Factors influencing patrons’ tipping practice at 5-star hotels in Kuala Lumpur, Malaysia

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Abstract  
This study investigates the factors influencing tipping practice in Kuala Lumpur 5-star hotels. Experienced customers of five star rated hotels were targeted in this investigation by focusing on two sub-dimensions of service component which are personal and professional dimensions. Service charges and good and service tax has been added in most premises bills raises question on why people tip. This study reports upon a study of 400 hotel customers. Using survey data, results indicated that professional aspect play the important role in tipping practice. The findings showed that the culture of tipping do exist in Malaysia especially in the city of Kuala Lumpur and this study contributes to the expansions of literature on tipping practice.

Keywords:  
Service, patron, 5-star hotels, satisfaction, tipping practice
1 Introduction

Nailon (1978) defined tip as a gift or gratuity from customer in the form of money and paid directly to the service staff and it can be over or above the bill amount. It is presumed as a reward to service staff as to value a good service that they deliver. According to Frankel (1990), the origin of tipping was in England which began from the sixteenth century. During that era, a box labelled as T.I.P; an abbreviation for “To Insure Promptness”, had been placed at the service area and customers will drop a coin in advance to get a special service. This was further supported by Brenner (2001) that brass urns were placed in coffee houses and local pubs with inscription of T.I.P. Customers will then put their money in these urns in advance before they are being served. Conlin, Micheal, Lynn and O’Donoghue (2003) highlighted that tips are positively related to the service quality. Basically, the server is rewarded on the basis of the service (Schein, 1985); and is not on the how excellent the food may be. Later, Azar (2005) suggested that service component (personal and professional) in service quality which closer and easily be measured by customers should be conducted. Other service quality criteria such as product (food), cleanliness, ambiance and facilities are not the best motives for customers to tip.

Recently, 5 to 10 percent service charge and 6 percent of good and service tax had been added to the bill in Malaysian service sectors. Even though customers are being charged for the service, it is however in certain occasions did not stop them from tipping the staff thus raise one important question; why do they tip even though they have already been charged? Through this study, the component in the service quality that influence the tipping decision will be discovered and this permits the operator to enhance the service component. Accordingly, the specific study objectives were; i) to investigate the key determinant of service components (personal and professional) towards tipping practice ii) to examine the effect of service components on customer satisfaction iii) to examine the effect of customer satisfaction on tipping practice and d) to investigate the mediating effect of customer satisfaction on relationship between service components and tipping practice.

2 Literature Review

2.1 Component of service

The theory of service quality has been developed by several investigators (Parasuraman, Zeithaml & Berry, 1985; Cronin & Taylor, 1992; Teas, 1993) who tested service quality in different sector, particularly service sectors, manufacturing, retailing, government sectors as well as private sectors. Service quality is one of vital components which help the business operators to maintain the service, image and retain customer loyalty (Levesque & McDougall, 1996). In order to understand the concept of service quality, Parasuraman et al. (1985) formulated service quality framework, and in the process, they found that service quality consisted of ten factors recognized by the
service provider and customer such as reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding or knowing the customer, and tangibility. Later, Parasuraman et al. (1988) renamed and regrouped them into five dimensions of service quality; tangibility, responsiveness, reliability, empathy and assurance. Conversely, six dimensions of service quality; comprises of an effectiveness and assurance, access, price, tangibles, service portfolio, and reliability were proposed by Bahia and Nantel (2000). Service quality dimensions were also supported by other variables such as word of mouth, corporate image, advertising, pricing or personal factors (Martínez & Martínez, 2010).

In applying the concept of service quality, service provider should comprehend and able to differentiate all the components of service quality dimensions. It is important to understand the nature of the business as well as the customers’ need and wants which lead to the successful of a business. Azar (2005) mentioned that in order to determine what component should be seen in service quality, it is necessary to differentiate both components identified as personal and professional in the service quality. The first component is classified as “personal” which means the friendliness or interaction of service staffs towards customers. Secondly, “professional” which can be referred to the evaluation of customers on the perspective of job performance and how well the service staffs can assist in explaining in detail about menu items, taking order and so on.

2.2 Customer satisfaction

Tourism and hospitality industry has become the second highest sector that contributes significantly to the growth of the country (Tourism Malaysia, 2012). The growth in this industry slightly increasing in the number of tourist arrival and resided in Malaysia has been reported by Tourism Malaysia (2012) and this can be concluded that most customers are satisfied with the service quality offered by any service providers. Apart from that, in several hotel field studies (Alexandris, Dimitriadis & Markata, 2002; Zhaohua, Taobin, Kwok, & Jinlong, 2010) stated that if the quality of service provided meet the expectations of the customers, it will lead to customers’ satisfaction. Previous studies found that service quality is one of the factors that contribute to customers’ satisfaction (Cronin & Taylor, 1992; Ekinci, 2004). According to Zeithaml and Bitner (1996), satisfactions of customer can be influenced in several factors such as service quality, product quality, price, contextual factors and individual factors. Generally, there is a positive effect between perceived service quality and customers’ satisfaction (Zhaohua et al., 2010).

A number of researchers claimed that when customers’ expectations are met it will increase the level of customers’ satisfaction. Additionally, some researchers identified a high interrelation between service quality and satisfaction (Cronin, Brady & Hult, 2000; Spreng & Mackoy, 1996), and there were differences in some respects (Bansal & Taylor, 1999; Oliver, 1997). However, studies had found that tourists’ satisfaction and customer loyalty were slightly affected by service quality (Baker & Crompton, 2000; Caruana,
2002; and Cronin et al., 2000). According to Agrawal (2008), the most important factor of customers’ satisfaction was employee behaviour. If service performance of the staffs exceeding the expectation of customers, this will lead to high satisfaction level and it is harder to satisfy customers with higher expectation (Yuksel & Yuksel, 2001). Lashley (2008) mentioned that service experience is associated with customers’ emotions which in turn will contribute to their satisfaction. According to Hu, Kandampully and Juwaheer (2009), to deliver an excellent service quality and high customers’ satisfaction, service providers need the strength to face the difficulties and challenges. In order for a firm to succeed in business, it would be necessary and very important for them to consider on customers’ satisfaction based on their needs and wants (Han & Ryu, 2006; Spreng & Mackoy, 1996).

2.3 Tipping practice

The ideas of tipping practice amongst consumers started to emerge in the late 1700s. A study by Lynn, Zinkhan and Harris (1993) referred tipping as an economic transaction which is unlike others in that no obligatory amount or sums are paid by the customers for a service that has already been delivered. This phenomenon contributes billions of dollars to the economy (Conlin et al., 2003) and millions of people engaged in this practice each day; not limiting to restaurant settings alone (Parret, 2006). This is in sync with a notion expressed by Azar (2005) who indicated that tipping was created in those occupations in which consumers can easily monitor the worker and evaluate their service quality. This leads to the earlier idea of tipping by Ineson and Martin (1999) who stated expectations by the customer as the basic component that influence the decision of potential tipping. According to Bodvarsson and Gibson (1994), tips are provided as motivation for the service staff to give a better and friendly service which can contribute to a consistency in service delivery. Schotter (1979) found that service staff would work on speculations which have both capability and intention in delivering friendly and good service. It can be said that tipping act as a signal for them (servers) to work harder. Tips as an incentive where customer possibly will tip service staff before they receive the service, and for some tippers, they will actually pay them in advance to ensure better service in the future (Whaley, 2011).

Lynn and Grassman (1990) found that customers tend to tip in three possibilities; to buy equitable relationship, social approval and future service. Another study by Lynn and Graves (1996) argued that the tips size received by service staffs depending on equitable relationship. The size of tips given has a close relationship toward service quality whereby customers try to sustain an equitable relationship with service providers (Lynn & Graves, 1996; Walster, Berscheid & Walster, 1973). The customers will tip lesser showing that low level of satisfaction because those customers who tip more than others will create discrimination on service and others will feel the uneasiness and will try to find the techniques to obtain equity (Wheeler, 2002). According to Israeli and Barkan (2004) tips for that interaction should involve two parties; customers and service provider where the high tips will be given to a good
service or low tips otherwise. Normally, the sizes of tips should be rated through the personal service quantity or quality that produces by service staffs, for example, the tendency in tipping have a significant relationship with repeat customer and service staffs contact. The more protracted of staffs contact towards customers, it will create a good social pressure and influence customers to tip more (Lynn and Gregor, 2001).

2.4 Relationship between personal and professional components towards tipping practice

A study by Conlin et al. (2003) revealed that service staff will elicit higher tips when they become friendlier; and make an interpersonal connection toward customers (Azar, 2007). The finding of that particular study signifies the probability of customer to tip if it has a consistently interact between service staff. Briggs, Sutherland, and Drummond, (2007) found that friendliness or warmth and personal service are closely related and important to hotel industry. Patzer (1985) who did research on interpersonal attraction found attractive server will receive tips from customer rather than unattractive server. A study by Ennew and Ahmed (1999) resulted that the customer will be more satisfied based on the personal relationship as compared to technical performance. Friendliness, promptness, attentiveness, helpfulness and so on are evaluated as a service quality criterion to measure the level of customer satisfaction (e.g. Azar, in press; Conlin et al., in press; Lynn & Grassman, 1990). There is a significant positive effect in tipping when a worker touches their customer (Lynn, Le & Sherwyn, 1998), and likely to collect extensively big tips to those workers who make an impressive interaction to the customers by introducing their names rather than workers who remain anonymous (Garrity and Degelman, 1990). Experiments by Lynn and Mynier, (1993) and Lynn (1996) showed that if service staff just standing will get fewer tips. While squatting or to come down to the level of seated patrons will receive larger tips. The service staffs show extra friendliness by doing the non-verbal interaction such as squatting, touching or smiling are connected with relationship between customers that will lead to increase tips. This has been agreed by Lynn and Grassman (1990) and Harris (1995) where customers give more generous tips to service staffs. Storbacka, Strandvik and Gro¨nroos (1994) stated that it becomes evident in term of high levels of customers’ satisfaction when they evaluate interaction between workers as good, recommend the product or service to others, have an intention to re-purchase, when customer shows their satisfaction by leaving gratuity or tip.

Presbury, Fitzgerald, and Chapman, (2005) defined service as evaluating based on overall performance in service delivery process. Some added, satisfied customers tend to repurchase and revisit in the future where both have a close relationship to customers’ loyalty. Customers believe that tipping service staffs can make them easy to monitor (Azar, 2005), and customers will tip according to the service quality receive after or during the services. Furthermore, a comprehensive study by Ahmad, Ariffin and Ahmad (2008) had shown the dissimilar result where the tangible aspects become second and the first important component was staff performance. Based on the Gallup
phone survey with the 1000 of respondents, the result showed that customer will leave some amount of money depending on their level of satisfaction in receiving service (Adelman, 1985). In addition, when service staff put some effort in performing their task, this will influence the degree of customers’ satisfaction and will have a positive relationship with satisfaction. Back and Parks (2003) and Han and Ryu (2006) determined customer satisfaction in all aspects whereby service features or attributes, service or sales personnel performances, or other situational factors will be the judgement of the customers. Bitner, Booms and Tetreault (1990) mentioned that service performance is divided into two: (i) core service performance and (ii) service encounter performance. The comfortable and clean room or accommodation, efficient check-in and out, and reliable reservation system are examples of score service performance and service encounter performance such as efficient service, extra attention, meeting needs of customers.

3 Methodology

This study employed a quantitative approach and the sampling method used was convenience sampling. This study restricts the attention to only five-star hotels focusing on individual customers who engaged in tipping practice; have stayed or currently staying at five-star hotels in Kuala Lumpur. Based on the statistical report from Tourism Malaysia, higher occupancy percentage was five-star hotels in Kuala Lumpur. The total of sample was calculated based on the number of rooms of five stars hotel in Kuala Lumpur and the average of occupancy percentage by referring to the Tourism Malaysia statistical report.

Questions used in the questionnaire were adapted from the past researches (Conlin et al., 2003; Lawrence, 2006; Whaley, 2011; and Azar, 2005) with several minor modifications in order to fit with the study. The questionnaire was used to measure service components, customer satisfaction and tipping practices. The questionnaire consists of three parts. The first part asked respondent two screening questions to determine whether or not they ever stayed in a 5-star hotel and engaged in giving tips to any service staffs. The second part of the questionnaire was more on questioning all of the variables involved in this study while the last part was on the demographic profiles of the respondents. The questions in the second part of this questionnaire generally asked the respondents to enter the value of agreement through closed-ended questions using a 5-point Likert scale ranging from (1) “Strongly Disagree” to (5) “Strongly Agree”. 400 questionnaires were perfectly apportioned and can be used for analysis.

Descriptive analysis was done to examine the demographic profiles of the respondents involved. Multiple Linear Regression Analysis was run to answer each of the research questions, while to check on the mediating variables, both Regression Analysis as well as Sobel Test (Sobel, 1982; Baron & Kenny, 1986) was employed in this study.
4 Findings

4.1 Frequencies

Most of the respondents were male with 64.5 percent (n=258) while female was only accounted for about 35.5 percent (n=142). Other socio-demographic variables of the respondents are presented in the Table 1.

Table 1: Demographic profiles of respondents

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequencies</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>258</td>
<td>64.5</td>
</tr>
<tr>
<td>Female</td>
<td>142</td>
<td>35.5</td>
</tr>
<tr>
<td>Educational Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>126</td>
<td>31.5</td>
</tr>
<tr>
<td>Degree</td>
<td>188</td>
<td>47.0</td>
</tr>
<tr>
<td>Master Degree</td>
<td>35</td>
<td>8.8</td>
</tr>
<tr>
<td>PhD</td>
<td>24</td>
<td>6.0</td>
</tr>
<tr>
<td>Other</td>
<td>27</td>
<td>6.8</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 25</td>
<td>64</td>
<td>16.0</td>
</tr>
<tr>
<td>26 – 30</td>
<td>191</td>
<td>47.8</td>
</tr>
<tr>
<td>31 – 35</td>
<td>82</td>
<td>20.5</td>
</tr>
<tr>
<td>36 – 40</td>
<td>29</td>
<td>7.3</td>
</tr>
<tr>
<td>41 – 45</td>
<td>30</td>
<td>7.5</td>
</tr>
<tr>
<td>46 – 50</td>
<td>4</td>
<td>1.0</td>
</tr>
<tr>
<td>&gt; 50</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>191</td>
<td>47.8</td>
</tr>
<tr>
<td>Married</td>
<td>209</td>
<td>52.3</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Monthly Household Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ RM5,000</td>
<td>259</td>
<td>64.8</td>
</tr>
<tr>
<td>RM5,001 – RM10,000</td>
<td>113</td>
<td>28.3</td>
</tr>
<tr>
<td>RM10,001 – RM15,000</td>
<td>27</td>
<td>6.8</td>
</tr>
<tr>
<td>RM15,001 – RM20,000</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>RM20,001 – RM25,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>RM25,001 – RM30,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>&gt; RM30,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reason of Stay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leisure</td>
<td>100</td>
<td>25.0</td>
</tr>
<tr>
<td>Business</td>
<td>108</td>
<td>27.0</td>
</tr>
<tr>
<td>Visiting Friend / Families</td>
<td>67</td>
<td>16.8</td>
</tr>
<tr>
<td>Seminar / Conference</td>
<td>122</td>
<td>30.5</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>0.8</td>
</tr>
</tbody>
</table>
4.2 Key determinant of service components towards tipping practice

Multiple linear regression analysis was run to examine the key determinant of service components towards tipping practice. Table 2 depict the multiple regression output between Service Components and Tipping Practice.

Table 2: Multiple regression between service components and tipping practice

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.410</td>
<td>.251</td>
<td>5.619</td>
<td>.000</td>
</tr>
<tr>
<td>Personal</td>
<td>.161</td>
<td>.067</td>
<td>2.408</td>
<td>.017</td>
</tr>
<tr>
<td>Professional</td>
<td>.323</td>
<td>.074</td>
<td>4.368</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: $R^2 = .14, p < 0.05$

The results of the regression indicated the two predictors explained .136 (R-Square Value) and can be concluded that the model has accounted for 13.6 percent of the variance ($R^2= .136$, $F (2, 397) =31.214$, $p<.005$). The remaining 86.8 percent was explained by other predictor variables. Each predictor was positively related and significant to the outcome variable, such as personal ($\beta = .14, p = .017$) and professional ($\beta = .26, p = .000$). From the two dimensions of service component, professional component shows the most influenced predictor that prominence by customers for leaving tip to service staff ($p = .000$). It can be said that customers are less likely to choose personal attributes and this finding supported Casey (2001) in which rewarding service staff is to show an appreciation of the service received. Street interview conducted by Ineson and Martin (1999) found that respondents are more likely to leave a tip when they received better service.

4.3 Effect of Service Components on Customer Satisfaction

Multiple linear regression analysis was run to test the effect of service components on customer satisfaction. Table 3 depict the multiple regression output between Service Components and Tipping Practice.

Table 3: Multiple regression between service components and customer satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.067</td>
<td>.144</td>
<td>14.386</td>
<td>.000</td>
</tr>
<tr>
<td>Personal</td>
<td>.228</td>
<td>.038</td>
<td>.301*</td>
<td>.000</td>
</tr>
<tr>
<td>Professional</td>
<td>.321</td>
<td>.042</td>
<td>.384*</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: Dependent Variable: customer satisfaction
Two predictors were entered simultaneously into the analysis which is personal component and professional component, and the overall variance explained by both predictors was 38.2 percent of the variance ($R^2 = .382$, $F (2, 397) = 122.829$, *p* < .005). Table 3 revealed that personal ($\beta = .30$, $p = .000$) and professional ($\beta = .38$, $p = .000$) was also significantly correlated. Conclusively, when respondents are satisfied with services received based on service component, they become more likely to leave gratuity. Based on the research findings, most of the respondents were satisfied and they in return reward the services received. Azar and Yossi (2006) justified the findings and they also found that customers were willing to tip to reduce the amount of risk in the service experience. The main reason is to avoid anxiety toward service and customer expected to receive the high level of satisfaction. According to Testa (2001) perceived employees’ effort during service encounter will increase the level of customers’ satisfaction. This means that service staffs need to satisfy their customers in terms of needs and wants in order to receive tips from them otherwise empty-handed in return.

4.4 Effect of customer satisfaction on tipping practice

Simple linear regression analysis was run to test the effect of customer satisfaction on tipping practice. Table 3 depict the multiple regression output between Service Components and Tipping Practice.

Table 4: Linear regression between customer satisfaction and tipping practice

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.951</td>
<td>.295</td>
<td>3.220</td>
<td>.001</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>.565</td>
<td>.068</td>
<td>.383*</td>
<td>.000</td>
</tr>
</tbody>
</table>

*Note: Dependent Variable: tipping practice*

The results obtained ($R^2 = .146$, $F (1, 398) = 62.276$, *p* < .005) that embraced 14.6 of the variance percentage. The value of ($\beta = .38$, $p < 0.001$) revealed that customers’ satisfaction has given a significant and positive impact on tipping practice. Gratuity that has been given was to show an expression of satisfaction towards service. The expectation will be higher when good service is received and this shows customers are satisfied (Ariffin, & Maghzi, 2012). As mentioned earlier the number of tips are closely related with service quality, and this is how customers maintain their equitable relationship with operators (Lynn, & Graves, 1996; Walster, Berscheid, & Walster, 1973). The better the service received by the customers, the larger number of tips they (servers) will collect. In some other cases, customer felt dissatisfied and by way of thoughtfulness over service received and to find equity, they tip less to express dissatisfaction (Wheeler, 2002). Previous researchers proposed that tipping act to encourage servers to be more customer-oriented (Bodvarsson & Gibson, 1994; and
Lynn, Le, & Sherwyn, 1998). According to Lynn and Graves (1996), and Lynn (2000) tipping allows customers to express their satisfaction or dissatisfaction with services and it also reflects the customers’ wealth or status (Lynn, 1997; and Shamir, 1984).

4.5 Mediating effect to customer satisfaction on relationship between service components and tipping practice

The final investigation to check on the mediation effect of customer satisfaction on the relationship between independent variable and dependent variable was carried out by using regression analysis and Sobel Test (Sobel, 1982; Baron & Kenny, 1986). The main purpose of using regression analysis in this part is to determine the value of B, SE and β for each of the step that needed to enter in Sobel Test calculator. The steps in using Sobel Test as well as the path are shown in Table 5.

Table 5: Steps for Sobel test

<table>
<thead>
<tr>
<th>Step and Variable</th>
<th>B</th>
<th>SE</th>
<th>95% CI</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing Step 1 (Path c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome: Tipping Practice</td>
<td>0.474</td>
<td>0.061</td>
<td>0.35, 0.59</td>
<td>0.364</td>
</tr>
<tr>
<td>Predictor: Service Component</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Testing Step 2 (Path a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome: Customer Satisfaction</td>
<td>0.377</td>
<td>0.086</td>
<td>0.21, 0.55</td>
<td>0.256</td>
</tr>
<tr>
<td>Predictor: Service Component</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Testing Step 3 (Path b &amp; c')</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome: Tipping Practice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mediator: Customer Satisfaction (Path b)</td>
<td>0.544</td>
<td>0.035</td>
<td>0.48, 0.61</td>
<td>0.616</td>
</tr>
<tr>
<td>Predictor: Service Component (Path c')</td>
<td>0.269</td>
<td>0.076</td>
<td>0.12, 0.42</td>
<td>0.206</td>
</tr>
</tbody>
</table>

Note: CI = Confidence Interval, **p < .001, *p < .05

Furthermore, in Step 1 of the mediation model, the regression of service components total scores on tipping practice score, ignoring the mediator, was significantly correlated (b = 0.474, p< .001). Step 2 showed that the regression of the service components scores on the mediator, customer satisfaction scores, was also significant (b = 0.377, p< .001). Step 3 of the mediation process showed that the mediator (customer satisfaction), controlling for the tipping practice scores, was significant (b = 0.544, p< .001). Step 4 of the analyses revealed that, controlling for the mediator (customer satisfaction), tipping practice scores were still a significant predictor of service components scores (b = 0.269, p< .001). However, a Sobel test was conducted and found partial mediation in the model (z = 4.219, p = .000). In this particular case, it seems that nearly half (43.2 percent) of the effect of the independent variable on the dependent variable goes through the mediating variable, and about 56.8 percent of the effect is direct.

Adelman (1985) claimed that customers will leave some amount of money based on their satisfaction with the service received. Parret (2003) added, surveyed from 1000
adults’ results that 85 percent agreed with the statement of “The amount I leave as a tip depends on my satisfaction with the service that I get”. Lynn & Gregor (2001) found significantly different on the result. In addition, customer satisfaction or dissatisfaction was a poor indicator to measure between tips and service evaluations and it shows the relationship was weak in the study. Another study conducted by Lynn (2006) found similar results in which tips was not related to customer satisfaction. These arguments thus conform to this finding.

5 Conclusion

Literatures confirmed that tipping was an important topic and related in service workers’ life. Most of the previous research findings indicated that tip relies on service (e.g.: Ineson, & Martin, 1999; Whaley, 2011). This study is considered as novel efforts to empirically investigate and conceptualize the perceived tipping practice among those experienced customers who leave tip to the service staffs at five star rated hotels in Kuala Lumpur. The outcomes were relevant and can be applied to the hotel industry. Moreover, the knowledge and understanding of customer behaviour in the findings can be used as a basis for Malaysian hotel managers to measure the ability and capability of their service staffs. In addition to that, this finding may help hotel managers in motivating their staff and optimistically reduce the number of staff turnover in the industry. The nature of the hotel industry with low basic salary and wages cause high in turnover rate. Tips are likely related to retention of staff and improved their morale (Lynn, 2003). Practicing tip by customer somewhat can accommodate pocket money for living of hotel staffs. Finally, this study discovered and developed better understanding on tipping motives and customer behaviour, and contributed to the expansion of motivation scales.

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7 References


