

BLACK/IMMIGRANT COMPETITION RE-ASSESSED: NEW EVIDENCE FROM LOS ANGELES

ROGER WALDINGER*
UCLA

ABSTRACT: *This paper reports on a survey of employers to assess the impact of immigration and employer practices on black employment chances in Los Angeles. We observe a process of cumulative causation in which a set of mutually reinforcing changes raise barriers to the hiring of blacks. 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. Employers also 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 low-level labor market in response to rising expectations, on the one hand, and the anticipation of employment difficulties on the other.*

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

*Direct all correspondence to: Roger Waldinger, Department of Sociology, UCLA, Los Angeles, CA 90095.

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 grown, 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 1991b). 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 *less* schooling and *fewer* 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 *why* 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 paper by Katz, Borjas and Freeman (1992), 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 char-

acteristics 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.

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, hotel, printing, and furniture manufacturing 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 1991a:3)

While the case study approach represents a break with previous employer surveys, which have generally sought a cross-section of broadly representative establishments, it promises new insights. Since institutional features may affect employer strategies and perception, selecting a smaller subset of establishments should help in identifying those features. The particular cases also pose the issue in sharp terms: as all four of the industries discussed in this paper 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.

The sample consists of 170 establishments, including 44 restaurants, 46 printers, 41 hotels, and 39 furniture manufacturers.¹ With the exception of the restaurant sample, which was drawn from the Yellow Pages, and designed to include chains (varying in size from 3 to 55 units) and single-owned operations, the sample was drawn randomly from industry directories. The firms were located in a variety of areas within Los Angeles county, both within the central city, and in more suburbanized areas. The interviews were arranged with the highest ranking person involved in the hiring process. The interviews lasted from an hour and a half to two hours; in some cases, interviews were recorded and subsequently transcribed; in other instances, detailed notes were made of interviewees' responses.

THE LABOR SUPPLY

The case for competition immediately runs up against the argument that without immigrants, as one hotel manager put it, "We'd be in serious trouble. We wouldn't have anybody to work." The interviews with employers in hotels, restaurants, printing firms, and furniture manufacturers provided plenty of fodder for the view that hard, menial, but entry-level jobs no longer attract native

workers, not at the going wage, and not even in a period of such high unemployment as southern California is now experiencing:

The Mexican presence [in furniture] is historical. I don't agree with the media about immigrants. It's a two-edged sword. There's a very great demand for immigrants. I started in the industry in 1957, it was 50/50 white and Hispanic, not many blacks. A very slow transition. I would say that in the 60s it started to change. Lot of it was the pay structure. A greater influx of Hispanics. You couldn't get a kid out of high school; they wouldn't start a low wage job. I have had high school grads who can't read and say that their dad will pay them more than \$5 an hour. I think we're too low paid for blacks. Very, very few who come in for anything. Usually for warehouse or forklift which I don't have. I have had a few nice black girls in the office.

As many of these employers saw it, "most of the white people don't want to work." "Take your Caucasians, they get fat and happy," noted the production manager of a furniture factory. "They take things too easy. A lot of people around this area don't want to come in at a \$5 an hour level." In place of natives, the labor force feeding into these entry-level jobs consisted of immigrants, and immigrants only. "When I see 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 Bernardino 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.

What was striking about the interviews was the sense that it was not only white, but black workers as well who had dropped out of the labor supply feeding into the low-level labor market. "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 and some variation on that response appears like a constant refrain in the interviews with restaurant, hotel, and furniture manufacturing respondents. The manager of a hotel in west Los Angeles told us that "I don't remember ever getting an application from a black female since I've been here." Likewise, the plant manager of furniture factory said that "We have never had a young black man apply for a job." "Blacks don't apply," observed the manager of a very high tech printing plant. "I don't think I've had a single black applicant. That's true when I put an ad in a paper." Though our respondents in the lower-level industries reported relatively few attempts to recruit blacks, those efforts seemed to produce meager results. "When I have advertised, I get very low turnout even though I targeted," recounted a hotel manager who ran ads in two black newspapers. "I've had very few applicants. Almost none of whom qualify."

Of course, not every firm reported the same experience. Location made some difference. Hotels near the airport, located in close proximity to dense black communities, were more likely than others to receive a steady stream of black recruits. Likewise printers in the core area reported a somewhat heavier black applicant flow. But it was striking to visit a furniture plant in the middle of heavily black Compton and hear that blacks "don't apply, very few do. And there is a black area round here." And similar reports were made by fast-fooders with outlets near the Venice ghetto, printers in Pasadena, an older city with a large black population, and downtown hotels in close proximity to the south central ghetto.

NETWORK RECRUITMENT

These reports might suggest to an economist that there appears to be a difference in the supply curves of immigrant and native black labor. The employers often had their own explanation for why this would be. As the owner of one very large furniture manufacturer put it, "Our methodology of recruitment excluded them [blacks] on some level." Virtually all of the firms we interviewed hired new entry-level workers through referrals from existing employees. "If someone walks in the door with no experience and has no skill," reported the manager of a furniture factory, "I would rather hire someone with no experience but that is being recommended." 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, of which one is simply cost. "The advantages of hiring through referrals?" mused a production manager in a printing plant. "Promotion of good will. And it's cheap. I don't have to waste a lot of time searching."

We put the word out that we're looking for an inspector. Believe me, it gets around in about 30 seconds, and the whole place knows about it. People go to the phones to call others about the opening. If we put the word out at 7, we'll have applicants calling or showing up by 9, 10, or 11.

Cost savings occur because network hiring introduces elements of social structure into the interaction between job applicants and employers, otherwise not present when employers tap into the external labor market:

People coming off the street won't stay that long. Because of the low pay, we get desperate people. You have to be careful about who you hire, especially because of workers' comp. We had a guy who worked here for 8 hours and went to the emergency room and asked for a workers' comp claim. We fought it, but it still cost time and money.

By contrast, as one factory manager pointed out, "the existing employee is not gonna bring in a schmuck"—which, when translated into less pungent sociologese, tells us that network hiring embeds the signals that prospective job seek-

ers transmit to employers and that employers want to convey to their potential employees in pre-existing relationships. Incumbents "know what we're looking for," noted a Taco Bell manager. More importantly, they "don't want to work with someone who isn't capable," as a printer pointed out. "They're going to automatically screen them for you."

Network hiring yields yet another advantage: pre-existing relationships originating outside the workplace continued to influence behavior after the hiring decision, since once "recommended, there's pressure for that person to perform." As a furniture manufacturer pointed out, "It is kinda like, you scratch my back, I'll scratch yours." A hotel manager told us that:

I have also found that because we hire referrals, most of the employees come from one area of El Salvador, they know each other from back there. It's a very cohesive environment, a small town atmosphere. In a big city, but they know each other, have a high degree of ethics and morality that you get in a small town. It's another advantage of hiring referrals in a city like LA. The disadvantage is that it has repercussions on hiring outsiders.

As our respondents saw it, incumbents' ability to furnish referrals for these low-level positions was related to the structure of the networks and communities to which the existing workers were already attached. In response to an interview prompt about why they mainly relied on referrals, one printing manager responded: "Because we're dealing with a mostly Hispanic work force. A Hispanic household has extended family—friends, neighbors. They always know someone who needs a job." Consequently, when vacancies appear, managers are apt to 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.

Employers' accounts often suggested that they consciously mobilized connections between incumbents and outsiders to secure the desired workforce. But the information flows are also activated by employees, whose contacts invariably extend to people looking for jobs. "There are always people looking for a job who know people here and would like to get a foot in the door," explained a printer. Numerous respondents told us that "workers are coming into me all the time" with queries about job vacancies. In many cases, incumbents are able to preempt their employer, effectively detaching the hiring process from the open market. "The referrals occur before the vacancy appears, everybody out there knows about it before we do," recounted the pressroom supervisor of a large, east LA printing plant. The personnel manager for a furniture factory with over 400 workers told us that:

I have people coming in for jobs and I say there are no openings out there and they say but Jose is going to quit. They already heard about it before I even have the jobs posted.

In other cases, incumbents line up replacements before management has a chance to test the market. "Some of the workers go up to the owner and say, 'I have a friend who wants a job.' And as someone will get promoted, the owner will go back to one of them and will ask him whether he wants to start work as a janitor."

While a variety of factors thus lead employers to recruit through incumbents' contact networks, dependence on referrals structured entry into these labor markets in two significant ways. First, network hiring yields a tendency toward social closure. As the manager of a furniture factory with almost 500 employees explained to an interviewer who wanted to know why the factory was so strongly tilted toward a Mexican workforce:

For years there was a Hispanic manager, a guy named Joe Fernandez, and I think he leaned heavily on his friends and on the friends of his friends. And since I got here I've had to break this pattern. Watching out, if you leave it alone, and you leave it to referrals it, it will all be Mexicans. I had two clerical people and I had to stop them. They were taking only Mexicans.

By biasing recruitment toward incumbents, network hiring excluded outsiders and also reproduced the characteristics of the existing workforce. As the manager of a furniture factory explained, "The way we recruit, which is through referrals, has excluded blacks because we have an already predominant Hispanic workforce." Wherever firms promoted from within, network recruiting also determined the characteristics of those who subsequently moved up the ladder. "All the pressmen started as janitors," explained the controller in a downtown printing plant. "It's very rare that we've hired people in anything but beginning positions over the years." While internal labor market structures appeared with uneven spread and consistency among the firms in the sample, wherever we found tendencies toward internalization, the same factors that led employers to recruit referrals—"we figure that the applicant will be a carbon copy of the employee referring them"—led them to subsequently recruit from within. "You know what you've got," explained the manager in one company that promoted floorboys to feeders. "The feeder-second pressman-first pressman ladder is the whole goal of working on the press."

SKILLS AND SELECTION PROCEDURES

While the literature shows that demand for low-skilled labor is indeed declining, a surprisingly large number of jobs require a high school degree or less. McDonald's, of course, epitomizes the low-skilled jobs of the future. Printing, by contrast, increasingly resembles high tech, as computerization either removes the need for older mechanical skills, transforming blue-collar into white-collar jobs, or makes manual proficiencies more complex, as on the million dollar machines that are gradually transforming the press rooms.

If our sample of firms spans the lower half of the skill spectrum—with hotels, full-service restaurants, and furniture manufacturers, in that order, lying somewhere between the fast-fooders and the printers—the interviews yield at least two findings of note: the attributes that employers desire bear little resemblance to the qualities that researchers denote with the concept of skill; and the attributes that employers value are not changing in the fashion depicted by the skills mismatch view. In restaurants and in the manufacturing industries that we studied, the “skill” that employers rated most important generally involved a proficiency in interacting with people, whether customers or other employees. “That’s what our business is all about, customers,” noted a McDonald’s manager, an emphasis that recurred in the interviews with fast-fooders and in full-service restaurants when respondents discussed the importance of jobs in the front-of-the-house. For production jobs—whether in the print shops, the furniture factories, or the back of the house positions in restaurants and hotels—the key factor, instead, was interaction with co-workers. “It’s a very close knit culture out there,” noted the manager of a furniture factory. “They need to get along to get their work done effectively.” Task interdependence made interaction with co-workers the “number one issue in the shop.”

There’s so much interaction necessary between you and the pressman, the material man, whatever, the foreman, if you can’t interact, you won’t be able to do the job.

Employers further valued interaction because it served as the medium by which newcomers picked up needed skills: “that’s what’s going to teach them what their responsibilities are.” “When the floorworkers are not busy, they should be on the machine for several hours,” explained one printer. Learning, as the now-classic accounts of internal labor markets described, occurs through “exposure. You see how (it’s done) on the job.”

Emphasizing, as they did, the importance of people-related proficiencies, it is not surprising that employers were most likely to give intangibles like “attitude” or ability to relate to other workers the highest rankings among the qualities they looked for in job applicants. “For entry level in general, it’s all attitude to me,” said one printer. “The right attitude and you’ll have a good worker.” In manufacturing, and other production-related jobs, employers saw attitude as key to effective integration in work groups. “You are hiring an employee who has to work with the entire shop,” noted a furniture manufacturer in explaining why he chose attitude as the most important attribute sought in an entry-level employee. Attitude was also important for what it conveyed about the ability to learn, as in the case of a manager who saw “a combination of attitude and a minimum level of education” as the essential ingredients looked for among new recruits:

A minimum [of education]—they can learn. If they have the proper attitude they will be a good employee. Show up everyday and on time. When you’re hiring at the entry level, that’s what you’re looking for: someone who is reliable and can learn.

In services, particularly hotels, attitude was more important still. Thus, questions about required skills often elicited responses 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."

Not surprisingly, neither assessments of job-relevant skills nor attempts to determine prior work histories played particularly important roles in the hiring process, with the interview instead providing employers with their chief tool for sizing up applicants, and few respondents using any test. Employers also pointed out that the referral process conveyed more information than they were likely to obtain by telephone references. "I have never checked references," recounted a silk screener. "I trust the people who are bringing the new workers in. They are the people I know." "Another employee recommended him, that to us is good enough," explained the manager of a factory where workers were engaged in cellular manufacturing. "And most of the time, if there is something negative, they will usually tell us." A furniture manufacturer told us that

We don't call previous employers because they won't tell you much about the worker. There is an interview and they fill out an application and we make some judgment to see if they can do the work. Find out if they'll be industrious and reliable and based on that [we hire]. Somebody here will know him and give us information.

Thus, restaurants, hotels, furniture manufacturing, and printing stand in contrast to other sectors of the economy where demands for literacy and numeracy skills seem to have increased significantly in recent years. This is not to say that employers do not seek to hire workers with basic skills; nor are they immune to the greater emphasis on "soft skills" that appears to characterize other sectors. But as one printer responded to our probing about skill levels, "it's not brain surgery." Few firms fixed educational levels as requirements for hiring into entry-level jobs and those that did often honored them only in the breach. Moreover, close examination of the interviews with those employers who emphasized basic skill requirements suggest that their demands remain modest indeed. One respondent, for example, who rated reading and writing as the most important skills for entry-level jobs then told me that:

We have no stated educational minimum. They have to communicate, read a ruler, can they read fractions. But no minimum. The main thing that they will

need is the desire to learn. The skills are basic enough that the training curve is very short. Once you learn how marks are related to image...it's a mechanical thing, not rocket science, simply a process that you can commit to memory.

In sum, most of the firms we visited were looking for neither schooling nor prior, relevant experience, though with the near exception of some of the fast-food operations, it would be wrong to think that the employers hire anyone who comes across the door. For the most part, as I've indicated, 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. Thus, the intangibles of applicants' attitude and their propensities to interact well with customers and co-workers loom high in the hiring decision, as one see from the following description of one printer's screening procedures:

[Field notes:] Re: screening, the respondent taps her head and says "right here."—adds that she goes by whatever she feels through her experience, intuition, interaction with the applicant, what her lead people tell her. "It's intangible. Their attitude. If their attitude says they're willing, want to cooperate and make a team effort, that's number one to me." The workers don't work alone—"everyone has to work with someone else." You can spot them if you have 20 years of hiring experience: "Boom—I look at them: is there something that clicks?" She notices little things, such as how applicants use body language—how they sit (whether they slouch) and stand, their appearance. Also, she looks at the application—how it's filled out or not filled out helps tell her what kind of person they are.

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 developed 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 be 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 hiring 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.

Asking about racial preferences, however, is a delicate matter; to probe these issues, we chose a path of indirection, first asking employers about the challenges involved in "managing diversity" and then asking them to explain, in their own words, how any particular group (usually Hispanic immigrants) came to comprise the majority in the labor force. As our interviewing progressed, we began to ask about work ethic issues, but circumspectly, first inquiring about the work ethic of the labor force generally, and only gradually 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 a 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 generalizations 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.

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 owners and managers we spoke with were far less likely to view whites through a rose-tinted lens. "Whites have some work ethic problems," noted one hotel Human Resources manager somewhat delicately. A furniture manufacturer expressed the same thought, though more bluntly: "The white worker is a whining piece of shit."

They feel that they should not be doing this type of work because they are Americans. "I shouldn't be breaking my back." Whites are worse than blacks, they are always complaining. They tell me that they are not "wetbacks".

But situational factors heavily influenced these negative assessments. Furniture has essentially lost its hold on a white labor force. Hotels, and particularly restaurants were often way stations 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. Likewise, the printers, whose firms still contained numerous high-paying, highly skilled manual jobs, were less dismissive of whites' work ethic.

If employers were divided in their appraisal of the native work ethic, most 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 [part in 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. A 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.'" Offering her explanation of why

blacks turned over at higher rates than immigrants, a hotel manager voiced similar sentiments, saying "Probably because they're quote unquote Americans so they deserve a better job."

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. A black fast-food manager commented that:

Latinos are not only working for themselves, they're working for someone else. They're sending their money to their family back home. Latinos are closer to each other. Blacks say, "I quit, I quit, I can go back to mom's house." That's pretty much the black mentality.

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." The personnel manager in a large furniture factory contrasted the two groups in the following way:

I am a bit reluctant to say this because it sounds racist but Hispanics work. They work. They all come in, they have a large extended family; and if someone has referred somebody else, they work as hard. They tend to have an extended family so they will have... I don't have baby-sitter problems or attendance problems with Hispanics, but I do with blacks. I am reluctant to say that because it sounds racist.

But the dominant theme in employers' discourse about race was the charge that blacks have an "attitude":

[Field notes:] The respondent says attitude is a big thing and is a problem with a lot of blacks. They've been subjected to unfair treatment, so they don't trust anyone. They don't believe that people "want to do the right thing. After you've been beaten, kicked, and abused," you come to a company with a chip on your shoulder, but it "doesn't fly," not in any company.

While employers invoked "attitude" to describe a variety of qualities they observed in or attributed to black workers and applicants, the word "entitlement," which often emerged in the interviews, sums up their complaints. "I certainly don't want someone who wants something for nothing," commented the manager of a printing shop. "Lots of blacks feel that way. That's what they have been taught." A hotel manager complained 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." A Burger King manager reported that "black employees say this job is too hard." A hotel manager said that she "hired black room attendants and after 2 or 3 weeks they quit. They don't want the work. It's too hard." 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." Taking orders was another ground for complaint. "I don't want to sound like I am stereotyping this group," remarked a factory manager, "but they immediately react that they are being discriminated (against) and file a suit against the company." A furniture manufacturer had a similar grievance, charging that black workers "immediately let you know that they are from the 'hood' and that you should not mess with them." 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, nonuniformed 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.

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 a furniture factory owner:

Blacks, my experience has been that they're more hostile. (In what way?) Towards management period. The Hispanics are more apt to listen and agree to instruction or listen to instruction. There always seems to be a hesitation in the Blacks to accept what you're saying.

And as a personnel manager with 20 years experience in the quick service food business further noted, blacks were also "far more aware of the regulatory system and far more aware of remedies if they've been wronged."

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 above. 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 for many of the entry-level jobs on which we focused, and the crucial importance of maintaining relationships with customers and particularly, co-workers.

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 all the industries we studied; 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 one discounts some of what we 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 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 also emerged

within the multi-ethnic Central American populations as well and among the various regional groupings from Mexico.

What you end up with is that you have everybody from the Puebla area or Zacatecas area or something like that and what occurs is that they don't talk to people from Jalisco..."

If intra-Latino conflict was a common occurrence, far more hostility appeared directed towards blacks. "And I have to tell you that there is natural resentment between the two races," reported one manager referring to blacks and Latinos. "They do not get along well together in manufacturing." The owner of a large furniture company, with almost 40 years in the business, told me that:

The shop has always been 98 percent Latino. I have hired some blacks. But you put two men on a machine, Mexicans won't work with a black. [They will] aggravate him till he quits. They can't make it inter- racially. I'm not going to be a sociologist, tell them "you're in the same boat, ought to work together." The only place where we have blacks is in the trucks, because they work by themselves.

Of the four industries discussed in this paper, only printing, with its more diverse workforce and elaborated occupational ladder, provided few, if any such reports of black-Latino conflict. By contrast, black-Latino conflict seemed pervasive in furniture manufacturing, as suggested by the quote above. "In the restaurant world," as one restaurateur told us, "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.

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 the black housekeeper and then they don't get the beds made."

Another hotel manager provided an almost identical account when telling us about what happened when he hired an African-American male as a houseman:

...a traditional Hispanic job in LA. [There was a lot of] resentment from the other staff. Leroy (the black employee) was a hard working guy but they were at each other's throat all day long. Constant fighting. [The Hispanic workers] could find nothing wrong with the work, but they were ready to leave blood on the floor. Can't put my finger on it—can't blame it on recession and higher competition for lower-level jobs.

Moreover, blacks find themselves not just a sociological, but a quantitative, often very small minority in immigrant-dominated industries like hotels, restaurants, or furniture manufacturing.² "Not being able to speak Spanish, and that's the language around them all the time, (blacks) felt that they were being discriminated against, no matter how hot they were," noted a furniture manufacturer. "How would you feel if you were black," asked one manager rhetorically, "and your whole environment is Mexican. You cannot even express yourself. If you're working in an environment and no one understands what you're saying, it's going to be difficult." The intensity of black-Latino conflict, as one hotel manager put it, makes it "difficult to hire blacks when you have a predominantly Hispanic workforce."

Blacks don't seem to like to work around this. I make a special effort to hire blacks. But I don't have good luck at keeping them. I examined myself and management to see whether I alienated them. I usually have an exit interview. And a lot of it has been expressed as discomfort with Latino influence.

CONCLUSION

As with many other researchers in this field, I am reluctant to conclude that immigration adversely affects blacks, though the results of the study have certainly pushed me in that direction. But I would be the first to note that the findings from this study are by no means clear cut, and let me conclude by making the case both against and for competition.

The case against competition begins with the point that we found relatively little evidence of competition strictly defined. To be sure, one employer did provide the type of smoking gun statement one might be looking for, telling us that:

If I have a choice between a black American and an immigrant Hispanic, I'll probably take the Hispanic applicant, because the latter will probably have the attitude and work ethic I'm looking for. They just don't have the feeling anyone owes them anything.

But the data that I've presented suggest that blacks and immigrants don't apply for low-level jobs at a comparable rate. The reports from employers certainly suggest that the reservation wages of black—and of white workers—exceed the going wage for starting positions in industries like restaurants, hotels, or furniture manufacturing.³ The employers might be wrong on this count, though I think not.

Furthermore, although I have evidence of black *exclusion*, the data are weaker on the question of black *displacement*. In 1970, blacks were over-represented in hotels, but not in restaurants, furniture manufacturing, or printing. Of course, all of these industries had a much larger white workforce 25 years ago, which raises the question of why immigrants, and not blacks, have replaced departing whites.

Finally, the important role played by networks in the process of recruiting and training reinforces tendencies toward labor market segmentation—one of the arguments often invoked to explain why immigrants don't compete with natives. If reliance on immigrant networks keeps labor market information confined to immigrant communities, opportunities for competition strictly defined are inherently limited.

But I still think that this study provides ground for a more compelling case for competition, albeit one that requires qualification. The argument would go something like this: 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 low-level labor market in response to rising expectations, on the one hand, and the anticipation of employment difficulties on the other.

Thus, the story of black displacement in LA's low skilled manufacturing and service sector can be traced not to skill upgrading, but rather to competition with a rapidly growing immigrant population. While the evidence is not conclusive, 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 still 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. 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 employment opportunities for LA'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.

Acknowledgments: Thanks to the John Randolph Haynes and Dora Haynes Foundation, whose generous grant supported collection of the data on which this paper is based; and to Chuck Hohm and Rubén Rumbaut for their insightful comments and careful reading of an earlier draft. A previous version of this paper was presented at the 1996 meetings of the American Sociological Association, New York City.

NOTES

1. All employers are single-counted, even if they were owners or managers of multi-unit operations.
2. The sociological dimension of minority status refers to the power dimension of the concept; the quantitative dimension to its numerical aspect. The two may be linked, though not necessarily, as in Louis Wirth's classic definition (1945). The distinction seems relevant to the case at hand, since, for African-Americans in Los Angeles, both aspects of their minority status hold in a way that would not be the case in cities like Detroit or Cleveland, where the relative size of the African-American population is so much larger.
3. Killingsworth defines the "reservation wage" as "the highest wage at which the individual will not work. Thus, when the wage is below the reservation level, *changes* in the wage will not change behavior" (Killingsworth 1983:8).

REFERENCES

- Bailey, Thomas. 1987. *Immigrant and Native Workers: Contrasts and Competition*. Boulder, CO: Westview.
- Borjas, George. 1990. *Friends or Strangers*. New York: Basic.
- Braddock, Jomills Henry II and James M. McPartland. 1987. "How Minorities Continue to be Excluded from Equal Employment Opportunities: Research on Labor Market and Institutional Barriers." *Journal of Social Issues* 43(1):5-39.
- Fix, Michael and Raymond J. Struyk, eds. 1992. *Clear and Convincing Evidence: Measurement of Discrimination in America*. Washington, DC: Urban Institute Press.
- Kasarda, John. 1983. "Entry-level Jobs, Mobility, and Urban Minority Employment." *Urban Affairs Quarterly* 19:21-40.
- Katz, Lawrence, George Borjas, and Richard Freeman. 1992. "On the Labor Market Effects of Immigration and Trade." Pp. 213-244 in *Immigration and the Work*

- Force*, edited by G.J. Borjas and R. Freeman. Chicago: University of Chicago Press.
- Killingsworth, Mark. 1983. *Labor Supply*. Cambridge: Cambridge University Press.
- Kirschenman, Joleen and Kathryn Neckerman. 1991. "'We'd Love to Hire Them, But...': The Meaning of Race for Employers." Pp. 203-234 in *The Urban Underclass*, edited by Christopher Jencks and Paul Peterson. Washington, DC: Brookings Institution.
- Levy, Frank. 1987. *Dollars and Dreams: The Changing American Income Distribution*. New York: Russell Sage Foundation.
- Moss, Philip and Chris Tilly. 1991a. "Raised Hurdles for Black Men: Evidence from Interviews with Employers." Paper presented at the annual conference of the Association for Public Policy Analysis and Management, Bethesda, MD.
- _____. 1991b. *Why Black Men Are Doing Worse in the Labor Market: A Review of Supply-Side and Demand-Side Explanations*. New York: Social Science Research Council.
- Peterson, George and Wayne Vroman. 1992. "Urban Labor Markets and Economic Opportunity." Pp. 1-30 in *Urban Labor Markets and Job Opportunity*, edited by George Peterson and Wayne Vroman. Washington: Urban Institute.
- Wirth, Louis. 1945. "The Problem of Minority Groups." Pp. 347-72 in *The Science of Man in the World Crisis*, edited by Ralph Linton. New York: Columbia University Press.