

# THE WALL STREET JOURNAL.

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BUSINESS | MANAGEMENT

## The Workers Who Say ‘Thanks, but No Thanks’ to Jobs

Recruiters complain college hires are leaving them in the lurch



Manuel Vazquez Ederra accepted an offer for a sales internship with a midsize software company, then landed a better-paying stint in San Francisco with Tenneco. *PHOTO: ACKERMAN + GRUBER FOR THE WALL STREET JOURNAL*

By **LINDSAY GELLMAN**

Updated July 14, 2015 11:15 a.m. ET

In May, Michael Armstrong of Southern Co. called two students he'd recruited from a Southeastern public college to wish them a happy graduation and fix their start dates in the fall. The calls went to voice mail. Then the emails came in.

Each student thanked him for the opportunity, but declined the jobs they accepted months before. Other, better jobs had simply come along, they wrote, leaving Mr. Armstrong, campus recruiting lead for the Atlanta utility, with spots to fill.

One of the strongest graduate hiring seasons in recent memory has had an unpleasant byproduct for campus recruiters, who say their college hires are jilting them at the last minute. The trend has vexed hiring managers, flustered students and left colleges torn between

helping graduates get ahead and staying in the good graces of companies that recruit on campus.

“We want to believe that an accepted offer is an agreement,” said Gordon Miller, who retired last month from his role as senior recruiting manager at Procter & Gamble Co. , where he has observed a rising number of students renege on offers. Students who back out after accepting rationalize that they’re “looking out for their best interest,” he said. ( Scott Isenhardt, who currently heads P&G recruiting in North America, said he hasn’t noticed an uptick in students backing out of offers.)

Turning down any job offer, much less renege on one, would have been unthinkable for most college graduates a few years ago, when post-grad employment was harder to come by and many fresh graduates went underemployed or jobless. More than half of 2015 job-seeking graduates received at least one job offer by graduation, up from 47.9% last year, according to the National Association of Colleges and Employers, which tracks campus recruiting.

Some recruiters are extending full-time job offers earlier—sometimes before students begin their senior year—to lock in top talent. But long engagements leave room for second thoughts.

Southern’s Mr. Armstrong said of the 40 to 50 college hires the utility makes every year, a couple renege, as do a handful of part-time student hires and interns. Recruiters at steel miner ArcelorMittal SA say more of their offers have fallen through in the past three years; this year, of the 134 students who accepted U.S. jobs, 15 eventually backed out, often citing another job in a more desirable location, according to Felicia Pugh, division manager of talent acquisition.

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- Who’s Getting Bigger Pay Raises? (<http://blogs.wsj.com/economics/2015/07/14/whos-getting-bigger-pay-raises-young-workers-and-new-hires/>)

Recruiters don’t necessarily blacklist students who change their minds about job offers, said Kayla Villwock, manager of university outreach and recruiting at SAS Institute Inc., a maker of business-analytics software based in Cary, N.C. But, she added, “recruiters run in small circles, and it is possible that the student’s name could get brought up in casual conversation.”

Making things worse, many young hires renege via email, or cease communication altogether with recruiters. “Students aren’t necessarily trained in how to handle getting multiple offers and how to communicate,” Mr. Armstrong said.

University career-services officers worry their flip-flopping students

might turn an employer off. At the University of Illinois at Urbana Champaign, career counselors now warn students that “your actions will affect your future class, your school’s reputation and the partnership between the school and the company,” said Jia Xing, the main liaison with international corporate recruiters at the university’s business school.

About five to 10 international students renege on job offers each year, according to Ms. Xing—often students from China and India, who accept offers from companies back home, yet continue to seek a U.S. job with a better paycheck. When they back out, “I always have to be the one to call the recruiter to apologize,” she said.

Employers that recruit at the school are catching on, and one consumer-packaged goods firm is considering extending more offers to yield enough students, Ms. Xing added.

Manuel Vazquez Ederra, a rising senior at the Edward H. Schmidt School of Professional Sales at the University of Toledo in Toledo, Ohio, accepted an offer in November 2013 for a sales internship in the spring and summer of 2014 with Double A Solutions, a local software company. Not long after the 21-year-old began his internship, he landed a better-paying stint in San Francisco with Tenneco Inc., a supplier of replacement automotive parts. That position, too, became available because another intern had reneged, he said.

Mr. Ederra said he explained the situation to his Double A manager and to the school’s sales-program office, which supported his decision in part because Tenneco recruits heavily there.

“I can either make the firm I’m working with a little upset,” Mr. Ederra said he recalled thinking, “or pass it up and always wonder ‘what if?’”

Schmidt is ramping up guidance for students juggling multiple job offers and advising them to request more time to respond to a job inquiry, according to Deirdre Jones, director of the school’s professional sales program. “Some companies are really forcing the students’ hands,” she said.

In some cases, students with accepted offers become more attractive to recruiters, career-services officers said.

“You get more marriage proposals once you’re engaged than before,” said Eugene Gentile, director of the office of career management at Rutgers Business School. This spring, one Rutgers student accepted an offer from a top accounting firm only to receive an offer from a direct competitor, which likely knew the student had already committed, he said. The student ended up backing out of the first offer and choosing the second firm.

Reneging carries little stigma among tech companies, where poaching college recruits is common, said Gayle Laakmann McDowell, founder and chief executive of CareerCup, which prepares students for tech

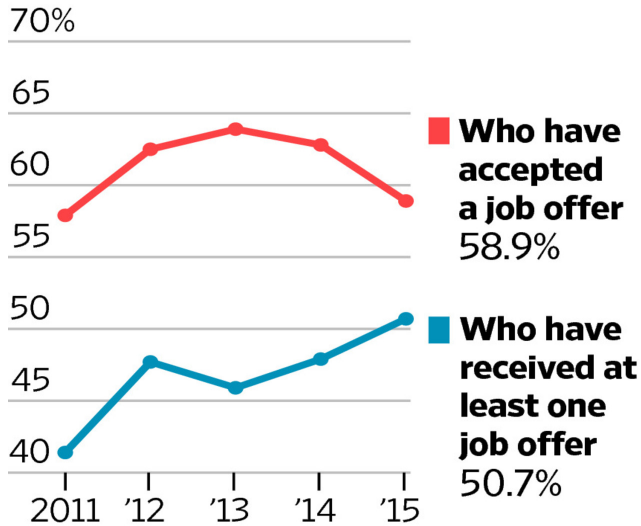
careers.  
“Tech  
companies  
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## Campus Recruits

The job market for college seniors has improved—and some of them are backing out of job offers when something better comes along.

### Share of college seniors...



Source: National Association of Colleges and Employers

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extraordinary lengths to hire developers, so they’re going to look the other way at a lot of minor issues,” she said.

2014 Harvard University graduates Sarah Pierson, 22, and Alexa Buckley, 23, had accepted full-time offers from McKinsey Inc. and a private-equity and venture-capital firm, respectively, near the start of their senior year. Over the winter, however, the women began to dream of founding a fashion startup.

As plans for their online footwear business began to take shape, they felt too passionately about the project to walk away, they said. They said they found resonance in a graduation speech by Facebook Inc. chief operating officer Sheryl Sandberg, who asked students, “What would you do if you weren’t afraid?”

They each called their prospective employers. “There was definitely a feeling of perhaps letting them down,” Ms. Pierson said. “It felt like a giant leap of faith.”

To keep incoming employees engaged throughout this coming academic year, Southern’s recruiters will invite committed students to join them at on-campus career fairs, where they field questions from underclassmen and help tout the firm, Mr. Armstrong said.

ArcelorMittal also plans to keep better tabs on next year's campus hires. Recruiters will be calling ahead of fall and spring final exams to wish them well-and remind students of their commitment to the firm, Ms. Pugh said.

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