

# Do Employers Have Control Over the Collection and Distribution of Tips? Case Study: Slovenia and Montenegro

Stevo Nikić<sup>1</sup> D Andrej Raspor<sup>2</sup> D Nikola Vukčević<sup>3</sup> D

### **Keywords:**

Tipping; Employers; Tip sharing; Slovenia; Montenegro

Creative Commons Non Commercial CC BY-NC: This article is distributed under the terms of the Creative Commons Attribution-Non-Commercial 4.0 License (https://creative-commons.org/licenses/by-nc/4.0/) which permits non-commercial use, reproduction and distribution of the work without further permission.

### **Abstract:**

**Objective:** The purpose of this paper was to determine whether tipping could reduce labor costs in the service sector. This research aims to better understand whether employees are more motivated to work because of the tip they receive.

**Methodology:** We will achieve these goals based on the findings of the research from Slovenian and Montenegrin companies in 2019 and 2020. A quantitative survey was implemented on a convenience sample of 107 Slovenian, and 59 Montenegrin companies, using the non-probability sampling technique. Statistical data analysis was carried out with the help of IBM Statistic Package for Social Science (SPSS) software version 20. We investigated the area of tips from the point of view of the orderliness of the distribution of tips, what are the relations in Slovenia and Montenegro and whether the tip as a motivational activity is sufficiently used in these two countries.

**Originality:** Tipping has received little attention in rewarding and motivating employees. Furthermore, there is no good, national source of guidance to help managers make decisions about tipping policies. This paper addresses these voids in Slovenia and Montenegro. Only a comprehensive discussion will be able to bridge this gap.

**Results:** According to employees, the overall satisfaction with tips is better in Montenegro. Most employees allow the collection of tips, which is more present in Montenegro. In Slovenia, there is a regulated system of distribution of tips, while in Montenegro this system is not clearly defined. Moreover, in Slovenia, there is also an orderly system for the collection and sharing of tips. Due to this fact, in Slovenia, the distribution of tips includes both, the employees who are directly involved in providing services as well as their colleagues. By contract, in Montenegro, only employees directly involved in providing services are entitled to a tip.

**Practical implications:** In order to decrease labor costs, we propose that the management takes control of tipping and integrates tips into the reward system. Also, the employees should be made aware of how tipping improves service and increases their income.

**Limitations:** The sample was formed by the questionnaire that was distributed to various companies in the service sector as a non-probability method based on referrals from initial subjects to get another subject. The questionnaire was sent by e-mail directly. The data were obtained by the Chamber of Commerce of Slovenia and the Chamber of Commerce of Montenegro. The main problem with small samples is the interpretation of results. Therefore, the results cannot be fully generalized. This issue should be addressed in future tipping studies.

Faculty for Mediterranean Business Studies Tivat, Adriatic University Bar, Montenegro



Faculty for Mediterranean Business Studies Tivat, Adriatic University Bar, Montenegro

<sup>&</sup>lt;sup>2</sup> CEATM d.o.o., Dolga Poljana, Slovenia

## 1. INTRODUCTION

Most of the previous researches on tipping have focused on restaurant tipping (Herzberg, 1959, Lynn, Mynier, 1993; Parrett, 2003; Raspor, 2007) or customers' perspectives (Call, Lynn, 2009; Barnes, 2003; Raspor, 2018) and what influences tipping (Lynn, Sturman, 2010; Fernandez, 2004; Raspor, 2015). There is little study on restaurant staff' tipping preferences (Namasivayam, Upneja, 2007; Lin, Namasivayam, 2011; Raspor, 2013). Restaurant tipping is still a controversial topic that needs to be investigated further. Namasivayam and Upneja used a student-oriented sample in a previous study. Much less research has been done on the regulated system of collecting and sharing tips, largely because no comprehensive research has been done among employers. The aim of this research is therefore to find out what influence do Slovenian and Montenegrin employers have on tip distribution and if they use tips as motivational activity, as well as a tool to reach more flexibility on the part of employees. This research was conducted based on previous research studies (Raspor, 2015; Raspor, 2013).

Based on the defined problem, subject and goal of the research, the following research hypotheses were formulated:

- H1: The orderliness of distribution of tips is not yet satisfactory.
  - H1.1: Most companies allow employees to receive and collect tips.
  - **H1.2:** In Slovenia, a regulated system of collecting and sharing tips is more present than in Montenegro.
  - **H1.3:** In Montenegro, the tip itself is left to employees, who share it with colleagues more often than in Slovenia.
- **H2:** The tip as a motivational activity is not yet sufficiently used.
  - **H2.1:** Employees are even more motivated by a good salary in Montenegro.
  - **H2.2:** In Montenegro, the motivational aspect of the tip is more pronounced.

# 2. LITERATURE REVIEW

The tip is an important area in the tourism and hospitality industry because it is directly related to the lives of all employees. The available literature abounds with a wealth of evidence to support this claim. Most authors agree that the tip is directly dependent on the quality of service provided (Ineson & Martin, 1999) and that it directly affects employee benefits (Raspor, 2002). In the world, the term tip is synonymous with the award for quality service or effort and engagement of employees in the hospitality industry. In America, there has long been a custom of giving tips (Whaley, Douglas and O'Neill, 2014), that is, tips are so present in people's lives that they represent a very important industry and a direct source of income for millions of people today (Azar, 2011). The issue of tips in the hospitality industry is associated by many authors with motives as internal factors that drive an individual to achieve a certain goal (DuBrin, 2002). Other authors believe that due to the lack of certain things, there is a need for it, which in fact is the basis of motivation (Kim, 1996). Needs can be physiological (Boone & Kurtz, 1992) or independent organic requirements that are defined in the literature as impulses (Robbins & Coulter, 2009). When a person has a need, there is an instinct to satisfy or resolve the situation through certain elements or the situation in which the person is. Such elements and situations that can be used to meet certain needs are explained by the authors as goals (Johnson, 1999). There are situations when a person is not aware of certain activities or actions, but this can only be noticed by another person who observes and analyzes his behavior. Such behavior is called unconscious motivational activity that leads to the achievement of certain goals or the satisfaction of certain needs (Garrity,

Degelman, 1990; Armstrong, 2003; Arnold, Randall & Patterson, 2010). All the above analyzes point out that motives cannot be equated with the notions of incentives and necessities. However, the most common incentive is money with which it is possible to realize specific needs (Nikić, 2012). It is in this segment that the tip can be identified as the main motivating influence. Certain authors have been researching the impact of motivation in the field of catering for a long time, especially in the part of guest satisfaction and getting tips. Factors such as education, age, type of job, opportunities for advancement, reputation at work and others have been identified (Sarwar, Abugre, 2013). Certain empirical research indicates that the time of receiving a tip directly affects the commitment and effort of service employees (An-Tien, Der-Huang Wu, 2007). Similar research on service speed and tip quantity has yielded quantitative results that confirm the assumption that tip level decreases with increasing service time (Kerr, Domazlicky, 2009). On the other hand, the absence of tips directly affects human resource management, social economy and labor discrimination by gender and makes it difficult for managers to do business in terms of finding alternative ways to motivate employees (Clotildah, Charity, Felistas, Tatenda, 2014). The issue of tips is very complex and can not only be analyzed from an economic and social point of view but also requires socio-psychological considerations, especially when it comes to tips left by tourists (Shamir, 1984). Tips are very often associated with a business strategy in the field of tourism and hospitality, that is, giving tips is directly related to the company's profit (Azar, 2011). There is a wealth of research dealing with the problem of tips from the point of view of service users. Some recent research suggests that tipping is more common when paying in cash than paying by credit card (Kakkar, Li, 2021). Also, research has shown that the tip is tied to the status position and individuals who have great power. Such individuals are more likely to tip when the amount of the tip is visible than when the amount of the tip is not visible, and that there are differences in social pressure when it comes to giving tips by individuals of low status power compared to those of high-status power (Lee, Rafieian, Aggarwal, Korschun, 2017). The tip can also vary in cases when poor service occurs due to clumsiness or incompetence of the caterer or technical failures in the organization of the catering business. The results of such research indicate that experienced catering workers, who know how to cope with the newly created awkward situation in relation to those inexperienced catering workers, succeed (Bujisic, Parsa, Bilgihan, Galloway, Hern, 2014). All of the above indicates that the issue of tips is very complex and that in the future it will continue to be more deeply researched as social norms and the way of life of people in the world change.

The continuation of the paper gives an overview of the methodology and discussion related to the obtained research results, after which the concluding remarks are presented.

### 3. METHOD

The conducted research was empirical and realized through a structured closed-ended survey which contained a five-point Likert rating scale from 1 (Completely dissatisfied/strongly disagree) to 5 (Very satisfied/strongly agree) which sought to quantify the level of employee satisfaction, work environment, as well as the level of influence of the tip on their satisfaction and desire to work. The main goal was to analyze the issues defined in the introduction to the work, i.e., how employees in the service sector collect and distribute tips, and how the tip affects the work of employees. The questionnaire was distributed by e-mail to a sample formed based on a database submitted by the Chambers of Commerce of Slovenia and Montenegro. The research was conducted in the period from 2019 and 2020 on a sample of 108 Slovenian and 60 Montenegrin companies that operate mainly in the field of hospitality, using the sampling technique without probability. The obtained data were processed using IBM Statistic Package for Social Science (SPSS) version 20 software.

Respondents were asked to complete the survey electronically. The answers to the presented survey were collected in the period from February to October 2019. The questionnaire was composed of questions related to job satisfaction, as well as the impact of the tip on the motivation for work of employees in these areas. In addition, the mandatory part of the survey contained questions related to socio-demographic characteristics aimed at profiling respondents. All the obtained data were analyzed using the IBM Statistic Package for Social Science (SPSS) version 20. Statistical analysis included determination of the mean value, chi-square test, t-test for an independent sample and Eta Square. The following table provides an overview of the demographic and socioeconomic profiles of the surveyed participants that form the sample of the empirical research.

Table 1. Demographic and socioeconomic sample profile

Organizational structure			Slovenia		Montenegro	
Organizational structure			Frequency	Valid Percent	Frequency	Valid Percent
Company (LTD)   Sole proprietorship (PC)   41   38.3   15   25.4		1 * *	30	28.0	1	1.7
Sole proprietorship (PC)			36	33.6	43	72.9
Number of cemployees   25   23.4   43   71.7	structure		41	38.3	15	25.4
Number of employees   25   23.4   43   71.7		Total	107	100.0	59	100.0
Number of employees			25	23.4	43	71.7
Employees	Number of		4	3.7	7	11.7
Business   Company   Com			13	12.1	2	3.3
Business    Hospitality			65	60.7	8	13.3
Business    Business   Gambling		Total	107	100.0	60	100.0
Hair & beauty salon   6   5.6   2   3.4		Hospitality	66	61.7	39	66.1
Service station   7   6.5   11   18.6     Other (specify):   13   12.1     Total   107   100.0   59   100.0     Private   68   64.8   52   86.7     State-owned   25   23.8   6   10.0     Mixed   12   11.4   2   3.3     Total   105   100.0   60   100.0     Posavska regija   6   5.6%     Osrednjeslovenska regija   44   40.7%     Gorenjska regija   51   47.2%     Total   108   100.0%		Gambling	15	14.0	7	11.9
Service station	Ownership of	Hair & beauty salon	6	5.6	2	3.4
Total   107   100.0   59   100.0		Service station	7	6.5	11	18.6
Ownership of the company         Private         68         64.8         52         86.7           State-owned         25         23.8         6         10.0           Mixed         12         11.4         2         3.3           Total         105         100.0         60         100.0           Posavska regija         6         5.6%           Osrednjeslovenska regija         44         40.7%           Gorenjska regija         4         3.7%           Goriška regija         51         47.2%           Total         108         100.0%		Other (specify):	13	12.1		
Ownership of the company         State-owned         25         23.8         6         10.0           Mixed         12         11.4         2         3.3           Total         105         100.0         60         100.0           Posavska regija         6         5.6%           Osrednjeslovenska regija         44         40.7%           Gorenjska regija         4         3.7%           Goriška regija         51         47.2%           Total         108         100.0%		Total	107	100.0	59	100.0
Mixed         12         11.4         2         3.3           Total         105         100.0         60         100.0           Posavska regija         6         5.6%           Osrednjeslovenska regija         44         40.7%           Gorenjska regija         4         3.7%           Goriška regija         51         47.2%           Total         108         100.0%		Private	68	64.8	52	86.7
Total   105   100.0   60   100.0     Posavska regija   6   5.6%     Osrednjeslovenska regija   44   40.7%     Gorenjska regija   4   3.7%     Goriška regija   51   47.2%     Total   108   100.0%		State-owned	25	23.8	6	10.0
Posavska regija         6         5.6%           Osrednjeslovenska regija         44         40.7%           Gorenjska regija         4         3.7%           Goriška regija         51         47.2%           Total         108         100.0%		Mixed	12	11.4	2	3.3
Osrednjeslovenska regija         44         40.7%           Gorenjska regija         4         3.7%           Goriška regija         51         47.2%           Total         108         100.0%		Total	105	100.0	60	100.0
Gorenjska regija         4         3.7%           Goriška regija         51         47.2%           Total         108         100.0%		Posavska regija	6	5.6%		
Goriška regija         51         47.2%           Total         108         100.0%		Osrednjeslovenska regija	44	40.7%		
Total 108 100.0%		Gorenjska regija	4	3.7%		
		Goriška regija	51	47.2%		
Kotor 11 18 3		Total	108	100.0%		
11 10.5	Region	Kotor			11	18.3
Region Tivat 5 8.3		Tivat			5	8.3
Budva 3 5.0		Budva	]		3	5.0
Ulcinj 14 23.3		Ulcinj	]		14	23.3
Podgorica 6 10.0		Podgorica			6	10.0
Bar 18 30.0		Bar	]		18	30.0
Sutomore 3 5.0		Sutomore	]		3	5.0
Total 60 100.0		Total	]		60	100.0

**Source:** Authors' research results

### 4. RESULTS

The basic idea of the research conducted on a sample of 108 Slovenian and 60 Montenegrin companies, of which in Slovenia were mostly large companies (65) with over 250 employees that are privately owned (64.8%), while in Montenegro micro companies (43) with up to 10 employees, also privately owned (86.7%). Respondents were interviewed regarding the manner of collection and distribution of tips, through the results included in the three statements (Table 2). Also, respondents were interviewed about the impact of tips on the work of employees through six different statements (Table 3). According to the hypotheses formulated at the beginning of this paper and the obtained results of empirical research, the following findings related to tips can be discussed.

The majority of employees in Slovenia did not want to comment on whether they allow their employees to collect tips (47.4%), which indicates that there may be certain prohibitions when it comes to the distribution of tips, or there are alternative ways. On the other hand, the vast majority of restaurant owners in Montenegro allow their employees to collect tips (71.2%). Regarding the question related to the regulated system of collection and distribution of tips in Slovenia, the majority of respondents stated that there is a clearly regulated system of distribution of tips (77.9%) while almost half of respondents in Montenegro stated that there is no clearly defined system of collection and distribution of tips (43.1%). The majority of respondents in Slovenia who were surveyed and asked whether in addition to employees who are directly involved in the provision of services, someone else is entitled to a tip, answered negatively (59.6%), i.e., in Montenegro almost half of the respondents did not want to answer to that question (46.9%). The obtained results indicate the fact that in Montenegro, due to the lack of a clearly defined (legal) framework for the distribution of tips, its collection is allowed by the owners, but the distribution very likely does not include only employees directly involved in providing services.

**Table 2.** How employees collect and share tips

		Slovenia		Montenegro	
		Frequency	Valid Percent	Frequency	Valid Percent
	Yes	45	46.4	47	71.2
Do you allow your	No	6	6.2	5	7.6
employees to collect tips?	I do not want to answer.	46	47.4	14	21.2
	Total	97	100.0	66	100.0
D ll-4- 1	Yes	74	77.9	17	26.2
Do you have a regulated system of collecting and sharing tips?  In addition to the employees who create tips, are other workers	No	16	16.8	28	43.1
	I do not want to answer.	5	5.3	20	30.8
	Total	95	100.0	65	100.0
	Yes	28	29.8	20	31.3
	No	56	59.6	14	21.9
	I do not want to answer.	10	10.6	30	46.9
also entitled to tipping?	Total	94	100.0	64	100.0

Source: Authors' research results

The described results indicate that the first hypothesis (H1: The orderliness of the tip distribution is not yet satisfactory) can be accepted, i.e., that there is still no clearly defined way of distributing tips, i.e., that it is not clearly regulated. Because the auxiliary hypothesis related to the permission to tip (H1.1. Most companies allow employees to receive and collect tips) can neither be accepted nor rejected. That is, we can accept the second auxiliary hypothesis which

indicates the existence of a standardized system of distribution of tips in Slovenia in relation to Montenegro (H1.2. In Slovenia, a regulated system of collecting and sharing tips is more present than in Montenegro). Also, the third auxiliary hypothesis, which refers to the fair distribution of tips among employees, does not include owners and managers of catering facilities (H1.3. In Montenegro, the tip itself is left to employees, who share it with colleagues more often than in Slovenia) cannot be accepted.

Respondents further answered questions about the main motivators that influence them when it comes to better service delivery and better job performance. From the obtained results we conclude that the main factors influencing employee satisfaction are a job well done or quality service provided to most respondents (N 103) in Slovenia (Mean value 4.17) while for most respondents in Montenegro (N 65) it is a salary as the main financial motivator (Mean value 4.51). Also, the obtained data indicate that the second factor that strongly affects the quality of service provided in Slovenia is guest satisfaction (Mean value 4.12), while in Montenegro it is the receipt of tips by guests (Mean value 4.25). Salaries and tips are in third place for employees in Slovenia (Mean value 4.09) while for employees in Montenegro it is a clearly defined reward system (Mean value 4.22). All of the above suggests that there are clear differences in social values, i.e., different internal factors that affect diversity when it comes to employee motivation. That is, in terms of the set hypotheses, the hypothesis (H2. The tip as a motivational activity is not yet sufficiently used) can be accepted that the tip as a motivational activity is still not sufficiently represented in Slovenia or Montenegro, which confirms the first auxiliary hypothesis (H2.1. Employees are even more motivated by a good salary in Montenegro) that employees are much more motivated by a good salary in Montenegro than in Slovenia, and the second auxiliary hypothesis (H2.2. In Montenegro, the motivational aspect of the tip is more pronounced) that in Montenegro the motivational aspect of the tip is much more pronounced because it falls under the financial workplace stimulation.

**Table 3.** Main motivator for employees and for getting a tip

	Slovenia		Montenegro			
	N	Mean	Std. Dev.	N	Mean	Std. Dev.
Satisfied guests.	104	4.12	1.008	65	4.12	1.038
Work that is well done.	103	4.17	0.919	64	4.05	0.983
Reward system.	104	3.81	1.098	65	4.22	0.838
Good pay (money).	104	4.09	1.034	65	4.51	0.753
Getting a tip.	103	4.09	0.981	65	4.25	0.936
Mutual relationships in						
the group in which they	104	3.99	0.980	65	3.86	1.116
work every day.						

Source: Authors' research results

Respondents also made statements regarding the impact of tips on their behavior. The obtained results clearly show that the satisfaction of the majority of respondents (N 103) in Slovenia is directly related to the tip, i.e., that they feel satisfied when their work brings concrete results through a tip as a reward for effort and work (Mean value 4.29) while in Montenegro, the majority of respondents (N 65) believe that tips are directly related to financial stimulation or motivation in the workplace (Mean value 4.09). Generally speaking, both of them agree that gratuity is the main motivator that directly encourages them and creates satisfaction at work. The obtained results also indicate that the majority of respondents in Montenegro (Mean value

4.00) in relation to Slovenia (Mean value 3.82) agree with the statement that if they get a tip, they are kinder to the guests. Also, employees in Montenegro, in cases when they receive a tip, work more and therefore produce better quality work (Mean value 4.03) compared to employees in Slovenia (Mean value 3.89).

**Table 4.** The impact of tips on employee's work

	Slovenia		Montenegro			
	N	Mean	Std. Dev.	N	Mean	Std. Dev.
If they get a tip, they work harder and therefore produce higher quality work.	104	3.89	1.023	64	4.03	1.112
If they get a tip, they are friendlier towards guests.	104	3.82	1.041	64	4.00	1.098
Getting a tip it in no way influences their work with guests.	102	2.95	1.262	64	3.23	1.306
When they get a tip, they feel satisfied because their work has brought results.	103	4.29	0.986	64	4.05	0.916
Getting a tip has no effect on how they feel.	104	2.71	1.204	62	3.00	1.280
In addition to pay and bonuses, they also receive tips, so they are prepared to work overtime.	104	2.44	1.253	64	3.63	1.189
Tips fall within financial stimulation in the workplace.	104	2.87	1.158	65	4.09	0.996
Because their income mainly consists of tips, they take fewer sick leaves.	101	1.87	1.128	65	3.38	1.141
If they can receive a tip directly in their pockets and do not have to share it with co-workers, they are prepared to work overtime.	103	2.10	1.295	65	3.46	1.147

Source: Authors' research results

Since tips are the basis of motivation of employees in catering facilities to provide better service, the existence of differences in the ways of collecting and distributing tips can result in a decline in the quality of service provided or differences in the attitude of employees to work. Therefore, it is necessary to take certain actions that would be aimed at educating and expanding the world of owners and managers of restaurants if you want to avoid the occurrence of certain negative effects of the ban on collecting tips or unequal distribution of the same. The results of this research suggest that perhaps one way is to enact a clear legal framework for the distribution of tips and to remove any barriers that may arise when it comes to collecting tips from employees.

The main results obtained by this empirical research indicate situation that the seriousness and importance of the tip as the main motivating factor is still not present in Slovenia or Montenegro. That is, the tip as a motivational activity is still not used enough. We assume that there is an explanation for this situation. That is, the surveyed catering facilities are mainly privately owned. Finally, the areas of tourism and hospitality are just one of the activities in which it is possible to analyze the issue of tips.

### 5. DISCUSSION

This empirical research sought to point out the problems of the survey from the angle of the regularity of distribution and a key element of motivational activity of employees. These research results require an integrated approach that analyzes various psychological and sociological factors that have a direct impact on employees. One of the key factors that has been researched is the salary of employees, on which the satisfaction and motivation of employees directly depend. The purpose of this research was to analyze the tip as the main activity that has a direct impact on the motivation of employees in the hospitality industry of Slovenia and Montenegro. This research provides a solid basis for further research in this extremely interesting area. Various researches based on employee motivation have an important role for managers and owners of catering facilities who are trying to find new ways to motivate their employees in order to provide better service and make more profit. The results of the research also indicate that managers and owners of companies operating in the hospitality industry still do not sufficiently understand and consider the tip as an important motivational activity of their employees, i.e., the tip as a motivational activity is at a very low level. It is important that there is an understanding of this issue by both owners and managers and employees, in order to achieve the desired effects. It is evident that employees in Slovenia, and especially in Montenegro, are much more motivated by a good salary, i.e., that the motivational aspect of a tip is more pronounced in Montenegro than in Slovenia. That is, tips are seen as a direct financial stimulus in the workplace in the hospitality industry in both Slovenia and Montenegro. Managers and owners of catering facilities in Montenegro could be advised to pay attention to the conditions in which their employees work, i.e., to improve the working environment in order to increase employee satisfaction, which would result in a higher level of service quality. In Slovenia, on the other hand, owners and managers should pay attention to the orderliness of the distribution of tips, which would directly affect the satisfaction of their employees. Most of the research so far indisputably confirms the fact that tips have a positive and direct effect on employee motivation. Tip is a necessary impulse through which employees strive to provide the highest quality service in the field of catering (Clotildah et al., 2014). However, recent research on the topic of motivation emphasizes that the diversity of motives affects the motivation of employees and the quality of the service provided. The above research pointed to the fact that employee satisfaction is directly related to the way tips are distributed, i.e., that a regulated system of collecting and distributing tips has a positive impact on employees in both Slovenia and Montenegro. The results of the research show that employees are most satisfied when they are rewarded and when they receive a tip. Most of the respondents agreed that they function better when there is a clearly defined system of collecting and distributing tips, i.e., when the entire tip is left to employees when they do not have to share it with owners and managers.

In some cases, employees do not have the exclusive right to tip but have to share it with other employees who are not directly involved in the provision of services. Most of the employees stated that they are ready for additional effort and commitment and that they view the tip as a reward for their work and additional engagement in providing the highest quality service. Almost all employees who were surveyed in both Slovenia and Montenegro agreed that the main financial stimulus is a tip, and that this is one of the main reasons for regular work. Because they directly depend on tips, as an additional source of finance, they try not to be absent from work. Also, tips according to most respondents are the main motive for overtime work. According to the obtained results, the main shortcomings when it comes to tips in Slovenia and Montenegro are irregular distribution and differences in tips as an important motivating factor in the hospitality industry.

### 6. CONCLUSION AND FUTURE RESEARCH

This empirical research confirms the hypothesis that the orderliness of the distribution of tips in Slovenia and Montenegro is still not at a satisfactory level as in some other countries in the near and far environment. Most sources in the available literature point out that motivation is a key element of business organization success. The concept of orderliness in the distribution of tips by employers is highlighted by our research. Empirical results of the research indicate that most companies in Slovenia, and especially in Montenegro, allow their employees to take tips based on the realized service. In cases when employees are satisfied with their work environment, then they are more motivated to provide better service, which results in higher tips and higher business revenues. Various factors that affect the orderliness of the distribution of tips among employees in the hospitality industry are analyzed. Also, the tip was researched from the angle of motivational activity. The results of this research give a new angle to the issue of tips as variability in employee earnings. We believe that it is necessary for the owners and managers of catering facilities to be acquainted with the results of this research in the sense that standardized ways of distributing tips must be introduced and that it must be continuous. In addition, owners and managers of various companies working in the hospitality industry must be educated about the importance of tips as a key motivational activity that has a direct impact on the future business results of the company. There is great potential in terms of employee motivation when it comes to tips. We are also of the opinion that the tip as a key motivator and its regularity deserve deeper research that would shed light on the issue of internal motivators for employees who are directly involved in the provision of services in tourism and hospitality. Future studies can be realized in accompanying or complementary tourism activities at different levels in order to obtain comparative results that would contribute to the verification of these hypotheses. The specifics of the tourism and hospitality sector point to the fact that there are clear differences between the intensity and manner of distribution of tips in different countries or between different mentalities and lifestyles. Research that would take into account these socio-geographical characteristics of employees in the context of a tip could be very interesting.

### REFERENCES

An-Tien Hsieh & Der-Huang Wu (2007) The Relationship between Timing of Tipping and Service Effort, The Service Industries Journal, 27:1, 1-14, DOI: 10.1080/02642060601038593

Arnold, J., Randall, R., & Patterson, F. (2010). *Work psychology: understanding human behaviour in the workplace*. Harlow (England): Financial Times Prentice Hall.

Armstrong, M. (2003). A handbook of human resource management practice. London: Kogan Page.

Azar, O. H. (2011). Business strategy and the social norm of tipping. *Journal of Economic Psychology*, 32(3), 515-525.

Barnes, H. (2003). Gender Differences in Restaurant Tipping.

Boone, L. E., & Kurtz, D. L. (1992). Management. New York [etc.]: McGraw-Hill.

Bujisic, M., Parsa, H. G., Bilgihan, A., Galloway, J., & Hern, L. (2014). Service Failure, Tipping Behavior, and the Effect of Service Industry Experience. Journal of Quality Assurance in Hospitality & Tourism, 15(3), 253–268. doi:10.1080/1528008x.2014.921774

Clotildah, K., Charity, M., Felistas, C., & Tatenda, C. (2014). The perceptions of employees towards tipping and motivation in the hotel industry. *African Journal of Hospitality, Tourism and Leisure*, 3(1), 1-12.

DuBrin, A. (2002). Fundamentals of organizational behavior. Cincinnati (Ohio): South-Western.

- Fernandez, G. A. (2004). The Tipping Point— Gratuities, Culture, and Politics. *Cornell Hotel and Restaurant Administration Quarterly*, 45(1), 48–51. https://doi.org/10.1177/0010880403260106
- Garrity, K., & Degelman, D. (1990). Effect of server introduction on restaurant tipping. *Journal of Applied Social Psychology*, 20, 168-172.
- Herzberg, F. (1959). The motivation to work. New York: Wiley.
- Ineson, E. M., & Martin, A. J. (1999). Factors influencing the tipping propensity of restaurant customers. Journal of Retailing and Consumer Services, 6(1), 27–37. doi:10.1016/s0969-6989(98)00003-4
- Kakkar, V., & Li, K. K. (2021). Cash or Card? Social Image Concern and Restaurant Tipping Behavior. Social Image Concern and Restaurant Tipping Behavior (March 16, 2021).
- Kerr, P. M., & Domazlicky, B. R. (2009). Tipping and service quality: results from a large database. Applied Economics Letters, 16(15), 1505-1510.
- Kim, S. H. (1996). 1001 Ways to Motivate Yourself and Others. Wethersfield: Turtle Press.
- Johnson, B. (1999). *Introducing management: a development guide for new managers*. Oxford [etc.]: Butterworth-Heinemann.
- Lee, J., Rafieian, H., Aggarwal, A., & Korschun, D. (2017). How Power Affects Consumers' Tipping Behavior. In Creating Marketing Magic and Innovative Future Marketing Trends (pp. 1019-1023). Springer, Cham.
- Lin, I. Y., & Namasivayam, K., (2011). Understanding restaurant tipping systems: A human resources perspective. *International Journal of Contemporary Hospitality Management*, 23(7), 923–940. https://doi.org/10.1108/09596111111167533
- Lynn, M, & Sturman, M. (2010). Tipping and service quality: A within-subjects analysis. *Journal of Hospitality and Tourism Research*, *34*(2), 269–275. http://www.scopus.com/inward/record.url?eid=2-s2.0-77951660879&partnerID=40&md5=8d58a0ea2ffa136b08b1230ecb-679b1f
- Lynn, Michael, & Mynier, K. (1993). Effect of Server Posture on Restaurant Tipping. *Journal of Applied Social Psychology*, 23(8), 678–685. https://doi.org/10.1111/j.1559-1816.1993. tb01109.x
- McCall, M., & Lynn, A. (2009). Restaurant servers' perceptions of customer tipping intentions. *International Journal of Hospitality Management*, 28(4), 594–596.
- Namasivayam, K., & Upneja, A. (2007). Employee preferences for tipping systems. *Journal of Foodservice Business Research*, 10(2), 93–107.
- Nikić, S. (2012). Sociologija turizma i održivi turizam. Fakultet za mediteranske poslovne studije Tivat, Pegaz.
- Parrett, B. M. (2003). *The Give and Take on Restaurant Tipping*. Virginia Polytechnic Institute and State University. https://theses.lib.vt.edu/theses/available/etd-10172003-021146/unrestricted/ETDDissertation.pdf
- Raspor, A. (2002). Napitnina kot dodatna stimulacija za delo. Organizacija, 35(5), 285–295.
- Raspor, A. (2007). Napitnina v gostinstvu. Organizacija, 40(3), A27–A37.
- Raspor, A. (2015). *Dejavniki, ki vplivajo na napitnino v igralnici*. Strokovne e-novice. http://metaiskalnik.izum.si/sfxlcl41?url\_ver=Z39.88-2004&url\_ctx\_fmt=info%3Aofi%3Afmt%3Akev%3Amtx%3Actx&ctx\_ver=Z39.88-2004&ctx\_enc=info%3Aofi%2Fenc%3AUTF-8&rft\_val\_fmt=info%3Aofi%3Afmt%3Akev%3Amtx%3A-journal&rft.856 URL=http%3A%2F%2Fwww.energos-svetovanje
- Raspor, A. (2021), Napitnine: Orodje za povečanje učinkovitosti poslovanja podjetja, BoMa

- Raspor, A., Lacmanović, D., & Lacmanović, J. (2018). *Tipping habits in hospitality industry in Montenegro*. https://thi.fthm.hr/congress-proceedings/send/5-2018/124-tipping-habits-in-hospitality-industry-in-montenegro
- Raspor, A., Miglič, G., Vukovič, G., & Rodič, B. (2013). The role of tipping in reducing labour costs. *Pametna organizacija: 32. mednarodna konferenca o razvoju organizacijskih znanosti*, 886–898.
- Robbins, S., & Coulter, M. K. (2009). *Management*. Upper Saddle River (N.J.): Pearson Prentice Hall.
- Sarwar, S., & Abugre, J. (2013). The influence of rewards and job satisfaction on employees in the service industry. *The Business & Management Review*, *3*(2), 22.
- Shamir, B. (1984). Between gratitude and gratuity an analysis of tipping. Annals of Tourism Research, 11(1), 59-78.
- Whaley, J. E., Douglas, A. C., & O'Neill, M. A. (2014). What's in a tip? The creation and refinement of a restaurant-tipping motivations scale: A consumer perspective. International Journal of Hospitality Management, 37, 121–130. doi:10.1016/j.ijhm.2013.11.005