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WHO WASHES THE DISHES?
BLACK/IMMIGRANT COMPETITION REASSESSED

By

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As economic conditions among the nation's black, urban population deteriorated during the 1980s, the search for the causes of this trend moved to the top of the social science research agenda. Among the various explanations, none was more commonly invoked than the hypothesis of a mismatch between the skills of minority residents and the job requirements of urban employers. The mismatch explanation attributes low incomes and unemployment to the out-of-sequence timing of black migration to urban centers at a time of central-city manufacturing decline. As Levy notes in his volume in the 1980 Census Monograph series, black migrants came to northern cities after World War II "in search of higher incomes, and in these early post-war years the cities could accommodate them. Cities had both cheap housing, and most important, manufacturing jobs." (Levy, 1987: 112). But what was true in the late 1950s rapidly changed. As manufacturing declined, the central cities -- and in particular, the older urban centers -- lost their absorptive capacities. Whereas manufacturing jobs had long permitted "immigrants access into the mainstream economy (albeit to the bottom rungs of the socioeconomic ladder" [Kasarda, 1983: 22], the growth of employment in services had negative implications, especially for black males. One generation after these mass migrations, easy-entry positions have continued to dwindle while the population of young blacks has growth, further aggravating the imbalance between supply and demand.

Although there is now a growing consensus that skill demands have indeed increased (see Bailey, 1991), the evidence on the impacts of skill upgrading on black employment and joblessness is at best ambiguous (for a thorough review, see Moss and Tilly, 1991). But whatever the verdict of the empirical assessments, the skills mismatch hypothesis suffers from a logical fallacy. As Peterson and Vroman note, "If employers are looking for better educated workers, and the lack of jobs in the manufacturing sector explains the pressure on black employment, what accounts for the strong demand for immigrant Hispanic workers, who on average have <u>less</u> schooling and <u>fewer</u> skills"? (Peterson and Vroman, 1992: 12; emphasis in the original).

The contrasting fates of black and hispanic, mainly immigrant workers, suggest that other processes may be at work. One possibility is that the influx of immigrants may lead to the displacement of black and other, low-skilled native groups. The bulk of econometric research, mainly consisting of estimates of the degree of substitution of different types of labor and using the 1970 and 1980 censuses, provides little support for this hypothesis, showing that immigrants have scant, if any impact on black earnings, unemployment, or labor force participation (Borjas, 1990). One problem is simply that these findings fail to answer the question posed by Peterson and Vroman, as they provide no explanation of <u>why</u> the experiences of low-skilled blacks and Hispanics should be so different. Moreover, there is evidence, of different kinds, suggesting that the conventional wisdom may underestimate the potential for immigrant competition. A recent paper by Katz, Borjas, and Freeman, making use of a different methodology and newer data, shows that immigration has accounted for a large increase in the supply of low-skilled labor, in turn, depressing the earnings of high-school educated labor.

Results from surveys of employers point in the same direction, while also opening up a new line inquiry that directs attention to the importance of employer attitudes and behavior. Kirschenman and Neckerman (1991) surveyed employers in Chicago and found that employers often take race and ethnicity quite explicitly into account in hiring decisions. The interviews suggest that employers operate with a hierarchy of ethnic preferences, with native whites at the top, followed by immigrant whites, immigrant hispanics, and native blacks at the bottom. These Chicago employers have also evolved recruitment strategies that systematically narrow opportunities for less-educated blacks, especially males, most importantly a reliance on network hiring, which reproduces the characteristics of the existing workforce. The Kirschenman and Neckerman study finds support from other sources, most notably a recent Urban Institute "audit" of hiring practices (Fix and Struyk, 1992), and Braddock and McPartland's (1987) survey of the hiring practices of the employers of all young workers included in the National Longitudinal Survey samples from 1976 and 1979. The latest round

of employer interviews, conducted by Moss and Tilly (1991), provides further documentation of the role of employer practices.

This paper builds on these recent surveys of employers to reassess the impact of immigration and employer practices on black employment chances through a case study of the restaurant and hotel industries in Los Angeles. As Moss and Tilly note, in-depth interviews with employers offer considerable advantages over the more conventional statistical analyses of large-scale microdata sets:

> Face to face, open-ended interviewing...generates rich, detailed data, and has the flexibility to accommodate and follow up on responses that are unexpected or do not fit predetermined categories. The informal, conversational tone of the interview helps to get respondents involved and interested, and creates a situation in which employers are more likely to speak freely about sensitive subjects such as race (Moss and Tilly, 1991: 3).

While the case study approach represents a break with previous employer surveys, which have generally sought a cross-section broadly representative establishments, it promises new insights. Since institutional features may affect employer strategies and perception, selecting a smaller subset of establishment should help in identifying those feature. The particular case also poses the issue in sharp terms: as restaurants and hotels require manual proficiencies, factors other than skill are likely to play a particularly important role in the process whereby jobs are allocated among black and immigrant workers. Finally, both industries have been concentrations of black and immigrant workers.

The sample consists of 33 employers, 10 in hotels, 18 among full-service restaurants, and 5 among fast-food restaurants.[1] The sample was drawn from industry directories and from the Yellow Pages. The firms were located in a variety of areas within Los Angeles county, both within the central city, and in more suburbanized areas. In the case of the restaurants, a deliberate effort was made to include chains (varying in size from 3 to 55 units) and single-owned operations and visit establishments of varying size, with the smallest employing

[1] All employers are single-counted, even if they were owners or managers of multi-unit operations. I interviewed two owners of multi-unit full service restaurants, one with 18 outlets, and the other with 3. I also interviewed two personnel managers of fast-food chains, one with 55 outlets in the greater L.A. area and a second with 20 outlets.

as few as 4 workers and the largest as many as 120. Similarly, the hotels encompassed a variety of markets, from deluxe to business, and sizes, from 200 to 1,000 employees. The interviews were arranged with the highest ranking person involved in the hiring process. In the hotels and among the larger chain restaurants, this generally involved the personnel or human resources manager. In the single-unit or small chain restaurants, the interviewee was usually the owner. The interviews lasted from an hour and a half to two hours, during which time detailed notes were made of interviewees' responses.[2]

The Labor Supply

Previous research, for example, Kirschenman and Neckerman and Moss and Tilly, emphasize the importance of network recruitment as one of the mechanisms that blacks' access to entry level jobs. This is a pattern that I found as well, and it is one that I will discuss shortly. But hotels and restaurants do a considerable amount of hiring from the workers who simply come in off the street looking for jobs. And what was striking about my interviews was the sense that black workers -- not unlike whites -- have fallen out of the labor force most available to fill the lowest, entry level positions, with the notable exception of front-of-the-house restaurant jobs which remain dominated by whites.[3] "There are very few blacks among the walk-ins," noted the personnel manager in a hotel where, indeed, very few blacks were employed. It was not uncommon to hear, as I did from a Mexican personnel manager in a medium size hotel, that "for housekeeping, we have never seen a white or a black person apply for a job." Commenting about the effects of the recession on the labor supply, a manager in a hotel in the San Fernando Valley made the same point, declaring that "I haven't seen, until the past 6 months, haven't seen Anglos or blacks coming to apply." A fourth manager, who told me that "I could count the number of blacks and whites applying for housekeeping," also highlighted the contrast between blacks and

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[2] I conducted 17 of the 33 interviews; the remainder were conducted by graduate students working under my supervision.

[3] By "entry-level", I mean jobs into which someone with no specific prior training or work experience could be hired.

Latinos:

> We have not had many black males apply here. We have had a very small percentage. We've had some, but not many. Sometimes, Latino men come and we see them in droves, they come in groups, just walk-ins. We've never had that with blacks.

Of course, not every hotel reported the same experience. Generally, the hotels that were in close proximity to black neighborhoods, such as at the airport or downtown, appeared to get a regular flow of black applicants coming in off the street. To some extent, location was an impediment to blacks, as in the case of a hotel in the west San Fernando Valley, where a good portion of the heavily Latino workforce lived sufficiently close-by to walk to work. But in other cases, as in hotels in Santa Monica, Latino workers traveled long distances, mainly coming from South Central locations where a large black population also resides.

"I can't remember the last time a black man came looking for a job," remarked one restaurant owner with 25 years in the business. That comment was echoed repeatedly in the restaurant interviews, which conveyed an even stronger sense of a badly attenuated supply of low-level, black labor. To some extent, the difference in supply situations reflects institutional factors: the hotels are permanent, high-profile, and large employers, with workforces ranging from 200 to 1,000, whereas the restaurants are small, of low visibility, and more likely to go in and out of business. As the Latino presence is even more dominant in restaurants than in hotels, and restaurants are particularly likely to engage in network hiring, blacks may suffer from a vicious cycle, concluding that openings will be reserved for insiders. But whatever the causal processes, the basic pattern is summed up by this quote from the Anglo owner of a small fast-food chain:

> Mexicans are the ones seeking these kinds of jobs. In four years, I've had one white, one black, and one Chinese apply. The white guy was applying just because he needed to for his unemployment benefits, the black was unqualified, and I helped the Chinese guy get a job at the Chinese restaurant down the street.

Network recruitment

Virtually all of the firms we interviewed hired new entry-level workers

through referrals from existing employees, though many restaurants followed a dual strategy, filling kitchen jobs from inside, and hiring outsiders to work in the front of the house. Most businesses responded to our query about which recruitment method was "most effective in terms of generating applicants who are qualified and most likely to work out well on the job" by mentioning referrals. Managers and owners viewed referrals favorably for a variety of reasons. In a sense, network hiring provides the social structure for the signals that prospective job seekers transmit to employers and that employers want to convey to their potential employees: by hiring among the contacts of incumbents, employers enhanced the quality of the information about applicants that they receive, while also increasing the likelihood that applicants began with accurate information about the environment that they would encounter:

> Employees understand what we're looking for. They know what it is and don't want to be embarrassed by being a slouch.
>
> I find that employees will only refer qualified applicants. Because that applicant they're referring, they're putting their name on, so they're at stake too. And the employee has a good understanding [of the business] -- can communicate what the job, the pay, etc. are really like.

The advantages of network hiring continued after the hiring decision, since once "recommended, there's pressure for that person to perform." Indeed, the closer relationship between the sponsor and newcomer, the more likely that the newcomer "doesn't make a lot of mistakes. [The other workers tell him,] 'come on, get it together.'"

Certain features of the business, as well as characteristics of particular demographic groups, gave further weight to the impetus to hire within the existing workforce. An occupational community binds workers in the world of full-service restaurants. "Lots of waitresses, that's all they've been doing," noted the owner of a coffee shop. "I just ask them and they call their friends or co-workers." While ties among restaurant workers appear to be more extensive and closer the higher one gets in the market, both kitchen workers and waiters seem to have privileged access to a supply of qualified workers:

> They [my workers] know everybody in the business. It's a very tight

> community. All you have to do is ask one of your workers or your cooks if they know someone in the market and they'll always satisfy the needs. I don't know someone who comes in through the door. They [the workers] know if a guy's a thief or rude to customers because of socializing outside.

Hotel cooks also tend to be part of an occupationally-based network, though in this case the executive chef, who is a member of management, often "puts the word out" and cooks come in "through the grapevine."

While membership in an occupational community is particularly important for securing experienced workers, at other times employers are simply seeking to fill unskilled, entry-level jobs. Under these circumstances, managers turn to the "Mexican mafia" which "nine times out of ten provides someone the next day":

> The back is filled almost strictly from referrals. The kitchen workers have a lot of friends and cousins. And we don't have much turnover. They have 10 people waiting in the wings. We opened a new restaurant this summer. I hired all the waiters from walk-ins; all the back of the house workers came from referrals.

Thus, the social structure of the ethnic groups that feed into the low-level labor market -- mainly Mexicans and Central Americans -- heavily influences the recourse to network hiring.

Employers' accounts often suggested that they consciously mobilized connections between incumbents and outsiders to secure the desired workforce. But the information flows are activated by employees as well, who, as insiders have early access to information about vacancies. "Hispanics are the one's who are typically in entry-level jobs," noted one Human Resources (HR) manager. "They know about vacancies and get the word out." In some cases, incumbents are able to preempt their employer, effectively detaching the hiring process from the open market. A restaurant manager, for example, told me that the workers are sometimes the first to know that an opening will occur:

> Someone will come up to me and says "Jaime's going back to Mexico", and I say, "oh really?", and Jaime says, "oh, I forgot to tell you." So the new guy says, "You have an opening, and if you train me, I'll be ready by the time he's gone."

In other cases, incumbents line up replacements before management has a chance to test the market, as in this example recounted to me by a hotel manager:

> [Interviewer: Which (recruitment) method do you principally rely on?] Referrals. It's faster. They refer someone as soon as they know about it, even before we've posted a job.

How to respond to workers' spontaneous referrals depends on a tacit, continuing negotiation in which employees' cooperation is provided in return for the employers' willingness to hire their contacts. Where management is weak and has limited leverage over its employees, as in one hotel, whose management admitted its inability to move beyond network recruiting, workers' expectations serve to keep hiring within the ambit of the incumbent group:

> [Interviewer: What makes it difficult to develop other recruitment methods?] Resentment. They feel that "we brought an applicant in first, why has someone else been hired first?"

Though most employers were not equally hamstrung, many reported that managing workers' expectations about hiring decisions involved a delicate balancing act. Even as employers succeeded in developing other recruitment methods, incumbents' expectations continued to influence the placement of those employees who came in from other sources.

While a variety of factors thus led employers to recruit through incumbents' contact networks, dependence on referrals structured entry into these labor markets in two significant ways. First, network hiring yielded a tendency toward social closure, removing those workers not connected to incumbents from the effective labor supply. Since hotels and restaurants mainly rely on Latinos to fill their low-level jobs, blacks were the most likely to be tacitly excluded, though in some cases reliance on Mexican networks barred Central Americans, and vice versa:

> [Interview with Mexican manager of medium-sized hotel:] Most of the workers are Central Americans from El Salvador and Guatemala. They come in through a friendship network. There are relatively few Mexicans. Very few... (laughs). [Interviewer: Why are there so many Central Americans?] I just think it's the group of people that we have, because we hire friends, from the same country and town.

The ethnic consequences of network hiring can be most vividly seen in the restaurants, which typically rely on two hiring strategies: relying on walk-ins to fill front of the house jobs, and referrals to get kitchen workers, "the front is a little bit of everything, whites, blacks, Asians", while the kitchen is an exclusively Latino world.

Second, network recruiting produced a distinct division of labor, concentrating one group of workers in one function, with a second gravitating

toward a different specialization. For example, one hotel manager reported that 130 job-seekers applied for a security guard's job on the rainy day immediately after an ad appeared in the newspaper: "70 percent of the applicants were black, and most had [previously] been involved in this line of work." The pattern of niching is most evident in the hotels, where, Mexicans and Central Americans dominate housekeeping and the kitchen; blacks are likely to work in security, parking, and the front office; Philipinos are employed as accountants, night managers, and clericals; and whites work as waiters in the restaurants and bars. Precisely because recruitment often converged with kinship or friendship networks, the niche was likely to be claimed as a kind of group property. As we will see below, inter-ethnic conflict is pervasive at the job site, providing yet another source of exclusion to those workers who aren't members of the club.

Skills and Selection Procedures

If, as proponents of the skills mismatch hypothesis contend, rising job requirements have displaced black workers, then the restaurant and hotel industries should comprise an extraordinary concentration of black employment. As the interviews made strikingly clear, entry-level jobs in this sector simply don't require skills in the normal sense of the word. Though our initial inquiries began by trying to assess the degree of skill required for "the largest group of entry-level jobs, managers almost always responded in ways that emphasized the attributes of persons. Some managers, for example, told us that:

> The most important skill is attitude. If a person doesn't have the attitude of wanting to work, they won't do the job well. Whether they know how to read, write or know how to do the job, attitude is the core. Because it's service.

While "attitude" represented a somewhat extreme attempt to specify skill, it was not that distant from the modal responses of interaction with customers and co-workers. One hotel manager, who picked interaction with customers as the most important skill, then distinguished between skills, which "can be taught" and his need for people who knew "how to get along. In life, you've got it or you don't." The comments of an HR manager of a deluxe hotel, who also mentioned

interaction with customers as the most important skill, made it clear that innate traits stood at the top of her list of "skills":

> Hospitality, because that sets the tone for everything else that follows. A hotel -- if you look at it, what you have is a museum. If you add people, you have a home. That's where we start. Hospitality is a natural inclination to want to please, help, and serve other people. It's something you can't train someone to be. Either they want to or they don't.

Hotel managers rated customer interaction as important even for housekeepers, "who feel that they just do rooms, but they interact with guests more than anything."

For back of the house jobs, employers gave a slightly different twist, rating interaction with co-workers as most important, though the chief contrast to the front of the house lay in the fact that kitchen and other such jobs could be performed with virtually no facility in English. "If you have a happy ship," noted a fast-food manager speaking of cooking jobs, "it transfers to customers". More important was the need to "make sure they've got it right" in an environment where jobs were highly interdependent:

> In the back of the house the most important thing is interaction with co-workers. There's limited space. You don't want guys who don't like one another. Everyone has to help one another. They have to get along. You don't want friction.

Not surprisingly, work history played only a modest role in the hiring process, with the interview instead providing employers with their chief tool for sizing up applicants, and no respondent using any test. Fast food outlets did the least to screen their applicants. "I talk to the person over the counter for 45 seconds, literally," said one fast-food operator. "I can decide rather quickly whether this person has the needed qualities." "It's expensive to get into background checks" for hourly workers, noted the manager for a regional fast-food chain. That consideration, as well as the sense that kitchen workers brought in through the network had already been "pre-screened", made reference checks and work history of little relevance for back of the house jobs in many restaurants.

Screening procedures were likely to be more elaborate in the hotels, with efforts at assessing an applicant's potential more extensive the larger and more

high-priced the hotel. Work history was uniformly important, though by no means the most important quality looked for in a prospective applicant. Hotel managers consistently checked references, but they acknowledged that this procedure yielded little information. "We try to get as much information, as we can," complained one HR director, "but people increasingly just give out data, position held, length of employment. This is often hard to get over the phone." And thus the interview also served as the crucial selection tool, though one that hotel managers wielded with more care than their counterparts in restaurants. A common practice is to "use a behavioral interviewing process, giving specific examples of when they did this or that. 'Describe the time you got upset at coworker, what did you do?'" Procedures have also been designed to more directly assess how an applicant is likely to interact with others. One hotel, for example, is now conducting group interviews. Another has a team interview, in which an applicant is interviewed by a manager, supervisor, and an hourly worker at the same time. "The hourly employee can relate experiences, can ask questions that the department head or supervisor won't ask as quickly."

Thus, restaurants and hotels stand in contrast to other sectors of the economy where demands for literacy and numeracy skills seem to have increased significantly in recent years. Indeed, the evidence suggests that this sector remains a concentration of unskilled work, precisely in the sense that the jobs do not require proficiencies that result from investment in human capital. But this is not to say that employers hire anyone who comes across the door, although some of the fast-food operations are only slightly more selective. For the most part, employers are looking for workers who are likely to interact well with customers or co-workers, that is to say applicants who have what managers call "people skills", a concept repackaged by social scientists as "soft" or "social" skills. But the term "skill" doesn't accurately capture the object of managers' concerns, since, as I've argued, the desired qualities are so subjective that managers think of them as innate. Thus, the intangibles of applicants' attitude and their propensities to interact well with customers and co-workers loom high in the hiring decision. Given the difficulties in probing for the "right

attitude" or for the presence of "people skills", employers might well be motivated to use other characteristics of applicants, most notably ethnicity, as proxies for the qualities they desire. Since managers also perceive significant differences in the attitudes and behavior of black and Latino workers, this is precisely what they do, as we shall now see.

Employer attitudes

Until the mid-1960s, the structure of employers' racial preferences took a simple form, as the principal selection involved a choice between white or black workers. But as immigration has diversified the labor force, the structure of preferences has become complicated and more indeterminate. Whites comprise a minority of the workforce in the industries of interest here and employers pick among a variety of visibly identifiable and often stigmatized groups. One might argue that the legacy of racism yields a continuing prejudice against hiring blacks, even if the alternative involves recruiting from groups, such as Latinos or Asians, to whom Anglo employers might well be averse. Yet, one could construct a case for the alternative scenario, as Anglos' apprehension over the political and demographic consequences of immigration, particularly from Mexico and Central America, might lead them to revise their long-held racial antipathy for blacks.

Of course, employers might not have strongly or clearly develop preferences, but could be motivated to use race as a convenient screening criteria. This is the notion behind concepts of "statistical discrimination", which suggest that racial or ethnic characteristics, as easily observable markers, provide a proxy for aspects of job-relevant worker behavior which are difficult or impossible to measure. Thus, differences in the average quality of black and immigrant workers or greater variability in the quality of blacks when compared to immigrants, can induce employers to systematically prefer immigrant to black applicants.

The concept of statistical discrimination assumes that employers use ethnic

markers to gauge productivity in a rough and ready way. But it might also be the case that employers are not simply concerned with productivity, but rather with reducing frictions associated with the use of managerial authority. Blacks and immigrants may not only differ in the expectations they have of work conditions, but in the way they act when expectations diverge from actual conditions. To phrase the point in terms that frame broader debates about workers and labor market institutions, immigrants may be more likely to use "exit" as a means of expressing discontent, whereas blacks may be more likely to use "voice". Thus, if employers perceive immigrants as more tractable and less likely to make claims on the firm or contest managerial decisions, they might be inclined to prefer immigrants, especially if black-immigrant productivity-relevant characteristics are perceived to relatively small or in immigrants' favor.

Employers might also take into account the racial or ethnic preferences of their employees. Theories of "pure" discrimination suggest that these views are exogenous, although why recent Mexican immigrants should suddenly accept the North American prejudice against blacks is not immediately clear. Alternatively, preferences might be endogenous, that is they may be embedded in existing hiring practices and a sense of customary justice which grants priority to hiring the relatives and friends of insiders. As suggested above, the prevalence of network is consistent with the idea that employee preferences have a strong endogenous component, and I shall present evidence that this is indeed the case.

Whatever the source of immigrants' aversion to blacks, it remains the case that employers will not always heed the views of their immigrant employees. But they will be particularly attentive to the import of preferences or antipathies in those settings in which workers' ability to fulfill tasks rests on their ability to work as a team. Where productivity may not be so much an individual as a group characteristic, the need to elicit the cooperation of the dominant group in the workforce may lead to the exclusion of out-group members.

To probe employers' attitudes and, through discussions of inter-group relations, the attitudes of their employees', I began indirectly, asking employers how "managing diversity" was a challenge to them, then asking for their

own accounts of how any particular group (usually hispanic immigrants) came to comprise the majority in the labor force, and next asking about the "work ethic" of immigrants, blacks, Asians, and whites, in order to gauge their perceptions of these different groups. Like Kirschenman and Neckerman, whose approach I adapted to this study, I was taken aback by "the degree to which...employers felt comfortable talking ...in negative manner about blacks" (207). To be sure, some clearly chose the path of discretion, as in case of a manager who answered, "I'll leave that to you sociologists." In other cases, for example, a manager who expressed an "aversion to innate generalizations -- generalizations about groups are prejudiced", a few respondents objected to my efforts to elicit generalization and contended that they couldn't "think of negative traits among workers employed here." But in general, managers showed little hesitancy in taking me up on my questions, providing responses that highlighted clearly defined, invidious distinctions among groups, though they were also capable, as Kirschenman and Neckerman also found, of making distinctions within groups.

Employers' perceptions of immigrants Employers commented about immigrants at various times during the interviews, usually during some questions about the labor supply, and invariably when they were queried about recruitment methods. But the first detailed discussion of immigrants' characteristics usually occurred in response to a question about the ethnic composition of the workforce and its follow-up, in which I elicited an explanation of how one group -- usually Latinos -- came to be bigger than all the others.[4] Their accounts tied immigrant concentration to two broad sets of factors. One set is subsumed under the response "demography", the contention that "availability is number one", "that's what the workforce is". As these employers saw it, the non-immigrant labor force had largely disappeared. "The only problems [finding workers] are in lily-white communities," noted the personnel director of a local chain. "Anglos don't work at [X]'s anymore." In place of natives, the labor force feeding into these entry-level jobs consisted of immigrants, and immigrants only. "When I see

[4] Because Latinos were less likely to work as waiters, some of the larger restaurants were likely to employ a mainly white crew.

people with previous hotel workforce," noted one hotel HR manager, "they've all been Latino. It's not a question of our going out; this is the workforce that's coming in." And when the dominant pattern was occasionally reversed, the unexpected entry of whites only served to underscore the norm, as in this case of a regional chain that recently opened a restaurant in a newly-developed area in San Bernadino county:

> We opened a new store in a white flight area a year ago. We had 300 applicants for 30 jobs, most of whom were Anglos. It was incredible, like going through a time-warp. A throwback.

Since almost all applicants were immigrants, those who moved up the totem pole were inevitably immigrants as well. "The American-born didn't come to wash dishes," remarked one restaurant owner. "Most of the cooks started as dishwashers. American people don't work as dishwashers."

While the lack of competitors created an opening for immigrants, employers also drew attention to those characteristics of the newcomers that predisposed them to take up low-level, often minimum wage jobs. A key factor, as the employers saw it, was that the immigrants "are willing to take the pay, which is low." More likely than others to "take undesirable jobs", immigrants also found few obstacles in restaurant or hotel work where "if you are hispanic coming up and have documents, there's not a need to learn English." And once having found a safe landing, immigrants also had good reasons to stay put. "They have larger families to feed," noted the owner of an Italian restaurant with an all-Mexican kitchen. "They've got a job they don't want to lose."

The work ethic Kirschenman and Neckerman found that employers consistently evaluated whites most favorably, and though perceptions of hispanics were mixed, blacks were most likely to be ranked last. Following their lead, I asked a number of questions about the work ethic of a number of groups -- whites, blacks, Latino immigrants, Asians, and second generation Hispanics; employers' views of the first three groups will be the focus of this section.

Unlike the Chicago employers interviewed by Kirschenman and Neckerman, the restaurant and hotel managers I spoke with were far less likely to view whites through a rose-tinted lens. "Whites have some work ethic problems," noted one

hotel HR manager somewhat delicately. "You assume that they don't." A restaurant manager voiced a similar complaint: "Attitude has become an issue. Whites haven't been as hard [workers as immigrants]." More pungently negative opinions were expressed by some of the fast-food managers:

> They're lazier. They don't work as hard as immigrants in this market. They'd rather earn the same wage for a less strenuous job -- this is hard work.
>
> They tend to be lazier. They figure they will get paid the same whether they work or don't, whether they bust their butts cleaning the place up and making it look nice, or just kick back.

But situational factors heavily influenced these negative assessments. Hotels, and particularly restaurants were often waystations for the actors or "spoiled Valley kids" working in the front of the house; in hiring whites, managers were well aware of, and more than a little bit irked by the likelihood that "the minute they get a call from an agent, they drop us like a hot potato." As further evidence that context matters, whites' work ethic was generally viewed more favorably in the hotels, with their more extended job ladder and opportunities for career employment.

By contrast, most employers, and particularly those in the restaurant industry, appeared well-impressed with the immigrant work ethic, as in the following extended, but representative example:

> Yes, the immigrants just want to work, work long hours, just want to do anything. They spend a lot of money coming up from Mexico. They want as many hours as possible. If I called them in for 4 hours to clean latrines, they'd do it. They like to work. They have large families, a big work ethic, and small salaries. The whites have more, so they're willing to work fewer hours. Vacation time is important to them. They get a play and want to get 2 months off. They want me to rearrange a schedule at a moment's notice. These guys in the back would never dream of that. They would like to go back to Mexico every four years for a month which I [let them] do. The back of the house workers take vacation pay and then work through their vacations. I try to get them to take off a week once a year. But most of them plead poverty. The kids in the front of the house are still being taken care of by their parents. I'm not trying to disparage them, but they're spoiled.

Immigrants' virtues went beyond a willingness to work hard and long; perhaps just as important, in the eyes of the restaurant owners and managers, in particular, was the sense that "lots of Spanish people, if they're working for you and feel that they have a fair shake, they stay forever." The restaurant interviews

consistently highlighted the contrast between the immigrant-dominated kitchens, where "we don't have much turnover -- in the back, the average stay is about 8 years; we even have someone who's here for 16 years," and the white-dominated front, "where we're always interviewing."

Once the discussion with employers turned to the work ethic and employment experience of blacks, similar accolades were never heard again. To be sure, managers sound more than a single note. "With gangs and peer pressure, it's tough to grow up in any color in LA," noted a hotel HR manager. "It may affect them [blacks] and their work ethic. But I haven't seen it." Some employers, just as Kirschenman and Neckerman found, were keen to distinguish their experience with individual blacks from their views of the black population in general. "I have one black waiter," remarked a restaurant owner, "and he's a very nice man, no problem whatsoever."

A theme of convergence between blacks and whites, not detected by other researchers, also came up in the interviews, and this got expressed in a variety of ways. Some employers, noting that the "blacks I've hired are indistinguishable from the white workers," pointed to the higher levels of education found among black applicants. An HR manager in one of the city's largest hotels commented that "I don't get a lot of black applicants, and when I do, they are older men who have been laid off, or highly articulate, well-dressed younger men." With more schooling came different aspirations, as noted by another hotel manager who "wouldn't say that the black group is any different from whites":

> Blacks are also striving. Many are interested in higher positions and promotions. Most of the immigrants are not.

When turned around, however, the assimilation of blacks to whites put both groups in the same unflattering light, especially when compared to immigrants. "Black men -- even American white men -- they say 'I'm not going to wash dishes,'" commented an owner of a small chain of family restaurants. "Or they'll say 'I went to high school and I deserve better.'"

Thus, even in their more benign comments employers were apt to suggest that blacks were unlikely to have the qualities that made them desirable employees for

entry-level jobs. The common contrast to immigrants underscored just what the desired qualities were. Work ethic was an important part of the equation:

> Latinos are more 'workers' than the blacks.
>
> Blacks aren't exposed to the work ethic day in and day out like these Latinos are.
>
> They tend to be kind of lazy. Based on my experience, they're very lackadaisical; I have not seen them showing a work ethic.

Employers' perceptions of different ethnic social structures also colored their views. "The Hispanic workforce is more family -oriented," was the way one hotel manager saw it. "They live with extended families to keep their jobs. It's not that I see a lack of it among blacks. It's more noticeable among Hispanics." Whereas blacks "don't produce referrals," as one hotel manager complained, "Latinos bring their family in. Blacks just don't have a strong base to work from."

But the dominant theme in employers' discourse about race was the charge that blacks are "brought up with entitlement". In the hotels, "entitlement" sometimes meant that blacks lacked the qualities looked for in a good worker:

> If you're talking about service in the hotel industry you have to have a certain attitude. If you come with a chip on your shoulder, negativeness, "I've been a victim," you don't come across as guest-oriented, helpful. You have to smile, use the guest's name, have to be friendly, the attitude shows you want to be friendly in tone and manner. [With blacks] there is an attitude that is there. It's hard to pinpoint because when you say it you're accused of being a racist.

Some of the restaurant managers similarly complained about work-related traits -- "they ask for more money and don't work as hard and don't work long"; "coming in on time, neat, basic hygiene: these things aren't there, they're not presentable." But the basic problem seemed to be that blacks just expected more. "There are lots of recriminations of mistreatment, favoritism," noted the manager of a regional fast-food chain. "It's not universal. But I encounter them with too much frequency." Employers, as in the case of a fast-food manager, were often unhappy with "the attitude they project. They either have an attitude that you owe them a job because they're a black male, or they kick back and say if you fire them they'll sue for discrimination and you can't do anything about it." At root, entitlement seemed to encapsulate much of the "difference in work ethic

between blacks and hispanics: 'I didn't take a job to wash dishes. When you hired me, you didn't say I had to sweep the floor.'"

The entitlement theme and the frequency and force with which it was sounded suggested that a preference for employing immigrants and an aversion to hiring blacks might be rooted in employers' perceptions of the different expectations of the two groups. As one sophisticated hotel HR manager put it, expectations among blacks and immigrants did indeed vary, though these were best explained in terms of the two groups' diverging historical experiences:

> Lots of focus groups in the industry have looked at the question of blacks in the industry: they [blacks] see these as subservient positions. In their own group in the industry, they're not prone to work in subservient positions. The social movement encouraged people to gain skills. When blacks are coming in, they are looking for clerical, non-uniformed jobs, industry wide. Before immigrants started coming, blacks ended up doing this work. Now that there are others, they're doing it.

Employers, who saw the "Spanish [as] coming with all we need: they know they are handicapped and are ready and willing and able to work," also noted that "here it's really weird. We have people who have been housekeepers or dishwashers for 20 years." By contrast, the sense was that blacks are:

> ...more concerned [than immigrants] about mobility and advancement. They are very concerned. The issue of pay vs. equality is more prevalent. The reservations people, who are heavily black say "what's the difference between front desk and reservations?" For them, it's the issue of equal work for equal pay, rather than the Hispanic attitude: "we work hard. If you make the job harder we want more pay."

Not only did employers perceive blacks as expecting to move ahead, they also reported that blacks chafed against the conditions which immigrants accepted:

> We have had a bad experience with black employees. We have a disciplinary system which we apply across the board and we've had blacks who've gone through this and get terminated, and the reason they give for this is that they're black. They don't accept responsibility. We have a lot of problems with black employees saying "you guys owe us and who cares if we broke this rule." Obviously we have blacks who are excellent but they're called Uncle Toms and "why are you kissing the white man's rear". There's lots of peer pressure. I've seen excellent blacks turned around in 90 days. Some of the immigrants feel like we owe them something, but it's not as blatant. They accept responsibility. When they break rules, they're more apt to accept what they've done. Blacks automatically say you're writing us up because you're racist.
>
> Whether black men or black women, they are from this country, and feel that they haven't been treated well, slavery has deprived them of rights; so they have that chip. Immigrants come with the

> attitude that this is the future, they are hopeful, deprived at home, though treated as low and that seems to be acceptable. Lowness doesn't give them a sense of being inferior. They know they don't have the education. In some of my interviews with Latinos, I'm asking them about the work ethic. I ask, "is it a necessity (the job), because they need money?" And they say, yes. And I say, "work is not easy. Are you willing to sweat". And they say yes. "But you have to sweat with *ganas*." And they say yes. Because this job requires that you have *ganas*. I wouldn't approach it that way with blacks.

Thus, the comparison counterposed two groups defined in large measure by their differing orientations toward low-level work and their attitudes toward the exercise of managerial authority. On the one side were Latinos: "very deferential, low-key in behavior and commitment to demanding, low-level work". And on the other side were blacks: "Far greater expectations, if they're going to do that [low-level jobs], only as an enabling experience to move up to positions of higher responsibility." Immigrants were also more accepting of relationships of subordination, as suggested by the white personnel director of an Asian fast-food chain:

> The Latinos in our locations, most are recent arrivals. Most are tenuously here and here on fragile documents. I see them as very subservient. I see the Asian restaurant managers call them the "amigos", that's their name for them. The Asian kitchen people are very hierarchical. There's a place for everyone and it's clear where their place is.

Blacks, by contrast, were "far more aware of the regulatory system and far more aware of remedies if they've been wronged," as a personnel manager with twenty years experience in the quick service food business explained.

Thus, the interviews pointed to a variety of motivations that might lead employers to hire immigrant over black workers when given the choice. "Old-fashioned racism" provides part of the impetus, as suggested by the derogatory nature of some of the comments reported below. Given the widespread appreciation of the immigrant work ethic -- against which even whites are evaluated unfairly -- "statistical discrimination" seems to be at work as well. The fact that immigrants are more likely to come in through the network gives managers added confidence in the predictive power of ethnic markers, as does the apparent immigrant propensity for strong attachment to these low level jobs. Additional incentives to engage in statistical discrimination probably come from the low

levels of skill required in restaurant or hotel work and the crucial importance of maintaining relationships with co-workers and customers in these service jobs. Though our evidence is limited, it does seem that blacks are more likely to be employed in jobs that demand higher levels of literacy and numeracy -- like clerical and front desk functions in hotels and waiting in restaurants -- than in the lowest-level positions in housekeeping or restaurant kitchens. And this pattern suggests that employers put greatest reliance on ethnic characteristics when it is most difficult to measure the traits required for a job.

But there does appear to be an additional factor at work, one closely related to employers' perceptions of the varying expectations of black and immigrant workers and the search for a workforce that will pose the least threat to managerial authority:

> Field notes: After the formal interview with a fast-food chain manager had ended he told me the following story about a black employee: This guy had been a great worker, promoted up the ranks to assistant manager. Then all of a sudden performance started going downhill. The store manager spoke with him, the supervisor spoke with him, my contact spoke with him, all to no result. In the end, the chain fired him. The day he got fired, he filed a complaint with the EEOC. The moral of the story: "reduce your exposure".

Employees' attitudes and behavior

If perceptions of blacks as less likely to possess the traits desired in entry-level workers and more likely to "kick back" when aggrieved incline employers to hire immigrants, employees' preferences and the role of ethnicity in structuring the workplace push managers in the same direction.

Network hiring, as I've already noted, was a pervasive phenomenon in the hotel and restaurant sector; while recruiting through the networks fulfilled economic functions, it also brought ethnic communities directly into the worksite. Those communities, as the interviews showed time and again, were often on edge. To be sure, the reports of inter-ethnic conflict come from a third party -- employers -- that might have an interest in exaggerating the degree of conflicts organized along horizontal as opposed to vertical lines. But even if we discount some of what I heard, the interviews turned to discussions of conflict too frequently and with too much detail for the accounts of antagonism

to be ignored.

Although my main interest is in friction between blacks and Latinos, there is a certainly a sense in which every group is marking out and maintaining its own turf. One manager's contention that "the biggest diversity problem is within Hispanic countries" may overstate the case, but reports of bad blood between Mexicans and various Central American groups, as well as of intra-ethnic conflict within Central American populations cropped up time and again. "We've had out and out wars," noted a hotel HR manager. "'You treat Mexicans better than Nicaraguans.'" "Mexicans don't get along with Salvadoreans, they look down on them," recounted a restaurant manager. "I had three Salvadoreans a while back, and they didn't get along [with the Mexican workers]." Managers told of groups "set[ting] each other up", of "problems, threats, outbreaks, racial slurs," of "fights in the garage" breaking out among Mexicans and Central Americans. The problem was aggravated "if they happen to work together, if they require interdependence. 'Who's bossing me? Who's the dominant dog?'" Conflict emerged within the multi-ethnic Central American populations as well. "We have situations where Ladinos [white Central Americans] are called names, and treated as outsiders. The Ladinos not well-liked."

If intra-Latino conflict was a common occurrence, far more hostility appeared directed towards blacks and Asians, who were only a presence in ethnic restaurants and in hotels. "In the restaurant world, where it's so Hispanic dominated, blacks and hispanics don't get along well. There's tremendous suspicion between the two groups. They're not open to accepting each other as fellow co-workers." Black-hispanic hostility erupted in hotels as well:

> The service areas that used to be black are now hispanic. One problem in housekeeping is that all the old black attendants are in floor supervisor positions and inspect Hispanics. This is a source of tension.

"It's a tight Hispanic group", was how one restaurant manager described his kitchen and that cohesion did not often extend to outsiders, who sometimes found that competition and hostility made it difficult to execute their jobs. One experienced hotel manager went so far as to say that:

> The only other immigrants with the stamina are the Russians. The

> Philipinos don't have the stamina to survive the group pressure. The Hispanics gang up against them, they don't cooperate, and say things against them. Asian culture is less assertive. The Russian ladies in housekeeping have the will to survive. They're so strong they'll survive.

While network recruitment sometimes served as a passive instrument for keeping groups apart, exclusion also resulted from concerted group efforts. Talking about black-hispanic interaction, a restaurant manager said "it was the case that it just didn't work. One group leaves." A hotel manager said that it was easier for blacks to work in the kitchen, where there wasn't the same degree of interdependency as in housekeeping:

> Housekeeping is all hispanic: you try to put a black in there, they won't last. They intimidate. We have had situations where we have different cultures that get put together and we lose the person. The Hispanic houseman will play pranks and not deliver linens to black housekeeper and then they don't get the beds made."

Teenagers and fast-food

The case of the fast-food sector offers a chance to test the argument of immigrant displacement by looking for any immigrant effect on the employment of a different demographic group -- namely, teenagers. Nationally, fast-food contains a concentration of teenage jobs: in 1983, 70 percent of all fast-food workers were sixteen to twenty years old, and 85 percent were twenty-four years or younger (Charner and Fraser, 1984). And fast-food is one sector of the restaurant industry where immigrants appear to have made little headway: nationally, Hispanics accounted for only 5 percent of the fast-food sector in 1983. The same pattern held in an immigrant metropolis like New York, where a study conducted in the early 1980s reports little immigrant employment in fast-food outlets (Bailey, 1987).

Moreover, the technology which fostered the extraordinary expansion of fast-food chains over the past three decades, encourages the employment of teenage labor. The large majority of fast-food jobs require minimal skills and can be learned in a few hours or days, which reduces the costs of training and retraining an unstable labor force. Moreover, as Bailey notes, "short-term employment is actually advantageous because the industry has significant seasonal and daily fluctuations...[which] can be absorbed by slowing or accelerating

fluctuations (Bailey, 1987: 65)." As a labor force amenable and indeed looking for part-time work, teenagers provide the flexibility that the fast-food chains desire while also reducing upward pressure on wages.

But the pattern of teenage employees working at part-time fast-food jobs is not what we found in our sampling of L.A. fast food restaurants. Most chains instead relied on crews which were at least half full-time. One regional chain, for example,

> is 50% full time. We're different from most similar operations. We've found that it's better to have long term workers who know what they're doing, which justifies paying more. There's continuity with customers, consistency in the way things are made. Customers like to be see same worker: it's part of dependability to see Jose tending the bar everyday.

To be sure, this particular chain runs a low tech operation, where a number of items are made from scratch. But none of the fast fooders, including those that are outlets of large, nationwide chains, were any more likely to rely on part-timers.

Accompanying the switch to a full-time mode came dependence on immigrant workers: the fast food stores we visited employed an overwhelming immigrant population. Keeping pay depressed was certainly one advantage of employing an immigrant full-time crew. "The people whom we hire," noted the personnel manager of a fast-food operation with more than 50 outlets in the greater L.A. area, "have a need to earn enough hours at low rates of pay to make a living." But the immigrants also provided the flexibility that the fast-fooders wanted without the scheduling difficulties involved in employing part-timers and the legal restrictions encountered when teenagers are at work.

> Our first store [opened in the early '60s] was in the [] section. It was a very successful store. We hired a staff that was approx 100 percent Anglo, mainly college students and would-be actors. The best looking people working hourly jobs. In the first stores we had 2 Spanish descent and 1 Filipino out of 35. We probably started seeing the massive transition taking place in the mid-70s. It wasn't so much a question of the non-availability of Anglos; you had more of an influx of Spanish. We started finding the attractiveness of full-time workers rather than part-time. We had trouble getting Anglo kids to work weekend nights. The Spanish didn't care: they just wanted a job. By the early 80s, for sure, we had a hispanic staff everywhere.

Regulatory restrictions provided yet another incentive to avoid teenage workers.

One veteran fast-fooder, who agreed that "over the years there are fewer teenagers", contended that "from my vantage point, I don't want anyone under 16. There are too many places to get slapped."

Conclusion

Economic restructuring may account for much of the distress experienced by urban African-Americans, but the usual story of job upgrading and its nefarious effects on the low-skilled does not seem to apply here. Restaurant and hotel work remain the province of workers with physical stamina and proficiencies that virtually anyone has. And yet the process by which restaurant and hotel jobs are sorted among the diverse groups that make up Los Angeles' low-level working-class yields results that seem to strongly disfavor blacks.

The evidence suggests that there is no single factor behind black displacement from restaurant and hotel work; rather, what we observe is a process of cumulative causation in which a set of mutually reinforcing changes raise barriers to the hiring of blacks. The interviews show that hiring is embedded in social networks that comprise a source of "social capital", providing social structures that facilitate job search, hiring, recruitment, and training. Network hiring seems to have a dual function, bringing immigrant communities into the workplace, while at the same time detaching vacancies from the open market, thus diminishing opportunities for blacks. If blacks are less likely than immigrants to have inside information, the evidence further suggests that they are also less likely to meet the criteria employers use when making hiring decisions. To some extent, this second disparity flows from black exclusion from recruitment networks, since insertion into the networks often provides employers with better quality information about applicants. But blacks are not helped by the intangible qualities that managers seek among their applicants: since employers are not looking for measurable general skills (like reading or writing) but are rather concerned with the unmeasurables of attitude and "people skills", they have considerable motivation to use ethnic markers as crude, if effective proxies for these traits. The interviews clearly show that employers perceive immigrants as far more desirable employees than blacks, in part, because they

expect that immigrants will be the more productive workers, in part, because they also see immigrants as more tractable labor. Any managerial propensity to favor immigrants is likely to be reinforced by the attitudes of the predominantly Latino workforce, as inserting a black worker in a predominantly Latino crew is not a technique for increasing productivity, given the hostility between the two groups. And African-Americans seem to play their own role in this process, apparently opting out of the hotel and restaurant sector in response to rising expectations, on the one hand, and the anticipation of employment difficulties on the other. To the extent that blacks remain attached to these industries, they have concentrated in occupations where black-immigrant competition is reduced, or in positions for which higher levels of education are required.

Thus, the story of black displacement in restaurants and hotels can be traced not to skill upgrading, but rather to competition with a rapidly growing immigrant population. To be sure, I've uncovered no smoking gun and the small size of the sample leaves any conclusions less than decisive. But the effects of network recruitment are consistent with those reported by other studies and there is little reason to think that a larger survey would yield a dramatically different picture of employers' hiring practices, especially in light of what we know of these industries. Our view of employers' perceptions might change with more interviews, but here again, my findings resonate with the results of other work, and I strongly suspect that a significant proportion of intensely negative assessments would remain. I could also make a stronger case for displacement if I had evidence that employers' disparate perceptions of blacks and immigrants directly affected hiring decisions. Yet the case of teenage employment provides ample testimony to the perceived advantages of staffing with an immigrant crew; and this is a purer case of "statistical discrimination", as employers are unlikely to be influenced by exogenous preferences for immigrants over teenagers. In the end, and notwithstanding the shortcomings of the data, there seems to be a multitude of factors, all of which work to close off the employment opportunities in hotels and restaurants for L.A.'s less-educated African-Americans. Short of a change in immigrants' expectations and behavior, which

might well be in the offing, it is hard to imagine what could turn this situation around.

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