Rude in Tokyo, rude not to in New York – tipping mystifies tourists, economists and anthropologists. Should we stop?

Post-prandial bliss is especially sweet when enjoyed in the shade of a sunlit restaurant terrace in Vernazza, a picturesque village in Liguria, on Italy’s northwestern coast. But all good things must come to an end and, to signal that lunch was over, I had to perform one final parting ritual: leaving a tip.

Or perhaps not. I was several days into my holiday and I realised that, contrary to my habit back home, I had not been tipping, since I understood that it was not the Italian way. But then I started to worry that my assumptions were out of date. So I asked the waiter straight up about the local custom. ‘People might add a Euro or two, but nothing more,’ he said. At first I was relieved, but then I thought, wouldn’t our waiter be used to travellers tipping according to their native habits? So I asked what he’d think if an American left just the odd Euro. ‘Tirchio’ was his reply: tight. When in Rome, you might do as the Romans, but don’t always expect to be thanked for it.

Tipping is confusing, and paradoxical. We tip some people who provide services but not others who work just as hard for just as little pay. It is insulting to leave any tip in Tokyo but offensive not to leave a large one in New York. It is assumed that the purpose of tipping is to encourage good service but we leave one only after the service has been given, when it is too late to change it, often to people who will never serve us again. Tipping challenges the sweeping generalisations of economists and anthropologists alike. To understand how and why we tip is to begin to understand just how complicated and fascinating we human beings are.

Historians mostly agree that tipping was originally an aristocratic custom. In early 17th century England, it became expected that visitors to a private home would, on departure, leave a small amount of money, called a vail, to the servants. The practice spread to coffee houses, then to other service providers and eventually abroad.

The word ‘tip’ itself is of unclear origin. The most likely source is the Latin stips, meaning a gift. Since the Oxford English Dictionary cites the first usage of the word in 1706, it is almost certainly a myth that it stands for ‘To Insure Prompt Service’, a sign Samuel Johnson reported seeing on a tipping jar in an 18th century coffee house. Tips have rarely insured any such thing. Like parting vails, most are given too late to make a difference, which has made the custom baffling to economists, who cannot understand why people would pay more for a service than they need to.

Tipping for better service not only defies the arrow of time, it also flies in the face of observation. Studies have shown that there is only a weak relationship between customers’ satisfaction with service and the size of their tips. There are other, more reliable ways of increasing tips than doing a good job,
such as ‘upselling’: persuading the customer to order more, or more expensive, food and drink. A larger bill almost always means a larger tip, since most people simply give a percentage.

Anthropologists as well as economists are left scratching their heads by tipping. For several decades, they embraced the distinction, made in the early to mid-20th century by Polish anthropologist Bronislaw Malinowski and French sociologist Marcel Mauss, between gift and commodity (or exchange) economies. In exchange economies, such as today’s industrialised nations, goods and services are simply bought, usually by money but sometimes by a form of barter. In these cultures, a gift is not a gift if something is expected in return. However, there are implicit rules and customs that ensure that over time, givers become receivers and the system works to the mutual benefit of all.

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Any restaurant worth its sea salt knows that both parts of the term ‘hospitality industry’ matter. Yes, diners pay, but staff have to make sure they feel like guests, not just purchasers. That’s certainly the way the head chef at Noma in Copenhagen, four times winner of the best restaurant in the world accolade, sees it. ‘Most people in restaurants give everything that they can for the guest,’ says René Redzepi. ‘Tipping is an appreciation of that.’

Shaun Hill, chef-patron at the Michelin-starred Walnut Tree in Abergavenny in Wales, offers a good example of when this is especially true. ‘If you stay until two in the morning nursing a digestif and chatting to your newest best friend, then some poor bugger has to sit waiting for you to piss off home for no extra money. A tip in this circumstance is good manners, unless of course you are content to be told to go home once coffee is finished.’

The complex function of the tip reflects the multi-faceted function of the restaurant. It is in part a form a payment, a pure financial reward for a job well done. But it is also an expression of gratitude, a way of giving the staff the means to have some of the pleasure you have just had yourself. Perhaps that is why some waiters say that they view the two parts of their earnings differently, paying their bills with their wages and having nights out on their tips.

Any universal explanation of tipping comes up against the problem of place. How and when we tip varies according to each culture’s values and traditions. One variable appears to concern the nature and importance of respect. It seems that the more honourable that restaurant work is in a society, the less that staff are tipped. Hence, Japan is one of the few countries in the world where tipping is actually offensive, because it is seen as dishonouring the server. In Japanese culture, there is a dignity in each person fulfilling his or her role as best as possible. It is not so much that every job has equal status but that every job is given the respect proper to it. Tipping suggests that just doing your job is not enough,
that the server does not have the same dignity as others who do their work without being tipped.

In the Western world, the pattern of tipping also seems to have something to do with respect. In North America, waiting at tables is a very low-status job and tips are high. The situation is similar in the UK. But in continental Europe, waiting is a more respected profession. Just think, for a moment, of the stereotypical images you have of a waiter in France or Britain. The garçon is typically an older, balding man who has been serving steak-frites all his life; the British waiter is a young man or woman, probably a student, earning some money until they get a ‘proper job’.

The idea that tipping negatively correlates with respect is a neat one, and could help explain why Scandinavians are among the lowest tippers in Europe. Indeed, Tore Skjelstadaune, leader of the Norwegian United Federation of Trade Unions (Fellesforbundet), which organises restaurant workers, waiters and hotel employees in Oslo, has spoken out against tipping except where service is exceptional. ‘It is a principle that you should have a salary you can live on in Norway,’ he told the Norwegian online newspaper Nettavisen in 2013.

This fits the findings of Michael Lynn, professor of consumer behaviour and marketing at Cornell, that the prevalence of tipping decreases as the percentage of national GDP collected in taxes increases. So in high-tax Scandinavia, respect requires that society as a whole is structured in such a way as to guarantee a good standard of living for all. To pay each individual their due respect means ensuring that everyone can earn a decent living by working hard, and that means paying a fair wage. That’s why at Noma in Copenhagen the average tip is just three per cent.

Viewed through this lens, tipping looks like an anachronistic hangover from a time when restaurant staff were the lowest of the low, with rights somewhere between minimal and non-existent. Shaun Hill recalls when diners not only ‘paid the bulk of the waiting staff wages through tips’ but chefs earned a significant amount through monthly brown envelopes from suppliers containing around five per cent of the produce bill. In the UK, dependence on gratuities was common until the employers’ practice of using tips to top up employees’ earnings to the minimum wage was ruled illegal in 2009. But catering has hardly become a workers’ paradise since. ‘Knowing the restaurant industry from the inside,’ says Redzepi, ‘living through how low the wages are – and believe me, most chefs and waiters just scrape by – tips make a real difference for the monthly budget of the workers.’

Given its historic and contemporary associations with bad pay and conditions, it is not surprising that some have tried to do away with tipping altogether. In 1904, William R Scott formed the Anti-Tipping Society of America. Scott, who wrote The Itching Palm: A Study of the Habit of Tipping in America
(1916), thought tipping encouraged ‘a willingness to be servile for a consideration’, and that it was an undemocratic throwback to Monarchical Europe. His campaigns led, by the 1910s, to bans on tipping in Arkansas, Georgia, Mississippi, Iowa, South Carolina, Tennessee and Washington State (though all these laws were repealed by the 1920s). How dismayed he would be to see that America today is home to the biggest tippers in the world. It is another of tipping’s paradoxes that it is both quintessentially American and fundamentally un-American.

The tension in American values suggested by tipping is explained by the fact that although the US is an egalitarian culture in aspiration, it does not share the collectivist European concern with economic outcomes. In the more individualistic US, equal respect means giving people the freedom to make their own choices, to earn their own living, with as little state interference as possible. It is more a matter of equal opportunities than equal wages. This means that it is still true that many servers in the US depend on tips to pay their bills.

The customer who treats waiters with haughty superiority is usually despised, both by the staff and his fellow diners

Cultural differences can also be partly explained by the ‘equity theory’ developed in 1963 by the workplace behavioural psychologist John Stacey Adams. This is the idea that we have been socialised to feel anxiety or distress when our relationships with others are inequitable. In Japan or Norway, giving tips highlights status differences, increasing the sense of inequality and heightening discomfort. In the UK and the US, however, tipping is seen as reducing the financial inequality between customer and staff, and so relieves tension.

Even if tipping was once regarded as demeaning, thing seem different now. None of the waiters I spoke to had any strong sense that tipping implied condescension towards them. Perhaps one reason for this is that not so long ago, people’s social status was pretty much determined by birth and accepted by all. We now live in a much more fluid world, which has changed the customer-waiter dynamic. It is no longer a case of the social superior being served by his evidently humbler waiter. The person waiting on me today might be waited on by someone else the next. The bartender might have many more qualifications than the customer sipping her cocktails. I think that’s one reason why you’ll now find that the customer who treats waiters with haughty superiority is usually despised, both by the staff and his fellow diners.

The charge that tipping is inherently wrong therefore seems too strong. But given that there are huge variations in how it is organised, which of these arrangements, if any, are fair?

Some restaurants have tried to do away with voluntary tipping altogether. In the UK, automatically adding service charges has become extremely common. In the US, the Linkery in San Diego applied an
18 per cent service fee and told customers not to tip, while Toast Kitchen and Bar in Oakland adds 15 per cent to bills and leaves it to customers’ discretion whether they top up to the more customary 20 per cent. Redzepi is strongly against this trend. ‘I don’t like the fixed tipping rates, like you see in some places,’ he says. ‘It should be based on any guest’s personal experience and what they can afford.’

To my mind, an automatic service charge unsettles the delicate balance a restaurant must maintain between business and pleasure.

At his former restaurant, the Merchant House in Ludlow, Hill included service in his prices, but that only made the restaurant look more expensive than competitors who dealt with service separately. At his new place, the Walnut Tree, service is discretionary, but he sees why some establishments automatically add a service charge when serving parties: ‘Large tables involve more work for the staff but always tip disproportionately less.’

To my mind, automatic service charges undermine the essence of tipping, transforming it from a direct gift from diner to server and turning it into a kind of surcharge, levied by the intermediary of the employer. It unsettles the delicate balance a restaurant must maintain between business and pleasure.

Even when tips remain voluntary, many establishments are already pushing their customers’ tolerance by upping the pressure on them to be more generous. One trend is that, when customers are handed electronic payment terminals, they are given options to leave tips of varying percentages. Often, the lowest of these, or the default, is above the current average, and anyone wanting to leave less has to make a determined effort to do so and is made to feel miserly for it.

In the long run, I suspect all these attempts to either compel or nudge customers towards tipping generously will only make them feel less like being magnanimous, since people are always less willing to give when they feel coerced into doing so. And the more service charges become the norm, the less people will even think about leaving an optional gratuity.

Tipping is often seen as a crude and imperfect system of financial reward but, at its best, it humanises rather than commodifies the experience of eating. Consider Michael Lynn’s findings that large parties leave smaller tips, as a proportion of the total bill; regular patrons tend to tip more; and people usually tip the opposite sex more generously than those of their own. Together, these suggest that the more personal the encounter between customer and server, the more significant the tip becomes. The bill covers the purely financial exchange but the tip, as a purely voluntary gesture, is a sign that the evening has been more than just a commercial transaction.

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