Understanding Job Matching in Online Labor Markets:

Evidence from the World's Largest Crowdsourcing Service*

Yusuke Jinnai†

International University of Japan

Abstract

Although a number of papers have examined the role of online reviews in internet economy, little is known so far about how much we are willing to pay for such reputation and other related information when we look for a person to work with. This paper answers this under-investigated question by using data from the world's largest online labor market, where all transactions are publicly observable. Estimation results show that employers pay closer attention to detailed information such as experience in a given job category rather than overall online reputations. The findings also demonstrate that employers are more likely to hire workers from some specific countries and less likely to hire those from others, pointing to potential discrimination even in online labor markets where most of private information is not available. By demonstrating a series of new empirical evidence, this study contributes to the literature on labor-market discrimination and that on consumers' online behavior.

JEL classification: J71, J20

Keywords: Online labor market, Job search, Crowdsourcing, Discrimination.