Taking Care of the Guests: The Impact of Immigrants on Services — An Industry Case Study*

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What is the relationship between immigration and the changing economies of the largest cities in the United States? A growing consensus links immigration to the rapid growth and transformation of the services. In this view, immigration is part of a fundamental process of urban 'economic restructuring', in which the growth of services yields both high- and low-skilled jobs, while increasingly excluding workers with middle-level qualifications. The creation of entry-level jobs in services thereby generates the initial demand for immigrants; the newcomers in turn provide a source of low-wage labour that fuels further service growth. The globalization of the US economy propels the whole cycle, with the main immigrant receiving centres developing into international service nodal centres.

Interpretive accounts of immigration and urban change have frequently reiterated this argument (e.g., Sassen, 1988; Portes and Rumbaut, 1990), but proponents have provided scant empirical evidence in support of the restructuring view. Studies of the sectoral impact of immigrants have almost entirely focused on manufacturing or agriculture. The one major exception, Bailey's (1987) book on the restaurant industry, principally examines questions of labour market competition and does not directly address the issue of transformation in the character of service industries emphasized by the restructuring hypothesis.

Not only is empirical support for the restructuring hypothesis weak, but its account is conceptually incomplete. Employers in a polarized economy need not turn to immigrants to fill their cheap labour needs; they might resort, instead, to recruiting low-skilled, native minorities. But the restructuring hypothesis entirely begs the question of why low-level jobs in services have gone to immigrants and not to native blacks. Any adequate explanation of the impact of the urban postindustrial transformation has to explain why the immigrant economic experience has diverged so fundamentally from that of native blacks. A replacement labour perspective, which I develop briefly below, shifts the focus from the demand- to the supply-side, to specify those factors that yield a new ethnic division of labour.

This paper seeks to directly assess the relationship between immigration and the transformation of the urban service economy through a case study of immigrants in the hotel industry in New York City and Philadelphia. This comparative study of the hotel

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industry provides a particularly good test case for both the restructuring and the replacement labour perspectives. As I shall show, hotels in major US cities have witnessed a major burst of capital investment in recent years; the industry's growth has been linked to the new sources of urban agglomeration; and the pattern of growth has followed the trajectory of market segmentation predicted by the restructuring hypothesis. As hotels have also been a traditional employer of African-Americans, focusing on this industry highlights the processes by which jobs are allocated to immigrants or native blacks. By comparing New York, still the quintessential immigrant city, with Philadelphia, a city with few immigrants, I can also assess whether the service sector/immigration interactions are indeed as important as the restructuring hypothesis asserts.

This paper is principally based on 26 interviews conducted in New York and Philadelphia. My informants included hotel personnel managers, union officials, trainers and directors of hotel education programmes, representatives of employers' and industry associations, government officials and officials in immigrant service agencies. I spoke with informants connected with both the union and non-union segments in both cities, and stratified the sample to include hotels catering to the various major submarkets. The interviews lasted from one to four hours and covered a broad span of topics ranging from changes in the market for hotel services, to specific skill requirements, to patterns of recruitment and training. In a number of cases, I conducted repeat interviews with informants, thus allowing me to crosscheck information and assess new hypotheses. In addition, I also collected background material on the industry from the various consulting firms that service the industry, exhaustively searched through the many magazines and newspapers oriented toward the industry, and developed statistical data on the industry through use of the 1970 and 1980 Censuses of Population.

The paper begins with a brief overview of the two contrasting perspectives. I then describe the characteristics of the industry and those of the labour force. This discussion sets the context for an examination of the role of immigrants, native blacks and other groups in the industry, and the factors that affect their deployment.

Immigration and urban economic change: contrasting perspectives

The restructuring hypothesis

The restructuring hypothesis provides a coherent and holistic answer to a fundamental paradox in immigration research. As Portes and Rumbaut point out, New York's industrial decline during the 1970s, and the continuing erosion of its manufacturing base, raise the question of why immigrants persist in going there instead of following manufacturing jobs to their new locations in the Carolinas, Florida, or Texas (Portes and Rumbaut, 1990:48). Portes and Rumbaut note that New York's sizeable, pre-existing immigrant population base serves 'as a magnet for new immigrants', but then argue that the opportunities created by service growth have been more important:

about 45 per cent of employment in producer services and 65 per cent in consumer services are formed by jobs paid minimum or near minimum wages. Immigrants have found in these low-paid jobs a continuing and expanding entry point into New York's labor market. (Portes and Rumbaut, 1990: 49)

Like more conventional analysts, proponents of the restructuring hypothesis define the economic role of immigrants as a source of low-skilled, cheap labour. As Sassen-

1. More extended comparisons of these two perspectives are developed in Waldinger (1989a) and Bailey and Waldinger (1991a). The latter also provides an empirical assessment in light of the New York experience, using aggregate data from the US Censuses of Population.
Koob (1981) argues:

Immigration can be seen as a significant labor supplier for the vast infrastructure of low-wage jobs underlying specialized services and the high-income life-styles of its employees. Messenger services, French hand laundries, restaurants, gourmet food stores, repair and domestic services — these are just a few examples of the vast array of low-wage jobs needed for the operation of the specialized service sector and its employees. Immigrants represent a desirable labor supply because they are relatively cheap, reliable, willing to work on odd shifts, and safe. (Sassen-Koob, 1981: 28—9)

As low-skilled, cheap labour, immigrants play a twofold function in this advanced service economy. First, they contribute to 'the operation itself of this kind of economic system, e.g., by working on the night shift as a janitor in an office, or as a night-time elevator operator in a residential unit' (Sassen-Koob, 1981: 29). Second, their presence facilitates the continued expansion of a labour supply for newly created professional and managerial jobs, as Harrison and Bluestone argue:

the high cost of living in cities containing corporate headquarters requires that professional households include more than one wage earner in order to sustain a middle-class life style. This, in turn, forces this new labor aristocracy to consume more and more of the services that workers in an earlier generation would have produced for themselves.

By providing the 'large cohort of restaurant workers, laundry workers, dog walkers, residential construction workers, and the like' (Feagin and Smith, 1988: 15), immigration lowers the costs of recruiting and maintaining this 'new labor aristocracy'. Because it also expands and diversifies the low-wage labour force at a time of shrinking job opportunities for the traditional blue-collar worker, the immigrant influx has 'peripherialized and disciplined the labour force and segmented it even more finely than before' (Soja et al., 1987: 227).

The replacement labour perspective

In contrast to the restructuring hypothesis, this perspective offers a supply-side approach which draws attention to the shifting composition of the urban population — in particular, the disproportionate erosion of the white population base — and what this implies for both immigrants and native blacks. This perspective takes off from a point developed by Lieberson in A piece of the pie (1980), namely, if non-whites are low in the hiring queue, their access to good jobs is greater where the size of the preferred, white group is smaller. Reformulated to account for changes over time, this proposition suggests that compositional changes involving a relative decline in the availability of whites can generate opportunities for other groups up and down the hierarchy of jobs. In a process identified by Piore (1979), the demand for replacement labour is further amplified by the self-limited character of recruitment into the secondary sector, which has historically relied on migrants, white and black, to meet its labour needs. As the children of earlier migrants enter the labour market, they drop out of the effective labour supply feeding into the secondary sector; hence, an additional set of vacancies emerge, beyond those generated by compositional changes alone.

Thus, the process of ethnic succession creates opportunities; other factors determine the allocation of groups among vacated positions. Differences in group predispositions, skills, vulnerability to discrimination, and past experience interact with changes in the economic structure to create initial economic specializations or niches. Given the way in which ethnic networks channel the flow of information and job-finding assistance, recruitment into positions tends to build on these original specializations. Since access to ethnic networks is based on particularistic criteria, and job information and assistance comprise scarce resources, the creation of these specializations involves a process of boundary creation and maintenance, restricting members of other groups from jobs or occupations within the niche.
By linking the social structure of immigrant populations to the role that immigrants play in the economy, the replacement labour perspective also offers an alternative to the view that defines immigrants as low-skilled labour (see Bailey, 1987). Rather, immigrants’ distinguishing characteristics are the social networks that tie newcomers to settler and the embeddedness of these networks in labour market processes. The immigrant community is the source of mechanisms for the circulation of labour market information, the acquisition of jobs, the transmission of skills, and thus the gradual promotion of upward mobility. Consequently, the labour market role of immigration extends beyond cheap labour.

The two perspectives generate contrasting claims about the role of immigrants in a service industry like hotels. The restructuring perspective suggests the hypothesis that the structure of employment changes first, yielding a greater proportion of low-skilled jobs, which in turn creates the demand for low-wage workers — a group that immigrants comprise. Once in place, the immigrant workforce relaxes wage pressure: the result is diminishing relative wages, a continued proliferation of low-skilled jobs, and a further concentration of immigrants in bottom-level ranks.

The replacement labour perspective implies that shifts in the availability of native workers, independent of changes in the structure of employment, create vacancies which immigrants fill. Immigrants replace natives in a process of self-recruitment through social networks; that process works to the advantage of immigrants, rather than native minorities; immigrant network recruitment also provides a mechanism for dispersion beyond the original employment base.

The hotel industry

Basic characteristics and trends
Suburbanization and sagging urban economic fortunes spelled bad times for big-city hotels in the 1950s and the 1960s. With the upswing of urban service economies, starting in the mid-1970s, and the new forms of urban agglomeration that emerged during this period, the downtown hotel took on a new lease of life. The corporate service firms, whose growth fuelled a massive office-building boom, thrived on their linkages with a clientele that was increasingly national and international in nature. Not surprisingly, then, as Frieden and Sagalyn (1989) note, ‘companies that settled into the new downtown offices soon wanted modern hotels nearby where they could put up out-of-town clients and business colleagues in comfort’. A huge expansion in tourism came on top of this growth in business travel, thus further swelling the market for downtown hotel facilities.

The past 20 years have seen an extraordinary burst in hotel construction. During the 1960s, hotel construction added an average of 4000 rooms a year to the downtowns of the 38 largest metropolitan areas; between 1970 and 1982, the rate increased to more than 5400 a year (Frieden and Sagalyn, 1989). Hotel construction in New York took off in the 1980s, under the stimulus of the city’s boom in tourism and business/financial services, yielding many new hotels and more than 8500 new rooms. But even at this rate, construction did not necessarily lead to net additions in stock, since older cities like New York or Philadelphia contained many older, obsolescent properties that were destroyed, taken off the market, or converted to other uses.

Two major trends, in addition to growth, have swept over the hotel industry. First, the industry has experienced growing market segmentation. At the bottom, minimal-service, indeed almost self-service, hotels in the budget/economy tier have done extremely well; the luxury tier of hotels that provide more services than in the past has also prospered. Growth in these tiers has come at the expense of long-established middle-market type chains.

2. For an elaboration of this argument, see Bailey and Waldinger (1991b).
The big-city markets, however, have proven less fertile ground to the budget/economy hotels, in part because the higher costs of construction in cities demand higher level revenues. The second trend, mainly a circumstance of the late 1980s and early 1990s, is a growing level of competitiveness. Many cities now find themselves overbuilt, with many new properties and still others under construction or on the drawing boards. In New York City alone, over 1550 rooms were added in 1989; an equal if not greater number were scheduled to come on the market in 1990. These new hotels are also coming on stream at a time when demand is falling nationwide. Businesses, the most important source of guests for downtown hotels, are keeping ever tighter controls over travel expenses, putting market segments into closer competition.

The jobs of service
Downtown hotels have sought to grow by catering to upscale customers; service, in both quality and quantity terms, has been the drawing card. This strategy has yielded results that reflect, in part, the prediction of the restructuring hypothesis. For example, among the amenities provided by one luxury hotel are complimentary shoe shines for all guests; two outside doormen, one inside doorman, and numerous bellmen (yielding a bell and door staff alone of 22); and 24-hour laundry and valet services. The latter requires full-time staffing, 'since you can't send the laundry valet guy home if there's no business that night, because someone might call down to have a shirt cleaned at 4 a.m.' While the staffing to room ratio is always much higher in luxury than in mainstream commercial hotels, the latter have followed suit, adding more staff at the front desk, such as early morning managers or concierges, recruiting multi-lingual concierges and other front-desk workers, and providing more services that generate additional back-of-the-house employment.

Hotels' attempts at acquiring new and more upscale customers have not always produced job gains at the bottom of the hierarchy. As one industry expert pointed out, 'the inside of the hotel is more diversified: it's increasingly an entertainment complex with health clubs, racquet clubs, and restaurants'. Restaurants are a particularly important part of the business, with the large new hotels designed to have eating facilities that can serve various different functions and compete effectively with non-hotel restaurants. Hotel restaurants, as I shall note later, contain jobs that range widely in skills and provide significant opportunities for upward mobility.

Moreover, the jobs of service are not quite what they have always been, thanks to the growing use of computers. Computers are now a standard part of every front office job, but their use extends to non-salaried employees as well:

In most large hotel restaurants, a waiter no longer writes up the order on his or her pad, but instead keys it in at a station. In turn, the kitchen worker has to read the order, remember codes, and equate them with the right dish. Even a housekeeper also will key in requests for supplies, sending them directly to the storeroom, rather than, as in the past, making up a list and giving it to the supervisor who would transmit the request.

The growing complexity of the hotel's operation also has a skill-upgrading effect. As the director of a hotel training programme pointed out, 'now that hotels offer more services, every worker has to know about them'. Their service orientation also makes it difficult for hotels to maintain a class of workers who cannot interact with guests. Though these demands for communication have hardly barred the road to new immigrants, they none the less appear to set a more stringent employment standard than in manufacturing, as I shall note below.

Structure of employment
In comparison to other immigrant-reliant industries, hotels stand out in several key respects. First, the hotel is a sizeable establishment that often comprises part of a much larger chain: New York's largest hotel has over 2000 rooms and employs approximately 1400 people.
Second, whether large or small, hotels maintain an elaborate division of labour. Jobs fall into either the ‘back’ or the ‘front’ of the house, with the latter involving activities requiring direct guest contact. Functions create further distinctions, of which housekeeping, kitchen, stewarding and banquets are generally the most important in employment terms. Differentiation within these functions varies considerably, with an elaborate hierarchy among kitchen workers, for example, and virtually none within housekeeping. Alongside the major functions are a plethora of smaller departments, with a large hotel maintaining a carpentry shop, upholstery shop, machine shop, locksmith etc., each one of which employs a complement of specialized workers.

These various characteristics have contradictory influences on the structure of employment. Size and organizational form lead to a formal and elaborate employment structure along the lines of an internal labour market. Many hotels have formal training programmes, developed either by the owner or the chain; job-posting systems are common, as is a preference for hiring and promotion from within. On the other hand, the front/back of the house distinction, as well as the functional divisions, have the opposite effect of separating job clusters and career paths within the hotel. Although movement from the back to the front of the house does occur, hiring front-of-the-house workers often involves recourse to the external market. And rarely is it the case that front-of-the-house workers are drawn from the same external market as workers in housekeeping. Since good communications skills and middle-class self-presentation are desired for front-of-the-house jobs, front-of-the-house employees are more likely to have some college education and more likely to be white than are back-of-the-house workers, for whom hiring requirements are much reduced. In the back of the house, kitchen workers come from differing sources: professional associations or culinary schools refer chefs and sous-chefs, while lower-level help gets recruited from other hotels, restaurants or the open market. In either case, movement occurs via the external market.

Despite its complexity, the hotel is a large service factory from an occupational point of view. At a time when the shape of so many organizations is changing, the hotel remains the classic pyramid: in 1980 managers and professionals comprised barely 10% of the industry’s employees in New York City and not even 7% in Philadelphia. These levels represent little change from the 1970 pattern. The great bulk of employment in hotels is to be found in one major occupational category: approximately two-thirds of hotel workers are employed in service occupations. The largest concentration of workers, approximately 25%, are engaged in the heavy, menial work of housekeeping; approximately another 16% work in one of the variety of food service occupations (of which waiting is the largest).

The hotel workforce

Immigration trends in New York and Philadelphia

Although immigration to the United States has been steadily rising for the last 25 years, its impact remains highly localized. In 1980, less than a fifth of the total US population, but more than half of all 1965–80 immigrants, lived in the ten metropolitan areas with the largest immigrant concentrations. The corollary of this pattern of localization is that the great majority of cities and metropolitan areas receive relatively few immigrants. The Philadelphia–New York contrast is an excellent case in point. Though passage of the Hart-Celler Act led to entirely new immigrant groups moving to Philadelphia, the numbers of newcomers were too small to offset the losses due to deaths and outmigration among the city’s older foreign stock. Thus, Philadelphia’s immigrant population actually declined from 126,896 in 1970 to 107,951 in 1980. By contrast, between 1966 and 1979 New York absorbed over 1 million legal immigrants, increasing the city’s immigrant population by 16% over the 1970s (US Bureau of the Census, 1972; 1983).

Only in the past decade has the immigrant presence in Philadelphia become noticeable.
Taking care of the guests

In 1988, 8,975 immigrants moved to the Philadelphia metropolitan area, making it fourteenth among the metropolitan areas chosen by immigrants as their intended place of residence (US Immigration and Naturalization Service, 1989). Even at this level, Philadelphia pales by comparison with New York. Immigration to New York moved up a notch during the past decade, from the low 70,000 range sustained during the 1970s to the high 80,000s. In 1987, over 92,000 legal immigrants came to New York City (Waldinger, 1989b).

The labour force: ethnicity and gender

With an occupational structure that emphasizes manual skills and an ability to do heavy, menial work, hotels have always leaned heavily on minority and immigrant workers. In both Philadelphia and New York, the 1970s marked a period of diminishing reliance on white workers, whether immigrant or native. In New York, whites’ share of hotel jobs dropped 30%, from just under half in 1970 to just over a third in 1980. The vacancies went to immigrants, with black immigrants making the most sizeable gains, followed sharply by immigrant Hispanics. By 1980, 47% of the industry’s workforce was foreign-born, among the highest of all major industries in the city. To be sure, native blacks maintained a stable (within the range of standard error) share of the industry. But the fact that they failed to benefit from the opportunities created by white outflow, along with other factors to be noted below, suggests that theirs is a diminishing presence.

Table 1 Ethnic composition of hotel industry employees, 1970, 1980

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Philadelphia

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FB = foreign born; NB = native born.
In Philadelphia, by contrast, native blacks dominate the industry, having become more dominant over the course of the 1970s. As in New York, the white share of employment declined over the decade. But whites account for a much larger share of Philadelphia's hotel workers than they do in New York, a contrast which holds for the overall economies of the two cities as well. The foreign-born presence is very much muted, though one can detect a gradual, probably significant, replacement of new immigrants for older white foreign-born workers.

In the hotel industry, where women comprise a large and growing proportion of the workforce, gender exercises an important influence on the ethnic division of labour. In both cities, native blacks make up a much higher proportion among female employees than among males; the same pattern holds for the sizeable black immigrant labour force in New York; among hispanics, who are present in significant numbers only in New York, the pattern is virtually the opposite. These disparities reflect labour market arrangements that segregate both by ethnicity and by gender. For black women, hotel work still mainly means housekeeping: in New York this single occupation employed 72% of the black immigrant women and 52% of the native black women at work in the industry in 1980. Housekeeping is also a concentration of black men, as it is for hispanic men. But whereas hispanic men are also over-concentrated in various kitchen occupations, which include opportunities for skilled and high-paid work, black men are under-represented in this area.

The ethnic division of labour transformed

Labour supply conditions
The hotel industry exemplifies the problems afflicting America's service complex: rapidly growing employment, low productivity, and declining available labour supplies. Nationwide, hotel employment increased from a little under 1.1 million workers in 1980 to almost 1.5 million in 1987. But in a report on labour productivity recently issued by the BLS, hotels ranked 37th of 43 selected industries in terms of the average annual percent change in output per employee for the years 1982 through 1987. Between 1983 and 1988, payroll and related expenses rose from 32 to nearly 37% of costs, 'primarily reflecting high rates of hiring', according to a report by industry consultants (Laventhal and Horvath, 1989:5). And though current data for New York and Philadelphia are not available, the industry's most recent growth came on top of a decade in which industry productivity in both cities declined: between 1972 and 1982, the ratio of employees to rooms rose by 18% and 15% in New York and Philadelphia, respectively.

But while the industry's payrolls are growing and its productivity is sagging, finding workers is becoming an increasingly difficult task. The hotel is a relatively low-wage service factory; hence many industry observers contend that the industry is 'facing a human resources crisis' (Lattin, 1989). One industry consultant was quoted in the industry's weekly publication, Hotel and Motel Management, as seeing 'the labor shortage in the market as the most difficult it's been in his 25 years of hotel experience and that it is "just getting worse"' (LaHue, 1987).

Managers' views of the employment situation in Philadelphia echoed these dim assessments of national conditions. The personnel managers unanimously agreed that the industry experienced severe difficulty in finding adequate workers, even for the most simple jobs:

We have to hire people who are almost unemployable. Even the best in these categories may not be good. They have no skills, no motivation, no goals. We have a steady stream of people looking for jobs, at least ten to twenty people walking in off the street each day, but most are no good. People want the jobs, but they aren't capable of keeping them. We have a lot of people who have insurmountable problems, drug addition, single mothers with kids, and so on. People
feel that they can fall back on welfare and unemployment. That's what you have to pick from. (Manager in mid-size, union hotel)

There is definitely a labor shortage. It should not have taken me seven months to hire 300 people. We have high school graduates who can't fill out job applications. Housekeeping is among the most difficult of jobs to fill. In particular, the search is unbelievable to hire a houseman who looks nice, is pleasant, flexible. There are just not enough people out there. (Manager in brand new, luxury, non-union hotel)

These views found confirmation in the experience of refugee placement personnel, one of whom said that during the 1980s, Philadelphia's 'employers were looking for a breathing body. From '85 on we had a market where we could just place, without having to offer inducements'.

The New York human resource managers, by contrast, reported that they drew on an abundant labour force, of sufficient, if not always high, quality:

Here the labor supply is healthy and the quality is high. We have a good draw. For recruitment, we just have to open the door. We rarely put ads in papers and then only for specific types of jobs. (Manager, large non-union convention hotel)

We have no problem and do not anticipate a problem with getting line staff. If anything, there's an oversupply: we could get 100 maids by tomorrow if we needed. We have a non-stop flow of people coming in for jobs. (Manager, large union convention hotel)

When asked about experiences that had been specified in the interviews with managers in Philadelphia, the personnel officials in New York emphatically emphasized the contrast:

The hard-core unemployed are a small percentage of the people who apply for our jobs. We know who these people are and we don't follow up on them. We're fortunate to have other people, who are reliable, who have work experience, for whom we can get good references. We don't just want a body. Most of the people we hire we can get a good reference for.

Nationally, high turnover adds to the recruitment problems of hotels. However, in New York, hotels' turnover rates appear to be well below the industry average. For example, the two New York hotels operated by a large non-union chain enjoy the lowest turnover rates among 200 properties. By employing a more stable workforce, New York's hotels can also hire more selectively.

**Recruitment practices**

Disparate labour supply conditions led hotel managers in New York and Philadelphia to approach the labour market in drastically different ways. Personnel managers in Philadelphia were 'constantly recruiting', developing contacts with social service agencies, training programmes, school placement programmes, community centres and the like, as well as advertising in newspapers. Managers actively sought referrals from employees and most of the hotels visited had a 'bounty' system in place, providing a monetary reward to employees who referred new workers who stayed with a hotel for a given length of time.

New York hotels took a more passive approach. They all experienced a sizeable applicant flow; though the quality of walk-ins varied considerably, standards could generally be met among recruits who walked in off the street. None used bounties to encourage referrals. Nor did they rely on social service or job training agencies. 'We have immigrant agencies that call us all the time for jobs', said one manager, 'but we haven't done much with them since we have all the labour we need.'

**The role of immigrants**

Immigrants play a small, but increasingly important, role in Philadelphia's hotel industry. As one manager put it, 'every hotel has certain pockets of people'. Thanks to its many portals to the external market and its constant hiring, immigrants have moved into the
hotel industry with ease. Once a nucleus gets established, high turnover and employers' dependence on referrals leads to self-recruitment through the immigrant network. 'You hire one immigrant', explained one manager, 'and you get the whole town.' One manager recounted that his whole garage staff was from Eritrea (a part of the world of which he had never previously heard):

What happened is that the manager was Eritrean; and so is his successor. They do a lot of recruitment themselves; they are very good workers, though many don't understand English; and they refer themselves.

Recruitment networks also build up as the result of the placement activities undertaken by refugee service agencies. For example, one agency worker pointed out that:

Over the course of time, English has become less and less important. Most of the hotels have some refugee staff. Where they have gotten a couple of people and they have turned out to be very good, we get calls: 'I don't care if they speak English, we have a Vietnamese supervisor and they'll do the rest.'

Personnel managers also attempt to manipulate these networks, though not always with success. One manager recruited Chinese workers through a contact with the Chinese Cultural Association in Chinatown. However, another manager complained that:

'I've tried very hard to get Asians. I've gone to Chinatown, I've put up notices, I've talked to different storeowners, but nothing's been successful. We're not located near Chinatown and we just can't compete for Chinese workers with the central city hotels.

The most interesting case was that of a very recently opened hotel, whose personnel manager was herself an Eastern European immigrant. She explained that: 'I try to hire immigrants for jobs not requiring English. This was my strategy right from the start. The idea of their coming here in the first place is to work.' Immigrants were recruited from a variety of sources. A Vietnamese employee who came with the manager from a previous hotel translated an ad into Vietnamese, which was then printed in the local Vietnamese newspaper. A contact was developed in a local job training agency, which then provided the hotel with its entire complement of dishwashers — all of whom were Asian. Still another refugee-placement agency provided Eastern European refugees, especially for maintenance and housekeeping jobs.

With the one exception of this hotel where immigrants were deliberately recruited and comprised about 30% of the labour force, foreign-born workers had a low profile, filling an important niche here or there, but never providing more than 10% of the workforce, if that. In New York, by contrast, immigrants make up a very visible and increasingly important share of the labour force. One large hotel found that its employees spoke 47 different languages, ranging from Creole to Twi, with Spanish, Vietnamese, Tagalog, French, Polish, Russian, Italian and Mandarin comprising the largest language groupings. One personnel manager, a native Spanish speaker with 20 years of experience in one of New York's largest hotels, described the new immigrant influx at length:

The foreign born are a very important source of labor. Years ago the people at the bottom were Germans and Irish. They moved up and were replaced by black Americans who are now being replaced by Hispanics, blacks from the Caribbean, and Asians. The population in housekeeping and stewarding increasingly comes from Haiti, Jamaica, the Dominican Republic, Central America. Asians are starting to come into the industry. We're getting a tremendous number of Asians applying for jobs. We have lots of Dominicans, they're well represented, more so than Puerto Ricans. We still have many Puerto Ricans, but we get fewer younger Puerto Rican applicants.

Specific skills that the newcomers imported with them played a role in the immigrant influx into the industry. Several managers noted that immigrants often had hotel experience in their home countries; certain cooking skills, for example, experience in the preparation
of cold meats and hors d'oeuvres, favour the entry of Thai and Chinese workers into specialized kitchen occupations. In general, 'ethnic cooks — Italians, Chinese, Greek specialties — seem to be always needed', according to an employment service official. On the whole, however, the pattern that appears to characterize Philadelphia, in which particular immigrant groups colonize small departments or functions, does not seem to hold in New York. As one manager noted: 'There's no real immigrant concentration: they're pretty much spread over. But there isn't one department that doesn't have newly arrived immigrants.' However, the immigrant influx does not seem to be the consequence of deliberate employer recruitment. 'Blacks and Puerto Ricans are being replaced by immigrants,' noted the manager of a downtown tourist-oriented hotel, 'This is strictly what the market has born.'

Weakly attached workers
The advantage of immigrants, as one personnel director pointed out, is that their 'need to work is as great as our need to fill the position'. But the supply of immigrants is limited, and more so in Philadelphia than in New York. Immigrants' skill levels often preclude them from jobs that require communication with guests. Even housekeepers have contact with guests; as one informant noted, '95 percent of what a housekeeper does will not require English; the problem is what they do when they're stopped in the hotel by a guest.' Thus in contrast to the manufacturing sector, where sign language is sufficient for instruction and any continuing interaction with employers or workers, some English-language ability seems to be a prerequisite for employment in the hotels. One job developer for a refugee-placement programme pointed out that:

Service demands for English are much greater than in manufacturing. When I get someone an interview with a hotel personnel department, the expectation of the hotel personnel people is that the person will speak for himself, although I will accompany him. In a factory, the expectation is that I will do everything — fill out the interview, translate at the interview, explain what the job involves.

Moreover, immigrants are looking for stable, steady employment, whereas hotels also require a labour force that can adjust to changing hours and uncertain, flexible staffing requirements.

For these needs hotels in both cities turn to actors and students. Skill and communication abilities are important considerations in recruitment, as actors and students are frequently employed in front of the house and guest contact positions. Hotels also desire actors and students because they are 'people who want less than the traditional workday. Actors want to be available in the day, and are therefore willing to work nights.' As 7-day-a-week, 24-hour operations, hotels have staffing requirements that many workers, especially those with families, find undesirable; if students or actors can be hired for part-time, weekend positions, it relieves the strain of having to find full-time adult employees to work during these undesirable shifts. Furthermore, hotel occupancy rates are notoriously volatile, but weakly attached workers like students and actors move out of the industry without friction. Rather than laying career workers off, hotels can adjust to slow seasons, like summer, by waiting for their student or actor-workers to simply quit.

Actors and students are also attractive recruits because they make up a social group that is clearly differentiated from the hotel rank and file. According to the white officials in the New York State employment service, whom I interviewed, hotels were looking for young, attractive, and preferably white workers to fill jobs that involved a high level of contact with guests. Moreover, these same recruits were unlikely to feel much sense of kinship with less educated, more heavily minority back-of-the-house workers — a not unimportant consideration in the industry's changing industrial relations environment. Tastes in compensation and benefits may also vary among these two groups in ways that work to the advantage of management. For example, one large non-union hotel with a sizeable
labour force of actors and students emphasizes that its employees do not have to use union clinics but can consult their own doctors — a feature that is more likely to appeal to workers of middle-class background than to the hotel rank and file.

Of course, the presence of actors and students varies among hotels. Since many such weakly attached workers want part-time work, the stipulations of the union contract are an important factor. In Philadelphia, part-time work in union hotels appears to be far more circumscribed than in New York; non-union hotels suffer from no such limitations and make abundant use of part-time help.

Native black workers

The hotel industry has long found a sizeable share of its workers among blacks and it continues to do so today. But immigrants appear to provide the industry with a preferable labour force, even if, as in Philadelphia, their numbers are too small to affect the growing black presence.

The entry and recruitment of immigrants seems to have little to do with wages or the immigrants’ supposed susceptibility to exploitation. Hourly rates for housekeepers in New York, for example, are almost twice the rate in Philadelphia. In New York, an immigrant-dominated occupation like housekeeping is paid above the rate for front-desk occupations where the immigrant penetration is much lower. Still higher wages are to be found in the kitchen, where the disparity between immigrant and black employment levels is the greatest. Nor can a strong case be made for employers’ preference for immigrants on the grounds of the latter’s greater vulnerability. In both Philadelphia and New York, pay rates in the non-union hotels equal, when not surpassing, the union rates and the benefit packages are often better. And obtaining actors and students is a more effective union-avoidance strategy and one that large non-union hotels in both cities have employed.

To the extent that employers actively recruit immigrants over native blacks, one non-wage factor may come into play. Although the hotel is a concentration of menial jobs, those jobs literally involve service and it is the way in which service is provided over which hotels increasingly compete. Hotels want ‘friendliness’, a ‘service-orientation’ and ‘smiling faces’ from their employees. Personnel officials perceive that these attributes, and an orientation more accepting of menial work, are likelier to be found among immigrants than among native minority workers.

Ultimately, black participation in the hotel industry is shaped by a broad complex of factors — of which the entry of immigrants is just one part. Our interviews and the statistical data both suggest that black workers are slowly moving out of the industry’s effective labour supply. Not only have hotels been a traditional employer of blacks, but they have employed blacks in the traditional, service jobs to which African-Americans have long been confined. Many of the managers whom I interviewed felt that this historic legacy deterred blacks from taking hotel jobs for understandable, though in their eyes, mistaken, reasons:

Young minority kids have parents who did backbreaking work in the back of the house. These kids just don’t want to do this type of work anymore — and you can’t blame them. (Manager, Philadelphia luxury hotel)

American-born blacks see hotel work as servitude. They don’t want to be a bellperson or a waiter. They don’t want to do it. They say so. They’re willing to take a lower paying job if it gives them a higher level of self-esteem. (Manager, New York business hotel)

The gender division of labour adds to the feeble allure of hotel employment. As we’ve noted, female housekeepers comprise the greatest bulk of black hotel workers. But for men, there are essentially only three jobs in which one can start out — dishwasher, kitchen runner and houseman — all unskilled and all low-paid.

Whereas entry-level jobs appear to be of diminishing attractiveness to blacks, movement
Taking care of the guests

into better positions is problematic. To begin with, the natural starting point for movement into hotel management is the front of the house, an area in which blacks have historically been underemployed. The blatant discriminatory practices that previously kept blacks out operate with much less force than before, but the basic pattern remains in place. Blacks remain disproportionately concentrated in housekeeping, as I have noted, although this concentration does not exclude the possibility of upward movement. Management positions open up in the back, as well as the front, of the house; an executive housekeeper or executive steward is an important, responsible position, which hotels fill with considerable difficulty. But these jobs are not particularly enticing, as salaries are relatively low and the work is hard, involving manual labour if a full complement of housekeepers or stewards does not arrive at work. These back-of-the-house managerial positions are also detached from the main lines of upward mobility which are to be found in the front of the house.

The case of food service occupations provides further insight into the barriers to black employment, especially since it highlights the difference between blacks and immigrants. Food service occupations contain a range of opportunities for upward mobility through on-the-job training. Yet black employment in these categories is below parity, with even lower levels of black representation in Philadelphia indicating that immigrant competition is not the problem.

The roots of low black employment in the better-paying food-service occupations lie elsewhere. Blacks are poorly represented among the sources on which hotels draw to get their skilled kitchen help: restaurant cooks and culinary school graduates. Blacks are particularly disadvantaged in comparison to immigrants, who may come with cooking skills or have opportunities to obtain them in the burgeoning sector of immigrant restaurants. If lack of skills and exclusion from the skill acquisition process impede access to high-paying cooking jobs, the case of banquet waiting illustrates other obstacles. Banquet waiting requires strength, quickness and care, but no skill that involves years of training. Still, it is one of the industry’s most desirable jobs, as banquet waiters receive a salary supplemented by a tip, based on a predetermined percentage addition to a banquet’s total costs. A worker attached to a hotel with a good volume of business can earn from $40,000 a year in a run-of-the-mill establishment in New York to over $100,000 a year in a top-of-the line, de luxe hotel, though these earnings will vary depending on the ups and downs of a hotel’s catering business.

The problem is that there is no fast road to banquet waiting in union hotels. Five years of prior service as a hotel waiter are required to apply to be sent out as a ‘roll call’ waiter when additional banquet staff is required; with enough seniority, one moves to a hotel’s list of permanent ‘B’ waiters, from which one eventually steps to the ‘A’ list and serves on a more regular basis. Thus to become a banquet waiter, one first needs to be employed in the front of the house. To maintain the long effort to gain a permanent banquet job, one also needs information about opportunities in the many different hotels, and contacts with waiters who are on the permanent A or B list.

But moving into the front of the house has been the chief obstacle for blacks. Historically, blacks seeking employment in a high-pay, low-skill job like banquet waiting found few doors open, with informal practices that generally restricted access to whites (Bloch, 1969: 61). Thus, the case of banquet waiting illustrates the vicious circle that keeps mobility opportunities closed. Discrimination, past and present, reduces access to this particular mobility ladder; discrimination also lowers the probability of movement up that ladder, thereby reducing the incentive to obtain initial front-of-the-house jobs. Whereas blacks lack a network that might connect experienced and aspiring black banquet waiters, other groups are well-connected, possessing the contacts and ties to other waiters and banquet managers that blacks, given their history and smaller numbers, can’t possibly possess.

Other factors — limited skill backgrounds, problems in communicating, lack of facility with computers — impede access to those front-of-the-house positions that are directly
linked to managerial tracks. As the director of a New York hotel training programme pointed out, minority workers who want to move up to front-desk jobs ‘must be trained explicitly for middle-class norms’.

In the competition for front-of-the-house jobs, blacks increasingly encounter new, mainly white, sources of labour who come equipped with the ‘middle-class’ norms that management seeks. Large hotels maintain active college recruitment programmes which funnel an ample supply of new trainees from college and university hotel management programmes. The Council on Restaurant and Institutional Education includes almost 200 college hotel management programmes among its affiliates and reports that the number of such programmes has grown considerably in recent years. Yet hotel schools appear to enroll a very small minority population. For example, New York City Technical College, a community college unit of the City University of New York, where the student body is 87% non-white, maintains a hotel and restaurant management programme in which at least half of the students are white and a high proportion of the remainder are foreign-born. Similarly, New York University runs a hotel programme in its extension division which enrolls a principally immigrant student body while the students in the hotel programme at the university’s main campus are mainly white.

Low black enrolment in these college hotel programmes may be related to the structure of incentives for entry into hotel management positions. The graduates of hotel programmes, most of which are two-year programmes, begin in hourly jobs at the front desk, for which the starting pay is no different from the rate for new housekeepers; the schedules required for 7-day-a-week, 24-hour operations certainly do not make these jobs more attractive. Moreover, several steps are required for movement to jobs that pay substantially better: as a labour-intensive industry, hotels are constrained in their ability to pay their lower-level managers well. Finally, since a successful career in hotel management usually involves a high level of geographic mobility among the properties of a chain, black managers are faced with the prospect of movement to areas where there are small black populations, little if any support systems for higher-level black employees, and considerable hostility from whites.

Peripheralization?

New York and Philadelphia are old union towns and both cities contain powerful branches of the Hotel and Restaurant Employees Union, which established firm control over their respective markets during the heyday of labour movement activity half a century ago. But the 1980s brought change to union—management relations in hotels as in other industries: non-union chains have experienced growth; and the industry’s productivity squeeze motivates labour-cost-cutting measures.

Though immigration is often associated with union weakness, it is in New York, not Philadelphia, that the hotel workers’ union has better maintained its strength. Philadelphia’s first non-union hotel, a unit in a highly successful luxury chain, opened its doors in 1983; not one of the hotels subsequently opened has yet been organized by the Hotel and Restaurant Employees Union. By contrast, only two of the hotels opened in Manhattan since 1980, the French-owned Novotel, and the Marriott Marquis, have remained non-union. Non-union status has entailed a substantial cost — wages, and particularly benefits, that compare favourably with union standards. Consequently, even in today’s market — when demand is weak and unemployment rising — the very newest hotels have signed neutrality agreements with the hotel workers. These agreements allow the union to embark on organizing campaigns without running into explicit opposition, thereby indicating management’s willingness to accept the existing institutional arrangements.

The recent collective bargaining history further attests to the stability of these
Table 2  Weekly wages, selected hotel occupations and comparison groups: New York City, 1980–1987

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<td>Avg mfg production worker</td>
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arrangements. Negotiations over the 1985 contract broke down, leading to a 35-day strike, the industry's first in over 40 years. In the settlement, the union assented to only two of the more than 30 givebacks with which management had originally come to the table. The most important concession was a two-tier wage agreement, which in contrast to many other industries, held only for first-year employees, who would then automatically move up to the standard rate for their classification. In 1990, negotiations pivoted, instead, around health care costs. But union and management averted the conflicts that had earlier led to stoppages in the local private hospital and telephone industries, successfully restructuring their benefits plan without imposing deductions or coinsurance and signing an agreement six months ahead of its expiration.

An immigrant effect might also be noted in wages; here there is a possible tie-in to broader arguments about the relationship between growth in services and earnings inequality. But as we have already noted, hotel wages in New York are approximately twice the level of Philadelphia's. Moreover, a look at wages for detailed hotel occupations shows no trend toward greater inequality. On the contrary, there has been some compression among hotel occupations at various skill levels; relative to manufacturing workers, hotel workers have moved upwards; and they have essentially held their own in the overall economy.
Conclusion

The case of immigrants in the hotel industry suggests a far more complicated relationship between immigration and the growth of a service economy than the restructuring hypothesis would suggest. To be sure, the comparison between Philadelphia and New York identifies immigration as an important permissive factor in low-level service employment growth. Philadelphia’s hotels must recruit from a native population that has largely fallen out of their effective labour supply; by contrast, the influx of immigrants provides New York with an ample and steady flow of replenishments.

But evidence of restructuring, and a distinct role for immigration within that process, is more difficult to find. Though the hotel is a service factory, as I have argued, its occupational structure has remained stable and it retains its traditional, multi-levelled hierarchy, in which upward mobility through the ranks occurs. Moreover, the immigrant role is not restricted to the hierarchy’s bottom-most rungs, simply taking the most menial jobs that nobody else wants. Rather, immigrants are found throughout the occupational structure; and their skill levels compare favourably with those of other native groups.

Similarly, the characterization of immigrants as ‘cheap labour’ misses the point. Minimizing labour costs comprises only one component of a complex employment strategy. Hotels also seek to attain greater flexibility and to manage the presentation of the staff so that it mirrors the class characteristics of the guests. Middle-class actors and students, for whom work in hotels is secondary to other pursuits, provide the preferable source of flexible labour, not immigrants, contrary to Sassen’s claims.3 Actors and students possess additional virtues: they are less strongly attached to the industry and its institutions than either immigrants or native blacks and are therefore more union-averse. And thus in keeping with their marketing strategy, of emphasizing more and better services, hotels secure the appropriate class appearance, at a relatively low price.

Not only do the predictions of the restructuring hypothesis conflict with the specifics of immigrants’ role in the industry; they provide no guidance on one of the central themes of the case — namely, how to account for the differing patterns of black and immigrant participation in the industry? Indeed, this issue points to the weakness of emphasizing demand-side, structural changes alone: if the growth of services has created so many jobs for the unskilled, why haven’t they gone to blacks?

By contrast, the replacement labour perspective can answer this question, as well as providing a better account of the circumstances under which immigrants have entered the hotel industry. While the occupational structures in Philadelphia and New York are comparable and have remained stable, succession rates in the two cities have diverged. In the 1970s, the proportional decline in white employment in the hotel industry was twice as great in New York as in Philadelphia. These differences in compositional change created the conditions under which greater opportunities in the industry could open up for non-white workers in New York.

A complex of interacting economic and sociological factors, having to do with group predispositions, discrimination, social networks and skills, affected which groups of workers were sorted into positions vacated by whites. The hotel industry contains many menial, arduous jobs, which reduce their attractiveness to native workers; they bear the added stigma of being the traditional, service positions to which blacks have long been confined. Moreover, black movement beyond the entry level is hindered by a variety of factors in ways that do not hold for immigrants. The skills needed to enter at higher levels of the blue-collar hierarchy are more difficult to acquire for blacks than for immigrants; at the lower levels of the white-collar hierarchy, blacks encounter substantial and effective

3. The hotel pattern does not seem unique: the evidence from this case is entirely consistent with the findings on the New York restaurant industry reported by Bailey (1987).
competition from whites; and blacks seem more victimized by discrimination than immigrants, as indicated by black under-representation in food service occupations. Finally, for those blacks undeterred by these obstacles, relatively low salaries and high geographical mobility provide additional disincentives.

The hotel case shows how the replacement process yields distinctive and persistent concentrations. Network recruitment steers immigrants into particular occupations or trades where contacts with co-ethnics help one to move up the job hierarchy. Even though hotels contain many essentially unskilled jobs, they are also filled with blue-collar jobs that require substantial training. The industry’s fragmented structure means that connections to other workers with more skill and information are the key factors in obtaining training; these same ties between less skilled and better-skilled workers grease the immigrant movement up the job ladder in hotel kitchens or into highly remunerated jobs like banquet waiting. In the end, then, the ethnic niche in hotels serves as a mobility platform for immigrants, while the replacement process continues to expand the overall employment base.

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