

The Establishment-Level Behavior of Vacancies and Hiring

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Abstract

This paper is the first to study vacancies, hires, and vacancy yields at the establishment level in the Job Openings and Labor Turnover Survey, a large sample of U.S. employers. To interpret the data, we develop a simple model that identifies the flow of new vacancies and the job-filling rate for vacant positions. The job-filling rate moves counter to aggregate employment but rises steeply with employer growth rates in the cross section. It falls with employer size, rises with worker turnover rates, and varies by a factor of four across major industry groups. We show that (a) employers rely heavily on other instruments, in addition to vacancy numbers, as they vary hires, (b) the hiring technology exhibits strong increasing returns to vacancies at the establishment level, or both. We also develop evidence that effective recruiting intensity per vacancy varies over time, accounting for about 35% of movements in aggregate hires. Our evidence and analysis provide useful inputs for assessing, developing and calibrating theoretical models of search, matching and hiring in the labor market.

Keywords: vacancies, vacancy yield, job-filling rate, hiring, labor market search, generalized matching function, recruiting intensity, establishment data
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