

Cleaning Cooperatively: An analysis of the success and potential of a cooperative business

By

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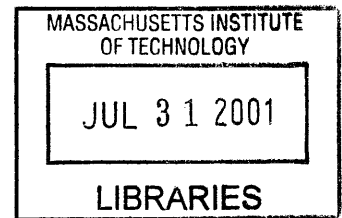
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# **Cleaning Cooperatively: An analysis of the success and potential of a cooperative business**

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## **ABSTRACT**

In this study, I evaluate a cooperative cleaning business's success in improving employment outcomes for immigrant workers. Cooperative business development is often undertaken as a community economic development strategy that seeks to promote better work experiences for those with limited employment options. The argument that ownership and control in the workplace are key features of such a strategy is superficially easy to accept, but becomes more problematic when trade-offs among goals and outcomes are introduced.

To better understand the nature of these trade-offs, I compare employment outcomes and business strategy across four different cleaning companies: a cooperative cleaning business, a maid service franchise, a unionized janitorial firm, and an independent housecleaner. While wages and benefits do not differ substantially across the four cases, cooperatives provide opportunities for training and mobility, control over work and over management of the business, and a sense of satisfaction that are unusual in the cleaning industry and of value to their members.

These findings are tempered by the observation that these cleaning cooperatives remain a scattered set of experiments that often must struggle to sustain themselves. Enjoying the benefits of cooperative ownership may require members to sacrifice time and salary, and may in the short-term hamper business growth and profitability. The strategies used by successful cooperative and non-cooperative cleaning businesses provide a useful guide to these businesses as they seek to meet the dual goals of providing better work experiences for their members and successfully competing within the cleaning industry.

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This thesis is dedicated to my grandmother, who got her start in this country cleaning houses



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## Introduction

I began working with Eco-cleaning, a small cooperative cleaning business, during my second semester at MIT. The first project I was assigned as part of my internship at a Community Development Corporation was to help the cooperative evaluate their business and develop a business plan. I met weekly with the five Latino members of the cooperative, first working with a popular educator to help them develop a mission statement and evaluation tools, and then facilitating the evaluation. This seven month process gave me an opportunity to get to know these members well, and to observe how they worked and solved problems together as a group.

After months of mediating conflicts, listening to problems, and writing lists of possible strategies to address these problems, I began to ask, what is so special about this cooperative to the worker-members who have stuck with it for three years? They are doing the same cleaning work they were doing previously for various cleaning firms. They have to attend meetings, they must take on additional business management and marketing responsibilities, and their pay is backed up several months. There are conflicts within the group and with the manager they hire. Employment is also not very secure: the customer base fluctuates, and the business, while growing, has not yet reached a stable point where the members can feel confident that it will continue to support them. I often wondered whether this cooperative really provided employment that was different and better than the alternatives available to the members.

Yet when I ask the members of Eco-cleaning whether they prefer their jobs in the cooperative to the part-time jobs most continue to hold in other cleaning firms, they invariably respond with a definitive “¡sí!”. The key distinction that they make between this job and their other jobs is their ability to own and manage their own business. They value the opportunity to “be their own boss”, and the prospect of building a successful business together. They also feel that they are learning new skills and moving forward, or “progressing”, in the cooperative in a way they do not have the opportunity to do in other cleaning jobs. These elements of worker ownership and control, ongoing learning, and continual skill upgrading are the key benefits that cooperative businesses are supposed to provide worker-members. It seemed this cooperative was providing these benefits, but in the context of an ongoing struggle to develop as a profitable business.

In the following chapters, I will explore in greater depth the questions I began to ask the members of Eco-cleaning. I want to understand what exactly is worth supporting about cooperative ownership, as well as the opportunities and obstacles to making it work in the house and office cleaning industries. This will shed some light on whether cooperative business development is a viable strategy to improve employment outcomes for immigrants working in a typically low-wage sector of the economy.

The questions that guide my research are the following:

- *What criteria should we use to evaluate employment outcomes from a “community economic development” program?*
- *Can cooperative ownership of cleaning firms help to bring about these desirable outcomes?*

- *Are there lessons from other cleaning firms that can help guide cooperative business development efforts?*

To answer these questions, I first compare the goals and strategies articulated in the community economic development and the cooperative business development literature. There are many intersections, with a few important differences. Most notably, supporters of cooperatives claim that participation in the workplace and ownership of capital are key factors promoting better employment outcomes for workers. I then examine the history of, and justifications for, supporting this form of business ownership.

This portion of my research lays the groundwork for a comparison of employment outcomes and business success across four different house and office cleaning businesses: a cooperative cleaning business, a unionized janitorial firm, a maid service franchise, and an independent house cleaner. Interviews with workers and managers reveal differences in the compensation, training and mobility, control, and satisfaction workers experience in each of these different work arrangements. I find that wages and benefits do not differ a great deal better across the four cases. Cooperative members do, however, enjoy a great deal of control over the organization of work and of business management, and are provided with opportunities for training and mobility not commonly found in other cleaning jobs. They also experience improved status and job satisfaction from owning their business. I argue that cleaning cooperatives provide a unique combination of these benefits, which are valued by their members.

These benefits do not, however, come in a neat and unambiguous package: enjoying them requires some trade-offs and rests on a certain set of preferences. Immigrants end up working in cleaning jobs for a variety of reasons, and coops may not be the best solution for all workers. Owning a business requires members to sacrifice time and sometimes earnings. It also implies a certain commitment to continue to do cleaning work, which may conflict with the goals of some workers. For those who do wish to own their own business, who feel their opportunities are limited within traditional cleaning firms, and who do not have the resources or skills to independently manage a business, cooperatives are an opportunity difficult to find elsewhere within the cleaning industry.

Having concluded that cooperative ownership does hold some promise of improving cleaning jobs, I next ask whether cooperative ownership is a potentially sustainable and profitable way of organizing a house and office cleaning business. If these are great jobs that require ongoing subsidies, their benefits may be overshadowed by their cost. There are certain strengths cooperatives possess, including their ability to target a niche market and motivate employees to provide a quality service.

Nonetheless, cooperatives encounter quite a few obstacles to successfully competing with mainstream cleaning firms. The time intensive process of participatory decision-making, the long time frame required to develop management skills among worker-members, and the rather loose control over scheduling may hamper business success and growth. Firms with hierarchical decision-making structures may have to spend more energy and resources monitoring employee behavior to assure quality, but are able to respond quickly and flexibly to customer demands.

These obstacles are not insurmountable, but overcoming them requires some effort and creativity. The strategies used by successful cooperative and non-cooperative cleaning businesses hold valuable lessons for a small, inexperienced cleaning firm.

Over the course of my research, I listened to many stories detailing the struggles of immigrants to succeed in this country, where their hopes were frustrated along the way, and where they feel their opportunities lie. This paper is an attempt to make sense of these stories, in order to better understand whether one community economic development program holds promise as a strategy to improve cleaning jobs for some of these workers. The richness of the lives I glimpsed in each interview do not translate well into employment outcomes: stories of illegal border crossings and abuses suffered in various jobs, descriptions of what it was like to live through the war in El Salvador, pictures of pastel houses and smiling family members sent from home towns, all placed the working lives of these immigrants within a context that is difficult to convey in full.

I have tried, however, to capture some portion of their experience, and in doing so to take part in a dialogue about how best to bring about improvements in low-wage labor markets. Cooperatives are not a panacea for the multiple struggles and needs of the immigrants I interviewed. They are instead a set of experiments that provide rich material for thinking through how the organization of work and the ownership structure of an enterprise influence the outcomes workers experience, and the potential of the cooperative form of ownership to improve upon these outcomes.

# Chapter 1

## Locating cooperatives in theory and in history

“Cooperative business development” is one of many strategies to improve the economic opportunities available to groups with limited resources. Those who support cooperatives compose a small but diverse movement based on the belief that worker ownership is a feasible, in many cases preferable, means of organizing a business. It is a movement that is guided by the goal of creating democratic workplaces in which control over resources and decision-making power is distributed equitably among workers. These positive effects originate in the workplace, but are believed to extend more broadly into the surrounding community. Cooperatives thus represent a form of economic development intentionally undertaken in order to move beyond a focus on jobs created to “shifting the capability of a population to take charge of its own economy” (Wilkinson and Quarter, 1996).

Groups of workers, non-profits, churches, and Community Based Organizations (CBOs) have organized a variety of collectively owned businesses. These range from agricultural cooperatives, buyer cooperatives, and credit unions to Employee Stock Ownership Plans and worker-owned cooperatives. The goals that motivate supporters and members of these organizations are very similar to those proponents of “community economic development” articulate, including equity, sustainability, and local control over resources. They are more specific about the most effective way to attain these goals, however, emphasizing participation in making the decisions that affect one’s work and ownership and control over capital by workers within a firm. These characteristics of cooperatives, it is argued, not only hold the promise of humanizing and democratizing the workplace, but also improve productivity, increase investment in human capital, and ensure that businesses will make stronger commitments to community needs.

In this chapter I will begin to answer the question, *What does cooperative ownership contribute to the theory and practice of “community economic development”?* The philosophical and theoretical justifications for cooperative ownership link a familiar range of community development goals to the democratic ownership and management of businesses. A review of the literature on cooperative ownership reveals a dearth of discussion about how to best achieve these goals within different contexts and across different industries. There also appears to be little critical evaluation of how the owners of these cooperative businesses and the organizations supporting them make trade-offs when faced with conflicts or inconsistencies among goals. My research seeks to address these gaps, by applying the theory of why cooperative ownership should result in different and better employment outcomes to the practice of cooperative ownership in a particular industry. I will now lay out the contributions this theory makes to the discussion of what community economic development is, and how its objectives can best be accomplished.

## **Cooperative business development as a community economic development strategy**

The cooperative business development movement locates itself within the wider umbrella of “community economic development”, identifying with many of its objectives. What distinguishes community economic development from other economic development approaches is its focus on place and interest in enhancing a range of social and economic goods available to a group of people located in a place.

Other development approaches may emphasize serving a certain group of disadvantaged workers through training, placement, or moving people closer to jobs. They may seek to create jobs through attraction or retention of particular industries in a metropolitan region. Community economic development proponents are interested in bringing together people and jobs, and often support industrial development efforts. They distinguish their approach to economic development, however, by insisting that success be measured in terms of just what kind of jobs are created, who has power in these jobs, and whether the jobs improve the quality of life in a place. They argue that solutions that seek to improve the fortunes of the poor must start in the neighborhoods where they live, building a strong base of jobs, human capital, and networks they can draw upon.

Ferguson and Dickens define community development as “asset building that improves the quality of life among residents of low- to moderate-income communities” (1999, p.5). Economic development is often conceptualized as a change in the combinations of goods and services the economy can produce, either through investments that change the production technology or through a change in the institutional arrangements supporting the production process. Community economic development brings these two ideas together, suggesting a different way of improving access to opportunities where they are not currently abundant (Vidal 1994, p.172).

Albert Shapero articulates how this intersection might contribute to a new understanding of just what economic development is: 1) Economic development does not happen “in general” but to specific people in specific places; and 2) the goals of economic development at the local level must go beyond “increased jobs and income”. What we want for an area is to achieve a state denoted by “resilience, creativity and innovativeness, initiative taking, and diversity” (1981, pp.13-14). To these theorists, the private market is unable to correct for the inequality of opportunities and outcomes many residents of poor communities face.

These authors express ideas that are common wisdom in the small non-profit organizations in which I have worked. The notions that populations who experience barriers to securing good jobs are concentrated in particular places, and that some of the characteristics of these places may contribute to the persistence of these barriers, are not that controversial. The conclusion that active program and policy intervention should be targeted at the community level is, however, contested on several fronts. Some theorists and practitioners criticize place-based approaches as too narrow in focus, arguing that the neighborhood or community must be properly contextualized within the surrounding urban and regional economy (Teitz 1989). Others object to the economic logic on which they are based, arguing that the market failures these programs

seek to correct could more effectively be addressed in the private market (Michelson 1981, Porter 1995).

These critiques are important to keep in mind when evaluating the potential or real success of a community economic development initiative. If one concludes that it is appropriate to concentrate talent and resources towards promoting economic development at the community level, several questions and concerns remain. If there are trade-offs among economic and employment outcomes, or if you are unable to achieve all of them in one program, how do you prioritize? This question is important to an analysis of cooperative success, because they do claim to provide multiple benefits in one fell swoop. Advocates generally present these benefits as a range of social goods that justify the investment of resources in a business that may initially require a great deal of support. The value assigned to each of these goods by both program participants and the “community” is less well understood, but may be critical to successful design and execution. The possibility of these trade-offs persists as an undercurrent to the ideal goals and outcomes community economic development and cooperative business development advocates put forth.

## **Community Economic Development Programs**

Community economic development programs are based on three key objectives: increasing economic activity in an area, promoting the capacity to sustain economic activity over time, and improving the quality of life for residents. Getting residents into jobs that provide a living wage, high quality work experiences, and opportunities for learning and advancement is a desirable goal that should influence the focus of an economic development program. There appears to be a great deal of consensus among community development advocates about the goals and outcomes hoped for; divergence occurs in the discussion about just how to bring about these outcomes.

Most of the programs and campaigns that follow from these goals fall into three categories: 1) promoting local ownership of firms, or supporting firms that are more rooted in and committed to a local area; 2) providing access to better job opportunities through partnerships and training; and 3) organizing to bring about changes in the wages and structure of jobs. Each of these ideas calls for a different program focus, which are in turn given varying levels of emphasis by the organizations that design and implement them.

### **Small Business Development**

An emphasis on local ownership of firms generally leads to a program focus on small business development programs. These include provision of low-rent physical spaces for small business owners, alternative lending institutions, micro-enterprise development programs, technical assistance programs, business networks and associations, and direct business start-up or ownership by a community group. Many of these efforts are grounded in the perceived benefits to capturing money spent “outside of the community” and to assuring that profits from business activity stay with local people. Others seek to create a strong export base. Their proponents often believe that fostering entrepreneurial skills will create a more resilient and vibrant

economy. Gittel and Thompson describe the range of benefits associated with encouraging small business ownership in low-income communities:

In the past three decades, commentators ranging from Robert Kennedy to the urban planner and economist Jane Jacobs to the sociologist William Julius Wilson to the business management scholar Michael Porter have concurred that the problems of the inner city are both causes and consequences of the paucity of mainstream business and economic activities and opportunities there.... Business contributes to the tax base of the community...business owners can be important political and social actors that further the interest of a community. And, of course, business provides jobs.... Local businesses, because of their practical interests in the economic health of the community, may also be more amenable to taking part in innovative employment programs for residents (1999, pp.473-474).

Immigrant small business owners are often given a great deal of attention in this literature, as groups who are able to capitalize on specialized “niche markets” within ethnic enclaves and on networks of co-ethnics that provide access to capital and information. Researchers studying entrepreneurship within ethnic communities disagree as to the benefits that accompany business ownership, however: “some argue that small business can play an important role in promoting upward mobility, whereas others see immigrant enterprise as confined to peripheral positions offering only low returns and little potential for growth” (Waldinger, Aldrich, and Ward 1993, p.14). This debate characterizes much of the controversy surrounding these programs. They represent a means of providing access to alternative employment opportunities to groups with few options, but these opportunities may be characterized by low earnings and mobility.

### **Workforce Development**

Workforce development programs focus on moving local residents from low-wage jobs or welfare into better paying jobs. Harrison and Weiss write that workforce development, often narrowly defined as employment training and job referral, instead “consists of a constellation of activities, from orientation to the work world, recruiting, placement, and mentoring to follow-up counseling and crisis intervention” (1998, p.5). There is a different sense of local control implicit in these strategies: control of monetary resources, skills, and prestige are enhanced by moving community residents into better jobs.

A common criticism of these programs is that they often replace existing workers with program participants, without improving overall employment opportunities. They may have some potential to promote job creation and retention in an area, through developing a more highly skilled local workforce or helping to retrain workers so that they can fill new skilled jobs created within firms. To the extent that they are able to improve human capital and access to employment networks among low-income residents, these programs remain an important component of many community economic development strategies.

### **Improving existing low-wage jobs**

A third strategy to improve access to economic opportunities in poor communities is to seek changes in the rules, power structure, and compensation for jobs within low-wage labor markets. This is a broad category of activities that could include union organizing, pressing for changes in the funding and organization of a local training system, living wage campaigns, legislative campaigns targeted at workplace issues, and some kinds of sectoral initiatives. Those who pursue these strategies seek to transform jobs and the job market by improving wages for



traditionally low-paying jobs, helping to develop internal career ladders, or changing the laws and regulations that impact the workplace. They are spearheaded by groups with diverse agendas, from unions (who rarely locate themselves within the “community economic development” movement) to community-based organizations (CBOs), and attempt to transform the institutions that contribute to unequal employment outcomes. These institutional approaches are more explicit than the other two approaches in ascribing preeminence to the power a group of people holds over the quality of their jobs, their wages, and their working conditions.

### **Cooperative business development**

Cooperative business development programs cut across these different categories, and claim to accomplish the goals common to each. Local ownership of business, increased training opportunities, and changes in the structure of and distribution of power within traditionally low-wage jobs are all outcomes these programs actively promote. Their proponents identify several principles not always emphasized in the programs described above, that they believe are essential to building a more just and sustainable local economy. These include participation in the making of decisions that affect one’s work and control over capital. I will examine the history and theory that articulates why these principles of participation and control are important, and then explore some of the trade-offs and ambiguities that may prevent this form of business ownership from becoming the panacea it claims to be.

## **Cooperative business development**

### **What is a worker-owned cooperative?**

Worker ownership and cooperative ownership are not always the same thing; it is useful to distinguish between the two. The most common ways to organize a worker-owned business are worker cooperatives and Employee Stock Ownership Plans (ESOPs). An ESOP is an employee benefit plan that allows workers to share in company ownership and profits. The company contributes stock to the trust outright, contributes cash to the trust to enable it to borrow money, or has the trust borrow money with the stock and the company’s guarantee as collateral. They can also be organized so that worker shareholders have a voice in running the company, as democratic ESOPs (ICA Group Basic Orientation, 1987, p.1). The majority of ESOPs, however, are not managed by workers and have been used by businesses to raise money, to save taxes, or to resist takeovers by other corporations (Krimmerman and Lindenfield 1992, p.6).

In this paper, I focus on worker-owned cooperatives. As in ESOPs, the workers own the company. Unlike most ESOPs, workers are responsible for managing their company. They make decisions regarding significant matters democratically on a one-person, one-vote basis. They also share the labor involved in running the enterprise, and the wages and other benefits that result (GEO, “What is a Co-op?” 2001). Worker-owned cooperatives are said to differ from other more mainstream businesses in that “those who do the work determine what the company does, how the work is done, and what happens to the profits” (Jah-Shams, et al. 1996, p.2).

Those who write about cooperative ownership often highlight “seven basic principles of cooperative ownership”:

1. **Voluntary and Open Membership** — Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
2. **Democratic Member Control** — Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership.
3. **Member Economic Participation** — Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They receive limited compensation, if any, on capital subscribed as a condition of membership.
4. **Autonomy and Independence** — Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
5. **Education, Training and Information** — Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public — particularly young people and opinion leaders — about the nature and benefits of cooperation.
6. **Cooperation among Cooperatives** — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
7. **Concern for Community** — While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members. (NCBA 2001)

Not all of these principles are unique to cooperatives: voluntary and open membership, education and training, and concern for community are certainly common to other businesses and employment programs. However, these principles represent areas of belief and strategy that set them apart from other workplaces and other employment programs: within the ideal cooperative there are strong elements of choice, consent, participation, and democratic control that are more equitably distributed than in the typical firm. These principles have developed over time as the “cooperative movement”, or really series of movements, has attempted to articulate just what it is and what it is trying to achieve. It is useful to look briefly at the history of cooperatives to better understand the context within which these ideas originated.

### **Cooperative history**

Cooperative ownership is not a new idea; I have visited towns in Mexico where indigenous communities have owned land and capital in common for hundreds of years. The use of this form of ownership as an alternative to private ownership of enterprises is an idea grounded in a more recent history of industrial development. It often emerged from organizing campaigns that responded to changing and oppressive labor conditions. A grounding in this history helps to understand past successes and failures, as well as the tradition in which current organizations that initiate and support cooperatives place themselves.

The modern cooperative movement originated in early nineteenth century Europe. It was the product of social movements and communitarian experiments which characterized this period (Atwood and Baviskar 1995, p.6). Giese writes: “The first coops represented a peaceful attempt to build an alternative, people-controlled system of goods distribution, an attempt which often looked beyond that to an entirely people-controlled political economy” (1982, p.315). In early 19<sup>th</sup> century Britain, industrialization began to transform the economic landscape of the nation, and small farmers were forced from “the common lands” which were enclosed and claimed by the wealthy. Within this context of deteriorating working conditions, in which workers were

increasingly concentrated into hierarchically organized factory settings, cooperative ownership of productive enterprise emerged as an alternative. Polanyi describes the principle of the “economic self-sufficiency of the laboring class”, and “the linking of labor-notes, self-help, and cooperation” which underlay Robert Owens’s Villages of Co-operation (1944, p.106). The base of these experiments, often regarded as utopian, was relief of the poor through their own enterprise and initiative.

The history of cooperatives is closely tied to that of union organization: both responded in different ways to industrialization, oppressive work conditions, and inequitable power relations within the traditional workplace. At the end of an unsuccessful weavers’ strike in 1843, “The Equitable Society of Rochdale Pioneers” established a cooperative store, an undertaking based on principles of democratic control, open and voluntary membership, and distribution of surplus among the members in proportion to their transactions (Giese 1982, p.317). Raiffeisen societies were founded in Germany as the first credit cooperatives, basically operating as self-governing associations of borrowers. Cooperatives of various types soon spread to other European countries and other areas of the world (Atwood and Baviskar 1995, p.7).

The worker cooperative movement in the United States has a number of roots. The Patrons of Husbandry, better known as the Grange, flourished after the Civil War. The Knights of Labor (late 1800s) and the United Mine Workers of Illinois (1913-1923) established cooperative enterprises which eventually failed, due in part to company opposition, intimidation, and arson. Farmers and Iron Rangers started another wave of agricultural cooperatives in 1920s in the Midwest, which met with varied levels of success (Giese 1982, pp.322-324).

In 1956, Louis Kelso helped initiate the first ESOP. He writes: “to avoid openly confronting a deeply entrenched national economic policy committed to toil and welfare for the many and capital ownership for the few, the first ESOP was introduced and steered through the various regulatory agencies under the guise of an employee benefit plan.” (Kelso and Kelso 1991, pp.52-53). As noted earlier, this form of worker ownership has not accomplished the lofty goals its founder set for it. The activist movements of the 1960s and 1970s led to the formation of hundreds of worker- and consumer-run enterprises, including alternative schools, restaurants, print shops, food co-operatives, legal collectives, health clinics, and local newspapers. Legislation in the 1970s facilitated the establishment of thousands of ESOPs, and hundreds of worker buy-outs occurred in the 1970s and 1980s to prevent plant shut-downs (Krimerman and Lindenfeld 1992, p.5).

Today, all of these various cooperative strategies are still around in one form or another. Consumer cooperatives, producer cooperatives, credit cooperatives, ESOPs, and worker-owned cooperatives are all based on the principles developed during these experiments in collectively owning and/or managing enterprises. I have focused on European and U.S. cooperatives, but there is also quite an extensive literature describing and analyzing cooperatives in developing countries (see Bianchi 1999, Damiani 1994, Baviskar and Attwood 1995).

The businesses that are the focus of this paper – small coops that provide alternative employment opportunities for low-skilled workers – are not a prominent part of this history. This translates

into a dearth of strong examples of successful cooperatives that are part of economic development programs in the inner city. The cleaning cooperatives that I will discuss shortly, as well as landscaping cooperatives, cooperative associations of day laborers, home health care cooperatives, and a slew of small restaurants and retail establishments, all remain a scattered set of examples that draw upon some of the same support networks. The most visible exception is Cooperative Home Care Associates (CHCA) in the Bronx, a health-care company that currently employs about 500 Latina and African American workers, with sales of \$8 million (Jarusel 2000, p.2). CHCA remains a well-studied island in a sea of the multiple small experiments that often go unnoticed.

The limited visibility and scale of these coops is important to note before jumping into the philosophical and theoretical justifications for cooperative ownership. If we conclude that, theoretically, promoting this form of ownership is the best way to improve equity, efficiency, quality of work experience, and community well-being, the next set of questions must deal with the applicability of these principles to different kinds of cooperatives. The obstacles, trade-offs, and contradictions that prevent these principles from being realized within different contexts and sectors may temper the ideals they express.

## **Philosophical and theoretical justifications for cooperation**

A well-developed set of theoretical and philosophical justifications underlie and have emerged from this history of cooperative development. They seek to express why worker ownership is a desirable, often preferable, way of organizing a business. I group the justifications given for supporting cooperative ownership of business into four categories: equity, efficiency, quality of work experience, and community orientation. These are similar to the goals of community economic development, but are tied more closely to collective ownership and participation in decision-making.

### **1. Equity**

#### ***Economic democracy and participation***

Most of the theorists I group under the heading “economic democracy and participation” are liberal in their orientation, as they are primarily interested in how certain economic conditions constrain the freedom of the individual. These theorists depart from the traditional liberal perspective in that they are trying to understand how participation and control in the workplace – not just market behavior and political participation – affect this freedom. Their point of reference is the hierarchically governed enterprise, and they ascribe to it rigid and dampening effects on equity in both the political and economic spheres of a society. Dahl writes that the ownership and control of firms affects political inequality in 2 ways:

- 1) Ownership and control contribute to the creation of great differences among citizens in wealth, income, status, skills, information, control over information and propaganda, access to political leaders, and predictable life chances;
- 2) The internal governments of economic enterprises are flatly undemocratic – political equality has been rejected by Americans as a proper principle of authority within firms. Hence the

ownership and control of enterprises creates enormous inequalities among citizens in capacities and opportunities for participating in governing economic enterprises (1982, p.55).

Carol Pateman draws heavily on the insights of those writers she terms “theorists of participatory democracy”, including J.S. Mill and Rousseau, who believe participation is central to the establishment and maintenance of a democratic polity. This polity is not just a set of national representative institutions but a participatory society (1970, p.20). These theorists articulate the importance of certain economic conditions, including economic equality and independence, for such a participatory political system (p.22).

They attach a great deal of importance to the educative effects of participation in the workplace, with in turn leads to repercussions in the political sphere. Rousseau discusses the interrelationship between the authority structure of institutions and the psychological qualities and attitudes of those within institutions: the experience of participation “attaches the individual to his society and is instrumental in developing it into a true community” (Pateman 1970, p.27). John Stuart Mill expands this hypothesis to cover industry: the individual could gain experience in management of collective affairs in industry, just as in local government. He sees cooperative forms of industrial organization leading to a “moral transformation” of those that take part in them (Pateman 1970, p.34).

G.D.H. Cole also believed there could be no equality of political power without a substantive measure of economic equality. He objected to the capitalist organization of industry, under which labor was just another commodity, and the “humanity” of labor was denied. “Under a participatory system, there would no longer be one group of ‘managers’ and one group of ‘men’, the latter having no control over the affairs of the enterprise, but one group of equal decision makers” (Pateman 1970, p.39). Pateman characterizes the “participatory model” that these theorists lay out as “one where maximum input (participation) is required and where output includes not just policies (decisions) but also the development of the social and political capacities of each individual, so that there is ‘feedback’ from output to input” (1970, p.43). Participation in the workplace thus has a broad range of positive effects on the individual – effects that extend into the social and political spheres.

### ***Marxist and socialist thought***

Marx believed that equitable participation and democracy were irreconcilably at odds with the capitalist means of production, which divides a society into two classes of owners and workers. Control over the means of production by the bourgeoisie is the defining way of organizing an economy under capitalism, and true democracy, participation, and cooperation will not come about until the working class comes to see their interests as fundamentally opposed to those of the capitalist class. Only after the revolution will workers be able to form a communistic and cooperative society. Marx praised the cooperative factories of his day for representing “within the old form the first sprouts of the new,” but warned that they “naturally reproduce, and must reproduce, everywhere in their actual organization all the shortcomings of the prevailing system” (*Capital*, vol. 2 1967, p.338).

Indeed, contemporary unions, who use the rhetoric of class conflict when describing the relationship between management and labor, often view cooperative ownership with suspicion: if

this relationship is at root a conflictual one, can the two functions really be united within enterprises? The question of whether cooperatives can ever achieve the scale necessary to “democratize” a capitalist economy has often been answered in the negative by Marxists.

There have been, of course, other socialist thinkers who believed cooperation could be achieved within capitalism. Robert Owen, initiator of “The Villages of Cooperation” referred to above, believed that “in spite of the machine, man should remain his own employer. The principle of co-operation or “union” would solve the problem of the machine without sacrificing either individual freedom or social solidarity (Polanyi, 1944, p.167). He also emphasized the educative effects of cooperation and participation: “[The Villages of Cooperation’s] activities were as much educational and propagandist as commercial; their aim was the creation of the New Society by their associated effort” (Polanyi 1944, p.168).

### ***Conclusions***

These theories of economic democracy and participation identify the roots of exploitation and inequality in concentrated ownership within the economic sphere. They articulate a clear and historically grounded vision of why collective ownership and control are important to achieving equity within a society. No such clear vision characterizes discussions of equity in community economic development. The questions that this discussion poses for an analysis of cooperatives are: 1) How important is ownership to securing the benefits of participation within a firm, given that there are other ways of participating in the making of decisions, including union participation and forms of high performance work organization? 2) Can coops be successful within an economic system that is decidedly uncooperative? 3) If they can be successful, will cooperatives ever be able to reach a scale that extends the benefits of cooperation beyond scattered experiments?

## **2. Productivity**

Many proponents of cooperatives believe that participation and ownership contribute to improved productivity, because worker-owners have more of an incentive to do a good job, and to work together to solve problems. This idea resonates with popular theories of business management that attribute productivity gains to adoption of High Performance Work Organization strategies such as quality circles and team problem solving, and with the trend to give employees an ownership stake in firms through stock options.

Of course, cooperative supporters argue that there is something special about the combination of ownership and control particular to worker owned cooperatives. “A company cannot and must not lose any of its efficiency just because human values are considered more important than purely economic or material resources within that company; on the contrary, such a consideration should help increase efficiency and quality” (José María Aizmendiarieta, in Morrison 1991, p.111). It seems like common sense – sure, quality and productivity should increase when people are valued. They will work harder. They have more of an incentive to be productive. But can it really be shown that cooperatives are more efficient than other types of firms?

A great deal of research has been done evaluating the effects of ownership and participation on productivity, with most of the attention focused on traditional workplaces. Levine provides a good overview of this body of research, which has consistently found productivity improvements associated with implementation of participatory decision-making structures (1995, pp.2-6). He points to several studies focused specifically on worker-owned cooperatives, which found that participation raises productivity (p.52). Alperovitz and Faux cite a National Science Foundation-funded study in 1975 that determined that positive productivity changes resulted in 80 percent of the workers' participation cases it studied (1982, p.360). These authors describe an overwhelmingly positive contribution that participation makes to productivity. Other authors studying cooperatives in developing countries argue that democratic decision-making structures can impair efficiency and the ability to exploit economies of scale (Bianchi 1999, Lele 1981).

I suspect the “gains to productivity” from cooperation differs by sector, and certainly by the structure of the cooperative. My experience with Eco-Cleaning indicates that there may be trade-offs between participation and productivity, particularly when a firm is organized in a truly democratic, participatory way. It is quite a time-intensive process to agree upon and implement changes as a group. This raises two questions relevant to my study: 1) Does the structure of an industry influence whether a cooperative within that industry is able to achieve productivity gains? 2) How do differences in the structure and practice of decision-making within a cooperative affect worker productivity?

### **3. Better work experiences**

The idea of satisfying work is quite difficult to pin down. It is often closely tied to opportunities for personal development and growth – generally associated with challenging and varied tasks and responsibilities. The crucial factors that provide these opportunities in the cooperative model are, again, control and participation. “While satisfying work remains essential for our well-being, it is available to fewer and fewer persons... the fundamental source of the problem, and its potential solution, centers on the issue of control: control of the conditions of work, the kind and variety of work done, the pace of work, and the product of work – in short, control over the whole labor process” (Lindenfeld, 1982, p.1). “Self-governance and worker participation in organizational decision-making are crucial ingredients in job satisfaction, motivation, work performance, psychological growth and development of the worker” (Hammer et al. 1982, p.88).

The characteristics of cooperative ownership are thus believed to shape a more satisfying work experience that involves personal and intellectual development rather than simply the repetition of routine task. Ronco writes that knowledge tasks, such as planning, decision making, and setting priorities, are generally handled by a few managers, while workers carry out execution tasks. The hierarchical governance structure of the typical firm translates into a minimal sense of involvement in the over-all work process (1980, p.15). Pateman and Dahl raise similar arguments when calling for increased participation in the economic sphere. There is a shared sense among these writers that divorcing decision-making power from workers damages the satisfaction they derive from their job.

Again, it sounds great, but can they prove it? Studies of parallel structures such as quality circles and problem-solving teams provide some evidence that participation helps to make work more satisfying (Appelbaum and Batt 1994). Furthermore, Freeman and Rogers present survey evidence that workers desire more opportunities to participate in decision-making within their workplaces (1998).

This leaves several questions unanswered, however. Is there something special about cooperative ownership that promotes psychological growth and development? Does the cooperative approach really differ from other approaches to entrepreneurial development, or from participatory management structures within traditional firms? And does this translate into worker satisfaction and/or business success? As already discussed, there may be some loss of productivity and profitability from allocating decision-making responsibility more democratically. The possibility of a trade-off between creating satisfying work experiences and organizing a company efficiently brings into sharp focus the need to evaluate the range and extent of the benefits workers enjoy from a cooperative business development program.

#### **4. Community orientation**

Community orientation is probably the most difficult justification for cooperative business development to discuss in a coherent manner. Yet it is often held up as a central “good” that cooperatives provide. This focus on community looks beyond the benefits that accrue to the workers or the firm, and describes some greater set of benefits thought to percolate through the neighborhood, city, or region in which the cooperative is located. Authors cite greater sensitivity by coops to issues such as environmental pollution that are likely to affect local people, and their devotion of surplus profits to providing community benefits such as day-care centers and educational programs (Krimmerman and Lindenfeld 1982, p.5).

The belief that cooperatives will have a stronger community orientation than other kinds of firms is based on the assumption that if those who own and control an enterprise both live and work in a place, they will be more responsive to the needs of others in that place. Again, this is not a foregone conclusion, and is practically impossible to incorporate into an analysis of small, marginally profitable cleaning businesses. Studies that place a heavy emphasis on this community orientation tend to focus on places where a strong network of cooperatives play a prominent role in the economic life of a place, such as the Evangeline region of Prince Edward Island, Canada (Wilkinson and Quarter 1996) and Mondragon, Spain (Morrison 1991).

#### **Conclusions**

Equity, productivity, quality of work experience, and community orientation are all held up as advantages cooperatives have over other forms of business organization. Each of these professed advantages is, however, contested on several fronts. Equity may entail some loss of efficiency, a classic but controversial trade-off. Quality of work experience may likewise be tied to more equitable distribution of decision-making power, which in turn may limit the possibility of achieving economies of scale. A strong orientation toward community needs may be difficult for a small cooperative with limited resources. These debates over the advantages of cooperatives



are not easily resolved. They will continue to run through my analysis of the successes and potential of a cooperative that was founded with these goals in mind, and that continues to struggle to achieve them.

## **Conclusions from the literature**

This discussion of the history of cooperatives and the justifications for supporting this form of ownership provides a base for my analysis of whether and how cleaning cooperatives improve employment outcomes for their members. I have laid out the outcomes and strategies that interest proponents of community economic development, and what cooperative ownership contributes to them. Participation and control in the workplace figure most prominently as catalysts for a range of positive employment and community effects. In the following chapters, I draw on these insights, and the questions they raise, to evaluate whether cooperative ownership holds promise as a strategy to improve employment outcomes for immigrants in a low-wage industry. By focusing more narrowly on cleaning and the people who do it, I hope to understand how their work, their attitudes, and their opportunities are shaped by the way participation and ownership are organized within the work place.

## Chapter 2

### Methodology

I began this research project with a series of questions: What criteria should be used to evaluate employment outcomes from a community economic development strategy? Can cooperative ownership of cleaning firms can help to bring about these desirable outcomes? Are there lessons from other firms in the cleaning industry that may help to guide cooperative business development efforts? I have begun to answer the first of these two questions by looking at how academics and practitioners define the goals of community economic development. I have discussed where these goals overlap with those of cooperative business development, and what supporters of coops say is unique about cooperative ownership. The next task is to evaluate how applicable these claims are to cooperative ownership in a particular industry.

To do this, I compare four different kinds of work arrangements within the house and office cleaning industries. These include: 1) a cooperative house and office cleaning company (Eco-cleaning); 2) a unionized office cleaning company (Service Cleaning); 3) a non-unionized maid service company (Maids, Inc.); and 4) an independent housecleaner (Alicia).<sup>1</sup> The four differ in their client base: unionized firms almost exclusively clean offices, both maid service firms and independents clean houses, and cooperatives clean both houses and offices. This difference in their target markets means that business strategy and organization of work will naturally differ among the firms. I have chosen these work arrangements to study, however, because they represent a range of business strategies and employment options within cleaning. Cleaning cooperatives usually target a mix of both kinds of clients, and many of the worker-members at Green Cleaning have worked in or continue to work in environments that correspond to these other three categories. When a CBO seeks to focus its economic development activities on improving jobs in the cleaning sector, the alternatives for cleaning workers fall somewhere along this spectrum.

The specific employment outcomes that serve as the basis of my comparison include wages and benefits, opportunities for training and advancement, control (over the organization of work and the administration of the firm), and job satisfaction. I seek to understand whether there are discernible differences among the four kinds of work arrangement in the benefits the workers get from their jobs and how their work is structured. I am also interested in understanding whether the characteristics or background that cleaning workers bring to their jobs influence the importance they place on certain of these outcomes. A comparison among these different work environments will help to understand whether cooperatives are really a better employment option, and if so, why. The stories cleaning workers tell about their own motivation and background begin to explain why they choose or end up in certain work environments.

After discussing employment outcomes, I evaluate business success in each case, focusing on how the strategies the company (or individual) pursues translate into successes and failures. Coops may provide great jobs, but fail to represent a particularly efficient way of organizing a

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<sup>1</sup> I use pseudonyms for the cleaning companies, the managers, and the workers to protect their confidentiality

cleaning business. The experiences of other cleaning businesses point to ways in which coops can improve their competitiveness within the limits their structure sets.

## Research Strategy

### 1. Case Studies

In each of the three cleaning companies described above, I interviewed one to two individuals in a management position, and three to five workers. One interview with the independent house cleaner forms the bulk of the fourth case study. Beyond these interviews, the strategy I used to understand how each business operates and how decisions are made differs.

- **Eco-cleaning:** At Eco-cleaning, I interviewed the manager and all five cooperative members. My analysis of the cleaning cooperative also incorporates my experience facilitating a seven month evaluation of the business, during which time I met with the members every other week to discuss business structure, strategies, and goals. I also have attended several meetings of the cooperative since the completion of the evaluation, and am on the Eco-cleaning Board of Directors which meets several times a year.
- **Maids, Inc.:** At Maids, Inc. I interviewed the owner of the franchise, the manager, and four workers. To understand the structure of the company and of the work process at this house cleaning franchise, I first spent a morning watching videos that gave detailed instructions about their cleaning procedures and customer service expectations. One of these videos was intended for the managers of Maids, Inc. franchises, and conveyed strategies for recruiting, training, and keeping good employees. I also worked for a day with a Maids, Inc. team, which was spent driving from house to house, dusting and chatting with the two women about their lives and work experiences.
- **Service Cleaning:** At Service Cleaning, I interviewed the Vice President, the marketing director, and two workers, one of whom was a shop steward. I also spoke with the business agent at the Service Employees International Union (SEIU) who represents the workers at this firm.
- **Alicia:** To understand independent cleaning work, I interviewed Alicia, a Brazilian woman who cleans houses for a number of different clients.

I used these different strategies in each case primarily due to differences in access. I have had a great deal of experience with Eco-cleaning because of my position as an intern for their sponsor organization. I was lucky enough to get in contact with someone at a Maids, Inc. franchise who went out of her way to help me gather the information I requested. The Vice President I interviewed at Service Cleaning was extremely helpful, giving me three hours of his time and explaining all of the details of janitorial work from the management's perspective. However, he was unwilling to put me in contact with his employees, and could not allow me to visit a workplace due to security considerations. The independent housecleaner explained what she does in her job, but my understanding of her work is limited to one conversation. In each case, I did what I could to understand the differences and similarities among the work environments, and believe I was successful in gathering comparable information in each case.

## 2. Supporting evidence

The four case studies help me to describe some of the differences among work environments in the Boston cleaning industry from my own perspective and from the perspectives of workers and managers. However, I was aware going into this project that the case study approach has some weaknesses. The most common of these is the difficulty of generalizing findings. As I tried to interpret the results from these interviews and from my experiences meeting and cleaning with these workers, I questioned the “representativeness” of my small sample. How do I know these are not exceptional cases? Are these firms typical of others in their industry? How applicable are my findings to other cooperative cleaning businesses?

To answer these questions, and to understand how each of my cases fit into the greater whole of which they are a part, I took another series of steps. I interviewed individuals who work or have worked with nine different cleaning cooperatives, most of which are located in the Los Angeles or San Francisco areas. Those interviewed include two worker/owners, two managers, and three staff members at the non-profits that helped start the coops. One of these staff members has worked with three of the cooperatives.

The coops include Manos Janitorial Cooperative, Heaven Sent Housecleaners, Non-toxic Professional Housecleaners, Emma’s Eco-Clean, Placerville Coop, Pueblo Nuevo Enterprises, Dynamic Workers, Restif Cleaning Services, and Always Ready. All of these are located in California. I was unable to interview anyone connected with the two other cleaning coops I was able to find, Mora Basa Cooperative Cleaning Community in Boston and Unity Housecleaners in New York. I also rely on written materials produced by the cooperatives and by student groups and academics writing about them to understand their different structures and histories. This portion of my research was helpful in identifying common areas of weakness and possible innovations for dealing with these weaknesses among cooperatives similar to Eco-cleaning.

To better understand the experiences of workers in other maid service companies, I rely heavily on an article by Barbara Ehrenreich which details her experiences working for one such company, and provides background information on the industry. Each of these companies has a web site with useful facts about its structure and market, which serves as a basis for comparison. I also spoke with someone at the Maids, Inc. corporate office who gave me information about starting a franchise.

A majority of large janitorial firms in Boston are unionized, and so there is doubtless a good deal of variation among these firms and the experiences of their workers. Interviews with two business representatives from SEIU Local 254 helped me to understand the union’s strategies for organizing cleaning workers, their relationships with management at the different companies, and variation among these companies. Karen Lado’s 1994 M.C.P. thesis in the Department of Urban Studies and Planning at M.I.T. contains a wealth of information on unionized cleaning firms in Boston gained through interviews with Central American workers in these firms, representatives

of cleaning companies, representatives of real estate management companies, union officials, community activists, and staff members at social service agencies.

In addition, I interviewed four Latino(a) employees who work at different unionized cleaning firms in Boston. I met these four individuals at introductory level ESL classes. Most of the coop members and two of the workers at Maids, Inc. I interviewed have part-time jobs at unionized firms, and discussed their experiences at these different jobs with me.

The most difficult of my case studies to support with additional research was the independent housecleaner. These workers are usually hired through networks, and I do not have an easy way to get access to these networks. I interviewed one other independent worker who lives in my neighborhood. I was able to get some information about independent cleaning workers in Boston through an interview with the director of the Immigrant Workers Resource Center (IWRC). I also draw on several anthropological studies of domestic workers that detail the experiences of independent housecleaners in different U.S. cities (Romero 1992, Salzinger 1991) to understand the salary range and experiences of these cleaning workers.

### **Description of methods**

In total, I interviewed:

- 17 cleaning workers
- 5 individuals in management positions within the cleaning firms
- 2 SEIU staff members
- 1 director of a non-profit that helps to organize and educate cleaning workers
- 7 representatives of other cooperative cleaning businesses

Each interview lasted between one and three hours, and consisted of a series of closed and open ended questions. I took detailed notes during the interviews and typed the responses given by interviewees afterwards. Interviews with the workers were almost all conducted in Spanish and in their homes. They were generally accompanied by coffee, snacks, and conversation about our respective lives, families, and plans for the future. Interviews with management, union staff, and non-profit staff were conducted in their offices and in English. Interviews with the representatives of other cooperative cleaning businesses were conducted over the phone. One of these was conducted in Spanish, the rest in English.

### **Weaknesses**

There are several weaknesses in the research strategy I have chosen that are important to highlight. First, as mentioned earlier the case study approach is characterized by a relatively small sample in a particular location, hence it is difficult to generalize my findings to all cleaning workers in these different work environments. I have tried to address this concern by relying on additional interviews and sources of information outside of my four cases.

A second potential weakness is the way my sample was selected. My interviewees and cases were not randomly chosen, hence they may not be representative of the range of experiences in these industries. I interviewed all of the Eco-cleaning worker-owners, and Alicia is the only person in her one-woman business, so I can state with confidence that their opinions represent

their respective businesses. I was unable to get anything like this sample of workers from the other two cleaning firms. The Maids, Inc. team with whom I worked and the other Maids team that I interviewed may also not be representative of workers within this firm, as I was directed towards them by the owner and manager. Workers at Service Cleaning were referred to me by union representatives, and so were either active in the union or had filed a complaint against the company. Other unionized workers I found through introductory level ESL classes, and thus were more likely to be recent arrivals and to possess some drive to move out of their cleaning jobs. Each of my cases was likewise chosen based on referrals and ease of access.

A final weakness may be the inconsistency in the research strategy I use in each case study, also mentioned earlier. Due to differences of access in each case, I have a great deal of information and knowledge about Eco-cleaning, a little less about Maids, Inc., still less about Service Cleaning, and very little about Alicia. However, had I used a more rigidly consistent set of research methods, I would not have been able to take advantage of the different resources available. The steps I took in each case give me a fairly good basis for making comparisons, and allowed me to use a range of methods to construct this basis.

In spite of these possible weaknesses, I believe that I have pieced together an interesting and informed picture of what work is like and how cleaning is managed in each of these four cases. I have gotten my hands dirty (or at least dusty) in search of answers to what motivates cleaning workers, how they feel about their jobs, and what opportunities for training and advancement they feel are available to them. I have observed the frustration and commitment of a group of cooperative worker-owners, and have sought to understand through the stories they tell me about their lives and work experiences whether cooperative ownership offers them a different and better form of employment. Extensive background research and interviews support these findings, and provide a strong basis for offering recommendations to policy makers, non-profits, and unions interested in improving employment outcomes for cleaning workers.

The real test of the applicability and generalizability of my findings will perhaps be how useful they are to the people for whom these recommendations are written. This thesis is most basically a reflection on and analysis of a particular community development strategy. The methods I have chosen are thus intended first and foremost to scratch beneath the surface of statements like, “cooperative ownership of businesses promotes a more sustainable and just economy” to understand what this form of ownership means to the workers and what practices allow such a business to be sustainable. Why should we care about who owns an enterprise and participates in its management? The answer lies somewhere within the experiences of these Latino and Latina cleaning workers.

## **Chapter 3**

### **The cleaning industry and cleaning work**

Cooperative cleaning businesses are created for different reasons. Non-profit organizations may sponsor a coop in order to achieve a range of community development goals. Cleaning workers may form a coop to receive higher wages or to find more work. Despite these differences, cleaning cooperatives share a common commitment both to providing better employment for their members and to building a profitable and sustainable businesses. Before jumping into my analysis of whether one such coop has been successful in achieving these goals, I will briefly describe the industry of which it is a part. This provides a background for understanding why cleaning is an important sector to target if one is interested in improving employment outcomes for low-wage, low-skilled immigrant workers.

The cleaning industry contains within it multiple categories of work. The statistical and descriptive information I use comes from both the Bureau of Labor Statistics and the U.S. Bureau of the Census, which use several different, and often overlapping systems of classification.<sup>2</sup> I use the Economic Census system, which divides the industry into “non-residential cleaning” and “residential cleaning”. This draws a useful distinction between work performed in commercial establishments, offices, or institutions and work performed in private residences.

### **Non-residential cleaning**

#### **What is it and who does it?**

Non-residential cleaning includes all paid cleaning work that is not done in the home. This includes janitorial work, as well as cleaning work performed by housekeeping staff in hotels, hospitals, nursing homes, and universities. In 1998, 3.3 million janitors and cleaners were employed in the U.S., less than 5% of whom were self-employed. Median annual earnings were \$15,340, with the middle 50 percent earning between \$12,560 and \$19,110. Wages vary widely within this industry: the lowest 10 percent earned less than \$11,620 and the highest 10 percent earned more than \$25,060 (BLS Occupational Outlook Handbook, 1999).<sup>3</sup>

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<sup>2</sup> The Bureau of Labor Statistics recognizes two separate categories of cleaning work in their Occupational Employment Statistics: 1) Janitors and Cleaners, Except Maids and Housekeeping Cleaners and 2) Maids and Housekeeping Cleaners. The basis they use for this distinction appears to be whether workers are performing “heavy” cleaning duties (cleaning floors, shampooing rugs, washing walls and glass, and removing rubbish), or “light cleaning duties” (making beds, replenishing linens, cleaning rooms and halls, and vacuuming) (BLS, OES 1999). I feel this does not capture a meaningful distinction between cleaning work done in houses and in offices or institutions. They use a different division within their Occupational Outlook Handbook: 1) Janitors and Cleaners and Institutional Cleaning Supervisors, and 2) Private Household Workers. This captures the house/office distinction, but excludes professional house cleaning services. The Economic Census uses yet another system, distinguishing between nonresidential building cleaning (NAICS 56172-3701) and residential cleaning (NAICS 56172-3702).

<sup>3</sup> Figures from the OES’s 1999 National Occupational Employment and Wage Estimates reports different numbers for “Janitors and Cleaners, Except Maids and Housekeeping Cleaners”: 2,090,560 janitors and cleaners were employed in the U.S., with a mean hourly wage of \$8.76 and a mean annual wage of \$18,220. Wage variation within

The 1997 economic census reports 48,297 establishments in nonresidential building cleaning, with \$17.8 billion in receipts, or an average of \$370,000 in sales for each establishment. There is great variation in the size and sophistication of these businesses, as well as the markets they serve. Individual offices and small buildings may employ a “mom and pop” cleaner (as one cleaning service manager noted, “all you need is a bucket and a mop to start a business in this industry”). Larger office buildings, institutions, and commercial clients generally rely on larger, more established cleaning companies.

The economic census reports establishment size and information only for janitorial services, which includes both non-residential and residential services. This data does show a clear trend, with number of establishments steadily decreasing with size and sales steadily increasing with size. In 1997, there were 19,242 establishments with one to four employees, which together account for \$1.9 billion in receipts, or an average of around \$99,000 each. The 1,399 establishments with 100 employees or more account for \$8.8 billion in receipts, or around \$6.3 million in average sales per establishment. This tells the same story told by the Vice President of Service Cleaning and SEIU representatives: several large companies usually compete for the larger office buildings and institutional contracts, while smaller establishments handle the smaller and less lucrative contracts.

The Bureau of Labor Statistics gives a brief summary of what nonresidential cleaning work entails in their Occupational Outlook Handbook. Nonresidential cleaners work in office buildings, hospitals, stores, apartment houses, hotels, and other types of buildings. Janitors may mop floors, clean bathrooms, vacuum carpets, dust furniture, and make minor repairs. Housekeepers or maids may make beds, change linens, clean rooms and halls, and vacuum. No special education is required, but beginners “should know simple arithmetic and be able to follow instructions.” Most janitors and cleaners learn the necessary skills on the job. (BLS 1999) This lays out what most of us probably already understand about the work done by janitors and cleaners: it is hard, messy, and does not require a great deal (if any) prior education. Little has changed about these facts over the years; however, the structure of ownership, management, and unionization of cleaning work have undergone some major changes that have influenced compensation, job security, and the organization of work.

### **Change over time**

Non-residential cleaning is today dominated by contract cleaning services, which are hired by property managers or building owners to coordinate every step in the cleaning process. This was not always the case. Until the late 1960s and early 1970s, most routine cleaning in corporate and commercial office buildings was taken care of by in-house janitorial staff, many of whom were full-time employees with full benefits. In the late 1960s, building owners began to contract out the management of buildings to professional real estate management companies, who then subcontracted cleaning and security services to other companies. Some owners retained in-house property management, but most joined the shift to contract cleaning services. (Lado 1994, p.19)

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this sector is significant, ranging from under \$5.79 an hour for the bottom 10% to over \$13.44 an hour for the top 10% of wage earners (BLS 1999 National Occupational Employment and Wage Estimates).



These new arrangements were prompted primarily by a shift in ownership mix, as local owners of commercial real estate were replaced by national or international investors. These new owners found it more efficient to purchase cleaning services from a specialized vendor (Waldinger et al. 1998, p.104). Contract cleaning companies were able to offer significant cost savings, as they specialized in hiring, training, and supervising staff and often paid lower wages with fewer benefits. Commercial office buildings were the first to make this shift, but corporations and educational institutions have increasingly followed the trend toward hiring these contract cleaning companies (Lado 1994, p.19).

The union presence in cleaning work has also changed over the years. The Building Service Employees International Union (BSEIU) was founded in Chicago in 1920 by primarily first- and second-generation building service workers. In the 1930s, it spread beyond Chicago, to New York, Los Angeles, and other major cities, where newly established locals recruited the in-house janitors that predominated at that time. The shift to contract cleaning initially had a negative effect on union membership, but in most cities the union was able to organize the new firms.

In the 1980s, after several decades of union growth, SEIU began to lose janitorial membership. The severe recession of the early 1980s placed the unionized part of the industry under cost pressure, and non-union firms gained a foot hold in many parts of the country (Waldinger et al. 1998, pp.104-105). The extent and nature of the decline differed by city. In Boston, New York, Chicago, and San Francisco, janitorial and cleaning work remains highly unionized, particularly in central business districts. Los Angeles suffered a huge decline in janitorial union membership, falling from a peak of 5,000 in 1978 to a low of 1,800 in 1985 (Fisk et al. 2000, p.200).

These changes have had different effects on cleaning workers in different parts of the country, due in part to variation in unionization rates and in real estate market conditions. Non-residential cleaning is a highly competitive business with, as noted earlier, a variety of differently sized cleaning firms, all seeking to expand their share of the market. Lado quotes a property manager in Boston who affirms this point: “the supply of properties to be cleaned is finite but the supply of cleaning companies is infinitely elastic” (1994, p. 22). The nature and intensity of this competition in non-residential cleaning creates a difficult environment for unions trying to organize within the industry and cooperatives trying to compete within it.

## **Residential cleaning**

### **What is it and who does it?**

A second category of cleaning work is residential cleaning. Residential cleaning is generally done by either cleaning service businesses or freelancers, otherwise known as “independents”. In 1997, the Economic Census reports, there were 20,765 residential cleaning service establishments, with receipts of \$1.8 billion, or an average of \$87,000 for each firm. Corporate cleaning services control 25 to 30 percent of this market (Ehrenreich 2000, p.64).<sup>4</sup> These

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<sup>4</sup> Ehrenreich reports that “Corporate cleaning services now control 25 to 30 percent of the \$1.4 billion housecleaning business”. She gives no source for this information, but her figure is four million dollars less than that given by the Economic Census.

businesses are almost exclusively franchise operations, with a network of franchises independently owned and operated who pay a “franchise fee” to a national office. The Maids International, Molly Maids, Merry Maids, Mini Maids, and Maid Brigade are becoming household names, with numerous establishments throughout the United States and the world. Other businesses are independently owned and operated, but the majority of the growth within this industry is concentrated in the corporate sector (Ehrenreich 2000, p.64). Wages vary; Ehrenreich reports that in Portland, Maine the hourly wage at these firms (including the unpaid time driving between houses) came out to around \$6 to \$6.63 an hour (2000, p. 65). This wage may be slightly greater in larger cities: in Boston it is closer to \$7 to \$8 an hour.

Despite this growth in corporate house cleaning, the great majority of paid housekeepers are independents. Most of these jobs go unreported, so it is difficult to estimate just how many people work in the sector. The census reports 549,000 domestic workers in 1998, up 9 percent since 1996 – a number that is certainly an underestimate. Of the “private household cleaners and servants” it was able to record in 1998, the Bureau of Labor Statistics reports that 46.8 percent were Hispanic, 15.8 percent black, and 2.7 percent “other” (Ehrenreich, 2000, p.63). Earnings vary widely, from \$10 an hour or more in a big city to less than the minimum wage. Median weekly earnings were reported as \$235 per week, but experienced workers employed by wealthy families may earn \$800 to \$1,200 a week (BLS Occupational Outlook Handbook, 1999). This paints a picture of a household cleaning sector with significant earnings variation in which minorities, especially Hispanic immigrants, are disproportionately represented.

### **Change over time**

Residential cleaning in the United States has consistently been the province of minority and immigrant women. The composition of the labor force has fluctuated within these parameters, however. Mary Romero, in her book *Maid in the U.S.A.* compiles a history of how household labor has changed over time. Poor indentured servants and African slaves during the colonial period; Irish, German, and Chinese immigrants in the mid-1800s to the early 1900s; and black women who migrated to the North and those who remained in the South following the Civil War all worked disproportionately as household workers prior to World War II. The labor market in the Southwest had a somewhat different composition, with Mexican women holding a majority of these jobs after annexation.

In the decades following World War II, the American middle class expanded, moved into smaller homes, and relied more heavily on labor-saving technology, all of which contributed to decreased reliance on paid household labor. At the same time, the number of household workers began to decline as new kinds of job opportunities were opened to women. Fewer of these opportunities opened for African American women or Chicanas, who remained over-represented in domestic service. In the 1980s and 1990s, “the composition of the domestic labor force has shifted from native- to foreign-born women of color”. Today, immigrant women from “third world” countries, in regions such as Central and South America, the Caribbean, South Asia, are the most rapidly growing source of new labor for household work (Romero 1992, pp.71-87).

There has been a recent surge in demand for housecleaners. In 1999, between 14 and 18 percent of households employed an outsider to do the cleaning, and the numbers have been rising.

Mediamark Research reports a 53 percent increase between 1995 and 1999 in the number of households using a hired cleaner or service once a month or more, and Maritz Marketing finds that 30 percent of the people who hired help in 1999 did so for the first time (Ehrenreich 2000, p.62). The Bureau of Labor Statistics reports that for many years, demand for household help has outstripped the supply of workers willing to take domestic jobs; an imbalance expected to persist and possibly worsen. This limited supply has prompted many households to turn to domestic cleaning firms or “maid service companies” to meet their needs (BLS Occupational Outlook Handbook, “Private Household Workers”).

Molly Maid, one of these maid service companies, plugs franchise opportunities in their company with the following statistics:

Today's busy families are on the go and need help with their housework. That's why the U.S. Department of Commerce estimates that 80% of dual-income households will use a residential cleaning service by the year 2000. As a result, residential housecleaning has become one of the fastest growing industries in the country. It's currently approaching \$20 billion dollars in annual sales, and the projected annual growth rate is 20%. During 1998, MOLLY MAID owners enjoyed an average growth rate of 22%. The U.S. Bureau of Labor Statistics says that "Cleaning services are expected to be the second biggest generator of new jobs for the period 1994-2005." This is truly a rock solid industry, with consumer demand estimated to continue increasing through the next five years. (Molly Maid, [www.mollymaid.com](http://www.mollymaid.com))

Other corporate cleaning companies echo this optimism, reporting growth rates between 20 and 25 percent a year (Ehrenreich 2000, p.65).

Residential cleaning has changed its complexion and structure over the years. The shift toward an increased reliance on cleaning service companies has been accompanied by a decrease in the more personal relationships between homeowner and employee that once characterized this industry, where wages are individually negotiated and wages and working conditions highly uneven. Like non-residential cleaning, it has remained a low-paid, low-status job for the majority of its workers. I will now briefly outline some of the major problems workers face in both of these cleaning sectors, and the strategies workers, unions, and non-profit organizations are using to address these problems.

## **Problems faced by workers**

The non-residential and residential cleaning industries are important targets for efforts to improve employment outcomes for low-wage workers. They are characterized by limited opportunities for advancement and strong pressures towards low wages and benefits. There is a great deal of overlap in who works in these industries and the problems they face in their jobs. Although residential work tends to have a greater proportion of women than non-residential work, in Boston (and probably in other parts of the country) many immigrants move between the two, often holding down a day job cleaning houses and an evening job cleaning offices.

The bulk of work in the non-residential cleaning industry is labor intensive and low-skilled. This means that there is potentially a large supply of workers, particularly during periods when there is a surplus of low-skilled labor, competing for jobs. It also means that contract cleaning firms that are able to pay lower wages are easily able to undercut their competition. These firms do not

compete exclusively on the basis of price; union representatives and the manager of Service Cleaning noted that quality, size, and market share were also factors a potential customer weighs heavily when evaluating bids. Fisk et al. write that the issue of trust is central to building owners and managers, who may be wary of giving access to their building over to a little known mom and pop establishment. This has contributed to a concentration of employment in a few major firms in most cities (2000, p.204).

The ability to cut labor costs is, however, an important factor in a firm's success at securing contracts, particularly during a weak local real estate market. This was true in Boston during the recession of the late 1980s and early 1990s, when falling profit margins in the commercial real estate market intensified pressures on cleaning companies to offer more services for less (Lado 1994, p.21). The high degree of price competition and ease of entry within the industry means that there always exist alongside established, unionized firms that follow fair labor practices a number of cleaning firms that pay the minimum wage or below, hire workers off the books, and offer few if any benefits. Contracts between building owners or managers and cleaning service contractors permit short termination notice, typically thirty days. Thus union members can lose their jobs with little warning if a building owner switches from a union to a nonunion cleaning service (Fisk et al. 2000, pp.201-202).

Residential cleaning workers also must deal with low wages and benefits, but they face a different range of problems due to the dispersed and often unregulated nature of the work. Cleaning workers employed by maid service companies enjoy stable employment, relatively consistent expectations by clients, and some benefits, though wages remain low (Ehrenreich 2000). An independent household worker, however, is employed by a family and works in their home – a relationship which brings with it a variety of working conditions and wage scales, as well as a certain instability of expectations (Romero 1992, Salzinger 1991).

Another problem these workers face is a dearth of opportunities for advancement. In large non-residential cleaning firms, cleaners may be promoted to supervisor or to a management position. There are far fewer of these positions than there are workers, however – one manager quoted a ratio of one supervisor for every 20 workers – and poor English skills within the immigrant work force act as a barrier to promotion. This was confirmed by the members of management and the cleaning workers I interviewed: for the majority of janitorial and cleaning staff, it is unlikely that their current job will lead to a more high-skilled, better-paid job. Workers in maid service companies face similar problems advancing within the firms that employ them, and independent cleaners encounter virtually no such opportunities.

## **Campaigns and strategies to improve cleaning work**

Problems of low pay and limited advancement opportunities are not unique to cleaning work. The size of the non-residential and residential cleaning industries and their visible presence as employers of large numbers of low-wage workers, however, make them an important target for programs and campaigns that seek to improve employment outcomes in the lower tiers of the labor market.

### **Union strategies**

Unions, such as Service Employees International Union (SEIU) and the Hotel Employees and Restaurant Employees International Union (HERE), are the most visible advocates for and organizers of non-residential cleaners. These unions try to organize a substantial portion of the industry in order to take wages for janitorial and cleaning work out of competition, and act as intermediaries to ensure that fair labor practices are enforced. Unions prosecute employers who violate labor laws, educate workers on their rights, negotiate with union signatories to set wages and benefits, and organize non-union workplaces. They have also worked with other organizations on campaigns that seek broader changes in legislation and policy that affect cleaning workers. One such example is the living wage campaigns that have often grown out of collaboration with ACORN and Industrial Areas Foundation affiliates.

The most extensively reported of recent union efforts to improve wages, benefits, and working conditions for janitorial cleaners is SEIU's "Justice for Janitors (JfJ)" campaign. In the mid-1980s, the national SEIU began to focus organizing efforts on building services, developing a set of tactics that came to be known as Justice for Janitors (Fisk et al. 2000, p.203). The JfJ campaigns in Los Angeles, initiated in 1988, have received a great deal of press for their "noisy, rambunctious, disruptive – and successful – efforts both to organize and win raises for workers at or near the bottom of the economy" (Meyerson 2000, p.25). SEIU set out to organize Los Angeles janitors and persuade building contractors to recognize the union, and succeeded in raising unionization rates, wages and benefits, as well as forcing into the public view the daily struggles faced by low-wage workers (Meyerson 2000, p.26). The pressure SEIU is able to bring to bear on contract cleaning companies and building owners thus remains a central part of efforts to improve outcomes for cleaning workers in many parts of the country.

### **Community based strategies**

Unions are not a visible presence in the residential cleaning industry. Romero makes reference to a long history of failed attempts to organize maid's unions (1991, p.161). There are, however, a number of non-profit organizations that are committed to improving working conditions and compensation for both residential and non-residential cleaning workers. Worker centers, churches, and CBOs all provide services to low-wage workers and assist with campaigns to bring about changes in government policy and employer practices. Most of these organizations are based in the communities in which these workers live. Unlike unions, they focus their efforts on a particular population of low-wage workers, such as those located in a geographic area or from an ethnic group, rather than on a particular workplace or industry.

Immigrant worker centers are interesting hybrids in this community-based schema, as actors in the struggle for immigrant worker rights that in most cases operate outside of the labor movement (Fine 1997, p.16). Immigrant worker centers offer legal assistance, act as intermediaries, and mount organizing campaigns to reform legal rights and protections in the workplace. These centers, which can be found in places as diverse as Texas, Florida, New York, California, Virginia, North Carolina, and Massachusetts, "focus on calling attention to and changing the conditions under which immigrants work, through collective action" (Fine 1997, p.16).

One such center is the Workplace Project in Hempstead, New York. Their staff and volunteers regularly assist immigrants with employment related problems, and have organized a number of successful campaigns to improve working conditions more generally. They won a contracting site for day laborers; led and won a campaign to raise penalties by 800 percent against New York State employers who pay less than the minimum wage; recovered more than \$435,000 in back pay for hundreds of workers; and raised wages for 200 day laborers by over 30 percent, among other victories. Many of these efforts have been focused on improving conditions for residential cleaning workers, including the establishment of a cooperative cleaning business, UNITY Housecleaners (National Organizers Alliance 1998).

The Immigrant Workers Resource Center (IWRC) in Boston makes a similar commitment to organizing and educating immigrant workers. They teach ESL classes and run a Women's Leadership Training program that educates immigrant women about their rights, health and safety issues, and how to organize workers in their community and workplaces. They also sponsor a Workers' Council that is taking part in a campaign to obtain federal legislation providing a general amnesty for undocumented immigrant workers. IWRC has collaborated with SEIU and HERE on organizing campaigns, but like most worker centers has no direct affiliation with local unions.

These various campaigns and strategies all seek improved wages, benefits, and working conditions for cleaning workers. One of the most striking differences between the union approach and the community based approach is the context in which they organize and serve workers. While unions derive their strength from organizing an industry, community based initiatives make a valuable contribution to organizing the traditionally difficult to organize in the places they live. Residential cleaners are a prominent population among these hard-to-organize workers. Indeed, most of the cleaning cooperatives I include in this study grew out of the efforts of these organizations to help cleaning workers gain greater autonomy, better wages, and improved working conditions.

## **Conclusions**

Non-residential and residential cleaning work clearly have different characteristics. The organization of the two industries, and the history of how they have changed over time, mark them as separate spheres. However, the problems of low wages, low status, and limited opportunities for advancement are common to both, as are the characteristics of the workers who wind up in these jobs. Cleaning cooperatives represent an effort to improve outcomes for cleaning workers that crosses the boundaries between the two categories of work. Understanding whether these cooperatives have achieved notable success in addressing the problems workers face in these jobs is important to evaluating their promise as a community economic development strategy. In the next chapter, I will elaborate upon where their successes may lie and how their potential may be realized.

## Chapter 4

# Cooperatives in the cleaning industry: A comparison of employment outcomes and business success

In this chapter, I present my findings from a comparison of employment outcomes and business success across four different house and office cleaning firms. I begin with a brief description of each case: a cooperative, a maid service franchise, a unionized janitorial firm, and an independent house cleaner. Then I compare wages and benefits, opportunities for mobility and training, control, and job satisfaction. These findings are supported by information gathered from sources outside of the case studies, which help to describe how “typical” the outcomes are in each category of work. Finally, I look at business strategy and success, paying close attention to lessons cooperatives may take away from the experiences of their competitors. Throughout, I evaluate the potential of cooperative cleaning businesses to improve employment outcomes for workers in the cleaning industry, and how that potential might be realized.

I began with three questions, which will frame the bulk of my analysis. I have already provided a partial answer to the first, *What criteria should be used to evaluate employment outcomes from a “community economic development” program?* Proponents of cooperative ownership believe that equity, efficiency, and community orientation are all outcomes cooperatives provide to workers and communities. The quality of work experience, they argue, is improved by the control workers wield over management of the business and the work process. In this final chapter, I dig a little bit deeper into just what these things mean to the workers who have participated in cooperatives, and to other cleaning workers who might benefit from such a program. Their experiences help to illuminate the place these outcomes hold among the range of other goals and preferences immigrant cleaning workers express, the trade-offs they are willing to make among outcomes, and the obstacles they face along the way.

This leads to my second question, *Can cooperative ownership of cleaning firms help to bring about these desirable outcomes?* In chapter 3, I began to describe the characteristics of cleaning jobs, and problems that workers face in these jobs. Now I compare experiences of workers in a cooperative with those in other kinds of work arrangements to better understand whether and how employment outcomes are improved in the coop. I also evaluate business success to better understand the obstacles to making such a cleaning cooperative profitable and sustainable. This is important in determining whether this form of business development program is viable as an employment generation strategy.

Strong evidence that these obstacles do exist leads directly to my third question: *Are there lessons from other cleaning firms that can help guide cooperative business development efforts?* If cooperatives do, indeed, have difficulty achieving success in the cleaning industry, the experiences of successful firms within that industry may help them to design a more effective set of business strategies. The four case studies in this chapter help to develop a set of “best practices” and recommendations for how cleaning coops may become more competitive without sacrificing the other benefits they provide to their members.

## **The four cases**

### **Eco-cleaning**

Eco-cleaning was started by a Boston CDC after a community planning process identified the need for more quality employment options for neighborhood residents. They conducted a market analysis, which indicated that there was an ample market for a house cleaning business in the local area. The CDC decided to establish a worker-owned cooperative, based on many of the “justifications for cooperative ownership” that I listed in the first chapter. The community will benefit, Eco-cleaning’s business plan asserts, because worker-owned companies are loyal to local interests. Furthermore, worker-owners will make decisions based on both improving efficiency and providing long-term job security. The benefits workers reap were predicted to come in the form of increased take-home pay, a share of profits, and development of management and leadership skills.

Six potential members were identified, five of whom ended up founding the company, through local networks and by publicizing the opportunity at community events. These members met for three months of training, three hours per week, prior to establishing the business. Trainings covered group decision-making skills, conflict resolution, business financial management, marketing, and the structure of a cooperative. It was decided that the new business would target a niche market, using non-toxic cleaning methods and products and promoting the cooperative structure and “local flavor” of the business to attract customers who value promoting environmentally safe practices, purchasing local services, and supporting non-exploitative employment.

In 1998, Eco-cleaning organized as a worker-owned cooperative (subject to special tax status under the Internal Revenue Code), drafted by-laws, secured a loan, hired a manager, and were open for business. Each member invested \$500 as member shares, which was subtracted from his or her paycheck over time. The CDC covered initial start-up costs, donated office space, and devoted staff time to assisting with training and management of the business. The initial plan was to create a business that would pay workers \$12 an hour with health benefits, and that would provide substantial employment after one or two years. In the coop’s business plan, it was projected that by the end of 1998, three full-time and six part-time staff would be employed by Eco-cleaning, and that by the end of 2000, the business would support seven full-time employees.

These ambitious projections have failed to come to fruition. Currently worker-members are paid \$10 an hour, they receive no health benefits, and only one of the worker-owners is employed full-time at Eco-cleaning. Four of the initial five members continue to invest a great deal of time into the business (one member suffers from health problems, and decided to take a break until she recovers), often working without pay when there is not enough money to cover all expenses. They attend weekly meetings to resolve disagreements and develop strategies, and spend several days a month distributing flyers to potential customers. Despite some noticeable setbacks, the business is growing. They have around thirty regular house and office cleaning contracts, and are securing more commercial and office spaces. The CDC that started Eco-cleaning continues to provide support in the form of office space and staff time, and retains an ownership interest and a



position on the Board of Directors. They are committed to helping the cooperative succeed, but have recently begun to question their continued support of an as yet unprofitable small business venture.

The business currently consists of five members, two employees (who become eligible for membership after a year with the company), and a hired manager. All are immigrants from the Dominican Republic, El Salvador, or Puerto Rico; only the manager speaks English fluently. Three of the members and the two employees are women, two of the members are men, and the manager is a man. The manager works part time, handling scheduling, accounting, and payroll. He also is responsible for visiting potential clients and estimating the time and cost for each job. Because most of the members have other jobs, and the women have young children, they work with the manager to schedule their hours with the company around these other constraints. They clean either in pairs or separately, driving to clients who are often dispersed throughout Boston. Each member also takes responsibility for some aspect of managing the business, including coordinating advertising, depositing payroll, and purchasing supplies.

### **Maids, Inc.**

Maids, Inc. is a maid service company in Boston that is part of a corporate chain of franchises. The national office provides the franchise owner with a brand name, a set of products and procedures, training videos for new cleaners, accounting programs, technical support, advertising, and the opportunity to attend conferences and trainings. In return, the owner of each franchise pays an initial franchise fee, and then a percentage of all revenues, to the corporate office. Basically, each franchise operates like a small business, but with the backing of a large and well-organized corporation.

The particular Maids, Inc. franchise that I studied was established around 25 years ago. It has gone through four different owners, who had varying levels of success, and was bought by its current owner four years ago. He has transformed the business from a money-losing venture to one experiencing high levels of growth. The cleaning staff has increased from six to twenty and their weekly sales have grown five fold.

The business is managed by the owner, his wife, and a general manager who has been with the company for several years. Beyond these three, who make the majority of the business decisions, there is a small hierarchy, consisting of an office assistant, a quality control manager, and a trainer. The twenty members of the cleaning staff are divided into ten teams, consisting of a "team mate" and a "captain" who has usually been with the company longer and gets paid a little more. The staff converges on the office at 8:00, where they drink some coffee, collect their cleaning supplies and notebooks detailing their assignments, and then head out to clean houses. They arrive at the first house at 9:00 a.m. and work until they finish the houses assigned to them that day, earning a fixed percentage of every contract. Each job is priced based on an estimate one of the managers makes during a visit to the house. The first cleaning is always more expensive, and then price varies by the number of times each month the team is hired, and the estimated length and difficulty of the job.

Each cleaning team drives to the customer's house, spends one to two hours whipping through with dust cloth, vacuum, and mop, and then moves on to the next house. Employees have some flexibility with their hours, and seem to have a good relationship with the owner and manager, but have no responsibility for the management or policy decisions of the business and no union. The majority of the workforce (16 of the 20 employees) are Latino immigrants, from the Dominican Republic, Puerto Rico, and El Salvador. About half are women and half are men. Many work part time for unionized janitorial firms, cleaning houses during the day and offices in the evening.

### **Service Cleaning**

Service Cleaning is a mid-sized janitorial firm in Boston, with between 400 and 450 employees (larger firms may hire upwards of a thousand). It was started in the 1950s, and has since then gone through a number of changes, becoming part of a national service company in the 1970s, and then spinning off as a janitorial and maintenance company a few years later. They currently provide contract maintenance services, cleaning services, and snow removal for institutions, offices, and commercial buildings. Small and large spaces, single and multi-tenant buildings, universities and police stations are all within their purview.

Service Cleaning has been a signatory with Local 254 of the Service Employees International Union (SEIU) for over thirty years. This means that they participate in contract negotiations with the union, which set wages and benefits for all signatory cleaning firms. It also means that their employees are educated on their rights by the union, and have access to a representative who will handle any complaints they may have concerning their working conditions. Service Cleaning has a stable and seemingly friendly relationship with the union, and the member of their management team who I interviewed feels they reap significant benefits from the stability high unionization rates in Boston lend to an industry that is extremely price-competitive.

The employees of the company are divided into a number of tiers. There are 15 salaried positions, carrying a range of responsibilities such as developing contacts with potential clients, estimating costs, developing business goals and strategies, handling payroll and complaints, and managing an array of other aspects of day-to-day operations. Wage positions are organized into a hierarchy, with cleaners at the bottom, then lead person, foreman, area supervisor, building supervisor, and manager. Around 50 percent of Service Cleaning's employees are part time, or work under 29 hours, compared to an industry average of 75 to 80 percent part time. They have been able to maintain this high proportion of full time employees because they have a number of contracts with institutions that require day-time services. Most offices require that cleaning work be done only at night or in the early morning. Their workforce is between 80 and 85 percent Spanish speaking, with equal numbers of men and women.

Employees are hired to work on a specific contract in a specific building – if the company loses the contract and there are no new contracts to absorb the workers, they must find a new job. The work employees do varies by the contract, as well. Some clean offices, others do housekeeping work in college dormitories. Every customer has a different set of needs, which then become the daily or weekly routine of the workers.

## **Alicia**

Alicia works as an independent house cleaner in Boston. She came to Boston four years ago from Brazil, where she worked for eight years in a store owned by her uncle, helping him to make and to sell jewelry. Her sister was here already, and she decided she wanted to see what the United States was like. Alicia ended up staying, and feels like she will probably live here for a long time. She now has a husband, also from Brazil, and feels like she has a lot of opportunities here that she did not have in her country.

When she first arrived in the U.S., Alicia got a job working for what she describes as a small cleaning company, with a man she had met through friends. The company consisted of the owner and her; together they cleaned houses, sometimes six or seven daily. The “owner” of the business paid her \$15 to \$17 for each house, which came out to around \$350 to \$400 a week. Gradually Alicia started getting her own clients, beginning with two houses her sister left her when she went home to Brazil. She left flyers advertising her cleaning services at houses in different Boston neighborhoods, and started getting many referrals from satisfied customers. Now Alicia cleans three to four houses a day, often with the help of her husband or sister, working around 40 hours a week.

## **Employment outcomes**

These brief sketches of four cleaning businesses introduce some basic differences and similarities among them. The size, target market, and nature of the work vary, but they share in common an immigrant workforce and a work routine largely composed of low-skilled tasks. In the following pages, I will look at the experiences of these workers to better understand why they do cleaning work and how it differs in each work arrangement.

### **1. Wages and Benefits**

#### ***Eco-Cleaning***

Wages and benefits vary only slightly among the different cases. The wage for the members of Eco-cleaning is \$10 an hour. This, of course, does not include uncompensated time spent attending meetings, performing management responsibilities, and driving between jobs. In theory, members will share profits according to hours worked, but this benefit has not yet materialized. They have workers’ compensation and general liability insurance, but no health benefits. The employees who are not members are paid \$8 an hour, but have no obligation to attend meetings or take on other responsibilities within the company. As noted earlier, most members have other part time or full time jobs; all of them have health benefits either through these jobs or through their spouse.

I was able to get information about wages and benefits from nine other cleaning cooperatives, three of which were started by the same organization. Wages at these cooperatives range from \$6.25 to \$14 an hour, with an average of \$10. Most have a wage scale, with wages and benefits increasing with seniority. Three coops started by Women’s Action to Gain Economic Security

(WAGES) in Mountain View, California pay \$14 an hour at the top of their wage scale also pay their members \$8 an hour for attending meetings.

Benefits vary among the coops according to business structure and success. Those that are organized as Limited Liability Companies, rather than as worker-owned cooperatives, “redistribute profits” twice a month based on hours worked instead of paying wages. Because these LLCs do not have “payroll”, undocumented workers are able to get paid as owners without breaking the law. They also do not have to pay Social Security taxes and Workers Compensation; but this also means that workers are unable to collect Social Security and Workers Compensation.

Six of the cooperatives provide health benefits, and three provide paid vacations. One Los Angeles coop gives all members cell phones, a benefit they decided was valuable because many are undocumented and are unable to get their own phone line without a social security number. The cooperatives obviously differ in their ability to provide good wages and benefits; this is in part connected to how many years they have been in operation, and the local market for their services. I will look at these differences in greater depth when I discuss business strategy.

### ***Maids, Inc.***

Maids, Inc. structures wages based on the homes cleaned, and builds incentives into payment. The manager quoted wages ranging from \$7 to \$10 an hour. One of the workers I interviewed broke it down for me based on one house she was cleaning: Maids Inc. charges the customer \$74. \$10 of that amount is used to pay for “non-payroll expenses”. The remaining \$64 goes to “payroll expenses” and 20 percent of that \$64 goes to each worker. Other payroll expenses include salaries of the manager and the owner, training wages, payroll taxes, liability insurance, and other costs directly related to labor.

So, for that client, she was paid around \$12.80 for two hours of cleaning, maybe one and a half hours if she worked quickly, which comes out to between \$6.40 and \$8.50 per hour. The percentage each cleaner is paid varies: team captains may make from 22 to 23 percent of a contract, and if the job is very “nasty” or difficult, the percentage may be raised as high as 25 percent. This decision is left to the owner’s discretion. Maids, Inc. employees, like the cooperative members, are not paid for time driving between the customers’ houses, but they are reimbursed for mileage. Most employees work between 25 to 35 hours a week, and 75 percent work a second job in the evening.

Benefits vary across Maids, Inc. franchises, as each owner is given some flexibility to decide what he or she can afford to pay. At the franchise I studied, employees have workers’ compensation and liability insurance, but no health benefits or pension. After working for one year with the company, they are eligible for one week paid vacation. Several years ago the owner tried offering health benefits, but most employees did not want them, as they were already covered through their other jobs or their spouses.

These wages and benefits are probably typical of maid service companies, but there is no doubt that local labor market conditions and the size of the market for cleaning services contribute to

geographical differences. An article by Barbara Ehrenreich quotes lower numbers for a similar cleaning franchise in Portland, Maine: \$200 for a forty-hour week (forty hours including unpaid time driving from house to house). Ehrenreich worked for Maids International in Portland, and was paid what amounted to \$6.10 an hour, unless she was being punished for an absence which dropped her wage to \$5.50 an hour (2000, p. 65). The franchise I studied did not incorporate these “punishments” for absence into the wage calculation. Maid service firms all offer workers’ compensation and liability insurance, but, as at Maids, Inc., decisions about benefits such as health insurance and paid holidays are for the most part left to the franchise owner.

### ***Service Cleaning***

Service Cleaning pays standard union wages and benefits. In Boston, each worker receives \$9.40 in wages, \$1.10 for health benefits, and \$0.40 for pension for each hour worked, or \$11 to \$12 an hour, on average. Pay varies according to an employee’s length of time with the company and his or her position in the company hierarchy. At Service Cleaning, new workers are paid \$8.40 to \$8.50 for the first thirty days with the company. After thirty days, they start the process of initiation into the union, and each worker must then pay dues of \$15 to \$16 a month, as well as an initiation fee of \$20. At this point, the cleaner’s hourly wage is raised to \$9.40. There are varying pay scales for different positions: a lead cleaner starts at \$10 an hour, and the foreman starts at \$11.50 to \$12 an hour. The first year, each worker’s salary increases by \$0.15 every six months, the second year it increases \$0.20 every six months, and the third year it increases by \$0.25 every six months. Over a three year period, there is a total of a \$1.30 increase, depending on the market.

Increases are negotiated by a representative group of union members and their agent every three years. The Association of Contractors meets prior to this negotiation to review the pension and benefits plan and to make suggestions as to “where the pay and the benefits should go.” They form a consensus on what their position should be, and then go to their customers with the plan. The manager described this process:

Because this is a liberal state, the customer often wants to make sure the people working in their buildings have health care. The question is always the part timers. If they work only four hours, why should they get health benefits? This is what they always ask us. It’s always a debate. We take back their suggestions and input to the negotiating table. If things get tight, we might have to go back to a less generous plan.

Next year the agreement with the union will be renegotiated, and the issue of health benefits for part time workers will be a prominent point of contention.

Those who work under 29 hours do not receive health benefits – this is the only part of the compensation package that differs between part-time and full time workers. Full time workers have a comprehensive health plan that is handled through the union and fully funded by the employer. 2,400 workers are covered by this multi-employee benefit plan, which provides complete dependent coverage, dental, eyesite, with no waiting periods or deductibles. Service Cleaning is unusual, in that 50 percent of its work force is full time: as noted earlier, the industry average is 75 to 80 percent part time.

All workers at Service Cleaning get ten holidays and a week’s paid vacation. The percentage of pay an employee gets during holidays and vacation varies: the first year, he or she gets one percent, the second year two percent, up to eight percent after eight years with the company.

Workers also are allowed three days for bereavement if a family member passes away. Each pays \$24 a month into the pension plan administered by the union, and are able to collect their pension if they stay with the company for five years. If they leave before these five years, the money they paid into the pension plan stays in the industry. After ten years working for the union, a cleaner would receive \$240 a month in pension payments. Employers are also required to provide worker's compensation, social security, and liability insurance.

Unionized cleaning workers in Boston all have the same wages and benefits, in theory. Based on my conversations with several employees at other unionized firms, there is some variability in whether employers stick to the union wage scale: one woman was making \$7.50 an hour, and one man was making \$8 an hour. SEIU tries to police its membership to make sure the employers are consistently paying union wages, but they acknowledge that some are able to circumvent the rules.

In other parts of the country, wages and benefits for unionized employees differ both in theory and in practice. The 1995-2000 Maintenance Contractors' Agreement negotiated in Los Angeles between SEIU and employers provided for an increase in wages by 2000 to \$7.20 an hour with full benefits in core office areas, permitting lower wages and benefits as the contract moves away from these core areas. One woman I spoke with who has worked with a cooperative cleaning business in Los Angeles for several years noted that even unionized workers there were not making much more than the minimum wage – depending on where they are cleaning, wages run between \$6.50 and \$7.50 an hour. The members of her coop are making \$10 an hour, and feel lucky to have such a high paying job.

I do not have figures on wages and benefits unionized cleaning workers receive in each region of the country, but it is likely that local labor market and demand conditions influence the contract union locals are able to negotiate, as in Los Angeles. The concentration of unionized firms also may affect this variation. The goal of the union is to take wages out of competition; as their presence diminishes, their ability to exert a strong influence on industry norms also diminishes. SEIU representatives and members of the management team at Service Cleaning drove this point home: janitorial work is extremely price competitive and labor is the most significant cost. Wages and benefits are the easiest things to cut in order to gain a competitive edge.

### *Alicia*

Alicia's wages and benefits are very straightforward compared to the tangle of conditions to which unionized employees are subject. She charges \$20 to \$25 an hour, and receives no benefits. For the first cleaning at a new customer's house, which often takes six or seven hours, she charges \$150 to \$200.

“Sometimes the customers, they say, ‘oh, that is too much, I cannot pay so much’ when I tell them the price for the first cleaning. So I say, just let me clean your house, then you can decide whether you want to pay me so much. Usually they will pay, they are so happy with my work. Sometimes when they see how clean it is, they pay me \$230 instead of just \$200. It is not very hard to make money cleaning houses.”

This wage is quite a bit higher than that received by any of the other cleaning workers interviewed. Alicia does not feel that lack of benefits is a problem; she is young and seemingly healthy, has no children, and is very careful not to break anything in her customers' houses.

Alicia's experience falls decisively on the upper end of the wage spectrum for independent house cleaners. The other independent I interviewed is paid \$10 for doing this work, and Alicia was paid somewhere between \$8 and \$10 an hour when she was working for another house cleaner. The wage for independent house cleaners is the most variable of the different work arrangements I have described, as it is often based on an informal contract between the worker and the client. In 1974 domestic work was brought under the minimum wage laws for the first time, but this has not stopped employers from hiring household workers and paying them well below the minimum wage. Salzinger cites wages in the San Francisco Bay Area that run between \$5 and \$10 per hour (1991, p.150). Organizers at the Workplace Project, a non-profit agency that works with immigrant workers on Long Island, New York, reported that wages for domestics there ranged from \$25 to \$65 for a day's work (Gray 1998, p.3).

The Bureau of Labor Statistics found full-time "private household cleaners and servants" earning a median annual income of \$12,220 in 1998, which is over \$1,000 below the poverty level for a family of three. Abuses of immigrant domestics, particularly those who are working illegally in the United States, include non-payment of wages or wages set below the legal minimum (Gray 1998, Ehrenreich 2000). In all cases, independents must purchase their own health, workers' compensation, and liability insurance, which they rarely do. If they report their income, they must pay Social Security taxes and are eligible for Social Security benefits, but again, most income goes unreported. And of course, they have no paid holidays.

This paints a picture of independent housecleaning as potentially a very profitable endeavor, or potentially a very low-paying job. Salzinger explains this wage disparity in terms of a "bifurcated market" for cleaning work, in which there is an increasing demand for domestic services from single, elite professionals, as well as from two-earner working class families and a rising number of elderly people living alone on fixed incomes. Households with more money can afford to pay a higher rate for cleaning services than those with less income, and are able to bargain with prospective employees who they feel will offer them a quality service. Those with fewer resources often need the services, but simply cannot afford to pay wages that are "anything but exploitative" (1991, p.150).

Of course, the wages the wealthy are willing to pay for cleaning work are subject to personal preferences and attitudes, availability of cheap household labor, as well as the organization and professionalization of cleaning work. Zoe Baird lost the opportunity to be attorney general in 1993 partly due to her practice of hiring undocumented household workers. This up and coming professional paid her workers about \$5 an hour out of her earnings of \$507,000 a year (Ehrenreich 2000, p.64). Salzinger (1991) and Romero (1992) point to the growth of maid service companies, which charge a premium for providing a "professional" cleaning service to customers, as one factor that has helped to push up the price employers expect to pay.

Wages for independent house cleaning, as for other kinds of cleaning work, are also likely to vary across different parts of the country in response to differing labor market conditions. In southern California, there are many Latino immigrants who are recent arrivals. If they are undocumented, they have few alternatives in the formal labor market. One woman who helped to establish a

cleaning cooperative in Los Angeles described an extremely competitive market for cleaning services. At every house they go to place a flyer advertising their services, there are already five to ten flyers advertising house cleaning, gardening, carpentry, and a range of other services – all off the books and under the table. She said that in Boulder the average wage for cleaning work is close to \$20, while for the members of her coop, \$10 was at the top of the pay scale.

In Boston, the alternatives available and the tight labor market may help to push the wage up for independent cleaning work. If an immigrant with poor English skills can just as easily get a job in a unionized company that pays close to \$10 an hour and provides stable employment, the wage for house cleaning work is likely to be higher, as well. The director of a Boston non-profit that assists immigrant workers noted that independent house cleaners are doing pretty well here, with high wages and working conditions, and that many of the cleaning workers who work for larger firms would prefer to do this kind of work. Most do not know where to find the customers, however, and do not speak English well enough to communicate with potential customers or to earn their trust.

### **Summary**

This comparison illustrates that cooperatives pay relatively good wages (in a few of the more successful cases, excellent wages) for cleaning work. Their success is in part a function of the alternatives available to the individuals who become worker-members. If a house cleaner or janitor in Los Angeles makes barely above minimum wage, \$10 an hour is very attractive. In Boston, \$10 is fairly close to the wage a worker can get at a unionized firm, and a little better than he or she would make working at a maid service company. It is certainly less than one could theoretically earn working as an independent house cleaner, but it may be difficult to gain access to the networks necessary to enter the high end of this market.

Lack of health insurance and paid vacations is a problem characteristic of cleaning work, outside of unionized firms and some maid service companies. Some cooperatives have been able to provide good benefits packages, but Eco-cleaning clearly has been unable to offer better benefits than are available to members at other jobs. Tables 1 and 2 summarize the differences in wages and benefits across the four cases studies and the nine cooperative firms.

**Table 1: Differences in wages and benefits among cleaning firms**

Business	Wage (low)	Wage (high)	Health benefits	Workers Comp/ Social Security	Liability Insurance	Paid Vacation	Pension
<b>Eco-cleaning</b>	\$8	\$10	no	yes	yes	no	no
<b>Maids, Inc.</b>	\$7	\$10	no	yes	yes	no	no
<b>Service Cleaning</b>	\$9.40	\$10.70 and up	yes	yes	yes	yes	yes
<b>Alicia</b>	\$20	\$25	no	no	no	no	no



**Table 2: Differences in wages and benefits among cooperative cleaning businesses**

Cleaning Cooperative	Wage (low)	Wage (high)	Health Benefits	Workers Comp/ Social Security	Liability Insurance	Paid Vacation	Pension
Eco-cleaning*	\$10	\$10	no	yes	yes	no	no
Emma's Eco-clean	\$10	\$14	yes	no	no	no	no
Heaven Sent	\$10	\$14	yes	no	no	no	no
Non-Toxic Professional Housecleaners	\$10	\$14	yes	no	no	no	no
Manos Janitorial Services	\$8	\$10	yes	yes	yes	yes	yes
Placerville Cooperative	\$8.50	\$10	no	no	yes	no	no
Pueblo Nuevo Enterprises, Inc.	\$6.25	\$7	yes	yes	yes	yes	no
Dynamic Workers	\$8	\$10	yes	no	yes	no	no
Restif Janitorial Services	\$8	\$8	yes	yes	yes	yes	no
Always Ready	\$8	\$10	no	yes	yes	no	no

\*Eco-cleaning is the only pseudonym used in this table

These findings raise several questions. First, what accounts for the differences among the four cases and among the nine cleaning cooperatives in their ability to pay good wages and benefits? A comparison of business success among the firms will dig a bit deeper into the conundrum of how a firm generates the revenues to pay employees well. Second, if the wages and benefits are not significantly higher, are there other benefits that the members of Eco-cleaning gain from being part of a cooperative? Why do they stick with it? The answer to this question lies in a comparison among other outcomes across cleaning jobs.

## **2. Opportunities for advancement, training, and skill development**

The opportunities for advancement, training, and skill development that a job provides are a second measure of the quality of work experience. These may include job ladders within the firm, which allow an employee to gain a higher salary, greater responsibility, and additional training. They also could include training or skill development on the job that help the employee to eventually move to a more high skilled, better paid position in another firm through starting their own cleaning firm, acquiring a management position in a different cleaning firm, or moving into a completely different line of work. Finally, employees may have access to general training or educational opportunities through their union, a non-profit organization, or an employer that

has made a commitment to bettering the lives of their employees. To provide mobility, this training should lead directly to a better job, or, in the case of the cooperative, to improved business success. There are other benefits to education that are more difficult to measure, such as increased self-esteem and “community leadership skills”.

Cooperative supporters claim that worker-owned coops provide a special training function, giving low skilled residents access to both business management and leadership skills. They also claim that members benefit from mobility in earnings, by being able to capture in full the profits of business growth. I will compare the availability of these opportunities across the four cases I studied to gauge whether the cooperative indeed provides these benefits, how they compare to those available in other cleaning businesses, and the value workers place on such opportunities.

### ***Eco-cleaning***

At Eco-cleaning, training has been a major part of the members’ experience during their three years with the business. They went through three months of training, three hours per week, prior to establishing Eco-cleaning. These trainings covered group decision-making skills, conflict resolution, business financial management, marketing, and how a cooperative is structured. After two years, members participated in another series of trainings. I worked with a popular educator for several months teaching members how to conduct an evaluation, and then facilitated a nine month evaluation process that was intended to develop decision-making and planning skills.

In the past several months, Eco-cleaning members have been attending sessions teaching them how to market their business and how to read and interpret financial statements. One coop member is learning to use the company’s computer accounting program from a staff member at the CDC, and I have started teaching a weekly English class following each meeting. As noted earlier, mobility in earnings has not materialized, and this training has not led directly to profitability. It has, however, allowed members to take on more responsibility for the management of their company to develop new skills.

I asked members during interviews whether this training was valuable to them, and received similar responses from each. All felt this was an important reason for joining Eco-cleaning: “to learn new skills,” “to learn how to manage a business,” and “to progress” were all expressions of this theme. When I asked them to compare their jobs in the cooperative with other cleaning jobs they have held, they invariably note the benefits of the training and the skill development the cooperative provides. One woman feels she has learned to communicate better with people: “I am very shy, and it was hard for me to say what I thought about something, but now I speak at meetings and tell people what I think.” Several said they had learned “to be in charge of my own business and my own work.” Others have learned how to “think like a business owner and not just like a worker,” to see each customer as a link to other customers, and to think in terms of long-term plans for the business rather than just short term profit.

None of the members were quite sure how they would use these skills in other jobs, but all felt that they were helping them to improve Eco-cleaning and to have more oversight over the manager. In other jobs, several noted, you learn nothing, you just clean and that is it. Being part

of the cooperative is more like being in school, learning both to take on more responsibility and to rely on and trust other people. It is difficult, they concluded in each interview, but very valuable.

Members' perceptions of mobility in their job are very positive. This was surprising to me, given the ongoing problems Eco-cleaning faces. Even though the business is not doing very well right now, and they often do not get paid, they believe that eventually they will build a successful company with higher wages, more employees and members, and profits. This is why they stick with the company: in their other jobs at larger cleaning firms, they have no chance of being promoted or getting more training, because they do not speak English. At Eco-cleaning they do feel that they do have these opportunities. One member said, "In [Eco-cleaning], I think I will someday have another job in the company, managing or using more business skills. In other jobs it is very difficult. I don't think I will be promoted, or get a better paying job in the company. I will just keep cleaning, that is all."

Most other cleaning cooperatives have a similar focus on training. Investment in training is one of the largest categories of support given by the non-profits and churches that initiate these businesses. Among the coops about which I was able to gather information, only Restif Cleaners and Manos Janitorial Services do not offer training to employees beyond simple cleaning skills. These were also the only two coops that were started by workers without assistance from a social service agency. Members have little direct input into the day-to-day operations of these businesses. The training offered by the other seven coops includes group decision-making, leadership, cleaning skills, ESL, business management and finance, marketing, and computer skills.

Each cooperative has a different method and theory for how and how long this training should be provided. WAGES, which has been helping women start cooperative cleaning businesses since 1994, trains a group of potential members for a year prior to establishing a coop. They tried to start a fourth cooperative recently with a shorter training process, but they found that there was "not enough group buy-in", and had to close after a few months of operation. WAGES staff believe participation in accounting and financial decisions are key to building power and ownership among members. Because of this, they invest a great deal of time in teaching computer skills and consistently divide up finance related tasks among the members. They also charge the cooperative for staff time, which they feel ensures that the technical assistance and meeting facilitation WAGES provides is valued by members.

Dynamic Workers in Los Angeles jumped right into finding cleaning jobs for their members, operating initially as a job distribution coop, and provided the necessary training as they went along. Members were recently sent to a small business conference downtown, where they attended workshops for three days, and came back saying that the workshops covered what they had already learned from non-profit staff. The staff member I interviewed saw signs that members were developing real business and leadership skills. "They were out there hob-nobbing with the suits, and it meant a lot, to be on-par with these people. 'You have opened my eyes to a world I didn't even know existed' one woman said to me when she came back. This is what we're doing, you can see it's happening. It's about self-esteem and empowerment."

Mobility varies among the coops, as well. Most have some wage scale; the three WAGES cooperatives have a pay increase of \$1 a year. Others provide for a total of a \$2 wage increase over time. Pueblo Nuevo in Los Angeles and the WAGES coops provide the opportunity for members to fill paid management positions. This allows them to take a break from cleaning work and to learn new skills, while still being compensated for their time. Manos and Restif both make a profit that they distribute to members at the end of the year, which offers earnings mobility as the company grows.

The coop members and non-profit staff members I interviewed almost all agreed that belonging to a coop is not just like any other cleaning job. They feel it provides a unique opportunity in the cleaning industry for workers to gain a wide range of skills in their workplace. For Eco-cleaning members, it also contributes to an anticipation of future mobility. To understand whether and how this is different from the training and opportunities for mobility offered in other cleaning businesses, I now turn to the three remaining cases.

### ***Maids, Inc.***

Maids, Inc. provides quite a bit of training in cleaning methods and customer service, but predictably little in the way of management skills. New employees are in training for two weeks, and then they are put on the job. They watch a series of training videos, which feature a smiling blonde with a dust cloth and a set of bottles with different colored liquids who goes over the “[Maids, Inc.] Way” of cleaning, room by room. New recruits then take a CD-rom test, and finally go out with the trainer to start cleaning houses.

Mobility within the firm is theoretically possible. Maids, Inc. emphasizes in their training videos the opportunities for a cleaner to get a higher wage by working harder and faster, because pay is based on a percentage of all contracts. They also present the possibility that a worker will eventually be able to buy a franchise of their own. I do not have any figures to confirm how common this is, but the video claims that “many of our most successful franchise owners started out as [Maids, Inc.] team mates.” These franchises come in three sizes, which cost \$16,000, \$20,000, and \$24,000 respectively – beyond the reach of the employees I interviewed.

There is also a small hierarchy within the firm, starting with team mate, and moving up to captain, trainer, quality control manager, office assistant, general manager. The owner told me, “We try to promote from within. For example, to quality control. [Maids, Inc.] has formal training programs for different positions. I try to eye-ball someone in the field to figure out if they’re worthy, capable of doing the job. I’d rather promote from inside.” When I asked how he decided which employees to train, he replied:

“It’s basically a gut feeling. If they’re responsible, reliable. The way they present themselves. Seldom are they actually promoted. There have been a few I’ve tried to promote to quality control. If you can communicate the mission, they may do a good job. They usually feel flattered to be considered for the position, and try it out for several months. They usually want to go back to cleaning after that. It’s a hard job.”

The owner told me that turnover is about 200 percent, with most workers staying for one and a half years. These numbers seem to tell an inconsistent story; the first probably reflects the high number of recruits who stay for only several weeks, and the second the experience of the

manager with those who stay with the company beyond this trial period. Several cleaners have worked there for between nine and sixteen years, and are paid at a higher rate, as well as given greater flexibility to choose the customers for whom they prefer to work.

The employees I interviewed at Maids, Inc. do not feel they have much chance of being promoted. Again, those who do not speak English well listed English as the greatest barrier to getting a better job within the firm, as well as to moving to a better job outside of the firm. Two workers interviewed speak English, but agreed that they would probably continue to work as cleaners. For these workers, the benefits they derived from the job were not attached to wages or to opportunities for training and advancement. The owner of the franchise felt that the promotion and training system at Maids, Inc. was common across other maid service companies.

### ***Service Cleaning***

Service Cleaning provides workers with basic training in cleaning methods. They show films and hold training sessions at the site at which they will work, and when there is a new piece of equipment, they demonstrate how to use it. Their priority is to teach the employees the proper procedures to follow so that no one gets injured and the job is professionally done. If there are mistakes or problems, special training sessions will be held.

Because Service Cleaning employees are members of SEIU Local 254, they also have access to a range of training programs through the union. These include ESL classes, a G.E.D. prep program, maintenance training, computer training, adult literacy, and citizenship classes. There are also opportunities to pursue higher degrees, including a scholarship program that provides free college level courses leading to a Certificate or an Associates Degree in Business Administration Management, a tuition assistance program that offers ten \$3,000 scholarships a year to members' dependents, and a "community college cost initiative program" which helps students to attend community college.

The two union representatives with whom I spoke said that the ESL classes were the most popular by far. They offer several classes at different sites, and recently started another to meet the growing demand. One felt that a major part of his job was to promote the local's educational agenda among workers. Sometimes workers may complain about paying dues, but he points out to them that they can get that money back "if they take advantage of the programs that are out there."

Both Service Cleaning and SEIU offer opportunities for cleaning workers to advance within their job. For every ten people working for the company, there are eight cleaners, one lead person, and one foreman. A supervisor then is responsible for ten to twelve floors, and reports to a building supervisor, who in turn reports to one of twelve account area managers. The Vice President of Service Cleaning felt that it was very easy for an employee to move up in the company if he or she works hard, demonstrates responsibility, and is bilingual. Speaking English is important, but speaking Spanish is just as important, because so many of their workers speak only Spanish. Like the owner of the Maids, Inc. franchise, he and other members of the management team decide which employees to train for these positions based on "gut feeling". Most supervisors have been promoted through the ranks, or have come from another cleaning company where they

were promoted in this way. Salaried positions within the firm, however, are almost exclusively held by college educated white males; it appears unlikely that cleaners get promoted to the upper ranks of management.

There are also opportunities to move up from a cleaning job to a position within the SEIU local. Many of the union representatives at Local 254 started as immigrant cleaning workers in one of the large Boston firms. One representative I interviewed worked as a day porter, then was elected shop steward and placed on the negotiating committee. Eventually he became a field representative, and was recently promoted to business agent. Both within the company and in the union, English is a prerequisite for advancing, and there are a limited number of possible positions within the hierarchy. Inevitably, there are many workers who never get access to these positions. Turnover is around 10 percent, however, which is considerably lower than the turnover at Maids, Inc.

Worker perceptions of opportunities for mobility within a unionized cleaning firm were generally negative. None of the cleaning workers I interviewed, including the cooperative members who have worked for a unionized cleaning firm, felt they had much chance of moving up within either the union or the firm. Again, they emphasized English as a key barrier. A shop steward at Service Cleaning observed that the most common way a worker could advance was from cleaner to supervisor, and most would prefer to stay cleaners. Supervisors get paid only \$0.50 more an hour, and they have to take on more responsibility. They also hold the unpopular position of having to tell other workers what to do.

None of the twelve workers who have been employed by a unionized firm were participating in, or had ever participated in, a training program offered through the union. They knew of them, but felt that the classes they were interested in, such as ESL and citizenship classes, were held at locations that were not convenient. The higher education and training programs were not attractive because they did not have the time to stop working and earn a degree. Someone is taking advantage of these programs, but the experiences of these workers point to the obstacles that may keep many from enjoying their potential benefits.

The Vice President of Service Cleaning and the two union representatives feel training and advancement opportunities are similar across unionized firms in Boston. One union rep knew of several small cleaning businesses whose owners are former janitors with unionized companies, but acknowledged that a very small number of workers actually pursue this option. SEIU and the Hotel Employees and Restaurant Employees (HERE) have made commitments to providing training to their members in other parts of the country, though the Boston local prides itself on offering “one of the best and most comprehensive menu of education benefits of any Local Union in America.” It is likely that the ability to offer such programs differs by the number of members and power that a local holds in an area, as well as their priorities for targeting resources.

### *Alicia*

Alicia has an uncomplicated range of opportunities for training and mobility: if she gets more customers or is able to charge a higher price for her services, her weekly wage goes up. Acquiring new skills is limited to what she is able to learn on the job. Within these constraints,

Alicia has been able to improve her earnings over time. She has increased her customer base from two to upwards of twenty houses per week, and is getting paid several times what she was making at her first cleaning job. She has learned how to clean faster and better, how to market her business, and how to please the customer: all skills the cooperative members noted they have gained through running Eco-cleaning.

Alicia also is learning English by talking to her employers while cleaning and having to sell her service and arrange schedules with them. Coop members, in contrast, are not forced to develop these skills, as the manager handles all interaction with the customers. When I asked Alicia if she wanted to expand her business and hire more workers, she replied that this was a possibility, but she had not really thought about it. If she hired more workers, she would have to keep a close watch over their work, as whatever they did would reflect on her. She does not feel this job will necessarily lead to other kinds of job opportunities, but envisions that she will stick with it for a long time because of the high pay and flexibility it provides.

Limited opportunities for training and mobility are associated with independent cleaning work; it is often done in isolation, and subsequently lacks the career ladders or training programs a larger business can provide. The other independent cleaner I interviewed had a less optimistic outlook on the kinds of skills he was learning on the job. He works alone, doing the same kind of work he had done for years, and getting paid just enough to keep him doing it. Interviews Leslie Salzinger (1991) conducted with independent cleaning workers in the San Francisco Bay area and that Mary Romero (1992) conducted with similar independents in El Paso found that most women regarded cleaning as a dead end job; the reasons they gave for working as cleaners had little to do with opportunities for mobility.

### ***Summary***

A comparison of the four cases reveals that Eco-cleaning and most other cleaning cooperatives provide more, and a different kind of, training to members than is typical in cleaning jobs. SEIU makes available a range of educational opportunities for union members that are supported by member dues and that surpass what a small coop can offer, but there is no direct connection between the workplace and the skills learned. Members at Eco-cleaning feel that working in an environment where they are constantly learning new skills and applying them to improve their company is a major advantage of owning a coop.

Differences in mobility across the four cases were present only in the attitudes of workers. Eco-cleaning members believe that there is more mobility built into their job, and see it as a way to in the long run increase their earnings and position within the company. This sharply contrasts with the attitudes of other cleaning workers, who see their jobs either as dead ends, or as a temporary form of employment they will be in until they learn enough English to get another job. There is a transformation in the attitudes of the coop members towards cleaning work: it becomes an opportunity for advancement rather than a job that is held primarily to earn wages.

The lack of training and mobility characteristic of cleaning work is one of the primary motivations non-profits cite for supporting cooperative cleaning businesses. The majority of members come to the coops from an employment background where they feel their options are

extremely limited. Coops may be seen as “professionalizing” house cleaning for their members by building in career ladders, earnings mobility, and training. However, training programs and staff time are often subsidized by a sponsoring organization that has many potential pulls on its workforce and business development resources. Other programs teach workers business management skills or give them access to some opportunities for mobility. This leaves the question open of whether there are other benefits the coop provides for its members that are unique to the cooperative workplace.

### **3. Control**

Control in a cleaning business can be broken into two categories: the organization of work (hours worked, how the job is done) and the administration of the firm (structure of decision-making responsibilities, client mix, wage level, and marketing). Control over both of these spheres is often put forth as an advantage cooperatives hold over other forms of employment. I have already discussed why control is believed to be important: liberal theorists of economic democracy, socialist theorists, and the range of non-profits and churches that support cooperative businesses all attach a great deal of social and economic importance to the democratic governance of enterprises.

To better understand whether Eco-cleaning does, indeed, increase the control members wield over their work and over the administration of their business, I compare their experiences with those of workers in the three other work arrangements studied. I am interested not only in whether they have control in their jobs, but also in the value they place on this control. Did cooperative members self-select to join Eco-cleaning because they felt flexibility and autonomy were important? Are there opportunities within other cleaning jobs to exert some amount of control over the work process, and if so, is this seen as valuable by employees? These questions run through the findings I present below.

#### ***Eco-cleaning***

The worker-members of Eco-cleaning feel they have a great deal of control over both their work and their business. Decisions about how they will work and when they will work are decided individually or in a group. Members work with the manager to schedule their hours around constraints, such as children and other jobs. They are not entirely free to do as they please, because they always need to consider how the company will be affected if they cancel an appointment or cannot schedule someone to work for a major contract. But the members feel that even though they made sacrifices “for the company”, overall they have a great deal of flexibility not present in their other jobs.

The members of Eco-cleaning have developed a system for cleaning houses and offices. They work in pairs: in a house, one cleans the bathroom, the other cleans the kitchen, they wash all the floors, and then they move through the house dusting and vacuuming, each working at opposite ends with the other following behind to clean up the dust that has settled after the first cleaning. Finally, they take the trash out. In offices there are always different requests, but they usually start with the bathrooms, then dust, take out the trash, vacuum, and finally wash the windows.



Without exception, the members feel that they have more control over how they do their work in the cooperative than in other firms.

The actual work process is not that different, but the service they are providing has a more direct connection to their lives outside of work: they feel they will profit and the company will prosper if it is done well. All are of the opinion that control and participation improves the quality of their work because they are more invested in the business's success. One member described this change:

"It's different from other jobs. If I work for someone else, I always have to listen to what the supervisor tells me. I don't care so much about doing a good job. Here, we're our own supervisors, our own bosses. We own the company. We want to always do a consistently good job, so we pay attention to details in a way others might not."

During the evaluation I helped to facilitate, members spent a great deal of time discussing how they could improve the quality of their work and better coordinate their hours. We distributed a client survey that indicated overall satisfaction with quality and price of the cleaning service. There was, however, some dissatisfaction with tardiness, the constant rescheduling of appointments, and several areas of cleaning work. Members developed a set of strategies to improve on all of these areas, and to my knowledge have implemented most of them. Problems with tardiness and rescheduling persist, however. This points to a trade-off that increased control may introduce: workers have an added incentive to do a good job, but they have multiple pulls on their time that may not correspond with the interests of the group. It appears the members of Eco-cleaning are committed to overcoming this problem, and use meetings to reinforce the need to put the interests of the company ahead of personal interests. This conflict between the individual's desire for flexibility and autonomy and the business's need to provide a stable and predictable service to customers remains, however, a source of frustration.

Control over the business is another benefit members feel the cooperative provides. As a group, they decide who their clients will be, how much to charge for their services, how often and where they will advertise, how much they will pay themselves and the other workers, and how much they can afford to spend on other business expenses. All feel this marks a significant departure from other cleaning jobs they have held. When asked about motivation for joining the cooperative, one member said, "I wanted to be my own boss. I was tired of working for someone else. I wanted to work with my friends to build a successful business." Others felt it was important that they are able to say what they think about something, without fear of being fired. Members consistently express pride in being "owners" rather than "just employees". This may be directly connected to development of new skills or being able to have a say in how their company is run, but I have seen a real sense of satisfaction in the very fact that they are now business owners. This seems to carry a certain prestige that they value.

The members of Eco-cleaning have found that this administrative control is also accompanied by some trade-offs. Many joined the coop with the idea that to be an owner meant that they were free to do whatever they wanted – that no one could tell them what to do or how to do it. They found that this was only partly true; they have more control, but they also have more responsibilities. They attend meetings, take on unpaid management tasks, and must make decisions as a group about how the business is to be organized and run.

Members cannot do whatever they want. They must do what the group wants, and arrive at consensus as to the best course of action. This introduces frustration with the length of time it takes to make decisions and implement changes. Indeed, while all feel they have a great deal of control over decision-making, four of the five members would prefer to own their own business where they would have total control over how it was run. They agree, however, that it would be quite difficult for them to own their own business at this point, as they do not have the time or resources, and see the cooperative as a good compromise. One member prefers to be part of a cooperative because he does not want to devote the time and resources to run a business by himself; he feels working with a group takes some of the pressure off, and allows for shared responsibility.

A final tension associated with control over the management of Eco-cleaning is the relationship between members and the manager. Many feel they are unable to read and evaluate financial statements the manager produces. They must delegate a great deal of responsibility to him, and are as yet unsure of how best to direct his work. Members rely on the manager to decide how much to charge each customer, to communicate with the customers, and to convey cleaning instructions and directions to the members. Each member has an idea of how these things could be changed, which they for the most part agree on, but they have difficulty translating their ideas into a coherent plan that the manager can implement. Meetings are often spent describing a series of ongoing problems and telling him that he has to change something.

During interviews, members voiced the sentiment that many of their initial difficulties getting Eco-cleaning off the ground were related to the manager's inexperience with cleaning work. He often under-estimated the time it would take to clean a house, scheduled clients too far from each other, and was not responsive to complaints. Most feel he has improved, but a certain struggle persists over who is responsible for making which decisions, and how those decisions are to be implemented.

From the manager's perspective, he has had a difficult time occupying a position that is part employee, part boss: he is hired by the same people he has to "manage". He must coordinate work around members' schedules and wait for their approval of most business decisions. Both sides are in a somewhat awkward position in relation to one another, but are working to improve the structure that defines their roles and responsibilities. There is an ongoing effort on the part of non-profit staff, cooperative members, and the manager to develop a clear method for making decisions as a group and translating these into action. All feel communication is improving, and that this will result in better outcomes for the business.

Other cooperatives place a similar emphasis on control over work and over business administration, and claim that achieving this control is a significant positive outcome they provide members. Two of the coops, Manos and Restif, are managed in a typically hierarchical manner, with a manager, worker-members, and a board of directors that meets infrequently (quarterly to yearly) to provide oversight and set long-term goals. I spoke with managers at both firms, who feel that the cleaning industry does not lend itself to collective decision making; they are accountable to the members, but value the discretion they retain over making important

business decisions and being able to fire workers if they do not follow the rules of the cooperative.

The majority of other cooperative cleaning firms are managed similarly to Eco-cleaning: by a hired manager and members who take on certain administrative roles. One firm, Heaven Sent, is managed entirely by committees of members. It is difficult to gauge the amount of control members feel they have over their work and business through one interview, often with a non-profit staff person, but I was told repeatedly that members feel empowered by making these decisions, that they are more motivated to do a better job because it is their company, and that they require less supervision on the job.

There are also a similar range of problems “managing control” in the cooperatives that are not hierarchically governed, from conflicts or misunderstandings between the manager and members to difficulties enforcing a set of rules or standards. Coops have developed different systems for resolving these problems. WAGES encourages their coops to move towards management by committee, without a hired manager. The two cleaning businesses they are still assisting, Emma’s Eco-clean and Non-toxic Professional Housecleaners, pay a WAGES staff person for her time both facilitating meetings and helping with the management of the business.

WAGES coops have a “point system” which is based on attendance at meetings and is used to distribute work. Dynamic Cleaners also has a point system, giving women points for flyering, and for going to English classes and meetings. The top ten “point getters” have first crack at the cleaning jobs, and remaining jobs are distributed according to number of points. Dynamic also has developed a system to discourage women from working part-time, in which the more hours they work, the smaller percentage of their earnings they are required to put back into the coop. These various strategies are intended to enforce some consistent set of behaviors that are in the group’s interest through rewards and sanctions. Eco-cleaning members have discussed the possibility of using a system that more strictly enforced the rules, but decided that they prefer to retain the flexibility they now have.

### ***Maids, Inc.***

At Maids, Inc. the work of cleaning houses is the sole responsibility of the employee. It is, nonetheless, presented by management as a realm where cleaners have little say in how things are done. I watched a series of training videos that detail every step in the cleaning process. There are nine products that are intended to clean different surfaces and parts of the house, each with a different scent. Workers are armed with three cleaning cloths: red for dusting, blue for windows and mirrors, and white for all other surfaces. They go out in teams, with one team member responsible for the “wet work” and the other for the “dry work”.

The “wet work” person starts in the bathroom: they are instructed to always leave the tray on the floor, visually survey the room to remember where objects are placed, then move from top to bottom, left to right around the room, straightening and cleaning. They clean the toilet in a prescribed manner, empty the waste basket and spray it with “the Maids, Inc. signature scent”, three-fold the towels, and place a gold seal on the toilet paper. The final step is cleaning the floors “the old fashioned way: on your hands and knees. Everyone knows a mop just pushes dirt

around, but this way really cleans.” Maids in training are assured by the video that they will be provided with knee-pads to make this part of the work more comfortable. They are also encouraged to always go above and beyond specific instructions on their customer sheet: “Extra cleaning efforts will be noticed and appreciated by customers.”

Prescribed cleaning methods for the rest of the house are much the same. Workers are to start in a certain room, make the beds in a certain way, and vacuum using a special “clean for show” technique. Every step in the process is mapped out ahead of time, with very little room for error. It makes sense, given that this is a national chain committed to providing a consistent service to customers. Having tight control over how employees clean each house is a necessary part of assuring the customer that they will receive the service they are expecting.

Maids, Inc. had seemingly applied the principles of scientific management, or “Taylorism”, to house cleaning work. Braverman describes Frederick Taylor’s approach to managing the work process:

“He asserted as an absolute necessity for adequate management the dictation to the worker of the precise manner in which work is to be performed. Management, he insisted, could be only a limited and frustrated undertaking so long as it left to the worker any decision about the work. His “system” was simply a means for management to achieve control of the actual mode of performance of every labor activity, from the simplest to the most complicated” (1974, p.90).

This is a sharp departure from the experience of the coop members who have developed their own system for cleaning a house. It also seems to address, albeit in a way the coop members would find unpleasant, the problem of providing a consistent service to customers. I became interested in figuring out just how the Maids, Inc. procedures are implemented by the workers, who have no direct supervision while in the houses they clean.

I found that the “Maids, Inc. Way” holds little power over the cleaners I accompanied from house to house. They used mops, used only blue rags and glass cleaner on all surfaces, vacuumed the floor in the traditional haphazard way, did not clean rooms from left to right, top to bottom, and failed to put a gold seal on the toilet paper. When asked if they followed any of the procedures they had learned in the training videos, one of the team members replied, “No, we don’t follow the cleaning video. Nothing in those houses compares to this. If the bathroom is big, we use the mop, what the heck. Sometimes we kneel to do corners.”

The owner acknowledged that it is difficult to police workers, and to make sure that they are following the proper cleaning procedures.

“About 70 percent follow the [Maids, Inc.] way of cleaning, what they see in the video and on the CD-rom. If they don’t clean the [Maids, Inc.] way, it affects the quality of the cleaning. It would make their job easier if they would do this. We’re thinking of taking the mops away from them, because they’ll do a better job if they clean on their knees. It’s a real problem.”

To try to address this problem of monitoring employees, the workers are told to distribute comment cards to customers, and management tries to inform them of what they should expect from the team. If there is a complaint, the workers must go back to the house to do it over and are not paid for this extra work. The owner recently held a series of special training sessions on how to make beds, because they were getting a lot of complaints. The management of Maids, Inc. is obviously committed to improving the consistency of the job done by their teams, but have

trouble enforcing a set of rules among employees who are outside of their supervision for most of their working day.

Other aspects of the Maids, Inc. work structure are intended to give workers more control and flexibility. They are assigned three or four houses a day, and are permitted to leave whenever they have finished their houses. The blonde in the training video smilingly informs the trainee that “with our percentage pay method, you get paid a percentage of the payroll amount no matter how long it takes you to clean a home. This rewards you for what you’ve learned.”

The workers I interviewed enjoyed the flexibility this built into their job, and cited it as a major reason why they found working at Maids, Inc. attractive. They were able to leave in time to take care of their kids, sometimes holding down a second job in the evening. Workers also appreciated that they were not under the direct supervision of anyone during the day. They preferred the customer to be absent, as well: “If no one’s there, it’s the best thing. If you think about it, it’s really mean of them to stick around and check up on everything we do. If they want us to do a good job, they should leave the house. Sometimes they expect so much from you; they want their own personal maid.”

Other maid service companies have a similarly rigid structure of rules governing how house work is done, and likewise attribute their success in this industry to their ability to provide a consistent, high quality product. In web page after web page, these companies advertise cleaning services provided by employees who have extensive training in their state of the art cleaning methods. Barbara Ehrenreich describes “the special ‘systems’ devised by the cleaning services and imparted to employees via training videos” which leave the worker with few decisions: you start each task in a certain room, then move through the house, left to right, top to bottom, just as at Maids, Inc. She writes, “no doubt the biggest advantage of the system is that it helps you achieve the speed demanded by the company, which allots only so many minutes per house” (2000, pp.66-67). I do not know how common it is for employees to disregard these rules, but monitoring their behavior is no doubt similarly difficult for managers of other franchises. At Maids, Inc. and at other maid service firms, administrative decisions are exclusively made by the franchise owner and manager.

### ***Service Cleaning***

Service Cleaning has a very detailed set of procedures for monitoring its workforce to ensure they provide a quality service to their customers. During my interview with the Vice President, he used the word “control” repeatedly without my prompting when describing cleaning methods and procedures. The most important aspect of that control is making sure workers do just what the customer expects: “There’s a standard set of assumptions in any office building, any business. When we come in as a contractor, those apply to us. It’s important to develop a personal relationship by adhering to their rules. If they want us to change something, we have to change it.”

In each building, the manager decides how the space is to be cleaned. There are a range of procedures the management team has developed, depending on the arrangement of the space. One way is to divide the work among several teams: one does pick up, one dusting, one

vacuuming, then the women clean the women's room and the men clean the men's room. An area can alternatively be split into four parts, with each part assigned to a different person. Or, each person could be given a different assignment: one cleaner does all the bathrooms, another does all the executive areas. The manager looks at the space, develops a plan for the most efficient way to clean that space, and then distributes well mapped-out tasks to each cleaner.

The process of monitoring the work to ensure quality is left to the supervisors. All surfaces require a different cleaning material, and all rooms require a certain set of steps; if something is not done correctly, the supervisor is responsible for making sure the cleaners fix the problem. He or she has a list, and checks to see that everything on the list is completed before leaving a building. The Vice President told me that some companies have a computer program that ties into the supervisor's movements: he clicks off each area on a list, and the computer keeps track of what tasks have been completed. Service Cleaning uses inspection reports filed by the supervisors to monitor the work. Management holds regular meetings with cleaners to discuss special topics, such as the importance of cleaning spills and stains. If something is done incorrectly, or the supervisor notices a consistent problem, he or she will hold a special meeting to discuss this, as well.

One problem the Vice President noted is controlling the high rate of absenteeism. Employees are told to call if they are unable to work, but often they fail to call ahead of time, particularly if the manager and supervisor "do not have good control over and rapport with the workers". They have developed a variety of strategies for dealing with this. If several employees are missing from one place, they often shuffle the workers around, assigning people to other jobs or postponing special cleaning work to first complete the daily tasks. Sometimes they "divert" members of special crews to places where cleaners are short. The supervisors generally are responsible for moving cleaners around to make sure there are enough of them doing the work, coordinating the shuffle through their Nextel phones.

Service Cleaning has also adopted a more systematic approach to avoiding the pitfalls of a constantly fluctuating workforce. They first check absenteeism rates at each building:

"If a building with twenty people has a ten percent rate of absenteeism, we schedule twenty-two people to work there, and we expect the supervisors to utilize those people. Around the 495 area, sometimes the weather gets bad, and more people can't show up. So, if you have a twenty person building with twenty percent absenteeism, we'll schedule twenty-four. A smart supervisor knows how to control this."

The Vice President acknowledged that most of the larger companies would stick to the budgeted hours regardless of how many workers regularly showed up. The result is more pressure on the workers who do come that day to do extra work to make up for the missing person. This confirms the stories told by employees of other unionized firms I interviewed, who were regularly asked to do the work of the two or three members of their team who had not shown up. None of the Service Cleaning employees felt this was a problem, which indicates that management is probably doing a good job of keeping enough people on each assignment.

Overall, the Vice President of Service Cleaning feels maintaining control is extremely important to managing a successful commercial cleaning firm:

"It's important to always have some way to keep an eye on employees, to make sure they're doing their job like you expect them to do it. If you leave them alone in a building, which sometimes might happen in

a smaller place, they think, the company won't know I'm out, so they may arrange their own schedule. With no control over the workers, if you assign people to a building, they may make their own determination about how much to get paid. Maybe they'll leave an hour early, maybe they'll work twice as hard. But we told the customer, he'll be there from six to ten. If you let them make the adjustment themselves, this falls back into a problem because the worker can determine their own value. We try to make sure the supervisors keep an eye on them, so this doesn't happen. Because if the customer sees this happening, another company will come in that is more strict and controls their workers better. It's a delicate balance, how we represent ourselves, how we sell the service to the customer. We don't over-manage, but it's important to point out the details. The cleaners are good, but they could always be better. You need to convey a sense of urgency and importance to the work. You paint a picture of importance: they don't decide how the work is done, you decide"

Like Maids, Inc., Service Cleaning is committed to providing a consistent product. Their success depends on being able to assure the customer that they are getting a pre-packaged set of services, and deviation from this risks the reputation of the company.

Also similar to Maids, Inc., workers seem to be able to circumvent the rules. Service Cleaning employees feel their job is governed by a set of standard procedures, but that they have a great deal of leeway to decide how they are going to accomplish the necessary tasks. There is, however, more possibility of oversight in a company that regularly inspects the work of its cleaners. One worker at Service Cleaning feels that supervision remains tight, particularly for workers known as "troublemakers". He always tries to clean by the books so they will have no excuse to discipline him.

The majority of workers at other unionized cleaning companies, including coop members, described a process whereby they were subjected to extensive oversight during their first few months on the job, giving way to little or no oversight. One cleaning worker observed,

"At the beginning, when I started working there, they told me what to do and how to do it. They trained me in how they wanted me to clean the office. Now they don't say anything. This work is good because I can clean how I want, they leave me alone. No one is looking over your shoulder, or anything like that."

Most value this autonomy, citing it as a major advantage of doing cleaning work. One worker I interviewed is responsible for cleaning a small office building by herself. For her, there is no oversight – if there are no complaints, they leave her alone. She does not necessarily enjoy her job, but feels that it was better than most because of this freedom to work at her own pace. Several coop members noted that the quality of the work they do for these firms is not very high because there is not much oversight, and no one has an incentive to do a good job.

Two of the workers interviewed feel supervision is quite strict at their firm, and that they are constantly being told what to do and how to do it. One likened his position to that of a slave. Even the coop members who feel there is little direct oversight in their jobs at unionized cleaning firms spoke negatively of their relationships with supervisors and managers. As noted earlier, they had chosen to join the cooperative because they were tired of being told what to do and wanted to be their own bosses. Union representatives confirmed that there is a great deal of variation among the different firms in how they treat their workers. A lot of the problems come down to the relationship between the supervisor and the cleaners, but different firms have different levels of "professionalism" which influences expectations and norms within the firm. They feel Service Cleaning is very good at maintaining high standards that "trickle down" through the ranks.

Administration of Service Cleaning is left to the members of the management team, who make all decisions concerning pricing, customer mix, and financial planning. Because it is a unionized cleaning firm, workers are able to exercise some control over wages, benefits, and work conditions through the union. If a cleaner feels she has been disciplined or fired unjustly, she can call their union representative who will investigate the problem, and then work with management and the worker to resolve it. The union holds regular meetings with employees to inform them of their rights, and if someone is interested in being more involved in the union he or she can become a shop steward.

Union representation is a more indirect form of worker participation in decision-making than a cooperative provides, but it gives workers a level of voice and protection not available at maid service companies or other non-union firms. However, only two of the twelve employees I spoke with had ever had any contact with SEIU, and both were referred to me by union representatives. Others knew they had a union, and were aware that it helped them to have higher wages, but their interest in union activities ended there.

### ***Alicia***

Alicia has almost complete control over how she organizes her work and her business. She is constrained, of course, by requests and particularities of clients, as well as by the need to make enough to live on. But overall, she feels she is able to decide when she wants to work, whom she wants to work for, and how she cleans a house. Customers trust her to do a good job, even giving her their keys when they will not be home. If she needs to change her schedule for any reason, they are always accommodating. She feels this flexibility is a major advantage of working for herself. The other independent I interviewed also expressed appreciation for the flexibility his job gives him, but tempers this with the observation that he is always closely watched by the woman whose house he cleans.

The amount of control independent workers have over their jobs varies, as do most aspects of their working conditions. Ehrenreich notes that the work can take various forms, from the well paid free-lancer, “a veritable aristocrat of labor” often viewed as a friend or treated as “one of the family”; to cases of forced labor in private households by servants brought to the United States by their employers. The most common problem employees face in this work environment, regardless of the market for housework in which they find themselves, is that of the “peculiar intimacy of the employer-employee relationship” in which the work conditions are defined by the idiosyncrasies of the home owner (2000, p.64).

Differences in how much control independent house cleaners feel they possess may relate to their alternatives. Mary Romero, in her study of domestic workers in El Paso, finds that for the women she interviewed, cleaning houses provided a great deal more autonomy and less direct supervision than other employment options available to them:

“In comparison with other jobs they had held, domestic service usually paid more and offered greater flexibility in arranging the length of the work-day and work-week. Although other jobs did not carry the stigma of servitude, workers were under constant supervision, and the work was similarly low-status. Therefore, the women who chose domestic service over other low-paying, low-status jobs based their selection on the occupation that offered some possibility of control.... Throughout the interviews, the



women emphasized job flexibility as the major advantage of domestic service over previous jobs” (1992, p.13).

Romero sees this control as something house cleaners have had to struggle for, however, rather than as a natural characteristic of the work. In the latter half of the nineteenth century, she writes, housework was increasingly rationalized to resemble scientific management principles.

“The application of scientific management was based on the model of capitalism – domestics being workers and mistresses being administrators. Middle-class women attempted to subject domestics to many of the same forms of control as factory workers, including the standardization of work procedures and speedups. Domestics were reduced to unskilled labor and subjected to constant supervision” (1992, p.56).

She feels the move toward day work rather than live-in domestic service has been a major step toward improved autonomy and working conditions. Many of the Chicana cleaning workers Romero interviewed were engaged in an ongoing struggle to build greater control and flexibility into their jobs through defining themselves as professional house cleaners, establishing contracts specifying tasks, minimizing contact with employers, and creating a small business-like environment (1992, p.147).

Alicia seems to have adopted a strategy likewise intended to define her job as that of a small business owner rather than a worker in the informal economy. She has neatly printed cards with the name of her “business” and a series of bullet points advertising “Experienced with References” and “Free Estimates” to the potential customer. Control over work by independent house cleaners is thus in part connected to their ability to define their role in an employer’s house. Cooperatives and maid service companies accomplish this role delineation by connecting the worker to a business that promises to provide a stable and consistent set of services. The trade-off workers face is some loss of individual autonomy to the company. Independents may be able to both professionalize their work and secure a high level of control, but this depends on personal strategies of presentation and negotiation. It also requires access to a network of employers willing to trust an individual not connected to a brand name company or a local non-profit organization.

### ***Summary***

Control over the work process and over the administration of the company varies among the four cases. After conversations with managers at Maids, Inc. and Service Cleaning, I expected to find a tightly controlled system in place; both made it sound like they had effectively “Taylorized” cleaning work, subjecting it to principles of scientific management. This was not, however, always the case, as monitoring is costly and difficult in the homes and office buildings to which these workers are assigned. The freedom of employees of Maids, Inc. to determine how they will clean depends on their own defiance of the rules, but flexibility of hours and a certain level of autonomy is built into their jobs as well. Service Cleaning employees work within a rigid structure, but are able to achieve some amount of independence within that structure. They also are represented by a union that works to incorporate their interests into administrative decisions.

Independent house cleaning, or even ownership of a small business like Maids, Inc., may offer more control than any of the other work arrangements: Alicia and the owner of a Maids, Inc. franchise both have a great deal of say in all aspects of their work and the management of their

businesses. This may not apply to all independent house cleaners, who lack a formal structure to protect them from abuses by individual employers. These options are also not available to all cleaning workers, who may lack the networks and English skills to clean independently, and the capital to start a legitimate cleaning firm.

Eco-cleaning thus provides a combination of control over the work process and control over business administration which is unusual in this industry and of value to the members. Control and ownership are the first things they cite as advantages of working for their company. When comparing their experiences at Eco-cleaning to those at other cleaning jobs, the difference that stands out is that in the cooperative they are able to make decisions they were not allowed to make before: “There we have to listen to what the supervisors tell us. Here we are our own supervisors.” Flexibility is also greater, as they have no fixed hours and no fear of getting fired if they must cancel or reschedule.

This control does not come without a price. Conflicts with the manager, unpaid responsibilities, and negative impacts of individual freedom on business success all may accompany this increased autonomy. The coop members obviously are willing to make these trade-offs, at least in the short term, in the hopes that the worst of their problems will be resolved with time and effort. For them, the benefits continue to outweigh the costs. However, not all cleaning workers will make this cost benefit calculation: several interviewees were not at all interested in owning their own firm, or taking on the extra time commitment and uncertainty ownership entails. This difference in preferences should be taken into account when considering how to design programs and policy to improve employment outcomes for low-wage workers.

#### **4. Job Satisfaction**

Job satisfaction is difficult to measure, or even to discuss in a coherent manner. Essentially, all of the outcomes I have presented relate to satisfaction: wages and benefits, opportunities for training and advancement, and control over work and over administrative decisions are important in defining the level of satisfaction workers feel in their job. A comparison of each of these outcomes thus presents a partial answer to what people value about their jobs, why they value these things, and how this differs across different work arrangements.

In this section, I introduce an additional set of findings that more directly concern individual attitudes toward cleaning work. In each interview, I asked workers a series of questions about why they did this work, whether they enjoyed it and why, whether they liked their current job, how this job compared to other cleaning jobs they had held, and how it compared to their jobs in their home country. My conclusions do not break down well by each of the four cases. Instead I found four different kinds of attitudes expressed by workers, three of which do not correspond closely with a particular work arrangement. I present these below, and then look at how cooperative ownership might influence the one aspect of job satisfaction I found to be unique of Eco-cleaning members.

### ***Cleaning work as short-term, unpleasant work***

Three cleaning workers at unionized firms told me they are doing cleaning work because they do not have any other options right now, and that they plan to move on to a better job once they learn English or save up enough money to go to school. These workers are all recent arrivals, and come from diverse backgrounds. One had worked in a health clinic in the Dominican Republic and wants to become certified as a nurse. Another had just finished five years in college in the Dominican Republic studying bank commerce, and feels frustrated that she was unable to get a better job:

“Here I feel impotent, unable to do what I studied for, because I do not speak English. A lot of doors are closed for me because of this, which is too bad, because I spent a lot of time and money on the university, getting a degree. And here, I am cleaning, my God.”

She told me that once she learned English, she will have many more options.

A third worked in factories for years in El Salvador, and then owned a small business there. He is in an ESL class and plans on “making it” in the United States, which he sees as a country with a great many opportunities for those who want to work hard. All three of these workers have been in the U.S. for under two years, are in their twenties, and feel cleaning is as good a job as they can get with poor language skills. This attitude did not seem to be connected to the type of firm employing the worker, but rather their short length of stay, their youth, and their lack of the responsibilities, such as children, that older workers see as a constraint on their options.

### ***Cleaning work as long-term, unpleasant work***

Ten of the seventeen cleaning workers interviewed agree that cleaning work is undesirable, but feel it is inevitable that they will continue to do it. They are to be found in each of the four cleaning arrangements, are older, and have added responsibilities, such as kids, that they acknowledge are barriers to taking the time to get additional training or to learn English. One independent house cleaner who had worked for Service Cleaning for thirteen years answered my question of why he did cleaning work:

“Because I needed a job when I came to this country, and a friend found me a job at [Service Cleaning]. It was a good job because it paid, and I have to feed my family first, that’s the most important thing. All jobs here are bad. In my country [the Dominican Republic], when I owned my own store, that was a good job, but I can’t do that kind of job here. All the jobs I can get here are bad jobs... In Santo Domingo, I was my own supervisor. Here, I am the slave of supervisors. In my country I am free, here I am a slave. That is the big difference.”

These cleaners generally feel there are no opportunities to move up within their firm, or to get a better job in the future. They basically feel stuck, and do not think there is much they can do about it.

### ***Cleaning work as good work***

Four of the workers I interviewed genuinely like cleaning work, including one coop member, two Maids, Inc. employees, and Alicia. Some cleaners who acknowledged that they do not like cleaning agree with this bunch that the work is often flexible and better than the alternatives. But these four workers expressed a certain satisfaction with the work itself: they are helping to make lives easier for people, and feel the job they do is important. Several said that they like going into a really dirty house and whipping it into shape, seeing some concrete improvement at the end of the job.

One of the women who expressed this view speaks perfect English, has a college degree, and has held a variety of jobs, including working for the EPA in Boston and running a transportation and painting business out of her house. She decided to work for Maids, Inc. because she wanted to work a flexible job with a steady pay check. Though she complained about some of the customers, overall she liked the work:

“Sometimes I think, why am I doing this? I hate telling people I’m doing cleaning work for a living. But why not? They need the help, I think of it like that. Some people just don’t like cleaning, and I do. Sometimes I tell my kids, I wish I had someone to clean my house when I was working, raising you. This way I get to help other people out when they have too many other things to do. They usually appreciate it.”

Notably, all of the workers who fall into this category are women and all clean houses. The connection with their customers and the satisfaction of leaving a “clean house” are not part of the office cleaning experience. None of these workers believe that their job is a ticket to higher earnings or status, however, and most acknowledged that the work continues to carry a certain stigma that they do not like.

### ***Cleaning work as a step on the path to a better job***

Only the members of Eco-cleaning expressed the belief that the cleaning work they are doing is helping them to progress, or to move toward a better job. They have different feelings about how good the actual work is, which fall somewhere in the range presented above. When speaking about their other cleaning jobs, they fit squarely in one of these other three categories. But none of them see their job at Eco-cleaning as a dead end, or as something they are settling for until they are able to get a better job. This perception of mobility was already discussed as part of improved opportunities for advancement and training. It is also a significant element of overall job satisfaction, which contrasts with the other attitudes I found toward cleaning work and its role in the lives of the workers.

The first day I began working with cooperative members on an evaluation of their business, in the Spring of 2000, we reviewed the members’ motivation for starting the cooperative. They had given a variety of answers two years earlier: “to be our own boss, to work without exploitation and abuses from a boss, to help others, to build a better future, and to create more work with more money for the workers.” Their current motivations echoed these themes, with a more sober view to the difficulties they were facing: “the positive attitude of the group, to aspire towards a better future, to correct the mistakes of the past, the strength and the ambition of the workers, and the act of coordinating and solving problems together.” The members expressed a desire to create a better future for the members of their group, but also to create a successful company that would provide better opportunities for others.

I have found over the course of the time I have worked with these members, now more than a year, that the business does mean all of these things to them and that they are committed to making it succeed. The meaning of cleaning work has been transformed in the context of this small business; it is now an opportunity to build something better for themselves through their labor. They express a sense of ownership, and a feeling of satisfaction when the business experiences growth or success. Members are quick to point out that they are owners and make the decisions in the business. All but one work in another cleaning job, and all say they would prefer to work full time for “their company.” One member said to me, “This is a different kind

of job. I do the same work, and I do not want to do this work forever, but I feel better about it. I feel like I will succeed if the business succeeds.”

Other cleaning cooperatives have similar experiences. I spoke with one worker-owner of a Los Angeles coop who explained to me that many people who join his coop do so because it provides some opportunity to “progress”, to build a better future for themselves doing the only work they are able to do in this country:

“The idea of the cooperative is to help immigrants progress socially and economically. We know, because we have experienced this, that immigrants arrive from their country, and have trouble finding other kinds of jobs, so they do yard work, cleaning work, whatever people will pay them for. Some are professionals, and had really good jobs in their country, but they can’t get these kinds of jobs here. A professional from another country may want to do good work, well-paying work, but he has trouble paying for training or classes. He has a family, things he has to pay for. The idea of the cooperative is to help these people move forward, to be able to realize their goals in this country doing the type of work they are qualified to do here.”

These workers find in cooperatives a different kind of cleaning job that provides more than just a wage. Segmented labor market theory provides a way of thinking about the significance of this shift in attitude, toward viewing a typically low status cleaning job as a source of opportunity and prestige.

### ***Two different markets for labor***

Segmented labor market theorists argue that the economy is divided into two sectors that differ systematically in the skill and training involved, job security and attachment, opportunities for advancement, level of participation in decisions, and compensation. The primary labor market contains jobs that require high levels of training, worker control, opportunities for upward mobility and higher compensation. The secondary labor market, in contrast, contains low-wage, dead-end jobs (Tilly and Tilly 1994, p.19).

Cleaning work is often associated with the secondary labor market, and the immigrants that hold these jobs are assumed to encounter barriers that prevent them from moving into the primary labor market. I have discussed what some of these barriers might be; most noticeably, language and discrimination act to restrict mobility. Michael Piore emphasizes the temporary character of the migration flow as a more systematic factor that determines the kinds of jobs immigrants have access to, and the way these jobs are structured. He asserts that because many migrants believe they will not remain in the United States, they regard work as instrumental, or as a means to gather income to take back to their home communities (1979, p.55).

The decision of the immigrant workers I interviewed to do cleaning work and their tendency to regard it as “instrumental” is not shaped by an intention to return home, but is strongly influenced by their perception that they face a limited set of alternatives, and that none of these alternatives conveys a particularly high status or provides them the possibility of achieving job mobility. Piore’s theoretical framework is helpful in that it provides a way of thinking about job choice and job satisfaction as more than just a function of income. It points to why the shift in meaning that occurs when a cleaning job becomes a means of attaining status and moving toward a better position, rather than as just a means of making money, is significant. He writes, “To understand labor market behavior, one must concentrate on the process through which people develop the self-conceptions and social orientations that determine their job choices” (1979,

p.54). Cooperative ownership may be seen as a process which works a change on how the members view their work as cleaners.

Segmented labor market theory locates cleaning work in a secondary sector of dead end, low-wage jobs. I have already shown that there may be benefits to cleaning work that make it preferable to other low-wage jobs accessible to immigrants. Even the wage accompanying this work may not be so low in places with strong unions and tight labor markets. Nonetheless, barriers to mobility persist, and workers in all three of my comparison cases recognize that their job provides few opportunities for them to move into a more desirable occupation.

The experiences of the members of Eco-cleaning point to how ownership of a cooperative business might work to transform attitudes toward a typical secondary sector job. When members say their job at Eco-cleaning is a good job, they express pride in ownership and satisfaction with the skills they are learning. They also anticipate that their efforts in the company will be rewarded in the future by increased earnings and status. These are all implicated in the satisfaction they feel, and mark a sharp contrast with the attitudes expressed by workers in other cleaning companies. The most decisive element of job satisfaction that cooperative ownership may provide in the cleaning industry thus may be that it creates a layer of meaning and status not normally associated with this kind of work. It may, in fact, make these secondary sector jobs look a bit more like those in the primary sector, bridging a traditionally wide gap between the two.

### ***Summary***

Job satisfaction is a tricky category to compare across workers, particularly when attempting to analyze responses from a small sample of interviews. The conclusions I draw are two-fold. First, there are different reasons immigrants do cleaning work. Most of the workers I interviewed stumbled into cleaning because it was the best job they felt they could get with poor English skills, and because they knew someone who could get them a job with a good company. There is some variation, however, as to whether they view this work as short-term or long-term, and whether they actually enjoy the work itself.

This points to the need to take the differences among these attitudes into account when devising policies or programs intended to improve outcomes for cleaning workers. Those who are recent arrivals, and eager to learn enough English to move out of cleaning work, stand to benefit from training programs that will help them to progress in that direction. Because there are forces that seem to keep many of these workers in the cleaning industry, one of which may actually be preference for this kind of work, it is important to support unionization efforts and other campaigns that seek to give a representative voice to cleaners and improve compensation for their work.

A second conclusion I draw is that cooperative ownership may in fact serve to transform a typically dead end job in the secondary labor market into a higher status job with opportunities for training and mobility. This finding points to the importance and uniqueness of cooperative ownership as a strategy to improve low-wage jobs. Cooperatives are not for everybody, attested to by the differences in attitudes toward cleaning work and toward the desirability of owning a

business. They do, however, hold the potential to improve some of the most persistently negative aspects of the work for those whose options are limited to jobs in the secondary sector.

## **Business strategy and success**

Cooperatives provide a range of positive employment outcomes for their members, from increased control and flexibility to improved training opportunities, mobility, and status. These benefits are not without trade-offs and ambiguities, but the members of Eco-cleaning and other cooperative cleaning businesses seem to feel it is possible to resolve the most unpleasant of these trade-offs in their favor. Before concluding that cooperatives are a good target for investment of community economic development dollars, however, it is important to take a step back and evaluate whether they hold promise as sustainable, self-sufficient enterprises. If coops provide great jobs that have to be subsidized for years, the range of benefits I have listed may not be enough to justify their establishment. If there are sharp limits to the scale these experiments can achieve, this might also leave room to doubt the wisdom of investing heavily in cooperative ownership.

In this final section, I will take a closer look at the business strategies used by Eco-cleaning and other cleaning cooperatives, as well as their successes and failures. I will then look at strategies used by Maids, Inc., Service Cleaning, and Alicia to understand any advantages and disadvantages cooperatives may have competing with more mainstream cleaning companies and with independent house cleaners. The experiences of these other coops and businesses point to changes cleaning cooperatives can implement to become more competitive. They also point to obstacles that may be difficult for coops to surmount.

### ***Eco-cleaning***

When Eco-cleaning was established, the sponsoring CDC anticipated that the business would tap into the growing demand for house cleaning services detailed in Chapter 3, eventually cleaning office spaces, as well. Market conditions looked good, with increasing numbers of professional households moving to the neighborhood. The business also would have features that would allow it to serve a solid niche market, giving it a competitive advantage over the seven other house cleaning companies already located in the area. These included non-toxic cleaning methods and products; competitive pricing, high quality performance, and flexible scheduling; cooperative structure; and local ownership. The neighborhood is known as a place that draws artists and others who hold “alternative values”, and so it seemed likely they would be able to tap into potential demand for a different, more environmentally- and community-friendly kind of cleaning service.

The business plan has not exactly been realized. Eco-cleaning has, indeed, been able to capitalize on its image to find and keep some customers. The majority of responses to a customer survey indicated “strong satisfaction” with the cleaning products. Several customers wrote comments about how glad they were to support such a good business committed to a healthy community and environment. Eco-cleaning has not, however, been able to develop the substantial base of housecleaning customers within the neighborhood originally anticipated. The

causes probably include some initial problems delivering a quality service and insufficient advertising and visibility. They have also been steadily increasing their number of commercial clients, preferring the comparative ease of the work and consistency of the contract.

Eco-cleaning has been steadily growing since it was established three years ago. It experienced 40 percent growth during its first year, and around 60 percent growth in the last two years. This is commendable, but falls far short of projections when the company was established: revenues totaled \$105,000 last year compared to projected revenues of \$275,000. The business has not been able to make a profit, and often has experienced losses. Members did not get paid for several months due to insufficient funds to cover expenses, and their paychecks remain backed up several months: this month, April, they were paid for work they did in February.

The cooperative currently charges a base rate of \$17.50 per hour per person for cleaning services, half the price of hiring a Maids, Inc. team. Each member is paid \$10, and each employee is paid \$8. So, between \$7.50 and \$9.50 goes to the company for other expenses. These include the manager's salary of \$10 an hour for 20 to 25 hours of work a week, liability insurance, worker's compensation, phone, advertising, supplies, taxes, and loan interest payments. These costs currently exceed revenues, indicating a need to either charge more or find some way to cut costs. Members have discussed strategies to reduce costs with the manager and CDC staff, but are having difficulty figuring out just where they would achieve these savings. The manager feels there is nothing more they can cut; they are currently operating at the minimum. The business continues to rely on the CDC for office space and the unpaid time staff spend facilitating meetings and assisting with finances.

There is also an ongoing discussion about how the business can improve its pricing structure. All the members I interviewed feel that getting the price right is a big challenge, and would like to see it raised. Several mentioned some resistance by the manager and CDC staff to charging a higher price, and feel frustrated that they are the owners yet are unable to change this. There is also agreement that the contracts should be structured differently for different clients, because office work is easier and more constant than house cleaning work. Sometimes the manager underestimates the time it takes to clean a space, which results in underpayment, as well. Or he overestimates, and if members leave early, customers are angry that they did not get what they paid for.

The manager feels they are beginning to improve pricing and scheduling. Eco-cleaning now advertises a minimum charge of \$35 an hour for two people, leaving him room to negotiate for a higher price. Sometimes he is able to charge a higher rate for more difficult or far away jobs. He says they now charge up to \$87.50 for two people to clean for two hours, or \$21.87 per person per hour, which significantly exceeds the base rate of \$17.50 per person per hour. This price already seems high enough to his customers, and he is hesitant to raise it further. Offices and commercial spaces are all charged by the job, based on the size of the space. Because these spaces are secured through a competitive bidding process, the profit margins are usually lower.

There are problems with the timing of the jobs, as well. Because each client is scheduled at a particular hour, there may be too much or too little time between them, resulting in either



tardiness or wasted time sitting around waiting for the next job to begin. The manager feels it is important to their customers that they maintain a schedule where they commit to being at a job at a certain time. With houses, there may be more flexibility, but as they are moving toward more commercial spaces, they have to be able to be there when they are needed.

Improving pricing and scheduling are important goals. However, a more basic challenge for Eco-cleaning is to achieve the necessary scale needed to make a profit: most of their costs are fixed, and more customers are needed to cover these costs and still have enough left over to pay the workers. There is a constant push and pull between the manager and the workers around the issue of securing more contracts and finding the people to do the work. They currently are cleaning 18 to 19 commercial spaces and 10 to 12 houses regularly, and their goal is to increase the number of commercial spaces. To secure residential clients, they advertise in the local paper and phone book, and distribute flyers in several Boston neighborhoods. The manager is responsible for finding new commercial clients through contacts and referrals, but is unable to devote a great deal of time to this due to his limited hours and multiple responsibilities. Workers have discussed hiring someone to help them secure new contracts; however, the manager feels that unless the members are willing to give up their other jobs to devote more time to the company, or to pay more than \$8 to employees, they will not be able to service them. These are all issues that are raised in meetings and were discussed during interviews, and they are slowly being improved upon.

Other cooperatives have experienced varying levels of business success. Five of the nine coops surveyed are profitable, and one breaks even. All of the three cooperatives that are experiencing losses have been in existence for under three years. Four are independent from their sponsoring organization, with the most common form of ongoing support free office space and free or subsidized staff time.

Prices charged by the coops for cleaning services vary, from \$30 to \$10 per person per hour, with an average and median of \$22. Most coops charge customers at least \$10 more than their hourly wage; one charges \$23 more than each cleaner's wage. Those cooperatives that have been able to pay very high wages and benefits have been successful at targeting a niche market of customers willing to pay a premium for a different kind of cleaning service. The managers of the two coops that are managed in a more traditionally top-down manner feel they compete on the basis of price and quality rather than on their image as a coop. Their wages are \$8 an hour, but they distribute profits at the end of the year to members. One manager observed, "Basically, we're just like any other business, from the point of view of our customers. Maybe they know we are more fair to our cleaners, but we have to be out there with a competitive bid for a job just like anyone else." This is similar to the experience of the manager of Eco-cleaning, who does not feel they get any preference for commercial bids, and must compete on the basis of price.

One rather interesting market niche two coops are attempting to enter is the U.S. Department of Housing and Urban Development's "Healthy Homes Initiative". This initiative is targeted at reducing lead based paint and other health hazards in affordable housing. The property owner applies for a loan or grant to update their building in accordance with the new standards. During the six months it takes to process the request, house cleaning companies that have gone through a

special training are contracted to do remediation work. This provides coop members with a stable government contract that pays more than standard cleaning jobs.

Most of the cooperatives have had to deal with the problem of accurately estimating the time it will take to clean a space, as well as differences among clients. The most common strategy developed is one of flexible pricing and timing. One non-profit staff person who handled estimates for several years at one coop described the negotiation process:

“The first time, we charge \$10 or \$20 more: we say, it’s the first cleaning, so we’re going to whip this place into shape. Depending on the frequency, we charge a lower rate per visit. We tell them, we quote per job rather than per hour, because they’ll be able to whip through the job after a few times at the house. We say to the customer up front, your place will get cleaned for \$50 every time, regardless of how long it takes to clean it. Look, Maria is really fast, she can probably whip through this place in an hour. If Susana comes, and is a slow-poke, will you want to pay more? The bottom line is, this is a \$50 job. We don’t want to punish you, the customer, and I’m sure you want to reward someone who’s better on the job. An average housecleaner will get this done in 5 hours, and that’s why you’re paying \$50. If they’ve had a party, and expect you to clean vomit from toilet, that’s extra, we state that up front. I usually talk very fast, and convince them that this is the best way for them.”

Others describe a similar process of charging a variable rate based on different kinds of jobs. Several tell clients a “ball park range” for when they will arrive to clean the house so that they can build in more flexibility in the timing of the jobs. Again, this does not work with offices, which require more rigid scheduling.

The problem of attracting good employees was noted as a problem by only a few of the coops. Several operate as LLCs specifically so that they can include undocumented workers among their ranks. Part of their mission is to improve employment opportunities for these groups, whose options are sharply limited. One coop manager noted problems keeping workers lured by the possibility of taking customers and leaving the coop, pocketing all of the money paid for their work. All but one offer earnings mobility, and most allow workers to start becoming members either right away or after six months to give them an added incentive to stay with the company.

These experiences point to several lessons for Eco-cleaning. First, successfully targeting a niche market is important to ensuring above average wages and benefits. House cleaning remains the best realm to cash in on the cooperative image, but it may be possible to participate in government programs, as well, such as HUD’s Healthy Homes Initiative. Probably the best strategy is to clean a mix of houses and offices, with different pricing structures for each. Second, a larger proportion of each contract should probably be allocated to the company. Preferably, this would be accomplished by raising rates rather than by lowering benefits. Third, flexible scheduling and pricing holds potential for reducing friction with customers and rewarding workers for skill and speed. And finally, developing retention incentives for new workers is important for the growth and success of the company. A look at the three other cases will help to expand on these recommendations and to better understand how businesses that do not explicitly target a “socially conscious” niche market compete in the cleaning industry.

### ***Maids, Inc.***

Maids, Inc. is part of a large and successful national chain of maid service franchises. There are a number of these corporate cleaning chains, which now control 25 to 30 percent of the \$1.4 billion housecleaning business (Ehrenreich, 2000 p.64). These companies are “booming”:

Ehrenreich writes, “Merry Maids claimed to be growing at 15 to 20 percent a year in 1996, and spokesmen for both Molly Maids and The Maids International told me that their firms’ sales are growing by 25 percent a year” (2000, p.65).

The Maids, Inc. franchise I studied is doing quite well. The owner noted that they have experienced “phenomenal growth”, increasing their number of employees from six to twenty in the three years he has owned the business. In the last year, sales averaged over \$500,000, up ten percent from the previous year. The franchise currently has around 270 clients: 19.5 percent are weekly, 50.2 percent are biweekly, 6.7 percent are triweekly, 12.6 percent are on a four week basis, and 11.1 percent are “special cleanings”. The price charged for each client is based on an estimate by the owner, his wife, or the manager. The considerations that guide this estimate are similar to those used by the coops, including “how much trouble it seems the customer will be” or how dirty the house is. The average price charged comes out to around \$35 per person per hour, twice the price charged by Eco-cleaning.

These revenues are distributed among a predictable range of expenses, with the largest proportion going to wages: in the last two years, 25 to 30 percent of expenses were paid as wages to the team mates and captains, with an additional 10 percent for “training wages”. Other expenses include general office expenses, mileage, supplies, taxes, advertising, business insurance, the office manager’s salary, and numerous other small expenses. Because they are part of a national chain, they are also required to pay an 8 percent franchise fee to the central office. What is left over is a pretty comfortable salary for the owner, which now averages 13 percent of expenses, or around \$70,000 last year. They have sustained a profit of over \$10,000 a year, which the owner assures me reflects “small business profits,” implying that some of the revenues have been sunk into additional costs to produce a lower profit margin.

The strategy followed by the franchise owner to achieve this success draws heavily on the experience, advice, and support of the Maids, Inc. national network. Their target market is 25 to 49 year old women with a median income of over \$50,000. Each franchise has a protected territory that no other Maids, Inc. franchise owner can infringe upon. There are three sizes of franchise, noted earlier, which are based on the numbers of households making over \$50,000 a year. The smallest area contains under 5,000 such households, and the largest contains over 10,000 households.

Once an individual purchases the franchise, she receives eight days of training. She is also assigned a “buddy”: a successful owner in the area who is there “to hold your hand through the first year and help you with whatever problems you are having.” The owner with whom I spoke feels this was extremely valuable, as a first time business owner. “My buddies were the best, I freaked out, but they were always a phone call away.” Franchise owners have access to a Maids, Inc. web site, with a special share board to help them with any problems they encounter. Maids, Inc. also gives incentives to owners to increase sales, such as trips to various exotic foreign places, and distributes regular tips, such as, “Emphasize quality by encouraging team members to spend more time cleaning in the homes. A focus on quality now will justify that fee increase in the spring.”

Marketing is handled through the corporate office, which runs television ads and maintains a web site with a separate page for each franchise. A potential customer can enter their zip code and the Maids, Inc. office closest to him or her is instantly displayed. The franchise sometimes does direct mail coupons, but at this point, the majority of their business comes through referrals.

The problem of finding and keeping good employees willing to work for a fairly low wage is an experience shared by Maids, Inc. and Eco-cleaning. The business puts ads in local papers, but most employees come through referrals. “We’ve got cousins, brothers, all kinds of relatives and friends working here.” When asked about the most significant challenge for the business, the owner replied:

“Human beings. Challenges are not market driven. There’s a huge demand. The problem is not selling the service, but delivering a good service consistently. It’s a very hard job. The pay alone is not an adequate incentive to stay. One thing [Maids, Inc.] does very well is to try to take care of employees and family. We lend them money, fix their cars, ask them about their families. You try as best you can to give a \*\*\*\*. You must care.”

He has developed a creative set of incentives and strategies for making sure employees feel valued by the company, show up on time, and do a good job. These include holiday parties, rewards for good attendance, “Spanish Fridays” when the manager has to speak in Spanish and the employees have to speak in English, and a slew of informal favors when employees are in a bind. The owner sees his job as primarily one of managing people, which he acknowledges is a challenge with the multiple pressures and constraints his employees face.

Other maid service companies advertise similar benefits for franchise owners, from training to tip-trading. The model I observed appears to be typical of this industry. Ehrenreich observes that many of these companies have difficulty attracting and retaining employees to these low wage jobs in a tight labor market. “Some franchises have dealt with the tight labor market by participating in welfare-to-work projects that not only funnel employees to them but often subsidize their paychecks with public money” (2000, p.65).

There also seems to be a strong focus by the national Maids, Inc. office on the problem of worker motivation. In one training video prepared for managers, “how to develop a more holistic concept of our service workers” was discussed. Strategies were grouped into three categories: how to motivate and serve the employee, how to develop standards and expectations based on each employee’s individual talents, and how to structure rewards to serve the employee’s needs. The business strategy and success of a cleaning company rests on the quality of service their workers provide, but as a small business that pays low wages in a tight labor market, the problem of motivation attains prominence.

### ***Service Cleaning***

Service Cleaning operates in a very different market from Maids, Inc. They contract with a variety of different customers, including office buildings, office parks, institutions, government buildings, and universities – basically, they target any commercial space they can clean within the Boston area. Their system for estimating cost is complicated, but the average comes to \$0.80 to \$1.00 per square foot. This takes into account how many people it will take to do the work, how difficult the work will be, and what kind of equipment is needed to do the cleaning. Overall, around 78 percent of Service Cleaning’s costs are payroll related, 6 to 7 percent is spent

on supplies, and the rest goes to other business expenses. A union representative quoted a standard billed cost of \$18 per hour per person, with \$15 of that allocated to direct labor costs.

Service Cleaning's marketing strategy is based on building networks and personal contacts. They do some advertising, sending out brochures with information about their business, but these rarely pay off.

"Usually a new office building goes up, or someone wants to put out a bid, they'll invite, maybe, six companies to come and bid the jobs. It's mostly by invitation or solicitation. I'll tell you, every time we see an I-beam going up in town, we send them our materials, try to get in contact with them to let them know we're interested in the job."

They usually have to find their customers. To get smaller contracts, they may call buildings near those they are already cleaning, or leave flyers around an office park. The Vice President emphatically assured me that, in this business, "it's all about who you know":

"This is really a personal contact business. It's all about talking to the right people, them getting to know the company, meeting new people who can help you out.... If they're convinced you're of a size that can handle a big contract, and professional enough to deliver the work, then they're likely to consider you. It's hard for small businesses to get a foot in the door in this kind of environment, unless you know someone."

Employee recruitment does not appear to be as difficult for Service Cleaning as it is for Eco-cleaning and Maids, Inc. This is in part due to their size and visibility, as well as the composition of their work force: the majority of the applications for employment are referred by people who work there now. The Vice President observed, "We have six to ten people coming in every day. You now, people who work here refer their friends, their relatives. Most of our employees are now Spanish speaking, I would say, 80 to 85 percent, and they are always sending us new people." There is also a labor pool at the union that they are able to tap into, and when they take over a contract from another company, they have the option of retaining the work force that is already at that building.

A major factor that draws and keeps employees (their turnover is around ten percent, contrasted with 200 percent at Maids, Inc.) is the higher wage and benefits they offer. The Vice President attributes the stability of their workforce to the union presence in Boston:

"We are able to provide good work conditions and ensure the customer that a third party, the union, is involved to police wages and benefits. One problem we want to avoid is having a lot of different people in different offices with different rates and standards, and no one knowing how much the employees were being paid for their work. The workers don't like that, either, they don't trust it. I could sell the best package, but if I didn't pay the going rate, I would have constant turnover. Those workers would have no reason to stay. This is especially important during bad times when people are difficult to come by."

The strong union presence in Boston – currently 90 percent of the cleaning contracts in the city are held by unionized firms – has helped to maintain this stability.

"Relationships with the employee are important. You have to make sure they know what's coming to them. Some people might try to sell price rather than quality. Then the customer might say, wait, that guy over there is paying \$8, you're paying \$9.40, and no matter what you pay, you get the same quality of person. So controls are necessary. Someone's diligent, they work hard and earn a decent wage. Then someone comes in, utilizes an illegal cleaning force, and their wages are being undercut. It's important to crack down on these companies, and that's where the union comes in. The company and the industry must be predictable, so everyone knows what they're getting and where they can go for help."

The relationship between the union and employers is not always so friendly, but union representatives confirm that most companies feel it is in their interest to have a strong organization policing the industry. Service Cleaning has been particularly cooperative, from their perspective.

One union representative noted that maintaining high rates and wages is difficult in such a competitive industry, where there are always non-unionized cleaning firms that pay workers \$6 per hour and are able to easily out-bid unionized firms. The key to maintaining these rates has been aggressive organizing and use of political power to pressure the government and private firms to commit to union contracts. Conversations with several workers in unionized firms seem to indicate that some employers are able to get around the high rates, hiring undocumented workers off the books and paying them lower wages. The manager of Eco-cleaning feels that this is standard practice, based on conversations with managers and supervisors at some of the larger firms. He cites a labor shortage that made hiring these workers increasingly attractive.

Business success for a unionized firm thus rests on strong networks and a good reputation, as well as reliance on a strong union that can keep wages out of competition in their market area. It may also rest on a company's ability to circumvent the rules, charge low wages, and hire undocumented workers. The success of the union may actually be a factor that makes finding good workers difficult for cooperatives in Boston, whereas coops in Los Angeles are often able to offer their members much better wages than they would otherwise be able to earn. The strong union presence also means that it is possible for a firm that pays workers around \$10 an hour to compete in the Boston commercial cleaning market – the challenge is one of achieving the necessary scale, efficiency, and, relationships.

### *Alicia*

Alicia has built a successful one-woman business, which provides her with about forty hours of work a week at \$20 to \$25 an hour. She has found her customers mostly through referrals, but also advertises by leaving flyers at houses. She works primarily for wealthier households, steadily finding more customers with bigger houses who want more frequent cleaning services. Alicia sometimes cleans alone, but her husband often joins her to help out. If she has a lot of customers one day, her sister will help, as well. She has thought about expanding her business and hiring more people, but she worries about trusting someone she does not know very well in customers' houses. "What they do would reflect on me, and I take a lot of pride in doing everything just right."

Alicia attributes her success to how organized and neat she is with each house. She always makes sure everything is perfect before leaving. She said she often gets referred to someone new after doing a "first cleaning", because she takes so much time to clean every inch of someone's house. This was confirmed by one pair of her customers who were reluctant to hire a house cleaner until one of their friends told them, "you have to try this woman out, she's great."

It is difficult to say how typical Alicia's experience is of other independent cleaners. The growth of each "business" is often limited by the personal contacts they are able to secure, as well as by whether they have an interest in hiring additional people. The other independent I interviewed

cleans only one house regularly, and does not really want to clean more: he is just doing it for extra money. The growth of this market for house cleaning bodes well for expanded opportunities, but these opportunities may be limited by the increasing popularity of corporate maid service companies and other more “legitimate” cleaning businesses. These offer customers an intermediary that takes the uncertainty out of hiring an independent cleaner: “The maids’ wages, their Social Security taxes, their green cards, backaches, and child-care problems – all these are the sole concern of the company” (Ehrenreich 2000, p.64). Independents will no doubt continue to be an important segment of the house cleaning market, but will perhaps increasingly need to offer customers the “professional” image Alicia seems to have been so successful at fostering.

### ***Summary***

This tangle of strategies, challenges, and successes is useful in evaluating the potential of a cooperative cleaning business to develop as a profitable enterprise. A comparison among the four case studies point to several things cooperatives do well. They are able to target a “niche market” of customers willing to pay more for a socially (and in a few cases environmentally) conscious business. They may also be able to provide a higher quality service, by workers motivated through either their ownership stake in the company or the possibility of becoming an owner. A related advantage is a decreased need for monitoring in the work place, which eliminates a layer of oversight relied upon by contract cleaning companies.

A comparison of business success across cleaning firms, however, gives reason to doubt that cooperative ownership is the most efficient and profitable means of organizing a business in the cleaning industry. If there are productivity gains, they are not being translated into high profits and growth. This is probably due in part to the extremely small scale of these experiments, and in part to the structure of these businesses: the time intensive process of participatory decision-making, the long time frame required to develop management skills among worker-members, and the rather loose control over scheduling may limit efficiency and growth. This seems to be supported by the observation that those cooperatives that are turning a high profit are managed in a more typically hierarchical way. The experiences of other cleaning companies clarify the disadvantages coops must overcome to improve their chances of “making it” in this industry.

When cooperatives are directly competing against maid service companies and unionized contract cleaning companies, in markets that are not as responsive to their socially responsible image, the strengths of these other businesses render them formidable competitors. First, both Service Cleaning and Maids, Inc. benefit from size and name recognition, which help customers to find them easily and to feel more confident they will receive a quality product. Second, both firms are part of strong networks of other similar firms that provide each with a solid business model, a set of “best practices”, and industry standards. In the case of Maids, Inc., the network of franchises to which they belong provides training materials, administrative assistance, and other direct sources of help. Service Cleaning belongs to several industry associations that diffuse best practices to their members. The union operates as another kind of association, maintaining standards and reputability, and giving the contractors that are part of the collective bargaining agreement a reason to communicate and collaborate.

Third, these firms have a great deal of flexibility in responding quickly to customer requests. Centralized decision-making in both Maids Inc. and Service Cleaning facilitates moving workers among different jobs, which is important in an industry that relies on delivering a consistent and predictable service when it is requested. The manager of Eco-cleaning acknowledges that his lack of flexibility in scheduling the members is one of his biggest obstacles to finding and keeping clients. Finally, both firms have highly motivated and experienced management teams. The high pay, status, and authority vested in the managers at these companies no doubt helps to secure and keep these individuals.

There are some high hurdles Eco-cleaning must cross if it wishes to provide its members the benefits of good wages, opportunities for training and mobility, and control in the context of a profitable business. Perhaps these goals cannot be reconciled, necessitating certain trade-offs. Several cooperatives have traded some worker control over decision-making for greater flexibility in meeting customer demands. Others have kept membership and profit margins low, but have managed to retain worker voice and to provide a high salary for members. There are certainly lessons to be learned from the successes and failures of these other coops. I have already discussed the benefits to be gained from targeting a niche market, adopting flexible scheduling and pricing, and developing incentives for new workers. Perhaps the most valuable thing the older of these cooperatives have to teach a younger business is that success is attainable, but may entail compromises of either size and growth potential or high levels of member participation and control.

The successful business practices adopted by cooperative and non-cooperative firms may translate into changes Eco-cleaning and other upstart cooperative cleaning businesses can implement to improve their chances of competing. In the final chapter, I will conclude with a series of recommendations that incorporate “lessons learned” from those practices that are compatible with the cooperative model of business organization.

## **Conclusions**

This comparison of employment outcomes and business success across four different cleaning firms tells a mixed story about the potential of cooperative business development to improve cleaning jobs. On the one hand, these cooperatives provide a range of benefits, unique in their form and scope, to the worker-members that participate in them. While wages and benefits are not always higher, members are able to enjoy a great deal of control, and are provided with opportunities for training and mobility they are unlikely to find in other cleaning jobs. The perception of mobility and status members associate with their work in the cooperatives also contribute to a sense of satisfaction with their job that I did not find in the other workers I interviewed.

These are not unqualified benefits, and may require a high level of investment by a sponsoring organization. Recognizing the existence of these positive outcomes is, however, useful as a guide for other programs and campaigns to improve cleaning work, and points to a positive role cooperatives may play in these campaigns. Cooperative cleaning businesses provide an option



for workers who are willing to trade some of their time and job security for the benefits coops offer. They also hold the possibility of transforming cleaning work from a dead-end, low status job to one with opportunities for earnings and status mobility.

On the other hand, there are a number of factors that limit cooperative profitability and growth. These must be overcome if the development and support of cleaning cooperatives is to be justified as a potentially successful community economic development strategy. In most cases these jobs must be subsidized for a number of years, and are able to extend their benefits only to a small group of workers. Around 150 workers nation-wide are benefiting from those cooperatives I was able to locate; most have between ten and fifteen members. This compares to over 2 million workers nationally employed as janitors and cleaners, and almost 1 million employed as maids and housekeeping cleaners. The problems they face are not insurmountable, but will often require a sustained investment of time and resources in a small group of workers.

The establishment and support of cooperative cleaning businesses is thus best seen as a part of the puzzle of how to improve low-wage house and office cleaning jobs. It is a part that takes the goals of community economic development to heart and is able to achieve some of them, albeit at a limited scale. These findings point to the need for strategies that seek to create stronger, more successful cooperatives. They also, however, make a case for other forms of intervention that address more broadly the problems and struggles of cleaning workers. I will conclude with a set of recommendations that attempt to meet both concerns.

## **Chapter 5**

### **Conclusions and Recommendations**

Community economic development strategies take on a variety of forms, all of which are based in a commitment to enhancing the range of social and economic goods available to a group of people located in a place. Cooperative businesses have a great deal in common with the other programs and initiatives that have grown out of this approach. Local ownership, an emphasis on training and advancement, and a focus on the structure and distribution of power within low-wage jobs are all incorporated within the ideal cooperative into a neat, consistent package.

Cooperative supporters take the goals of community development to heart, adding a clear directive as to just how these goals may best be accomplished: through supporting enterprises characterized by a fundamentally different structure of ownership and control. Worker-owned cooperatives, they argue, promote equity, improve productivity, provide more satisfying work experiences, and ensure that a business will be more strongly committed to the goals and needs of others living in the community. The seeming comprehensiveness of these arguments in the face of somewhat ambiguous evidence leads to questions of just how these benefits play out within a living, breathing cooperative business. Might there be trade-offs among these benefits? What value do workers place on each of these various benefits? Does the cooperative structure work well in certain industries, and not so well in others?

These questions have run through my comparison of employment outcomes and business success in four cleaning firms. Hearing about, participating in, and observing the work process and the business structure of these firms have led me to several conclusions about the problems and promise of cooperative business development as a strategy to improve jobs in the cleaning industry.

#### **1. Cleaning cooperatives do improve cleaning work for their members**

Cleaning cooperatives provide a unique set of benefits to worker-members that they have difficulty finding in other cleaning jobs. Opportunities for training and mobility, control over the work process and the organization of the business, and job satisfaction are present to varying degrees in the other businesses I studied. The form and substance of these positive outcomes in a coop are unusual, however, and of value to its members.

#### **2. Cleaning cooperatives face a number of obstacles**

These positive outcomes may be great for the workers who participate in cooperatives, but they are limited to a few scattered experiments, all operating at a fairly small scale. These coops face a number of obstacles to successfully competing in the house and office cleaning industry, including their limited size and difficulty gaining access to networks and information. Some of their strengths may also be their weaknesses: democratic control over decision-making may limit their flexibility in responding to customer requests and their ability to attract experienced management. These are not insurmountable problems, but overcoming them often requires a substantial investment of time and resources. Organizations interested in organizing a cooperative cleaning business should carefully weigh the costs and benefits with this in mind.

### **3. Cleaning cooperatives are not a panacea**

While cooperatives are great for some cleaning workers, they are not necessarily a solution to all of the problems and struggles house and office cleaners face. Immigrants end up in these jobs for a variety of reasons, and strategies to improve cleaning work must take differences in preferences and goals into account. Maid service companies, large janitorial firms, and independent house cleaners will continue to do a majority of the cleaning work in this country. Campaigns by unions and other organizations to improve wages and working conditions in traditional work places, as well as training programs that help these workers learn English and acquire marketable skills, are still important parts of efforts to improve employment outcomes in these industries more broadly. Coops should be seen as a complement to, rather than a substitute for, these campaigns and strategies.

### **4. Cleaning cooperatives are influenced by their context**

Campaigns to improve cleaning jobs are more than just complements to cooperatives, and business strategies pursued by more mainstream cleaning firms provide more than just lessons in how to run a competitive business. They also exert a strong influence on the market for cleaning services and on the labor market conditions cleaning workers experience. The high level of unionization in Boston's janitorial industry has no doubt "raised the bar" for how much property managers expect to pay, allowing a cleaning cooperative to charge higher rates and maintain high wages. A strong union presence also means that the alternatives available to workers are much better than they might be in places with weaker unions, possibly diminishing the significance of this wage benefit.

The growth and visibility of maid service companies also influences the market for cleaning services. These companies accustom households to paying higher prices for cleaning work and to dealing with a cleaning service rather than an individual. This paves the way for firms like Eco-cleaning to compete with independent cleaners, who may charge less, by projecting the "professional" image customers have come to expect. The role of a cooperative business and its opportunity set are thus both dependent on a context of market conditions shaped by unions and other cleaning businesses.

## **Recommendations**

These findings suggest a range of possible strategies to improve the chances of cooperatives successfully competing in the house and office cleaning industries. Strategies to bolster cooperatives may take two forms: developing more supportive partnerships and networks, and improving the cooperative's structure. These findings also suggest the need for approaches that address the problems faced by cleaning workers more generally. In the following section, I will describe strategies that fall into each of these three categories.

### **1. Partnerships and collaborations**

One lesson from Maids, Inc. and Service Cleaning is that supportive networks and associations are important for business success. This lesson may be creatively adapted to a cooperative's

unique opportunity set. Strategies that seek to create and strengthen ties with potential collaborators could help a small coop achieve some of the benefits of scale and visibility.

***a. Build collaborative relationships among cleaning cooperatives***

One major strength of the Maids, Inc. franchise model is its ability to achieve economies of scale while operating like a network of small businesses. Each franchise targets a particular area in a city, which cuts down on travel time between clients. Each franchise owner is able to draw on the experiences and advice of other owners within the Maids, Inc. network. The visibility of being associated with a recognized brand name gives these small businesses a distinct advantage over their competitors. Cleaning coops could take this lesson to heart and develop supportive networks of their own. There are already two cleaning coops in Boston, and several other CDCs have expressed an interest in sponsoring a new cooperative cleaning business. Cooperation among these businesses may be a partial solution to problems of a fragmented customer base, limited access to information, and limited visibility.

There would be a number of obstacles to designing and implementing this proposal. It would entail agreement among members of several different coops, more meetings, and possibly a greater loss of member autonomy over decision-making. One woman at a Los Angeles cooperative noted that they tried collaborating with another coop, but found that their approaches and goals were too different to successfully work together. This may point to the wisdom of creating a loose agreement among cleaning cooperatives to divide up their service area, share information, and collaborate on advertising, while retaining member control over the structure and operation of each business.

***b. Build relationships with other kinds of cooperative businesses***

A central principle of cooperative ownership is “cooperation among cooperatives”. This has taken a number of forms, from the network of cooperatives in Mondragon, Spain that collaborate on production, distribution, education, and finance, and have established their own bank, to the Network of Bay Area Worker Co-ops that provides its members with shared services and facilitates information exchange. There is currently an effort underway to develop a stronger network of Boston cooperatives. The discussion of what such a network would look like has included suggestions for joint advertising, information sharing, agreements to purchase each other’s products and services, and network-wide health insurance, accounting, phone, and banking services. Shared training, and even the development of formal agreements that would allow worker-members from one cooperative to have preference for job openings in other cooperatives, are also possible boons such a network could provide.

Because this discussion is already happening in Boston, Eco-cleaning may wish to look into how they might participate in the new network. Coops in other parts of the country may benefit from similar initiatives in their respective areas. This would address problems of visibility and help them to more effectively target a high end niche market for their environmentally and socially sound services. It also may allow them to offer better benefits to members at a lower price: Service Cleaning is able to provide a great pension plan and health benefits because the union pools funds from multiple companies and administers the program. It may be easier to attract new members and to motivate current members if employment opportunities in other cooperative

businesses are part of the membership package. At the very least, other coops in the network could agree to purchase janitorial services from Eco-cleaning.

Of course, building these relationships is a time intensive and potentially difficult process. More meetings, limited English skills of members, and cultural differences between immigrant cleaning workers and white collar professional coop members may impede the success of such a collaboration. It nonetheless seems to hold promise for improving the competitive advantage of these small cleaning cooperatives through developing a network to facilitate access to information and customers, and lowering the cost of providing services to members.

*c. Secure more government contracts*

Cooperative cleaning firms must struggle to find stable contracts with a decent profit margin. This is no new thing in the cleaning industry, but is especially difficult for a small start-up business with no contacts and inexperienced management. If, as I have argued, these coops provide substantial benefits to their members, the government may actively support these efforts on the demand side by giving cooperative cleaning businesses preference for contracts cleaning public spaces, office buildings, and housing projects.

The government can also support cleaning cooperatives by incorporating them into programs that provide other social goods. As mentioned earlier, several California coops have received special training to participate in HUD's Healthy Homes Initiative, which offers a steady stream of high paid work stabilizing environmental hazards in homes. Quebec initiated a program to offer up to 60,000 seniors, handicapped or low-income families access to government subsidized housecleaning, provided by a network of non-profit groups and cooperative businesses (Thompson 1996). Securing agreements from the government to grant cooperatives preference for these contracts will require greater visibility and probably the application of some pressure. This ties back to the importance of developing strong relationships with other cooperative businesses that would help them to build visibility and bargaining power.

**2. Cooperative structure and management**

These various forms of collaboration and support promise to improve the opportunities available to cooperatives. These small businesses will be unable to take advantage of these opportunities, however, if they do not possess the internal capacity to take on larger numbers of clients and assure them that they will provide a consistent, high quality service. Cooperatives face the added difficulty of coordinating multiple owners and managing a sensitive set of relationships among owners, the manager, and any employees the company may hire. Developing a strong business plan and an effective set of decision-making structures is thus essential for the success of these cooperatives.

*a. Target a client mix of offices and houses*

Eco-cleaning members prefer to shift toward cleaning more offices, because the work is easier and more consistent. However, they are generally unable to capitalize on their image as a socially responsible company when bidding for office contracts. To be able to support a small cleaning business, it is important to continue to maintain a proportion of higher paying house

cleaning jobs. The importance of cleaning a mix of offices and houses was emphasized by members and managers of several cooperatives.

***b. Adopt a flexible scheduling and pricing system for house cleaning***

Maids, Inc. and other popular maid service chains have demonstrated the benefits of adopting more flexible scheduling and pricing. Lining up several houses in one place, each scheduled loosely and billed by the job rather than by the hour, seems to work well for both the customers and the workers. Several cleaning cooperatives successfully use flexible scheduling and pricing, and Eco-cleaning members are pushing for adoption of a similar system. This system does not work for office contracts, suggesting the importance of developing two systems for the two different kinds of customers.

***c. Develop a clear structure for making decisions***

The cooperative literature places a strong emphasis on the importance of developing a clear delineation among decision-making roles and responsibilities. This is an important part of successfully managing a business with many owners, a hired manager, and several employees. Eco-cleaning has been trying to move toward this, but members still struggle to effectively communicate changes they would like the manager to make. Discussing different decision-making models with other cooperatives may help them to develop a system that minimizes these conflicts.

***d. Train members in management skills***

Members will be unable to make informed decisions that are in the company's interest without the necessary management skills. Ongoing training in how to manage the cooperative's finances, communicate with customers, and market their services is essential for empowering members to supervise their manager. The case of Heaven's Sent, a profitable California cooperative that is managed entirely by committees of members, demonstrates that clear decision-making structures and the development of member skills can be complementary components of a successful cooperative.

***e. Structure clear rewards and incentives for new workers***

One of the biggest obstacles to growth Eco-cleaning faces is the difficulty attracting and retaining new workers. This is a problem throughout the cleaning industry, but is particularly acute for a small business that is able to offer new employees only part time hours, low pay, and no benefits. Other cooperatives have attracted new workers by structuring predictable pay raises, and developing a clear process whereby each new employee is considered a "member in training". Eco-cleaning requires that new workers be with the firm for a year before they are able to become a member, which is twice the six month average among other coops. None have yet come close to staying with the company this long. Giving new workers an "easy in" may be difficult for members who have fought for several years to build up their business, but it may also be necessary if the coop hopes to grow and to extend the benefits of ownership to other workers in the community.

### **3. Strategies to improve outcomes for cleaning workers**

Cooperatives are not for everyone, and cleaning workers will continue to face the problems characteristic of the low-skilled jobs held by most recent immigrants to this country. Constant downward pressure on wages, limited opportunities for training and mobility, and strict hierarchies of control are all part of the experience of cleaning work. Strategies to address these problems must take into account the diverse range of educational background, future goals, and perceived obstacles these workers bring to their jobs. Below I briefly describe several strategies that address the most pressing needs I have observed over the course of this research.

#### ***a. Teach immigrant workers English***

In almost all of my interviews with Latino cleaning workers, I heard variations on the theme: I clean because I do not speak English. This is obviously a concern, particularly for those immigrants who came to this country with a college education and experience working as a professional, have lived here for over ten years, and continue to work for janitorial firms because they never learned English. There is no dearth of free ESL classes, held at flexible hours and accessible locations. Finding the time to take these classes and study for them is, however, often a challenge for those individuals who must work several jobs to make ends meet.

One possible solution to this problem is to offer ESL training at the work site prior to each cleaning shift. Lado notes that a group of volunteers in Boston tried this in a downtown office building and found the classes to be very popular, but encountered resistance from the company that employed these workers (1994, p.71). The union may be able to use its leverage to offer more of these ESL classes on site.

Another more controversial solution is to offer intensive ESL training to new immigrants, accompanied by enough of a subsidy to support them during this period. A refugee program I visited in Atlanta offers three two hour English classes daily for the first two months after arrival. During that time, the refugees are supported by the government. There are obvious obstacles to extending such a generous program to all new immigrants, but the benefits of moving well-educated professionals quickly into better paying jobs, as well as giving individuals with less education a set of skills necessary to advance in their jobs, may be worth the public investment.

#### ***b. Build and maintain strong organizations that represent worker interests***

English may help workers to move out of cleaning jobs and cooperatives may provide a good alternative to mainstream cleaning jobs. Large numbers of immigrants will, however, continue to work for firms like Service Cleaning and Maids, Inc. or as independent house cleaners. The interests of these workers are best protected and advanced by organizations that are able to pressure employers and government officials to be more responsive to their needs.

Unions are the most visible of these organizations. In Chapter 3, I described the positive outcomes SEIU's Justice for Janitors campaigns have secured for cleaning workers in a number of cities. The strong union presence in Boston has played an important role in pulling up wages and working conditions in the cleaning industry. Strengthening unions in places where they are now weak will help to extend these improvements to a larger group of janitorial workers in the industry. House cleaning workers could also stand to benefit from union representation. This

has historically been a difficult proposition, but the growth of large, multi-national maid service companies may provide a window of opportunity for unionization efforts.

There are still many cleaning workers who are not protected by unions, and many union locals that are not responsive to the needs of their immigrant members. Other organizations based in the communities where these workers live have stepped in to fill this gap. Immigrant worker centers, also described in Chapter 3, represent some of the more successful examples. One important role they have played is in pressuring unions to be more responsive to their immigrant workforce (Fine 1997, Lado 1994).

The question of how best to strengthen these organizations and extend their reach is easily the subject of a second research paper. As my focus is on cooperatives, I will refer the interested reader to Fine (1997) and Ness (1998) who discuss the evolving role of worker centers, and Fisk et al. (2000) and Waldinger et al. (1998), who evaluate the success of SEIU's Justice For Janitors campaigns. I have already emphasized the benefits cooperatives and their workers derive from the efforts of these organizations. Coops cannot replace them, but should continue to exist alongside them, as an alternative employment option within an industry that must at the same time be pressured to provide decent pay and working conditions for all cleaning workers.

### **Final words**

I began this paper by placing cooperatives within a broader discussion of how one evaluates outcomes from a community economic development strategy. While purely economic measures of success are certainly important to the people who support and participate in these programs, the question of how to value the less tangible outcomes remains a difficult one to answer. In the cooperative I have studied, wages, benefits, and business success are not sufficient to understand the true worth of cooperative ownership to its members. The stated aims of community economic development, to enhance a range of social and economic goods, are necessarily vague and subject to interpretation. The confusion becomes clear when an agency attempts to evaluate the success of its programs, which often have multiple goals and ambiguous outcomes.

The experiences of the members of Eco-cleaning add something to this discussion, by incorporating the perspectives of those served by a community economic development program. They demonstrate that poverty is not just about low wages, but is also about a feeling of frustration with the low status, lack of control, and limited opportunities most low-wage jobs provide. They also point to the possibility that the people in these programs make their own trade-offs when deciding whether to participate, a choice which should be respected in the final analysis of a program's impact and effect.

Cooperatives are a solution that requires a commitment to improving these more intangible negative outcomes, and a sensitivity on the part of a sponsoring organization to the difficulty of achieving a full range of benefits in one fell swoop. The sustainability and growth of these businesses is certainly important, and warrants careful attention to the details of business management and structure. The promise cooperatives hold as a community economic development strategy, however, extends beyond most easily quantifiable measures of success, as expressed most vividly by those who have founded and benefited from these businesses. In the



final analysis, control and ownership do contribute to the range of outcomes we should consider when evaluating the impact of such a strategy. Cleaning cooperatives have demonstrated their potential to improve employment outcomes for low-wage workers; the task ahead is to help them to develop as viable businesses capable of sustaining the possibility of cooperative ownership and extending the reach of its effects.

## **Appendix A**

### **Individuals Interviewed\***

Edith Binuelo  
Worker-member  
Pueblo Nuevo Enterprises, Inc.  
Los Angeles, CA

Yolanda Campbell  
Director  
Cooperative Development Institute  
Greenfield, MA

Don Coleman  
Union representative  
SEIU Local 254  
Boston, MA

Chris  
Manager  
Restif Cleaning Services  
Arcada, CA

E. Kim Coontz  
Director  
UC-Davis Center for Cooperatives  
Davis, CA

Carlos DiSilva  
Union Representative  
SEIU Local 254  
Boston, MA

Sinesio Flores  
Worker-member  
Always Ready (Siempre Listo)  
Los Angeles, CA

Juana Hernandez  
Director  
Immigrant Workers Resource Center  
Boston, MA

Linda Kite  
Former Manager, Dynamic Workers  
Staff member, Strategic Action for a Just  
Economy (SAJE)  
Los Angeles, CA

Anna Olsen  
Technical Assistance Director and Non-  
Toxic Professional Housecleaning  
Manager  
Women's Action to Gain Economic  
Security (WAGES)  
Mountain View, CA

Otto Rodriguez  
Manager  
Manos Janitorial Services  
San Francisco, CA

George Schultze  
Professor, priest, and former board  
member of Listo Cooperative of Day  
Laborers  
Los Angeles, CA

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\* The names of workers and managers interviewed are not listed to protect their confidentiality

## Appendix B

### Interview Questions for Workers\*

Name \_\_\_\_\_ Date of Interview \_\_\_\_\_  
Position \_\_\_\_\_ Time of Interview \_\_\_\_\_  
Country \_\_\_\_\_

#### A. Background

A1. First, tell me a little bit about where you worked before coming to this company. How did you come to be working in this job?

#### B. Wages and Benefits

B1. What is your hourly wage at this company?

B2. Do you get paid for travel time between jobs, or just for the hours you work in the office/house?

B3. How much is charged per hour/per person for the cleaning work?

B4. Do you receive the following benefits:

- a. Health insurance \_\_\_\_\_
- b. Worker's compensation \_\_\_\_\_
- c. Social Security \_\_\_\_\_
- d. General Liability Insurance \_\_\_\_\_
- e. Pension \_\_\_\_\_
- f. Paid vacation \_\_\_\_\_
- g. Other \_\_\_\_\_

B5. How many hours do you currently work in the cleaning business each week?

B6. Do you work other job(s) to supplement your wages? If so, why (not enough hours available at cleaning job, employment not stable, benefits better at other job, hours are more flexible)?

#### C. Wages and Benefits at other cleaning jobs

C1. What other cleaning companies do you/ have you worked for? When did you work for them? Did they do mostly house cleaning or office cleaning? Was there a union at any of them?

C2. What was your hourly wage at these other companies?

C3. Did you get paid for travel time between jobs, or just for the hours you worked in the office/house?

C4. How much was charged per hour/per person for the cleaning work?

C5. Did you receive the following benefits:

- a. Health insurance \_\_\_\_\_
- b. Worker's compensation \_\_\_\_\_
- c. Social Security \_\_\_\_\_
- d. General Liability Insurance \_\_\_\_\_
- e. Pension \_\_\_\_\_

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\* Note: These questions were usually asked in Spanish, and the interviews usually did not follow precisely the order and structure shown on this form.

- f. Paid vacation \_\_\_\_\_
- g. Other \_\_\_\_\_

C6. Did you work other job(s) to supplement your wages? If so, why (not enough hours available at cleaning job, employment not stable, benefits better at other job, hours are more flexible)?

**D. Success as a Business**

- D1. Do you think your business/cleaning business you work for is profitable, growing, doing a good job? Why or why not?
- D2. Do you think the cleaning business is managed well?
- D3. What are the greatest strengths of the business you own/work for? What will help it to grow/become more profitable?
- D4. What do you see as the biggest challenges for the business to earn a profit?
- D5. Do you think this company will provide stable employment for you in the future? Why or why not?

**Work Experience**

*Control*

**E. Organization of work**

- E1. How are the hours that you are going to work decided?
  - a. Individually \_\_\_\_\_
  - b. In a group \_\_\_\_\_
  - c. By the manager \_\_\_\_\_
  - d. Other \_\_\_\_\_
- E2. If you have an emergency, or cannot work for some reason, are there any consequences?
- E3. Do you like the way that hours are decided in your job? Is it important to you to have a flexible schedule? Why or why not?
- E4. How do you decide how you are going to clean a house
  - a. Individually \_\_\_\_\_
  - b. With my partner(s) \_\_\_\_\_
  - c. Management decides: there are a set of rules and norms \_\_\_\_\_
  - d. Some combination: describe \_\_\_\_\_
- E5. Do you like this way of deciding how you are going to clean a house?
- E6. How are the following affected by this way of deciding how you will work?  
 Strongly improved (1) Somewhat improved (2) Neither improved nor worsened (3)  
 Somewhat worsened (4) Strongly worsened (5)
  - a. speed
  - b. repetitiveness
  - c. quality of work
  - d. safety
  - e. fatigue
  - f. stress
- E7. What are other benefits/drawbacks to cleaning in this way?

- E8. Does the company reward you or penalize you for speed, efficiency, and/or quality of work? How?
- E9. Do you like the way this is done? Why or why not?
- E10. How does your experience of control over your work in this company compare with experiences in other cleaning companies?

**F. Organization of the business**

F1. Wages, benefits, and spending

How are wages, benefits, and spending decided?

- a. Individually \_\_\_\_\_
- b. In a group \_\_\_\_\_
- c. Management decides \_\_\_\_\_
- d. Other \_\_\_\_\_

Do you like this way of deciding? What are the benefits/drawbacks?

Would you like to have more say in these things? Why/why not?

F2. Clients

How are your clients decided?

- a. Individually \_\_\_\_\_
- b. In a group \_\_\_\_\_
- c. Management decides \_\_\_\_\_
- d. Other \_\_\_\_\_

Do you like this way of deciding? What are the benefits/drawbacks?

Would you like to have more say about clients? Why/why not?

F3. What other decisions are important to the business, and how are they made?

F4. Overall, do you feel you have:

- a. Too little control over how the company is run \_\_\_\_\_
- b. The right amount of control \_\_\_\_\_
- c. Too much control: I would rather just work \_\_\_\_\_

F5. If given the choice, would you rather work at a cleaning company where you had more control over how you work and how the business is run?

**G. Opportunities for advancement, training, and skill development**

G1. How long have you been at \_\_\_\_\_?

G2. In that time, what kind of training did you receive, how long was the training, and how many times did you receive it?

G3. Are there other skills you have gained from working in this company?

G4. Has this training or have these skills been useful in your job? Please describe how you have used the skills – specific examples are the best.

G5. Do you think this training/ these skills will be useful in future jobs? Explain.

G6. Are there other reasons why this training/ these skills are valuable to you?

G7. In the time that you have been at \_\_\_\_\_, have your wages/benefits changed? How often and how much?

G8. If they have increased, why (time with the company, more profits, I work more efficiently now, everyone's wages went up, I got a different job in the company)?

G9. Is it possible to move up to a better paying job in your company? Do you think you have a good chance of being promoted in this way?

G10. How do these opportunities compare to those in other cleaning jobs that you have had?

**H. Job satisfaction**

H1. Why do you do cleaning work? Do you enjoy this work?

H2. Do you like working at \_\_\_\_? Why?

H3. How does your job at \_\_\_\_ compare to other jobs you have had, particularly other cleaning jobs?

H4. Think back to the questions I have asked about control, training, and wages, and business success. How would you rank the importance of these things to your feeling of satisfaction with your job:

- a. wages/benefits \_\_\_\_\_
- b. business success \_\_\_\_\_
- c. control over work \_\_\_\_\_
- d. control over business \_\_\_\_\_
- e. opportunities for advancement, training \_\_\_\_\_

Why did you rank them in this order?

H5. Did the importance you place on any of these things influence your decision to work for this company?

H6. Other comments?

## Appendix C

### Interview questions for managers of cleaning companies\*

Name \_\_\_\_\_ Date of Interview \_\_\_\_\_  
Position \_\_\_\_\_ Time of interview \_\_\_\_\_  
Company \_\_\_\_\_

#### A. Background

A1. First, can you give me a brief history of your company: when was it started, how and when did you become manager/owner, how many people started with the company and how many work there now?

A2. What are your specific responsibilities in the company

#### B. Wages and Benefits

B1. What are the different positions in your company? How many employees do you have in each of these positions? How many (what %) are part time positions?

B2. What is the hourly wage paid by your company for each position? Does this differ by job; seniority; performance?

B3. Are workers paid for travel time between jobs? For gas mileage?

B4. What benefits are given to workers (health insurance, workers compensation, social security, general liability insurance, pension, paid vacation, other)? How is it determined: do they have to be with the company for a certain period or be full time workers?

B5. How many hours are usually worked by employees each week?

#### C. Business Success

C1. Can you give me the following information for the last few years:

- Profit/loss
- Number of contracts
- Monthly sales
- Last year's sales growth
- Projected growth
- Total assets
- Cash reserves
- Company equity

C2. How much is charged per person/per hour for cleaning work? Or if you estimate cost based on the job, how is this done?

C3. How are profits distributed (to shareholders, owners, administrative work, wages, benefits)?

C4. What is your target market?

C5. Can you tell me a little bit about strategies you use in the following areas:

- Marketing
- Customer service

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\* Note: These questions were asked in English and the interviews usually did not follow precisely the order and structure shown on this form.

- Evaluation of the business and of employees
- Setting goals for the business
- Recruiting employees
- Training employees

C6. What do you see as the key strengths of your business that has allowed it to succeed? Do you hope to build on these strengths to increase sales? How?

C7. What do you see as the most significant barriers to achieving profitability/success?

### ***Control***

#### **D. Organization of work**

D1. How are the hours that cleaning employees work decided?

D2. If there is an emergency, or someone can't work, are there consequences for the employee?

D3. How is the decision made about how the house/office is to be cleaned? (By the manager, by workers)

Why is it made in this way?

D4. How are the following affected by this way of deciding how work is done:

Strongly improved (1) Somewhat improved (2) Neither improved nor worsened (3)

Somewhat worsened (4) Strongly worsened (5)

- speed
- quality of work

D5. Does the company reward or penalize workers for the speed, efficiency, or quality of their work?

#### **E. Organization of Business**

E1. How are wages, benefits, and spending decided? Do workers participate in making these decisions? If so, how do they participate?

E2. How are clients chosen? Is there a screening process? Can workers choose which clients to work for (consideration for health issues, etc.?)

E3. What other day-to-day and longer term decisions are important to the business?

How are they made?

E4. Do you feel workers participate too little (1), the right amount (2), or too much (3) in the management of the company/ in the making of business decisions?

#### **F. Opportunities for advancement, training, and skill development**

F1. What kind of training do you offer employees? How many times is this training offered, how long does it last, when do employees receive this training?

F2. How do you decide which employees to train?

F3. What other skills do employees gain at this company?

F4. Do you think employees will use these skills in future jobs?

F5. How often do salaries increase and by how much? Do you have any specific figures?

F6. Are wages and benefit increases associated with performance or business success? Tenure?



F7. How long do employees usually stay with the company? Again, any figures on employee hiring, tenure, and turnover for the past year, several years?

F8. What internal job ladders – opportunities for advancement within the company – exist?

F9. How likely is it that employees will be internally promoted to these jobs? Any examples?

### **G. Job Satisfaction**

G1. Do you feel these are good jobs? Do employees like working here? Why?

G2. How do these jobs compare to other cleaning jobs?

G3. What about your own job: do you enjoy managing this company? Why? Why did you decide to do this kind of work?

### **H. Additional Comments**

## Appendix D

### Interview questions for cleaning cooperatives\*

Name \_\_\_\_\_ Date \_\_\_\_\_  
Country \_\_\_\_\_ Company \_\_\_\_\_  
Years with company \_\_\_\_\_  
Position \_\_\_\_\_

1. What is the history of the cooperative? How did it get started (core group of members came together and decided to start coop, outside organization initiated the process, etc.), how many people started it, how many people work there now (workers vs. Members)?
2. How is the cooperative managed (by members, by a paid manager)?
3. What are the wages paid to members? Do these differ with seniority, skill?
4. Do workers receive benefits, and if so, what are they? Do workers have benefits through other jobs?
5. How much is charged for your service? Who is your target market, and how do you advertise?
6. Do you provide training to members and employees? What opportunities do worker/members have to move up within the company?
7. Do you feel these jobs are better than other cleaning jobs? Why?
8. What is the relationship between the cooperative and the parent group? How did the cooperative evolve and change as it grew? Are you independent, and when did you become independent?
9. What is the relationship between members and other workers? How long is a worker with the cooperative before they are able to apply for membership?
10. How do you do financial planning? What lessons have you learned from managing the finances of the cooperative?
11. What kinds of contracts do you have with different organizations in the area in which you work? For example, do you work with the local unions?
12. How do you conduct evaluations? Do workers evaluate themselves, or do managers evaluate them?
13. Do you reward or penalize workers for speed/efficiency/skill?
14. Are you making a profit? Loss? Do you get support from foundations/organizations, or are you self-sufficient?
15. What have been your biggest successes? To what do you attribute these successes, why do you think you have been successful?
16. What are your greatest weaknesses, or obstacles, as a company? Are there any changes you are making, or hope to make in the future?

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\* Note: These questions were asked in English or in Spanish. Interviews usually did not follow precisely the order and structure shown on this form.

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