

# Career concerns and negatively correlated signals conditional on garblings thereof

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## **Abstract**

The author studies multivariate dependence conditions of random variables in which garblings of information will be a stronger incentive device in moral hazard environments. The conditions hold when signals about an agent's unknown talent and unobserved effort negatively correlated conditional on garblings of them. From the result, the author shows that an agent who has unknown talent can have the ability to change the distribution of observables by shifting either the mean or the variance depending on the transparency of observables.

**Keywords:** Career concerns; Garblings of information; Moral hazard; Conditionally increasing in sequence; Association; Negative association.

**JEL classification:** D8.