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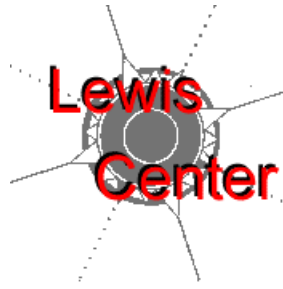
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Social Capital or Social Closure?: Immigrant Networks in the Labor Market

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Introduction

Network theory represents at once the most distinctively sociological and the most successful sociological contribution to our understanding of international migration. Admittedly, network theory does not explain the activation of migration streams. But as it identifies a feature common to almost all, if not all, migrations, and tells us why those migrations, once begun, persist, its explanatory power is great indeed. The argument is simple: networks provide the mechanisms for connecting an initial, highly selective group of seedbed immigrants with a gradually growing base of followers back home. Those connections rely on social relationships developed prior to the migration decision and in which trust is taken for granted. Consequently, the networks provide durable, efficient conduits for the flow of information and support.

Resource flows through the networks change in a two-fold process. On the one hand, the veterans consolidate their place in the host society, reducing the costs undergone in providing information and support, and thus widening the pool of candidates eligible for help. And on the other hand, a growing proportion of the home communities finds itself linked to settlers in a position to give assistance, lowering the costs and risks of movement, and thus increasing migration's net expected returns. Very quickly, network consolidation and expansion make migration a self-feeding phenomenon, as ties to settlers diffuse so broadly that almost everyone in the home society enjoys access to a contact abroad.¹

The appeal of network theory is not difficult to understand. It illuminates the embedding of apparently individual decisions in social structures, both overturning older, individualistic views of migration, and providing a linkage between macro and micro levels of analysis. Better yet, it provides a rare item for sociological export to our generally regnant competitors, namely the economists, who can be shown that consideration of migrant networks fits neatly into their usual cost-benefit frameworks, and thus requires no major theoretical modifications (see Taylor 1986).

Network theory also provides the linchpin, if sometimes only implicitly, for sociological explanations for how migrants, once established, get ahead. The same connections that span immigrant communities constitute a source of "social capital," providing social structures that facilitate action, in this case the search for jobs and the acquisition of skills and other resources needed to move up the economic ladder. Networks tying veterans to newcomers allow for rapid transmission of information about openings in workplaces or opportunities for new business start-ups. And networks provide better information within workplaces, reducing the risks associated with initial hiring, and similarly connecting co-ethnic entrepreneurs, who take membership in the

¹ These two paragraphs do no more than present a stylized summary of a now vast literature; for a lucid discussion of network theory, with ample references, see Massey, et al. 1993.

community as an index of trust (Bailey and Waldinger 1991). Once in place, the networks are self-reproducing, since each incumbent recruits friends or relatives from his or her own group, and entrepreneurs gravitate to the cluster of business opportunities that their associates in the community have already identified. Relationships among co-ethnics are likely to be many-sided, rather than specialized, leading community effects to go beyond their informational value, and engendering both codes of conduct and the mechanisms for sanctioning those who violate norms (Portes and Sensenbrenner 1993). As this description makes clear, the various sociological attempts to theorize the economic sociology of immigration -- whether appearing under the label of ethnic economy (Light and Karageorgis 1994), ethnic enclave (Portes and Bach 1985), ethnic niche (Waldinger 1996), or the latest neologism of the day -- all involve variants of network theory.

However productive and illuminating, network theory remains incomplete and inadequate, incomplete in its explanation of why the structures function as they do, and inadequate as an account that champions structure, and thus takes the people out of the connections they make, maintain, and seek to expand.

To begin with, network theory is a supply-side theory of immigration, emphasizing a "universal logic [that] takes hold as the network is extended and elaborated, binding [home country] institutions more tightly to specific destinations in the United States (Massey, et al. 1987, 169). It may be the case, as Massey and his collaborators (1994) argue,

That *all that is necessary* [italics added] for a migrant network to develop is for one person to be in the right place at the right time and obtain a position that allows him to distribute jobs and favors to others from his community (Massey, et al. 1994, 1501).

But this formulation suffers from its inevitabilism: that "*eventually* someone achieves a position of *authority* that allows him to distribute employment to the people in his community network (Massey, et al. 1994, 1528; italics added). More importantly, it begs a logically anterior question: namely, how does it happen that such authority positions open up to socially stigmatized outsiders, such that they can hand out valued resources to needy friends and kin? Note that the specification of the argument implies an inherently expansionary thrust, requiring us to explain not simply why veterans find positions for janitors or dishwashers, but why their leverage extends to ever higher reaches of the economic ladder.

Part of the problem involves the *explanda* itself: network theory is an account of social reproduction. First, however, we need to understand how outsiders get inserted into a structure from which they have previously been excluded, and to answer that question, we need an explanation of social discontinuity. Since others have addressed that question in detail (for example, see Waldinger 1994), considerations of economy and simplicity allow us to bracket the question of which factors, and under what conditions, open up "the right place." On the one hand, we can safely assume that

all workers at the very bottom of the labor market engage in a good deal of churning; and, on the other hand, we can expect that immigrants will apply for these entry-level jobs at higher rates than anyone else. Consequently the number of people with contacts and with the ability to help get a job and keep it quickly increases. Over time, the ranks of low-level kitchen workers increasingly come to be filled among immigrant networks; given bosses' natural preference to recruit from inside, the immigrant presence automatically grows.

But this type of explanation tells us why there are lots of immigrants sweepers and kitchen helpers; network theories, however, stake grander claims, contending that migration involves a self-feeding process (e.g., Massey, et al. 1987, 171). In that case, the networks must constantly expand their ambit; one wonders how. Migration networks function as "personal information fields," which means that the newcomers always possess incomplete information about the options open to them (Moch 1992, 17). Those constraints lead to channelization, which, in Massey's account, yields diminishing geographical diffusion, increasing convergence on a limited number of places (see also Tilly 1990, 84), and eventually, clustering in a narrow set of occupations and industries. As the skills of many of the immigrants are low -- and particularly so in the paradigmatic and, for the contemporary U.S. situation, supremely important case of Mexican immigration -- the upper limit for immigrant network penetration should be quickly reached.

Comparing various network theories gives further ground to expect trouble in paradise. Network theories of migration all tell a story about the "strength of strong ties." In situations characterized by multiplex networks, as Portes notes, "community norms proliferate and violations of reciprocity obligations carry heavy costs" (1995, 12); under these conditions, everyone knows everyone else, allowing enforceable trust to function as an economic *modus vivendi*. But Granovetter's (1973) celebrated hypothesis about the "strength of weak ties" tells us that this supposed virtue can also be a vice: dense, overlapping networks choke off the flow of new information, constraining diffusion and the search for new opportunities. Burt's theory of "structural holes" (1992) similarly tells us that competitive advantage -- whether in the search for new business or in the quest to climb up the corporate ladder -- involves making the connection to non-redundant contacts. By implication, immigrant networks threaten to funnel newcomers into a narrow tier of the economy where they quickly saturate demand -- and from which exit is awfully hard to find. And if we recall a key insight from network studies -- that advantages and the number of contacts among job-seekers increase with education (see Powell and Smith-Doerr 1994, 373) -- then channelization of low-skilled immigrants should put any self-feeding process to a halt.

Network theories suffer from another liability, namely, their obscuring of the role of agency in establishing and maintaining the structures described. The strength of strong ties derives from the potential for social closure. While the latent power inherent in a dense, overlapping set of connections may be enough to keep most recalcitrant network members in line most of the time, the case study literature certainly suggests that active coercion is a quite handy tool. An excerpt from an interview suffices to make the point:

I've had this circumstance where a long service employee comes in and he wants to get his son in and a couple of months later the son is missing from work. I go to Pepe and tell him, Come on, I hired your kid but he is not coming to work. The next thing you know Dad has him by the ear and tells him, You better come to work or you are not going to keep the job.

Though not explicit on this point, the excerpt further implies that the social capital inherent in immigrant networks is free and available on demand -- just as the dictionary would suggest. But such help is available only for members of the club: as Portes notes, "social capital refers to the capacity of individuals to command scarce resources by virtue of their *membership* in networks or broader social structures (Portes 1994, 14; italics added). Since, by definition, the social structures promoting a group's economic action belong to that group, and not any other, membership can affect outsiders and insiders in different ways. As the theory would suggest, making membership count depends on the ability to affect closure (if Pepe can't control his son, no more jobs for his kith and kin). And closure, to reiterate the point made above, generates the resources denoted by the concept of social capital.

These considerations suggest that immigrant networks expand through repeated efforts at social closure. The social closure potential of immigrant networks can be a property valued by employers: in some instances, informal hiring practices perform more efficiently than more open, formal processes (Tilly and Tilly 1994, 301). The problem is simply that the literature attends too narrowly to these positive functions of social closure; take Coleman, for example, who tells us that social closure generates a set of effective sanctions that can monitor and guide behavior, and for that reason allows the proliferation of [the] obligations and expectations which comprise social capital because they serve as a favor bank (Coleman 1988, S107).

But in a long-established principle of sociology, going back to Weber (1968, 342), social closure involves the exercise of power; for that reason, the social closure potential of immigrant networks can also serve as an instrument for reallocating resources from management to labor, while simultaneously increasing opportunities for one group of ethnically distinctive workers at the expense of another. This effort to increase rewards by restricting access to resources and opportunities to a limited circle of eligibles generates an expansionary thrust, extending the penetration of immigrant networks beyond the range defined by considerations of an efficiency sort.

Consider management and labor. Incumbents are naturally positioned to exercise influence over the hiring process, whether management likes it or not. Established workers have access to inside information; and as many, if not most, jobs involve some degree of interdependency, and much training is provided on the job, management ignores the hiring preferences of the core workforce group at its peril. Moreover, interests are asymmetric: under conditions of job scarcity, workers seek to maximize employment opportunities for their kin and associates, a goal unlikely to coincide with management's objectives. Consequently, the ties that bind the workforce comprise a resource that

workers can use to expand the scope of network hiring, against management's preferences. When labor uses closure against management, it engages in what Frank Parkin has called usurpatory closure (Parkin 1979), exercising power upwards, and biting into the resources and benefits of the dominant group.

Because labor is ethnically segmented, closure can also be exercised toward laterally placed groups. While social relations embed economic behavior in an ethnic community and thereby enhance the ease and efficiency of economic exchanges among community members, those same connections implicitly restrict outsiders. Indeed, the more embedded are ethnic economic actors in dense, many-sided relations, the stronger the mechanisms for excluding outsiders and the greater the motivations for doing so. Network recruitment offers the opportunity to detach the hiring process from the open market, allowing insiders to ration openings to their referrals; consequently, one ethnic group's ability to mobilize resources through social structure serves as a strategy for limiting another group's chances for advancement. The effort to work with others of one's own kind provides further impetus for the spread of network recruitment; exclusionary closure, to borrow Parkin's terminology once again, occurs when ethnically distinctive insiders attempt to monopolize job opportunities for members of their core network and restrict outsiders.

Of course, the conventional view and the newer approach sketched out here overlap to a considerable degree. The social connections among workers, and between workers and employers, facilitate economic action. Network recruitment is so pervasive because it improves the quality and quantity of information that both workers and employers need, and also shapes the employment relationship by imparting a set of understandings common to workers and employers. But once imported into a workplace, immigrant networks can be turned to other ends; it is precisely because they are so powerful, that they are hard to uproot and hard to control. This is the story that I shall now tell.

Methodology

But first a word on the research on which this paper is based. The approach taken in this paper is inspired by Kirschenman and Neckerman's (1991) research on employer hiring practices in Chicago. Interested in discrimination, Kirschenman and Neckerman opted for in-depth interviews with a relatively small sample of employers, focusing directly on hiring practices. Their findings have drawn considerable attention, since they discovered that employers often take race and ethnicity quite explicitly into account in hiring decisions. But the methodology has also proved attractive, since in-depth interviews with employers offer considerable advantages over the more conventional statistical analyses of large-scale microdata sets. As Philip Moss and Chris Tilly have noted:

Face to face, open-ended interviewing...generates rich, detailed data, and has the flexibility to accommodate and follow up on responses that are unexpected or do not

fit predetermined categories. The informal, conversational tone of the interview helps to get respondents involved and interested, and creates a situation in which employers are more likely to speak freely about sensitive subjects such as race (Moss and Tilly 1991, 3).

This paper is based on in-depth interviews, conducted in 1993 and 1994, with managers and owners in 230 establishments in Los Angeles County, including 44 restaurants, 46 printers, 41 hotels, 39 furniture manufacturers, 24 department stores, and 36 hospitals.² 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 directories.³ The organizations 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 and they were structured by an instrument involving a mix of closed- and open-ended questions. The interviews lasted from an hour and one-half to three hours. In some cases, interviews were recorded and subsequently transcribed; in other instances, detailed notes were made of interviewees' responses.

The Embeddedness of Network Recruitment

Under all values lies the hard cash, reads a famous text in political economy; the employers we interviewed had apparently read the same manual, praising network recruitment because it was cheap: it does not cost us a penny; it saves me having to spend money on ads; it's easy and quick. But it was not simply a matter foregoing an outlay of physical or personal capital; network recruitment seemed to furnish a large, often satisfactory, supply of labor -- sometimes an unlimited supply of people -- with little, occasionally no, managerial effort at all. Existing ties to incumbents provide almost instant access a latent labor force outside the workplace:

All you gotta do is just think about hiring people and then next thing you know you've got several people from other departments, say hey, I understand you're hiring and I got a friend or my husband's out of work...they just come out of the woodwork. This happens even before the job's posted.

² All employers are single-counted, even if they were owners or managers of multi-unit operations. Three of the hospital interviews involved persons not directly employed by hospitals; these were with the vice-president of a company supplying contract housekeeping services to hospitals; an official in a large public sector hospital workers' union; and two personnel officials in a local government department responsible for general health care services.

³ Our list of acute care medical hospitals in Los Angeles County was taken primarily from a local street guide, supplemented by a regional business directory.

Just as social connections secure jobs for persons who aren't actively looking, social networks produce applicants for employers who don't yet have vacancies to fill. Fifty percent of our people come from referrals, explained the HR manager for a VA hospital:

They know someone, tell someone, have a friend fill out the application. We have a lot of people who have friends with applications already filled out; we have encouraged them to do that. If you can't come everyday, have someone keep a look out for you. They will give in an application the day the notice is posted. Then the supervisor could get the person that day and hire that day.

As this example suggests, incumbents keep themselves busy -- or are kept busy -- finding a place for their associates. If he (a brother of an employee) is not working, they'll approach us. Do you need a new polisher? We usually have a waiting list of friends from the existing employees, explained a factory owner. Most of the time we have people waiting to come to work. A production manager told us that there are always people looking for a job who know people here and would like to get a foot in the door.

To be sure, securing the right-sized supply of suitable applicants usually entails some exertion on the part of management, but often not much more than that entailed in getting out the word. I could have a thousand people here tomorrow, exclaimed a factory owner. We just post our jobs and they come rushing. A touch of hyperbole, perhaps, but if so, not greatly out of line with the views of so many of the employers we visited. You pass the word and that day you've got somebody, said a restaurateur. If I need to get ten more people, noted the President of a furniture plant, I would put the word out...and at least ten people would show up by the next morning knocking at my door. A printer told us that:

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.

Networks efficiently activate the labor supply because employees, so managers claim, always know someone who needs a job. Reliance on referrals capitalizes on an already existing set of family and friendship connections. Everybody, it seems, always has a cousin, nephew or brother who's a good worker. A mattress manufacturer contended that they always have cousins that always need a job ; a fast fooder was more impressed with the fact that incumbents always have friends who need jobs.

Generally for the entry level positions, we got a lot of younger guys, who need jobs, a printer observed. A...(They tell me) say, I got a friend who would like this job.

It seems unlikely that our respondents were well versed in the social networks literature, but at times they sounded like intuitive network theorists. You could have all the credentials of the world, said the owner of a small custom upholstery shop. But without networks you are nothing. The employers often invoked a network concept to explain how they obtained their labor. It's a network they have for letting each other know about jobs, claimed a printer; a furniture manufacturer, referring to a whole network of acquaintances and relatives that people have that we draw on, reiterated the same point. The personnel manager for a regional fast food chain explained that In Southern California, you've got a network that's very efficient. If Jose is there, he knows a brother, Juan, who is ready.

Employers were quick to point to a basic network principle -- homophily, or the tendency of socially similar people to band together. Friends of friends, friends of employees, word of mouth, it's as if they've all worked together, they all, it's a community type of thing, it's a networking type of thing. Similarity among persons within the same recruitment network meant that referrals were likely to originate from an appropriate applicant pool. All these people know someone who has been working in the related industry and when they become aware that jobs are available, they will bring a brother, cousin, or neighbor in. In this situation, word of mouth ensures that information leaks out to the appropriate occupational community. The owner of a trendy Santa Monica restaurant explained that everybody knows we are hiring, whether through other restaurants and out in the community or through referrals from existing employees.

Managers appreciate network recruitment for its ability to attract applicants quickly and at little cost; they value it even more for its efficiency. Hiring through connections upgrades the quality of information, and thereby reduces the risks entailed in acquiring new personnel. Owners and managers know more about the sponsoring worker than about any applicant; the operational principle, as one printer noted, was that birds of a feather flock together.

Field notes: Since they get people through referrals and many people have worked there a long time, so they know the employees, they figure the applicant will be a carbon copy of the employee referring them anyway.

Incumbents' characteristics send a signal on which employers depend. Entry level jobs are good for persons trying to get a start; but employers are well aware that the work involved is no picnic. It's a hard job, explained a respondent in our hotel sample. For that reason, an incumbent housekeeper is more likely to know some one who...can also handle it. With the thought that good employees produce good referrals, managers pay attention to the person who is doing the referring, and the credibility of person who is referring is looked at. As one restaurant manager said, "If you have workers who are reliable, their friends are probably similar, same skills and metabolism. "In an environment where expectations -- or even experiences -- of opportunism are the norm, the ability to draw predictive value from experience with a known entity counts for much:

I: What are the advantages of referrals?

R: It saves me having to spend money on ads. It saves me having to worry about whether or not the person is a good person or not. Particularly in this environment. Because you know there's a lot of people out there that would just as soon get hired here and trip and fall, and file a worker's comp claim, as to coming here and wanting to do a good job. There would just as soon be people that would want to come in here to have access to equipment so that they could steal it.

I: Have you had a lot of experiences with both of those things, the disability and the theft?

R: Uh-Huh (AFFIRMATIVE). Across the board. And that's why we like to trust a little bit more about a person who is personally referred by an individual.

I: And so in your experience that you have been able to trust them?

R: Yeah, pretty much. Sometimes it fails miserably but the majority of the time it works.

But it is not simply probabilistic considerations that lead employers to think that a sponsor's characteristics serve as reliable proxies for the traits of the worker whom he or she refers. Even at the bottom of the labor market, job-seekers are a dime a dozen -- there is an abundance of people at any level in the street, noted a printer. And while the in-house workforce is also rarely short on contacts who are hunting for a better job or a bigger paycheck, jobs, especially those positions providing some chance of upward mobility, are not nearly so plentiful. Job scarcity ensures that people have a stake in the referral, and a vested interest in seeing the person succeed, considerations that provide the motivation for self-policing. Most employees don't want to refer anyone they know is a goof off, explained a hotel personnel manager. It reflects poorly on them. True, a worker's standing with the employer may not be all important -- and I shall show that the referral process involves a good deal of negotiating and exchange of power plays. Still, reputation seems unlikely to be of such trivial significance as to be regularly squandered. After all, employers pay attention to the person who is doing the referring," responding one way when a strong individual brings in a family member or neighbor, but turning a blind eye to referrals from questionable employees because they don't really know the standards. In the event that workers are slow to pick up on the cue, employers are also apt to remind them that hiring a friend or relative involves a *quid pro quo*:

I tell my employees, if you are going to refer someone, that person better be a good worker. Because the way they work is going to affect you. You will look bad if your referral does not perform adequately.

The prevalence of favor trading -- as in the case of a printer who hired his pressman's son as a way of bringing the young man into the trade -- gave sponsors good reason to fear they'll jeopardize their standing with a bad referral. Beyond concern over antagonizing the boss, sponsors also had to manage their relationship with coworkers:

The people we have here, many have been here a long time, they wouldn't bring in someone who would flake. They're worried about me and what the co-workers would think. They don't want trouble.

The social environment at work lent cohesion, and thereby additional reliability: It's a small-to-medium shop, noted a printer. If someone refers an applicant, they'll know their work habits and the job. Someone wouldn't refer if they don't think they can do the job.

For all these reasons, employers assumed that the existing employee is not gonna bring in a schmuck. Relied on to filter the information flowing between the organization and the labor supply, sponsors functioned as a screening device, as noted by a vice-president for manufacturing who explained that I have had a lot of guys not recommend people because they feel that they won't be good employees. In summary, this works as a screening device. Other employers talked about pre-screening, as with the factory owner who doesn't give an interview or call previous employers because to a certain extent my employees are doing the screening for me.

But employers are also concerned about the quality of information traveling from the organization to the applicant; conveniently, connections between incumbents and applicants help improve these flows as well. After all, incumbents would know how a retail organization runs, or more generally, what our criteria are about. Consequently, contact with the established workforce generates realistic expectations and knowledge about the responsibilities that the job is likely to entail. As a restaurant manager put it, the pluses are that the people referred know what is expected from them because they have been told what the job involves by the existing employees.

Thus network hiring uses community to structure information flows; because it brings community into the workplace, pre-existing relationships originating outside the workplace continue to influence behavior after the hiring decision. For example, 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 L.A.

As a restaurateur pointed out, once "recommended, there's pressure for [referrals] to perform." Sponsoring entails subsequent obligations, with incumbents expected to monitor performance -- look[ing] after the friend or relative -- and apply discipline if necessary -- push them when they need to be pushed. Reputational considerations, as noted earlier, serve to control the quality of information flowing from sponsor to employer; considerations of the same sort generate an incentive to ensure control, after a referral has been hired. A retailer told us that:

We feel that it's an understanding between those two people. If I refer you and get hired my reputation as an employee is on the line so you have to do well and there's no question about it...It's an understanding I feel that people have with each other. You can't jeopardize my reputation because you don't want to do a good job. Do you want to work or do you not want to work cause I'm not going to let you put my name on the application just because you want some extra money and you're not going to come in and do a good job.

Ethnic Networks and Closure Processes

Thus far, my account differs little from the conventional view. The social relations among workers, and between workers and employers, facilitate economic action. Network recruitment is embedded in concrete social relations and therefore improves the quality and quantity of information that both workers and employers need in order to invest in skills. Network recruitment also shapes the employment relationship by imparting a set of understandings common to workers and employers, thereby reducing the probability that informal understandings or implicit contracts will be broken. Because migration is a network driven process, the ability of networks to reduce the costs and risks entailed in hiring explains why the impoverished, poorly educated immigrants who have converged on Los Angeles may nonetheless be rich in social capital.

Usurpatory Closure: But the very fact that hiring patterns are embedded in social relations generates additional pressure, above and beyond what employers would want. As noted, network hiring reproduces the characteristics of the existing labor force and not all employers sought to pursue this goal. With referrals you get very homogeneous groups, noted the owner of South Bay furniture factory. There is a problem with only one group. One problem was of particular concern to some employers -- namely, the exclusionary results that network hiring inevitably seemed to produce. One factory owner explained that:

R: If you are not careful you end up with all Hispanics. And I am a little bit nervous that I have too many Hispanics and not enough blacks.

I: Nervous in what sense?

R: Are you familiar with affirmative action terminology? We will end up with a concentration of Hispanics and a underutilization of blacks. And I think in areas I have that. I don't have any government contracts, I am not an affirmative action employer, but it is something that I am sensitive about.

The anxiety quotient was not high enough to drastically change practices in this one factory -- though the employer was at pains to insure that the Hispanic clerical workers did not control the flow of new hires.

But control often slips out of management's hands. In larger, more bureaucratic establishments, contacts between incumbents and job-seekers are crucial for finding a place on the line before the rest of the world finds out; in smaller establishments, workers have access to more information than bosses, which means that incumbents take care of any recruitment before an employer realizes that a vacancy might arise. Referrals occur before the vacancy appears, a printer told us. Everybody out there knows about it before we do. People put an application in on the first day and then the brother reminds us of it. Shopfloor knowledge -- they know when they are short of people, they actually feel it -- is one factor allowing workers to pre-empt their employers. They come to me and tell me that they are short of two people, but they indicate to me that they know these two people. So I see [them]. Connections among co-workers yield another source of inside information. Around here, noted one of the respondents in our hotel sample, someone says I'm going to resign in two weeks, and the next day I have applications for a job that may or may not be vacant. But often, the workers know better than their bosses, who report that the least amount of knowledge the [workers] can share, the happier they are. According to a furniture factory manager: I have people coming to apply for jobs and I say there is no openings out there and they say but Jose is going to quit; they have already heard about it before I even have the job posted.

Field notes: The respondent tells me a story about how workers will know about vacancies before management finds out. Someone comes up and says, 'Jaime's going back to Mexico,' and I say, 'Oh really,' and Jaime says, 'Oh I forgot to tell you,' so the new guy says, 'You have an opening, and if you train me I'll be ready by the time he's gone.'

How to respond to workers' spontaneous referrals depends on a tacit, continuing negotiation, in which employees' cooperation is provided in return for the employers' willingness to hire their contacts. The expectation that referrals will be hired when possible -- or if not hired, at least considered -- seems to be a common part of the bargain. Thus, managers complained about employees who felt that vacant positions were owed to their friends or relatives, or about workers who expect some favoritism or to be at the top of the list and are then upset when their referral doesn't get the nod. Most of the time, a friend thinks their friend should be able to get in without skills, groused a hotelier. They think it's unfair if we don't hire them.

We can't always guarantee the employee that made the referral that their person will be hired. Sometimes that's difficult to explain to employees because if you have a good employee who refers someone, they're automatically going to assume that that person is going to be hired based on that referral.

Behind the desire to maintain implicit contracts, lays the recognition that violations might lead labor to withdraw the cooperation on which the organization relied. If you don't hire a person that is referred, recounted a furniture factory manager, the existing employee will be upset. Because this person is upset then he does not work to his potential and then we suffer in productivity. One of our HR hospital informants similarly noted that it becomes difficult if you choose not to select the

[referred] employee because then you may have another employee relations issue. Where the top brass is weak and has limited leverage over its employees, as in one hotel whose management admitted its inability to move beyond network recruiting, workers' expectations serve to keep hiring within the ambit of the incumbent group:

I: What makes it difficult to develop other recruitment methods?

R: Resentment. They feel that "we brought an applicant in first, why has someone else been hired first?"

While stronger or larger organizations are unlikely to succumb to pressures of this sort, they nonetheless recognize an implicit set of obligations that bind them to the existing labor force, and act accordingly. Thus, for all the advantages of network hiring, a hospital manager explained that:

R: The bad part is when you know everyone and their relatives are laid off of work right now. And so you just get so many of them. And then in most cases they're not as qualified as what you're looking for. And the courtesy does need to go out to them especially when they're are family or relatives of your current employee.

I: So do you have a policy of always interviewing the referral?

R: We try to keep that policy especially when its family members. It's difficult to do that especially when the people are not qualified. My main policy is that I'm the only one that does the prescreening. If the person is qualified and they were referred, they'll definitely get an interview. If they're not qualified and they were referred they're going to get a phone call, explaining why they're not going to get a second interview, if they're not among the most qualified people.

Moreover, the self-activating nature of network recruitment made it resistant to management's efforts at short-circuiting the process, regardless of the formality of the hiring process and the particular organizational context. One of the hospitals we visited surveyed its employees twice a year and found that 95% of the new hires came from employee referrals; the personnel manager explained that even though Awe do place a lot of ads but it usually ends up that somebody is a friend of somebody who works here and that's how they've gotten in. Similarly, a small community hospital posts jobs with the private industrial council and the employment service, but to no avail, since applications from in-house postings arrive first. The employees really keep a good eye >cause they want to bring their families and friends in. For reasons of equity -- it's not fair to just go out there and tell the good worker about a vacancy -- a furniture factory puts a help-wanted sign in front of the plant when new workers are needed. But, as the plant manager noted, it's the same as telling the employees. One factory owner switched from network recruitment to newspaper advertising as a means of upgrading the labor force, but this required running a blind ad with no mention of the

factory's name, address, or phone number. When the name of company was in the ad, the owner pointed out; the existing referrals would bring the people in. Ties between incumbents and applicants are so powerful that a reliance on recruitment methods of the formal kind fails to shut down the machinations of informal hiring networks. This public sector HR official relates that:

We have a lot of family members that work, you know, everybody's cousin works here and sister and you know brother-in-law and stuff like that. So I think there is a lot of ... Because what we do is if we have a job posted over at the employee's cafeteria saying you know ITCs you know open testing soon, please apply, something like that. So people call up all their friends and go, Hey they're hiring. So probably there are a lot more referrals than we know of.

Loss of control mattered, since with network recruitment you possibly could be creating a clique. Cliques were a source of worry for reasons that had to do with maintaining comity at both horizontal and vertical levels. Wherever a staff was connected by social relationships, ties at the job site involved more than a coworker relationship; consequently, conflicts within the clique might easily get out of hand, transforming a dyadic dispute into one where about 20 others get involved. Alternatively, clique-type relationships might shift allegiances from management to members of the set. Patronage ties within the network posed one source of threat, as noted by a restaurant chain manager, generally upbeat about the quality of his heavily immigrant staff:

When you get the Spanish [*sic*], who are very tight, sometimes you get a guy who is boss of all the people because he got them a job. You have to be careful of that syndrome.

More troubling were solidaristic relationships among network members, grounds for one manager to conclude that I prefer if everybody work here be acquaintances. It's not to our advantage if they're good friends.

Still, many employers eagerly hired incumbents' friends and acquaintances; they were far more uncomfortable about the prospects of taking on kin. The view that a preponderance of family does not make for a good environment, echoed frequently in our interviews. Fairness was one source for caution, especially since the imbalance between supply and demand made it difficult to accommodate all employee requests. There are so many people who are referred that there's often resentment that his relative is hired and not mine, explained a hotelier. The same problem worried a department store manager, otherwise positive about referrals, who pointed out that Everyone has friends and family looking for work. They can say to us, >If you hired so and so, why not my friend or relative?'

More pressing was the perception that family pressures change the motivation among workers, as one manager noted. The loyalties [extend] to each other, not the hotel. Hence, deploying relatives proved a vexing issue, with some organizations accepting kin-based referrals, but opting for separation on the job, as a way of reducing the likelihood that networks would diffuse conflict through the organization. For example, a hotel prohibited relatives from working in the same department, as did a discounted. A department store employed a more rigorous set of rules still, hiring relatives but not allowing them to work for the same supervisor, nor for the same senior supervisor. More difficult to manage were familial ties linking supervisors to staff, concerns that, incidentally, signal the movement of immigrants into positions of authority. For example, a personnel manager in a religious hospital, who told us that referrals are best, then went on to note that all policies state that it's fine to have a family member working in the hospital, but they can't supervise [another relative]. Allegiance was in question when supervisors brought on their own kin, as a factory owner noted, who was especially careful when I have recommendations from supervisors, that is the most risky situation. If the person they recommend doesn't work out, they will definitely cover it up. Kinship connections that crossed authority lines also raised equity issues:

(Referrals) can be bad in the sense that we can possibly hire someone's family member without them telling you into the same department which can be a problem further down the line. If a supervisor hires their niece or nephew and employees find out, they may feel that the niece or nephew is getting preferential treatment. They may feel it's unfair. And it is unfair.

Managers identified additional dangers in the conflicted loyalties engendered through kinship recruitment. For example, they dampened the informational value that employers otherwise appreciated in network hiring:

Sometimes more than one family member leads to cronyism, and also to protect each other to hide their inefficiencies. It's hard to punish a bad employee if their related is a good one because you don't want to lose the good one. That's the risk you have by getting referrals. Sometimes you have to bite the bullet and say this has got to stop. If the other person wants to leave then leave. If the other employee is sensible and realizes the other person has shortcomings things work out.

Hiring relatives also raised the stakes whenever management needed to implement disciplinary measures. Kinship networks among employees increased the likelihood that information about conflict would travel quickly: If there is a disciplinary situation with one of the employees, it seems that everyone would know about the situation. That person would talk to their friends or family member and it seems to spread like wildfire through the business. Numerous respondents told us that family members were apt to get upset when one member was disciplined: If you discipline one and family is family, you can find yourself in a really tough situation with them. Really trying to get everyone else stirred up. Strong ties threatened to bond workers against managers, with unfortunate consequences. Family members stick together. If a worker is unhappy, the whole family is unhappy.

Just as the self-activating nature of network recruitment subverted employers' efforts to maintain the upper hand, workers' desire to place family undermined policies to keep kin from crossing the workplace threshold. We look down on families, noted a department store manager, before conceding that Awe have them though. The personnel manager for a small hospital in the San Fernando Valley noted that hiring family members was a matter of some sensitivity, but I will hire them anyway. Thus preferences bent in the face of the pressure to hire kin; rules got violated as well. A hotel, for example, maintained a policy of not accepting referrals, but our respondent told us that it's not enforced. Similarly, a hospital was Avery strict about not hiring relatives to work under the supervision of family members, [but] rules get broken and you find out later it's a daughter.

Rule-breaking occurred for reasons that had to do both with the costs entailed in enforcing anti-nepotism restrictions and the asymmetric interests of workers and employers. Anti-nepotism rules or preferences simply encourage workers to keep the relevant information to themselves:

In the entry level classification, it's word of mouth through them. And rarely do we hear about it. But we just find out when they come to work that oh yeah, my sister works here and I have an aunt and a brother-in-law.

Nosy employers also had to work particularly hard to uncover kinship connections, as noted by a furniture manufacturer who explained that especially the Spanish-speaking workers, they have the habit of using the mother's name or the father's name, so you get two brothers using two different names. Consequently, determining the nature of the connections between incumbent and referral demanded an extra-careful look:

Unfortunately, employee referrals that I've seen in the Southern California area tend to be relative oriented. You may not know that initially. But if you check, it's the husband, it's the wife of the husband, cousin, the cousin's cousin. It's not someone I worked with before who I know is good. So sometimes you run into the nepotism trap, I'd say a considerable amount here.

So while not want[ing] to ever be accused of nepotism in a small little hospital like this, an HR manager conceded that that is the risk I run. You're always hiring family members. And a production manager with years of experience in the furniture industry evinced the same note of resignation, explaining that Hispanics will try to get their relatives and close friends hired, regardless of whether they're qualified. The thing I found out is that you'll get relatives whether you like it or not.

One can phrase these responses in different terms: managers were embedded in close ties to incumbents, all right, but considerably more so than they would have liked. While sub-optimal situations of the sort were not necessarily intractable, they demanded additional managerial effort. For example, a printer hired relatives, but allowed that somebody has to have the intestinal fortitude to fire the employee if they don't do a good job -- in this case, a somebody characterized as hard as nails, with Avery good intuitive judgment about employees to boot. Specifying the nature of the implicit contract was another facilitative device:

The employee referring the applicant has already been asked if the applicant will fit in. Management says, "You won't be upset if she doesn't work out (if we have to fire her)?"

But striking the right balance between company and familial and ethnic loyalties was a tricky game, with plenty at stake. For the smaller organizations, like restaurants or printing shops, any disturbance to a core kinship group could have a devastating impact. If you have any family crisis, noted a printer, they've all got to go through that. Numerous respondents voiced concern over the possibility that something happens in Mexico to one of their family members and then they all leave. Accidents were another source of worry, because if Juan had something in his eye and he wanted to go to the clinic, he would then ask his brother to take him and then they would both go. They would sit at the clinic for four hours on the company's time.

To be sure, even a sudden loss of personnel could be handled without disastrous consequences, as the managers of a steak house discovered:

Field notes: When something happens within the family, a fairly high percentage of workforce can change. The father of four of the kitchen workers passed away and the restaurant let them all go home for the funeral. The decision on the funeral did more good than anything [else] we could have done. We put it to them that they could rearrange schedules, but that a couple of them had to be back as soon as possible. So two came back in a few days; two came back several weeks later. A lot of people worked 6 days so they could do it. They're indebted to you. 'Look at what they did for us.' It's probably one of the greatest things we could have done. The chef had to work an extra day. It generates lots of loyalty. If they come back, they're going to stay.

But the case still demonstrates that reliance on extensive kinship groups did heighten organizational vulnerability; and the source of the potential shocks is not always so benign. Take workers' compensation, an item looming large on managers' mind, and in some instances, to quote a furniture manufacturer, a nightmare.... We were basically paralyzed, afraid to hire people. Since the general view was that people were trying to defraud the system, kinship networks were perceived as one of the means by which fraudulent behavior would spread:

If the relative files a workers' comp claim, the other relatives watch. If the insurance settles and gives them an award because it's a nuisance case, then you've opened a Pandora's box. You can multiply the number of workers' comp injuries.

Sounding a note well-known to labor historians, an old-time factory owner reminded us that families lead to unionization, ample reason, in his eyes, to be careful about hiring relatives. A hospital manager, otherwise upbeat about hiring referrals, concurred:

I: Right. Are there other drawbacks to referrals?

R: Probably, if you have too many family members, 'cause a lot of times most, that's what most referrals are, recommend one, recommend a brother or sister or something like that. Too many family members at one location creates problems. So that's one of the most serious drawbacks.

I: What kind of problems do you get with too many family members?

R: Well, if, if, if you do something to my brother then we're all gonna walk off, that type of situation.

Managerial anxiety notwithstanding, labor uprisings were not exactly on the horizon, at the time of our survey, when de-certification was more common than unionization. Still, not all employers were equally lucky. The hoteliers, for example, fretted that ethnic solidarity might yield infection from the militant hotel local headed by a charismatic Latina, conditions that increased anxiety about the consequences of disciplinary action directed at workers linked to a kinship group:

The back of house and banquet service is where the Hispanic concentration is found. The [union] leader is the Cesar Chavez of the industry and the Housekeepers is their stronghold. Because the people come in with so little skills it's easy to convince them to distrust us.

Exclusionary Closure: Thus, once in place, immigrant hiring networks are difficult to uproot, confronting management with continuing pressure to place the workers referred by incumbents. But network recruitment yields another result, sorting groups of ethnically distinctive workers into particular places, on which they are then able to lay claims, against the wishes of both management and other laterally positioned groups. Manufacturing plants tend to have a heavily Hispanic-tilt on the shop floor; office operations frequently look differently, as in one furniture manufacturer where the entire accounting department is from the Philippines. Services present a different pattern, as in one hotel where 130 job-seekers applied for a security guard's job on the rainy day immediately after an ad appeared in the newspaper: "Seventy percent of the applicants were black, and most had

[previously] been involved in this line of work." In general, hotels display a distinctive ethnic division of labor, with Mexicans and Central Americans dominating housekeeping and the kitchen; blacks in security, parking, and the front office; Filipinos working as accountants, night managers, and clericals; and whites employed as waiters in restaurants and bars. And that division of labor cannot easily be rearranged, as suggested by the following quote:

The industry has several cultures. It is heavily Hispanic and Filipino. In some departments that are heavily one ethnic group, sometimes it's hard to bring in new people. For example, a department that is heavily Filipino, bringing in someone who is Hispanic is cut off and visa versa. They hesitate to be as much assistance to a newcomer. They do not offer to help like they would someone from their own ethnic background.... We have one department that is almost entirely Filipino. We noticed resistance when we had a Hispanic applicant. The Filipino employees said, "We prefer one of us."

The deeper that immigrant networks penetrate an industry, the less likely it is that every group can find its own niche. "Our methodology of recruitment excluded [blacks] on some level," noted a furniture manufacturer with decades in the business; and that applied with particular force to the other immigrant-dominated industries, such as restaurants and hotels. In part, exclusion is the natural by-product of reliance on referrals. "When we do the networking with our current Hispanic workforce, they are bringing in other Hispanics," a plant manager pointed out; "We have 85 percent Hispanic workers," a manufacturer told us, "so their referrals are going to be Hispanic"; in the words of a hotelier, "As a result of referrals, you get a strictly Hispanic workforce."

But exclusion is not simply a by-product of the referral system; it also results from more deliberate efforts at social closure. "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 factory, 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 until he quits. They can't make it inter-racially. I'm not going to be a sociologist and tell them, "You're in the same boat, you ought to work together." The only place where we have blacks is in the trucks, because they work by themselves.

Of the industries which we studied, only printing, with its 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, restaurants, and hotels, and common enough in department stores and hospitals. A department store manager wondered "what the conflict would be like if we started hiring blacks here, given such a large Hispanic population." "In the

restaurant world," one manager 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 workers." In manufacturing, the shop floor seemed to be a particular locus of conflict: Blacks and Hispanics, if we have a black worker and a Hispanic manager, we have nothing but trouble and reverse problems too. But the situation in production work seemed particularly loaded: it was not infrequent, for example, to hear a factory manager mention a problem with blacks and Hispanics working together, referring to the shop floor, only to simultaneously note that I've had in the office a couple of black employees at various times, usually a couple of girls in the office who are black.

Moreover, blacks find themselves not just a sociological, but a quantitative, and often very small minority in immigrant-dominated industries like hotels, restaurants, or furniture manufacturing. "How would you feel," asked one manager rhetorically, "if you were black and your whole environment is Mexican." And it's not simply a problem of being alone. On the one hand, others are crucial to learning how to do the job. As one manufacturer explained:

If I bring you in and culturally we are very similar and I am going train you, I will work hard to train you. If I am Hispanic and you are black and I never really liked blacks because we would get in fistfights in high school and I am supposed to train this black guy...it does not work well.

And on the other hand, interdependency on a group of mainly Latino workers makes it hard for blacks to get their jobs done.

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.

For these reasons, 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."

Language as Dual Closure: The shift to English serves both as a sign of acculturation and as a tool for getting ahead, as immigrants who improve their mastery of English also better their prospects for employment and upward movement on the job. Rephrased in the terminology used in this paper, the assimilation literature casts language as a (legitimate) instrument of social closure, establishing one of the criteria for admission to higher rungs of the occupational ladder.

But it need not work in the conventional way. The deep immigrant penetration into L.A.'s economy brings a multitude of foreign languages into the workplace, in part due to customer demands and preferences for interaction in their mother tongue, in part because workers can't speak English adequately, and force an accommodation on their supervisors and bosses. Because work is a fundamentally social activity, the linguistic preferences of immigrant co-workers and customers may either extrude native English-speakers, who can't get the work done because the *lingua franca* is a foreign tongue, or simply raise entry barriers because employers opt to hire workers who can speak more than one language. By importing a foreign language into the workplace, networks yield both an exclusionary *and* a usurpationary effect, producing dual closure, as Parkin has suggested.

Linguistic shifts are both a product of and a contributor to those closure processes that push less-skilled, native-born workers out of the labor market. In hotels, restaurants, and furniture, Spanish, not English, is increasingly the *lingua franca*. Cleaning and cooking jobs don't require any English skills whatsoever. The same holds for production work where you could do it without knowing English. Fifty percent of my workers have been here 20 years and they still have not learned English. As employers see it, the nature of the work explains their encapsulation in a Spanish-speaking world:

In the case of a steward or dishwasher who hardly has guest interaction, when you can't find someone who speaks English, we would waive the requirement, because let's face it, there aren't that many English language people who would be dishwashers.

The tendency to rely on referrals to recruit workers -- our guys send a stream of people that don't speak English, exclaimed an unhappy manufacturer -- reinforces linguistic isolation. Since the supervisor is Hispanic you have to speak Spanish to get hired, explained a hotel manager. You cannot get hired if you only speak English. Employers in immigrant-dominated industries, like hotels, restaurants, or furniture manufacturing, have to make deliberate efforts to widen the linguistic spectrum of the applicant pool, as in one factory which switched over from a reliance on referrals to newspapers, in a deliberate effort to avoid undocumented applicants, and specifically advertised for workers who could read, speak, and write English. However, others have all but given up any effort to obtain English-speakers, even when they recruit from the open market:

We tend to go to the Spanish papers like the Opinion [*sic*] because a lot of these people are Spanish that work in these furniture factories.

Our hotel, restaurant, and furniture factory respondents grumbled about the perceived linguistic deficiencies of their immigrant workers. Furniture manufacturers contend that problems arise with promotion:

Here we are 99% Spanish and the supervisors are bilingual. Someone who can't speak English, it's not that big of a hangup. But in a couple of years you could get in to position where they're communicating with engineers and design people who don't speak Spanish.

The greatest noises of discontent came from the hotel managers. I don't want to sound like a nationalist, but this is America! exclaimed one respondent, while grouching about the inability of the housekeepers to interact with guests because they don't know the basics.

For the most part, however, employers in these industries appear to have taken the path of least resistance: We would prefer that they speak English, but they speak Spanish, exclaimed one manufacturer; We try to encourage the workers to speak English, noted another with resignation, but it is very difficult. A maker of high-priced furniture, trying to make the transition to an English-proficient workforce, as part of an effort to upgrade the product, hoped that soon everybody will be able to communicate in English, at which point they would be able to hire an English-speaking foreman (!). While I say that they need to speak English, conceded a hotel manager, the reality is that their English is very limited. One of the more technologically advanced of the furniture companies we visited gives basic skills tests in Spanish; in a second, all the interviews are done in Spanish; in yet another, the lead men -- who provide the informal, on-the-job training -- are Spanish-speaking; in a fourth, the relevant foreign language is English:

...The job that we are talking about does not require communication of a foreign language, *meaning English*. They really don't have to read much because in many cases the information is given to them in Spanish

But not only have employers hired foremen and other intermediaries whom come from the immigrant communities; they have decided that if you can't beat'em, join'em, which in this case means that managers learn Spanish themselves, or else make the necessary adaptation. A furniture manufacturer told us that both floor managers speak 'Mexican' [*sic*], so it is not that important that the workers speak English. One hotel chain requires managers to have basic understanding of Spanish, an accomplishment matched, if not bettered, by a furniture factory in Las industrial belt, where everybody is bilingual, including the production manager who is Caucasian and speaks perfect Spanish. A restaurant manager thought that language was not a problem. I learned 'restaurant Spanish' as a server. In an interview that focused on warehouse workers, a department store manager first told us that, English is not required because we all had to take Spanish to communicate with them, and later commented that, If there were no immigrants, I wouldn't have had to take Spanish! I speak Spanish, so that is not a problem, said a company president. Otherwise, everything would go through the production manager, and that is very awkward. Speaking about the tight Hispanic group that works in the kitchen of one of L.A.'s best-known steak houses, our respondents reported that, English is the second language. Most of the communication in back is

in Spanish. One furniture manufacturer with the unusual practice of deploying several black foremen was asked whether these supervisors also spoke Spanish; the answer, Yes, you have to in this workforce. A third generation Mexican-American supervisor told us that:

The language barrier is very important, that is why a lot of people in my position wouldn't make it. You need to speak the language. How could I make them do and understand what I wanted them to do? I didn't know a word of Spanish before I went to work. My parents, didn't.

As noted earlier, English monolingual managers are struggling to stay afloat in a Spanish-dominant world. The language barrier is very important, exclaimed one of the furniture factory bosses. You need to speak the language. How could I work here if everyone was Chinese and didn't know English? For those non-Spanish speaking workers who find their way onto the shop or kitchen floor, membership in a linguistic minority is a source of even greater and continuing trouble. Advertising can attract a more diverse applicant pool, but outsiders then have trouble fitting in.

Even when we advertise, or we put through the department of employment, we rarely get either a black or an Asian. I'd bet you in the last twelve months I've had one or two Asian applicants, but that's it. And then it usually becomes a language problem, because I don't have bilingual foremen for them.

With so many jobs interdependent, workers who couldn't communicate were left out in the cold: Because of the language barrier, there are two jobs here [for blacks], if they are unskilled: shipping and sweeping the floor. Unless the blacks speak Spanish, noted one furniture manufacturer, we have a major problem; another reported that language was an issue, not so much for management, but for blacks dealing with Hispanics; a third, who emphasized the need for cooperation and communication, went on to tell us that the fact that our workforce is homogenous -- they were all Mexican -- helps towards this communication; a fourth told us that blacks have complained in a number of occasions that English should be spoken in the shop because 'we are in America.' Explaining why it was difficult to hire blacks when you have a predominantly Hispanic workforce, a hotel manager pointed to discomfort with Latino influence. They don't understand the language. To be sure, language is only part of the problem in many of these immigrant-dominated establishments, but to the vice-president for manufacturing, overseeing a plant in the San Gabriel Valley, it is an impeding factor of no small import:

R: It is also the case that when a young black man come in, [*sic*] even though we interview him for the job, he is going to look at all the Hispanics around him and feel very uncomfortable. I've had that happen.

I: Even though you have a foreman who is black?

R: Yes.

I: And they feel uncomfortable because of what?

R: Because language has a lot to do with it and they feel that they are trying to break down a barrier rather than O.K., here you are, go to work. And the other workers have a very negative attitude towards them to start with.

Linguistic encapsulation is not on the horizon in industries or work situations involving contact with an English-speaking clientele or labor force. Here, the demands for English may actually work to the benefit of less skilled, native-born workers, as explained by one of the HR hospital managers with whom we talked:

The only real difference is that with black men I typically don't need to worry about English as a second language. Whereas with somebody from a different country, I need to be concerned with their ability to speak English. So I might put, um, I might choose a black man for an area that is more accessible to the public, so that because our environmental service techs are asked directions all the time in our hospital. So I must put somebody with better English in a position where they're going to deal more with the general public

But if hospitals, department stores, and printing shops maintain a continuing demand for English-speakers, they operate in an increasingly multilingual environment, which inevitably adds another item to the list of skills which black, and other low-skilled, native-born applicants generally lack. The impact on monolingual African Americans, as they slowly become an English-speaking minority in the lower level occupations, is likely to be frustration and alienation:

I see it in hospitals, like in one hospital we have, you see, the blacks on one side of the room, the Hispanics are on the other side of the room, at one of these general meetings. And you can hear in it some of the questions that come up, and some of the answers that come up, the representation from the unions. There's a certain amount of animosity because the union representative is speaking in Spanish. So it comes up, there's an attitudinal thing. I think the blacks feel probably threatened because there's so many Hispanics here.

Further, while demands to service non-English speakers will only grow, so too will the availability of bilingual speakers. Managing the multilingual selling force of Middle Easterners, Filipinos, and Spanish-speakers has not always proved easy for L.A.'s department stores, but on balance, it is a plus, since otherwise stores could not service the clientele that they need to attract. In hospitals, the children of immigrants with the baseline skills needed to work as dietary aids or housekeepers are

entering the labor market in growing numbers, and to the extent that they have some facility in two languages, they will increasingly have an advantage over native-born blacks:

We have a large ethnic patient population, and to an extent our patients' access to medical care has improved with having people that they can communicate with. So one of our objectives is having a diverse workforce which mirrors our diverse patient population.

The need for bilingual speakers is particularly acute in precisely that sector where blacks are more over-represented -- namely, the public hospitals -- since these are the facilities most heavily used by Latino immigrants. Though dominated by poorly educated Mexicans and Central Americans, the region's foreign-born population is very diverse; higher skilled newcomers from Asia or the Middle East are more likely to have adequate competency in English and also possess other skills that hospitals want. Moreover, the demand for English is more of a soft than a hard constraint in its impact on the influx of the foreign-born. The hospitals already abound in the use of languages other than English; that trend that will only increase as the demography of the region increasingly reflects the presence of the foreign-born, yet another factor weakening African Americans' hold on this traditional niche.

Conclusion

The social connections among immigrants get good play in the sociological literature, no doubt, in part, due to the analytic power that the concept of immigrant social network packs. The networks can be accurately characterized as structures with history and continuity that give [them] an independent effect on the function of economic systems, just as Coleman has maintained (Coleman 1988, S97). But there is probably an affinity between the sociologists' professional biases and the virtues they detect in the networks they seek to describe. After all, the dominant picture is one in which embeddedness in ethnic networks and communities leads to cooperative, if not conformist, behavior among ethnic economic actors. While *homo societas* may be preferable to *homo economicus*, an undue emphasis on cooperation, conformity, and solidarity is a source of analytical weakness, as sociology has learned in the past.

While agreeing with the conventional view that immigrant networks yield their effect through social closure, I have tried to build on a different sociological tradition, which views social closure as an aspect of conflict and cleavage. I have sought to show how the workings of usurpatory, exclusionary, and dual closure illuminate a puzzle in the immigrant employment scene: it is one thing to observe, with Powell and Smith-Doerr, that even the disadvantaged can turn to networks to provide access to opportunities not available on the open market (1994, 374), another to explain why those networks should so consistently expand their reach. After all, the network structures are wrong, in that weak, not strong, ties are the key to gaining access to new sources of employment; and

the network associates are of the wrong type as well, since their (low) socio-economic characteristics make them unlikely to form those weak ties to others in positions of influence, which the network literature tells us is a must. But immigrants are rich in strong ties, and good thing too, since jobs and job information are too scarce to be distributed to those with whom one is weakly connected.⁴ Moreover, employers turn to immigrant networks not simply for reasons of mimesis or filtering (Dimaggio and Powell 1983), but because the social closure potential of immigrants' networks generates additional predictive value. Thus, the repeated action of network hiring leads to the cumulation of informal immigrant resources; over time immigrant workers gain the potential for the exercise of power, as network associates can mobilize their connections in ways inimical to the interests of managers and outsiders alike.

Exclusionary closure is of theoretical interest for illustrating a different, less pleasing side of embeddedness than the one sociologists are wont to note. For the most part, our literature casts embeddedness as a social, therefore better, container for economic life, rooting transactions in ongoing relations that shift actors' motivations away from the narrow pursuit of immediate economic gains through trust and reciprocity (see Uzzi 1996). No quarrel here, but just a reminder that other consequences might ensue: in this case, at least, immigrant networks produce a structure inimical to outsiders, who fare poorly because job opportunities get withdrawn from the open market, and ethnic membership, as in the case of language, implicitly circumscribes eligibility for employment. By yielding a labor market where particularistic ties play a more important role, the embedding of immigrant networks within L.A.'s economy makes ethnic affiliations more significant and ethnic boundaries more salient. In the end, the implantation of immigrant networks produces a segmented system, providing new incentives and mechanisms for contention over the ethnic division of labor and its fruits.

Exclusionary closure thus highlights the negative aspects of embeddedness; though not using the same terminology, others have done so before. Granovetter's pioneering article, for example, did more than remind us that concrete personal relations generate trust and trustworthy behavior; less noted, though central to the argument, it also contended that Asocial relations ...may even provide occasion for malfeasance and conflict on a scale larger than in their absence (1985, 491). But the vocabulary and conceptualization stand at a remove from the perspective of the neo-Weberian sociology adopted here. After all opportunism appears in the conventional accounts as the deviant, malfeasant acts of individuals defying organizational norms; the word also seems inseparable from its unsavory connotation. But the concept of usurpationary closure yields a different implication: usurpationary closure involves collectivities, no surprise, since the relationship between capital and labor may be the most fundamental of embedded ties.

⁴ As noted by Granovetter (1974), who found that job-seekers needing employment badly were more likely to rely on strong ties.

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