

EMPLOYERS' PREFERENCE FOR LABOUR; AN EMPIRICAL INVESTIGATION FROM KERALA'S IN-MIGRATION CONTEXT

Deepika V. S.

Guest Faculty of Economics, Fatima Mata National College, Kollam, Kerala, India.

Email: deepikavs91@gmail.com

Article History: Received on 24th August 2019, Revised on 25th September 2019, Published on 30th October 2019

Abstract

Purpose: To examine the employers' preference for labour between migrants and natives in the in-migration context of Kerala and also to analyze whether there are any sector-wise differences in the employers' preference.

Methodology: Multistage stratified random sampling technique was used to select the sample for the study. The sample constitutes 432 employers/owners belong to three sectors namely, construction, manufacturing, and restaurants were selected from three districts of Kerala.

Main Findings: Employers prefer migrant workers in the in-migration context as they are a better substitute when the majority of the factors are concerned. While working skills, work experience, health and risk in the employment of workers are concerned, either native were preferred or both the group of workers are preferred equally. The inter-sectoral analysis in the study also shows that in majority cases, there is a significant difference in the percentage distribution of employers across sectors according to their labour preference.

Implication: The research results could be used to frame government policies related to entrepreneurs and also, in-migrant workers and native workers and their employment and unemployment situations.

Novelty/Originality: The study is new and original because the previous studies discuss the in-migration in Kerala from the laborers' perspective. This study shows the employers' viewpoint. Also, the findings of this study are based on the field survey of 432 employers in three different sectors.

Keywords: *Employers' Preference, In-migration, Labour, Migrant Workers, Native Workers, Kerala.*

INTRODUCTION

Demographic transition, high literacy rate, better education and lack of professional and skilled jobs led to a huge labour shortage and in-migration of inter-state workers in Kerala, a state in the southern tip of India. Employers in Kerala found inter-state migrant workers as an alternative due to the non-availability of natives for unskilled works in many fields. Recent in-migration in Kerala also offered a choice of labour to the employers, especially in the informal sector. Moreover, the state has been facing an acute labour shortage since long back. At present employers in Kerala found inter-state migrant workers as an alternative due to the non-availability of natives for unskilled works in many fields such as construction, manufacturing, hotels and hospitality, agriculture, food processing, etc. ([Economic Review, 2016 Govt. of Kerala](#)).

When there are alternatives, there occurs the problem of choice. In many cases, migrant laborers are better substitutes and more demanded labour compared to natives. Employing migrant workers is cost-effective in many cases and value-added to the organizations in which they are employed in terms of their productivity and performance ([Reymenand Gerard et.al, 2015](#)). Recent in-migration in Kerala also offered a choice of labour to the employers, especially in the informal sector. The extensive employment of migrant workers is very much striking and visible irrespective of villages and cities in Kerala and they play a crucial role in the economic growth of the state.

In this background, this paper examines employers' preference for labour in the in-migration context of Kerala and the factors responsible for the preference. For this purpose, the study has used fourteen criteria namely, age factor, hard-working criteria, working speed, working skill, work experience, labour cost, flexibility, overtime work, health status, labour union participation, work ethics, output contribution, punctuality and risk factor. These variables have been selected for the study from the previous studies reviewed and also based on the pilot survey. The sector-wise comparison in the employers' preference also incorporated in the present study

REVIEW OF LITERATURE

Determinants of the employment of migrant workers

The previous literature has paid little attention to the determinants of employers' preference towards in-migrant or immigrant workers. There are some recent works discussing different aspects of immigration or in-migration from the employers' perspective. Some of these studies reveal employers' preference for migrant workers and others have paid attention to discrimination against immigrants and ethnic minorities (e.g., [Bertrand and Mullainathan, 2004](#); [Rooth, 2007](#)). Previous studies discussed the employers' preference or advantages of employing migrant workers to convey that employers of private-sector firms prefer workers without a permanent residence permit (migrants) over equally-matched permanent residents (natives). "Employers generally prefer to hire migrant or female workers because they are cheaper. This preference for migrant workers is confined to low-skilled and lower-paid jobs" ([Kuhn and Shen, 2014](#)). A substantial literature on labour migration and employment of migrant workers raises a common argument that employers

prefer to hire workers such as temporary or undocumented migrants over equally or more qualified natives; Employers sometimes have marital status preferences along with age and gender of their employees ([Kuhn and Shen, 2015](#)).

There are some studies highlighting that employers have the opinion that the attitude of workers as the factor that influences them in hiring migrant/foreign workers ([Lundborg and Skedinger, 2014](#)). Local workers are too choosy in selecting jobs and want high wages as compared to migrant workers ([Dench, et.al., 2006](#)). Migrant workers are willing to work longer hours and accept low wages. Employers will also seek to recruit workers who meet the requirements of the job ([Hotchkiss and Quispe-Agnoli, 2009](#)). In relation to low-skilled jobs, 'flexibility' is another important requirement for employers. Employers routinely said that there were advantages to employing migrants because they were perceived to be reliable and to be good workers ([Puteh, Fadilah and et. al., 2011](#)). There are certainly other 'personal characteristics' such as flexibility, ability to work hard, continuous improvement and team working are important from the employers' perspective ([Green and Atfiel, et. Al., 2013](#)). In short, the main difference between migrants and natives arise from wage, working hours/days, hardworking, flexibility, reliability, willing to do any kind of works and their attitude towards work.

Disadvantages of Employing Migrants

Some studies pointed out that employers expressed no real preference between migrant and domestic workers. They have only mentioned the advantages. Out of the available laborers, employers recruit the best-qualified applicants, regardless of nationality. According to some groups of employers, there is little, if any, variation between the characteristics that employers preferred for in-migrant workers compared to domestic workers for the same type of job. The only difference they forwarded was that migrants were ready to accept and willing to do certain jobs ([Dench and Hurstfield, et.al., 2006](#)). There are some negatives or disadvantages noted by employers in employing migrant workers. The first and foremost is language barriers. The employer can't communicate and pass information effectively to the migrant workers due to differences in languages ([Cui and Nahm, 2012](#)). Some employers have the opinion that employing migrant workers required more paper works and formalities ([Green, Atfield and Adam, et al. 2013](#)).

Internal Migration in India

The studies since the early 1960s on internal labour migration in the country consistently documented that there was limited labour mobility in India ([Srivastava and McGee, 1998](#); [Singh, 1998](#); [Lusome and Bhagat, 2006](#); [Srivastava and Sasi Kumar, 2003](#)). Most of the studies on this topic attempted to bring the trends and patterns of internal migration in India and characteristics of the migrants ([Singh, 1998](#); [Bhagat and Lusome, 2006](#); [Hnatkovska and Lahiri, 2015](#)). Despite these, there have been few attempts to provide empirical explanations for why the internal labour mobility in India is limited. But in his study, [Pandey \(2014\)](#) explained that there was a slight upward trend in the level of migration from the early 1990s as part of economic reforms. The economic reforms and consequent developments boosted the economic growth of various states through industrial and infrastructural development which were driven by government subsidies.

[Parida and Madheswaran \(2011\)](#) attempted to study the migration behavior of internal migrants combining both Todaro's individual utility-maximizing behavior and Stark's household approach. They aimed to study the determinants of both migration and remittance using the National Sample Survey data for 2007-08. The results suggest that individual characteristics like age, marital status 'human capital endowments', and household characteristics like the size of the household, caste, and land ownership have a significant influence on both the decision to migrate and sending remittance.

[Mohapatro \(2012\)](#) opined that inter-district and inter-state short-term migrant workers are a less advantaged group in the labour market. The study found that a high percentage of women workers in the informal stream continue to live a life full of subsistence and most of their own access in terms of the right to life is subsidized. According to this study, the important determining factor for such access is primarily due to poor literacy and lack of awareness resulting in self-exclusion from the mainstream opportunities. [Rajan \(2013\)](#) considered the characteristics and pattern of internal migration of a country as the important indicators of its development process. The study found that the proportion of illiterates among the total migrants in India is very high; 57.8 percent of the female migrants and 25.8 percent of the male migrants are found to be illiterate. The study also reported that around 29 percent of the total migrants are youth.

Migration in Kerala

[Rajan and James \(2005\)](#) identified some emerging trends in the economy and society of Kerala. They are age structural transition, changes in the condition of the labour market due to the expansion of emigration and in-migration of manual workers to the state. This study made an attempt to find out the reasons for in-migration in the state and the problems that these migrants encounter in Kerala. The finding states that high wage rates, as well as steady job opportunities in Kerala, are the two main reasons behind their migration. [Zachariah and Rajan \(2012\)](#) found out that emigration from Kerala has been increasing year after year. But in recent years the yearly increase has been declining gradually. They also found that the proportion of Hindus among emigrants is more i.e., a slow and steady 'Hinduization' of emigration in Kerala. Emigration has made a positive impact on the unemployment problem in the economy, even though it has increased the inequality in Kerala, according to them.

[Moses and Rajan \(2012\)](#) explained how 'out-of-state' migrants are kept aloof from the local community in Kerala, based on the recent Kerala Inter-State Migrant Survey (ISMSK) conducted by CDS Trivandrum. This paper aims to find out the evidence of labour market integration by extracting the survey data. It finds that migrant workers are unable to integrate

with the local workers and residents because they are lacking information about local wage levels, working conditions, and workers' rights. Even the local trade unions are also not incorporating these migrants. So one of the greatest threats they face but which local workers hold is that of the bargaining power of labour.

[Narayana and Venkiteswaran et.al.\(2013\)](#) suggested a voluntary registration system of domestic migrant laborers would be valid for availing benefits for various purposes. Since these workers are uneducated they are highly exposed to diseases. Therefore, this study suggests the introduction of various social security schemes including provisions for payment to take care of their serious illness, and unexpected death. [Rajan and Sumeetha \(2015\)](#) described the living and working conditions of migrant workers in Kerala. That remittances flowing towards the state encouraged the 'consumption boom' which led to an increase in construction activities and reduction of unemployment in the state. The continuous outflow of skilled and unskilled labour created a scarcity of labour and a hike in the wage rate in the state. This is the main reason behind the in-migration of workers according to the authors. [Peter and Gupta, \(2012\)](#) in their explorative study tried to understand the labour migration to the plywood industry in Kerala. They realized that nine out of every ten migrants were primarily from North and Eastern Indian regions, specifically Western Orissa and Assam. The social network, played a major role in the case of more people from these states to avail better wages and continuous availability of job opportunities leading in Kerala.

The various studies on labour migration tried to uncover various aspects of migration in different regions. It discusses migration trend and pattern, movement of people through different streams and determinants of migration, advantages, and disadvantages of migration, socio-economic background characteristics of migrant workers and their volume, etc. Many studies at the state level describe Kerala-Gulf's connection and its related consequences. The existing literature specific to in-migration in Kerala, concentrate on the issues of labourers and studies labour in-migration from the labour perspective. But the studies on employers' perspective and preference for labour and the factors responsible for them have received less attention in the Indian and Kerala context. This is the rationale for this study to take up such a topic for the research.

OBJECTIVES OF THE STUDY

The study mainly intended to examine the following objectives:

1. To examine the employers' preference for labour between migrants and natives in the in-migration context of Kerala.
2. To find out whether there is any sector-wise variation in the employers' preference for labour in the different sectors.

DATA AND METHODS

The present analysis is based on the primary data collected through a survey with the help of a semi-structured pretested interview schedule. The sample constitutes 432 employers/owners belong to three sectors namely; construction, hotel/restaurants, and manufacturing were selected for the analysis where the concentration of migrant workers is more. It is seen that 60 percent of the migrant workers are engaged in the construction sectors, 8 percent in manufacturing, 7 percent under hotels and restaurants, 2 percent each under trade and agriculture and the remaining 21 percent engaged under other activities ([Economic Review-2016, Government of Kerala](#)). Owners of the enterprises who employed or hired inter-state migrant workers constituted the population of the study. To carry out the research the investigator has randomly selected three districts of Kerala from each region in order to represent the state as a whole. Kollam, Ernakulam, and Kozhikode are the three selected districts to represent three regions or parts of the state namely, South, Central, and North Kerala respectively.

A multistage stratified random sampling technique was used to select the sample for the study. Kerala was classified into three strata in order to represent each region or parts of Kerala state namely, south, central and north Kerala and one district from each stratum namely Kollam, Ernakulam and Kozhikode were randomly selected. These three districts were again grouped into three stratum-panchayats, municipalities and corporation areas and from the total panchayats, municipalities and corporation areas of each district, three panchayats, two municipalities and one corporation areas (equal representation from each district) were randomly selected. From these areas of a district, again three sub-stratums (three sectors) namely, construction, hotel, and manufacturing sectors were chosen. In this way, 36 employers (25 percent) were randomly selected from a rural area and 108 employers (75 percent) were selected from the urban area of a district because from a pilot study it is understood that the concentration of migrants in the state is more in urban areas. Thus, total responses of 144 employers were selected from one district. Altogether, total responses of 432 employers were selected from the survey for the analysis. Employers from these sectors were randomly selected for the survey.

A list of manufacturing units was collected from District Industrial Centres of each district and that of construction contractors and hotels are obtained from respective local self-government bodies and government departments. The data pertained to the year 2017 (March-September) and descriptive statistics like tabulation analysis, percentages and Kruskal Wallis test were used for data analysis. Kruskal Wallis test is mainly used in this study as it is a non-parametric test, which can be used to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable.

RESULTS AND DISCUSSION

The present study analyzes employers' preference between migrant and native laborers on the basis of fourteen criteria

namely, age factor, hard-working criteria, working speed, working skill, work experience, labour cost, flexibility, overtime work, health status, labour union participation, work ethics, output contribution, punctuality and risk factor. These variables have been selected for the study from the previous studies and based on the pilot survey. The primary data was collected through a survey facilitated by a pretested interview schedule. Twenty-five multiple-choice questions were developed on the basis of a preliminary field visit and previous literature. The schedule for the employers includes questions pertaining to the employers' preference for labour in the in-migration scenario of Kerala. The important results are discussed below.

Age factor

Here an attempt was made to understand the availability and preference for young aged workers among migrants and natives. By using a young age means young workers/adults aged between 18-35 years. Our sample is employers not workers. Here the author tried to define young aged workers and asking employers about the availability of young workers among migrants or natives and their respective preferences. Therefore no need to mention in sampling criteria. Table 1 shows the employers' preference for migrant and native workers for the young labour force. Out of 432 employers, 92.36 percent of the sample respondents prefer migrants for young aged workers and 6.92 percent (30 out of 432 employers) prefer both migrants and natives for getting the young labour force. The percentage of those who prefer only natives is 0.69 (3 out of 432 employers). The sector-wise analysis reveals that the majority of the employers in all three sectors prefer migrant workers for young workers.

Table 1: Employers' Preference for Labour based on Young Workers

Sector	Migrant		Natives		Both	
	n	%	n	%	N	%
Construction	133	92.36	0	0.00	11	7.64
Hotel/Restaurants	126	87.50	3	2.08	15	10.42
Manufacturing	140	97.22	0	0.00	4	2.78
Done , total may vary due to multiple responseeTotal	399	92.36	3	0.69	30	6.94
Kruskal Wallis Test	H	9.493				
	Sig.	0.009				

Source: Primary Data Multiple Response (selected more than one item)

Among the three sectors, the highest percentage of employers who prefer migrant workers is from the manufacturing sector (97.22 percent), followed by construction (92.36 percent). Hotel and restaurant sectors prefer natives or both migrants and natives in this case compared to other sectors. Though employers prefer laborers in almost the same pattern, their percentage shows variation in different sectors.

The variation in the distribution of employers in different sectors with respect to their preference for laborers with a young age is found to be significant as the chi-square related to Kruskal Wallis Test done is less than 0.05. From the above result, it can be concluded that there exists a significant variation in the percentage of employers in different sectors based on their labour preference for getting the young labour force.

Hard-working criteria

Employers are always searching for hard-working employees. A hard-working employee is one who makes the most of his time for good work and consistently produces good work. Altogether 94.21 percent of the sample respondents in the present study prefer migrant workers and 1.39 percent of employers prefer natives for hardworking laborers. The percentage of those who prefer both migrant and native laborers is 4.40 percent (Table 2). It can be seen from the table that the majority of the employers in all three sectors consider migrants as hard-workers and therefore employers prefer migrant workers. From the table, it is clear that no employers from the construction sector consider natives as hard-working laborers. The highest percentage of employers who prefer migrant workers on the basis of hard-working criteria is in the construction sector (98.61 percent) followed by the manufacturing sector. The sector which selects more native workers is the hotel/restaurant.

Table 2: Employers' Preference for Labour on the basis of Hard Working

Sectors	Migrants		Natives		Both	
	N	%	N	%	N	%
Construction	142	98.61	0	0.00	2	1.39
Hotel/Restaurants	128	88.89	4	2.78	12	8.33

Manufacturing		137	95.14	2	1.39	5	3.47
Total		407	94.21	6	1.39	19	4.40
Kruskal Wallis Test	H	12.728					
included in Data and Methods	Sig.	0.002					

Source: Primary Data; Multiple Response (selected more than one item)

From the above result, it can be concluded that there exists a significant difference in the employers' preference between migrant and native laborers for getting hard-working laborers, though the pattern of employers' preference is the same among the sectors.

Working speed

Here an attempt has been made to understand employers' preference for labour between migrants and natives based on their working speed. Here working speed means, the time labour spends to make the perfect or saleable product. Table 3 shows that about 63 percent of the total sample respondents in the survey stand for migrant workers when the working speed of the laborers is concerned, whereas only about 8 percent of the employers prefer natives. About 29 percent of the employers migrant and native workers are equally preferable in terms of working speed.

Table 3: Employers' Preference for Labour on the basis of Working Speed

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%
Construction	121	84.03	6	4.17	17	11.81
Hotel/Restaurants	55	38.19	26	18.06	63	43.75
Manufacturing	96	66.67	3	2.08	45	31.25
Total	272	62.96	35	8.10	125	28.94
Kruskal Wallis Test	H	58.833				
	Sig.	0.000				

Source: Primary Data; Multiple Response (selected more than one item)

The sector-wise analysis conveys that the highest percentage of employers preferring migrant workers in the construction sector (84.03 percent). Among the sample respondents in different sectors, the highest percentage of employers who prefer natives in case of working speed is from hotels and restaurants (18.06 percent). Compared to the other two sectors hotel and restaurant sector (43.75 percent) equally, consider both migrant and native workers. Unlike other factors explained above, comparatively more native workers are preferred by the employers in all the three sectors in case of working speed.

Working skill

Table 4: Employers' Preference for Labour on the basis of Working Skill

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%
Construction	35	24.31	50	34.72	59	40.97
Hotel/Restaurants	33	22.92	55	38.19	56	38.89
Manufacturing	42	29.17	36	25.00	66	45.83
Total	110	25.46	141	32.64	181	41.90
Kruskal Wallis Test	H	0.059				
	Sig.	0.971				

Source: Primary Data; Multiple Response (selected more than one item)

From Table 4, it can be seen that the highest percentage (41.90 percent) of employers treat migrants and natives equally in case of working skill of the laborers employed under them. The second-highest percentage (32.64%) of employers prefers natives, whereas one fourth (25.46 percent) of the total employers prefer migrant labourers for getting workers with better working skills. From the table, it can be seen that there is no significant variation in the employers' preference for labour across sectors in case of working skill. Therefore, the significance level of chi-square is greater than 0.05.

Work experience

Table 5 shows employers' preference for labour on the basis of work experience of laborers .

Table 5: Employers' Preference for Labour on the basis of Work Experience

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%
Construction	4	2.78	91	63.19	49	34.03
Hotel/Restaurants	7	4.86	115	79.86	22	15.28
Manufacturing	4	2.78	98	68.06	42	29.17
Total	15	3.47	304	70.37	113	26.16
Kruskal	H	14.308				
Wallis Test	Sig.	0.001				

Source: Primary Data; Multiple Response (selected more than one item)

The majority of the employers (70.37 percent) out of the total sample prefer natives for experienced laborers. There is a wide variation in the percentage of employers according to their labour preference in case of work experience. Among the three sectors, the majority of the employers from all three sectors prefer natives in case of previous work experience. The highest percentage (79.86 percent) of employers who prefer native workers is from the hotel and restaurant sector and that of migrant workers is also in the same sector though the percentage is only 4.86 percent. At the same time, the construction sector occupies the highest percentage of employers who consider both migrants and natives (34.03 percent).

From the result, it can be inferred that though the pattern of employers' distribution is almost the same in preferring migrants and natives in different sectors, there is a significant variation in the percentage distribution of employers in their preference for migrant, native and both.

Low-cost labour

Table 6 presents the pattern of employers' preference for migrants and natives for economic or low-cost laborers . By saying low-cost labour it is meant that when labour works hard for a very cheap or low wage. For an employer, labour is economic when his employment and maintenance cost is cheap or very low than normal. From the table (Table 6), it can be seen that 86.57 percent, i.e. the majority of the total employers prefer migrants for getting low-cost laborers. At the same time, only about 0.46 percent of the employers out of the total prefer natives and about 13 percent of employers consider both migrants and natives for obtaining low-cost laborers for their work.

Table 6: Employers' Preference for Labour on the basis of Cheap Labour

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%
Construction	123	85.42	0	0.00	21	14.58
Hotel/Restaurants	127	88.19	0	0.00	17	11.81
Manufacturing	124	86.11	2	1.39	18	12.50
Total	374	86.57	2	0.46	56	12.96
Kruskal	H	0.502				
Wallis Test	Sig.	0.778				

Source: Primary Data; Multiple Response (selected more than one item)

The sector-wise distribution shows that the pattern of employers' preference of migrants and native workers for getting cheap laborers is the same in construction, hotel, and manufacturing sectors. Therefore, the Kruskal Wallis test indicates that there is no significant variation in the percentage of employers as the significance level of chi-square is greater than 0.05.

Flexibility criteria

Flexibility is an important driver for employers. Labour is flexible when he is so on wage, work, working time, working conditions, etc. In general, the willingness and readiness of labour to work more hours can be called as flexibility ([Green and Atfield et al., 2009](#)).

Table 7: Employers' Preference for Labour on the basis of Flexibility Criteria

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%

Construction	134	93.06	3	2.08	7	4.86
Hotel/Restaurants	140	97.22	0	0.00	4	2.78
Manufacturing	144	100.00	0	0.00	0	0.00
Total	418	96.76	3	0.69	11	2.55
Kruskal	H	11.119				
Wallis Test	Sig.	0.004				

Source: Primary Data; Multiple Response (selected more than one item)

Table 7 shows the employers' preference for labour when flexibility criteria are taken into consideration. Of 432 employers surveyed, about 97 percent of the employers prefer migrants for flexible laborers. At the same time, only 0.69 percent and 2.55 percent of the employers in total prefer natives and both the group respectively. Even though the majority of employers in all three sectors prefer migrant workers, there is a wide difference in the percentage of selecting migrants, natives and both the group together in total. Therefore, the chi-square analysis related to Kruskal Wallis Test shows that there exists a wide variation in the distribution of employers in preferring migrant and native workers for the flexible workforce as the significance level of chi-square is less than 0.05.

Overtime work

Table 8: Employers' Preference for Labour for Overtime Work

Sector	Migrant		Natives		Both	
	n	%	n	%	N	%
Construction	143	99.31	0	0.00	1	0.69
Hotel/Restaurants	122	84.72	0	0.00	22	15.28
Manufacturing	140	97.22	0	0.00	4	2.78
Total	405	93.75	0	0.00	27	6.25
Kruskal	H	30.507				
Wallis Test	Sig.	0.000				

Source: Primary Data; Multiple Response (selected more than one item)

Overtime working helps increase the production and output of the firm and therefore, employers are pleased with workers who are willing to work more hours than official. In the informal labour markets and sectors working overtime is common.

From Table 8, it can be inferred that the majority of the employers prefer migrant workers for overtime work in all the three sectors and no employers from any sector prefer native workers exclusively for overtime working. In total, about 94 percent of the sample respondents prefer migrants and the remaining 6.25 percent prefer both migrants and natives together for working overtime. Therefore the chi-square analysis related to Kruskal Wallis Test shows that there exists variation in the distribution of employers in preferring migrant and native workers for the flexible workforce as the significance level of chi-square is less than 0.05.

Health status

The health status of the workers is important in the sectors which require manual efforts or strength. Employment sectors like construction, manufacturing and hotel/restaurants function with workers who put more manual or physical efforts rather than mental efforts. Table 9 exhibits the employers' preference for labour when the health or physical strength of the workers is concerned. Out of the total employers surveyed in the study, 39.35 percent (the highest share) of the employers prefer both migrants and natives for on the basis of health or physical strength of the workers. The results in the table show that among the total sample respondents, more employers equally consider and refer both migrant and native laborers.

Table 9: Employers' Preference for Labour on the basis of Health Status of the Workers

Sector	Migrant		Natives		Both	
	n	%	n	%	N	%
Construction	40	27.78	63	43.75	41	28.47
Hotel/Restaurants	51	35.42	43	29.86	50	34.72
Manufacturing	37	25.69	28	19.44	79	54.86
Total	128	29.63	134	31.02	170	39.35
Kruskal	H	12.951				

Wallis Test	Sig.	0.002
-------------	------	-------

Source: Primary Data; Multiple Response (selected more than one item)

Among all three sectors, the highest percentage of employers from the construction sector (43.75 percent) prefers natives and that of the hotel and restaurant sector (35.42 percent) prefer migrants. At the same time, the highest percentage of employers from the manufacturing sector (54.86 percent) considers both the group while considering the health status of the workers. That means the majority of the employers in each sector have different preferences. The variation in the employers' preference for labour across sector sectors is also evident from the significance level of the chi-square statistics related to the Kruskal Wallis Test, which is less than 0.05. It indicates that the employers' preference for migrant and native workers is not the same.

Labour union participation

The union movement in Kerala is comparatively strong, as it is evident from the high-density levels and stable growth in union members until recently, compared to the national membership (Moses and Rajan, 2012). Table 10 displays the percentage distribution of employers according to their preference for labour based on union activities.

Table 10: Employers Preference for Labour based on Labour Union Participation

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%
Construction	125	86.81	0	0.00	19	13.19
Hotel/Restaurants	108	75.00	0	0.00	36	25.00
Manufacturing	127	88.19	1	0.69	16	11.11
Total	360	83.33	1	0.23	71	16.44
Kruskal	H	11.038				
Wallis Test	Sig.	0.004				

Source: Primary Data; Multiple Response (selected more than one item)

At first sight, it can be inferred from the table that the majority of the employers in all three sectors prefer migrant workers based on the labour union participation criteria. The employers who consider natives alone, in this case, is negligible in all three sectors. About 83.33 percent out of 432 employers surveyed prefers migrant workers whereas only 0.23 percent of the total employers prefer native workers. At the same time, about 16 percent of the employers prefer both migrants and natives in case of labour/trade union participation of the workers. The chi-square related to Kruskal Wallis Test statistics reveals that there is a significant difference in the distribution of employers in preferring migrant and native workers in case of labour union participation of workers, as the significance level of chi-square is less than 0.05.

Work ethics

The study tries to incorporate employers' opinions on the work ethics of labourers in general. By work, ethics means the moral value that a laborer follows to strengthen his labour or individual abilities. Table 11 illustrates the employers' preference for labour based on work ethics of laborers. The majority of the employers in construction (72.22 percent), hotel/restaurant (61.81 percent) and manufacturing (83.33 percent) sectors opined that migrant workers are more preferable in this instance. The sector in which the highest percentage of employers reported their preference for migrant workers in the manufacturing sector (83.33 percent). The percentage of employers who prefer only natives is comparatively lower in all three sectors, but the highest in the construction sector (12.50 percent).

Table 11: Employers' Preference for Labour based on Work Ethics

Sector	Migrant		Natives		Both	
	n	%	n	%	N	%
Construction	104	72.22	18	12.50	22	15.28
Hotel/Restaurants	89	61.81	13	9.03	42	29.17
Manufacturing	120	83.33	2	1.39	22	15.28
Total	313	72.45	33	7.64	86	19.91
Kruskal	H	15.773				
Wallis Test	Sig.	0.000				

Source: Primary Data; Multiple Response (selected more than one item)

Among the three sectors, the highest percentage of employers in the hotel and restaurant industry (29.17 percent) considers both migrants and natives in the case of work ethics. The test statistics indicate that there exists a significant variation in the distribution of employers in preferring migrant and native workers on the basis of work ethics as the significance level of chi-square is less than 0.05.

Output contribution

The employers' preference for labour between migrants and natives on output contribution is displayed by Table 12, below. In total, 75.23 percent of the sample respondents prefer migrant workers when the output contribution of the workers is concerned.

Table 12: Employers Preference for Labour on the basis of Output Contribution

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%
Construction	110	76.39	9	6.25	25	17.36
Hotel/Restaurants	77	53.47	32	22.22	35	24.31
Manufacturing	138	95.83	1	0.69	5	3.47
Total	325	75.23	42	9.72	65	15.05
Kruskal	H	64.044				
Wallis Test	Sig.	0.000				

Source: Primary Data; Multiple Response (selected more than one item)

It can be seen from the table that the majority of the employers in all three sectors prefer migrant workers. The highest percentage (95.83 percent) of employers who prefer migrant workers and the lowest percentage of employers (0.69 percent) who prefer native workers are in the manufacturing sector. The preference for migrant workers is the lowest (53.47 percent) and that of migrant workers is the highest (22.22 percent) in the hotel and restaurant sector. About 24.31 percent of employers in the hotel industry (which is the highest percentage among all sectors) prefer both migrant and native laborers in case of output contribution. There is a significant variation in the percentage of employers based on their labour preference.

Punctuality criteria

Here an attempt has been made to examine employers' preference for migrant and native laborers with respect to regularity or punctuality in works.

Table 13: Employers' Preference for Labour based on Punctuality Criteria

Sector	Migrant		Natives		Both	
	N	%	n	%	N	%
Construction	129	89.58	0	0.00	15	10.42
Hotel/Restaurants	118	81.94	1	0.69	25	17.36
Manufacturing	137	95.14	0	0.00	7	4.86
Total	384	88.89	1	0.23	47	10.88
Kruskal Wallis Test	H	12.667				
	Sig.	0.002				

Source: Primary Data; Multiple Response (selected more than one item)

Table 13 exhibits that the majority of the employers (88.89 percent) out of total employers surveyed prefer migrant laborers whereas only a single employer stands exclusively for native workers in this case. Among the three sectors, about 95 percent of the employers in the manufacturing sector (the highest) prefer migrants followed by construction sector (89.58 percent) based on the punctuality criteria while there is a group of employers who consider and prefer both migrants and natives equally which is the highest in the hotel and restaurant sector (17.36 percent). The test statistics convey that the variation in the distribution of the total sample with respect to their preference for laborers is found to be significant.

Risk factor

In some cases, there is a risk involved in the employment of workers especially in the case of migrant workers. The Table 14 analyses the employers' preference for migrant and native laborers with respect to the risk involved in the employment of workers. In total, the majority of the employers (72.22 percent) prefer native workers in this case. From the table, it is evident that the majority of the employers in all three sectors prefer native laborers. The employers' preference for migrant

workers, in this case, is very less. The chi-square related to Kruskal Wallis Test reveals that there is a significant difference in the distribution of employers in preferring migrant and native workers in case of risk involved in the employment of workers. Therefore the significance level of chi-square is less than 0.05.

Table 14: Employers' Preference for Labour with respect to Risk in the Employment of Workers

Sector	Migrant		Natives		Both	
	n	%	n	%	N	%
Construction	21	14.58	93	64.58	30	20.83
Hotel/Restaurants	20	13.89	100	69.44	24	16.67
Manufacturing	5	3.47	119	82.64	20	13.89
Total	46	10.65	312	72.22	74	17.13
Kruskal	H	16.013				
Wallis Test	Sig.	0.003				

Source: Primary Data; Multiple Response (selected more than one item)

From the result, it is clear that there is a risk involved in the employment of migrant workers. It may be true because previous studies and researchers' field experience reveals that there are lots of illegal migrants from Bangladesh who work in Kerala and many local newspapers in the state reported that many inter-state migrants employed in Kerala have a criminal background. In many cases, the workers engaged in different sectors in Kerala do not have proper identification cards and necessary documents and thus, employers employ these inter-state workers at their own risk. Moreover, employing migrant workers required more paper works.

CONCLUSION

This study tried to find out the employers' preference for labour between migrants and natives from the in-migration context of Kerala. It can be concluded from the results that in most cases, employers prefer migrant workers as they are a better substitute when the majority of the factors are concerned. Some of the important factors governing the employer's preference for migrant workers are age, flexibility, cheap labour, hardworking, work ethics, etc., as evidenced by the results, because these are the essential characteristics which most of the employers required. While working skills, work experience, health or physical strength and risk in the employment of workers are concerned, either natives or both the group of workers are preferred equally by the employers. The inter-sectoral analysis in the study also shows that in majority cases, there is a significant difference in the percentage distribution of employers across sectors in case of their labour preference.

ACKNOWLEDGMENT

The authors confirm that the data do not contain any conflict of interest.

REFERENCES

- Bertrand, M., & Mullainathan, S. (2004). Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labour market discrimination. *American Economic Review*, 94(4), 991-1013. <https://doi.org/10.1257/0002828042002561>
- Cui, Y., Nahm, D., & Tani, M. (2012). The determinants of rural migrants' employment choice in China: Results from a joint estimation (No. 6968). Discussion Paper Series, Fors chung in stitutzur Zukunft der Arbeit.
- Dench, S., Hurstfield, J., Hill, D., & Akroyd, K. (2006). *Employers' Use of Migrant Labour: Main Report*. London: Home Office.
- Economic Review, (2016). State Planning Board, Government of Kerala.(Chapter 3).Retrieved from <http://spb.kerala.gov.in/index.php/home.html>.
- Green, A., Atfield, G., & Adam, D., (2013). Impacts of Migrant Labour on 'Low Skilled' Work in the Construction and Accommodation and Food Services Sectors. Bulletin Number 104. Warwick Institute for Employment Research.
- Green A., Atfield, G., Davies, R., Jones, P. and Owen D. (2010). Migrant workers in the East Midlands Labour Market in 2009.
- Green, A., Atfield, G., Adam, D., & Staniewicz, T. (2013). Determinants of the Composition of the Workforce in Low-Skilled Sectors of the UK Economy. Warwick Institute for Employment Research. Available from <https://www.gov.uk/government/uploads/and-Accommodation-and-Food-Services-Sectors-Bulletin-Number-104>. Warwick Institute for Employment Research.
- Hnatkovska, V. & A. Lahiri (2015). Rural and urban migrants in india: 1983–2008. *The World Bank Economic Review* 29 (suppl 1), S257–S270. <https://doi.org/10.1093/wber/lhv025>

9. Hotchkiss, J. L., & Quispe-Agnoli, M. (2009). Employer monopsony power in the labour market for undocumented workers. <https://doi.org/10.2139/ssrn.1459045>
10. Kuhn, P., & Shen, K. (2014). Do employers prefer undocumented workers? Evidence from China's Hukou system. <https://doi.org/10.3386/w21675>
11. Kuhn, P., & Shen, K. (2015). Do employers prefer migrant workers? Evidence from a Chinese job board. *IZA Journal of Labour Economics*, 4(1), 22. <https://doi.org/10.1186/s40172-015-0038-0>
12. Kumar, N. A. (2011). Vulnerability of Migrants and Responsiveness of the State: The Case of Unskilled Migrant Workers in Kerala, India. Centre for Socio-Economic and Environmental Studies, Kochi.
13. Lundborg, P., & Skedinger, P. (2014). Employer attitudes towards refugee immigrants. Centre for Labour Market and Discrimination Studies, Linnaeus University.
14. Lusome, R. & R. Bhagat (2006). Trends and patterns of internal migration in india, 1971-2001. In Paper presented at the Annual Conference of Indian Association for the Study of Population (IASP) during, Volume 7, pp. 9.
15. Mahapatro, S. R. (2010). Patterns and Determinants of Female Migration in India: Insights from Census. Institute for Social and Economic Change.
16. Moses, J. W., & Rajan, S. I. (2012). Labour Migration and Integration in Kerala. *Labour and Development*, 19(1), 1.
17. Narayana, D., Venkiteswaran, C. S. & Joseph, M. P. (2013). Domestic Migrant Labour in Kerala. Report submitted to Labour and Rehabilitation Department, Govt. of Kerala.
18. Pandey, A. K. (2014). Spatio-temporal changes in internal migration in india during post reform period. *Journal of Economic & Social Development* 10 (1).
19. Parida, J. K., & Madheswaran, S. (2011). Determinants of migration and remittance in India: Empirical evidence. Institute for Social and Economic Change.
20. Peter B. and Gupta K. (2012), Implications of Forest Conservation Interventions of the Judiciary on Human Migration: An In-depth Exploration into the Causes of Labour Migration to Plywood Industry in Kerala. *Indian Journal of Social Development*, Vol. 12, No. 1 (January-June 2012), 1-14.
21. Puteh, Fadilah & Syahirah SS, Sharifah & Nashroh bin Ishak, Muhammad & Azim bin Anwar, Muhammad. (2011). Employers dependency on foreign workers in Malaysia food service industry: A preliminary study. <https://doi.org/10.1109/ISBEIA.2011.6088839>
22. Rajan, S. I. (2013). Internal Migration and Youth in India: Main Features, Trends and Emerging Challenges. United Nations Educational Scientific and Cultural Organization.
23. Rajan, S. I., & James, K. S. (2007). Demographic transition and economic development in Kerala: The role of emigration. *South Asia Network of Economic Research Initiatives*. Retrieved from <http://saneinetwork.net/Files/3.pdf> Rajan, S. I. and Sumeetha M. (2015). Survival, struggle and the promise of a new future: living and working conditions of migrant workers in Kerala. Chapter 16. *India Migration Reprt 2015 Gender and Migration*.
24. Reymen, D., Gerard, M., De Beer, P., Meierkord, A., Paskov, M., Di Stasio, V., ... & Lutz, H. (2015). Labour market shortages in the European Union. Study for the EMPL Committee
25. Rajan, S. I. and Sumeetha M. (2015). Survival, struggle and the promise of a new future: living and working conditions of migrant workers in Kerala. Chapter 16. *India Migration Reprt 2015 Gender and Migration*. <https://doi.org/10.4324/9781315683232>
26. Rooth, D. O. (2007). Implicit discrimination in hiring: Real-world evidence.
27. Singh, D. (1998). Internal migration in India: 1961-1991. *Demography India* 27 (1), 245-61.
28. Srivastava, R. and T. McGee (1998). Migration and the labour market in India. *Indian Journal of Labour Economics* 41 (4), 583-616.
29. Srivastava, R. and S. Sasikumar (2003). An overview of migration in India, its impacts and key issues. In *Regional Conference on Migration, Development and Pro-Poor Policy Choices in Asia*, pp. 22-24.
30. Zachariah, K. C., & Rajan, S. I. (2012). Inflexion in Kerala's Gulf Connection: Report on Kerala Migration Survey 2011.