

# Creaming Off Externality and Ex-Ante Candidates Filtering in Congested Job Market \*

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## Abstract

Studying a one-to-many matching model of job market with congestion, this paper shows a way in which it contributes to the efficiency of firms' hiring to test the candidates separately based on their apparent attributes. A certain negative externality of hiring in a situation of labor screening is the key to the result. Equilibria with efficient and inefficient filtering by multiple firms are shown and some ways for the firms to limit their behavior to efficient ones are investigated. Further, equilibrium-specific reservation values, policy implications, robustness, and an application to Japan youth employment are studied.

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