UNRAVELLING THE ANTECEDENTS OF RESTAURANT GRATUITY IN KISUMU COUNTY, KENYA: A STRUCTURAL EQUATION MODELING APPROACH

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Abstract

Purpose - Empirically, the act of tipping in the global services industry is as ancient as the Roman times. It can be traced back to centuries ago, although the area has attracted less attention in research. Nonetheless, gratuities contribute immensely on the economic wellbeing of servers. This paper therefore presents an investigation into applicable constructs triggering gratuities within the hotel food service departments including; rewarding service perceptions, incentives for improved future service and social norms. Thus, the purpose of this study was to establish the contribution of each construct under investigation on restaurant tipping in the selected two and three star hotels within Kisumu County.

Design - The study applied a descriptive research survey design. This design was chosen based on its suitability for describing gratuities based on responses from the selected respondents within two and three star hotels.

Methodology - The study was carried out within Kisumu County, in Kenya. A census of two- and three-star hotels was taken, while questionnaires were self-administered to 384 respondents who were selected by simple random sampling method. Data was organized by skillfully coding and cleaning in order to correct any potential errors and thereafter fed into spreadsheets. The data was further transformed for purposes of conducting specific analysis. Statistical Packages for Social Sciences-Analysis of Moment Structures (SPSS-AMOS) was applied. The study respondents were assured confidentiality, privacy and anonymity in addition to the data collection tools being destroyed after report writing.

Approach - The study was carried out in nine hotels within Kisumu County, among which one hotel was selected for pre-testing. On the other hand, respondents constituted food service clients and managers. Questionnaires and content analysis were used in the collection of data. Reliability was determined by Cronbach’s coefficient Alpha test (> 0.70) while content validity was used to assess the internal validity of the research instruments.

Findings - The study results gave factor loadings > 0.70 which indicates that the factors under investigation extracts sufficient variance from the dependent variables. Further, the study results show that alcohol consumption gave the highest prediction (91.2%) and thus unique contribution to the independent variable. Finally, the study established a positive significant relationship (at 95% confidence level) between superior service, frequency of patronage, alcohol consumption as well as weather and gratuity.

Originality of the research - The act of giving gratuities is prevalent across the global hospitality environment, with a myriad of economic importance to the industry. However, very minimal studies have been carried out, though not related to this study. Most of previous studies are on the service quality-tipping relationship, while this study focused on tipping-service quality relationship. Therefore in the best of our knowledge, no similar study has ever been carried out, and thus this is a unique and original study that has addressed the topic.

Keywords Tip, Alcohol, Weather, Bill size, Dining Experience, Superior Service.

INTRODUCTION

The footprint of gratuities not only in hospitality but also in the entire services industry is as ancient as Roman times (Azar, 2010). This act is perceived to have become vigorous when the Roman Lords chose to award their workers a few additional monies as tokens of appreciation. It was during the same time that there was no formally recognized compensatory system within the hotel sector for not only food servers but also all hotel employees (Nugent, 2013). Consequently, the gratuity awarding practice catapulted into a complete act, which is still observed to date. Thus, the presently practiced and witnessed act of giving and receiving gratuities in the hotel industry in particular and the services industry in general, is believed to have its footing in England (Jacobs, 2017; Jahan, 2018; Brewster, 2015; Lynn, 2015; Lynn, 2016; Mcenzie, 2016; Wiles, 2015).

As a matter of fact, the literature annals on gratuity provide documented evidence indicating hospitality patrons in coffee houses were compelled to put coins in boxes labeled T.I.P, which meant “To Insure Promptness” and hence the origin of the term ‘tip’ (Brewster, 2015). Brewster (2015) consequently confirms that guests to private homes, which served as inns in Tudor England, were required to give gratuity to the footmen, valets, and maids. The act was therefore embraced across borders, and thus was not only appreciated but also practiced in many countries of the world to date. Accordingly, the terms gratuity and tipping are interchangeably used from one Country to the other. However, the act is commonly referred to as tipping within hospitality operations in many Countries of the world as compared to gratuity.

Generally, the act has developed into a cultural practice across many hospitality operations, even though it may be at wide-ranging levels of magnitude across different countries of the world. On the one hand, a number of world countries are known
to subscribe to the act including the Netherlands, Sweden, Belgium, France, Switzerland, Italy and other European and African countries (Bigler & Hoaas, 2016; Margalioth, Sapriti, & Coloma, 2010). On the other hand, a number of countries hardly practice the act including Australia, China, Denmark, Japan Georgia, Spain, Peru, Thailand, S. Korea, Kazakhstan and Iceland (Bigler & Hoaas, 2016; Margalioth, Sapriti, & Coloma, 2010).

The observed differences in the global tipping pattern is thought to have been the motivation behind many scholarly works in the field of hospitality (Lynn, 2002-2017; Azar, 2010, 2010; Brewster, 2015, 2013, 2015 & 2017; Wang & Lynn, 2013). These studies were mainly to fill the gap and therefore provide an understanding into the varied global tipping pattern and magnitude that indeed remains a conundrum. Some scholars have argued that the act is predominantly practiced in higher minimum wage economies, which are thought to embrace the culture (Wiles, 2015). However, the presence of the act in some third world economies in addition to the varied tipping aptitude is a proof in itself that the explanation given may not be true. The ‘why, when, and how’ different citizens of the world countries tip, specifically while dining in restaurants remains unclear to date. Further, the contribution of each identified and therefore previously studied constructs on the tipping-service quality relationship has seldomly been investigated. Thus, the purpose of this study was to establish the contribution of the constructs under investigation on restaurant tipping in the selected two and three star hotels within Kisumu County, Kenya.

1. LITERATURE SURVEY

Megan (2017) as well as Lynn and Sturman (2010) are known to have contributed enormously on explanation behind the tipping practice through their numerous studies on the subject. Megan (2017) established that tipping has undergone transformation and therefore yielded social norms in which patrons feel obligated to abide. Nevertheless, tipping as it is practiced today, was found to play the role of rewarding front of the house staffs’ perceived service performance (Lynn & Sturman, 2010). Consequently, separate studies by Megan (2017) as well as Lynn and Sturman (2010) have shown that tipping was viewed as an incentive for improved future service. This study therefore consolidated the varied studies that sought to explain the rationale of the tipping act in relation to the norms, rewarding service as well as future service for repeat clients. For purposes of this study therefore, the three explanations behind the act of tipping were isolated and investigated including; social norms, rewards upon perception of service as well as incentives for improved future service.

1.1. Rewarding Service

The pecuniary assumption of the act of awarding gratuity is based on the precincts that it is an efficient means of monitoring as well as rewarding staff working in front-of-the-hotel (Ali, Ryan & Hussein, 2016; Grandbois, 2016). Moreover, the tipping exercise may not be limited to benefit front-of-the hotel employees, but also back-of-the hotel employees as well. Whether to the front or back-of-the hotel personnel, tipping is generally meant to reward excellent service. For this reason therefore, basing on the restaurant clientele’s viewpoint, food service could be classified as either excellent, good, fair or poor. It is upon this classification of the perceived food service that the restaurant clientele awards gratuities to the food service personnel, relative to the service rating. Accordingly, these cadre of staff are able to draw extra ‘pay’ from clients in terms of gratuities, above their salaries, wages and in some cases, service charges.

Even though the act has been known to be fruitful in some instances, it appears to favour front-of-the house as compared to the rest of hotel personnel. This applies more on individual tipping as opposed to pool tipping which may be determined by the policy not only for the individual hotel unit but also the legal frameworks within a country. This has been the origin of extreme discontentment among back-of-the house staff as they are seldomly directly recognized through gratuities. It is further thought that front-of-the house staff are the main beneficiaries of gratuities than their colleagues working back of the house, even though all cadres have a role in the service experience of restaurant clientele. Thus, by assumption, gratuities may be considered to be a contributory factor towards dissatisfaction, hence yielding displeasure and lack of teamwork spirit among staff (Donald, Nicole & Christopher, 2015). However, the role of gratuities in rewarding service perception is worth investigation.

A number of scholarly works on this topic hypothesizes the act as possibly rewarding excellent or quality service (Lynn & Brewster, 2015; Ali, Ryan & Hussein, 2016; Grandbois, 2016). A study carried out by Lynn and Brewster (2015) applied online surveys for purposes of collecting data. In this study, a stratified sampling methodology was applied, with a recorded sample size of six hundred respondents. This sample size was further distributed in the ratio of 200 Asians, 200 Blacks, 200 Hispanics and 200 Whites (Lynn & Brewster, 2015). Nonetheless, online surveys are commonly known to invalidate study findings on foundational issues of research such as validity and reliability. Additionally, stratified sampling is better used when the chosen study population is heterogeneous. These means that this methodology works best only when the study population contains several different groups which are related to the topic unlike the aforementioned study which concentrated on college students (Kothari, 2010; Gall, Gall & Borg, 2007). Moreover, stratified sampling method is further known to be less random and therefore non-representative of the population (Kothari, 2010; Gall, Gall & Borg, 2007).

Conversely, a number of studies by researchers across the world including Frazer and Gow (2014), Salay and Caroline (2013), Lynn and Brewster (2015), Melia (2011), Hasan and Suman (2014), and Lynn (2015) have shown that indeed gratuities performs
a catalytic role in the act of rewarding excellent food service. Nonetheless, the employer responsibility of rewarding staff is burdened on the restaurant customer instead. This could be the genesis for rewarding wrong behaviours which is against the established industry human resource best practices (Boella & Goss-Tuner, 2013).

In order to provide an insightful and deep understanding on the topic under investigation, and for purposes of this study, rewarding service was operationalized to yield two predictor variables including excellent dining experience and superior/ excellent food and beverage service rating (Lynn & Sturman, 2010).

1.1.1. Dining Experience

According to Lillicrap and Cousins, (2014), dining experience comprises of a series of both tangible and intangible events that hospitality restaurant patrons’ experiences when eating out. For a long time therefore, dining experience has predictably been associated with customer attraction, satisfaction and retention (Parasuraman, Zeithmal & Berry, 1988). Thus, rewarding service in hotel restaurant operations is thought to be reliant on the perceived hotel restaurant clientele’s dining experience. However, dining experience on the other hand is a product of a series of other factors outside the scope of this study (Davis, Ioannis & Alcott; 2012, Foskett & Patricia, 2011; Lillicrap & Cousins 2014).

Whereas gratuities have been linked with the current wave of transformations within the hospitality industry, there is lack of clear policy frameworks particularly in the Kenyan and by extrapolation, African context. Further, Greenburg (2014) recognises a disconnect between the act of giving gratuities and dining experience. This is based on the currently observed gratuity award pattern which lacks proof of dependence on clientele’s dining experience. Further, the practice of this noble act among restaurant clienteles originating from countries that embrace gratuities is considered to be practiced in line with perceived food service quality (Lynn, 2015).

According to a survey by Lynn and Williams (2012), the study established that the award of gratuities within hospitality’s food and beverage section was related to customers’ evaluation of food service which translates to dining experience. Nonetheless, the established relationship between the act of tipping and its function on dining experience gave a weak correlation in the study (Lynn & Williams, 2012). This raises questions on the perceived role of the act of gratuities on the resultant restaurant customer dining experience not only in Kenya but globally as well. Further, this act only happens after the customer has already dined, and at the point of paying for the bill, and therefore the magnitude of the tip may not have any direct effect on food service quality especially for the first-time restaurant clienteles.

However though, Lynn (2015) is in agreement with the assertion that highly personalized and intangible nature of restaurant food service places restaurant clienteles in a much better position than the hotel management for evaluating and rewarding front of the house staff. Though, under normal circumstances, lack of standardization of the evaluation process might yield diverse and conflicting dining experiences across the hospitality restaurant customer market base. Moreover, the practical diversity in customer dining experience may be attributed to the variability nature of restaurant food services (Lillicrap & Cousins, 2014). These reasons among many more, presents numerous inconsistencies in not only the process, but also the act of evaluating and honouring dining service experience.

1.1.2. Food Service Level

Lillicrap and Cousins (2014) as well as Davies, Ioannis and Alcott (2012) define restaurant food service level in relation to the intensity of generosity and the personalized attention given to food service patrons. Thus, a hotel restaurant food service level may comprise all the performed elements of a particular customer service and the settings of the hotel restaurants’ food service accessibility. Nonetheless, the level of service sought by hospitality clientele at a particular time may translate into physiological, economic, social or convenience (Lillicrap & Cousins, 2014). This implies that food service level may not be an explicit explanation to the gratuities enigma. The much-witnessed variability in hotel restaurant customers’ requirements could be associated with the desirable fluctuating service level supplies so as to effectively satisfy each patron.

Notwithstanding, it has been proven that food service level factors do not work in isolation but instead includes and involves much more than the meet-the-eye. There is therefore the need to be considerable of the importance of other services to customers above and beyond restaurant food service (Lillicrap & Cousins, 2014). This means that the focus on food service level aspect should be more comprehensive than the common narrow-minded view as applicable to many hospitality service stakeholders. Thus, an expansive, inclusive and in-depth investigation into the restaurant food service level-gratuity relationship is required in order to provide a broad, solid, verifiable and conclusive inferences on the two variables under review.

However, competition among hotel units, franchises and brands became the norm by the onset of the twentieth century thus yielding several progressive stages on the one hand and rapid global exponential growth on the other. Basing on the research work by Gi-Du Kang & Jeffrey (2004), it is crystal clear that competition sets the centre stage for quality service provision which applies to hotel restaurant food service level as well and thus signifying the importance of service levels towards customer satisfaction and the ultimate retention. Therefore, the various hospitality units and brands compete mainly on the basis of service quality and thus, the significance of hospitality food service levels as an imperative ingredient in the field of gratuities.
Stacy Adams developed the equity theory in 1963 which hypothesizes that service consumers would tip in conformity to the perceived magnitude and level of service received (Lynn, Sturman, Ganley, Adams, Douglas & McNeil, 2008). It is therefore this theory that generated the motivation behind scholarly studies on gratuities in hospitality and specifically service level component. However, hospitality restaurant food service level aspect could be difficult to measure, as it may denote differently to different people at different times.

1.2. Incentive for Improved Future service

Bodvarson and Gibson (2002) interrogated the study subject at length with the intention of developing a theoretical understanding into the role of incentives for improved future service on gratuities. Thus, the researchers attempted to suggest the principal explanation behind gratuities in the broad service industry by means of reciprocity theory. This theory is based on the assumption that perceived kindness from the food servers towards restaurant clienteles is a product of behavioural response, where kindness comprises both distributional fairness and fairness intentions (Nugent, 2013). In this context, the impartiality in the relationship is recorded between the food service staff and hospitality restaurant clienteles in relation to each other’s reaction towards the act of fairness.

From these investigations, it was established that gratuities were partially pegged on the assumption of their role in ‘soliciting’ improved future restaurant food service (Bodvarson & Gibson, 2002). Whereas this was considered a ground-breaking revelation, it however limits gratuities on improving future food service without taking care of the present. Further, it may only be applicable and therefore biased to clientele interested on return and/ regular patronage as opposed to first-time clients, who may not have any plans to patronize the organization again. For purposes of this study, two distinct predictor variables were considered. These variables include gratuities in the perspective of; employee income as proposed by Megan (2017) and customer patronage frequency as proposed by Lynn (2010).

1.2.1. Employee Income

According to Azar (2010) there are four main domains that incentives are prone to display thus directly relative to hospitality employee income including social economics, behavioural economics, labour economics and consumer monitoring tool. The latter exhibits widespread importance in hospitality food service as a tool for incentives specifically to restaurant workers and thus a recipe for excellent food service (Azar, 2010). Data provided by Lynn (2015) shows that hospitality food service workers received a total of $8 billion in gratuities in the United States of America. Generally, studies on the subject further show that gratuities were averagely $12 billion annually (Conlin, Lynn & O’Donoghue, 2003). This is a clear indication of the importance of gratuities in relation to hospitality employee income in addition to monthly salaries and wages (Conlin et. al., 2003). However, many countries across the globe seldomly collects, analyses, documents nor disseminates data related to gratuities not only in hospitality but also in the entire services industry. In summary, similar findings were excavated by Frazer and Gow (2014) as well as Mcenzie (2016) who established that gratuities in hospitality constitutes a considerable, though an un-quantified part of employee income.

Whereas the award of gratuities may be optional in some countries, it is contrary to theory as Folk and Fishbacher (2006) established and proposed a universal reciprocity model compelling people to recompense the favours others do for them. However, the proof on whether restaurant food service is a favour or a right, considering the competitive nature of the current business environment, is subject to many factors outside the scope of this study. Hence, gratuity takes the form comparable to the ‘tit-for-tat strategy’ between hotel patrons and restaurant food service staff (Folk & Fishbacher, 2006). From the varied views however, whether gratuity plays the role of incentives for improved future service or not can only be established through research.

1.2.2. Restaurant Customer Patronage Frequency

The inherent assumption by this school of thought is that gratuity may oftenly be endowed by restaurant patrons in order to ensure a healthier future restaurant food service. In practice though, the assumption negates participation of irregular as well as walk-in patrons from participating in the practice of gratuities. However, the current competitive hospitality market presents a myriad of challenges in building hotel restaurant brand loyalty, and thus not only attracting but also retaining customers (Chakraborty, 2017). Further, the competition offers a broad spectrum of restaurant food services, attractive enough to specific operational market niches, and thus posing the greatest threat to loyalty.

Some scholars have argued that the most probable hope in alleviating competition and therefore ensuring customer loyalty lies in the distinction of the service offered (Carev, 2008). Thus, raising quality, and hence customer satisfaction standards would enable hotel food service sections to gradually raise guests’ expectation, attraction, satisfaction and therefore retention. This could be the alternative approach in enhancing customer loyalty through repeat business (Chakraborty, 2017). However, whether this strategy would survive the product and/ or service developmental model in the long-run, especially during the plateau and decline stages is a matter of concern both to academia and practice.
1.3. Social Norm

Historically, the act of awarding gratuity commenced not only to signify status but also gratitude (Wang, 2010). However, with time, it evolved into an incentive and lastly advanced into a norm requiring people to act in a socially and globally acceptable style (Wang, 2010). This act has indeed undergone a series of transformative stages to date. Nonetheless, the act is considered a norm in several countries of the world. Yet, many African as well as Asian countries are presented with lack of precision on the practice, with a number of these countries prohibiting the act.

In relation to gratuity awarding norm, Salehuddin, Zohari, Rashdi, Salleh Mohd and Othman (2011) allude that the growth of gratuity in many countries could be attributed to many factors. These factors include the increasing numbers of holidaymakers, bringing back the custom by the local holidaymakers from abroad and the rapid expansion of the hospitality industry. The industry therefore plays a key role in not only mid-wiving but also nurturing international tourism, which on the other hand has been on the forefront in the spread of the norm.

Additionally, more scholarly work by Azar (2010) as well as Gössling, Fernandez, Martin-Rios, Reyes, Fointiat, Isaac and Lunde (2020) has pointed out the role of gratuity as a social norm. According to these scholars, the act is believed to take place with the main intention of sidestepping feelings of unfairness and embarrassment. Indisputably, a number of study findings submits that the act of awarding gratuities is predisposed by various social norms (Gössling et al., 2020; Lynn & Brewster, 2015; Jeremy, Alecia & Martin, 2014; Sum & Ala’a Nimer, 2012 and Melia, 2011). For purposes of this study therefore, gratuity as a social norm was explained on the basis of: bill size as well as miscellaneous aspects which include alcohol and weather (Lynn, 2012).

1.3.1. Bill Size

The restaurant customers’ bill size is thought of being a key determinant in estimating the amount of gratuity given and/ or awarded (Margalioth, Sapriti & Coloma, 2010). Thus, it is a norm in Russia, Romania, Slovenia, Lithuania, Argentina, Austria, Turkey and India to apportion 5%-10% of the total bill towards gratuity (Jacobs, 2017). Further, countries such as Cuba, Uruguay, Bulgaria, Columbia, Slovakia and Estonia advocate for a 10% gratuity, while it ranges between 10% and 15% for Canada, Mexico, Chile, Poland, Ukraine, Egypt, Armenia and Serbia (; Lynn & Brewster, 2015; Jeremy et al., 2014; Jacobs, 2017; Sum & Ala’a Nimer, 2012 and Melia, 2011).

Consequently, gratuities are viewed as a socially acceptable manner of rewarding food service staff in these countries, and hence an important tool for social approval (Margalioth, Sapriti & Coloma, 2010; Bigler & Hoas, 2016; Bodvarson & Gibson, 2002; Azar, 2010; and Lynn, 2000). However, there are a number of countries in which the act is not pegged on any policy and therefore lacks the guiding principles on how, when and what to give as gratuities.

1.3.2. Miscellaneous

Among the additional variables used to explain the norm of gratuities in hospitality operations include alcohol consumption and weather conditions of the day (Lynn, 2015). Alcohol consumption as a predictor variable in a previous study gave a positive correlation in relation to gratuity, thus confirming the effect of this variable on social norms. However, it is assumed by other scholars that alcohol enhances the mood and therefore may not explicitly be considered as an active factor in this relationship (McCollan, Burish, Maisto, & Sobell, 1980). However, there is no review on the suppressant effects of alcohol in relation to mood enhancement which warrants an intensive investigation on the subject matter.

On the other hand, scanty information is documented on the relation between weather as a norm in relation to gratuities as opposed to alcohol consumption (Dahmer & Kahl, 2009; Lynn, 2015; McCollan, Burish, Maisto, & Sobell, 1980; Isen & Levin, 1972; Miller, Adesso, Fleming, Gino, & Lauerman, 1978; Moskowitz & DePry, 1968; Conlin, Lynn & O’Donoghue, 2003). Nonetheless, a study was carried out by Rind and Strohmetz (2001) to investigate the relationship between weather and gratuities. The study found that in sunny weather, restaurant clients gave larger gratuities. For purposes of this study therefore, alcohol consumption and weather conditions and their role on the social norms of gratuities was investigated.

2. METHODOLOGY

This study applied a descriptive research survey design. The design is known to give a clear description of situations based on responses from participants (Jackson, 2009). Thus, the design was chosen based its effectiveness in investigating relationships as applied in this study. The study design is often applied in social sciences, comparable to this study, in order to obtain a general overview of the topic, and therefore perfectly fits in its application to this study (Gall, Gall & Borg, 2007).

Kisumu County, one of the Counties within the Western regions in Kenya formed the study area. This is a cosmopolitan and fastest growing city, third largest after Nairobi and Mombasa, and second most important in the greater Lake Victoria basin after Kampala, thus an emerging business hub both locally and globally (Hellen, 2015). The target population constituted star-rated hotels within Kisumu County, while the target respondents were 500.
Thus, a census of all the two and three star-rated hotels was taken. In order to calculate the sample size, Fisher’s formula \( n = \frac{Z^2Pq}{d^2} \) which yielded a sample size of 384 respondents, was applied (Fisher, 1935). Questionnaires were self-administered to the respondents who were selected through simple random sampling technique, which yielded a sample that is representative of the population (Mugenda & Mugenda, 1999; O’Leary, 2014).

Further, data was systematically collected using structured questionnaire. A five-point likert scale was applied adopted from Parasuraman, Zeithmal and Berry (1988). Further, the collected data was organized by skilfully coding and cleaning in order to correct any potential errors, and thereafter fed into spreadsheets and transformed in order to yield more meaningful results to the study. Statistical Packages for Social Sciences-Analysis of Moment Structures (SPSS-AMOS) version 26 was applied in the analysis of the cleaned resultant data. This tool of analysis was chosen based on its robustness and the ability to build models more accurately (Stehlik-Barry and Babivec 2017). Nonetheless, study respondents were assured confidentiality, privacy and anonymity of the information collected and thus the data collection tools were destroyed after the report writing and publishing.

3. RESULTS

A total of 384 structured questionnaires were self-administered to the respondents. However, only 277 questionnaires were completely filled and returned by the sampled respondents in the study recording a response rate of 72.14%. According to Kothari (2010), Jackson (2009), O’Leary (2014), as well as Stehlik – Barry & Babinec (2017), over 60% response rates are acceptable. Data was keyed into SPSS spreadsheet and a model constructed using SPSS AMOS where R= rewarding service, IIFS= Incentives for improved future service and N= social norms. Further, Dinexperience = dining experience, superiorservice = superior service/ food service level, waiterecome = waiter/ employee income, frequentpatronage = frequent patronage, billpercentage = bill percentage, alcohol = alcohol consumption and weather = weather conditions. Thus, the results were as shown in figure 1.0.

Figure 1: Gratuity Model

In order to assess the correlation coefficient between variables and the factors in the gratuity model above, the factor loadings were presented in the standardized regression weights in table 1.0 below.

Table 1: Standardized Regression Weights: (Group number 1 - Default model)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dining experience</td>
<td>Rewarding</td>
<td>.890</td>
</tr>
<tr>
<td>Superior service</td>
<td>Rewarding</td>
<td>.926</td>
</tr>
<tr>
<td>Waiter income</td>
<td>Incentive</td>
<td>.813</td>
</tr>
<tr>
<td>Frequent patronage</td>
<td>Incentive</td>
<td>.890</td>
</tr>
<tr>
<td>Bill percent</td>
<td>Social</td>
<td>.814</td>
</tr>
<tr>
<td>Alcohol</td>
<td>Social</td>
<td>.955</td>
</tr>
<tr>
<td>Weather</td>
<td>Social</td>
<td>.812</td>
</tr>
</tbody>
</table>

Further, the study sought to measure the variance between the observed and model-implied data using correlation and covariance matrices. Thus, the analysis gave a number of model fit outputs of relevance in accordance to the antecedents of restaurant gratuity in Kisumu County. For purposes of this study, CMIN (Chi-square value) was considered and the results were as shown in table 2.0 below.
Nonetheless, the study sought to investigate the model fit of the study model output. With the intention to provide information on the model fit test, the baseline comparison output was utilized. Thus, this study results gave baseline comparison as shown in table 3.0 below.

Table 3: Baseline Comparisons

<table>
<thead>
<tr>
<th>Model</th>
<th>NFI</th>
<th>RFI Delta1</th>
<th>RFI rho1</th>
<th>IFI Delta2</th>
<th>IFI rho2</th>
<th>TLI Delta2</th>
<th>TLI rho2</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>.961</td>
<td>.926</td>
<td>.969</td>
<td>.940</td>
<td>.968</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Saturated model</td>
<td>1.000</td>
<td>.000</td>
<td>1.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Independence model</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the baseline comparison results, the study gave Normal fit index (NFI) = 0.961, Relative Fit Index (RFI) = 0.926, Incremental Fit Index (IFI) = 0.969, Tucker- Lewis Index (TLI) = 0.940 and Confirmatory Fit Index value (CFI) = 0.968 respectively.

Nonetheless, the investigation gave a number of output estimates which were used to interpret the model in this study. Thus, for purposes of confirmatory factor analysis, the study gave squared multiple correlations as indicated in table 4.0 below.

Table 4: Squared Multiple Correlations: (Group number 1 - Default model)

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weather</td>
<td>.660</td>
</tr>
<tr>
<td>Alcohol Consumption</td>
<td>.912</td>
</tr>
<tr>
<td>Bill percent/ Size</td>
<td>.662</td>
</tr>
<tr>
<td>Frequency of Patronage</td>
<td>.793</td>
</tr>
<tr>
<td>Waiter Income</td>
<td>.660</td>
</tr>
<tr>
<td>Superior Service</td>
<td>.857</td>
</tr>
<tr>
<td>Dining Experience</td>
<td>.792</td>
</tr>
</tbody>
</table>

The study also sought to assess the model estimates. Thus, for purposes of this study, the regression weights estimates was yielded by as shown in table 5.0 below.

Table 5: Regression Weights: (Group number 1 - Default model)

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>H₁</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dining experience</td>
<td>&lt;--- Reward</td>
<td>1.000</td>
<td></td>
<td></td>
<td>H₁</td>
</tr>
<tr>
<td>Superior service</td>
<td>&lt;--- Reward</td>
<td>1.015</td>
<td>.055</td>
<td>18.326</td>
<td>***</td>
</tr>
<tr>
<td>Waiter income</td>
<td>&lt;--- Incentiv</td>
<td>1.000</td>
<td></td>
<td></td>
<td>H₁</td>
</tr>
<tr>
<td>Frequent patronage</td>
<td>&lt;--- Incentiv</td>
<td>1.060</td>
<td>.068</td>
<td>15.599</td>
<td>***</td>
</tr>
<tr>
<td>Bill percent</td>
<td>&lt;--- Social</td>
<td>1.000</td>
<td></td>
<td></td>
<td>H₁</td>
</tr>
<tr>
<td>Alcohol</td>
<td>&lt;--- Social</td>
<td>1.200</td>
<td>.065</td>
<td>18.469</td>
<td>***</td>
</tr>
<tr>
<td>Weather</td>
<td>&lt;--- Social</td>
<td>1.044</td>
<td>.066</td>
<td>15.712</td>
<td>***</td>
</tr>
</tbody>
</table>

4. DISCUSSIONS

Figure 1.0 was the proposed study model output based on the collected data. For purposes of this study, and the adoption of models from previous studies, gratuity was presented by three constructs; rewarding service, incentives for improved future service as well as social norms. The act of awarding gratuity was studied in accordance to findings of Megan (2017) as well as Lynn and Sturman (2010) who established that this act is a motivation behind rewarding the perception of service performance (R), which was studied in accordance to two indicator variables, dining experience and food service levels. Consequently, the second construct for the study was incentives for improved future (IIFS), which was studied on the basis of enhancing
employee income and customer patronage frequency (Megan, 2017; Lynn & Sturman, 2010). Finally, social norm (N) formed the third construct under investigation and was studied in relation to restaurant bill size as well as miscellaneous factors (alcohol consumption and weather) (Megan, 2017; Lynn & Sturman, 2010).

Table 2.0 yielded Chi-square value (CMIN) which was used to establish whether the observed variables and expected results are statistically significant. Thus, the study gave CMIN/DF value of 4.970 for the default model. Thus the investigation on the study variables in the selected hotels yielded DF value less than 5 for the resultant default model. However, the resultant DF value is so close to 5 (4.970). This could be attributed to the study sample and the errors as a result of the sampling methodology applied in this study. It is therefore important for comparative studies to be carried out in other study areas, applying different sampling methodologies. Nonetheless, according to Pallant (2010), CMIN/DF value ≤ 5 indicates a reasonable fit. From the study results therefore, this is an indication that the sample data and hypothetical model in this study acceptably fits in the analysis. The resultant model therefore may be applied in further studies outside the scope of this study.

Further, table 3.0 results on the other hand gave Normal fit index (NFI) = 0.961, Relative Fit Index (RFI) = 0.926, Incremental Fit Index (IFI) = 0.969, Tucker- Lewis Index (TLI) = 0.940 and Confirmatory Fit Index value (CFI) = 0.968 respectively. Thus NFI value of 0.961 was found to be less than 1.00, IFI value of 0.969 is less than but close to 1.00, TLI value of 0.940 is also less than but close to the value of 1.00 and the CFI value of 0.968 is less than but also very close to 1.00 respectively. According to Stehlik-Barry and Babivec (2017), and Garson (2014), NFI values close to 1.00 indicate a very good fit, IFI values closed to 1 indicates a very good fit, TLI value closer to 1.00 represents a very good fit, and CFI value truncated between 0.00 and 1.00, where values closed to 1.00 show a very good fit. Thus the study results shows a very good fit for the output model in this study. Thus, the study results from the baseline comparison further confirms that the sample data and hypothetical model in this study acceptably fits in the analysis. This implies that the resultant model therefore may be applied in further studies outside the scope of this study for purposes of confirmatory tests prior to the adoption of the proposed study model.

Whereas table 1.0 gave factor loadings presented in standardized regression weights for; dining experience (.890), superior service (.926), waiter income (.813), frequent patronage (.890), bill percentage (.814), and alcohol consumption (0.955), table 4.0 gave results which show estimate values for weather (.66), alcohol consumption (0.912), bill percentage (0.662), frequency of patronage (0.793), waiter income (0.66), superior service (0.857), and dining experience (0.792) respectively.

In view of the results therefore, all the factors under investigation in this study gave factor loadings > 0.70 while the seven predictor variables under investigation gave the estimate values which were used to derive the contribution of each predictor variable in the outcome model. Thus, 0.7 or higher factor loading indicates that the factor extracts sufficient variance from the variable under investigation (Pallant, 2010; Stehlik-Barry & Babivec, 2017; Garson, 2014). Moreover, superior service (0.926) and dining experience (0.890) highly influence rewards upon perception of service, frequent patronage (0.890) and waiter income (0.813) highly influence incentives for improved future service while alcohol consumption (0.955), bill percentage (0.814) and weather (0.812) also do highly influence the social norms of gratuity. By extrapolation therefore, the factors were found to highly influence the act of giving and/ or receiving gratuities in the sampled hotel restaurants.

Nonetheless, 85.7% of the variance in rewarding for service is accounted for by superior service/ food service level while 79.2% is accounted for by dining experience; 79.3% of the variance in incentives for improved future service is accounted for by frequency of patronage (customer) while 66.0% is accounted for by employee (waiter) income; and 91.2% of the variance in social norms is accounted for by alcohol consumption, 66.2% by bill percentage while 66.0% of the variance is accounted for by weather, respectively. From these study results, alcohol consumption gave the greatest contribution (91.2%), while weather (66.0%) gave the least contribution respectively.

Nonetheless, the results across the three constructs indicate that superior service/ service level highly influence rewarding service as compared to dining experience. This could be true based on the current tipping patterns across the world between 5-15% of the total bill irrespective of the tangible and intangible factors. According to Bigler and Haoas (2016), Bodvarson and Gibson (2002), Azar (2010), Lynn (2000), as well as Lynn and Brewster (2015), gratuity was established to follow the 5% - 15% of the guest total restaurant bill, thus explaining the 66.2% of the variance in social norms that is explained by percentage of restaurant bill.

Consequently, customer patronage frequency was found to have a higher influence on incentives for improved future service as compared to employee/ waiter income enhancement. This implies that gratuities are best explained on the basis of anticipation of better service, and therefore ‘paying for the same’, prior to the return visits by restaurant clientele than emphasising and therefore enhancing employee (waiter) income.

Alcohol consumption on the other hand was found to highly influence the social norms as compared to bill percentage and weather in that order. This therefore means that majority of restaurant clients would give out gratuities as a result of the influence of alcohol as compared to bill percentage and weather. The study results resonates well with McCollan, Burish, Maisto, and Sobell (1980) study. Thus the explanation for alcohol’s effects on the ability for restaurant clients to give gratuities is on the basis of the ability of alcohol to improve people’s moods (McCollan, Burish, Maisto, & Sobell, 1980). However, this subject warrants further investigation as other studies by Miller, Adesso, Fleming, Gino, and Lauermaen, (1978) as well as Moskowitz and DePry, (1968) show that alcohol consumption also decreases people’s ability to process information. In such a situation therefore, gratuities given/
received while the client is under the influence of alcohol may not be permissible by law, in accordance to the law of contracts. Finally, a similar study was carried out by Rind and Strohmetz (2001) to investigate the effect of weather on gratuity. This study found not only a relationship between the variables, but also established that in sunny weather, diners give larger tips than during cold weather and thus explaining 66.0% variability in the social norms as a result of weather (Rind & Strohmetz, 2001).

Frequency of patronage on the other hand gave estimate value = 0.793 while waiter income = 0.660 respectively. The results therefore suggest that 79.3% of the variance in incentives for improved future service is accounted for by frequency of patronage as well as 66.0% of the variance by waiter income. In relation to the contribution of the indicator variables, patronage frequency gave the greatest value as compared to waiter income. Lynn (2006) carried out a similar study which established that there was no relationship between patronage frequency and gratuities. Contrariwise, Lynn (2010) yet carried out a study on the same topic but established a relationship between patronage frequency and gratuity, in which the study found a stronger relationship to exist between the variables for regular than non-regular clients. Thus, study result by Lynn (2010) was found to be in disagreement, while Lynn (2006) results was found to be in agreement with the results of this study.

Nonetheless, the study gave estimate value for superior service (0.857) and dining experience (0.792). This means that 85.7% of the variance in rewards upon perception of service is accounted for by superior service while 79.2% of the variance in rewards upon perception of service is accounted for by dining experience. Thus, the study results show that superior service has the greatest contribution on the relationship as compared to dining experience. This is in agreement with the assumptions of Falk and Fishbacher (2006) as well as Nugent (2013). Thus, the act of awarding and/ or receiving gratuity was found to be in agreement with the reciprocity theory (Falk & Fishbacher, 2006; Nugent 2013) as well as tit - for - tat strategy (Seltzer, 2016) according to which it may be considered a reciprocating act towards superior/ food excellent service.

Finally, the study gave critical ratio (CR) values in table 5.0 for; superior service = 18.326, frequent patronage = 15.599, alcohol consumption = 18.469 and finally weather = 15.712 respectively. Thus, superior service, frequency of patronage, alcohol consumption, as well as weather gave critical ratio values > 1.96. Further, the study gave significant P-value estimates for superior service, frequent patronage, alcohol consumption and weather. From the study results therefore, it shows that paths and the estimated path parameter (superior service, patronage frequency, alcohol consumption and weather) is significant at 0.05 confidence level. This implies that there was a positive relationship between superior service, frequency of patronage, alcohol consumption and weather and gratuity in the sampled hotel restaurant outlets. However, the study failed to establish any significant relationship between gratuity and dining experience, waiter income and bill percentage respectively. Thus, the study concluded that at 95% confidence level, there was a significant relationship between gratuity and superior service, frequency of patronage, alcohol consumption as well as weather.

CONCLUSION

This study sought to investigate the constructs that influence gratuities in the hospitality industry’s food and beverage service sections in Kisumu County, Kenya. Thus a study model was developed using SPSS AMOS. In order to test the study variances between the indicators and study constructs in the proposed model, all the seven predictor variables gave higher factor loading (> 0.70) which indicates that all the study factors highly influence the variable under investigation and therefore relevant in the proposed study output model. Further, the study also compared the observed variables and expected results and established a good model fit output of relevance, a confirmation that the sample data in this study and the resultant hypothetical model acceptably fits in the analysis. From these results therefore, the study established a very good fit of the model in this study. However though, this study was carried out in Kisumu County in Kenya and therefore confirmatory tests are important.

In order to interpret the study model, the confirmatory factor analysis yielded squared multiple correlation results showing highest value for alcohol consumption while as well as waiter income gave the least values. These values were utilized in the explanation of the unique contribution of each predictor variable to the study variable. Thus, in order of unique contribution, the study established that alcohol has the greatest contribution (91.2%), superior service (85.7%), patronage frequency (79.3%), dining experience (79.2%), bill percentage (66.2%), and weather as well as waiter income (66.0%) respectively. Thus, in order for hotel restaurants to achieve high levels in operational results, the general as well as the food and beverage managers will be required to adjust these predictor variables depending on the contribution of each on the outcome variable.

Finally, the study formulated a total of seven study hypothesis. In order to test these hypothesis, the study yielded critical ratio (CR) values as well as P-values that were used to make inferences on the study hypothesis. Thus, the study rejected four null hypothesis while on the other hand failed to reject three study hypothesis. From the study results therefore, the following hypothesis were studied and the conclusions derived from the study results as hereunder;

a. H₇: There is no significant relationship between gratuity and dining experience of restaurant clients in two and three star hotels within Kisumu County, Kenya: The study yielded CR values < 1.96 as well as non-significant P-values on the relationship between gratuity and dining experience. This implies that there was no positive relationship between gratuity and dining experience, and therefore the study failed to reject the null hypothesis and concluded that, at 95% confidence level, there was no significant relationship between gratuity and dining experience in two and three star hotels within Kisumu County, Kenya.
ACKNOWLEDGEMENTS

I wish to recognize and acknowledge the University of Rijeka, Faculty of Tourism and Hospitality Management for the waiver and accepting submission of this paper for presentation and thereafter publishing.

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