz, 1997). Much of this work has focused on the motives for, and other determinants of, consumers’ tipping decisions (see Lynn, 2015, for a review). However, there is also a small but growing body of work examining the business consequences of different policies and procedures concerning tips and tipping (e.g., Alexander, et. al., 2020; Kwortnik, et. al, 2009; Lynn, 2017). The current paper contributes to both streams of research by examining the effects of different tip distribution policies on consumers’ attitudes toward those policies as well as on their tipping behavior.

#### **2. Literature Review**

The tips left by restaurant consumers in the U.S. are generally distributed among service staff in one of three ways (Ahmed, 2009; Beasley and Lazaro, 2021; McAdams and von Massow, 2017). Most often, tips are kept by the waitperson who was given the tip, but he or she is expected or required to share some of them with other members of the staff, such as bartenders and busboys, who assisted them (hereafter, this policy will be referred to as “tip-sharing”). However, sometimes, tips are kept by the waitperson with no legal or social obligation to share them with others (hereafter, this policy will be referred to as “tip-keeping”). Still other times, tips from all servers are put into a common pool and re-distributed among participating staff according to various rules

(hereafter, this policy will be referred to as “tip-pooling”). These different policies for distributing tips seem likely to affect both servers and customers in ways that impact the businesses adopting those policies. For example, server preferences among these policies may lead to differential employee recruitment and retention under the different policies (McAdams and von Masson, 2017). Likewise, customers’ perceptions of who receives the tips they leave may lead to differential tipping behavior under the different policies and this may also affect employee recruitment and retention (Lynn, Kwortnik and Sturman, 2011; Lynn, 2017b). Furthermore, the U.S. Department of Labor has recently loosened regulations about who can and cannot participate in tip-sharing and/or pooling (Yang, 2020) and there is some interest among restaurateurs and others in expanding use of these policies as a way to reduce front and back-of-house pay differences (e.g., Estreicher and Nash, 2018), so understanding their impact on servers and customers has taken on added value in recent years.

Despite its potential practical value, little quantitative research has examined the consequences or effects of different tip distribution policies and most of that limited research has focused on servers’ reactions. One stream of this research has found that the vast majority of front-of-the-house (FOH) servers consider tip-sharing to be fair in an absolute sense (McAdams and von Masson, 2017), but that they consider tip-keeping to be fairer than is tip-pooling (Lin, 2014; Lin and Namasivayam, 2011; Namasivayam and Upneja, 2007). These findings suggest that candidates for, and workers in, server positions will accept tip-keeping and tip-sharing, but that businesses with tip-pooling policies may face server resistance as well as server recruitment challenges.

Another stream of research on server reactions to tip distribution policies has examined the effects of those policies on service levels. In a study of about 70 NYC restaurants, Zakay (2013) found that Zagat service ratings were not reliably different for restaurants with tip-pooling than for those without it. However, in a study of 50 cafes in Israel, Barkan, et. al. (2004) found that tip-pooling had reliably different effects depending on the physical layout of the cafes. Service levels were higher in cafes with tip-pooling as long as the physical layout allowed servers to monitor one-another’s efforts and discourage shirking, but were lower in cafes with tip-pooling when the physical layout did not allow such monitoring. These findings suggest that tip-pooling can improve service (presumably by increasing cooperation among servers), but that those positive effects are

likely to be offset by a decrease in incentives to work hard unless servers are able to police one another's contributions to the tip pool.

Even rarer than studies of server reactions to different tip distribution policies, are studies of consumer reactions to those policies. In fact, we could find only two such studies. In one, Zezula (2018) surveyed customers in Brno, Czech Republic restaurants with different tip distribution systems asking how they would change their tipping behavior if they learned (i) the restaurant itself kept all tips, (ii) servers kept all their tips, or (iii) servers pooled and shared tips among themselves. Respondents said that learning tips were kept by the restaurant would lower their tips and that learning tips were pooled would raise their tips. In the second study (also conducted in Brno, Czech Republic), Dohnal (2018) conducted a laboratory experiment designed to be an analogue to tipping. In the experiment, subjects were divided into roles called "customers" and "waiters." Waiters solved tasks to create money for customers who could then share some percentage of that money with the waiters. Customers were assigned to one of three conditions -- the money (tips) given to waiters were (i) individually kept by waiters, (ii) pooled among waiters, or (iii) went toward the purchase of a thank you message to the waiter rather than as a monetary gift. The results indicated that customers' left marginally significantly larger tips when those tips were kept by the individual waiter than when they were pooled.

Unfortunately, the contribution of these two studies to our understanding of consumer reactions to different tip distribution policies is limited by: (i) their conflicting findings, (ii) questions about the validity of self-predicted responses to counter-factuals in the first study, (iii) questions about generalizability stemming from differences between the artificial laboratory games and real-world service contexts (in terms of the services rendered, social contact between servers and customers, payment methods, monetary amounts involved, etc...) in the second study, and (iv) questions about generalizability stemming from differences (in terms of tipping norms, general culture, consumer wealth, etc...) between the Czech Republic and the United States in both studies. Thus, more research on this topic is needed to inform business decisions about those policies in the United States. Such research might also shed light on the psychological processes underlying consumer tipping as explained below.

Lynn (2015a) has argued that consumers generally tip for one or more of five reasons – to (i) improve servers well-being, (ii) reward servers for their efforts, (iii) obtain or retain good service from servers in the future, (iv) obtain or retain the social-esteem of servers and other observers, and (v) fulfill a social obligation or duty (for other work on these motives, see Azar, 2010; Becker, Bradley and Zantow, 2012; and Whaley, Douglas and O’Neill, 2014). Furthermore, he suggested that these tipping objectives or motivations are likely to mediate and/or moderate the effects of most situational, individual, and national differences in tipping. Tip distribution policies do not affect social norms or obligations for tipping, but they do affect how many, and which, servers benefit from a consumers’ tips. Thus, these policies are likely to subtly alter consumers’ abilities to help and/or reward servers and their abilities to buy future-service and social-esteem from servers and the policies’ effects on tipping behavior may clarify the specific nature of these tipping motives.

The desires to help and to reward servers are both intrinsic motivations for tipping that may be similarly affected by tip distribution policies. Relative to tip-keeping, tip-sharing and tip-pooling increase the number of service workers being helped and/or rewarded by any given tip but decrease the amount of any given tip received by the server to whom it is given. These effects could increase or decrease altruistic and reciprocity motives for tipping depending on the precise nature of those motivations. If consumers want to help and/or reward all the service workers directly and indirectly responsible for their service experience, then the expansion of tip recipients under tip-sharing and tip-pooling (vs tip-keeping) may increase their liking for the tip policy, their motivation for tipping, and the amounts they tip. However, if consumers are primarily concerned with helping or rewarding familiar service workers who interacted with them directly, then dilution of the tips kept by the specific server waiting on them under tip-sharing and tip-pooling (vs tip-keeping) may undermine their liking for the tip policy, their motivation for tipping, and the amounts they tip. Furthermore, since the hypothesized policy effects on liking for the tip policy and on tip amounts are mediated by altruistic and/or reciprocity motives, they should be stronger among consumers with stronger dispositional altruistic and/or reciprocity motives for tipping. This reasoning is formalized in the following hypotheses:

Hypothesis 1a: Altruistic and reciprocity motivated tippers will like tip-sharing and tip-pooling policies more than tip-keeping policies.

Hypothesis 1b: Altruistic and reciprocity motivated tippers will like tip-sharing and tip-pooling policies less than tip-keeping policies.

Hypothesis 2a: Altruistic and reciprocity motivated consumers will tip more under tip-sharing and tip-pooling policies than under tip-keeping policies.

Hypothesis 2b: Altruistic and reciprocity motivated consumers will tip less under tip-sharing and tip pooling policies more than under tip-keeping policies.<sup>1</sup>

Hypothesis 3: The positive or negative effects of tip-sharing and tip-pooling (vs tip-keeping) on attitude toward the tip policy will be stronger the greater the consumers' disposition to tip for altruistic and/or reciprocity motives.

Hypothesis 4: The positive or negative effects of tip-sharing and tip-pooling (vs tip-keeping) on tip amounts will be stronger the greater the consumers' disposition to tip for altruistic and/or reciprocity motives.

The desires to obtain or retain future-service and social-esteem are both extrinsic motivations for tipping based on expectations that the tip recipient will know and remember who tipped them and how much. This expectation is reasonable in the case of servers who directly interact with, and are given tips by, the customer. However, it is not plausible in the case of co-workers who receive a share of the servers' tips. Thus, it is unlikely that tip-sharing and tip-pooling (vs tip-keeping) will increase the sources of future-service and/or social-esteem a customer gets

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<sup>1</sup> Research on charitable giving has found that enhanced sympathy and perceived response-efficacy lead people to give more generously to single beneficiaries than to multiple beneficiaries (Sharma and Morwitz, 2016), so it seems likely that the processes underlying Hypotheses 1b and 2b will dominate those underlying Hypotheses 1a and 2a, but this is an empirical question tested for the first time in our study.

from tipping. In fact, the dilution of the tip amounts kept by the server given the tip under tip-sharing and tip-pooling (vs tip-keeping) may reduce consumer expectations about the future-service and/or social-esteem any given tip will buy from the one worker who is likely to know who tipped them and how much. If so, this effect may, in turn, undermine consumers' liking for the tip policy, their motivation for tipping, and the amounts they tip, with these later effects being stronger the greater the consumers' disposition to buy future-service and social-esteem with tips. This reasoning is formalized in the following hypotheses:

Hypothesis 5: Future-service and social-esteem motivated tippers will like tip-sharing and tip pooling policies less than tip-keeping policies.

Hypothesis 6: Future-service and social-esteem motivated consumers will tip less under tip-sharing and tip-pooling policies more than under tip-keeping policies.

Hypothesis 7: The negative effects of tip-sharing and tip-pooling (vs tip-keeping) on attitude toward the tip policy will be stronger the greater the consumers' disposition to tip for future-service and/or social-esteem.

Hypothesis 8: The negative effects of tip-sharing and tip-pooling (vs tip-keeping) on tip amounts will be stronger the greater the consumers' disposition to tip for future-service and/or social-esteem.

These hypothesized effects of tip distribution policies on attitude toward the tip policy and on tip amounts as well as their interactions with individual differences in tipping motivations are tested in the study reported below.



### 3. Method

An online survey asked the participants to: (i) participate in a research project on restaurant dining, (ii) read a scenario about eating out at a casual dining restaurant that employs one of six randomly selected tip distribution policies, (iii) answer questions about how they would perceive and react to that situation, and (iv) provide personal bio-graphic and demographic information. Subjects were informed that their participation was anonymous and voluntary.

#### 3.1. Sample

Six hundred and one Amazon.com Mechanical Turk (MTurk) workers completed the survey. However, some participants skipped questions, so the sample sizes vary across different analyses reported below. To qualify for participation, these workers had to speak English, be over 18 years old, and currently reside in the US. In terms of the general demographic profile of the sample, 49% of respondents were male, 71% were White, 80% were under 50 years old, 65% had bachelor's degrees or higher education, and 30% had an annual household income of \$50,000 or less.

#### 3.2. Experimental Scenario

The first portion of the survey involved a hypothetical scenario that read: "Imagine it is Thursday night sometime next year after the pandemic is over and you are having dinner by yourself in the restaurant shown below. Look at the picture and menu and then answer the following questions." The restaurant picture was the same for all participants and showed an interior view of a restaurant with a mixture of empty tables and tables with diners. The menu was a single page menu in black and white (except for a brief statement about tipping, which appeared in red text at the bottom, right-hand side of the menu). The appearance, items and prices of the menu were the same for all participants. However, the menu's statement about tipping varied randomly across participants. Depending on the randomly assigned condition, it read either:

- *"Tipping is Voluntary. Servers keep all of their tips."*,
- *"Tipping is Voluntary. Servers must share a portion of their tips with other dining room staff."*,

- *“Tipping is Voluntary. Servers keep must share a portion of their tips with other dining-room and kitchen staff.”*,
- *“Tipping is Voluntary. Tips are pooled and shared among dining-room staff.”*,
- *“Tipping is Voluntary. Tips are pooled and shared among the dining-room and kitchen staff.”*, or
- *“Tipping is Voluntary. Tips are pooled and shared among all staff and their supervisors.”*.

### *3.3. Feelings about the restaurant*

Following the hypothetical scenario, participants were first asked to rate how they personally feel about the restaurant’s atmosphere, menu design, food options, prices, and tip distribution policy. Rating options ranged from “Strongly dislike” (=1) to “Strongly like” (=5). The last of these questions was designed to ensure that subjects paid attention to the tip policy manipulations and to test the effects of those policies on consumer attitudes toward the tip policy. The other questions were intended to help disguise the researcher’s focus on tip distribution systems.

### *3.4. Measures of restaurant tipping*

Following the attitude and distraction questions, participants were asked:  
*Assuming that the overall service is good, but not exceptional and that your meal came out to be \$20.95. Then, how much in dollars and cents would you tip your server (x.xx – omit the dollar sign)?* The tip size (dollar and cent tip amount) reported by respondents was used as a dependent variable. Original answers to this question ranged from \$0 to \$5000, but 28 responses greater than \$10 were judged to be non-serious and these outliers were addressed in two ways. First, outlying observations greater than \$10 were dropped. Second, the tip amounts of all observations were converted to a binomial variable equaling 1 if tip amount >\$5 and equaling 0 otherwise. These two measures – tip amount with outliers dropped and hi-lo tip with outliers included – were used the principle dependent measures in the study.

### *3.5. Manipulation Check*

After indicating the tip amount, participants were asked to pick the number of other people the servers at this restaurant have to share their tips with from one to five (1 = No others, 2 = two people, 3 = three people, 4 = four people, and 5 = Many others). This manipulation check was used to assess participants' awareness of the policy in effect at the restaurant in the scenario.

### 3.6. *Motives for tipping*

Following the manipulation check, the survey contained several statements expressing possible reasons or motives for tipping restaurant waiters and waitresses (aka, servers) and asked participants to indicate how much they agree or disagree with each statement. Response options ranged from "Strongly Disagree" (=1) to "Strongly Agree" (=5). The statements to be rated were:

- *I tip to help servers.*
- *I tip to make up for servers' low wages.*
- *I tip so the server will remember me positively the next time I encounter him/her.*
- *I tip in order to get good service on my next visit.*
- *I tip in order to gain social status/respect.*
- *I tip in order to impress the people I am with.*
- *I tip in order to repay the server for his/her efforts.*
- *I tip to reward good service.*
- *I tip because it is expected.*
- *I tip out of a sense of duty.*
- *I like the custom of tipping.*
- *I would prefer to see tipping abolished.*

A factor analysis (with Promax rotation) of the motivation statements produced three factors with eigen values greater than one (see Table 1). Altruistic and reciprocity motives loaded on a factor labeled "intrinsic motives," future-service and social-esteem motives loaded on a factor labeled "extrinsic motives," and duty motives loaded on a factor labeled "duty motives." The available items loading on each factor were averaged to form indices of each. These indices had coefficient alphas of .76, .83, and .79 respectively. The two attitude items were also averaged (after reverse coding the negatively worded item) to produce an attitude index with a coefficient alpha of .68.

### *3.7. Biographic and Demographic Variables*

The last portion of the survey included a number of questions about the biographic and demographic characteristics of the participants. Those questions asked about the participants' birth year (used to calculate age), sex (Male =1, Female =2), race (recoded as white: yes = 1, no = 0), citizenship (U.S. =1, other =0), education (1 = less than high school, 2 = high school/GED, 3 = some college, 4 = 4-year college degree, and 5 = graduate/professional degree), annual income (1 = below \$25,000, 2 = \$25,001 - \$50,000, 3 = \$50,001 - \$100,000, 4 = \$100,000 or more), work experience (1 = has worked for tips, 0 = not), and frequency of patronizing full-service restaurants (times per month).

## ***3.2 Results and Discussion***

Descriptive statistics for the key variables in the study are presented by experimental condition in Table 2. Coefficients (and standard errors) from regression analyses predicting subjects' response to the manipulation check and attitude toward tip policy as well as various measures of their claimed tipping from the various tip distribution policies and their interactions with tipping attitudes and motives are presented in Tables 3 and 4. The analyses in Table 3 compared each tip distribution policy with the "keep all" condition and those in Table 4 compared the "keep all" policy with all the other policies combined. Key findings from these analyses are briefly described below.

### *3.2.1. Manipulation check*

Comparisons of respondents' awareness to the number of additional people involved in tip distribution across conditions indicated that respondents could correctly identify that there will be more people sharing the tips in "sharing" or "pooling" conditions than in the "keep all" condition. The perceived number of people with a share of the tips did not reliably correspond to the additional involvement of the kitchen staff or supervisors in different tip distribution conditions for reasons that are unclear. Nevertheless, the significant results indicated that subjects paid attention to the manipulation and perceived the various tip distribution policies as different from the "keep all" tip policy.

### *3.2.2. Attitude toward tip distribution policy*

Analyses of respondents' feelings about the assigned tip distribution policies indicated that subjects reliably preferred the "keep all" policy to the "sharing" or "pooling" policies -- with the only exception being the "servers share with dining staff and kitchen staff" condition. Why this policy with objectively more tip recipients was liked as much as the "keep all" policy is unclear and requires further research in the future. Nevertheless, it is clear that consumers generally prefer that servers keep the tips they are given. Furthermore, this effect/preference is reliably stronger among those with stronger intrinsic motivations for tipping. These results support Hypotheses 1b, 3 and 5, but fail to support Hypotheses 1a and 7.

### *3.2.3. Tip distribution policy and tip size*

Our two principal tipping measures were hi-lo tip (with outliers) and tip amount (minus outliers). The consistent null results involving these outcome measures indicated that the tip distribution policy had no significant impacts on tip size. Although respondents, appeared to dislike other policies compared with the "keep all" policy, this sentiment did not affect their tipping behavior. Nor were the effects of tip distribution policy on tipping moderated by tipping motives or attitude toward tipping. These results fail to support Hypotheses 2a, 2b, 4, 6, and 8.

## **Conclusion**

The key findings of this study are that consumers (especially those intrinsically motivated to tip) prefer servers to keep their individual tips, rather than share or pool their tips with others, but that tip distribution policies have no effect on the tip amounts that people say they would leave. The theoretical and practical implications of these findings are discussed below.

The finding that consumer preference for tip-keeping over tip-sharing and tip-pooling is stronger among consumers with stronger intrinsic (i.e., altruistic and reciprocity) motives for tipping suggests that these motives are narrow in scope and directed primarily toward service workers directly interacting with the consumer. In turn, this implies that justifying tip-sharing and

tip-pooling by arguing that other staff members not directly interacting with customers deserve help and rewards too is unlikely to be persuasive to many consumers. Likewise, appeals to help and reward service workers not directly interacting with customers are unlikely to motivate new tipping, unless those appeals come directly from the workers themselves. These latter implications are generally consistent with the results of a previous study finding that (i) hotel maids (who rarely interact with customers) are tipped on fewer than 10% of room nights, and (ii) written, tip-encouraging messages from management do not increase the likelihood that maids would get a tip, but (iii) written, tip-encouraging messages from the maid did increase the likelihood that maids would get a tip (Shih, et. al., 2019). Apparently, altruistic and reciprocity motives for tipping are primarily directed toward service workers the customer has direct communication/interaction with.<sup>2</sup>

If the interaction of tip policies with intrinsic tipping motives in affecting attitude toward those policies does indicate that these motives are directed primarily toward those service workers directly interacting with the consumer, it is surprising that a similar tip policy by intrinsic tipping motives interaction effect on tipping behavior was not found. Tip-sharing and tip-pooling (vs tip-keeping) reduce the help and reward a server gets from any given tip and the main effect of intrinsic motives in this and many other studies (c.f., Lynn, 2009, 2015b; Lynn and Brewster, 2020) indicates that these motives do drive tipping behavior, so why was that effect not moderated by tip distribution policy? One possibility is that intrinsically motivated consumers are more concerned with perceiving themselves as helping and rewarding servers than with actually helping and rewarding them. The self-perceptions of giving a tip may be unaffected by how it is distributed and this could explain the null interaction effect on tipping behavior.

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<sup>2</sup> This conclusion seems inconsistent with previous research finding that occupations with less server-customer contact time are not less likely to be tipped than those with more server-customer contact time (Lynn, 2019) and that tipping of the former occupations is not less strongly predicted by individual differences in intrinsic motivations for tipping than is tipping of the latter occupations (Lynn, 2018). Perhaps it is the presence versus absence rather than the amount of contact time that is critical to the activation of these tipping motives. This is an issue worth exploration in future research.

Another possibility is that the benefit to consumers of helping and rewarding servers with larger tips is marginally decreasing while the costs of doing so are linear. This would mean that consumers may be unwilling to protect servers from small losses in take-home tips under tip-sharing and tip-pooling but may be willing to pay a slightly higher marginal rate to protect servers from large losses in take-home tips. In other words, tip-sharing and tip-pooling (vs tip-keeping) increase the costs of making sure the server takes home a specific tip amount and consumers may be unwilling to pay that higher cost. However, consumers may also be unwilling to further reduce the help and reward servers receive by tipping less under those policies despite the fact that fewer of their tips are going to the intended server. Testing these possibilities is a worthwhile direction for future research on tipping motives to take.

The findings that tip distribution policies do not moderate the effects of extrinsic tipping motives on either attitude toward the tip policy or tipping behavior suggests that consumers do not see the dilution of servers' tips under tip-sharing and tip-pooling (vs tip-keeping) as effecting the future-service or social-esteem that any given tip will buy. In retrospect, this makes sense because service and esteem are positional goods (see Lynn, 2015a) and may depend on the amount tipped relative to other tippers more than on the absolute amount received or kept by the server. Although tip-sharing and tip-pooling (vs tip-keeping) reduce the latter, they do not affect the former. Thus, the current findings provide indirect support for Lynn's (2015a) claims that future-service and social-esteem motives for tipping are positional nature.

From a practical perspective, the results of this study suggest that business- and public-policy makers contemplating different tip distribution policies can anticipate those policies having effects on consumer sentiment but not on tipping behavior. Consumers' preference for tip-keeping over tip-sharing and tip-pooling could have implications for their satisfaction with, and patronage of, establishments whose tip policies are known and these implications should be taken seriously. To that end, they deserve investigation in future research. However, there appears to be little reason to fear that tip-sharing and tip-pooling (vs tip-keeping) will adversely affect tip revenues, so this potential reason for avoiding those policies can be discounted unless and until contrary evidence is forthcoming.

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Table 1. Pattern matrix for tipping motive variables.

	Extrinsic Motives	Intrinsic Motives	Duty Motives
-I tip to help servers.	.001	.659	.222
-I tip to make up for servers' low wages.	.029	.532	.247
-I tip so the server will remember me positively the next time I encounter him/her.	.866	.298	-.130
-I tip in order to get good service on my next visit.	.904	.235	-.186
-I tip in order to gain social status/respect.	.684	-.311	.229
.-I tip in order to impress the people I am with.	.607	-.391	.198
-I tip in order to repay the server for his/her efforts.	.058	.645	.089
-I tip to reward good service.	.082	.663	-.031
.-I tip because it is expected.	-.028	.137	.742
-I tip out of a sense of duty.	-.056	.189	.812

Extraction Method: Generalized Least Squares; Rotation Method:  
Promax with Kaiser Normalization.

Table 2. Descriptive statistics by experimental condition.

Condition	Manipulation Check			Like Tip Policy			Hi-Lo Tip (1 = Tip > \$5.00, 0 = Tip < \$5.01)		Tip Amount (\$)		
	Mean	Std.	N	Mean	Std.	N	Mean	N	Mean	Std.	N
Servers keep all	1.91	1.33	101	3.91	0.95	101	0.47	101	4.29	1.86	98
Servers share with dining room staff	3.92	1.12	95	3.51	1.10	95	0.49	95	4.33	2.10	91
Servers share with dining-room and kitchen staff	3.96	1.13	99	3.85	1.13	100	0.45	99	4.26	1.71	95
Tips pooled and shared among dining room staff	4.22	1.10	100	3.49	1.16	100	0.52	100	4.56	2.08	92
Tips pooled and shared among dining room and kitchen staff	4.13	1.27	102	3.46	1.25	102	0.47	102	4.34	2.12	98
Tips pooled and shared among dining room and kitchen staff and supervisors	4.23	1.21	103	3.48	1.27	103	0.42	102	4.11	1.64	98
<b>Total</b>	3.73	1.45	600	3.62	1.16	601	.47	599	4.31	1.92	572

Table 3. Coefficients (and standard errors) from binomial logistic and OLS regression analyses predicting outcome variables from tip distribution policy.

	<b>Manipulation Check</b>	<b>Like Tip Policy</b>	<b>Hi-Lo Tip</b> (1 = Tip > \$5.00, 0 = Tip < \$5.01)	<b>Tip Amount</b> (\$)
<b>Intercept</b>	included	included	included	included
Servers share with dining room staff	2.01*** (.17)	-.41* (.11)	.12 (.29)	.05 (.28)
Servers share with dining-room and kitchen staff	2.05*** (.17)	-.06 (.16)	-.04 (.28)	-.02 (.28)
Tips pooled and shared among dining room staff	2.31*** (.17)	-.42* (.16)	.22 (.28)	.28 (.28)
Tips pooled and shared among dining room and kitchen staff	2.22*** (.17)	-.45** (.16)	.02 (.28)	.05 (.28)
Tips pooled and shared among dining room and kitchen staff and supervisors	2.32*** (.17)	-.44** (.16)	-.18 (.28)	-.18 (.28)
<b>R<sup>2</sup></b>	.32***	.03**	.01	.01

Note: \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 4. Coefficients (and standard errors) from binomial logistic and OLS regression analyses predicting outcome variables from tip distribution policy and its interactions with tipping motives and attitude toward tipping.

	Like Tip Policy	Hi-Lo Tip	Tip Amount (\$)	Like Tip Policy	Hi-Lo Tip	Tip Amount (\$)
Intercept	included	included	included	included	included	included
Servers Keep All (KA)	-1.55 (.89)	.53 (1.67)	-.74 (1.56)	-.08 (.34)	.30 (.60)	.44 (.57)
Intrinsic Motives (IM)	-.07 (.07)	.50** (.15)	.52*** (.13)			
Extrinsic Motives (EM)	.23*** (.05)	.24** (.09)	-.03 (.09)			
Duty Motives (DM)	.15** (.05)	-.18 (.10)	-.04 (.09)			
KAxIM	.63** (.19)	-.17 (.36)	.11 (.33)			
KAxEM	.02 (.14)	-.25 (.25)	.03 (.24)			
KAxDM	-.19 (.14)	.24 (.26)	.07 (.24)			
Attitude Toward Tipping (ATT)				.07 (.04)	.19* (.08)	.19** (.07)
KAxATT				.15 (.11)	-.11 (.19)	-.16 (.18)
<b>R<sup>2</sup></b>	<b>.09***</b>	<b>.03**</b>	<b>.04**</b>	<b>.03**</b>	<b>.01</b>	<b>.01</b>

Note: \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .