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RESEARCH PAPER

An analysis of reasons of job offer rejection at L&T Infotech

Dr. Upma Paliwal
Ekta Shukla

Associate Professor Thakur Institute of Management Studies & research (TIMSR) Mumbai
Ekta Shukla Student Thakur Institute of Management Studies & research (TIMSR) Mumbai

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**Corresponding Author*

Dr. Upma Paliwal

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INTRODUCTION

Many studies have investigated job satisfaction of employees, while remaining in job, but only few have attempted to investigate the expectations of employees from a job offer and the Organization, at the time of accepting it. There can be many job attributes, which could affect the employee's decision, and can lead to either acceptance or rejection of a job offer. Attributes such as advancement, security, location, pay, type of work, working conditions, benefits, work life balance, and no. of working hours are taken in to consideration by the employee before taking a decision. Compensation surveys may be conducted by the Organizations to know the competitive pay structures prevailing in the current scenario, in order to attract and retain the suitable human resources. Compensation surveys are the tools to know or determine the median average packages (paid by the majority of competitor) in a particular industry. Survey may focus upon more than one geographical area, or on more than one positions and jobs. These surveys are more relevant in short duration, and may become obsolete in short duration of time, as the results are time sensitive. The salary surveys provide a mean of comparison of compensation packages at the Organization.

The another way to know the points of comparison made from the point of view of the prospective employees, who have rejected the offer of an employment in an Organization, could be used at its best to know the perspective of them.

The study was conducted at L&T Infotech Limited, in which a survey was conducted of those prospective employees, who rejected the offer of employment of the Organization. The study made an attempt to know the reasons, as why the employees rejected the offer, and tried to draw the conclusion by making comparison of the packages and benefits offered to the same employees by other companies.

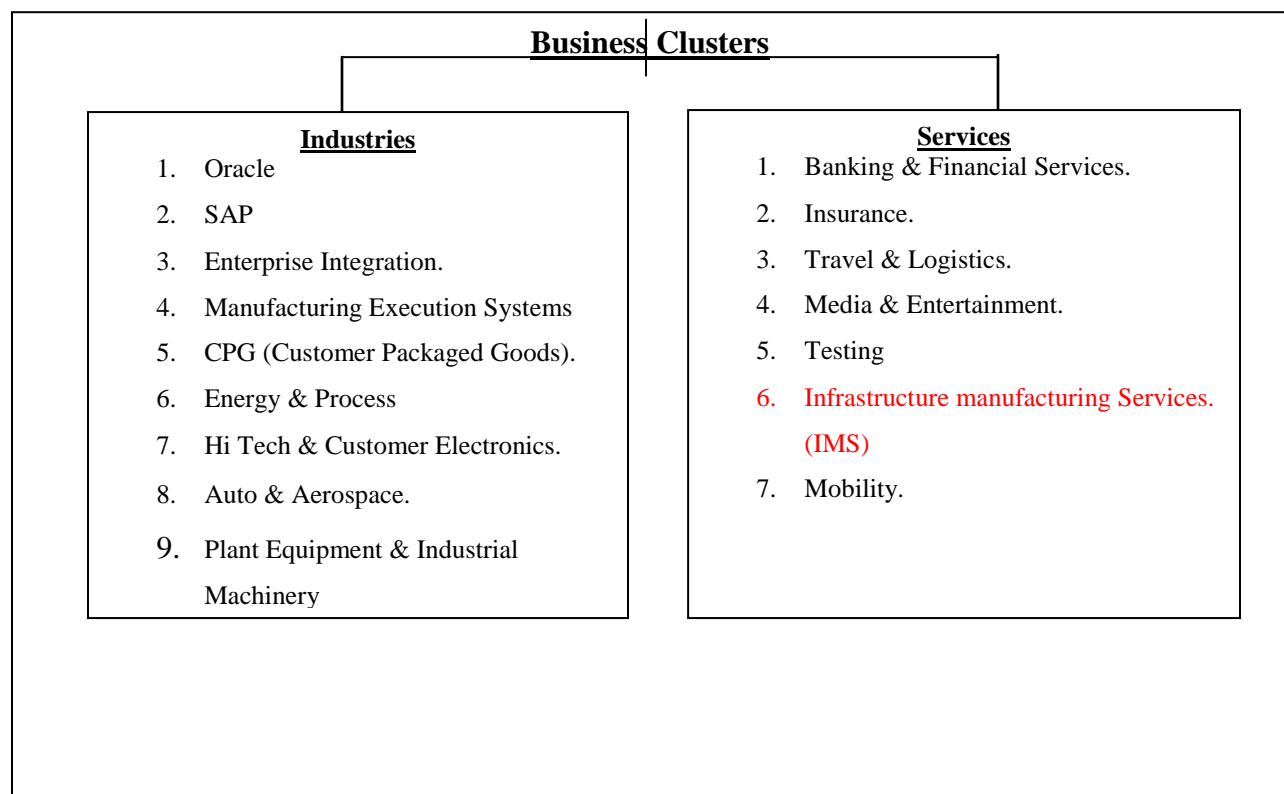
L&T Infotech (Larsen & Toubro Infotech), a subsidiary of L&T (Larsen & Toubro), is a global IT services and solutions Provider Company based in Mumbai, India. Originally founded as L&T Information Technology Ltd (Read as L&T-IT), a wholly owned subsidiary of Larsen & Toubro Ltd (L&T). The company changed its name to L&T Infotech on 1 April 1997. In December 2006, L&T Infotech acquired GDA Technologies (a privately held

electronic design firm based in California, USA) and all of its design centers in USA and India. It is ranked 8 in India IT companies in 2011-2012. The company has 39 registered offices in 22 countries.¹

Larsen & Toubro Infotech Limited, offers software and services with a focus on Manufacturing and Communications and Embedded Systems. It also provides services in the embedded intelligence and e-Engineering space.²

A recruitment process can be broken down into respective parts. Whilst the naming and exact process steps are unique to an organization, a typical recruiting process may commence with the identification of a vacancy, then the preparation of a job description, database sourcing, role marketing, response management, short-listing, interviews, reference checking, and selection.³

L&T Infotech has multiple Business Units. The recruitment needs of the particular Business unit are handled by the Recruitment Team. The different business Units in the form of various clusters and the Company Structure can be explained with the help of the following diagrammatic representation:



The **Infrastructure Management Services (IMS)** division offers a wide spectrum of services covering **IT Infrastructure** Consultancy, Design and Implementation. The portfolio of service offerings include:

- ⊕ Desktop Services
- ⊕ Server & Storage Services
- ⊕ Network Services
- ⊕ Application Services

¹<http://www.insidestorymedia.com/private-business-companies>

² https://en.wikipedia.org/wiki/Larsen_%26_Toubro

³http://www.academia.edu/8378008/Human_Resources_Management

- ⊕ Helpdesk Services
- ⊕ Enterprise Management Services
- ⊕ Security Services
- ⊕ Process & Technology Consulting Services

The wide range of infrastructure monitoring and management tools are available to carry out the work. IT professionals are required to carry out the activities required for the offering of any of the services. The selection of a candidate for any role offered by the company requires many stages to be successfully carried on by the recruiter handling the Business Unit's Human Resource requirement.

Recruitment is undertaken as per the requirements raised and according to the skills and competencies of personnel required by the Business Unit.

Major IT Companies operating in India - Tier wise Classification (Based on employee count)

Source :

Tier I	Tier II	Tier III
Accenture	Amdocs	Birla Soft
Capgemini	Atos	Britecone
Cognizant	CGI	CMC
Deloitte Consulting	OSC	Datamatics
HCL	Dell	Global Service
IBM	Godrej Infotech	Genpact
Igate	Hexaware	ITC Infotech
Infosys	HP	Rolta India
JP Morgan	KPIT	Systeme
Oracle	Mindtree Limited	Tata Technologies
TCS	NIIT Technologies	
Tech Mahindra	Symantec	
Wipro	Syntel	
	Zensar Technologies	
	L&T Infotech	

Overview of HR Functions at L&T Infotech

PPG (People Process Group) - This group is called as "One Shop Stop" for the employee in L&T Infotech.

This is the group who is said to be the policy maker for welfare and wellbeing of employees in L&T Infotech. PPG group in L&T Infotech is consisting of total 10 members including the higher Authority. The main function of this group is to facilitate communication between all the Business Units, so that the organization maintains smooth functioning of the business and work.

A few important perquisites & welfare policies/schemes are highlighted below:

1) Special Day off-

Special Leave is granted in certain circumstances. Here the employees of L&T Infotech have a special day off for e.g. On their birthday, Marriage Anniversary etc. This is exclusively in L&T Infotech and employees in the organization have wholeheartedly welcomed this policy.

2) Bus facility-

Employees are given transport facility without any charge.

3) Relocation Expenses

Of New joiners or existing employees is beard by organization.

4) Work from Home

Work from home is not allowed in L&T Infotech.

5) Sexual Harassment Policy-⁴

Sexual harassment is unwelcome, any gesture, action, which could be expected to make a person feel offended, humiliated or intimidated, falls under sexual Harassment. It can be physical, verbal or written.

Sexual harassment is covered in the following workplace contexts:

- at work
- at work-related events
- Between people sharing the same workplace

A few important perquisites & welfare schemes are highlighted below:⁵

1) Special Facilities for Site Employees are provided-

The special facilities include subsidized accommodation, part furnishing of accommodation provided and free transport facilities for work.

2) Special Medical Insurance Scheme-

This scheme is in addition to other medical benefits available to employees. Employees have the option of covering their parents, aged up to 85 years under this scheme.

3) Retirement Benefits

All staff members are covered under Provident Fund and Gratuity Scheme.

4) Education of employee's children-

L&T Institute of Technology, Mumbai is an exclusive facility for L&T employees' children. The Institute conducts four-year industry-integrated diploma courses in Mechanical Engineering and Electronics Engineering. On successful course completion, students are awarded diplomas by the Directorate of Technical Education, Maharashtra to which LTIT is affiliated. Prize Money for Academic Achievement: To acknowledge and motivate meritorious wards of employees, the Welfare Department of L&T presents cash awards to students who have scored high percentage marks.

5) Additional Benefits at Managerial Level

Several attractive benefits are available including provision of company car, loans for furniture, housing & children's higher education and purchase of Personal Computer, membership of Superannuation scheme and reimbursement of expenses on club membership.

RMG (Resource Management Group)-

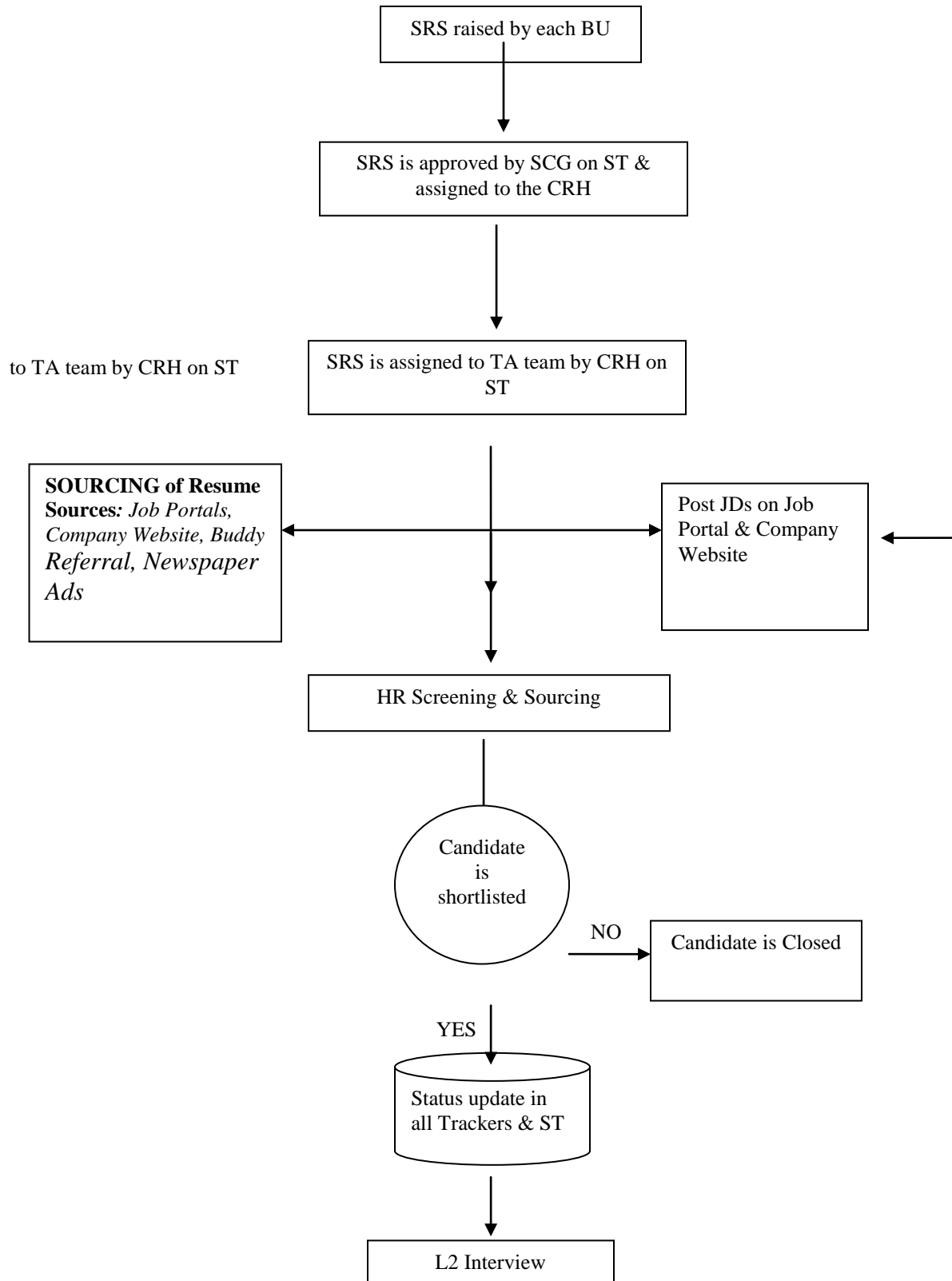
They are the one who specifically group which look after the requirement which is raised by each BU. The main purpose of this team is to seek optimum resource and manpower should be utilized, If not then should the requirement should be raised.

RMG team plays a vital role at to which type of the recruitment should be adopted from the below mentioned list. The below list mentioned are based on the priority which is set up by the RMG team as they are easier and flexible to close the requirement.

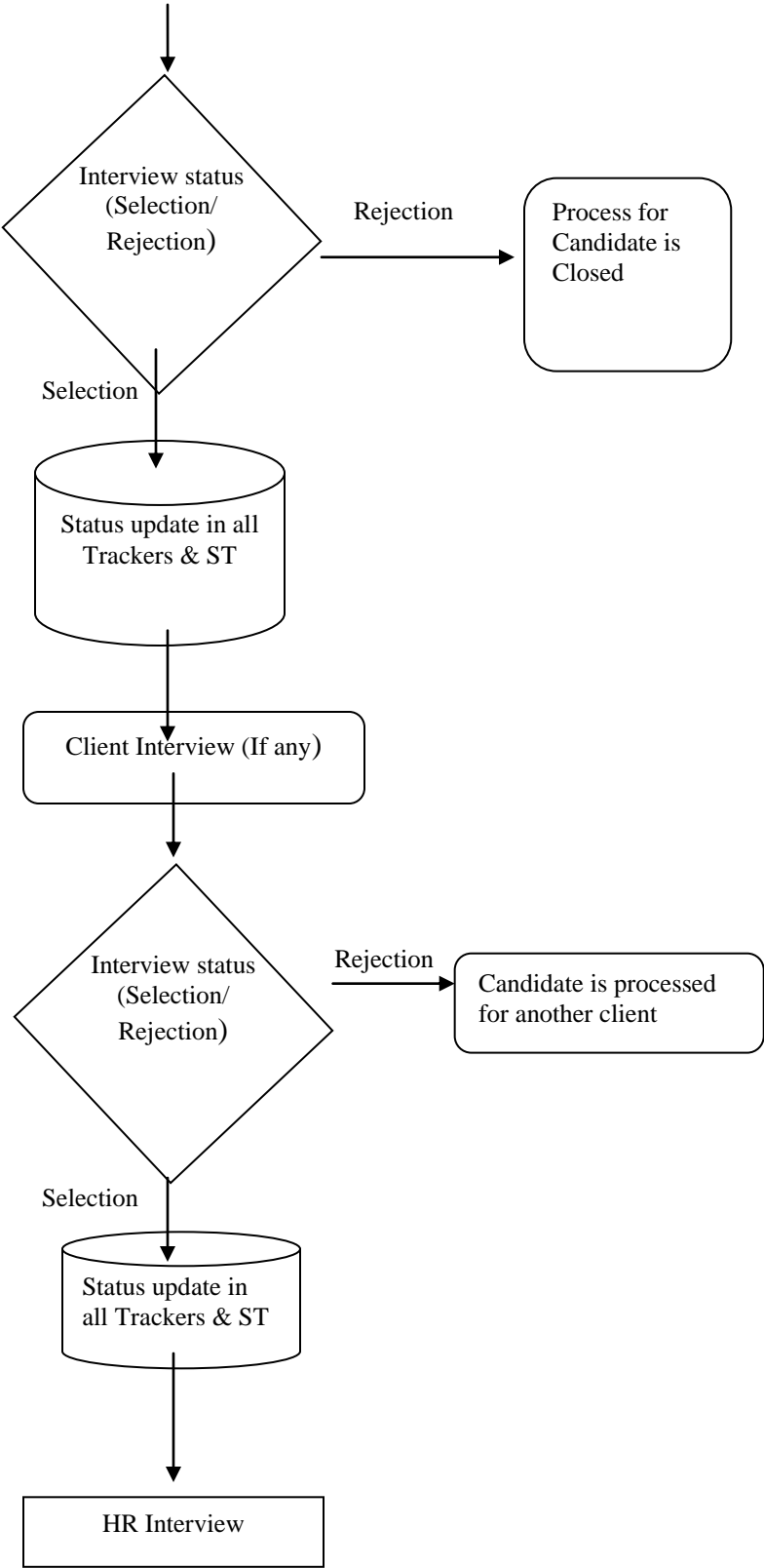
⁴ L&T HRM department

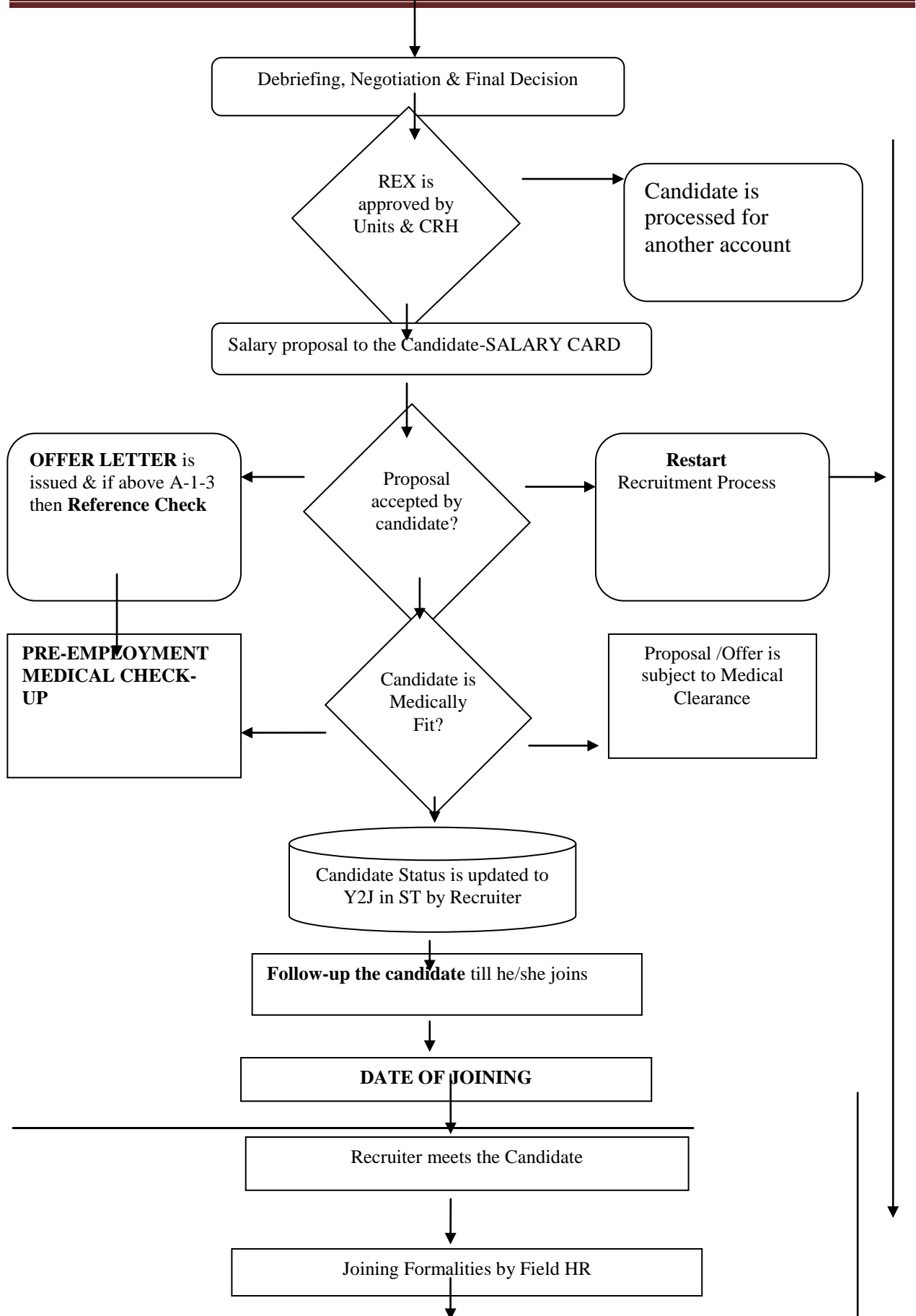
⁵ <http://www.Intecc.com/bugallery/html/careers/compensation/compensation.asp>

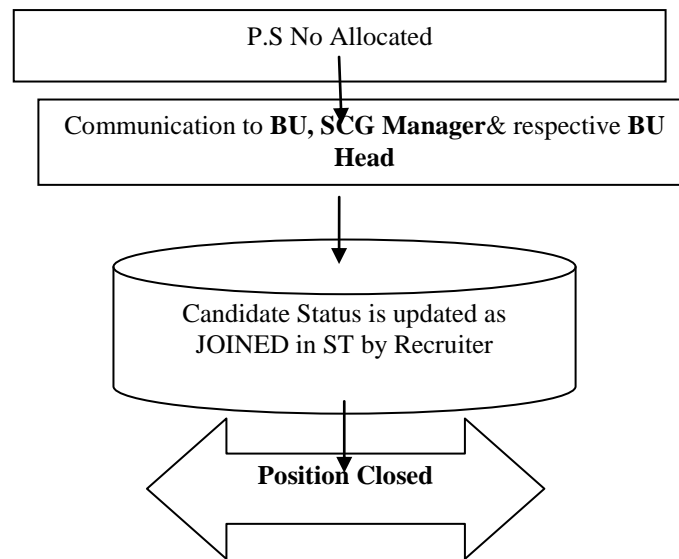
IT Recruitment Process of L&T Infotech⁶



⁶Source: L&T HR Deptt.





**Notes -**

SRS	Staffing Requirement Specification
BU	Business Unit
SCG	Special Competency Group
ST	Smart Track (Applicant Tracking Software)
CRH	Central Recruitment Head
TA	Talent Acquisition
JD	Job Description
L1	Level -1
L2	Level -2
REX	Relevant Experience
PS No.	Pay Sheet Number
YTJ	Yet to join

IDENTIFICATION OF RESEARCH PROBLEM

Recruitment is a long and time consuming process which requires a lot of effort to be put by recruiters to bring in the right candidate with the right skill to suit the job requirement.

The process at L&T Infotech can be stated in simple steps as:

- 1) Identification of Human resource requirement raised by the client
- 2) Sourcing of profiles
- 3) Initial screening for relevant profiles
- 4) Contacting prospective candidates
- 5) Scheduling and coordinating for Technical interview rounds
- 6) Obtaining timely feedback from the Technical Panel
- 7) Arranging for client Interview (if required)
- 8) Conducting HR Interview
- 9) Making final Job offer

When a candidate declines a Job offer made to him/her all the effort and time put invested to carry out all the procedures does not result into anything for the company. It can be counted as a substantial loss. Hence, the research problem involves finding out the reasons why candidates decline the job offer made to them at the final stage to get them on board.

OBJECTIVES of the Study

- To bring out the main reasons that cause candidates reject a job offer made to them by L&T Infotech.
- To identify the lapses in the initial recruitment process of the company.
- To identify the ways of enhancing some of the recruitment techniques that would probably reduce the declining rate.

Research Methodology

Analysis of offer decline was carried out using a Descriptive Research method, where the candidates from past one year who had declined the offer of L&T from the Infrastructure Management Services (IMS) Business unit were tapped.

A survey was conducted through Qualtrics, which is online research software where, the data was recorded, and the analysis is shown below.

Following steps were taken for this research:

Step 1. Tracing the sample size and the sampling unit for the survey

- Non probability sampling method is used to carry out this research project.
- Here the candidates database were traced who have themselves rejected the final offer from L&T Infotech, as there were in total 29 number of candidates who have rejected the offer from past 1 year.

Step 2. Preparation of questionnaire for the survey

- A set of 12 questions was prepared for this research, which were same for all business units.
- The parameters of interest were highlighted through the options, as **Nominal Scaling Method** was used, where the questions are kept close ended.
- This format was followed so that we get a clear picture of why the candidates were rejecting the offer after going through all the interview rounds.

Step 3. Creating and editing the survey in the Qualtrics Software.

- A new login was created for this research on the site www.qualtrics.com.
- With the help of various qualtrics software tools (like Quick survey builder etc.) the above questions were added and saved for the research purpose.

Step 4. Distribution of survey.

- After inserting all the required questions, a link was activated which was sent to the candidates through emails.
- An invitation message before the survey link was constructed.
A sample of the email sent to candidates who had declined Job offer from L&T Infotech over the past one year (2013-2014)

Dear Candidate,

Greetings from L&T InfoTech.

I invite you to take part in a survey being conducted by L&T InfoTech seek your views on the reasons you couldn't accept the Offer given by L&T.

These survey outcomes play an important role in studying the reasons for offer decline. Your input will help us to revisit our process and improvise the same.

This survey should take around 10 minutes to complete.

The following link will take you to the Survey, else the URL mentioned below can also be copied and pasted into your internet browser:
https://qtrial2015az1.az1.qualtrics.com/SE?SID=SV_0x4HQUZMfHJjIxf&Preview=Survey⁷

Your responses will be kept private and confidential. It is assured that the respondents will neither be identified in any data or reports, nor the responses will be linked anyways with other administrative records.

In case of any queries, your questions are encouraged.

Thank you for considering your involvement in this survey.

DATA COLLECTION & ANALYSIS

- After entering the data in the Qualtrics software and mailing the survey to the candidates, total 21 responses were received out of 29 candidates.
- Hence these responses were collected and formulated in a way so that we get to know the exact reason on why the candidates rejected the offer from L&T Infotech.
- For analysis of data, **Percentage Analysis Method** was used where the responses are recorded and tabulated in a distinct response number with its respective percentage.
- Also, the recorded responses were presented graphically in order to have a comparative analysis, which facilitated in quick understanding of the responses.
- The inference is provided after every question based upon the response given by the candidates.

⁷ Source: Qualtrics survey

DATA ANALYSIS

Table No :

1. Why were you looking for a job change?

Sr.No	Answer	Response	Percentage
1	Compensation	4	20%
2	New opportunity and growth	11	55%
3	Improve work/life balance	3	15%
4	Others (if any) Specify	3	10%
	Total	21	100%

Others (if any) Specify

- 1) Travelling issues
- 2) Unhappy with Current Job
- 3) Abrupt Office Conditions

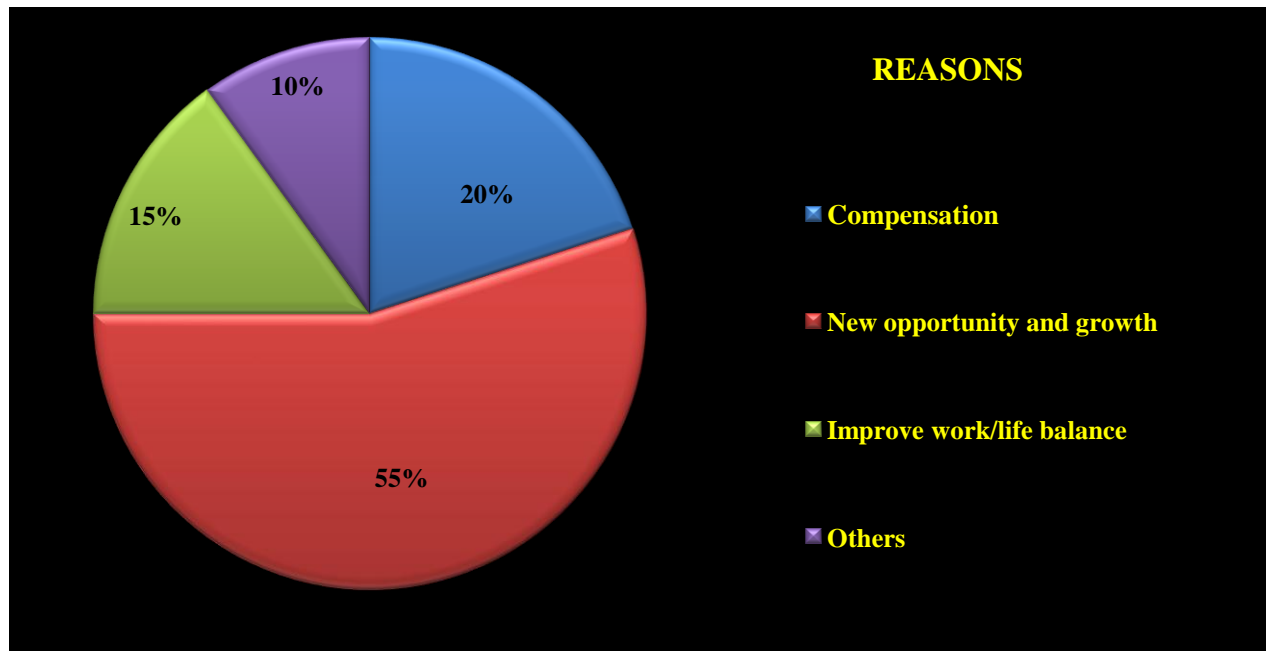


Figure No :

In this scenario,
New opportunity & Growth (55%)

It was observed that maximum number of individuals look for a Job change as they want to excel in their professional life by way of facing new challenges which can be facilitated by accepting opportunities which would make them learn more. They seek professional growth which can be gained by the urge to try working on something that seems to be different and additional to their current Job.

Remuneration being one of the major motivators at work caused employees to look up for a new job in order to increase their salary package. For these 20%, having a better standard of living proved to be essential which can be gained by higher compensation.

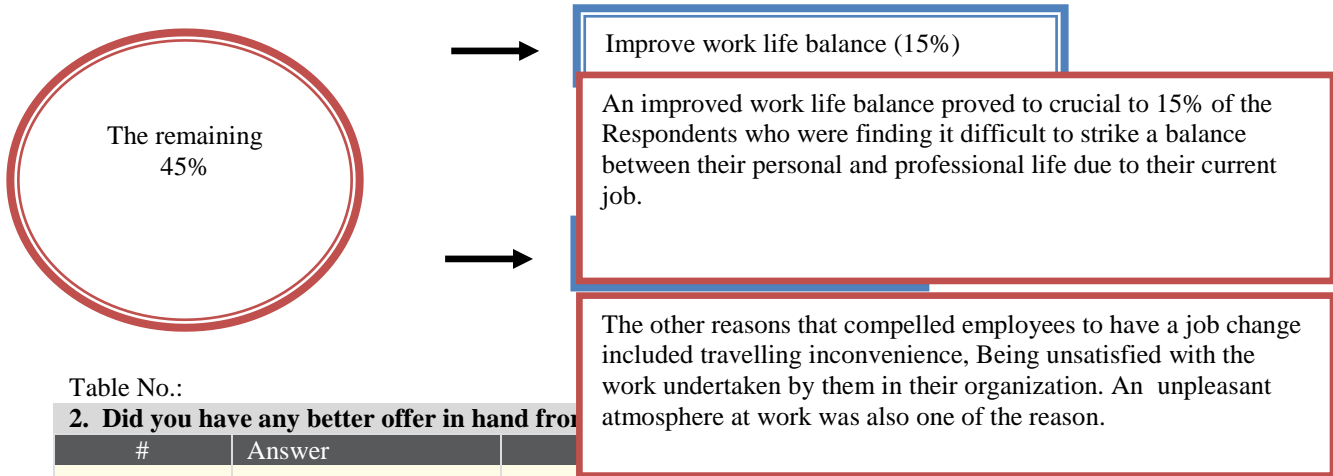
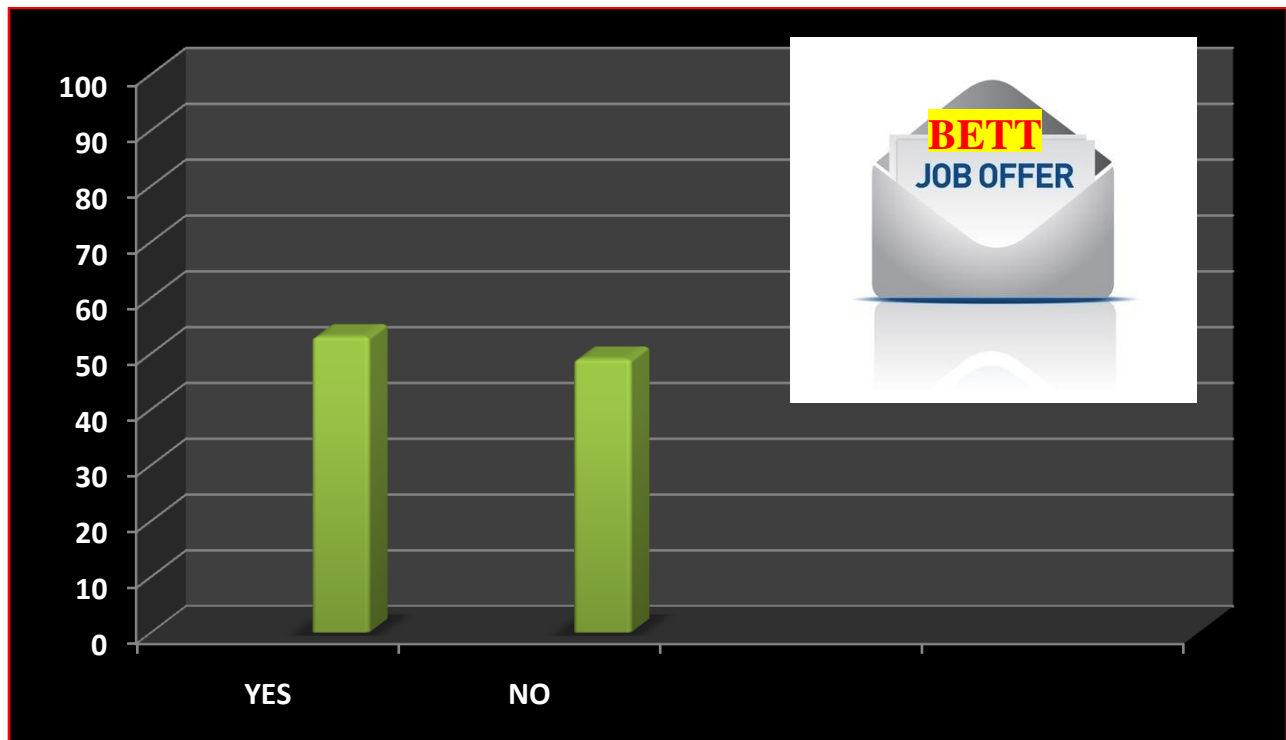


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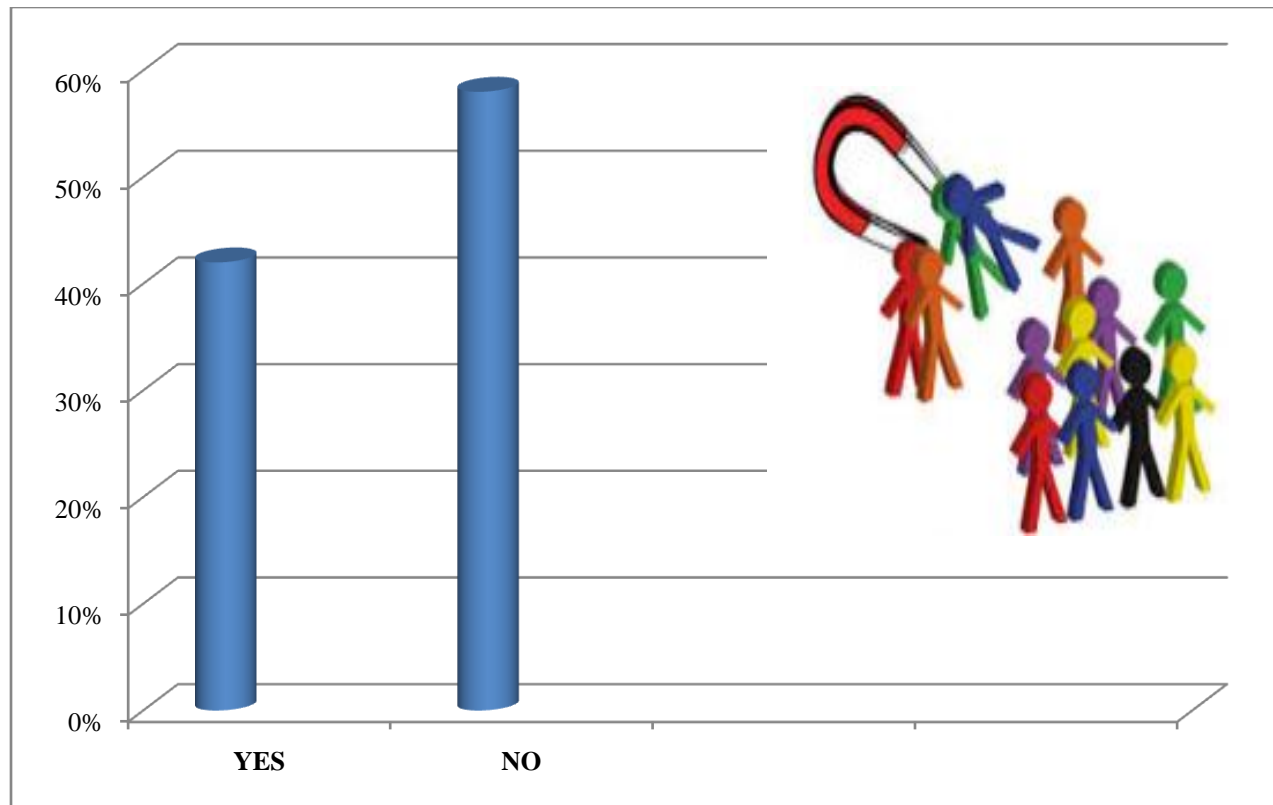
2. Did you have any better offer in hand from

#	Answer		
1	Yes	10	53%
2	No	9	47%
	Total	19	100%



Figure

Almost equal votes were received from individuals on being asked about them having a better offer in hand other than that of L&T Infotech. But by a small percentage (6%), the number of reported cases for having a better offer in hand exceeded those who did have any such offer.



Figure

58% of the individuals reported that they were not given any pay rise or retention offer as a result of having a job offer from L&T Infotech. While 42% accepted having received the same, as an effort made by their organization to retain them. Hence, it can be noted that being offered a higher pay/ position does affect acceptance or rejection of a job offer.

Table No. :

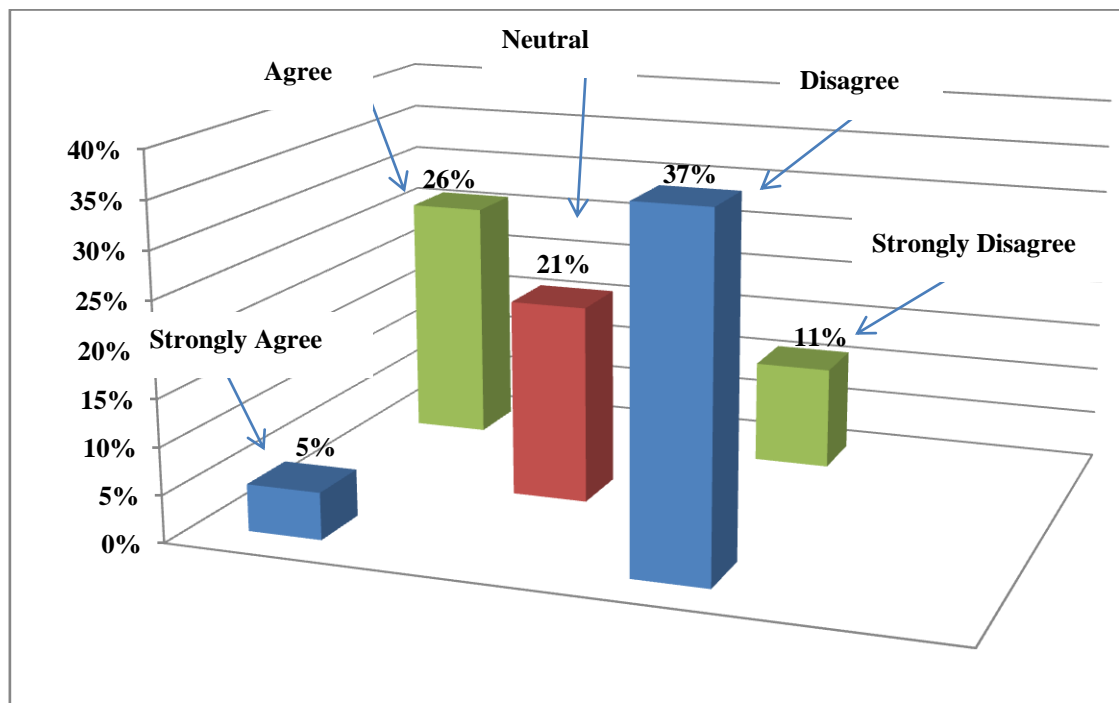
3. Were you given a pay rise/retention offer in your organization?			
#	Answer	Response	Percentage
1	Yes	8	42%
2	No	12	58%
	Total	19	100%

Table No. :

4. Did you have an unpleasant interview experience? Did you feel that the interview process was long /disorganized?

#	Answer	Response	Percentage
1	Strongly Agree	1	5%
2	Agree	5	26%
3	Neither Agree nor Disagree	4	21%
4	Disagree	7	37%
5	Strongly Disagree	2	11%
	Total	19	100%

Views on the interview experience at L&T Infotech being unpleasant can be represented by the Figure below. It was noted that overall there were not many instances of any such experience. While 21% respondents chose to give a neutral reply i.e. neither agreeing nor disagreeing. This states that an interview experience which did not meet the expectations of the candidate may be one of the reasons for offer decline, as he may assume for the actual work culture of the company to be on similar lines.

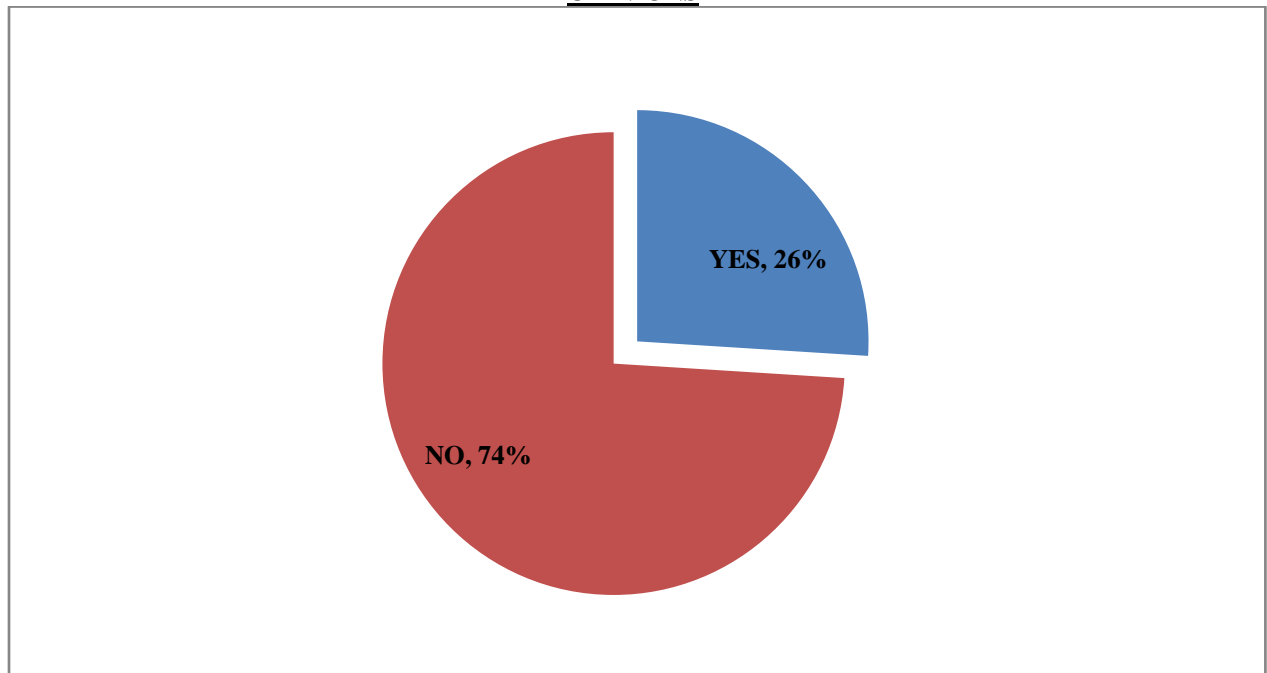


Figure

Table No. :

5. Was there any discrepancy between the initial offer and the final Job Description?

#	Answer	Response	Percentage
1	Yes	5	26%
2	No	14	74%
	Total	19	100%

OPINIONS

Figure

On being questioned about any discrepancy noticed in the initial and final job description provided for the particular job offer by L&T Infotech, a clear majority of (74%) denied any such occurrence. However, 26% responses recorded such discrepancy which may have proved to be a contributor to offer decline by the individual.

Table No.:

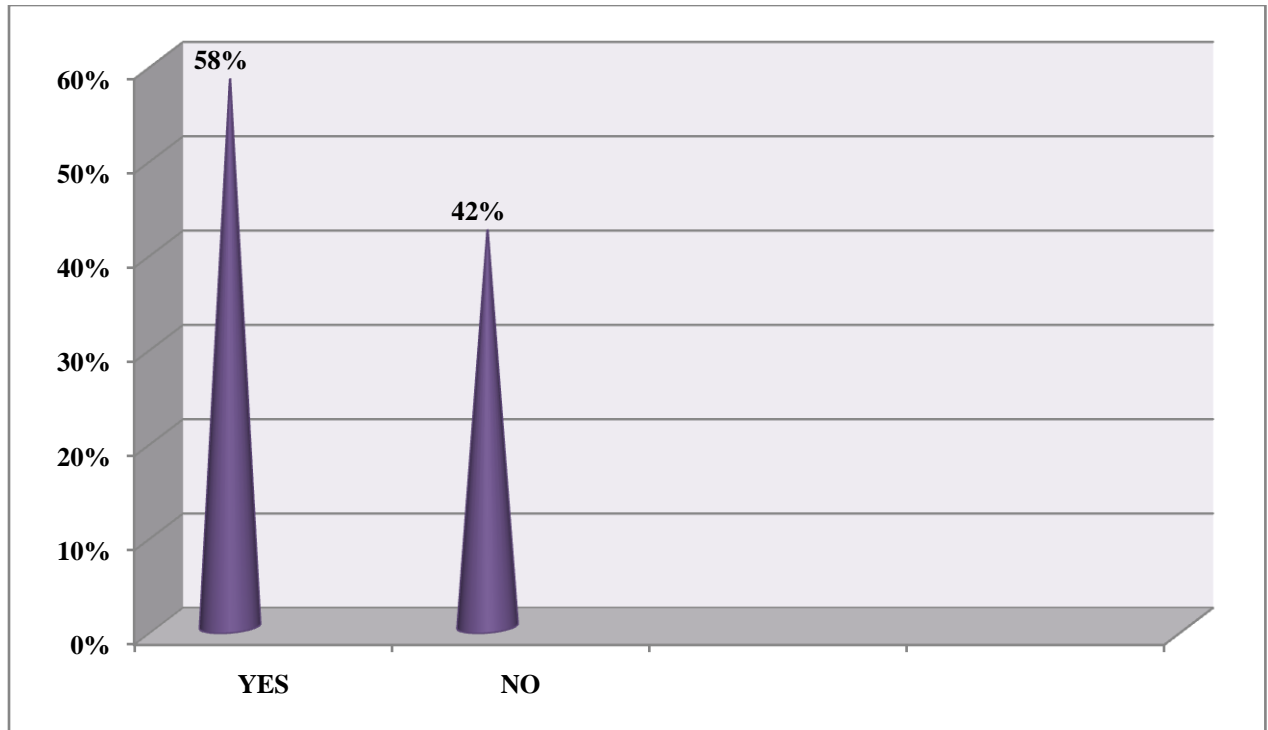
6. Did you feel that the company took too long to make the offer?

#	Answer	Response	Percentage
1	Yes	11	58%
2	No	8	42%
	Total	19	100%

One of the reasons for offer decline was stated out to be delay in making the offer to the candidates. The recruitment process being a little slow at processing candidates for various levels of interview and their evaluation may be one of the causes to the issue. Also, new and better offers from competitive firms reaching candidates while they are being processed at L&T Infotech for interviews may be one of the reasons for offer decline.

58% respondents agreed about L&T Infotech taking too long make the final job offer while 42% denied having experienced so.

OPINION



Figure

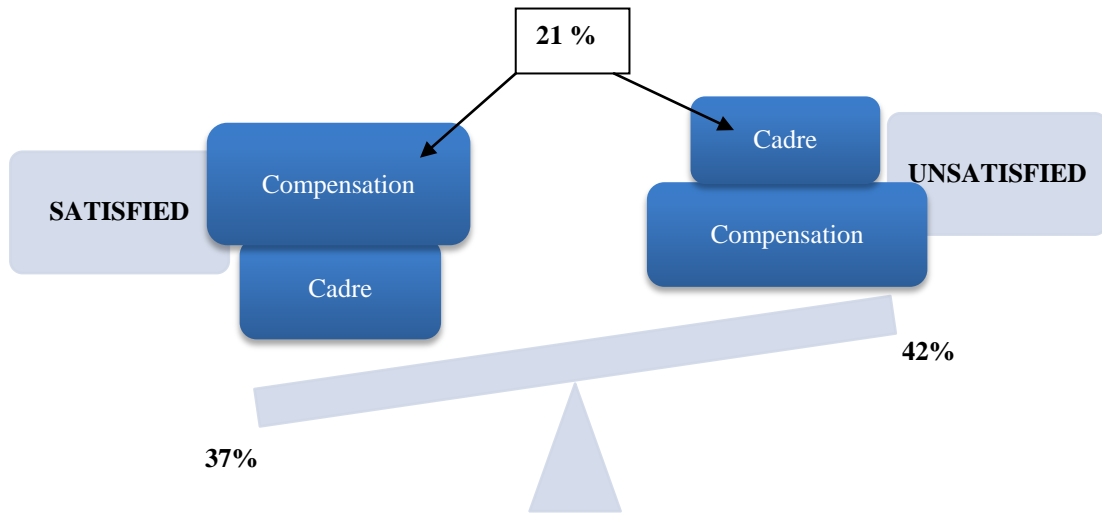
Table No. :

7. Was the compensation offered to you matching your expectations? Were you satisfied with the position/cadre offered? Select the appropriate option.			
#	Answer	Response	Percentage
1	Yes (Compensation + Cadre)	7	37%
2	No (Compensation + Cadre)	8	42%
3	Anyone Specify	4	21%
	Total	19	100%

Candidates Speak :

Anyone Specify
1. Only Compensation (2 Votes)
2. Cadre offered was way below expectation; I recommend to provide offer based on knowledge to bring efficient employees in organization. The cadre in offer was not up to the mark based on my knowledge & experience. I was offered SSE Designation but I got Sr. consultant designation in another organization offer that's the difference.
3. Agreed offer was reduced twice 40% to 35% & from 35% to 30%

**Satisfied with
ANY ONE**



Figure

Table No :

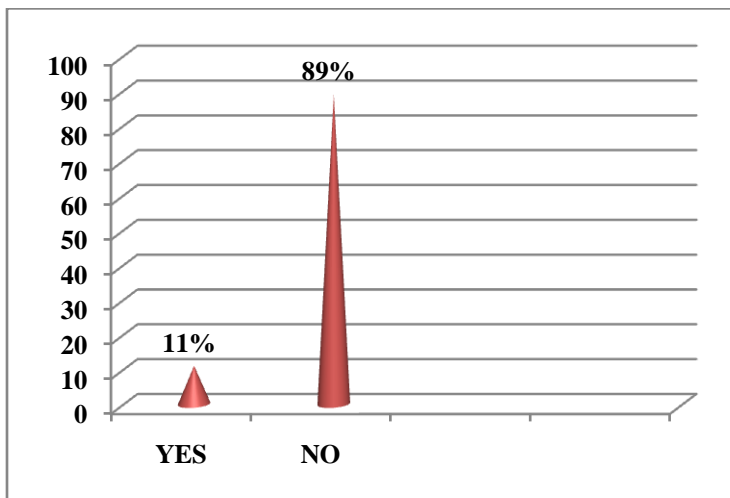
8. Did you have any serious family concern which made you reject the offer?			
#	Answer	Response	Percentage
1	Yes	2	11%
2	No	17	89%
	Total	19	100%

Family Concerns:

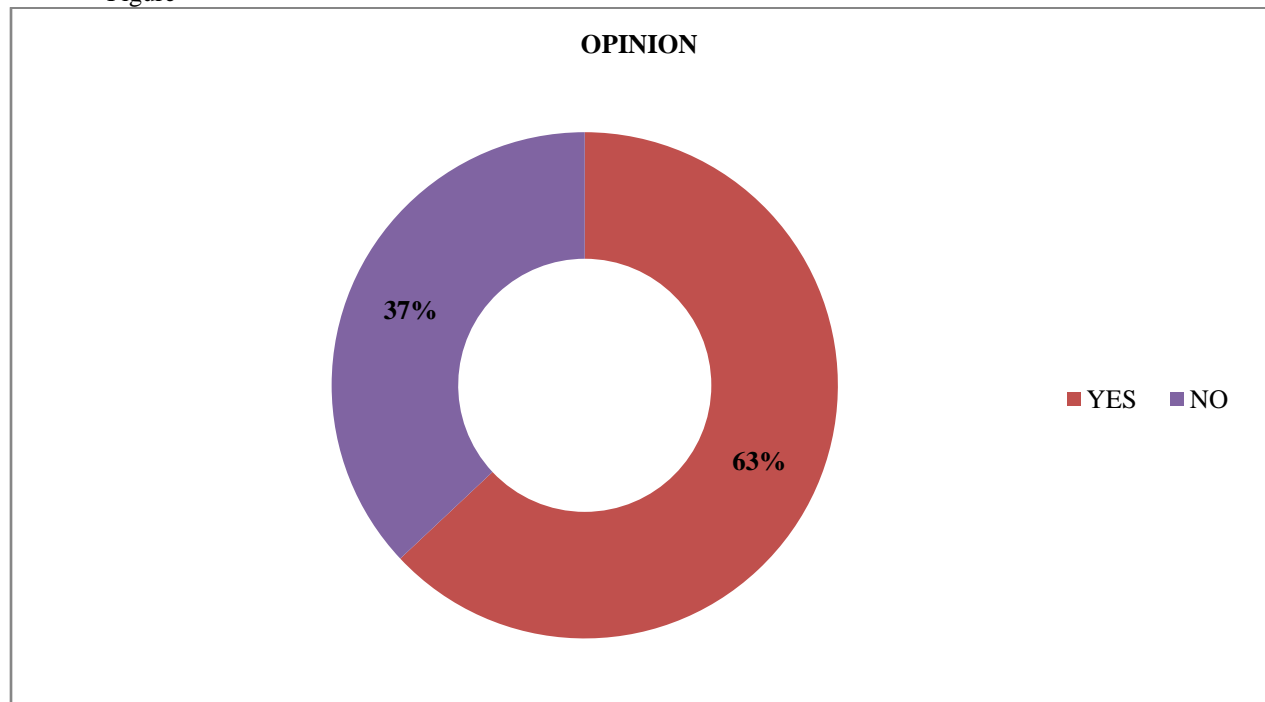
Accepting or declining a job offer is influenced by various reasons. 89% of respondents were stated that they did not have any serious family concerns for declining the Job offer, while 11% of respondents agreed to the same.

In today’s scenario, families have become flexible in their approach to adapt to change for a better life style even though it may require some additional efforts to be put in a new and attractive job offer.

On the flip side, family concerns like unwillingness of family members to relocate,



Figure



Figure

Table No.:

9. Was your family/spouse comfortable with the relocation you would have to go through for the new job?			
#	Answer	Response	Percentage
1	Yes	12	63%
2	No	7	37%
	Total	19	100%

On being question about the respondents' family and spouse giving a nod to relocation (if required) by the job offer from L&T Infotech; majority of them did not have any issue. While a considerable number did admit that relocation for the new job was not acceptable by their family members.

10. What is the add-on in the new offer over our offer?			
#	Answer	Response	Percentage
1	Compensation	7	41%
2	Location Benefit	4	24%
3	Good Work Environment	4	24%
4	Career Progression	2	12%
	Total	17	100%

Maximum number of individuals opted an offer other than L&T Infotech’s as they were offered a higher compensation package. The other two categories – location benefit and a good work environment gained equal number of votes. While least of them got an offer with a good career progression opportunity.

Figure

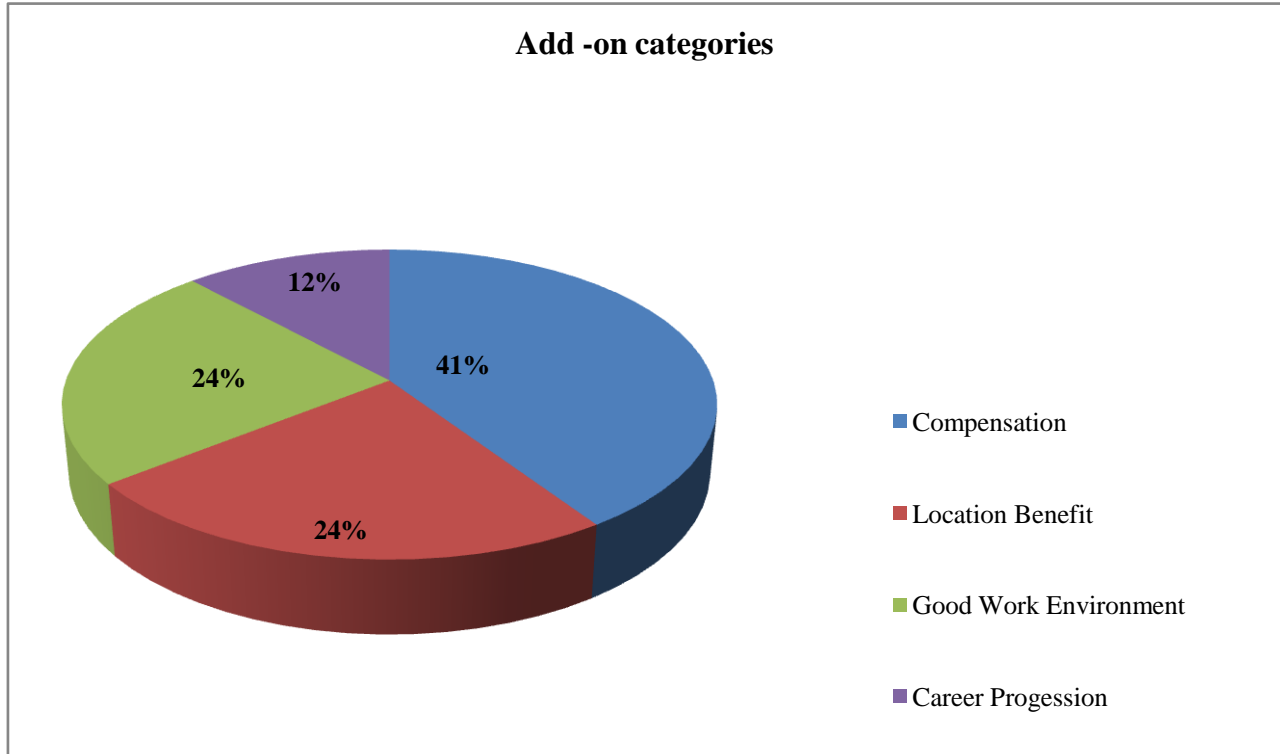
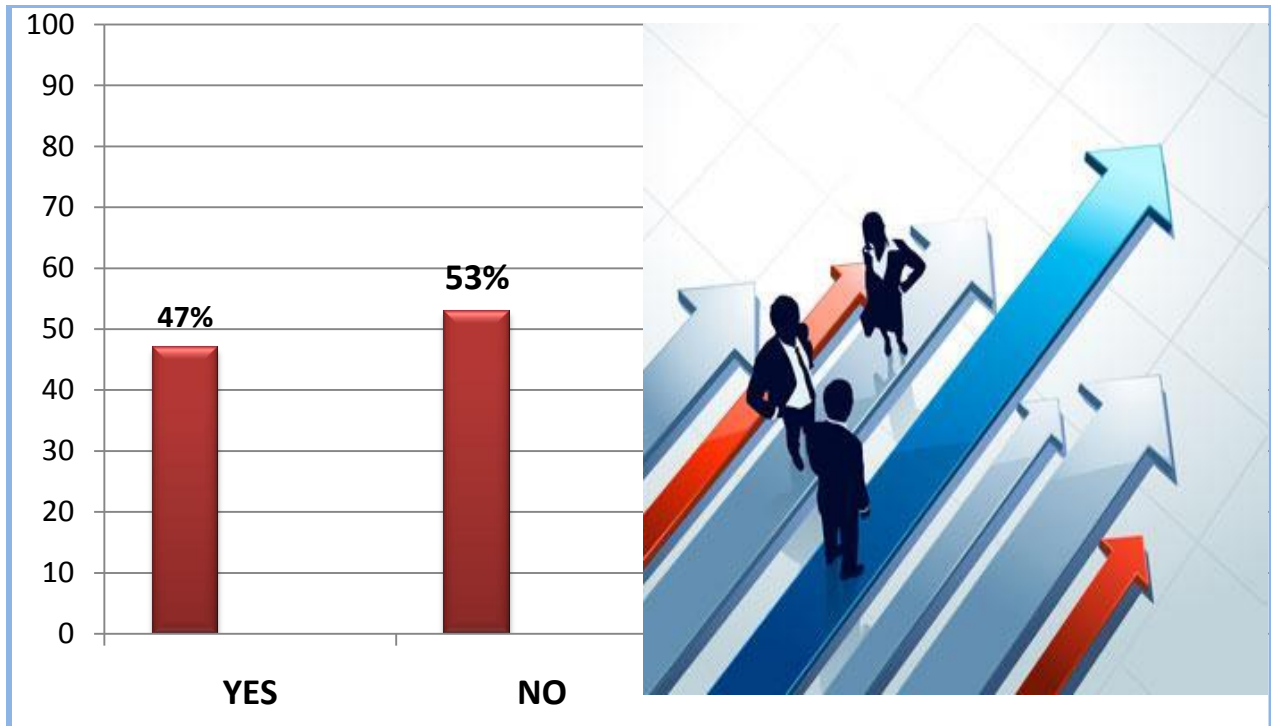


Table No.:

11. Did you feel that the company didn’t provide you with a clear career path?			
#	Answer	Response	Percentage
1	Yes	9	47%
2	No	10	53%
	Total	19	100%

OPINION



Figure

Here, there had been a meagre amount of opinion difference among the respondents. Majority of them (53%) felt that the Job offer made by L&T Infotech provided them a clear path. Career progression accounted to be an important element to select or reject a Job offer. 47% disagreed to the fact that working with L&T Infotech would lead them to the right direction professionally.

Table No. :

12. What values would you consider while looking up a job? Select the one which you prefer the most.

#	Answer	Response	Percentage
1	Flexibility and work-life balance	11	58%
2	More money and incentive value on performance	7	37%
3	Non-monetary benefits	0	0%
4	Brand Name	1	5%
	Total	19	100%

In this scenario,

- It is observed that maximum employees give preference to Flexibility and Work life balance (58%). Today's hectic lifestyle makes it difficult for an individual to strike a balance between his/her personal and professional life. A company which provides them some amount of freedom through Flexibility (Flexi days/ Flexi hours) would be more preferred by potential candidates as they will be allowed to work as per their convenience.
- Monetary rewards/incentives seemed to be considered by 37% respondents while looking up a job. Their preference revolved around 'Pay for Performance delivered'.

- Working with brand name mattered to a small proportion (5%), who chose brand name as a criteria for looking up a new job.

CONCLUSIONS

On collecting and analyzing the responses through Qualtrics research software the following conclusions were extracted from this research

- ❖ Compensation factor
Candidates had better offers from other organizations in terms of compensation and also designation/cadre .This proved to be one of the reasons for offer decline.
- ❖ Retention/Pay rise
Approximately half of the candidates used this offer as a negotiation tool so that they could get a hike in their salary or a better position in their current working organization.
- ❖ Discrepancy between Initial & Final offer
30% of the candidates agreed that there was a difference in the initial job description and the final offer made by L&T InfoTech.
- ❖ Work-life balance
A job that offers employees flexibility in terms of work is more preferred. Candidates looked for some amount of flexibility offered while looking up a job.
- ❖ Delay in making job offer:
According to the report, 58% of the candidates agreed that L&T InfoTech took a long time to give the final offer which made them to accept the job offer from another organization during that duration and hence they rejected this offer.
- ❖ Miscellaneous reasons :
Location constraint, unwillingness to relocate (if required) and not much clarity on career path were few other reasons for offer decline.

RECOMMENDATIONS

Every recruiter faces the situation in his or her career, when a candidate declines a job offer, at a point, where the recruiter has processed the results of three to four rounds of selection. It becomes a very expensive failure for the recruitment process because till the time of the offer, the recruiter is almost done with 95% of the necessary work. The major reason of job offer declining by the candidate is non clarification of the doubts they have about some aspect of the job position or the Organization. They may have doubts regarding their duties, reporting, job location etc, but generally they fear to clarify their doubts, as they assume that clarifying may reduce their chances of being a preferred candidate. So, they assume certain things and reject the offer on that basis.

Hence to combat with these problems some suggestions are provided with respect to the response which we got through this research. They are as follows:

1) **Problem-**

No enough clarity of on career progression leading to candidates declining job offer.

Suggestion-

While approaching candidates for a particular job offering, the recruiter must make things very clear in terms of the job responsibilities and also on the future prospects of the particular job. The candidates must be provided with a clear understanding regarding the direction in which they would be heading towards their career lifecycle.

2) **Problem –**

The candidates had better offers in hand from other organizations leading to rejecting job offer from L&T Infotech.

Suggestion -

No candidate will himself inform the recruiter about him/her having a job offer in hand from any other organization unless they are asked about it. Hence, they must be questioned at the very beginning of the communication process about job offers made to them at that point of time.

3) Problem –

Compensation/Cadre not matching candidates' expectations leading to offer decline.

Suggestion

At each stage of the recruitment process, re-confirmation regarding the candidate's agreement to the salary discussed at the beginning of the process can be done. so that we get an idea that the candidate is satisfied or not. With regards to the cadre offered, recruiters must make it clear to the candidates about the structure and pay scale that is used by them. And that they do not make offerings beyond the compensation-cadre match set by the organization.

4) Problem –

Some candidates wanted a more flexible job as they assumed that L&T does not provide flexibility.

Suggestion-

- At the time of issuing offer to the candidates, give them a gist of information about the work culture which includes practices followed by company, work timings (depending upon the shift offered), values of the Organization. It will provide an insight about the job instead of getting the information from outside, in a different manner, which may not be always true.
- For this purpose, templates can be made which will provide such information and that would also be helpful for the recruiters as they just have to drop mail to the candidates at the time of issuing the offer.

5) Problem –

Some candidates responded that the company took too long to give them the offer.

Recommended Action:

The recruitment process must be speeded up on part of the recruiters. Processes like conducting interviews and their feedbacks or scores must be concluded at a bit faster pace and the processing must not take a very long time which may results in the candidate losing interest in the offer. Also, a better offer approaching the candidate from a competing organization may as a result of the delay is possible.

The recruiters should also understand the difference between candidate's rational motivators and their emotional Motivators, and how the difference between the two affects the candidate's decision to stay or go when confronted with the reality of leaving their current employer.

The people who are changing jobs have recognized that their emotional motivators (e.g. job security, corporate executive etc.) were being compromised, so they are leaving their current job career where their rational needs were being met (e.g. compensation).

We must effectively access the emotional motivators of a candidate by asking some, or all, of the following questions:

1. What part of your current job do you enjoy the most/least? Why?
2. What did you enjoy most /did'nt enjoy about working for your current boss? Why?
3. Which job have you enjoyed most / least in your career and why?
4. Which boss that you have most/least enjoyed working for, in your career. Why?

The above recommendation would somewhat help to increase the acceptance rate of jobs by the candidates.