

RELATIONAL EXPLOITATION: THE INFORMAL ORGANIZATION OF DAY LABOR AGENCIES

Tim Bartley and Wade T. Roberts

Recent controversies have drawn attention to the growing day labor industry in the U.S. While academics and activists have documented and criticized day labor agencies' practice of externalizing costs onto the workforce, less attention has been paid to the informal organization of this form of work. At first glance, the day labor industry may appear to be little more than an anonymous "spot market," but this glosses over the subtle relational and reputational dynamics at play. This article uses qualitative and quantitative evidence to uncover the informal order of the day labor hall, as experienced by homeless workers. Dispatcher discretion over the allocation of jobs leads day laborers to adopt several strategies for combating anonymity in this market. We argue that dispatchers' perceptions of workers' loyalty and reliability shape the allocation of rewards, thus inserting a small measure of stability into this highly contingent form of work.

"The misery of being exploited by capitalists is nothing compared to the misery of not being exploited at all."

—Joan Robinson (1966)

"You've got to remember, your product is the employee. And unfortunately, that is exactly how it is viewed. They are dispensable; they are disposable."

—former day labor dispatcher (interview with authors)

The recent dramatic growth of day labor agencies has sparked a storm of controversy. As scholars debated the pros and cons of the more general ascendance of "contingent work" (Kalleberg, Reskin, and Hudson 2000), local and national entrepreneurs built "hyper-contingent" employment agencies at the bottom of the labor market, generating corporate profits from the reserve army of the unemployed and homeless. Labor Ready, for instance, expanded from fewer than twenty offices in 1993 to roughly eight hundred currently, generating over a billion dollars in sales and thirty-six million dollars in net income in 2004. As day labor agencies grew, activists increasingly called attention to the industry's exploitation of vulnerable workers, its skirting of employment laws, and the use of hidden fees that shift the costs of business onto the working poor (Carré et al. 2003; Cook 2002; Esbenshade 2000; Freeman and Gonos 2005; Greenhouse 2003; Gonos 2000; Kerr and Dole 2005; MacDonald 2004). Soon,

critics of the industry were mounting a number of challenges. Legal advocates pushed for stronger regulation of employment agencies, community groups created alternative staffing centers, organized labor fought for day laborers' right to affiliate with unions, and legal advocates filed suit against day labor agencies—including a large class-action suit against Labor Ready over unpaid work time and payroll deductions (Borgen 2002).

These interventions largely target the formal rules and practices of day labor agencies—such as imposing unpaid waiting time on workers and charging fees for check-cashing and equipment—which are well-documented in the research literature (Gonos 2000; Kerr and Dole 2005; Peck and Theodore 1998, 2001; Roberts and Bartley 2004). This attention has led several states to pass legislation restricting these practices (NELP 2004; Trautner and Smith 2003). Yet there is reason to think that in addition to these formal practices, the *informal* organization of work within day labor agencies may also have important implications for low-wage contingent workers. Temporary agencies impose new forms of decentralized, unobtrusive control over the labor process (Gottfried 1991; Smith 1997), and their methods for allocating jobs to workers may privilege some workers and disadvantage others (Wacker and Bills 2000). With respect to day labor agencies, Peck and Theodore (2001) documented a number of ways in which informal heuristics for assigning jobs can have discriminatory effects.

In this article, we use ethnographic observation, interviews with day labor dispatchers, and quantitative analysis of a survey of homeless day laborers to explore the process of job allocation by day labor agencies in Tucson, AZ. Although these agencies may at first appear to be simply processing substitutable “warm bodies” in an anonymous market, in reality, processes within day labor agencies are heavily structured around informal relationships, reputations, and perceptions of reliability. We show that the official mechanism for assigning jobs—a first-come, first-served sign-up list—encourages early arrival at the labor hall but serves a mainly symbolic purpose in terms of job allocation. Dispatchers have a great deal of individual discretion over the actual allocation of jobs. Day laborers recognize this and pursue several microinteractional strategies for combating anonymity. One of the key mechanisms in the allocation of “good” job assignments is the “repeat ticket” which increases the length and certainty of a job assignment. Drawing on both qualitative and quantitative evidence, we argue that the allocation of repeat jobs is intertwined with perceptions of loyalty and reliability. Thus, although day labor is among the most contingent forms of contingent work, it does not follow pure market logic of anonymous exploitation but rather a socially embedded logic in which relationships and reputation determine who gets exploited and who “doesn't get exploited at all.”

Much of our analysis focuses on homeless workers, who make up a significant portion—though certainly not all—of the pool of day laborers. Popular and scholarly depictions of homelessness have often portrayed homeless individuals as disconnected from the world of work—implicitly or explicitly equating homelessness with joblessness. Most researchers have emphasized the structural

determinants of homelessness—particularly job losses and unemployment (Elliott and Krivo 1991; Honig and Filer 1993; Jencks 1994; Shlay and Rossi 1992)—or the social-psychological adaptations and disorders brought on by homelessness (Lindquist, Lagory, and Ritchey 1999). One unintended consequence of these emphases is the implicit message that being homeless means being jobless. Yet researchers have challenged this assumption by showing that homeless persons engage in far more paid work than usually assumed (Hartwell 2000; Parker 1994; Snow and Anderson 1993), with estimates suggesting that somewhere between one-fourth and one-half of all homeless individuals in U.S. cities engage in some form of wage labor (Rossi 1988; Snow et al. 1996; Snow and Shockey 1998). Therefore, in addition to shedding light on day labor agencies, our research can address neglected questions about how homeless individuals navigate labor markets.

Making the Market (and a Profit) in Day Labor

Once primarily located on the street corner or in the union hiring hall, today's day labor market also operates from the corporate boardroom, with local, regional, and national firms operating day labor agencies in cities throughout the U.S. (Focareta 2001; Kerr and Dole 2005; Rosenberg n.d.; Theodore 2000). Street-corner markets persist—and have become the sites for both intense ethnic antagonism and remarkable solidarity and self-organization among workers (Esbenshade 2000; Valenzuela 2003). Yet equally striking has been the rise of formal day labor agencies offering short-term manual labor jobs to workers with the appropriate legal documents.

Like other temporary agencies, day labor companies supply workers to a client while remaining the worker's *de jure* employer. The industry caters to businesses and contractors that seek immediate, yet nonpermanent, labor for irregular jobs with low skill requirements, including landscaping, construction cleanup, light industrial, and warehouse work. Agencies relieve clients of burdens like workers' compensation, social security payments, recruitment, and other administrative costs associated with regular employment. In exchange for their services, day labor halls may charge customers up to a 100 percent markup over the wage paid to the worker, which is typically at or near minimum wage.

Tucson hosts day labor agencies run by national corporate chains (Labor Ready), regional chains (Labor Exchange, General Labor, etc.), and local firms (Labor Solutions, Control Personnel), plus one non-profit agency run by a homeless advocacy organization (Primavera Works). Although there are no definitive estimates of the proportion of day laborers who are homeless—in Tucson or elsewhere—there is some reason to believe that it may be substantial. One large day labor agency has suggested that 50 percent of its labor force is homeless (Theodore 2000). Moreover, a study of Tucson's homeless population conducted in 1997–1998 found that roughly 25 percent of all homeless individuals had recently worked in a day labor job (Snow and Shockey 1998).

Table 1. Homeless Day Laborers' Other Sources of Income

Type of income source	Frequency	Frequency (%)
No other sources of income besides day labor	95	45.24
Food stamps	35	16.67
Job with regular hours/regular pay	27	12.86
Money from family or friends	21	10.00
Other government benefits	14	6.67
Selling cans/recycling	14	6.67
Asking strangers or "flying a sign"	12	5.71
Selling plasma	8	3.81
Selling newspapers	2	0.95
Other	27	12.86
Total number of respondents	210	

For those homeless individuals who work day labor jobs, this industry often provides the sole source of income. While some homeless day laborers also receive income through government assistance, regular employment, family and friends, and other sources, by far the most common subsistence strategy of homeless day laborers in Tucson involves relying solely on wages earned through day labor agencies, as shown in Table 1.

Theoretical Perspectives on Day Labor: Pure Cash Nexus or Socially Embedded Market?

At first glance, day labor seems like a classic case of what economists call spot markets, structureless markets, or "open" employment relationships. These markets are characterized by short-term contracts, unskilled jobs, little interest in productivity, and an absence of bureaucratic hiring procedures (Williamson, Wachter, and Harris 1996; Sorensen 1994). In markets of this type, employment is a "pure cash nexus," and since skill requirements are low and productivity unimportant, workers are little more than anonymous, interchangeable "warm bodies" (Parker 1994). In some respects, the reality of the day labor industry matches this image well, because job assignments are made on an extremely short-term basis and most jobs require few, if any, skills. In comparison with many other industries, day labor is a highly impersonal, fluid, and exploitative employment scenario. According to one former day labor manager, day labor agency operators are referred to as "slavers" within the industry (interview with authors).

Yet this view overlooks the many ways in which labor market intermediaries structure contingent work. In contrast to economic analyses of labor markets, sociologists and labor scholars have repeatedly drawn attention to the role of organizations as wage-setting mechanisms (Edwards 1979; Nelson and Bridges 1999) and the "missing link" in stratification research (Baron and Bielby 1980). Pfeffer and Baron (1988), for instance, argue that temporary employment agencies are crucial "market makers" that provide a reliable, highly institutionalized contracting service for "flexible" forms of capitalism. With regard to day labor,

this approach suggests that the operation of day labor markets should be shaped by the structure and practices of day labor agencies. Previous research has shown that the organizational form and standard operating procedures of day labor agencies affect workers' welfare. Although all for-profit day labor firms externalize the costs of business onto their workers, they do so in different ways and to different degrees—thus, shaping the distribution of rewards among day laborers (Kerr and Dole 2005; Roberts and Bartley 2004).

While this organizational approach usefully pushes past the image of day labor as an anonymous spot market, it ignores organizational dynamics that are *informally* produced and reproduced. A long tradition of shop-floor research has highlighted the informal social organization of work—teasing out the informal relationships, symbolic codes, and games that underlie the work process (Burawoy 1979; Hodson 1991). While most of this research is based on traditional, stable workplaces, there is a growing recognition that highly *marketized* forms of work are also structured by informal mechanisms of control, relationships, and reputation (Gottfried 1991; Wacker and Bills 2000). In fact, these informal social factors may be critical to understanding an employment scenario that is largely defined by its lack of institutionalized methods of allocation. As expressed by Peck and Theodore (2001):

while in a superficial sense the temp labor market resembles the kind of 'spot market' for labor envisaged by neoclassical economists, it is, in fact, anything but. The agencies' work allocation systems favor 'reliably contingent' workers who are available every day and whose work attitudes, job capabilities and personal attributes render them acceptable to employers. (492)

Our research builds on and extends these arguments, by teasing out the specific ways in which informal dynamics of relationship, reputation, and reliability shape the allocation of job assignments for day laborers. Our goal is to show that understanding the operation of day labor agencies requires attention not merely to official practices (e.g., fees), but also to the informal, negotiated order of the day labor hall.

Data and Methods

We used a multimethod approach to understand the operation of day labor agencies in Tucson, AZ, the center of a metropolitan area of approximately eight hundred thousand residents. First, we took on the role of day laborers seeking employment through an agency, spending approximately sixty hours in the field. We took detailed field notes in both the day labor agency waiting area and on the jobs to which we were assigned. Second, to complement our observational data, we conducted in-depth interviews with three people who worked in managerial positions in day labor agencies. Finally, we collected systematic data on the experiences of homeless day laborers in Tucson by conducting a survey of 237 homeless individuals who had worked through a day labor agency in the previous two weeks. Our sample was generated through a process similar to

“targeted sampling” (Heckathorn 1997; Watters and Biernacki 1989), wherein respondents are interviewed at specific locations identified as substantively and theoretically important by previous research. We focused on six sites that had been identified by previous research as the most commonly frequented by homeless individuals in Tucson (Snow and Shockey 1998). Three of these sites were shelters, two were soup kitchens, and one was a general referral office.¹ To avoid biasing our sample away from homeless individuals who were working, we conducted interviews at various times of day and days of the week—including a substantial amount on evenings and weekends. While our sample may not perfectly represent the population of homeless day laborers, it avoids many of the most common errors in sampling homeless individuals—such as finding only those who sleep in public places or in shelters.

The survey instrument focused on (1) individual characteristics of respondents, (2) their views of day labor in general, and (3) their experiences with whichever of the day labor agencies in Tucson they had frequented the most in the past two weeks (to minimize potential difficulties with respondent recall). This third set of questions provided us with information on the common practices of day labor agencies, as well as the material outcomes (number of jobs, wages, etc.) gained through this employment. So even though the survey was administered to individuals, it provides data about both individual and organizational practices.

We proceed by analyzing several dimensions of the interactional order of day labor agencies. First, we examine the formal and informal mechanisms of job allocation and the strategies that day laborers use to negotiate the day labor hall—in particular, their strategies for combating anonymity and forging short-term relationships with dispatchers. Following that, we examine the markers of reliability and their impact on the allocation of “good” (i.e., “not as bad”) job assignments. Here, we use quantitative analyses of survey data to explore the effects of informal dynamics on material outcomes, and we integrate the qualitative and quantitative evidences for the purpose of interpretation. (We provide more details on modeling and measurement in a later section.)

Job Queues, Interactional Cues: The Process of Job Allocation

Formally, the central allocation mechanism in day labor halls is a list that workers sign when they arrive at the agency office. In theory, dispatchers assign individuals to jobs roughly in the order they arrived. Day laborers often line up outside the agency hours before it opens and may wait several hours longer before arriving at a job site, where their paid work day officially begins. Thus, day laborers end up putting in a significant amount of unpaid waiting time in the morning—not to mention time spent waiting to get paid *after* the job assignment is officially finished. In Tucson, we found the median time of arrival by homeless day laborers to be 5:00 a.m., with 40 percent of the individuals arriving between 4:00 and 4:30 a.m. Because job assignments often starts hours later, we found a mean of approximately 1 hour and 45 minutes of unpaid waiting

time prior to the job, and roughly 25 percent waited between two and five hours before going “on the clock.” This pattern allows agencies to offer their customers a labor force ready to work at a moment’s notice while paying virtually nothing for workers’ presence.

Although it structures workers’ availability, the list serves as only a loose guide and source of information for day labor dispatchers, who base job allocation largely on their personal knowledge of workers, perceptions of cleanliness and reliability, and availability of transportation to job sites. The job allocation process is open to dispatchers’ discretion, which may be consciously or unconsciously abused. We witnessed one dispatcher, commenting on a complaining worker, say to another potential laborer, “He’ll never work here again. Not with that attitude. I’ll make sure of that.” This resonates with previous research that has found that:

a laborer who complains is regularly either not sent out or is sent to the most difficult jobs. Interviews and focus groups make it clear that day laborers are treated according to the whims of the agency staff. Workers are largely defenseless against improper treatment or conditions because agency staff either retaliate or at least create the fear of retaliation. (Kerr and Dole 2005, 101)

As a group, day laborers have somewhat contradictory orientation toward the list. Clearly, many are skeptical that the list determines their job placement. When asked about the most important factor in getting good job assignments, only 18 percent of our respondents said that getting to the day labor hall early (and thus getting a top spot on the list) was the key (see Table 2). Nearly twice this many said that having a good relationship with the dispatcher was the most important factor. Furthermore, they often recognize the dangers of dispatcher discretion. As one worker recalled, “I was sent out on a ticket, got there and there was no job. Went back to the hall and complained, asked to get paid. The [dispatcher] said ‘people like you are easily replaced.’ There’s such favoritism. You have to kiss major ass or be a pet.”

On the other hand, the list plays an important symbolic role within the day labor hall. Discounted but not ignored, the list becomes a symbol of legitimacy and a centerpiece of contention between potential workers and the dispatcher. For some workers, the list is a legitimate basis for allocating jobs because it

Table 2. Strategies for Negotiating the Allocation Process Question: “Which of the following is the one most important thing you need to do to get a good job assignment at a day labor office?” (choose one only)

Strategy	Frequency	Frequency (%)
Get to the office early	42	17.80%
Have a good relationship or reputation with the manager or dispatcher	83	35.17%
Have the right appearance or dress appropriately	21	8.90%
Have a good relationship or reputation with bosses at the job sites	26	11.02%
Have your own transportation	55	23.31%
Other	9	3.81%

supposedly rewards workers on a first-come, first-served basis that is perceived as meritocratic. Our fieldwork suggested that when “skipping” (down the list) occurs, workers were quick to recognize it. Some skipping is viewed as legitimate, as in the case of jobs requiring someone with a vehicle. But when this does not appear to be the rationale, workers are likely to voice their frustration, as with one worker who complained to others in the hall, saying “I ain’t ever turned down a job,” and “he’s not following the list.” In sum, the official mechanism of job allocation—the list—not only fails to determine job placement, it becomes a key symbolic component in the negotiations over status and reward that are repeated every morning within the walls of the day labor hall.

Given the importance of dispatcher discretion, day laborers engage in a variety of strategies for combating anonymity and forging short-term relationships with dispatchers. One of the most common strategies is the “wake-up call,” in which potential workers simply make their presence known to the dispatcher. Consider the following observation from our fieldwork at a day labor hall:

There was frequent mention of the new manager “not following the list.” This concern with “following the list” was voiced by four or five laborers out on the wall. Chip, a regular, was “number five on the list” but had not yet been called by 7:15 a.m., even though a number of people further down the list had gone out to jobs already. “I’m going to go wake him up,” he would say, walking inside the office to presumably talk to the manager. I witnessed Chip make three of these ‘wake up’ trips to the counter.

Our interviews with dispatchers suggested that this strategy may be at least marginally effective. As one dispatcher recalled, “They’d keep hounding you. And the squeaky wheel gets oiled. If you’re eager to go to work and you want to go to work, I’m probably more likely to get you to go to work, than if you’re outside, you know, smoking cigarettes with your buddy and haven’t checked in to see what’s going on.” A second strategy for combating anonymity involves accepting “bad” jobs in hopes of getting “good” ones in the future. One worker explained, “They’ll [dispatchers] reward you with easy jobs if you work some hard ones.” Another stated, “To be in good with the dispatchers, you have to be a ‘yes man’ no matter what type of job they give you.”

“Repeat” Jobs and the Role of Reputation

In stark contrast to the image of day labor as a spot market of anonymous, substitutable warm bodies, the allocation of day labor jobs is intertwined with perceptions of reliability and loyalty. One corporate chain—Labor Ready—has even institutionalized a degree of loyalty (on the part of workers that is) by giving laborers who have worked over 400 hours for the company a “premium card” which they may use to “identify” themselves in the company’s day labor halls around the country. More importantly, the job allocation process within particular day labor halls is partially governed by dispatchers’ perceptions of workers’ reliability and loyalty.

Perceived reliability is especially important in the assignment of “repeat tickets”—requests to return to the same job for additional days. Repeats are a central mechanism through which this highly contingent form of work is made *more* stable and imbued with greater predictability for both the companies who hire day laborers and the day laborers themselves. Repeats can be obtained through a request from the contractor/client or through the day labor dispatcher. For workers, repeats decrease uncertainty and reduce the time spent waiting before a job officially starts, since a worker who receives a repeat ticket one day will know the official starting time for the next day’s job.

A Quantitative Analysis of Wages, Repeats, and Returns to Loyalty

To better sort through these dynamics, we used multilevel models (hierarchical linear models) to explain the returns to day labor employment, building on our qualitative findings. Multilevel models are appropriate for this analysis because they incorporate patterns of dependence among the observations that result from units being nested—for instance, as workers are nested within a particular employing organization; (Bryk and Raudenbush 1992; Hofmann 1997; Wharton, Rotolo, and Bird 2000). These models allowed us to look into the effects of both individual- and organization-level factors.² Our goal is to examine how the informal dynamics highlighted in our qualitative evidence influence two important outcomes for day laborers—(1) the real wages they earn, adjusted for hidden costs and fees imposed by day labor agencies, and (2) their chances of receiving “repeat tickets” that bring them back to the same job site for additional days. Following Singer’s (1998) demonstration, we ran all models using SAS (“PROC MIXED”).

We measured workers’ “estimated real wage” by drawing on the substantive knowledge of the local industry gained through our fieldwork and interviews. The estimated real wage is a measure of hourly wages (before taxes), adjusted for waiting time, transportation fees, check-cashing fees charged by day labor halls, and any unpaid wages (see equation). Once we adjust for these factors, we find that the mean hourly wage for homeless day laborers varied between \$1.69 and \$6.53 per hour, with a mean of just \$4.14—well below the national minimum wage of \$5.15.

Estimated Real Wage

$$ERW = \frac{(W * H) - R - C - U}{H + [(S - A) * D]}$$

Legend:

ERW = estimated real wage

W = wage (average hourly)

H = hours worked

R = ride charge (adjusted for number of days worked)

C = check cashing charge (adjusted for number of days worked)

- U = unpaid wages (based on hourly wage and number of hours not paid)
 S = typical start time of jobs
 A = typical arrival time at agency
 D = number of days worked

We measure the extent of repeats by constructing a “repeat ratio” for each respondent. This can be conceptualized as the number of repeat tickets a worker received relative to the number of times he was eligible to receive one. In other words, if you worked for five days, but only went to two job sites, you would have received three repeat tickets out of four days that you were eligible to receive one, and your repeat ratio score would be 0.75.

Repeat ratio

If $D > 1$, then If $D \leq 1$, then

$$RR = \frac{D - \mathcal{J}}{D - 1} \quad RR = 0$$

Legend:

RR = repeat ratio

D = number of days worked

\mathcal{J} = number of separate job sites

We controlled for organizational- and individual-level factors that might be thought to influence the distribution of wages. For instance, theories of market-making organizations suggest that the type of organization that a person works for may influence that individual’s wages. Following previous research (Roberts and Bartley 2004), we focused on two types of day labor agencies in particular—those affiliated with a national corporation (Labor Ready) and a non-profit alternative run by a local homeless advocacy organization. We treated other types (local and national for-profit firms) as the reference category. We also measured human capital characteristics traditionally used in labor market research—race/ethnicity, education, work experience, and specialized skills, as described in Appendix A.³

Results

Table 3 presents multilevel models of the determinants of estimated real wages. Model 1 shows the effect of the repeat ratio on real wages, controlling for organizational form and human capital. Most importantly, we found a positive and statistically significant effect of repeats on real wages. This confirms our contention that repeat tickets are an important currency of day labor markets.

In addition, as anticipated by research on the practices of day labor agencies, the type of organization one works for has an impact on real wages. Specif-

Table 3. The Determinants of Real Wages among Homeless Male Day Laborers

Dependent variable: Estimated real wage		
	Model 1	Model 2
<i>Intercept</i>	4.0471*** (.1146)	3.9485*** (.1297)
Non-profit . . . . .	.6561** (.2149)	.6005* (.2200)
Corporate	-.2047* (.1105)	-.1942 (.1142)
<i>Non-white</i> . . . . .	.05759 (.06547)	.06617 (.06510)
<i>High school or more</i> . . . . .	.06691 (.08418)	.05348 (.08382)
<i>Regular job in past year</i>	-.02521 (.06692)	-.03268 (.06662)
<i>Specialized skills</i>	-.09241 (.06512)	-.1075 (.06517)
<i>Repeat ratio</i> . . . . .	.1762* (.08385)	.1663* (.08337)
<i>Reporting time</i> . . . . .		.02309+ (.01367)
<i>N (organizations)</i>	13	13
<i>N (individuals)</i>	154	154
<i>-2(Resid Log Likelihood)</i>	149.3	153.3

*p-value < .05 (1-tailed); **p-value < .01 (1-tailed); ***p-value < .001 (1-tailed);

+p-value < .10 (2-tailed).

Estimated standard errors are in parentheses.

ically, relative to local, regional, or national for-profit firms, working through the non-profit day labor agency increases real wage returns, while working for corporate-affiliated halls (i.e., Labor Ready) decreases wages slightly. In terms of individual characteristics, standard human capital endowments, such as having a high school education or more, having specialized skills, or having recent work experience, do not influence the real wages of day labor. Given the low skill requirements of these jobs, it is not surprising that workers experience no returns to human capital. Our models also suggest that race (white compared to nonwhite) is not a major factor in structuring wage outcomes—although we expect that race does shape interactions on job sites and that the effects of race may be more pronounced in cities with highly segregated and competitive labor markets.

Model 2 tests the effect of repeat ratio net of the official mechanism getting better job assignments—getting to the hall early in the morning. The effect of the repeat ratio remains positive and statistically significant, even controlling for time of arrival. The effect for time of arrival is significant at the .10 level and is *positive*, indicating that *later* arrivals translate into slightly higher real

wages. This further undermines the idea that signing up early on the list is the key to beneficial job outcomes in this industry.

In sum, we found that homeless day laborers' take-home wages are not influenced by individual human capital or by being at the top of the sign-up list, but are shaped by workers' ability to secure repeat tickets. What, then, determines who gets repeat tickets? Based on our qualitative evidence, it appears that dispatchers' perceptions of loyalty and reliability play a major role in this process. Consider one dispatcher's method for allocating jobs:

As guys come back [to get paid] . . . you've already got a whole pool of tickets for the next day. And so you come in, I like you, you've done a good job for me, I'm going to hand you a ticket while I'm paying you, say, "Okay this is where you're going tomorrow." So if I'm good at what I'm doing, I've dispatched half my tickets out the night before to my more reliable workers.

If this holds more generally regarding the allocation of repeat jobs, then we ought to be able to see evidence of this in our quantitative analysis of the survey data. To assess this idea, Table 4 introduces a model that takes the repeat ratio as the dependent variable. We included the same independent variables as for the previous models, plus a measure of the loyalty of day laborers to one particular day labor agency. Those workers who reported visiting only one day labor hall within the past month (given a minimum threshold of four days worked in the previous two weeks) were coded as loyal and given a "1" on the loyalty dummy variable. All others were given a zero. While not highly precise, this measure allowed us to test for an effect of a factor that is not easily quantified.

The model in Table 4 shows that loyalty is positively and significantly associated with the repeat ratio. In fact, loyalty is the only variable in the model that is statistically significant. This indicates that the allocation of repeat tickets is not driven by organizational, socio-demographic, or human capital factors. The loyalty effect itself indicates *either* that workers who are loyal to a particular agency are rewarded with repeat tickets, *or* that workers who get repeats are more likely to be loyal to a particular agency. Without longitudinal data, it is impossible to definitively sort out the causal ordering. But our qualitative data provides at least suggestive evidence that dispatchers may in fact reward loyalty, particularly when an employee's regular presence gets interpreted as a sign of *reliability*. For instance, in response to a question concerning who gets assigned the "good jobs," one dispatcher replied, "people that show up on time, you haven't gotten any bad comments about them, *they appear to be reliable*, they dress appropriately" (emphasis added). The finding also resonates with comments by day laborers that "Favorites are usually the ones who've been there long term" and that the way to land good jobs was to "Get familiar with the dispatcher. Get to know them. Work often." As another day laborer explained, "you have to be known—have a reputation as being reliable."

Taken together, our analyses suggest that informal dynamics surrounding perceptions of loyalty and reliability shape the allocation of repeat tickets, which

Table 4. The Determinants of Repeat Jobs among Homeless Male Day Laborers

DV: Repeat ratio	
	Model 3
<i>Intercept</i> . . . . .	.3251** (.1113)
Non-profit . . . . .	.004397 (.1280)
Corporate . . . . .	.04221 (.08656)
<i>Non-white</i>	-.02306 (.05901)
<i>High school or more</i>	-.01756 (.07525)
<i>Regular job in past year</i>	-.05452 (.06076)
<i>Specialized skills</i> . . . . .	.05872 (.05872)
<i>Reporting time</i> . . . . .	.01060 (.01240)
<i>Loyalty</i> . . . . .	.2389*** (.06235)
<i>N (organizations)</i>	14
<i>N (individuals)</i>	198
<i>-2(Resid Log Likelihood)</i>	194.8

*p-value < .05 (1-tailed); **p-value < .01 (1-tailed); ***p-value < .001 (1-tailed).

Estimated standard errors are in parentheses.

are an important currency in the day labor industry and are associated with higher real wages. There are several possible reasons for dispatchers to care about reliability. First, clients (those who hire the labor) themselves may express an interest in having low turnover. Second, the practical reality of trying to dispatch hundreds of jobs in a very short period of time each morning may lead dispatchers to value loyalty and reliability heavily. In addition, some day labor companies provide bonuses for dispatchers that align their interests with those of the business's owners, which may make dispatchers more responsive to the demands of customers rather than workers.

Conclusion

Day labor agencies profit from the misfortunes of vulnerable workers, but they do so in particular ways. Some of the distinctive features of the industry revolve around the hidden and not-so-hidden fees charged by day labor agencies. Yet employment outcomes are also related to whether workers receive "good" job assignments, bad ones, or no jobs at all. We have shown that the formal mechanism for job allocation—the list—turns out to be largely symbolic,

even while it encourages a reliable supply of “ready and waiting” workers to confront an elastic demand for labor. Dispatchers have a great deal of discretion over job assignments, which opens up a space for several other dynamics to become salient—including day laborers’ attempts to “combat anonymity” by forging very short-term relationships with dispatchers. Dispatchers appear to reward reliability with repeat jobs, which are associated with higher real wages.

This research suggests that flexible employment practices may not be quite as flexible as they seem. Indeed, our research contributes to an emerging ironic picture of day labor and low-wage temporary work more generally. Even though day labor is a highly contingent form of work, with extremely short-term contracts, and highly vulnerable workers, loyalty and reliability are crucial to its operation. We have arrived at this finding through an analysis of the labor market as experienced by homeless day laborers, but these findings also resonate with other recent contributions to the study of contingent work. Peck and Theodore (2001), for example, argue that because the clients of day labor companies seek reliable performance even for low-end jobs, “the agencies’ work allocation systems favor ‘reliably contingent’ workers who are available every day and whose work attitudes, job capabilities and personal attributes render them acceptable to employers” (p. 492). In a more general analysis of contingent work and outsourcing, Davis-Blake and Uzzi (1993) conclude that “externalization arises alongside the stabilizing process of internalization as a way to increase organizational flexibility” (p. 216). Whereas temporary employment agencies are typically seen as vehicles for disposing of the “irrational” attachments of traditional work relationships, removing “rigidities” in the labor market, and fully subjecting workers to market forces, they may simultaneously be reinstitutionalizing a stripped-down form of loyalty through their informal job allocation practices. Clearly, the day labor industry draws on some of society’s most vulnerable workers, and profits from their lack of other options. However, exploitation in this industry is not carried out through purely anonymous market logic, but also by a socially-embedded, relational logic. Recognizing this can strengthen interventions meant to increase the power and resources of low-wage contingent workers.

Further study is needed to fully tease out the complex relationships between loyalty, reliability, and favoritism, as well as to understand their consequences for other contingent workers. First, future research would benefit from a longitudinal research design, so that analysts can assess the causal status of these dynamics more decisively than our data has allowed. In addition, future research might attempt to disaggregate the informal dynamics surrounding day labor to better understand *variation* in the strategies individuals use to navigate the day labor industry. Trautner and Smith (2003) provide an important start in this direction by examining how day laborers understand their rights and the legitimacy of agency’s exploitative practices. Going further, while we have focused on the experience of homeless day laborers, a more complete understanding of the industry could be gained by examining its domiciled workers and by taking

a more detailed look at the work of dispatchers, higher-level managers, and the companies that hire the services of day labor agencies. Finally, future studies of day labor could benefit from considering variation across cities and geographical regions, paying particular attention to the configuration of day labor agencies, street-corner markets, and the connections between the two.

Our findings also carry implications for research on homelessness and the working poor. Research on homelessness has often focused on the individual level of analysis—examining the characteristics that make one vulnerable to homelessness and the social–psychological processes of coping (Jencks 1994; Snow and Anderson 1993). Research that moves beyond the individual level of analysis often jumps to the city level—examining the factors that influence the size of the homeless population across different cities (Elliott and Krivo 1991; Honig and Filer 1993). What is often lost here is precisely the level of dynamics that we have argued as crucial to understanding the work activities of homeless individuals—the organizational level. Without questioning the utility of micro and macrolevel studies, we believe that something additional can be gained by taking a mesolevel approach that focuses on the organizations with which homeless individuals regularly come into contact. Following from our analysis here, it is clear that such an approach should analyze not merely the formal structure of organizations, but perhaps more importantly, the informal processes that occur “on the ground.” For instance, our understanding of the survival strategies of homeless or nearly homeless individuals could be enhanced through study of plasma centers and the commercial blood industry. Shelters, soup kitchens, and social service agencies are also ripe for organizational analysis. How, for instance, do the formal and informal routines of these types of organizations shape individuals’ experience of homelessness and their chances for moving into or out of homelessness? We hope our analysis of day labor will encourage researchers to pay more attention to the organizations that operate at the margins of society—including those that cater to or profit from the reserve army of the unemployed.

Appendix A: Variables Used in the Quantitative Analysis

Variable	Measurement
<i>Type of organization</i>	Type of organization most frequented by respondent over the past two weeks, measured as shown below
Non-profit status	Dummy variable for non-profit agency
Corporate status	Dummy variable for affiliation with Labor Ready, Inc.
National or local for-profit status	Reference category
<i>Non-white</i>	Dummy variable based on self-reported survey data; 1 = African American, Latino, American Indian, or other category besides white.
<i>Education—H.S. diploma or more</i>	Dummy variable, 1 = respondent has a high school diploma, GED, or higher level of education
<i>Job experience</i>	Dummy variable, 1 = respondent had a job with regular hours any time in the previous year
<i>Specialized skills</i>	Dummy variable, 1 = respondent reported having work experience in any of the following skilled manual trades: electrical work, carpentry, plumbing, mechanic, or masonry
<i>Reporting time</i>	Typical time of arrival at the day labor agency, based on self-reported survey data
<i>Repeat ratio</i>	Ratio of the number of repeat jobs to the total number of jobs, based on respondent's experience with the agency most frequented over the previous two weeks
<i>Loyalty</i>	Dummy variable, 1 = respondent went to only one day labor agency in the past two weeks, given a minimum threshold of four days worked in the past two weeks
<i>Estimated Real Wage</i>	Estimate of hourly wage, adjusted for fees and unpaid time (see equation in text for more details)

Tim Bartley is Assistant Professor of Sociology at Indiana University-Bloomington. In addition to his work on day labor, he studies the rise of transnational private regulation, including systems that purport to monitor or certify corporate compliance with global labor standards. Address correspondence to Dr Timothy Bartley, Assistant Professor, Department of Sociology, Indiana University, 1020 E. Kirkwood Avenue, Room 744, Bloomington, Indiana 47405. Telephone: (812) 855-1547. E-mail: bartleyt@indiana.edu.

Wade T. Roberts is Assistant Professor in the Department of Sociology at Colorado College, Colorado Springs, Colorado. Address correspondence to Dr Wade Roberts, Assistant Professor, Colorado College, Department of Sociology, 14 East Cache la Poudre Street, Colorado Spring, Colorado 80903-3298. Telephone: (719) 227-8220. E-mail: wroberts@ColoradoCollege.edu.

Notes

This research has been funded in part by Public/Private Ventures' Sectoral Employment Initiative.

1. While the shelters and the referral office may be likely to attract those more oriented to the local social service agency economy, the soup kitchens draw a much wider crowd. One soup kitchen in particular is well-known for not requiring any identification and attracting people who stay away from other agencies. We also interviewed a few respondents waiting outside day labor halls. For a small number of individuals who were interviewed more than once over the period of the study, we randomly selected one interview and excluded the others from the analysis (using random sample selection procedures in SPSS).

2. Although hierarchical linear models allow for a number of complex specifications, our use of this method is quite straightforward, such that the effects can be interpreted in essentially the same way as for a conventional OLS regression model.
3. We restricted our analyses to homeless men and excluded the twelve women in our original sample. In addition, to guard against threats to validity caused by misreporting of wages and job experiences, and to ensure that our results are not based on a few extreme cases, for the models of wages, we have excluded the top 5 percent and bottom 5 percent of the cases on the estimated real wage variable. Models with the extreme cases included produce substantively similar results, with the exception of the effect of reporting time on wages, which is not statistically significant in the full sample.

References

- Baron, James N., and W. T. Bielby. 1980. Bringing the firms back in: Stratification, segmentation and the organization of work. *American Sociological Review* 45:737–65.
- Borgen, D. 2002. Yarbrough v. Labor Ready: Class action to enforce California wage laws. *California Labor & Employment Law Quarterly* 16:1–3.
- Bryk, Anthony S., and S. W. Raudenbush. 1992. *Hierarchical linear models*. Beverly Hills, CA: Sage.
- Burawoy, M. 1979. *Manufacturing consent: Changes in the labor process under monopoly capitalism*. Chicago: University of Chicago Press.
- Carré, Françoise, Joaquín Herranz, Jr., D. Seavey, C. Vickers, A. Aull, and R. Keegan. 2003. *Alternative job brokering: Addressing labor market disadvantages, improving the temp experience, and enhancing job opportunities*. Report of the National Study of Alternative Staffing Services. University of Massachusetts–Boston.
- Cook, Christopher D. 2002. Street corner, incorporated. *Mother Jones* March/April.
- Davis-Blake, A., and B. Uzzi. 1993. Determinants of employment externalization: A study of temporary workers and independent contractors. *Administrative Science Quarterly* 38:195–224.
- Edwards, R. 1979. *Contested terrain: The transformation of the workplace in the twentieth century*. New York: Basic Books.
- Elliott, M., and L. J. Krivo. 1991. Structural determinants of homelessness in the United States. *Social Problems* 38:113–31.
- Esbenshade, J. 2000. The “crisis” over day labor: The politics of visibility and public space. *WorkingUSA* 3:27–71.
- Focareta, D. 2001. Cleveland City council hearing on the day labor industry. Testimony from *Policy Matters Ohio*. 4 September.
- Freeman, H., and G. Gonos. 2005. Regulating the employment sharks: Reconceptualizing the legal status of the commercial temp agency. *WorkingUSA* 8:293–314.
- Gonos, G. 2000. “Never a fee!” The miracle of the postmodern temporary help and staffing agency. *WorkingUSA* 4:9–36.
- Gottfried, H. 1991. Mechanisms of control in the temporary help service industry. *Sociological Forum* 6:699–713.
- Greenhouse, S. 2003. Middlemen in the low-wage economy. *The New York Times*, December 28, sec. 4, p. 10.
- Hartwell, Stephanie W. 2000. Not all work is created equal: Homeless substance abusers and marginal employment. *Research in the Sociology of Work* 9:115–25.
- Heckathorn, Douglas D. 1997. Respondent-driven sampling: A new approach to the study of hidden populations. *Social Problems* 44:174–99.
- Hodson, R. 1991. Workplace behaviors: Good soldiers, smooth operators, and saboteurs. *Work and Occupations* 18:271–90.
- Hofmann, David A. 1997. An overview of the logic and rationale of hierarchical linear models. *Journal of Management* 23:723–44.
- Honig, M., and R. K. Filer. 1993. Causes of intercity variation in homelessness. *American Economic Review* 83:248–55.
- Jencks, C. 1994. *The homeless*. Cambridge, MA: Harvard University Press.
- Kalleberg, A. L., B. F. Reskin, and K. Hudson. 2000. Bad jobs in America: Standard and nonstandard employment relations and job quality in the United States. *American Sociological Review* 65:256–78.
- Kerr, D., and C. Dole. 2005. Cracking the temp trap: Day laborers’ grievances and strategies for change in Cleveland, Ohio. *Labor Studies Journal* 29:87–108.

- Lindquist, C. H., M. Lagory, and F. J. Ritchey. 1999. The myth of the migrant homeless: An exploration of the psychosocial consequences of migration. *Sociological Perspectives* 42:691–709.
- MacDonald, G. J. 2004. Day labor: Investors' new dilemma? *Christian Science Monitor*, December 20.
- National Employment Law Project (NELP). 2004. Select summary of pending state legislation affecting non-standard workers. <http://www.nelp.org/nwp/reform/summarynonstan032003.cfm> (accessed September 20, 2005).
- Nelson, R. L., and W. P. Bridges. 1999. *Legalizing Gender Inequality: Courts, Markets, and Unequal Pay for Women in America*. New York: Cambridge University Press.
- Parker, Robert E. 1994. *Flesh peddlers and warm bodies: The temporary help industry and its workers*. New Brunswick, NJ: Rutgers University Press.
- Peck, J., and N. Theodore. 1998. The business of contingent work: Growth and restructuring in Chicago's temporary employment industry." *Work, Employment & Society* 12:655–74.
- . 2001. Contingent Chicago: Restructuring the spaces of temporary labor. *International Journal of Urban and Regional Research* 25:471–96.
- Pfeffer, J., and J. N. Baron. 1988. Taking the workers back out: Recent trends in the structuring of employment. In *Research in organizational behavior*, ed. B. M. Straw and L. L. Cummings, 257–303. Greenwich, CT: JAI Press. vol. 10.
- Roberts, Wade T., and T. Bartley. 2004. The wages of day labor: Homeless workers in the temporary help industry. *Journal of Poverty* 8:65–89.
- Robinson, J. 1966. *An essay on marxian economics*. London: Macmillan.
- Rosenberg, A. n.d. Manual day labor in the United States. *Florida Legal Services*. <http://www.nelp.org/document.cfm?documentID=230> (accessed July 7, 2003).
- Rossi, Peter H. 1988. Minorities and homelessness. In *Divided opportunities: Minorities, poverty, and social policy*, ed. G. D. Sandefur and M. Tienda, 87–115. New York: Plenum Press.
- Shlay, A. B., and P. H. Rossi. 1992. Social science research and contemporary studies of homelessness. *Annual Review of Sociology* 18:129–60.
- Singer, Judith D. 1998. Using SAS PROC MIXED to fit multilevel models, hierarchical models, and individual growth models. *Journal of Educational and Behavioral Statistics* 24:323–55.
- Smith, V. 1997. New forms of work organization. *Annual Review of Sociology* 23:315–39.
- Snow, David A., and L. Anderson. 1993. *Down on their luck: A study of homeless street people*. Berkeley: University of California Press.
- Snow, D. A., and J. Shockey. 1998. Report on Tucson's homeless population, 1997–1998. Unpublished report. University of Arizona, Department of Sociology.
- Snow, D. A., L. Anderson, T. Quist, and D. Cress. 1996. Material survival strategies on the streets: Homeless people as bricoleurs. In *Homelessness in America: A reference book*, ed. Jim Baumohl, 86–96. Phoenix: ORYX Press.
- Sorensen, A. B. 1994. Firms, wages, and incentives. In *The handbook of economic sociology*, ed. N. J. Smelser and R. Swedberg, 504–528. Princeton, NJ: Princeton University Press.
- Theodore, N. 2000. A fair day's pay? Homeless day laborers in Chicago. Chicago, IL: Report prepared for the Chicago Coalition for the Homeless, Chicago Interfaith Committee on Worker Issues, and Chicago Jobs with Justice.
- Trautner, M. N., and K. E. Smith. 2003. Legal consciousness among homeless day laborers. Paper presented at the 2003 conference of the Law and Society Association, Philadelphia, PA.
- Valenzuela, A., Jr. 2003. Day labor work. *Annual Review of Sociology* 29:307–33.
- Wacker, M. E., and D. B. Bills. 2000. Barriers and adaptations: Hiring managers and contingent workers. *Research in the Sociology of Work* 9:231–52.
- Watters, J. K., and P. Biernacki. 1989. Targeted sampling: Options for the study of hidden populations. *Social Problems* 36:416–30.
- Wharton, A. S., T. Rotolo, and S. R. Bird. 2000. Social context at work: A multilevel analysis of job satisfaction. *Sociological Forum* 15:65–90.
- Williamson, O., M. Wachter, and J. Harris. 1996. Understanding the employment relation: The analysis of idiosyncratic exchange. In *The economic nature of the firm*, ed. L. Putterman and R. S. Kroszner, 233–53. Cambridge: Cambridge University Press.