

**DECLINE OF JOB OFFERS WITH RESPECT TO RECRUITMENT  
PROCESS IN SOFTWARE INDUSTRY**

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**ABSTRACT**

*Recruitment is the process of searching the prospective employees and stimulating and encouraging them to apply for jobs in organization. Through the recruitment process, the candidates are selected and are provided with the job offer. The candidates once provided with the job offer decline the offer, if they are not satisfied. In turn, it affects the recruitment effort of the organization. The aim of the study is to identify the reasons for the decline of job offers by the candidates that affects the recruitment efforts been spent by the organization. The study is based on descriptive research design as it employs the data to identify what caused the candidates to decline the job offered by the organization. The research was carried out using the primary data collection method with the help of questionnaire as a tool and also using the secondary data that is used in recruitment process. The research data was collected from sample of 50 respondents who are the HR Recruiters of various companies in Software Industry and a sample of 100 respondents who were decline the offer which is offered to them. The research was analyzed and interpreted using statistical tools such as chi-square test, Weighted Average Method and Kruskal-Wallis test. Based on the analysis done, the major findings of the study were brought into notice of the management of the company and appropriate suggestions were provided for the betterment of the company to reduce the decline of job offers which will improve the recruitment efforts of the organization.*

**Keywords:**

*Selection Process, Job Offer, Pay Roll, Organization Reputation, Recruitment Channel*

### **Introduction**

Recruitment is the process of searching the prospective employees and stimulating and encouraging them to apply for jobs in the organization. The goal of recruitment is to recruit enough qualified candidates from whom the desired people may be selected. The purpose of recruitment is a set of activities used to obtain a pool of qualified job applicants. The recruitment process involves the identifying vacancies and evaluating the exact needs for the job. Based on the needs, the job descriptions are formed and the job specifications are developed. The process also involves the determination of key performance areas for the job. The consultation is been made with the recruitment policy and procedure of the organization. The sources of recruitment to be used are been chosen. Then selection process proceeds by filtering the candidates by conducting interviews like written tests, face-to-face or telephonic interviews to reject the candidates who are not suitable. The shortlisted finalized candidates are chosen for the final interview. Once they get selected they are made with reference check. After they satisfy all the requirements they are been offered the job with a salary package.

### **Problem Statement**

After the selection process the offer letters are provided to the candidates before their date of joining. To get an offer letter for a job is very tough. The candidates get their job offers only if they overcome all the assessments like written tests, interviews etc. But once they are offered with an offer letter. Many offers are been declined once the candidates are been given an offer letter with the salary breakups. The greedy candidates for the money decline the offers mostly because they will be more specific about the money rather than their job. So those candidates will jump to other companies when they are offered with the job. The candidates decline the offer not only for the money, but there can be many other reasons behind their decline of job offers. It can be due to the job location, their opinion about the reputation of the organization, influence of opinion by their friends and colleagues in his previous companies etc. The consequence of the decline of offer eventually leads to the loss for the organization because the recruitment costs spent for hiring the candidates like cost of hire , time payroll , cost spent for Background reference checks of the candidates , agency costs etc been drastically affected for the firm. This makes the organization to conduct more recruitment drives to fill their requirements due to offer declined by the candidates. The decline of job offers mainly due to the

experienced candidates who have niche skills with them. This research study is used to identify the reasons that cause the candidates to decline the job offers and the ways to prevent the decline of offers in future in order to reduce the recruitment cost and efforts spent by the organization. This study will be identifying the factors which cause the Decline of job offers by candidates during their date of joining on acceptance of their offer and how these decline of job offers affects the recruitment efforts been made by the firm.

### **Need & Scope of the Study**

The need of the study is to identify the causes for the decline of the job offers by the candidates during their date of joining. The declining of job offers in turn, affects the recruitment cost spent by the firm for the declined candidates. The study is used to analyze the factors involved in the recruitment process and identify what are the factors that would have lead the candidates to decline their job offer. The study is also used to understand what the candidates expect from the organization where they are going to join. The study is used to investigate the reasons from both the HR Recruiters as well as the employees who declined their job offers to compare and finalize the causes that influences the offer declines that in turn affects the recruitment efforts of the firm. The scope of the research study is to improve the recruitment effort taken by the HR Recruiters in the organization in completion of job vacancies of the organization by effectively conducting the selection process and through the follow-ups of the candidates who are offered with the job. It helps the organization in selecting the prospective employees for the job. The study helps the recruiters to overcome their problems caused by the candidates who decline the offers provided by them. The study can be applied in the real-time scenario of the organization to select the right candidates and to reduce the recruitment cost by reducing the offer declines in future and by increasing the productivity of the organization.

### **Objectives of the Study**

1. To analyze the factors that causes the decline the job offer by the candidates.
2. To determine the ways in which the recruitment efforts of the firm gets affected due to offer declines.
3. To determine which of recruitment channel been effectively used in the organization.
4. To identify the factors that causes the candidates to decline the offer provided by the organization.

5. To find out the measures that can be used to prevent the decline of offers in future.
6. To provide suggestions to the organization to reduce the decline of offers by the candidates.

### **Literature Review**

***Geisel, J 2009, 'Defined benefit plans on decline', Business Insurance, 43, 45, p. 13***

The article focuses on the decline of defined benefit plans in 2009, considered to be one of the top employee benefits stories of the year. Based on an analysis by Watson Wyatt Worldwide, almost one-third of Fortune 1000 companies with defined benefits plans have frozen at least one of those plans. The firm has also found that only 45% of Fortune 100 companies still offer such a plan to new, salaried employees. Two of those firms are Wells Fargo & Co. and Qwest Communications International Inc.

***Faucon, K 2013, 'How to Decline a Job Offer', Agri Marketing, p. 23***

The article offers suggestion on how a job applicant should decline a job offer when he or she finds the job is not suitable for them. It suggests calling the employer directly and informing them honestly the reason for declining the job offer. It suggests one should express appreciation for the job offer during the phone call and mention the things one liked about the company. It suggests informing the employer that one would get in touch if one is interested in the job in future.

***'Employment index shows sharp drop in white-collar positions' 2010, Nonprofit Business Advisor, 244, p. 8***

The article focuses on the sharp decline on the white collar job offers as revealed by the CareerCast.com or JobSerf Employment Index in the U.S. The employment index has shown that the online job posting has dropped to 68.4 percent in September 2009 which is lower than in August 2009. The decline has been interpreted to have been affected by the late Labor Day.

***'Job applicants willing to exchange health coverage for higher pay' 1994, HR Focus, 71, 10, p. 11***

Reports on a survey which shows that job applicants decline only a small percentage of job offers due to inadequate health care coverage. Willingness of applicants to forego employer-sponsored health care coverage for a higher salary; Comparison of men and women applicants in

terms of acceptance of health care coverage; Issue on health care coverage for temporary workers.

***'Job Offer Compensation Disappoints Unemployed' 2010, Channel Insider, p. 1***

The article reports on the disappointment of 92% job seekers concerning the insufficient compensation offered by some companies as showed by CareerBuilder LLC's consulting division Personified in the U.S. The research reveals that most of the unemployed have rejected job opportunities due to the proposed salary which is about 25% less than their last job. It further shows other factors of refusing the job offer which include a long commute, lower title and little room for career advancement.

**Research Methodology**

**Research Design**

The research study uses the Descriptive Research Design. The research design is mainly used to identify what caused the candidates to decline the job offered by the organization. This research design is used to identify the facts that are really involved in the research problem. It is used to clearly explain or describe the reasons behind decline of offers and how it affects the recruitment efforts spent by the organization.

**Sampling Technique**

A sample size of 100 respondents were taken as the sample out of target population of offer declined candidates in the software industry and a sample size of 50 respondents were taken as the sample out of the target population of the HR Recruiters.

Sampling is a process of selecting some of the elements in a population to draw conclusions about the entire population. The study contains a infinite / known population so the technique which we use for our research study is the non probability Sampling. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher was used in this study.

**Data Source**

The research study uses survey method for collecting the fresh data from HR Recruiters of software industry as the target respondents in obtaining the primary data and also gathers data from the offer declined candidates of software companies to identify their problems faced during

their date of joining and asking their suggestions. The data is collected through two sets of questionnaires to the offer declined candidates and to the HR Recruiters. The secondary data about the recruitment channels being used in software industry and also obtains the reasons behind the non acceptance of the offers by the candidates who are yet to join the firm.

### **Questionnaire**

The Questionnaire that is used in our research study is a Structured-Non Disguised Questionnaire which is having a form of structured questions presented verbatim to every respondent with fixed response categories. It has direct questions in which purpose is obviously known to the respondents. It is clear and direct and suitable for large samples.

### **Scales used in the study**

- Nominal Scale / Dichotomous Scale which is having questions with the options of YES / NO
- Ordinal Scale/Ranking Scale which is having questions with the ranking options
- Rating Scale - Likert's Scale are being used to identify the factors that is involved in decline of job offers
- Multiple Choice Questions are used which helps to identify about the opinions of the candidates about their reasons for their decline of job offers.
- Interval Scale is used to identify the percentage of offer declines in a year.
- Ratio Scale is used to get the name of the HR Recruiters , candidates name, Years of Experience , suggestions for reduction of offer declines

### **Reliability and Validity of Questionnaire**

S.No	Questionnaire	No. of items	No. of cases	Cronbach's Alpha Score
1	HR Recruiters	15	10	0.748
2	Offer Declined candidates	13	10	0.63

Samples of 10 were investigated to assess the suitability of the questionnaire design. Based on the response entertained during June- October 2014 and analysis of the same questionnaire was

found to be suitable for the study. The Alpha value found using Reliability Calculator by Del Siegle is greater than 0.5, Hence the questionnaire is reliable and acceptable of this study.

### **Tools for analysis**

Inferential analysis is conducted in our research study which is used to identify the cause behind the research problem. The tools that are involved in the research study are Chi-square test using SPSS software, Weighted Average method and Kruskal–wallis test. Percentage analysis is used to interpret the results using the information given by the respondents that are converted in the form of percentage. It also gives a diagrammatic representation of the percentage of sample of respondents. Chi-square test is a non-parametric test that is used to identify the significant relationship between the two factor variables that are developed in the research hypothesis. Weighted Average Method is used to provide the weightage for the prime factors involved in the research study. Kruskal-wallis test is used to determine the ranking of the factors in the research study.

### **Limitations of the study**

- The size of sampling was restricted to 100 respondents of Offer declined candidates and 50 respondents of HR Recruiters only.
- The study is involved by measuring only the offer declines from Chennai city alone and it cannot be applied to all other places.

### **Results & Discussion**

#### **Views of HR Recruiters**

1. 38% of the HR Recruiters effectively use the job portals as their recruitment source in the organization & 36% use weekend drives as the mode of recruitment.
2. 36% of the respondents often decline the job offers prior to date of joining on acceptance of their job offer.
3. The study says that 42% of the respondents convey that the percentage of candidates who decline the job offers in a year is between 25-50%.
4. 36% of the respondents agree that company's reputation influence the decline of job offers.



5. 38% of the respondents strongly agree that the company's salary breakups influence the decline of job offers by the candidates.
6. 46% of the respondents convey that the negotiation of CTC with the candidates is least effective that leads to decline of job offer.
7. 38% of the respondents agree that the candidates' current company notice period influence them to decline the job offers.
8. 36% of the respondents convey that the candidates' current employer retention often leads to decline of offers.
9. 38% of the respondents agree that the job location influences the decline of job offers.
10. Nearly 56% of the HR recruiters as respondents say that they do follow-ups with the yet-to-join candidates weekly once.
11. 44% of the respondents agree that the recruitment efforts spent for the candidates get affected due to their offer declines.

#### **Views of Candidates who decline the offers**

1. 40% of the respondents agree that the recruitment process affected by the decline of offers by niche skill candidates.
2. 28% of the offer declined candidates tell that the salary breakups are the reasons behind their decline of job offers.
3. 44% of the declined candidates convey that their treatment during the screening and selection process were good.
4. 46% of the respondents convey that they had 3 rounds of interview was the reason for decline.
5. 18% of the respondents convey that the interviews been conducted were not as expected, cancelled or postponed.
6. 42% of the respondents convey that influence of their family, friends and colleagues lead to decline of their job offers.
7. 54% of the respondents agree that they decline the offer due to better offer provided by the other companies.



8. 56% of the respondents reveal that their negotiation of CTC with the Recruiters has leaded them to their offer declines.
9. 86% of the respondents were not been addressed their queries and issues immediately before their date of joining which lead them to decline their job offer.
10. 48% of the candidates convey that their job location influence them to decline their offer.
11. 42% of the respondents say that the uncomfortable shifts and work timings have lead them to decline of their job offers.

### **Statistical Inference**

#### **Chi Square Test**

**Purpose:** To find the significant relationship between the decline of job offers and the recruitment efforts spent by the firm

**Test Statistics**

	Decline of job offers by candidates	Recruitment efforts spent by the firm	Frequency
Chi-Square	27.200 <sup>a</sup>	58.000 <sup>a</sup>	16.380 <sup>b</sup>
df	4	4	10
Asymp. Sig.	.000	.003	.029

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 20.0.

b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 9.1.

From the above analysis, it was concluded that the obtained Chi-square value of 0.029 is less than 0.05. Thus, the Null Hypothesis H<sub>0</sub> is accepted. So we can result that there is no significant relationship between the decline of job offers by the candidates and the recruitment efforts spent by the firm. Hence, this proves that there is a significant relation between the decline of job offers by candidates and the recruitment efforts spent by the firm.

#### **Weighted Average Method 1**

**Purpose:** To identify the major reason for the decline of job offers by the candidates

Reasons for offer declines	Respondents( $X_i$ )	Weight ( $W_i$ )	$W_i X_i$	$W_i X_i / \Sigma W_i$	Rank
Better Offer	26	10	260	4.72	<b>1</b>
Current employer retention	19	9	171	3.11	<b>2</b>
CTC Issues	17	8	136	2.47	<b>3</b>
Job Location	8	7	56	1.02	<b>4</b>
Unresolved queries& issues	7	6	42	0.76	<b>6</b>
Personal Issues	10	5	50	0.91	<b>5</b>
LowBallOffer	3	4	12	0.22	<b>7</b>
Company's reputation	2	3	6	0.11	<b>9</b>
Shifts and work timings	4	2	8	0.14	<b>8</b>
Current Company's notice period	4	1	4	0.07	<b>10</b>
<b>TOTAL</b>	<b>100</b>	<b>55</b>			

From the above table , it was interpreted that majority of the respondents convey that the major reason for the decline of job offers by candidates is the Better Offer that is provided by the other companies.

### Weighted Average Method 2

**Purpose:** To provide suggestive measures to reduce the decline of job offers by candidates

Suggestive measures	Respondents( $X_i$ )	Weight ( $W_i$ )	$W_i X_i$	$W_i X_i / \Sigma W_i$	Rank
Increase in salary hike	30	7	210	3.82	<b>1</b>
Providing Joining Bonus	18	10	180	3.27	<b>2</b>
Proactive hiring	6	9	54	0.98	<b>3</b>
Resolve queries & issues immediately	10	5	50	0.91	<b>4</b>
Hiring Freshers	6	8	48	0.87	<b>5</b>
Preferred Job Location	5	6	30	0.54	<b>6</b>
Use 'vows'and Benefits in Job offers	8	4	24	0.44	<b>7</b>
Job Security	5	3	15	0.27	<b>8</b>
Career opportunities	7	2	14	0.25	<b>9</b>
Comfortable work timings	5	1	5	0.09	<b>10</b>
<b>TOTAL</b>	<b>100</b>	<b>55</b>			

From the above table, it was interpreted that the majority of the respondents suggest that increase in salary hike can be done to reduce the offer decline by the candidates in order to reduce to recruitment efforts spent by the firm.

### **Kruskal Wallis Test**

**Purpose:** To find the significant difference between the effectiveness of the sources of recruitment being used in the firm

<b>Ranks</b>			
	Sources of recruitment	N	Mean Rank
Frequency	Job Portals	15	27.60
	Employee Referrals	5	16.20
	Vendors	10	22.50
	Head Hunting	8	18.30
	Rehiring	4	13.40
	Newspapers	2	11.80
	Career website	6	16.40
	Total	50	

### **Test Statistics<sup>a,b</sup>**

	Frequency
Chi-Square	13.583
df	6
Asymp. Sig.	.038
a. Kruskal Wallis Test	
b. Grouping Variable: Sources of recruitment	

From the above analysis, it is concluded that the obtained P value of 0.038 is less than 0.05. Thus, the Null Hypothesis H<sub>0</sub> is accepted. So we can result that there is no significant difference between the effectiveness of the sources of recruitment being used in the firm. Hence, this proves that there is a significant relation between the effectiveness of the sources of recruitment being used in the firm. Job Portals is the effective recruitment source that is being used because it has the highest ranking.

**Secondary Data to identify the effective recruitment source used for recruitment process in Software Industry**

Recruitment Sources  Recruitment Practices	Internal source	External Sources of Recruitment				
	RAY(Refer Another You)	Naukri	Monster	Vendors	Campus Drives	
					On Campus	Off Campus
<b>Applicants</b>	140	300	250	300	750	1000
<b>Screening</b>	125	275	200	240	600	400
<b>Written Test(optional)</b>	120	240	130	190	520	250
<b>Scheduling Panel Interviews (tele or facetoiface) L1</b>	97	210	120	150	400	140
<b>L2</b>	62	195	105	130	350	95
<b>Client Interview(optional)</b>	34	190	96	125	-	-
<b>HR Interview selection</b>	34	190	95	125	350	95
<b>Compensation team approval</b>	31	186	95	125	350	95
<b>Offer Acceptance</b>	29	186	80	123	335	86
<b>Offer during DOJ*</b>	28	180	75	120	314	72
<b>Joining Candidates</b>	28	180	75	120	314	72
<b>Joining Ratio (%)</b>	<b>20%</b>	<b>60%</b>	<b>30%</b>	<b>40%</b>	<b>41.86%</b>	<b>7.2%</b>

**Source:** Secondary Data collected from the recruitment sources being used for the recruitment process in Software Industry for the past 8 months.

#### **Reasons for declining the offer by the candidates**

- Better Offer from the other companies
- Current employer retention
- CTC issues
- Personal issues
- Job Location

#### **Suggestions**

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1. The software industry should provide an increase in salary hike to a certain level as the study tells that 54% of the candidates decline the offer due to Better offer from other companies.
2. The software industry should provide joining bonus for candidates as the study reveals that nearly 24% of the candidates decline the offer due to current company notice period and their current employer retention.
3. The software industry should resolve the queries and issues immediately for the offered candidates as the study conveys that nearly 86% of the respondents are not been addressed with their queries immediately.
4. The software industry should allot the job locations that are preferred by the candidates as the study tells that 48% of the candidates decline their offer due to job location.
5. The HR Recruiters must negotiate effectively to the offered candidates 46% of the respondents reveal that negotiation of CTC has been least effective that has lead them to decline of job offers.
6. The software industry can provide the job security for the candidates who need extension of their date of joining as 20% of respondents decline job offer due to their personal issues.
7. The software industry should provide comfortable shifts and work timings for the candidates (especially for the female gender) along with cab facilities since there are 42% of the respondents convey that they decline job offers due to uncomfortable work timings.
8. The software industry should provide more career opportunities for the fresher and other external candidates so that the decline of job offers as said by the 36% of the respondents due to company's reputation can be reduced.
9. The software industry can provide attractive benefits in the job offers to raise the interest level of the candidates to join the organization as the study conveys that 4% of the candidates decline the job offer due to low ball offer (same salary offered).
10. The software industry can do pro active hiring of internal candidates and hiring fresher which is used to reduce the decline of job offers by the candidates with niche skills that affects the recruitment efforts spent by the firm.

### **Conclusion**

The recruitment sources act as a bridge for the procurement and selection of the right candidates at the right time. The decline of job offers can act as a major barrier for the recruitment process in the organization. The research study has found various reasons for the decline of job offers by the candidates who are offered from the organization. The study also gives some suggestive measures for the organization in order to reduce and avoid the offer declines in the future. The suggestive measures from the research study will definitely help the organization to reduce the job declines and also to improve the recruitment efforts spent by the organization by selecting the prospective candidates for the job in future. Hence, it can be concluded from our research study that the decline of job offers affect the recruitment efforts been spent by the organization.

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### **Acknowledgement**

The author acknowledges Mr. Srinath for assisting in data collection process.