Earnings Announcements and Job Postings

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Jan 20, 2026

We are grateful for valuable comments and suggestions from Robert M. Bushman, Beatriz García Osma, Anne Jeny, Eva Labro, Wayne R. Landsman, David Martínez-Miera, Eduardo Melero, Pablo Ruiz Verdú, Anna Toldrà, and workshop and seminar participants at the 2024 XVIII International Accounting Research Symposium at Universidad Carlos III de Madrid (UC3M), the 2024 Accounting Summer Camp (VII Ed) at Università degli Studi di Padova, the 2024 Accounting PhD Summer School at HEC Paris, the 2024 Finance and Product Markets Summer School at the Swiss Finance Institute (SFI), University of Lugano, the 2025 Madrid Work & Organization Workshop at IE University, and the 2026 UC3M Internal Seminar. All remaining errors are our own.
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Abstract

We study how firms adjust recruitment in anticipation of a negative earnings surprise. Using 13.9 million U.S. online job postings from 2011 to 2024, we document that firms with negative earnings surprises post 9.0% to 13.4% more positions during the three quarters preceding the announcement, offset by an 8.6% to 18.1% decrease after. We refer to this intertemporal reallocation as front-loading, and show that it reflects a shift in hiring timing rather than an increase in labor demand. Front-loading firms hire more than bad-news firms that do not front-load, but do not receive more favorable capital market outcomes, suggesting that investors do not interpret front-loading as a signal of better future performance. We also find that the content of job postings differs for front-loaders. Overall, our results highlight that negative earnings surprises create labor-market frictions that affect hiring processes.

JEL Classification: M41, J23, J63, G14
Keywords: Earnings surprises; Job postings; Real effects of disclosure; Strategic hiring; Labor market frictions

1 Introduction

Financial underperformance weakens firms' ability to retain and recruit skilled workers. High-ability employees are more likely to leave (Baghai et al., 2021), and hiring becomes harder (Brown and Matsa, 2016) as current and prospective employees may infer firm stability and career prospects from earnings announcements and related news (Choi et al., 2023; deHaan et al., 2023). Negative earnings surprises thus impose labor market costs alongside capital market penalties.

We hypothesize and find evidence consistent with firms adjusting recruiting timing ahead of quarters with negative earnings surprises. Specifically, when managers expect unfavorable earnings news, they shift job postings from after to before the earnings announcement. We term this temporal reallocation 'front-loading' and study its labor market effects. Because prior research shows that job postings convey information to investors (Gutiérrez et al., 2020; Chen and Li, 2023; Sran, 2025), we also examine whether front-loading has capital market effects.

To address these questions, we construct a panel of U.S. listed firms' online job postings from 2011 to 2024 using data from Lightcast, and create a firm-quarter measure of abnormal job postings (ABJP) comparing a firm's current posting volume to its average in the same quarter over the prior three years, using the IHS-transformed benchmark approach of Acemoglu et al. (2022). We also use Lightcast résumé data on employee flows to examine whether postings are associated with realized worker flows. Our final sample comprises 17,159 quarterly earnings announcements across 1,506 unique firms, of which 3,116 (18.16%) are negative-surprise quarters.

Using cohort-based event-study regressions with firm, year-quarter, and cohort fixed effects, we document an intertemporal reallocation of job postings around negative earnings surprises. In the three quarters before the earnings announcement (Q_{-3} to Q_{-1}), abnormal job posting activity is

approximately 9.0% to 13.4% higher for firms with negative earnings surprises, compared to non-bad-news firms. From Q_0 through Q_{+4}, this increase reverses: negative-surprise firms post 8.6% to 18.1% less than non-negative-surprise firms. Résumé-based employee flow data indicate that front-loading is associated with realized hiring outcomes. That is, the advertised positions are actually filled. However, the cumulative effect over the full event window is statistically indistinguishable from zero, consistent with intertemporal reallocation rather than aggregate expansion of labor demand.

Further, we partition the observations with negative earnings surprises by cumulative pre-announcement posting intensity. *PreHigh* firm-quarters are those that front load — those with positive cumulative abnormal postings during Q_{-3} to Q_{-1} that also exceed the industry-year median. *LowPre* firm-quarters are those that do not front load. We find significantly higher net recruitment rates for front-loaders, compared to bad-news firms that do not front load. This is consistent with front-loading helping firms recruit before bad news complicates hiring and with front-loading being associated with positive labor market outcomes. Also, given that job postings are used by investors as a source of firm-specific information, we expect front-loading firms to suffer lower capital market penalties after the negative earnings surprise. However, we do not find evidence consistent with this, as short-window announcement-period returns are statistically similar across front-loading intensity groups. Finally, we study whether job posting characteristics differ for front-loading firms, and we find evidence consistent with differences across several dimensions, including skill requirements, seniority, salary disclosure, and duration.

We expect front-loading to play a more important role in more competitive labor markets, where rival employers can more readily target the same candidates after negative earnings news becomes public, and for R&D-intensive firms, which depend on specialized talent that is sensitive to adverse

financial signals, and among heavily covered firms, where negative news spreads more rapidly after disclosure. Cross-sectional tests show that front-loading is more pronounced and is associated with larger labor market positive outcomes in these settings.

Finally, we conduct a myriad of sensitivity tests, and the results are robust to alternative specifications, samples, and posting measures. We also discard that our results are mechanically driven by analysts issuing more optimistic forecasts for firms that hire more, which could subsequently trigger, mechanically, a negative earnings surprise. In particular, we show, among other results, that increased hiring is not mechanically correlated with upward analyst forecast revisions.

We contribute to prior research along two dimensions. First, we provide evidence consistent with a labor market response to anticipated negative earnings news: the intertemporal reallocation of recruitment timing. Prior work establishes that negative firm-specific news generates predictable labor market disruptions (Brown and Matsa, 2016; Baghai et al., 2021; deHaan et al., 2023; Choi et al., 2023), but does not examine whether managers adjust real labor market decisions in anticipation. Our evidence that firms shift recruiting activity to the period before negative earnings surprises speaks to this gap.

Second, we contribute to the literature on job postings as a source of firm-specific information (Deming and Kahn, 2018; Marinescu and Wolthoff, 2020; Cao et al., 2023; Huang et al., 2024; Sran, 2025). Our finding that job posting timing and characteristics vary, including skill requirements, seniority, salary disclosure, and duration, around anticipated negative news extends prior evidence on the strategic use of job postings and posting attributes (Aobdia et al., 2025; Kim et al., 2025). Our evidence of positive labor market effects for firms that shift hiring and no effects in capital markets also adds to prior research on the informativeness of job postings for job seekers and current employees (Choi et al., 2023,?; deHaan et al., 2023) and for investors (Gutiérrez et al., 2020).

The remainder of the paper proceeds as follows. Section 2 develops the hypotheses. Section 3 describes the data sources, sample construction, and variable measurement. Section 4 presents the main empirical evidence: abnormal job posting dynamics around earnings announcements, employee flow validation using résumé data, the labor and capital market benefits of front-loading, and job posting characteristics analysis. Section 5 examines cross-sectional heterogeneity in front-loading across labor market competition, R&D intensity, and analyst coverage. Section 6 reports robustness tests. Section 7 concludes.

2 Hypothesis Development

Prior research documents that negative firm-specific news generates predictable labor market frictions. Brown and Matsa (2016) show that financially distressed firms attract fewer and lower-quality job applicants. Baghai et al. (2021) find that top-skilled employees are approximately 65% more likely to leave firms approaching bankruptcy, and that distressed firms cannot attract replacements of equivalent quality. deHaan et al. (2023) provide evidence that earnings announcements trigger a spike in employee job search activity, establishing that workers update beliefs about job security and career prospects based on public financial disclosures. Choi et al. (2023) show that external job seekers similarly use earnings announcements to evaluate prospective employers, with negative surprises reducing firm attractiveness. These studies suggest that negative earnings news disrupts both margins of the labor market: incumbent employees become more likely to explore outside options, while prospective applicants become less willing to join the firm.

These frictions are not confined to financial distress. deHaan et al. (2023) document elevated job search around *any* negative earnings announcement, and Choi et al. (2023) find that firms with lower

reporting quality pay compensating wage premiums to offset heightened turnover risk, evidence that even modest negative signals carry labor market costs. If managers anticipate unfavorable upcoming earnings news, they face a timing tradeoff in recruiting activity. After disclosure, firms recruit under less favorable conditions, including weaker employer perceptions among job seekers, a thinner applicant pool, and greater retention risk among current employees. Because these frictions arise quickly once bad news becomes public, firms anticipating weaker post-announcement recruiting conditions accelerate job posting activity into the pre-announcement period.

This intertemporal reallocation mirrors strategic behavior documented in adjacent settings. deHaan et al. (2015) show managers strategically schedule earnings announcements to minimize attention. Caskey and Ozel (2017) find that anticipated earnings pressure leads managers to cut employee safety expenditures, a real operational decision timed around disclosure. More broadly, Roychowdhury et al. (2019) document that anticipated disclosure routinely distorts real managerial decisions beyond accruals. A similar intertemporal logic applies to hiring: firms anticipating weaker post-announcement recruiting conditions accelerate job posting activity before the announcement. Kanodia and Sapra (2016) establish the theoretical foundation for such real effects of anticipated disclosure on operational decisions. We extend this literature to labor market timing by examining whether job posting activity becomes more concentrated before earnings announcements that are followed by negative surprises.

Managers who anticipate negative earnings surprises face three competing incentives with respect to hiring activity. On one hand, inalienability of human capital (Baghai et al., 2021) and adverse selection in the applicant pool (Brown and Matsa, 2016) imply that post-announcement recruiting conditions deteriorate sharply, favoring concentration of posting activity in the pre-announcement period. On the other hand, two forces push in the opposite direction: front-loading

requires committing financial resources — wages, integration costs, onboarding — at a time when the firm's earnings are already under pressure, which financially constrained firms cannot absorb (Fahlenbrach et al., 2021); and firms may alternatively respond to anticipated bad news by freezing hiring to cut labor expenses and prevent future earnings shortfalls. The net direction of pre-announcement posting activity is therefore not obvious ex ante, and which force dominates is an interesting empirical question. This leads to our first hypothesis, in alternative form:

H1: *Consistent with intertemporal reallocation of recruiting, firms anticipating negative earnings surprises accelerate job posting activity during the pre-announcement period relative to the post-announcement period.*

If the intertemporal reallocation predicted in H1 succeeds, greater pre-announcement posting intensity should translate into less adverse labor market outcomes after the announcement. Among negative-surprise firms, those with positive cumulative abnormal postings during Q_{-3} to Q_{-1} that also exceed the industry-year median (*PreHigh*) face the announcement period with more filled positions and a stronger internal workforce relative to those with lower posting intensity (*PreLow*). The labor market frictions that reduce joining and increase departures after disclosure (deHaan et al., 2023; Choi et al., 2023) should therefore weigh less heavily on *PreHigh* firms, producing higher net recruitment rates relative to *PreLow* firms. This leads to our second hypothesis, in alternative form:

H2: *Firms with greater pre-announcement posting intensity (PreHigh) achieve higher join rates and net recruitment rates than firms with lower pre-announcement posting intensity (PreLow).*

Beyond volume, front-loading under time pressure may also reshape the composition of postings. Firms recruiting before a disclosure event face a quality-versus-speed tradeoff: to maximize the value of pre-announcement hires, firms have an incentive to raise skill and seniority thresholds, ensuring that positions filled under favorable conditions are filled by high-quality candidates. Prior work

shows that posting characteristics reflect firms' disclosure strategies and labor market positioning (Sran, 2025; Huang et al., 2024; Aobdia et al., 2025). We therefore predict that *PreHigh* firms post positions with more specialized skill requirements and higher seniority targets than *PreLow* firms. This leads to our third hypothesis, in alternative form:

H3: *Firms with greater pre-announcement posting intensity (PreHigh) post positions requiring higher skill levels and targeting higher seniority levels relative to firms with lower pre-announcement posting intensity (PreLow).*

Finally, the strength of the front-loading incentive should vary with the severity of post-announcement labor market frictions. Where delay is costliest, the timing benefit is largest, and the incentive to front-load is strongest. Firms operating in competitive labor markets face greater poaching risk when negative news becomes public, as rivals can more readily redirect to the same candidate pool (Azar et al., 2022). R&D-intensive firms depend on a narrow pool of specialized technical talent that is particularly sensitive to adverse financial signals (Brown and Matsa, 2016). Firms under intense analyst scrutiny face rapid dissemination of negative news, which compresses the window over which pre-announcement recruiting is advantageous. We therefore expect the intertemporal reallocation predicted in H1 to be more pronounced for firms in competitive labor markets, R&D-intensive industries, and with higher analyst coverage.

3 Data

3.1 Data Sources and Sample Construction

Our primary dataset comprises over 50 million online job postings from Lightcast spanning 2011 to 2024. Lightcast aggregates vacancy information from over 40,000 online sources and

applies proprietary deduplication algorithms to produce unique records.[1] Lightcast also provides online résumé data from which we construct employee-level workforce flow measures, including hiring, turnover, and net employment changes.

We obtain firm financial data from Compustat Quarterly and stock return data from CRSP. We match job postings to U.S. publicly listed firms using the Compustat-CRSP Merged (CCM) database via fuzzy matching on employer names, manually validating a random subsample to confirm match accuracy. Earnings forecast data come from I/B/E/S, including analyst consensus forecasts, actual reported earnings, forecast revisions, and managerial guidance. We measure institutional ownership using LSEG 13F filings, which report quarterly equity holdings for institutional investment managers with at least $100 million in assets under management. We construct governance variables—board size, CEO duality, and CEO tenure—from BoardEx.

We apply four sample restrictions. We exclude internship postings and postings from staffing agencies to capture direct employer labor demand. We require firms to have at least ten unique job postings annually. To isolate responses to an initial negative earnings shock rather than persistent underperformance, we require no negative earnings surprise in the prior three quarters (Q_{-3}, Q_{-2}, Q_{-1}); Q_0 is thus the first negative surprise following at least three consecutive quarters of meeting or beating expectations. We drop firms in utilities (SIC 4900–4999) and financial sectors (SIC 6000–6999).

After applying these restrictions, the posting-level sample contains 13,904,281 unique job postings for 1,506 firms over 2011Q1–2024Q4.[2] We aggregate postings to the firm-quarter level and align those firm-quarters to 17,159 qualifying earnings announcement events. Expanding each

[1] Prior research confirms the reliability and validity of this dataset (Acemoglu et al., 2022; Gutiérrez et al., 2020)

[2] The years 2011 and 2024 contain fewer observations because our benchmark regressions require a complete nine-quarter event window with no missing data.

event over the nine-quarter window from Q_{-4} to Q_{+4} yields 154,431 event-quarter observations used in the main analyses. The unit of observation in the main tests is the event-quarter unless otherwise noted. Table 1 presents the sample construction process.

3.2 Variable Measurement

Our primary dependent variable is abnormal job posting volume ($ABJP$), which measures deviations from a firm's normal hiring patterns. Following Acemoglu et al. (2022), we apply the inverse hyperbolic sine (asinh) transformation to accommodate zero values and reduce right-skewness.[3] We define $ABJP$ as the difference between the asinh-transformed unique job postings (JP)[4] in quarter q and the asinh-transformed three-year historical average for the corresponding fiscal quarter ($NormJP$)[5]:

$$NormJP_{i,q} = \frac{1}{3}\sum_{t=1}^{3} JP_{i,q-4t}$$

$$ABJP_{i,q} = \text{asinh}(JP_{i,q}) - \text{asinh}\left(NormJP_{i,q}\right)$$

We use the differenced measure ($ABJP$) rather than raw posting counts because firm and calendar-time fixed effects do not fully absorb the overlap between a firm's recurring recruiting calendar and the timing of earnings announcements.[6]

[3]The asinh function is defined as $\text{asinh}(x) = \ln(x + \sqrt{x^2+1})$. It behaves similarly to a natural logarithmic transformation but is defined at zero.

[4]Unique postings count distinct positions, avoiding double-counting when firms post identical positions across multiple platforms.

[5]We assign zero to firm-quarters with no postings. If a firm posts no positions over the preceding three years, we drop the observation because abnormal posting volume is undefined absent a historical benchmark.

[6]Raw posting counts confound structural differences in firms' habitual recruiting calendars with strategic timing responses. Subtracting the firm's own three-year same-quarter average removes this seasonal baseline, so a significant

Our primary independent variable is *BADNEWS*, an indicator equal to one if standardized unexpected earnings (SUE) is negative, and zero otherwise. Following Livnat and Mendenhall (2006), we calculate SUE as:

$$SUE_{i,q} = \frac{\text{Actual EPS}_{i,q} - \text{Consensus Forecast}_{i,q}}{\sigma(\text{Forecast Error}_i)}$$

where Actual EPS comes from I/B/E/S, Consensus Forecast is the median analyst earnings forecast over the 90 days before the earnings announcement, and $\sigma(\text{Forecast Error}_i)$ is the standard deviation of forecast errors over the prior eight quarters.

Table OA-4 shows that the final sample contains 17,159 firm-quarter observations. *BADNEWS* accounts for 18.16% (3,116 earnings announcements across 1,280 unique firms); the remaining 81.84% (14,043 observations across 1,299 unique firms) are good-news quarters.

We construct several measures of job posting characteristics. *DUR* is the average posting duration in days per quarter. *EFF* is posting effort, the ratio of total postings to unique positions; it captures cross-posting intensity across job boards identified via Lightcast. *SKILLS* is the number of required skills per posting; *SPEC* is the number of specific skills; *SOFT* is the number of soft skills, using Lightcast's skill taxonomy. *EDU* and *EXP* are required years of schooling and prior work experience, respectively. *SENIOR* is the average seniority level of posted positions (Junior=1, Intermediate=2, Senior=3), classified by Lightcast. *MGR* is the proportion of postings requiring managerial responsibilities, identified via proprietary parsing algorithms. *SALARY-FROM* and *SALARY-TO* are the lower and upper bounds of disclosed salary ranges. *SALARY-MID* is the midpoint of disclosed salary ranges. *SALARY-DISC* is the salary disclosure rate, the share of

ABJP reflects deviations from normal patterns rather than habitual timing.

postings that include compensation information. *FULL* is the proportion of full-time positions among total postings. *WORD-CNT* is the total word count after removing HTML tags, a proxy for information disclosure following Sran (2025).

Using Lightcast's online résumé database, we construct quarterly measures of workforce dynamics from individual employment histories. For the matched résumé subsample (16,564 event-quarter observations), we observe employee arrivals and departures each firm-quarter and compute raw quarterly rates—*Turnover*, *Join*, and *Net*—scaled by beginning-of-quarter headcount. We subtract each firm's three-year, same-calendar-quarter average from the corresponding raw rate to isolate abnormal flows, yielding *AbTurnover*, *AbJoin*, and *AbNet*. This seasonal adjustment removes firm-specific cyclical hiring patterns, so coefficients capture deviations from normal dynamics rather than predictable seasonal variation.

To capture capital market responses, we construct *CAR*, the cumulative abnormal return, computed as the sum of daily abnormal returns (firm return minus the CRSP value-weighted index return) over the $[-1, +1]$, $[-3, +3]$, and $[0, +30]$ trading-day windows around the earnings announcement date.

We include lagged firm-level controls for size, profitability, investment opportunities, R&D intensity, cash holdings, leverage, analyst following, labor intensity, institutional ownership, and governance characteristics (board size, CEO duality, and CEO tenure). Detailed definitions and data sources appear in Appendix A.

All continuous variables are winsorized at the 1st and 99th percentiles. $ABJP$ is not winsorized because the inverse hyperbolic sine transformation already reduces the influence of extreme values while retaining observations with zero postings.

Table 2 reports descriptive statistics for the earnings announcement sample from 2011Q1 to

2024Q4. Mean *ABJP* is 0.30 at Q_{-4}, declining to −0.17 by Q_{+4}. The distribution has substantial cross-sectional dispersion, with the 99th percentile reaching 8.53 at Q_{-4} and 6.97 at Q_{-1}. In the matched résumé subsample (16,564 event-quarter observations), the median firm has 1,652 active employees (*HC-TOTAL*). Mean raw quarterly turnover, join, and net rates are 6.54%, 8.03%, and 1.50%; abnormal flow estimates are measured relative to these baseline rates. Seasonally adjusted abnormal flows show mean *AbTurnover* declining from 0.35 pp at Q_{-4} to −0.02 pp at Q_{+4}, mean *AbJoin* declining from −0.35 pp to −0.86 pp, and mean *AbNet* declining from −0.70 pp to −0.86 pp. Workforce dynamics deteriorate steadily over the post-announcement horizon. At Q_0, firms require 15.11 years of education (*EDU*) and 4.26 years of experience (*EXP*), with 23% of positions carrying managerial responsibilities (*MGR*). The mean salary midpoint is $71,906, average posting duration is 55.92 days (*DUR*), postings contain 555.17 words (*WORD-CNT*), and specify 19.16 skills (*SKILLS*). Posting effort averages 2.71 (*EFF*). Table 2 reports summary statistics for firm-level controls.

4 Abnormal Job Posting Volume Around Earnings Announcements

4.1 Empirical Design

We employ a cohort-based event study design to examine job posting behavior around earnings announcements. Firms announcing earnings within the same calendar quarter constitute a cohort.[7] We estimate:

[7]For example, all firms announcing during 2015Q2 form a single cohort. Firms with announcements across multiple periods contribute multiple cohorts.

$$\begin{aligned} \text{ABJP}_{i,q} = \beta_0 + \beta_1\, BADNEWS_{i,Q0} + \sum_{k\in K} \lambda_k\, Q_k + \sum_{k\in K} \beta_k\, (BADNEWS_{i,Q0} \times Q_k) \\ + X'_{i,q-1}\Gamma + \delta_i + \gamma_{q\times y} + \theta_c + \varepsilon_{i,q} \end{aligned} \tag{1}$$

where $\text{ABJP}_{i,q}$ is the difference between the inverse hyperbolic-sine transformation of job-posting intensity for firm i in quarter q and the same transformation of firm's historical same-quarter 3-year average intensity.[8] $BADNEWS_{i,Q0}$ equals one when SUE is negative, and zero otherwise. Q_k represents event-time indicators from Q_{-4} through Q_{+4} relative to the announcement quarter Q_0 (i.e., the baseline quarter).

The omitted category is *GOODNEWS* (i.e., $BADNEWS_{i,Q0}$ is equal to zero) at Q_0. Accordingly, λ_k traces the *GOODNEWS* event-time profile. The coefficient β_1 measures the *BADNEWS–GOODNEWS* difference at the announcement quarter Q_0, while the *BADNEWS–GOODNEWS* differential at other event time $k \neq 0$ is given by the linear combination $\beta_1 + \beta_k$. Firm fixed effects (δ_i) absorb time-invariant firm characteristics, year-quarter fixed effects ($\gamma_{q\times y}$) absorb common time shocks, and cohort fixed effects (θ_c) absorb common shocks specific to each announcement-event cohort. Standard errors are clustered at firm and year-quarter levels. Control vector $X_{i,q-1}$ includes lagged firm and governance characteristics discussed in Section 3.

[8] Following Acemoglu et al. (2022); Norton (2022), we apply the inverse hyperbolic sine transformation $\ln(x + \sqrt{x^2+1})$ to handle the skewed distribution of job postings, including zero values. For observations where the argument exceeds unity, the transformation approximates $\ln(2) + \ln(x)$, so that estimated coefficients can be interpreted as approximate percentage changes, analogous to a log-linear specification. We also run regressions to estimate Equation 1 without the inverse hyperbolic sine transformation on the dependent variable $ABJP_{i,q}$, and present the results in the Table 12 column (3). The results are qualitatively and quantitatively consistent with those reported in Table 3, Panel A, Column (3), exhibiting both the same sign and a comparable magnitude.

4.2 Abnormal Job Posting Dynamics Around Negative Earnings Announcements

Table 3, Panel A reports the estimation results for Equation (1). Columns (1) to (3) sequentially include control variables, year-quarter fixed effects, and cohort fixed effects. We use Column (3) as the benchmark specification in subsequent event-study analyses.

Focusing on Column (3), the coefficient on $BADNEWS_{Q0}$ ($\beta_1 = -0.157$, $t = -2.97$) indicates lower abnormal posting intensity at Q_0 for negative-surprise observations than for non-negative ones.

Pre-Announcement Period. The interaction terms ($BADNEWS_{Q0} \times Q_k$) capture the evolution of the posting gap between *BADNEWS* and *GoodNEWS* relative to the Q_0 baseline. The coefficients indicate that this pre-announcement divergence widens significantly by 24.7% to 29.1% relative to the announcement quarter (coefficients range from 0.247 to 0.291, $t > 3.32$).[9] The λ_k estimates indicate that, for good-news observations, posting intensity is lower in the pre-announcement window than at Q_0 (ranging from -0.208 at Q_{-4} to -0.068 at Q_{-1}).

During the three quarters preceding the earnings disclosure (Q_{-3} to Q_{-1}), the Wald tests of $H_0\colon \beta_1 + \beta_k = 0$ indicate that the net differentials are economically meaningful, ranging from 0.090 ($t = 1.67$) to 0.134 ($t = 2.19$).[10]. These results indicate greater pre-announcement posting intensity for negative-surprise observations than for non-negative ones. We interpret these pre-

[9] The positive interaction at Q_{-4} is consistent with managers receiving internal financial forecasts one to four quarters ahead of earnings announcements (Hutton et al., 2012), although pre-existing differences between bad- and good-news firms cannot be fully ruled out. Our sample restriction requiring at least three consecutive non-negative quarters before Q_0 ensures that Q_{-4} represents a period immediately after sustained outperformance, and the Wald test differential at Q_{-4} (0.094, $t = 1.44$) is statistically weaker than those at Q_{-3} through Q_{-1}, consistent with uncertainty declining as the announcement approaches.

[10] As a back-of-the-envelope approximation, evaluated at the sample mean of normal postings, these differentials correspond to roughly 20 to 30 additional postings per quarter. Raw position estimates are computed as mean postings $\times (e^{\hat{\beta}} - 1)$. In our sample, the average normal postings over a three-year period equal 207.86 per quarter.

announcement differences as consistent with front-loading, though the design does not fully rule out other anticipatory shocks correlated with subsequent negative surprises.

Post-Announcement Period. At the announcement quarter (Q_0), *BADNEWS* firms already exhibit lower abnormal posting intensity than *GOODNEWS* ($\beta_1 = -0.157$, $t = -2.97$), which, under the log approximation to the IHS transformation, corresponds to approximately 15.7% fewer postings. Following the earnings release, the *BADNEWS*$\times Q_k$ interaction coefficients turn small and statistically insignificant (ranging from −0.034 to 0.066), indicating that the differential posting behavior relative to the Q_0 baseline largely dissipates. However, Wald tests indicate lower posting intensity for negative-surprise quarters at Q_{+1} and Q_{+2}: −0.086 ($t = -1.37$) and −0.181 ($t = -2.88$) at Q_{+1} and Q_{+2}, respectively, which corresponds to approximately 8.6% to 18.1% lower postings (17 to 35 fewer positions per quarter). The Q_{+3} and Q_{+4} Wald estimates are not statistically distinguishable from zero. Post-announcement changes for good-news observations are small.

Table 3, Panel B is consistent with intertemporal reallocation. The cumulative effect over the full six-quarter window (Q_{-3} to Q_{+2}) is statistically indistinguishable from zero (−0.084, $t = -0.33$), suggesting no aggregate expansion of the workforce. Instead, firms front-load pre-announcement (cumulative +0.341, $t = 2.47$, or roughly 34.1% more postings across Q_{-3}–Q_{-1}) and lower post-announcement posting intensity (cumulative −0.424, $t = -2.87$, or 42.4% fewer postings across Q_0–Q_{+2}). These estimates largely offset over the Q_{-3} to Q_{+2} window. The pattern is consistent with intertemporal shifting in hiring activity rather than a sustained increase in labor demand, though alternative time-varying shocks to labor demand cannot be fully ruled out.[11]

[11] Online Appendix Figure OA-7 provides descriptive evidence for the 30 firms with the largest pre-announcement abnormal job postings, illustrating the estimated posting pattern: a pre-announcement increase and post-announcement decline around negative earnings announcements.

4.3 Employee Flow Dynamics Around Negative Earnings Announcements

This subsection examines whether the pre-announcement posting patterns documented above translate into realized changes in workforce flows. Using résumé data from Lightcast, we trace employee arrivals and departures through Equation 2:

$$Y_{i,q} = \beta_0 + \beta_1 \, BADNEWS_{i,Q0} + \sum_{k \in K} \lambda_k \, Q_k + \sum_{k \in K} \beta_k \, (BADNEWS_{i,Q0} \times Q_k) + \mathbf{X}'_{i,q-1}\mathbf{\Gamma} + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q} \tag{2}$$

where $Y_{i,q}$ represents abnormal employee flow rates (AbTurnover, AbJoin, or AbNet) for firm i in quarter q, adjusted using three-year historical averages to remove seasonal effects.[12] Table 4 reports the results.

Turnover, Pre-Announcement Period. Within the same firm, *GOODNEWS* observations exhibit elevated abnormal turnover that declines steadily toward Q_0 ($\lambda_{Q_{-4}}$ through $\lambda_{Q_{-1}}$: 0.257 to 0.082 pp, all significant at 1%). Wald tests indicate that *BADNEWS* observations have 0.106 pp lower turnover at Q_{-1} ($t = 2.47$) than *GOODNEWS* observations, representing 1.6% of the mean turnover rate (6.54%; Table 2), consistent with lower abnormal turnover before disclosure. *BADNEWS – GOODNEWS* differentials at Q_{-4} through Q_{-2} are not statistically significant, suggesting retention intensifies only in the immediate pre-announcement quarter.

Turnover, Post-Announcement Period. This relative retention pattern does not persist after the announcement. *BADNEWS* turnover exceeds the *GOODNEWS* baseline by 0.123–0.226 pp across Q_{+1}–Q_{+4} (Wald tests; $t = 2.10$–5.01); the Q_{+4} differential represents 3.5% of the mean turnover

[12] All specifications include firm, year-quarter, and cohort fixed effects and the full set of controls, with standard errors two-way clustered by firm and year-quarter.

rate (Brown and Matsa, 2016).

Join Rates, Pre-Announcement Period. *GOODNEWS* firms exhibit significantly lower join rates pre-announcement than at Q_0 ($\lambda_{Q_{-4}}$: -0.260 pp; $\lambda_{Q_{-1}}$: -0.045 pp; all significant). Wald tests indicate that *BADNEWS* firms attract 0.155–0.232 pp more new hires at Q_{-4} through Q_{-2} ($t = 1.98$–3.15), with the Q_{-2} differential representing 2.9% of the mean join rate (8.03%). The Q_{-1} differential is 0.141 pp ($t = 1.58$).

Join Rates, Post-Announcement Period. This relative recruitment pattern reverses after the announcement: Wald tests indicate *BADNEWS* join rates are 0.165 pp lower at Q_{+1} ($t = 2.39$), 0.254 pp lower at Q_{+2} ($t = 3.10$), and 0.250 pp lower at Q_{+4} ($t = 3.79$) relative to non-negative-surprise quarters, with the Q_{+2} deficit representing 3.2% of the mean join rate. The Q_{+3} Wald estimate (0.063 pp) is not statistically significant. Post-announcement join rates are weaker for *BADNEWS* firms (Choi et al., 2023; deHaan et al., 2023).

Net Flows. The joint effect of elevated post-announcement turnover and depressed join rates drives *BADNEWS* net workforce deterioration of 0.251–0.483 pp across Q_{+1}–Q_{+4} (all significant at 1%; the largest differential represents 32.2% of the mean net rate (1.50%)), while the pre-announcement window shows 0.208–0.255 pp net expansion at Q_{-3} through Q_{-1} ($t = 1.92$–2.55). The pre/post sign reversal is consistent with intertemporal talent reallocation rather than aggregate contraction.

4.4 Heterogeneity in Employee Flow Dynamics by Pre-Announcement Hiring Intensity

We next examine whether post-announcement employee-flow patterns differ by pre-announcement hiring intensity. We partition *BADNEWS* firm-quarters by cumulative Q_{-3}–Q_{-1} posting volume: observations with positive cumulative abnormal postings that also exceed the SIC-2–year median are designated *PreHigh* , the remainder *PreLow*.[13] *PreHigh* (*PreLow*) equals one for *PreHigh* (*PreLow*) *BADNEWS* firm-quarters and zero for the non-negative-surprise baseline (*GOODNEWS*). We estimate the following equation:

$$\begin{aligned} Y_{i,q} = \beta_0 + \beta_1 \cdot PreHigh_i + \beta_2 \cdot PreLow_i + \sum_{k \in K} \lambda_k \cdot Q_k \\ + \sum_{k \in K} \beta_k^{High} \cdot (Q_k \times PreHigh_i) + \sum_{k \in K} \beta_k^{Low} \cdot (Q_k \times PreLow_i) \\ + \mathbf{X}'_{i,q-1}\Gamma + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q} \end{aligned} \tag{3}$$

Table 5 reports three comparisons: *PreHigh* vs. *GOODNEWS*, *PreLow* vs. *GOODNEWS*, and the (*PreHigh* vs. *GOODNEWS*) minus (*PreLow* vs. *GOODNEWS*) differential.[14]

Turnover, Pre-Announcement Period. *GOODNEWS* firms exhibit declining turnover toward Q_0 ($\lambda_{Q_{-4}}$: 0.256 pp; $\lambda_{Q_{-1}}$: 0.082 pp). *PreLow* firms track this baseline closely, departing only at Q_{-1} (-0.215 pp, $t = 3.59$), where *PreLow BADNEWS* firms have lower abnormal turnover than *GOODNEWS* firms. *PreHigh* firms show no significant difference from *GOODNEWS* through-

[13] We require positive cumulative abnormal postings to ensure that *PreHigh* designations reflect firms genuinely above their own historical posting benchmark, consistent with the front-loading hypothesis. Observations must carry positive cumulative abnormal postings and exceed the SIC-2–year median (approximately 20 additional postings per quarter) to qualify as *PreHigh*; the remaining *BADNEWS* observations are *PreLow*.

[14] The *PreHigh–PreLow* differential tests H_0: $(\beta_1 + \beta_k^{High}) - (\beta_2 + \beta_k^{Low}) = 0$. Because *GOODNEWS* is the omitted baseline, this is algebraically identical to the direct *PreHigh–PreLow* comparison. All specifications include firm, year-quarter, and cohort fixed effects with controls; standard errors two-way clustered by firm and year-quarter.

out the pre-announcement window. The *PreHigh–PreLow* differential is significant only at Q_{-1} (0.226 pp, $t = 2.58$; 3.5% of the mean turnover rate): before disclosure, turnover among intensive front-loaders is statistically similar to that of *GOODNEWS* firms, while low front-loaders exhibit lower departures in the immediate pre-announcement quarter.

Turnover, Post-Announcement Period. Post-disclosure, *PreHigh* firms experience significantly elevated turnover relative to *GOODNEWS* across all four quarters (0.215–0.344 pp, $t = 3.18$–5.07; the Q_{+4} differential represents 5.3% of the mean turnover rate). *PreLow* firms show only marginally elevated turnover at Q_{+2} (0.148 pp, $t = 1.91$). The *PreHigh–PreLow* gap is significant at Q_{+1} (0.179 pp, $t = 2.09$), Q_{+3} (0.279 pp, $t = 2.66$), and Q_{+4} (0.406 pp, $t = 3.75$). Front-loading is not associated with lower post-announcement attrition; *PreHigh* observations exhibit higher attrition than *PreLow*.

Join Rates, Pre-Announcement Period. *GOODNEWS* firms have significantly lower join rates pre-announcement than at Q_0. *PreLow* firms underperform *GOODNEWS* at Q_{-3} (−0.185 pp, $t = 1.95$) and Q_{-1} (−0.282 pp, $t = 2.50$). *PreHigh* firms, in contrast, achieve significantly higher join rates across the entire pre-announcement window: 0.283 pp (Q_{-4}), 0.519 pp (Q_{-3}), 0.533 pp (Q_{-2}), and 0.595 pp (Q_{-1}; all $t > 2.58$), representing 7.4% of the mean join rate (8.03%). The *PreHigh–PreLow* differential ranges from 0.580 to 0.877 pp during Q_{-3} to Q_{-1} (all significant at 1%): *PreHigh* firms show both higher postings and higher realized join rates before the announcement.

Join Rates, Post-Announcement Period. *GOODNEWS* firms experience a modest increase in join rates post-disclosure than at $Q_0(\lambda_{Q_{+1}}$: 0.037 pp, $t = 2.76$). *PreLow* firms attract significantly fewer hires at Q_{+1} than *GOODNEWS* firms (−0.276 pp, $t = 3.08$). *PreHigh* firms face depressed recruitment at Q_{+2} relative to *GOODNEWS* firms (−0.429 pp, $t = 4.32$; 5.3% of the mean join rate) and Q_{+4} (−0.382 pp, $t = 3.89$). The *PreHigh–PreLow* differential is briefly positive at Q_{+1}

(0.230 pp, $t = 2.06$) but reverses at Q_{+2} (−0.336 pp, $t = 2.95$) before dissipating. After the announcement, join rates weaken for both *PreHigh* and *PreLow* groups, with the decline more persistent for *PreHigh* observations.

Net Flows, Pre-Announcement Period. *GOODNEWS* firms exhibit net workforce contraction in the pre-announcement window, with net rates significantly below the announcement-quarter baseline across all pre-announcement quarters. *PreLow* firms track *GOODNEWS* closely, with no significant pre-announcement differential. *PreHigh* firms, driven by superior join rates, maintain significantly higher net rates: 0.358 pp (Q_{-4}), 0.476 pp (Q_{-3}), 0.484 pp (Q_{-2}), and 0.587 pp (Q_{-1}; all $t > 2.91$; the Q_{-1} differential represents 39.1% of the mean net rate). The *PreHigh–PreLow* advantage ranges from 0.460 to 0.640 pp across Q_{-4} to Q_{-1} (all significant): intensive front-loaders show higher net workforce growth before disclosure.

Net Flows, Post-Announcement Period. *GOODNEWS* firms expand net headcount at Q_{+1} and Q_{+2} (λ: 0.063 pp and 0.040 pp). *PreLow* firms deteriorate at Q_{+1} (−0.324 pp, $t = 2.96$) and Q_{+2} (−0.234 pp, $t = 1.92$) but recover by Q_{+3}. *PreHigh* firms face persistent contraction across all post-announcement quarters (−0.261 to −0.751 pp; all significant; the Q_{+4} contraction represents 50.1% of the mean net rate). The *PreHigh–PreLow* gap turns significantly negative from Q_{+2} (−0.516 pp, $t = 3.22$), Q_{+3} (−0.338 pp, $t = 2.41$), and Q_{+4} (−0.641 pp, $t = 3.77$), as *PreHigh* observations exhibit the sharpest post-announcement contraction.

Overall, Table 5 indicates that intensive front-loaders (*PreHigh*) maintain stronger net workforce growth and higher join rates before disclosure relative to both *PreLow* and *GOODNEWS* firms, while *BADNEWS* firms on average face elevated turnover and weaker join rates in the post-announcement window.

4.5 Capital Market Outcomes by Pre-Announcement Hiring Intensity

This subsection examines whether pre-announcement hiring intensity is associated with capital market responses to the earnings announcement. We partition negative-surprise firms using the same *PreHigh* and *PreLow* indicators and estimate their association with announcement-period returns (Equation 4):

$$Y_{i,q} = \beta_1 PreHigh_{i,q} + \beta_2 PreLow_{i,q} + \mathbf{X}'_{i,q-1}\Gamma + \delta_i + \gamma_{q\times y} + \varepsilon_{i,q} \tag{4}$$

Table 6 reports cumulative abnormal returns (CAR) over three short event windows.[15]

Both *PreHigh* and *PreLow* firms face significantly negative short-window cumulative abnormal returns across all three event windows (Table 6, Columns 1–3). *PreHigh* firms show CARs of −0.057 to −0.062 across windows $[-1, +1]$, $[-3, +3]$, and $[0, +30]$; *PreLow* firms show CARs of −0.056 to −0.060 over the same windows. Wald tests of $H_0 : \beta_1 - \beta_2 = 0$ are statistically indistinguishable from zero across all event windows ($t = -0.15$ to -0.39): both groups face comparable immediate pricing of the negative earnings news. Pre-announcement hiring intensity is not associated with differential short-window announcement returns.

4.6 Posting Characteristics Around Negative Earnings Announcements

This subsection examines whether firms with high pre-announcement posting intensity (*PreHigh*) differ from other negative-surprise and non-negative-surprise firms in the characteristics of posted positions, beyond differences in posting volume. We formally test these differences using Equation 5:

[15] All specifications include firm and year-quarter fixed effects and firm-level controls. Standard errors are two-way clustered by firm and year-quarter.

$$
\begin{aligned}
Y_{i,q} = \beta_0 + \beta_1 \cdot PreHigh_i + \beta_2 \cdot PreLow_i + \sum_{k \in K} \lambda_k \cdot Q_k \\
+ \sum_{k \in K} \beta_k^{High} \cdot (Q_k \times PreHigh_i) + \sum_{k \in K} \beta_k^{Low} \cdot (Q_k \times PreLow_i) \\
+ \mathbf{X}'_{i,q-1}\Gamma + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q}
\end{aligned}
\tag{5}
$$

Table 7 reports Wald test results for eight posting characteristics.[16]

Posting Effort. Firms with subdued pre-announcement hiring (*PreLow*) exhibit narrower posting breadth than the non-negative baseline. Intensive front-loaders post more broadly: Wald tests indicate *PreHigh* firms list vacancies across significantly more job boards than *PreLow* firms throughout both the pre- and post-announcement windows (e.g., 0.104 at Q_{-4} and 0.179 at Q_0).

Skill Requirements. Intensive front-loaders demand more specialized skills per posting before the announcement. At Q_{-3}, Wald tests indicate *PreHigh* firms require 0.404 more total skills and 0.244 more specialized skills per posting than *PreLow* firms (both significant at 1%).

Other Outcomes. *PreHigh* firms leave postings open longer than *PreLow* firms before the announcement (0.909 more days at Q_{-4}) and target higher seniority levels (Wald test difference of 0.010 at Q_{-1}). They are also significantly less likely to disclose salary information before the announcement while providing lengthier job descriptions.

These results indicate that front-loading coincides with changes in both posting volume and posting content.

[16] Variables that were predominantly insignificant across the event window (Pct Full Time, Pct Managerial, Education, Experience, and precise Salary bands) have been omitted for brevity.

5 Cross-Sectional Analyses

We next report cross-sectional heterogeneity in front-loading across firm and market characteristics linked in prior work to labor market frictions and information dissemination. We partition the sample by labor market competition, R&D intensity, and analyst coverage to assess whether pre-announcement posting and employee flow differentials vary systematically across these subgroups. These split-sample comparisons characterize cross-sectional heterogeneity but do not identify causal mechanisms. We partition the sample using SIC-2 × year medians, except for labor market concentration and R&D intensity. For labor market concentration, we use the year median because HHI is defined at the occupation × commuting-zone level. For R&D intensity, we use the 75th percentile because the sample median is zero.[17] We then estimate Equations 1 and 2 within each subgroup.

5.1 Competitive Pressure, Innovation, and Reputational Scrutiny

We examine whether abnormal postings and employee net flows vary with labor market competition, R&D intensity, and analyst coverage, estimating Equations 1 and 2 within each subgroup (Table 8; Table 9).

Labor Market Competition. If negative earnings news weakens employer attractiveness, front-loading is stronger where rival employers compete more aggressively for the same workers (Azar et al., 2022). Conversely, if workers in concentrated markets have fewer outside options, pre-announcement hiring differentials may be attenuated.

Following Azar et al. (2022), we measure labor market competition using the Herfindahl-

[17] A standard median split would merely distinguish between firms with any R&D and those with none. We therefore rely on the upper quartile to meaningfully isolate firms with significant innovative activity.

Hirschman Index (HHI) defined at the intersection of six-digit Standard Occupational Classification (SOC) codes and commuting zones. For multi-market firms, we use the maximum HHI (*MaxHHI*) observed across all their markets to capture the environment where their monopsony power is most pronounced.[18] Because HHI is already defined at the occupation × commuting-zone level, we partition firms by the year median rather than a SIC-2 × year median. We classify firms below the year median as Low HHI and those above as High HHI.

Within competitive labor markets, Wald tests show that *BADNEWS* firms exhibit significantly higher pre-announcement posting intensity relative to the non-negative-surprise benchmark within the subgroup (0.249, $t = 2.68$, and 0.254, $t = 2.93$, at Q_{-2} and Q_{-1}, respectively). Within concentrated markets, the corresponding Wald test differentials are statistically indistinguishable from zero. These posting differentials are accompanied by higher realized employee join rates in competitive markets, with significant differentials at Q_{-4} (0.266 pp, $t = 2.12$) and Q_{-2} (0.343 pp, $t = 2.74$), while firms in concentrated markets show no significant pre-announcement differential. Post-disclosure, join rates decline in both market types, although the decline appears earlier in concentrated markets (significant at Q_{+1} and Q_{+2}) than in competitive markets (significant at Q_{+2} and Q_{+4}), consistent with the pre-announcement join rate advantage not persisting after disclosure.

R&D Intensity. High-innovation firms (*HighRD*, defined as those in the top quartile of R&D expenditure scaled by total assets) rely more heavily on specialized human capital, making recruitment outcomes more sensitive to employer-specific news (Brown et al., 2009; Berk et al., 2010; Brown and Matsa, 2016). Pre-announcement posting differentials should therefore be larger among high-R&D firms. Consistent with this, Wald tests show that within highly innovative firms, the

[18] Higher HHI values denote greater concentration and lower competition. Our sample exhibits a mean *MaxHHI* of 3,576 and a median of 2,959.

posting differential concentrates at Q_{-1} (0.262, $t = 2.20$), with a positive but imprecisely estimated coefficient at Q_{-2} (0.168, $t = 1.16$). The corresponding Low-R&D estimates are statistically indistinguishable from zero in all pre-announcement quarters. Join rate estimates follow a similar pattern: highly innovative *BADNEWS* firms exhibit significant pre-announcement join rate differentials (0.507 pp at Q_{-2}, $t = 2.33$, and 0.449 pp at Q_{-1}, $t = 2.24$), while the Low-R&D estimates are statistically indistinguishable from zero in all pre-announcement quarters. Post-announcement, high-R&D firms show only a delayed and modest join rate decline (Q_{+4}: -0.350, $t = -2.03$), whereas low-R&D firms exhibit more immediate deterioration (Q_{+1}: -0.257, $t = -3.36$; Q_{+2}: -0.301, $t = -3.54$).

Analyst Coverage. Pre-announcement front-loading is stronger among heavily covered firms because analyst coverage accelerates the dissemination of negative earnings news (Hong et al., 2000): when more analysts track a firm, bad news reaches a wider audience more rapidly after the announcement. This narrows the window during which pre-announcement recruitment is relatively advantageous and raises the payoff to accelerating hiring before disclosure. We measure analyst coverage as the number of analysts issuing EPS forecasts in I/B/E/S; firms above the industry-year median constitute the high-coverage group (*HighCover*). Wald tests show that heavily covered firms exhibit statistically significant pre-announcement posting differentials prior to negative surprises (0.178 at Q_{-2}, $t = 2.19$, and 0.155 at Q_{-1}, $t = 2.25$), while the corresponding estimates for sparsely covered firms are statistically indistinguishable from zero. For high-coverage firms, the join rate differential concentrates in the pre-announcement window—0.272 pp at Q_{-3} ($t = 2.54$) and 0.322 pp at Q_{-2} ($t = 4.11$). Lightly monitored firms exhibit no pre-announcement join rate differential.

Overall, statistically significant pre-announcement hiring differentials—in both postings and

realized join rates—are concentrated in competitive labor markets, among high-R&D firms, and among heavily covered firms. Across these partitions, posting differentials coincide with larger realized employee join rates, consistent with stronger pre-announcement hiring activity where negative earnings news poses greater recruitment frictions.

6 Robustness Tests

6.1 Heterogeneity by Earnings Surprise Severity

We examine whether the baseline front-loading pattern varies with the severity of the negative earnings surprise.

To test this, we partition negative-surprise firm-quarters based on the absolute magnitude of standardized unexpected earnings (SUE), split at the median within negative-surprise firm-quarters into Low Bad News (0–49th percentile; mild disappointments) and High Bad News (50–100th percentile; severe disappointments), comparing each against the non-negative-surprise baseline. We also examine firms with potential earnings management (*EarnMgmt*), defined as firms whose earnings surprise falls in the narrow 0–1% small-beat range. We re-estimate our baseline model (Equation 1) across these partitions. Table 10 presents the results.[19]

BADNEWS Severity. Mild-bad-news firms (Column 1, compared against the non-negative-surprise baseline) show the strongest pre-announcement posting differential: the Wald test at Q_{-1} is positive and statistically significant (0.130, $t = 2.20$), indicating that low-severity bad-news firms exhibit higher posting intensity than the non-negative baseline in the quarter immediately preceding

[19] All specifications include firm, year-by-quarter, and cohort fixed effects, along with standard controls. Standard errors are two-way clustered by firm and year-by-quarter.

disclosure. Post-announcement, Wald tests comparing mild-bad-news firms to the non-negative baseline are statistically indistinguishable from zero across all quarters, indicating that mild-bad-news firms increase pre-announcement postings relative to good-news firms but do not subsequently post fewer vacancies than the non-negative baseline.

By contrast, severe-bad-news firms (Column 2, compared against the non-negative-surprise baseline) show a less consistent pre-announcement pattern: the Q_{-2} Wald test yields a borderline significant differential (0.177, $t = 1.78$), while differentials at Q_{-4} (0.122, $t = 1.41$), Q_{-3} (0.060, $t = 0.62$), and Q_{-1} (0.095, $t = 1.18$) are statistically indistinguishable from zero. Post-announcement, severe-bad-news firms relative to the non-negative baseline exhibit a persistent and significant posting contraction (-0.266 at Q_{+1}, -0.323 at Q_{+2}, -0.259 at Q_{+3}, and -0.228 at Q_{+4}), consistent with severe earnings news suppressing subsequent hiring activity.

Earnings Management Test. Column (3) tests whether the front-loading pattern could reflect earnings management rather than labor market timing. Under an earnings-management interpretation, firms near the zero-beat threshold may use pre-announcement real activities (including hiring) to improve reported earnings and avoid missing analyst forecasts (Brown and Caylor, 2005; Hribar et al., 2006). If front-loading is primarily earnings-management-motivated, small-beat firms (those with earnings surprises in the narrow 0–1% small-beat range, *EarnMgmt*) should exhibit elevated pre-announcement posting differentials similar to the main sample. By contrast, if front-loading reflects labor market timing, small-beat firms have no analogous motivation for pre-announcement hiring acceleration. We find that none of the Wald tests for small-beat firms versus the non-negative baseline is statistically significant across the entire event window, providing little evidence that front-loading is driven by earnings management motives.

The pre-announcement posting differential is more pronounced where bad news is less se-

vere (Spence, 1978; Connelly et al., 2011). Firms with mild shortfalls exhibit significant pre-announcement posting differentials; those facing severe shortfalls do not. The absence of front-loading among small-beat firms does not support a broad earnings-management explanation.

6.2 Alternative Explanations

We examine two alternative explanations for the front-loading pattern: whether higher pre-announcement hiring intensity is associated with analyst forecast revisions, and whether it predicts weaker subsequent operating performance.

Panel A of Table 11 tests whether observable pre-announcement hiring signals are associated with analyst forecast upgrades. If firms front-load to signal stronger future earnings, analysts observing elevated job postings should revise forecasts upward; if instead firms post more pre-announcement to mitigate labor market disruption, no such revision follows. We regress analyst consensus forecast revisions and forecast errors over current- and next-quarter forecast horizons on alternative metrics of job posting intensity (postings since the prior earnings date, 6-month and 12-month trailing postings, and a top-quartile posting indicator).[20] Across all specifications, the estimated coefficients on hiring intensity are close to zero and statistically indistinguishable from zero (e.g., JP-REV: -0.000, $t = -0.62$; HIGH-REV: -0.000, $t = -0.12$). Elevated pre-announcement posting is not associated with upward analyst forecast revisions, which does not support a signaling-to-analysts interpretation.

Panel B tests whether aggressive pre-announcement hiring within bad-news firms predicts stronger or weaker subsequent operating performance. One concern is that heavy pre-announcement

[20] All specifications include firm, year-by-quarter, analyst, and horizon fixed effects, with standard errors clustered at the firm and analyst levels.

hiring adds to the firm's cost base, worsening future profitability and deepening the earnings shortfall. Alternatively, if front-loading is a deliberate investment in human capital ahead of a transitory earnings setback, it should predict stronger subsequent performance as newly hired employees begin to generate revenues. We define *HighNetPre* as an indicator equal to one for negative-surprise firm-quarters with above-median net workforce expansion during Q_{-3} to Q_{-1}, and zero for other negative-surprise firm-quarters. The dependent variables are return on assets (*ROA*, operating income before depreciation scaled by total assets) and total revenue (*SALES*, in millions USD), each measured over the two quarters following the earnings announcement. Among bad-news firms, the interaction term between *HighNetPre* and the negative-surprise indicator is positive and statistically significant for both outcomes (ROA: 0.004, $t = 2.73$; SALES: \$215.44M, $t = 2.03$), indicating that firms with more aggressive pre-announcement hiring subsequently exhibit stronger profitability and revenue growth. This pattern is inconsistent with the view that pre-announcement hiring primarily adds costs that deepen the earnings shortfall.

6.3 Alternative Samples and Specifications

Table 12 shows that the baseline front-loading pattern holds across alternative sample restrictions and measurement choices.

Excluding the COVID-19 Pandemic. To ensure our findings are not an artifact of the severe labor market disruptions during the pandemic, Column (1) excludes the 2020–2021 period. The pre-announcement front-loading dynamic persists when excluding the pandemic period (Q_{-2}: 0.129, $t = 1.91$; Q_{-1}: 0.114, $t = 1.86$).

Relaxing the Isolated-Event Restriction. Our baseline sample restricts attention to firm-quarters in which Q_0 is the first negative earnings surprise in the event window, excluding observations with

negative earnings surprises in Q_{-1}, Q_{-2}, or Q_{-3}, to reduce contamination of event-time posting patterns by overlapping negative earnings surprises. Column (2) relaxes this restriction, retaining firm-quarters with consecutive negative earnings surprises, thereby substantially expanding the sample. The core front-loading pattern persists. Under this relaxed specification, the differential at Q_{-4} becomes statistically significant (0.121, $t = 3.09$), consistent with the broader sample extending the estimated posting differential to Q_{-4}.

Alternative Functional Form. Column (3) replaces our inverse hyperbolic sine transformation with a simple arithmetic difference between raw posting counts and the historical benchmark ($JP - NormJP$). Relying purely on within-firm variation, the pre-announcement elevation remains statistically significant and economically large (39.20 additional postings at Q_{-2}, $t = 2.98$; 35.21 at Q_{-1}, $t = 1.82$), followed by a directionally consistent post-announcement contraction. The baseline pattern is not sensitive to this transformation choice.

Propensity-Score Matching. As a check on observable pre-event differences, Column (4) employs a propensity-score matching (PSM) design. It matches each negative-surprise firm-quarter to three nearest-neighbor non-negative-surprise firm-quarters (1:3 matching) based on Q_{-4} fundamentals (size, profitability, investment opportunities, R&D intensity, cash holdings, and leverage). Enforcing common support, the PSM results confirm the pre-announcement front-loading; the Q_{-1} differential is 0.132 ($t = 2.02$), indicating that imbalance in these observable characteristics does not account for the baseline pattern.

7 Conclusion

Using Lightcast job-posting data from 2011–2024, we document that firms experiencing negative earnings surprises post more abnormal job vacancies during the three quarters preceding the announcement than non-negative-surprise firms. This pre-announcement elevation is followed by a broadly offsetting post-announcement contraction, with the net cumulative effect statistically indistinguishable from zero, consistent with a shift in hiring timing rather than aggregate workforce expansion. Résumé-based employee flow data indicate that negative-surprise firms exhibit lower turnover and higher join rates before disclosure and the reverse pattern after, and that firms with high pre-announcement posting intensity achieve significantly higher pre-announcement join rates than non-negative-surprise firms. Short-window announcement-period returns are statistically similar across pre-announcement hiring intensity groups, consistent with the immediate price reaction reflecting the magnitude of the earnings shortfall rather than pre-announcement recruiting activity. Cross-sectional tests show stronger front-loading in competitive labor markets, among high-R&D firms, and among heavily covered firms. Additional tests do not support explanations based on analyst forecast revisions or a labor-cost channel.

These results extend research on the real effects of anticipated disclosure by showing that recruitment timing—a real, resource-consuming operational decision—varies systematically around earnings announcement quarters associated with negative surprises. The paper adds to the literature on labor-market consequences of corporate earnings news and the informational content of alternative employment data. Job-posting patterns in the quarters before an earnings announcement predict labor market disruptions that are relevant to both job seekers and investors.

These results are subject to several limitations. First, the observational design cannot fully

establish that posting timing is causally driven by managerial anticipation of negative surprises; pre-existing differences between bad- and good-news firms that correlate with hiring activity cannot be entirely ruled out. Propensity-score matching on observable firm characteristics confirms the baseline pattern, and the Wald test structure exploits within-firm, within-cohort variation, but these approaches do not fully substitute for exogenous variation in disclosure timing. Second, Lightcast data overrepresent white-collar and professional occupations. This is unlikely to alter inferences materially because the labor-market signaling mechanisms documented in prior research—applicant quality, turnover risk, and employee job search—are most pronounced among the professional workers who are well represented in online posting data. Third, front-loading is measured at the firm-quarter level; we cannot track outcomes for individual hires made pre-announcement versus post-announcement.

Examining whether employees hired in the pre-announcement window exhibit different retention rates or career trajectories than those hired post-announcement would clarify the welfare consequences of front-loading for workers. Whether similar intertemporal recruitment patterns arise around other disclosures—earnings guidance, 8-K filings, or regulatory enforcement actions—would determine how broadly the mechanism extends beyond negative earnings surprises.

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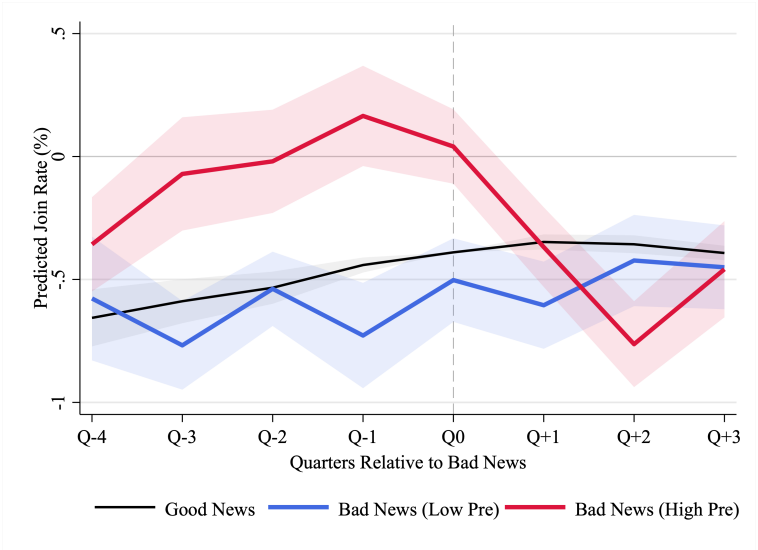
Figure 1
(Color Online) Predicted Abnormal Employee Flows Around Negative Earnings Announcements

Panel A. Predicted Abnormal Join Rate Levels



Panel B. Predicted Abnormal Turnover Rate Levels

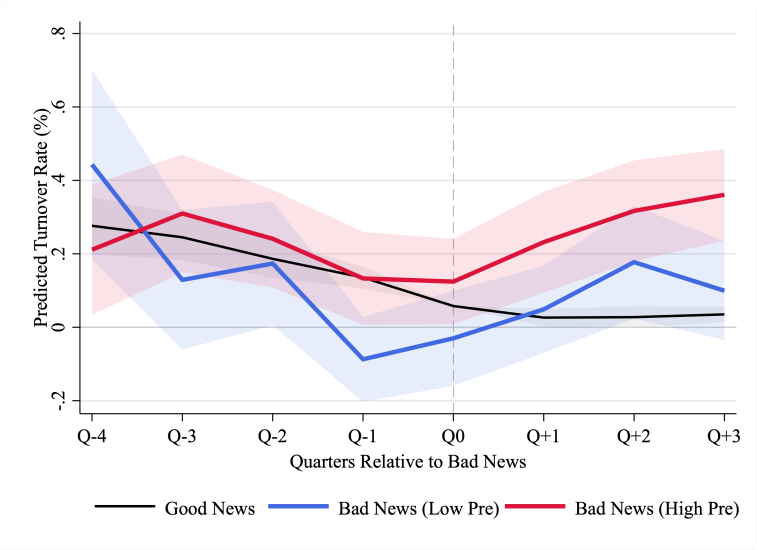
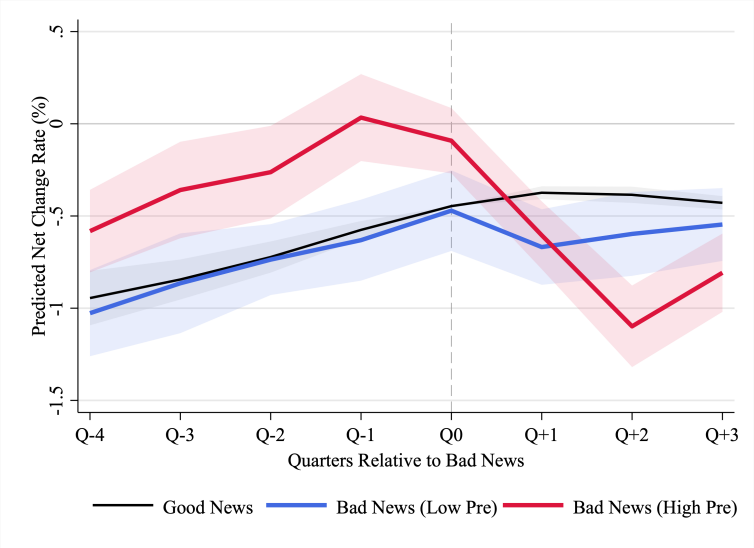


Figure 1 (Continued)

Panel C. Predicted Abnormal Net Rate Levels



Note: This figure presents abnormal employee flow dynamics around negative earnings announcements, separately for negative-surprise quarters with above-median pre-announcement hiring intensity (*PreHigh*) and those with below-median intensity (*PreLow*). Good News events serve as the control group. Results are based on estimating:

$$Y_{i,q} = \alpha + \sum_{k \in K} \lambda_k \cdot Q_k + \sum_{k \in K} \beta_k^{Low} \cdot (Q_k \times PreLow_i) + \sum_{k \in K} \beta_k^{High} \cdot (Q_k \times PreHigh_i) + \mathbf{X}'_{i,q-1}\Gamma + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q} \tag{6}$$

where $Y_{i,q}$ denotes the abnormal employee flow rate for firm i in quarter q. **Panel A** examines *AbJoin*, the abnormal employee inflow rate adjusted by the firm's three-year historical seasonal average. **Panel B** examines *AbTurnover*, the abnormal employee outflow rate using the same adjustment. **Panel C** examines *AbNet*, defined as abnormal join rate minus abnormal turnover rate. Q_k indexes event quarters $k \in \{-3, -2, -1, 0, +1, +2, +3, +4\}$ relative to the earnings announcement, with $k = -4$ as the omitted reference period. For each panel, subplot **(a)** plots interaction coefficients β_k^{Low} and β_k^{High} with 95% confidence intervals, where the **Blue Line** represents PreLow firms and the **Red Line** represents PreHigh firms, both relative to Good News firms. Subplot **(b)** plots predicted employee flow levels (fitted values from the regression, holding controls at sample means) for all three groups, where the **Black Line** shows Good News firms (control), the **Blue Line** shows PreLow bad news firms, and the **Red Line** shows PreHigh bad news firms. All specifications include firm fixed effects (δ_i), year–quarter fixed effects ($\gamma_{q \times y}$), event-quarter cohort fixed effects (θ_c), and firm-level controls (SIZE, ROA, TOBIN-Q, CAPX, R&D, LIQ, LEV, ANALYST, LABOR, IO, BSIZE, DUAL, TENURE). The sample comprises U.S. public firms from 2011Q1 to 2024Q4. Standard errors are two-way clustered by firm and year–quarter. Error bars in subplot (a) and shaded areas in subplot (b) represent 95% confidence intervals.

Table 1
Sample Construction and News Type Distribution

Note: This table summarizes our sample construction procedure. We begin with online job postings from 2011Q1 to 2024Q4 that can be matched to the necessary financial data. Consistent with prior literature, we exclude firms in utilities (SIC 4900–4999) and financial services (SIC 6000–6999), whose hiring behavior, regulatory constraints, and earnings processes differ structurally from those of non-regulated operating firms, making them unsuitable for analyzing discretionary labor-demand adjustments. Panel A outlines the sequential removal of observations with missing data across multiple sources (I/B/E/S, CRSP, 13-F, BoardEx, and resume data) to ensure full variable coverage for all regressions. *Repeated bad news events:* We exclude earnings announcements in quarter t if the firm also experienced a negative earnings surprise in any of the prior three quarters (Q_{-1}, Q_{-2}, or Q_{-3}). This restriction ensures our bad-news sample captures firms' responses to the *first* negative earnings surprise rather than persistent underperformance. *Incomplete cohort data:* We remove firm-quarter observations lacking complete data for the entire event window (Q_{-4} through Q_{+4} relative to the announcement), allowing us to estimate balanced event-study dynamics. This process yields a final sample of 13,904,281 unique job postings, 17,159 earnings announcement (EA) events, and 1,506 unique firms. Panel B reports the distribution of these final earnings announcement observations into good news ($BADNEWS = 0$) and bad news ($BADNEWS = 1$) groups, where bad news is defined as negative standardized unexpected earnings (SUE).

Panel A: Sample Construction

Period: 2011Q1–2024Q4	**Unique Postings**	**EA Events**	**Unique Firms**
Online job postings with necessary financial data	52,348,225	139,517	4,302
(Less) Missing I/B/E/S data	(8,698,833)	(70,767)	(1,603)
(Less) Missing CRSP data	(306,518)	(446)	(6)
(Less) Missing 13-F data	(0)	(0)	(0)
(Less) Missing BoardEx data	(2,721,235)	(6,778)	(273)
(Less) Missing resume data	(0)	(0)	(0)
(Less) Incomplete cohort data	(3,326,233)	(5,524)	(114)
(Less) Bad news events before Q_0	(23,391,125)	(38,843)	(800)
Final Sample	**13,904,281**	**17,159**	**1,506**

Panel B: Distribution of BADNEWS Observations

News Type	**Observations**	**Percent**
Good News ($BADNEWS = 0$)	14,043	81.84%
Bad News ($BADNEWS = 1$)	3,116	18.16%
Total	**17,159**	**100.00%**

Table 2
Descriptive Statistics

Note: Table 2 reports descriptive statistics for the main variables used in the analysis. The sample comprises 17,159 earnings announcement observations from 2011Q1 to 2024Q4. *ABJP* is the abnormal job posting volume for event quarters Q_{-4} through Q_{+4} relative to the announcement quarter (Q_0). *BHAR* is buy-and-hold abnormal return over the indicated post-announcement window (quarters). Workforce size and raw employee flow rates are reported for the matched résumé subsample (N = 16,564); raw rates express quarterly flows as percentages of beginning-of-quarter headcount (*HC-START*), providing the base rates against which abnormal flow coefficients can be gauged. All continuous variables except *ABJP* are winsorized at the 1st and 99th percentiles; *ABJP* is not winsorized because the inverse hyperbolic sine transformation already mitigates the influence of extreme values. Variable definitions are provided in Appendix A.

	N	Mean	SD	1th	25th	Median	75th	99th
Job Posting Volume								
JP	17,159	232.90	562.93	0.00	11.00	45.00	152.00	3,470.00
NormJP	17,159	207.86	518.48	0.50	10.67	38.00	130.67	3,294.33
Abnormal Job Posting Volume								
$ABJP_{Q-4}$	17,159	0.30	2.98	-8.25	-1.14	0.40	1.84	8.53
$ABJP_{Q-3}$	17,159	0.23	2.86	-8.21	-1.15	0.36	1.75	7.87
$ABJP_{Q-2}$	17,159	0.20	2.79	-8.33	-1.13	0.38	1.74	7.30
$ABJP_{Q-1}$	17,159	0.21	2.75	-8.16	-1.07	0.42	1.73	6.97
$ABJP_{Q0}$	17,159	0.16	2.77	-8.50	-1.14	0.37	1.71	6.89
$ABJP_{Q+1}$	17,159	0.06	2.75	-8.42	-1.22	0.27	1.61	6.68
$ABJP_{Q+2}$	17,159	-0.06	2.78	-8.67	-1.36	0.17	1.52	6.69
$ABJP_{Q+3}$	17,159	-0.11	2.75	-8.82	-1.37	0.12	1.44	6.51
$ABJP_{Q+4}$	17,159	-0.17	2.79	-8.95	-1.42	0.09	1.42	6.41
Abnormal Employee Flow Rate								
AbNet								
$AbNet_{Q-4}$	16,502	-0.70	4.07	-16.53	-2.13	-0.27	1.26	10.07
$AbNet_{Q-3}$	16,514	-0.68	4.02	-16.06	-2.12	-0.26	1.27	9.90
$AbNet_{Q-2}$	16,522	-0.59	3.92	-15.89	-2.00	-0.18	1.32	9.54
$AbNet_{Q-1}$	16,530	-0.49	3.83	-14.84	-1.92	-0.13	1.36	9.62
$AbNet_{Q0}$	16,538	-0.45	3.82	-15.10	-1.86	-0.11	1.38	9.64
$AbNet_{Q+1}$	16,544	-0.53	3.81	-14.94	-1.94	-0.17	1.30	9.48
$AbNet_{Q+2}$	16,548	-0.67	3.84	-15.27	-2.04	-0.30	1.19	9.23
$AbNet_{Q+3}$	16,552	-0.78	3.85	-15.17	-2.12	-0.39	1.08	8.99
$AbNet_{Q+4}$	16,550	-0.86	3.84	-15.40	-2.20	-0.44	1.00	8.78
AbJoin								
$AbJoin_{Q-4}$	16,502	-0.35	3.48	-12.54	-1.74	-0.13	1.30	9.38
$AbJoin_{Q-3}$	16,514	-0.38	3.47	-12.44	-1.79	-0.17	1.25	10.01
$AbJoin_{Q-2}$	16,522	-0.36	3.41	-12.44	-1.72	-0.12	1.26	9.10
$AbJoin_{Q-1}$	16,530	-0.33	3.34	-11.77	-1.67	-0.10	1.25	9.10
$AbJoin_{Q0}$	16,538	-0.35	3.31	-11.65	-1.71	-0.13	1.22	8.97
$AbJoin_{Q+1}$	16,544	-0.44	3.30	-11.49	-1.82	-0.22	1.17	8.87
$AbJoin_{Q+2}$	16,548	-0.57	3.28	-11.43	-2.04	-0.35	1.08	8.42
$AbJoin_{Q+3}$	16,552	-0.71	3.28	-11.45	-2.17	-0.47	0.95	8.58
$AbJoin_{Q+4}$	16,550	-0.86	3.27	-11.72	-2.32	-0.61	0.84	8.36
AbTurnover								
$AbTurnover_{Q-4}$	16,502	0.35	2.35	-6.04	-0.85	0.25	1.39	8.62
$AbTurnover_{Q-3}$	16,514	0.30	2.33	-5.98	-0.91	0.21	1.35	8.08

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Table 2 (Continued)

	N	Mean	SD	1th	25th	Median	75th	99th
$AbTurnover_{Q-2}$	16,522	0.24	2.34	-6.13	-0.95	0.17	1.32	7.92
$AbTurnover_{Q-1}$	16,530	0.16	2.29	-6.37	-1.01	0.13	1.24	7.53
$AbTurnover_{Q0}$	16,538	0.10	2.28	-6.34	-1.06	0.09	1.19	7.44
$AbTurnover_{Q+1}$	16,544	0.09	2.31	-6.23	-1.10	0.07	1.16	7.65
$AbTurnover_{Q+2}$	16,548	0.09	2.39	-6.34	-1.12	0.05	1.14	8.40
$AbTurnover_{Q+3}$	16,552	0.05	2.44	-6.47	-1.17	0.01	1.10	8.38
$AbTurnover_{Q+4}$	16,550	-0.02	2.46	-6.35	-1.25	-0.05	1.05	8.24
Workforce Size and Employee Flow Rates								
HC-TOTAL	16,564	5,944	12,766	46	568	1,652	4,368	74,184
JoinCount	16,564	414	881	2	37	111	328	5,218
LeaveCount	16,564	362	783	2	31	93	281	4,657
NetCount	16,564	55	338	-588	-4	11	57	1,317
Turnover	16,564	6.54	2.95	1.40	4.52	6.01	7.96	16.49
Join	16,564	8.03	4.27	1.36	5.09	7.14	9.95	23.03
Net	16,564	1.50	3.59	-7.94	-0.49	1.12	3.14	12.93
Capital Market Reactions								
BHAR[+0,+1Q]	17,037	0.01	0.19	-0.44	-0.10	-0.00	0.10	0.63
BHAR[+0,+2Q]	16,910	0.01	0.26	-0.57	-0.14	-0.01	0.13	0.90
BHAR[+0,+4Q]	16,568	0.02	0.36	-0.72	-0.20	-0.02	0.19	1.30
Job Postings Variables								
EFF_{Q0}	17,055	2.71	1.43	1.00	1.72	2.37	3.25	8.78
EDU_{Q0}	16,850	15.11	1.25	12.04	14.30	15.45	16.00	17.80
EXP_{Q0}	16,852	4.26	1.50	1.00	3.24	4.25	5.22	8.34
$SENIORITY_{Q0}$	17,055	2.11	0.17	1.64	2.00	2.09	2.21	2.60
MGR_{Q0}	17,055	0.23	0.15	0.00	0.13	0.21	0.31	0.78
$SALARY\text{-}MID_{Q0}$	11,094	71,906	49,156	20,000	39,347	56,195	90,000	293,953
SALARY-FROM	11,094	63,476	42,997	18,720	35,954	50,000	76,959	268,179
SALARY-TO	11,094	80,751	60,092	20,440	41,600	61,555	100,208	400,000
DUR_{Q0}	17,055	55.92	16.81	3.27	49.05	59.50	66.66	85.00
$FULL_{Q0}$	17,051	0.96	0.10	0.42	0.98	1.00	1.00	1.00
$SKILLS_{Q0}$	17,055	19.16	6.44	3.30	15.18	19.58	23.55	34.25
$WORD\text{-}CNT_{Q0}$	17,055	555.17	185.00	163.59	429.93	540.91	661.02	1,094.99
SPEC	17,055	12.24	5.07	1.44	8.54	12.51	15.80	24.71
SOFT	17,055	2.20	1.68	0.00	0.97	1.78	3.15	7.50
SAL-DISC	17,055	0.10	0.20	0.00	0.00	0.01	0.08	0.96
Firm Characteristics								
SIZE	17,159	7.92	1.69	4.41	6.72	7.88	9.02	12.09
ROA	17,159	0.01	0.04	-0.14	0.00	0.01	0.03	0.09
Q	17,159	2.85	2.13	0.83	1.47	2.09	3.38	11.16
CAPX	17,159	0.02	0.03	0.00	0.01	0.01	0.03	0.14
R&D	17,159	0.02	0.02	0.00	0.00	0.00	0.02	0.11
LIQ	17,159	0.15	0.14	0.00	0.05	0.11	0.20	0.63
LEV	17,159	0.55	0.24	0.10	0.39	0.54	0.69	1.25
ANALYST	17,159	10.67	7.00	1.00	5.00	9.00	15.00	31.00
LABOR	17,159	0.52	0.50	0.00	0.00	1.00	1.00	1.00
IO	17,159	0.81	0.19	0.16	0.73	0.86	0.94	1.00
BSIZE	17,159	7.71	2.17	3.00	6.00	8.00	9.00	13.00
DUAL	17,159	0.42	0.49	0.00	0.00	0.00	1.00	1.00

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Table 2 (Continued)

	N	Mean	SD	1th	25th	Median	75th	99th
TENURE	17,159	8.87	20.36	0.08	1.91	3.87	7.60	119.91
PREDICTIONS	17,159	8.22	10.90	0.00	0.00	2.00	15.00	44.00
MaxHHI	15,673	3,575.89	2,533.23	214.01	1,488.00	2,959.18	5,292.97	10,000.00
Cross-sectional Indicators								
HighPre	17,159	0.50	0.50	0.00	0.00	1.00	1.00	1.00
LowHHI	17159	0.43	0.50	0.00	0.00	0.00	1.00	1.00
HighCover	17,159	0.53	0.50	0.00	0.00	1.00	1.00	1.00

Table 3 Panel A

Abnormal Job Postings Around Negative Earnings Announcements: Front-Loading Evidence

Note: This table reports results from estimating:

$$\text{ABJP}_{i,q} = \beta_0 + \beta_1\, BADNEWS_{i,Q0} + \sum_{k\in K} \lambda_k\, Q_k + \sum_{k\in K} \beta_k\, (BADNEWS_{i,Q0} \times Q_k) + X'_{i,q-1}\Gamma + \delta_i + \gamma_{q\times y} + \theta_c + \varepsilon_{i,q}$$

where $\text{ABJP}_{i,q}$ is abnormal job posting volume (firm i's unique posting count in quarter q less its three-year, same-quarter average), $BADNEWS_{i,Q0}$ equals one if standardized unexpected earnings (SUE) is negative at announcement quarter Q0, and Q_k denotes event-quarter indicators for $k \in \{-4, -3, -2, -1, +1, +2, +3, +4\}$ relative to the earnings announcement, with Q0 omitted as reference. $X'_{i,q-1}$ includes firm-level controls (SIZE, ROA, TOBIN-Q, CAPX, R&D, LIQ, LEV, ANALYST, LABOR, IO) and governance controls (BSIZE, DUAL, TENURE). δ_i denotes firm fixed effects, $\gamma_{q\times y}$ denotes year-quarter fixed effects, and θ_c denotes event-quarter cohort fixed effects (grouping firms whose earnings announcements fall in the same calendar quarter). Wald tests assess whether bad news firms differ from good news firms at each quarter: $H_0 : \beta_1 + \beta_k = 0$. t-statistics in parentheses are based on standard errors clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Abnormal Job Postings (*ABJP*)		
	(1)	(2)	(3)
Baseline:			
$BADNEWS_{Q0}$	−0.198***	−0.180***	−0.157***
	(−3.298)	(−3.081)	(−2.974)
Dynamics (Interactions):			
$BADNEWS_{Q0}\times Q_{-4}$	0.328***	0.328***	0.252***
	(3.438)	(3.529)	(3.365)
$BADNEWS_{Q0}\times Q_{-3}$	0.311***	0.311***	0.247***
	(4.134)	(4.281)	(3.948)
$BADNEWS_{Q0}\times Q_{-2}$	0.360***	0.360***	0.291***
	(4.608)	(4.773)	(5.099)
$BADNEWS_{Q0}\times Q_{-1}$	0.327***	0.327***	0.275***
	(6.795)	(6.908)	(7.182)
$BADNEWS_{Q0}\times Q_{+1}$	0.070	0.070	0.072
	(1.084)	(1.139)	(1.266)
$BADNEWS_{Q0}\times Q_{+2}$	−0.034	−0.034	−0.023
	(−0.453)	(−0.473)	(−0.404)
$BADNEWS_{Q0}\times Q_{+3}$	0.008	0.008	0.034
	(0.082)	(0.083)	(0.407)
$BADNEWS_{Q0}\times Q_{+4}$	0.032	0.032	0.048
	(0.534)	(0.522)	(0.806)
Time-Period Effects:			
Q_{-4}	0.087	0.087	−0.208***
	(0.980)	(0.978)	(−4.196)
Q_{-3}	0.011	0.011	−0.185***
	(0.197)	(0.196)	(−4.924)
Q_{-2}	−0.027	−0.027	−0.147***
	(−0.611)	(−0.610)	(−5.339)
Q_{-1}	−0.008	−0.008	−0.068***
	(−0.310)	(−0.306)	(−3.454)
Q_{+1}	−0.107***	−0.107***	−0.014

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Table 3, Panel A (Continued)

	Abnormal Job Postings (*ABJP*)		
	(1)	(2)	(3)
	(−4.177)	(−4.158)	(−1.016)
Q_{+2}	−0.208***	−0.208***	−0.024*
	(−4.773)	(−4.765)	(−1.708)
Q_{+3}	−0.271***	−0.271***	−0.015
	(−4.702)	(−4.686)	(−0.955)
Q_{+4}	−0.329***	−0.329***	–
	(−4.798)	(−4.777)	
Controls:			
SIZE		0.190	0.190
		(1.358)	(1.354)
ROA		0.747	0.747
		(1.015)	(1.009)
TOBIN-Q		0.147***	0.147***
		(5.057)	(5.039)
CAPX		−0.263	−0.263
		(−0.218)	(−0.217)
R&D		−4.529	−4.529
		(−1.483)	(−1.477)
LIQ		0.193	0.193
		(0.523)	(0.522)
LEV		−0.559*	−0.559*
		(−1.680)	(−1.675)
ANALYST		−0.017	−0.017
		(−1.180)	(−1.176)
LABOR		0.107	0.107
		(0.787)	(0.786)
IO		−0.154	−0.154
		(−0.497)	(−0.496)
BSIZE		0.019	0.019
		(0.541)	(0.539)
DUAL		0.065	0.065
		(0.698)	(0.694)
TENURE		−0.009	−0.009
		(−1.259)	(−1.255)
CONSTANT	0.193***	−1.242	−1.263
	(3.449)	(−0.933)	(−0.953)
Wald Tests: $H_0 : \beta_1 + \beta_k = 0$			
$k = -4$ (Q_{-4})	0.130*	0.148**	0.094
	(1.800)	(2.055)	(1.437)
$k = -3$ (Q_{-3})	0.112*	0.130**	0.090*
	(1.889)	(2.178)	(1.674)
$k = -2$ (Q_{-2})	0.162**	0.180***	0.134**
	(2.501)	(2.734)	(2.191)

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Table 3, Panel A (Continued)

	Abnormal Job Postings (*ABJP*)		
	(1)	(2)	(3)
$k = -1$ (Q_{-1})	0.128^{**}	0.146^{***}	0.117^{**}
	(2.469)	(2.771)	(2.288)
$k = +1$ (Q_{+1})	-0.129^{*}	-0.111	-0.086
	(-1.874)	(-1.622)	(-1.365)
$k = +2$ (Q_{+2})	-0.232^{***}	-0.214^{***}	-0.181^{***}
	(-3.492)	(-3.252)	(-2.884)
$k = +3$ (Q_{+3})	-0.191^{***}	-0.173^{**}	-0.123^{*}
	(-2.592)	(-2.350)	(-1.733)
$k = +4$ (Q_{+4})	-0.166^{***}	-0.148^{**}	-0.109^{**}
	(-2.756)	(-2.421)	(-1.964)
Observations	154,431	154,431	154,431
R-squared	0.196	0.200	0.235
Controls	Y	Y	Y
Fixed Effects:			
Firm	Y	Y	Y
Year-Quarter	Y	Y	Y
Cohort	N	N	Y
Cluster SE	Firm + Year-Quarter		

Table 3 Panel B
Cumulative Effects Tests: Reallocation vs. Expansion

Note: This panel reports cumulative effects tests based on the specification in Table 3 Panel A, Column (3).

$$\text{ABJP}_{i,q} = \beta_0 + \beta_1 \, BADNEWS_{i,Q0} + \sum_{k \in K} \lambda_k \, Q_k + \sum_{k \in K} \beta_k \, (BADNEWS_{i,Q0} \times Q_k) + X'_{i,q-1}\Gamma + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q}$$

The total difference in predicted $ABJP$ between bad news and good news firms in quarter k is $(\beta_1 + \beta_k)$, where $\beta_k = 0$ for the reference quarter Q_0. Test 1 (Full Window) tests the cumulative effect over the eight-quarter window Q_{-4} to Q_{+3} ($H_0 : 8\beta_1 + \beta_{-4} + \beta_{-3} + \beta_{-2} + \beta_{-1} + \beta_{+1} + \beta_{+2} + \beta_{+3} = 0$). Test 2 (Pre-Announcement) sums effects from Q_{-4} through Q_{-1} ($H_0 : 4\beta_1 + \beta_{-4} + \beta_{-3} + \beta_{-2} + \beta_{-1} = 0$). Test 3 (Post-Announcement) sums effects from Q_0 through Q_{+3} ($H_0 : 4\beta_1 + \beta_{+1} + \beta_{+2} + \beta_{+3} = 0$). ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Test Specification	**Coefficient**	**Std. Error**	***t*-stat**
Test 1: Full Window (Q_{-4} to Q_{+3})	-0.112	0.301	-0.37
Test 2: Pre-Announcement (Q_{-4} to Q_{-1})	0.435^{**}	0.183	2.38
Test 3: Post-Announcement (Q_0 to Q_{+3})	-0.547^{***}	0.185	-2.97

Table 4
Labor Market Costs of Negative Earnings Announcements

Note: This table reports results from estimating:

$$Y_{i,q} = \beta_0 + \beta_1 \, BADNEWS_{i,Q0} + \sum_{k \in K} \lambda_k \, Q_k + \sum_{k \in K} \beta_k \, (BADNEWS_{i,Q0} \times Q_k) + \mathbf{X}'_{i,q-1}\mathbf{\Gamma} + \delta_i + \gamma_{q \times y} + \varepsilon_{i,q}$$

where $Y_{i,q}$ represents abnormal employee flows for firm i in quarter q, measured as deviations from the firm's three-year, same-quarter average. Column (1) examines AbTurnover (employees leaving in quarter q / employees at quarter start) - three-year average. Column (2) examines AbJoin (employees joining in quarter q / employees at quarter start) - three-year average. Column (3) examines AbNet = AbJoin - AbTurnover. $BADNEWS_{i,Q0}$ equals one if standardized unexpected earnings (SUE) is negative. Q_k denotes event quarters $k \in \{-4, -3, -2, -1, 0, +1, +2, +3, +4\}$ relative to the earnings announcement, with $k = 0$ omitted as reference. All specifications include firm fixed effects (δ_i), year-quarter fixed effects ($\gamma_{q \times y}$), cohort fixed effects, and firm-level controls ($\Theta_{i,q}$). Wald tests assess whether bad news firms differ from good news firms at each quarter: $H_0 : \beta_1 + \beta_k = 0$. t-statistics in parentheses are based on standard errors clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	(1)	(2)	(3)
VARIABLES	*AbTurnover*	*AbJoin*	*AbNet*
Baseline:			
$BADNEWS_{Q0}$	−0.009	0.139**	0.147**
	(−0.189)	(2.590)	(2.028)
Dynamics (Interactions):			
$BADNEWS_{Q0} \times Q_{-4}$	0.066	0.036	−0.027
	(0.671)	(0.476)	(−0.215)
$BADNEWS_{Q0} \times Q_{-3}$	−0.012	0.016	0.061
	(−0.172)	(0.171)	(0.471)
$BADNEWS_{Q0} \times Q_{-2}$	0.020	0.093	0.063
	(0.351)	(1.268)	(0.673)
$BADNEWS_{Q0} \times Q_{-1}$	−0.098*	0.002	0.108
	(−1.997)	(0.020)	(0.959)
$BADNEWS_{Q0} \times Q_{+1}$	0.131***	−0.303***	−0.441***
	(2.964)	(−4.465)	(−5.253)
$BADNEWS_{Q0} \times Q_{+2}$	0.235***	−0.393***	−0.629***
	(3.394)	(−4.911)	(−6.012)
$BADNEWS_{Q0} \times Q_{+3}$	0.207***	−0.202***	−0.398***
	(3.672)	(−2.679)	(−4.302)
$BADNEWS_{Q0} \times Q_{+4}$	0.135*	−0.389***	−0.534***
	(1.830)	(−4.596)	(−5.084)
Time-Period Effects:			
Q_{-4}	0.257***	−0.260***	−0.533***
	(6.710)	(−4.504)	(−7.131)
Q_{-3}	0.216***	−0.198***	−0.427***
	(7.115)	(−4.499)	(−7.980)

Continued on next page

Table 4 (Continued)

	(1)	(2)	(3)
VARIABLES	*AbTurnover*	*AbJoin*	*AbNet*
Q_{-2}	0.149***	−0.133***	−0.287***
	(6.072)	(−4.012)	(−6.961)
Q_{-1}	0.082***	−0.045***	−0.129***
	(6.077)	(−2.814)	(−5.566)
Q_{+1}	−0.028**	0.038***	0.063***
	(−2.319)	(2.863)	(3.999)
Q_{+2}	−0.017	0.029	0.040*
	(−1.126)	(1.593)	(1.814)
Q_{+3}	−0.005	−0.007	−0.008
	(−0.511)	(−0.456)	(−0.403)
Q_{+4}	–	–	–
Wald Tests: $H_0 : \beta_1 + \beta_k = 0$			
$k = -4$ (Q_{-4})	0.058	0.175**	0.120
	(0.699)	(2.413)	(1.364)
$k = -3$ (Q_{-3})	−0.021	0.155**	0.208*
	(−0.347)	(1.978)	(1.918)
$k = -2$ (Q_{-2})	0.011	0.232***	0.210**
	(0.191)	(3.150)	(2.394)
$k = -1$ (Q_{-1})	−0.106**	0.141	0.255**
	(−2.472)	(1.575)	(2.546)
$k = +1$ (Q_{+1})	0.123**	−0.165**	−0.294***
	(2.548)	(−2.390)	(−3.544)
$k = +2$ (Q_{+2})	0.226***	−0.254***	−0.483***
	(3.921)	(−3.095)	(−5.198)
$k = +3$ (Q_{+3})	0.199***	−0.063	−0.251***
	(5.008)	(−0.898)	(−3.268)
$k = +4$ (Q_{+4})	0.126**	−0.250***	−0.387***
	(2.098)	(−3.788)	(−4.822)
Observations	148,800	148,800	148,800
R-squared	0.186	0.276	0.216
Controls	Y	Y	Y
Fixed Effects:			
Firm	Y	Y	Y
YearQuarter	Y	Y	Y
Cohort	Y	Y	Y
Cluster SE		Firm + YearQuarter	

Table 5
Labor Market Benefits of Front-Loading Around Negative Earnings Announcements

Note: This table reports results from estimating:

$$Y_{i,q} = \beta_0 + \beta_1 \cdot PreHigh_i + \beta_2 \cdot PreLow_i + \sum_{k \in K} \lambda_k \cdot Q_k + \sum_{k \in K} \beta_k^{High} \cdot (Q_k \times PreHigh_i) + \sum_{k \in K} \beta_k^{Low} \cdot (Q_k \times PreLow_i) + \mathbf{X}'_{i,q-1}\Gamma + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q}$$

where $Y_{i,q}$ represents abnormal employee flows for firm i in quarter q. Column (1) examines AbTurnover. Column (2) examines AbJoin. Column (3) examines AbNet = AbJoin - AbTurnover. $PreHigh_i$ ($PreLow_i$) equals one if cumulative abnormal job postings over Q_{-3} to Q_{-1} exceed (fall below) the sample median. Q_k denotes event quarters $k \in \{-4, -3, -2, -1, 0, +1, +2, +3, +4\}$ relative to the earnings announcement, with $k = 0$ omitted as the reference period. The table reports coefficient estimates for main effects of pre-hiring intensity (β_1, β_2), baseline time pattern (λ_k), and interaction terms capturing differential dynamics (β_k^{High}, β_k^{Low}). Wald tests assess pairwise group differences at each quarter: $H_0^{High-Low} : (\beta_1 + \beta_k^{High}) - (\beta_2 + \beta_k^{Low}) = 0$; $H_0^{Low-Good} : (\beta_2 + \beta_k^{Low}) = 0$; $H_0^{High-Good} : (\beta_1 + \beta_k^{High}) = 0$. $\mathbf{X}'_{i,q-1}$ includes firm-level controls. t-statistics in parentheses are based on standard errors clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	(1)	(2)	(3)
VARIABLES	*AbTurnover*	*AbJoin*	*AbNet*
Main Effects (β_1, β_2)***:***			
$PreLow$	−0.078	−0.116	−0.030
	(−1.200)	(−1.402)	(−0.274)
$PreHigh$	0.065	0.413***	0.338***
	(1.117)	(5.269)	(3.552)
Dynamics (Interactions, $Q_k \times PreHigh$***):***			
$Q_{-4} \times PreHigh$	−0.141	−0.130	0.021
	(−1.377)	(−1.027)	(0.138)
$Q_{-3} \times PreHigh$	0.007	0.106	0.139
	(0.079)	(0.802)	(0.846)
$Q_{-2} \times PreHigh$	−0.014	0.119	0.146
	(−0.205)	(1.090)	(1.165)
$Q_{-1} \times PreHigh$	−0.055	0.182**	0.249**
	(−0.770)	(2.296)	(2.185)
$Q_{+1} \times PreHigh$	0.150***	−0.459***	−0.599***
	(2.687)	(−4.709)	(−5.433)
$Q_{+2} \times PreHigh$	0.245***	−0.842***	−1.088***
	(2.855)	(−7.668)	(−7.991)
$Q_{+3} \times PreHigh$	0.278***	−0.515***	−0.764***
	(3.060)	(−4.146)	(−5.656)
$Q_{+4} \times PreHigh$	0.271***	−0.796***	−1.058***
	(2.824)	(−7.053)	(−7.753)

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Table 5 (Continued)

VARIABLES	(1) *AbTurnover*	(2) *AbJoin*	(3) *AbNet*
Dynamics (Interactions, $Q_k \times PreLow$***):***			
$Q_{-4} \times PreLow$	0.259*	0.190**	−0.071
	(1.737)	(2.362)	(−0.434)
$Q_{-3} \times PreLow$	−0.029	−0.068	−0.010
	(−0.273)	(−0.529)	(−0.058)
$Q_{-2} \times PreLow$	0.050	0.069	−0.014
	(0.573)	(0.755)	(−0.100)
$Q_{-1} \times PreLow$	−0.138	−0.166	−0.023
	(−1.613)	(−1.107)	(−0.126)
$Q_{+1} \times PreLow$	0.114*	−0.159*	−0.294**
	(1.706)	(−1.723)	(−2.462)
$Q_{+2} \times PreLow$	0.226**	0.024	−0.204
	(2.430)	(0.218)	(−1.294)
$Q_{+3} \times PreLow$	0.142*	0.089	−0.058
	(1.860)	(0.794)	(−0.601)
$Q_{+4} \times PreLow$	0.009	−0.013	−0.049
	(0.087)	(−0.090)	(−0.272)
Baseline Time Pattern (λ_k)***:***			
Q_{-4}	0.256***	−0.260***	−0.532***
	(6.693)	(−4.499)	(−7.125)
Q_{-3}	0.216***	−0.197***	−0.427***
	(7.102)	(−4.494)	(−7.972)
Q_{-2}	0.149***	−0.133***	−0.287***
	(6.049)	(−4.004)	(−6.948)
Q_{-1}	0.082***	−0.045***	−0.129***
	(6.027)	(−2.719)	(−5.527)
Q_{+1}	−0.028**	0.037***	0.063***
	(−2.244)	(2.757)	(3.901)
Q_{+2}	−0.017	0.028	0.040*
	(−1.123)	(1.567)	(1.795)
Q_{+3}	−0.005	−0.007	−0.008
	(−0.467)	(−0.456)	(−0.410)
Q_{+4}	–	–	–
Wald Tests:			
High vs Good (H_0: $\beta_1 + \beta_k^{High} = 0$)			
$k = -4$	−0.076	0.283***	0.358***
	(−1.002)	(2.578)	(2.911)
$k = -3$	0.072	0.519***	0.476***

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Table 5 (Continued)

VARIABLES	(1) *AbTurnover*	(2) *AbJoin*	(3) *AbNet*
	(0.934)	(4.525)	(3.412)
$k = -2$	0.052	0.533***	0.484***
	(0.745)	(4.994)	(3.711)
$k = -1$	0.011	0.595***	0.587***
	(0.166)	(5.472)	(4.596)
$k = +1$	0.215***	−0.046	−0.261**
	(3.176)	(−0.514)	(−2.573)
$k = +2$	0.310***	−0.429***	−0.751***
	(4.237)	(−4.324)	(−6.138)
$k = +3$	0.344***	−0.102	−0.427***
	(5.074)	(−0.973)	(−3.766)
$k = +4$	0.337***	−0.382***	−0.721***
	(3.984)	(−3.890)	(−6.008)
Low vs Good (H_0: $\beta_2 + \beta_k^{Low} = 0$)			
$k = -4$	0.181	0.073	−0.101
	(1.422)	(0.693)	(−0.965)
$k = -3$	−0.107	−0.185*	−0.041
	(−1.269)	(−1.953)	(−0.324)
$k = -2$	−0.027	−0.047	−0.044
	(−0.337)	(−0.585)	(−0.451)
$k = -1$	−0.215***	−0.282**	−0.053
	(−3.586)	(−2.496)	(−0.438)
$k = +1$	0.036	−0.276***	−0.324***
	(0.592)	(−3.078)	(−2.956)
$k = +2$	0.148*	−0.093	−0.234*
	(1.911)	(−0.917)	(−1.917)
$k = +3$	0.064	−0.028	−0.089
	(0.986)	(−0.321)	(−0.935)
$k = +4$	−0.069	−0.129	−0.079
	(−0.894)	(−1.429)	(−0.695)
High vs Low (H_0: $(\beta_1 + \beta_k^{High}) - (\beta_2 + \beta_k^{Low}) = 0$)			
$k = -4$	−0.257*	0.210	0.460***
	(−1.951)	(1.332)	(3.149)
$k = -3$	0.179*	0.704***	0.517***
	(1.676)	(5.058)	(3.432)
$k = -2$	0.079	0.580***	0.528***
	(0.815)	(5.108)	(3.661)
$k = -1$	0.226***	0.877***	0.640***
	(2.584)	(6.644)	(4.320)

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Table 5 (Continued)

	(1)	(2)	(3)
VARIABLES	*AbTurnover*	*AbJoin*	*AbNet*
$k = +1$	0.179^{**}	0.230^{**}	0.063
	(2.090)	(2.056)	(0.481)
$k = +2$	0.162^{*}	-0.336^{***}	-0.516^{***}
	(1.672)	(−2.945)	(−3.223)
$k = +3$	0.279^{***}	−0.074	-0.338^{**}
	(2.655)	(−0.566)	(−2.410)
$k = +4$	0.406^{***}	-0.253^{*}	-0.641^{***}
	(3.749)	(−1.889)	(−3.771)
Observations	148,800	148,800	148,800
R-squared	0.186	0.277	0.217
Controls	Y	Y	Y
Fixed Effects:			
Firm	Y	Y	Y
YearQuarter	Y	Y	Y
Cohort	Y	Y	Y
Cluster SE		Firm + YearQuarter	

Table 6
Capital Market Benefits of Front-Loading: Short-Window Abnormal Returns

Note: This table reports results from estimating:

$$Y_{i,q} = \beta_0 + \beta_1 HighPre_{i,q} + \beta_2 LowPre_{i,q} + X'_{i,q-1}\Gamma + \delta_i + \gamma_{q\times y} + \varepsilon_{i,q}$$

where $Y_{i,q}$ represents cumulative abnormal returns (CAR) for firm i around quarter q. Columns (1)–(3) examine CAR over short event windows of $[-1,+1]$, $[-3,+3]$, and $[0,+30]$ days relative to the earnings announcement date. The sample is restricted to bad news announcements ($BADNEWS = 1$); good news observations serve as the omitted reference group. $HighPre$ equals one if cumulative abnormal job postings during Q_{-3} to Q_{-1} are positive and exceed the median within the two-digit SIC industry and year cohort; $LowPre$ comprises the remaining bad news observations. Wald tests assess whether the high and low pre-hiring groups differ: $H_0 : \beta_{\text{High}} - \beta_{\text{Low}} = 0$. $X'_{i,q-1}$ includes firm-level controls. δ_i denotes firm fixed effects and $\gamma_{q\times y}$ denotes year-quarter fixed effects. Standard errors in parentheses for coefficient rows; t-statistics in parentheses for Wald test rows. Standard errors are clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	(1)	(2)	(3)
	CAR	CAR	CAR
Event Window	$[-1,+1]$	$[-3,+3]$	$[0,+30]$
$HighPre$	-0.057^{***}	-0.059^{***}	-0.062^{***}
	(0.003)	(0.004)	(0.004)
$LowPre$	-0.056^{***}	-0.059^{***}	-0.060^{***}
	(0.003)	(0.004)	(0.004)
Wald Tests: $H_0 : \beta_1 - \beta_2 = 0$			
	−0.001	−0.001	−0.002
	(−0.15)	(−0.15)	(−0.39)
Observations	16,951	16,949	16,947
R-squared	0.164	0.168	0.176
Controls	Y	Y	Y
Fixed Effects:			
Firm	Y	Y	Y
YearQuarter	Y	Y	Y
Cluster SE		Firm + YearQuarter	

Table 7
Job Posting Characteristics Around Earnings Announcements

Note: This table reports Wald test estimates from the three-group event study regression:

$$Y_{i,q} = \beta_0 + \beta_1 PreHigh_i + \beta_2 PreLow_i + \sum_k \lambda_k Q_k + \sum_k \beta_k^{High}(Q_k \times PreHigh_i) + \sum_k \beta_k^{Low}(Q_k \times PreLow_i) + \mathbf{X}'_{i,q-1}\Gamma + \delta_i + \gamma_{q\times y} + \theta_c + \varepsilon_{i,q}$$

where $Y_{i,q}$ is a posting characteristic for firm i in event quarter q. $PreHigh_i$ ($PreLow_i$) equals one if cumulative abnormal job postings over Q_{-3} to Q_{-1} exceed (fall below) the industry-year median. Columns report: *EFF* = Posting Efficiency; *DUR* = Duration (Days); *SKILLS* = Num Skills; *SPEC* = Num Spec Skills; *SOFT* = Num Soft Skills; *SENIOR* = Seniority Score; *SAL-DISC* = Pct Sal Disclosed; *WORD* = Word Count. For each event quarter, three rows report: (i) *High − Low*: $H_0 : (\beta_1 + \beta_k^{High}) - (\beta_2 + \beta_k^{Low}) = 0$; (ii) *High vs Good*: $H_0 : \beta_1 + \beta_k^{High} = 0$; (iii) *Low vs Good*: $H_0 : \beta_2 + \beta_k^{Low} = 0$. All specifications include firm, year×quarter, and cohort fixed effects and firm-level controls. t-statistics in parentheses are based on standard errors clustered by firm and calendar quarter. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Event Qtr	(1) EFF	(2) DUR	(3) SKILLS	(4) SPEC	(5) SOFT	(6) SENIOR	(7) SAL-DISC	(8) WORD
Q_{-4}								
High − Low	0.104	0.909*	0.145	0.151	0.014	−0.004	−0.006	0.745
	(1.63)	(1.95)	(0.83)	(1.22)	(0.48)	(−0.77)	(−1.12)	(0.14)
High vs Good	0.037	0.290	−0.006	0.032	−0.016	−0.002	−0.004	0.062
	(0.70)	(0.98)	(−0.05)	(0.37)	(−0.68)	(−0.55)	(−0.95)	(0.02)
Low vs Good	−0.067	−0.618	−0.152	−0.119	−0.030	0.002	0.003	−0.683
	(−1.32)	(−1.55)	(−1.47)	(−1.52)	(−1.41)	(0.60)	(0.67)	(−0.21)
Q_{-3}								
High − Low	0.101*	0.880*	0.404***	0.244***	0.025	0.000	−0.014***	4.259
	(1.83)	(1.92)	(3.17)	(2.82)	(0.74)	(0.01)	(−3.05)	(0.83)
High vs Good	0.016	0.212	0.312***	0.190***	0.036*	0.005	−0.009***	3.850
	(0.36)	(0.86)	(2.93)	(2.72)	(1.69)	(1.40)	(−2.96)	(0.94)
Low vs Good	−0.085*	−0.668*	−0.092	−0.054	0.011	0.005	0.005	−0.409
	(−1.80)	(−1.86)	(−0.85)	(−0.66)	(0.32)	(1.13)	(1.34)	(−0.12)
Q_{-2}								
High − Low	0.186***	0.625	0.498***	0.266***	0.033	−0.005	−0.012**	9.983*
	(3.04)	(1.48)	(3.53)	(2.84)	(1.09)	(−1.02)	(−2.00)	(1.89)
High vs Good	0.082**	0.293	0.378***	0.219***	0.064***	0.000	−0.009**	6.126
	(2.03)	(0.98)	(3.60)	(3.01)	(2.88)	(0.02)	(−2.42)	(1.59)
Low vs Good	−0.104**	−0.332	−0.120	−0.047	0.031	0.005	0.002	−3.857
	(−2.36)	(−1.14)	(−0.98)	(−0.59)	(1.05)	(1.15)	(0.50)	(−1.03)
Q_{-1}								
High − Low	0.211***	0.122	0.308*	0.226*	0.086**	0.010**	−0.005	3.634
	(3.55)	(0.26)	(1.87)	(1.94)	(2.52)	(2.15)	(−1.07)	(0.70)
High vs Good	0.044	−0.287	0.231*	0.152*	0.054**	0.008***	−0.010**	1.142
	(1.00)	(−0.89)	(1.91)	(1.76)	(2.28)	(3.42)	(−2.34)	(0.30)
Low vs Good	−0.167***	−0.409	−0.077	−0.074	−0.032	−0.002	−0.005	−2.492
	(−4.05)	(−1.31)	(−0.65)	(−0.89)	(−1.08)	(−0.60)	(−0.99)	(−0.62)
Q_0								
High − Low	0.179***	0.052	0.297*	0.148	0.044	0.013***	−0.005	11.670**
	(3.65)	(0.12)	(1.75)	(1.26)	(1.48)	(2.69)	(−1.07)	(2.27)
High vs Good	0.035	−0.036	0.192	0.103	0.040*	0.008**	−0.007*	2.944
	(0.94)	(−0.14)	(1.60)	(1.30)	(1.69)	(2.50)	(−1.87)	(0.77)
Low vs Good	−0.143***	−0.088	−0.105	−0.045	−0.004	−0.005	−0.002	−8.726**
	(−3.64)	(−0.28)	(−0.80)	(−0.48)	(−0.14)	(−1.12)	(−0.56)	(−2.39)
Q_{+1}								
High − Low	0.088	0.569	0.077	−0.039	−0.012	−0.001	−0.009*	6.751
	(1.22)	(1.30)	(0.47)	(−0.31)	(−0.28)	(−0.26)	(−1.87)	(1.39)
High vs Good	0.073*	0.320	0.021	−0.051	−0.022	0.001	−0.010**	5.106
	(1.93)	(1.11)	(0.20)	(−0.68)	(−0.83)	(0.15)	(−2.27)	(1.32)
Low vs Good	−0.015	−0.249	−0.057	−0.012	−0.010	0.002	−0.000	−1.645
	(−0.25)	(−0.75)	(−0.44)	(−0.13)	(−0.36)	(0.50)	(−0.09)	(−0.44)
Q_{+2}								

Continued on next page

Table 7 (Continued)

Event Qtr	(1) EFF	(2) DUR	(3) SKILLS	(4) SPEC	(5) SOFT	(6) SENIOR	(7) SAL-DISC	(8) WORD
High − Low	0.173**	0.214	0.139	0.068	0.031	0.000	−0.003	12.331**
	(2.31)	(0.47)	(0.79)	(0.60)	(0.84)	(0.03)	(−0.58)	(2.42)
High vs Good	0.143**	0.340	0.098	0.078	0.051**	0.000	−0.008	6.933*
	(2.64)	(1.16)	(0.85)	(0.94)	(2.03)	(0.01)	(−1.59)	(1.79)
Low vs Good	−0.030	0.126	−0.041	0.010	0.020	−0.000	−0.004	−5.398
	(−0.58)	(0.40)	(−0.31)	(0.11)	(0.67)	(−0.02)	(−0.90)	(−1.57)
Q_{+3}								
High − Low	0.135*	0.334	0.087	0.082	0.061*	0.005	−0.008	8.143
	(1.76)	(0.73)	(0.49)	(0.72)	(1.75)	(0.92)	(−1.14)	(1.41)
High vs Good	0.095*	0.417	0.082	0.056	0.035	0.002	−0.009	7.884**
	(1.80)	(1.32)	(0.73)	(0.71)	(1.30)	(0.69)	(−1.55)	(2.18)
Low vs Good	−0.040	0.083	−0.004	−0.026	−0.026	−0.003	−0.001	−0.259
	(−0.86)	(0.25)	(−0.04)	(−0.35)	(−1.03)	(−0.63)	(−0.23)	(−0.06)
Q_{+4}								
High − Low	0.130*	0.348	0.061	0.074	−0.003	−0.003	−0.006	7.685
	(1.76)	(0.72)	(0.37)	(0.69)	(−0.09)	(−0.69)	(−1.02)	(1.35)
High vs Good	0.104*	0.341	0.052	0.060	0.023	−0.003	−0.008	7.251*
	(1.66)	(1.07)	(0.44)	(0.71)	(0.99)	(−0.79)	(−1.36)	(1.70)
Low vs Good	−0.026	−0.007	−0.009	−0.015	0.026	0.000	−0.002	−0.433
	(−0.61)	(−0.02)	(−0.09)	(−0.21)	(1.02)	(0.14)	(−0.30)	(−0.09)

Table 8

Cross-Sectional Heterogeneity in Abnormal Job Postings

Note: This table reports split-sample estimates of the event study specification for abnormal job postings (ABJP). Columns (1) and (2) partition by labor market concentration (HHI): Low HHI comprises firms below the year median. Columns (3) and (4) partition by R&D intensity: *HighRD* comprises firms where R&D-to-assets exceeds the 75th percentile within their SIC-2 industry and year. Columns (5) and (6) partition by analyst coverage: *HighCover* comprises firms exceeding the median analyst coverage within their SIC-2 industry and year. Controls, firm, year-quarter, and cohort fixed effects are included. t-statistics based on standard errors clustered at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	HHI		R&D		Analyst Coverage	
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Low	High	High	Low	High	Low
Main Effects (β):						
Bad News Indicator	−0.106	−0.175***	−0.232*	−0.158***	−0.108*	−0.187**
	(−1.223)	(−3.009)	(−1.866)	(−2.787)	(−1.652)	(−2.150)
Dynamics (Interactions, γ_k):						
Bad News × Q-4	0.148	0.316***	0.243*	0.259***	0.171*	0.301***
	(1.213)	(3.276)	(1.724)	(2.973)	(1.843)	(2.815)
Bad News × Q-3	0.181	0.292***	0.314**	0.236***	0.203**	0.289***
	(1.530)	(4.804)	(2.044)	(3.355)	(2.503)	(2.806)
Bad News × Q-2	0.355***	0.239***	0.400***	0.266***	0.286***	0.296***
	(3.889)	(3.994)	(2.930)	(4.549)	(4.715)	(3.071)
Bad News × Q-1	0.360***	0.208***	0.494***	0.225***	0.263***	0.287***
	(4.236)	(4.768)	(4.420)	(6.393)	(4.112)	(3.956)
Bad News × Q+1	0.088	0.065	0.076	0.075	0.005	0.133*
	(0.906)	(1.107)	(0.705)	(1.124)	(0.070)	(1.716)
Bad News × Q+2	0.047	−0.071	0.064	−0.039	−0.037	−0.010
	(0.387)	(−1.178)	(0.440)	(−0.539)	(−0.373)	(−0.128)
Bad News × Q+3	0.068	0.017	0.056	0.033	0.128	−0.052
	(0.519)	(0.172)	(0.323)	(0.358)	(1.219)	(−0.409)
Bad News × Q+4	0.021	0.076	0.003	0.062	0.122	−0.010
	(0.205)	(0.855)	(0.018)	(0.874)	(1.229)	(−0.085)
Baseline Time Pattern (λ_k):						
Q-4	−0.494***	0.009	−0.202*	−0.209***	−0.259***	−0.154

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Table 8 (Continued)

	HHI		R&D		Analyst Coverage	
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Low	High	High	Low	High	Low
	(−4.662)	(0.101)	(−1.935)	(−3.574)	(−4.356)	(−1.583)
Q-3	−0.454***	0.021	−0.195**	−0.183***	−0.216***	−0.155**
	(−5.449)	(0.303)	(−2.315)	(−4.319)	(−5.246)	(−2.137)
Q-2	−0.373***	0.027	−0.168***	−0.140***	−0.166***	−0.128**
	(−6.383)	(0.507)	(−2.814)	(−4.541)	(−6.012)	(−2.259)
Q-1	−0.204***	0.037	−0.085**	−0.064***	−0.064***	−0.074**
	(−5.966)	(1.167)	(−2.151)	(−2.991)	(−4.436)	(−2.257)
Q+1	−0.085***	0.039***	−0.027	−0.012	−0.022	−0.005
	(−4.615)	(2.782)	(−1.069)	(−0.745)	(−1.323)	(−0.240)
Q+2	−0.085***	0.022	−0.046	−0.018	−0.048**	0.003
	(−2.807)	(1.133)	(−1.220)	(−1.092)	(−2.276)	(0.138)
Q+3	−0.069***	0.026	−0.054**	−0.006	−0.035**	0.007
	(−3.033)	(1.479)	(−2.246)	(−0.332)	(−2.589)	(0.293)
Wald Tests: H_0: $\hat{\beta} + \hat{\gamma}_k = 0$						
Diff Q-4	0.042	0.141*	0.011	0.101	0.063	0.114
	(0.461)	(1.725)	(0.089)	(1.256)	(0.721)	(1.212)
Diff Q-3	0.075	0.117	0.082	0.078	0.095	0.102
	(0.760)	(1.610)	(0.610)	(1.228)	(1.262)	(1.201)
Diff Q-2	0.249***	0.064	0.168	0.108*	0.178**	0.109
	(2.678)	(0.821)	(1.158)	(1.674)	(2.187)	(1.181)
Diff Q-1	0.254***	0.033	0.262**	0.067	0.155**	0.100
	(2.928)	(0.511)	(2.198)	(1.236)	(2.253)	(1.204)
Diff Q+1	−0.019	−0.110	−0.156	−0.084	−0.103	−0.054
	(−0.185)	(−1.577)	(−1.448)	(−1.145)	(−1.116)	(−0.666)
Diff Q+2	−0.059	−0.246***	−0.168	−0.197***	−0.145	−0.197***
	(−0.555)	(−3.014)	(−1.244)	(−2.802)	(−1.438)	(−2.739)
Diff Q+3	−0.038	−0.158*	−0.176	−0.125	0.020	−0.238**
	(−0.336)	(−1.809)	(−1.125)	(−1.483)	(0.201)	(−2.443)
Diff Q+4	−0.086	−0.099	−0.229	−0.096	0.014	−0.196***

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Table 8 (Continued)

	HHI		R&D		Analyst Coverage	
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Low	High	High	Low	High	Low
	(−1.047)	(−1.158)	(−1.529)	(−1.501)	(0.161)	(−2.691)
Observations	66,762	87,669	29,762	124,668	82,116	72,315
R-squared	0.259	0.266	0.270	0.242	0.257	0.262
Controls	Y	Y	Y	Y	Y	Y
Fixed Effects:						
Firm	Y	Y	Y	Y	Y	Y
YearQuarter	Y	Y	Y	Y	Y	Y
Cohort	Y	Y	Y	Y	Y	Y
Cluster SE	Firm + YearQuarter					

Table 8 Panel B

Cumulative Effects Tests by Subsample: Reallocation vs. Expansion

Note: This panel reports cumulative effects tests computed from the six subsample event-study specifications in Table 8, Panel A. Each column estimates

$$\text{ABJP}_{i,q} = \beta_0 + \beta_1\, BADNEWS_{i,Q0} + \sum_{k \in K} \lambda_k\, Q_k + \sum_{k \in K} \beta_k\, (BADNEWS_{i,Q0} \times Q_k) + X'_{i,q-1}\Gamma + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q}$$

separately on the indicated subsample. The total difference in predicted $ABJP$ between bad news and good news firms in quarter k is $(\beta_1 + \beta_k)$, where $\beta_k = 0$ for the reference quarter Q_0. To match Table 3 Panel B, cumulative tests span the eight-quarter window Q_{-4} to Q_{+3}. Test 1 (Full Window) tests $H_0 : 8\beta_1 + \beta_{-4} + \beta_{-3} + \beta_{-2} + \beta_{-1} + \beta_{+1} + \beta_{+2} + \beta_{+3} = 0$. Test 2 (Pre-Announcement) tests $H_0 : 4\beta_1 + \beta_{-4} + \beta_{-3} + \beta_{-2} + \beta_{-1} = 0$. Test 3 (Post-Announcement) tests $H_0 : 4\beta_1 + \beta_{+1} + \beta_{+2} + \beta_{+3} = 0$. Standard errors clustered two-way at the firm and year-quarter levels; t-statistics in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	HHI		R&D		Analyst Coverage	
	(1)	(2)	(3)	(4)	(5)	(6)
Test Specification	Low	High	High	Low	High	Low
Test 1: Full Window (Q_{-4} to Q_{+3})	0.398	−0.334	−0.208	−0.211	0.155	−0.250
	(0.86)	(−0.88)	(−0.32)	(−0.65)	(0.36)	(−0.59)
Test 2: Pre-Announcement (Q_{-4} to Q_{-1})	0.620**	0.355	0.524	0.353*	0.491**	0.425
	(2.14)	(1.54)	(1.29)	(1.78)	(1.97)	(1.51)
Test 3: Post-Announcement (Q_0 to Q_{+3})	−0.221	−0.689***	−0.732*	−0.564***	−0.336	−0.675***
	(−0.79)	(−2.97)	(−1.84)	(−2.80)	(−1.23)	(−2.79)
Observations	66,762	87,669	29,762	124,668	82,116	72,315

Table 9

Cross-Sectional Heterogeneity in Abnormal Net Employee Flow Rate Around Bad News

Note: This table reports split-sample estimates of the event study specification for the abnormal net employee flow rate (*AbNet*, defined as AbJoin − AbTurnover, i.e., the net change in workforce expressed as a percentage of beginning-of-quarter headcount relative to the firm's three-year same-quarter average). Columns (1) and (2) partition by labor market concentration (HHI): Low HHI comprises firms below the year median. Columns (3) and (4) partition by R&D intensity: *HighRD* comprises firms in the top quartile of R&D-to-assets within their SIC-2 industry and year. Columns (5) and (6) partition by analyst coverage: *HighCover* comprises firms exceeding the median analyst coverage within their SIC-2 industry and year. Controls, firm, year-quarter, and cohort fixed effects are included. t-statistics based on standard errors clustered at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	HHI		R&D		Analyst Coverage	
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Low	High	High	Low	High	Low
Main Effects (β_1):						
$BadNews$	0.293***	0.004	0.345**	0.062	0.159*	0.079
	(2.986)	(0.058)	(2.375)	(0.897)	(1.759)	(1.118)
Dynamics (Interactions, γ_k):						
$Q_{-4} \times BadNews$	−0.027	0.065	−0.189	0.090	0.033	−0.006
	(−0.250)	(0.572)	(−0.947)	(1.004)	(0.302)	(−0.043)
$Q_{-3} \times BadNews$	−0.163	0.132	−0.066	0.035	0.112	−0.093
	(−1.053)	(1.323)	(−0.280)	(0.310)	(0.885)	(−0.776)
$Q_{-2} \times BadNews$	0.049	0.122	0.162	0.077	0.163	0.025
	(0.409)	(1.531)	(0.696)	(0.892)	(1.540)	(0.209)
$Q_{-1} \times BadNews$	−0.052	0.036	0.104	−0.021	−0.081	0.072
	(−0.259)	(0.645)	(0.801)	(−0.210)	(−0.531)	(0.675)
$Q_{+1} \times BadNews$	−0.347***	−0.270***	−0.251	−0.319***	−0.301***	−0.304***
	(−3.759)	(−3.038)	(−1.324)	(−3.459)	(−3.009)	(−2.766)
$Q_{+2} \times BadNews$	−0.601***	−0.243***	−0.533**	−0.363***	−0.463***	−0.316**
	(−4.276)	(−2.751)	(−2.093)	(−4.037)	(−3.859)	(−2.591)
$Q_{+3} \times BadNews$	−0.451***	−0.020	−0.280	−0.190**	−0.309**	−0.085
	(−3.191)	(−0.214)	(−1.106)	(−2.172)	(−2.595)	(−0.746)
$Q_{+4} \times BadNews$	−0.605***	−0.230**	−0.694***	−0.318***	−0.419***	−0.342***
	(−3.599)	(−2.458)	(−3.061)	(−2.996)	(−3.475)	(−3.013)
Baseline Time Pattern (λ_k):						

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Table 9 (Continued)

	HHI		R&D		Analyst Coverage	
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Low	High	High	Low	High	Low
Q_{-4}	−0.314***	−0.237***	−0.155	−0.290***	−0.289***	−0.208**
	(−3.453)	(−4.146)	(−1.069)	(−5.206)	(−3.998)	(−2.596)
Q_{-3}	−0.234***	−0.187***	−0.208*	−0.197***	−0.249***	−0.122
	(−3.061)	(−4.595)	(−1.780)	(−4.517)	(−4.301)	(−1.662)
Q_{-2}	−0.195***	−0.095***	−0.203**	−0.120***	−0.188***	−0.059
	(−3.259)	(−3.006)	(−2.408)	(−3.652)	(−4.292)	(−1.016)
Q_{-1}	−0.076**	−0.024	−0.089	−0.036**	−0.077***	−0.005
	(−2.130)	(−1.207)	(−1.619)	(−2.029)	(−3.426)	(−0.152)
Q_{+1}	0.040	0.034	0.019	0.048***	0.014	0.063***
	(1.426)	(1.448)	(0.356)	(2.827)	(0.875)	(2.769)
Q_{+2}	0.065**	0.003	0.022	0.034	0.013	0.044
	(2.326)	(0.110)	(0.404)	(1.658)	(0.602)	(1.347)
Q_{+3}	−0.006	−0.003	−0.044	0.005	−0.009	−0.007
	(−0.238)	(−0.156)	(−0.830)	(0.308)	(−0.476)	(−0.263)
Q_{+4}	–	–	–	–	–	–
Wald Tests: H_0: $\hat{\beta}_1 + \hat{\gamma}_k = 0$						
$k = -4$	0.266**	0.069	0.156	0.151*	0.193*	0.073
	(2.116)	(0.732)	(0.759)	(1.885)	(1.895)	(0.618)
$k = -3$	0.130	0.135*	0.278	0.097	0.272**	−0.015
	(1.060)	(1.676)	(1.238)	(1.079)	(2.539)	(−0.154)
$k = -2$	0.343***	0.125	0.507**	0.138	0.322***	0.104
	(2.737)	(1.593)	(2.334)	(1.629)	(4.105)	(0.818)
$k = -1$	0.241	0.039	0.449**	0.040	0.079	0.151
	(1.345)	(0.638)	(2.236)	(0.489)	(0.588)	(1.289)
$k = +1$	−0.054	−0.267***	0.094	−0.257***	−0.142	−0.225**
	(−0.456)	(−2.988)	(0.534)	(−3.361)	(−1.489)	(−2.095)
$k = +2$	−0.307**	−0.240***	−0.188	−0.301***	−0.304***	−0.237**
	(−2.212)	(−2.914)	(−1.067)	(−3.535)	(−3.081)	(−2.115)

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Table 9 (Continued)

	HHI		R&D		Analyst Coverage	
	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Low	High	High	Low	High	Low
$k = +3$	−0.157	−0.016	0.065	−0.128*	−0.149	−0.006
	(−1.189)	(−0.208)	(0.281)	(−1.791)	(−1.597)	(−0.058)
$k = +4$	−0.311***	−0.226***	−0.350**	−0.257***	−0.259***	−0.263**
	(−2.609)	(−2.773)	(−2.031)	(−3.385)	(−2.998)	(−2.527)
Observations	63,979	84,820	28,701	120,098	79,786	69,014
R-squared	0.287	0.293	0.337	0.265	0.316	0.267
Controls	Y	Y	Y	Y	Y	Y
Fixed Effects:						
Firm	Y	Y	Y	Y	Y	Y
YearQuarter	Y	Y	Y	Y	Y	Y
Cohort	Y	Y	Y	Y	Y	Y
Cluster SE	Firm + Year-Quarter					

Table 10
Abnormal Job Postings by Earnings Surprise Severity

Note: This table reports results from estimating:

$$\text{ABJP}_{i,q} = \beta_0 + \beta_j BADNEWS + \sum_{k \in K} \gamma_{j,k}\big(BADNEWS \times Q_k\big) + \sum_{k \in K} \lambda_k Q_k + X'_{i,q-1}\Gamma + \delta_i + \gamma_{q\times y} + \theta_c + \varepsilon_{i,q}$$

where $\text{ABJP}_{i,q}$ is $\text{asinh}(JP_{i,q}) - \text{asinh}(NormJP_{i,q})$, where $NormJP_{i,q}$ is the firm's historical average (mean job postings over the same fiscal quarter in the prior three years). Each column uses an alternative partition of the bad news sample. Column (1) restricts to firms with low-severity negative earnings surprises (SUE in the bottom half of negative values). Column (2) restricts to firms with high-severity negative surprises (SUE in the top half of negative values). Column (3) examines firms where the earnings surprise falls within the narrow 0–1% small-beat range, an indicator of potential earnings management (*EarnMgmt*), benchmarked against the same good news baseline. $BADNEWS$ equals one for firms in the respective partition. Q_k denotes event quarters $k \in \{-4, -3, -2, -1, +1, +2, +3, +4\}$ relative to the earnings announcement, with $k = 0$ omitted as reference. The table reports main effects (β_j), interaction coefficients ($\gamma_{j,k}$), and time effects (λ_k). Wald tests assess whether each severity tier differs from good news firms at each quarter: $H_0 : \beta_j + \gamma_{j,k} = 0$. $X'_{i,q-1}$ includes firm-level controls (SIZE, ROA, TOBIN-Q, CAPX, R&D, LIQ, LEV, ANALYST, LABOR, IO) and governance controls (BSIZE, DUAL, TENURE). δ_i denotes firm fixed effects, $\gamma_{q\times y}$ denotes year-quarter fixed effects, and θ_c denotes cohort fixed effects. t-statistics in parentheses are based on standard errors clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	LowBADNEWS	HighBADNEWS	EarnMgmt
	(1)	(2)	(3)
VARIABLES		*ABJP*	
Baseline:			
BADNEWS	−0.108	−0.232**	−0.054
	(−1.589)	(−2.441)	(−0.890)
Dynamics (Interactions):			
$BADNEWS \times Q_{-4}$	0.178*	0.354***	0.061
	(1.731)	(3.014)	(0.688)
$BADNEWS \times Q_{-3}$	0.217**	0.292**	0.042
	(2.571)	(2.555)	(0.541)
$BADNEWS \times Q_{-2}$	0.209***	0.408***	0.062
	(3.079)	(3.618)	(0.820)
$BADNEWS \times Q_{-1}$	0.238***	0.327***	0.100
	(3.616)	(5.481)	(1.490)
$BADNEWS \times Q_{+1}$	0.147**	−0.034	0.009
	(2.060)	(−0.366)	(0.177)
$BADNEWS \times Q_{+2}$	0.025	−0.091	0.063
	(0.329)	(−0.851)	(0.808)
$BADNEWS \times Q_{+3}$	0.079	−0.027	0.065
	(0.754)	(−0.225)	(0.940)
$BADNEWS \times Q_{+4}$	0.080	0.003	0.152*
	(1.062)	(0.034)	(1.847)
Time-Period Effects:			
Q_{-4}	−0.214***	−0.209***	−0.260***
	(−4.508)	(−4.249)	(−5.541)

Continued on next page

Table 10 (Continued)

	LowBADNEWS	HighBADNEWS	EarnMgmt
	(1)	(2)	(3)
VARIABLES		*ABJP*	
Q_{-3}	−0.190***	−0.186***	−0.225***
	(−5.281)	(−5.033)	(−5.434)
Q_{-2}	−0.150***	−0.148***	−0.180***
	(−5.664)	(−5.675)	(−5.825)
Q_{-1}	−0.069***	−0.068***	−0.098***
	(−3.809)	(−3.449)	(−3.880)
Q_{+1}	−0.014	−0.014	−0.007
	(−1.107)	(−1.048)	(−0.456)
Q_{+2}	−0.024*	−0.024*	−0.020
	(−1.703)	(−1.798)	(−0.964)
Q_{+3}	−0.014	−0.014	−0.003
	(−0.948)	(−1.049)	(−0.185)
Wald Tests: H_0: $\hat{\beta}_j + \hat{\gamma}_{j,k} = 0$			
$k = -4$	0.070	0.122	0.007
	(0.793)	(1.407)	(0.096)
$k = -3$	0.109	0.060	−0.012
	(1.505)	(0.623)	(−0.207)
$k = -2$	0.101	0.177*	0.009
	(1.412)	(1.780)	(0.133)
$k = -1$	0.130**	0.095	0.046
	(2.199)	(1.177)	(0.672)
$k = +1$	0.039	−0.266***	−0.045
	(0.550)	(−2.649)	(−0.766)
$k = +2$	−0.083	−0.323***	0.009
	(−1.041)	(−3.163)	(0.128)
$k = +3$	−0.029	−0.259***	0.011
	(−0.347)	(−2.699)	(0.191)
$k = +4$	−0.028	−0.228**	0.098
	(−0.374)	(−2.507)	(1.476)
Observations	142,830	137,988	126,387
R-squared	0.240	0.246	0.252
Controls	Y	Y	Y
Fixed Effects:			
Firm	Y	Y	Y
YearQuarter	Y	Y	Y
Cohort	Y	Y	Y
Cluster SE		Firm + Year-Quarter	

Table 11
Alternative Explanations Tests

Panel A: Job Postings and Analyst Expectations

	REVISION		*ERROR*	
	(1)	(2)	(3)	(4)
JP-REV	−0.000			
	(−0.615)			
High-REV		−0.000		
		(−0.124)		
JP-6M			−0.005	
			(−0.323)	
JP-12M				−0.000
				(−0.032)
Observations	631,918	631,918	3,293,090	3,293,090
R-squared	0.124	0.124	0.718	0.718
Controls	Y	Y	Y	Y
Fixed Effects:				
Firm	Y	Y	Y	Y
Year × Quarter	Y	Y	Y	Y
Analyst	Y	Y	Y	Y
Horizon	Y	Y	Y	Y
Cluster SE	Firm + Analyst			

Note: This panel examines whether job posting activity predicts analyst expectations. The dependent variables are analyst forecast revisions (REVISION, columns 1–2) and forecast errors (ERROR, columns 3–4). Job posting measures include *JP-REV* (postings between previous earnings announcement and forecast date), *HIGH-REV* (indicator for top quartile *JP-REV*), *JP-6M* (postings over six months), and *JP-12M* (postings over twelve months). For readability, *JP-REV* variables are scaled by 1,000. All specifications include firm-level controls and governance controls, with firm, year-quarter, analyst, and forecast horizon fixed effects. t-statistics in parentheses are based on standard errors clustered at the firm and analyst levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Table 11 (Continued)
Alternative Explanations Tests

Panel B: Pre-Announcement Hiring and Future Firm Performance

	ROA	*SALES*
	(1)	(2)
$BADNEWS \times HighNetPre$	0.004***	215.441**
	(2.732)	(2.028)
$BADNEWS$	−0.009***	−74.963*
	(−7.247)	(−1.816)
$HighNetPre$	0.000	−68.471
	(0.733)	(−1.279)
Observations	16,600	16,599
R-squared	0.686	0.952
Controls	Y	Y
Fixed Effects:		
Firm	Y	Y
Year × Quarter	Y	Y
Cluster SE	Firm + Year-Quarter	

Note: This panel examines whether pre-announcement hiring predicts future firm performance. The dependent variables are future return on assets (ROA, column 1) and sales (SALES, column 2). $BADNEWS$ equals one if SUE is negative. $HighNetPre$ equals one if net employee flow rate over Q_{-3} to Q_{-1} is above median. All specifications include firm-level controls and governance controls, with firm and year-quarter fixed effects. t-statistics in parentheses are based on standard errors clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Table 12
Robustness Tests: Alternative Samples and Specifications

Note: This table reports results from estimating:

$$\text{ABJP}_{i,q} = \beta_0 + \beta_1 BADNEWS_{i,q} + \sum_{k \in K} \gamma_k (BADNEWS \times Q_k)_{i,q} + \sum_{k \in K} \lambda_k Q_k + X'_{i,q-1}\Gamma + \delta_i + \gamma_{q \times y} + \theta_c + \varepsilon_{i,q}$$

where $\text{ABJP}_{i,q}$ is $\text{asinh}(JP_{i,q}) - \text{asinh}(NormJP_{i,q})$, where $NormJP_{i,q}$ is the firm's historical average (mean job postings over the same fiscal quarter in the prior three years). Each term applies the inverse hyperbolic sine to raw posting counts; the benchmark is the simple average of the same calendar quarter across the firm's prior three years, purging firm-level posting trends and seasonal patterns. $BADNEWS$ equals one if SUE is negative. Q_k denotes event quarters $k \in \{-4, -3, -2, -1, +1, +2, +3, +4\}$ relative to the earnings announcement, with $k = 0$ omitted. Column (1) excludes 2020–2021 (COVID-19 period). Column (2) uses the relaxed sample allowing pre-event bad news. Column (3) employs an alternative ABJP measure based on raw posting count differences. Column (4) utilizes Propensity Score Matching (1:3 matching on firm characteristics at Q_{-4}). Wald tests assess whether bad news firms differ from good news firms at each quarter: $H_0 : \beta_1 + \gamma_k = 0$. Firm-level and governance controls are included but not displayed for brevity. δ_i denotes firm fixed effects, $\gamma_{q \times y}$ denotes year-quarter fixed effects, and θ_c denotes cohort fixed effects. t-statistics in parentheses are based on standard errors clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Excl. COVID-19	Relaxed Sample	Alternative ABJP	PSM (1:3)
	(1)	(2)	(3)	(4)
VARIABLES			*ABJP*	
Baseline:				
BADNEWS	−0.171***	−0.098**	2.318	−0.157**
	(−2.892)	(−2.399)	(0.117)	(−2.448)
Dynamics (Interactions):				
$BADNEWS \times Q_{-4}$	0.252***	0.219***	7.400	0.214**
	(3.085)	(4.655)	(0.423)	(2.233)
$BADNEWS \times Q_{-3}$	0.245***	0.268***	21.537	0.159*
	(3.298)	(6.514)	(1.228)	(1.713)
$BADNEWS \times Q_{-2}$	0.300***	0.287***	36.885*	0.263***
	(5.050)	(7.716)	(1.925)	(3.280)
$BADNEWS \times Q_{-1}$	0.285***	0.192***	32.896***	0.289***
	(6.174)	(7.302)	(3.439)	(5.795)
$BADNEWS \times Q_{+1}$	0.075	0.008	6.473	0.065
	(1.199)	(0.234)	(0.608)	(1.004)
$BADNEWS \times Q_{+2}$	0.012	−0.044	−2.246	−0.023
	(0.181)	(−1.031)	(−0.117)	(−0.311)
$BADNEWS \times Q_{+3}$	0.050	−0.035	16.135	0.028
	(0.487)	(−0.657)	(0.677)	(0.293)
$BADNEWS \times Q_{+4}$	0.062	−0.017	6.211	0.014
	(0.858)	(−0.330)	(0.232)	(0.182)
Time-Period Effects:				
Q_{-4}	−0.198***	−0.047	−24.516*	−0.136
	(−3.397)	(−1.280)	(−1.843)	(−1.199)
Q_{-3}	−0.185***	−0.089***	−27.375**	−0.070

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Table 12 (Continued)

	Excl. COVID-19	Relaxed Sample	Alternative ABJP	PSM (1:3)
	(1)	(2)	(3)	(4)
VARIABLES			*ABJP*	
	(−4.205)	(−3.001)	(−2.510)	(−0.805)
Q_{-2}	−0.162***	−0.109***	−14.925	−0.097
	(−5.251)	(−5.383)	(−1.583)	(−1.316)
Q_{-1}	−0.076***	−0.066***	−8.751	−0.071
	(−3.744)	(−3.972)	(−1.140)	(−1.487)
Q_{+1}	−0.009	−0.015	−5.011	−0.022
	(−0.534)	(−1.024)	(−1.615)	(−0.623)
Q_{+2}	−0.025	−0.003	2.978	−0.044
	(−1.482)	(−0.291)	(0.531)	(−1.412)
Q_{+3}	−0.016	−0.001	−0.753	−0.033
	(−0.976)	(−0.055)	(−0.206)	(−1.083)
Wald Tests: H_0: $\hat{\beta}_1 + \hat{\gamma}_k = 0$				
$k = -4$	0.081	0.121***	9.718	0.057
	(1.114)	(3.087)	(0.662)	(0.690)
$k = -3$	0.074	0.171***	23.86	0.002
	(1.219)	(4.430)	(1.507)	(0.021)
$k = -2$	0.129*	0.189***	39.20***	0.105
	(1.910)	(4.842)	(2.977)	(1.327)
$k = -1$	0.114*	0.094***	35.21*	0.132**
	(1.863)	(2.701)	(1.820)	(2.024)
$k = +1$	−0.096	−0.090**	8.791	−0.092
	(−1.384)	(−2.459)	(0.508)	(−1.233)
$k = +2$	−0.159**	−0.142***	0.073	−0.180**
	(−2.208)	(−3.592)	(0.004)	(−2.532)
$k = +3$	−0.122	−0.133***	18.45	−0.130
	(−1.456)	(−3.112)	(0.859)	(−1.605)
$k = +4$	−0.109	−0.114***	8.529	−0.143**
	(−1.566)	(−2.879)	(0.441)	(−2.084)
Observations	123,399	351,648	154,431	81,603
R-squared	0.242	0.191	0.150	0.237
Fixed Effects:				
Firm	Y	Y	Y	Y
Year × Quarter	Y	Y	Y	Y
Cohort	Y	Y	Y	Y
Cluster SE			Firm + Year-Quarter	

Appendix A: Variable Definitions

Variable	Definition	Source
Panel A: Job Posting Variables		
JP	The number of unique job positions released by a firm in quarter q.	Lightcast
NormJP	The normal level of job postings, measured as the average number of unique job positions released by a firm over the same fiscal quarter in the preceding three years.	Lightcast
ABJP	Abnormal job posting volume, measured as the inverse hyperbolic sine of *JP* minus the inverse hyperbolic sine of *NormJP*.	Lightcast
HighPre	Indicator variable equal to 1 if cumulative abnormal job postings (sum of ABJP) over quarters Q_{-3}, Q_{-2}, and Q_{-1} are positive and exceed the median ABJP level of firms in the same two-digit SIC industry, year, and quarter; 0 otherwise.	Lightcast
LowPre	Indicator variable equal to 1 for bad news firms with cumulative abnormal job postings over Q_{-3} to Q_{-1} that are not classified as HighPre; 0 otherwise.	Lightcast
HighPost	Indicator variable equal to 1 if cumulative abnormal job postings (sum of ABJP) over quarters Q_0, Q_{+1}, and Q_{+2} exceed the median ABJP level of firms in the same two-digit SIC industry, year, and quarter; 0 otherwise.	Lightcast
JP-REV	Total volume of unique job postings during the analyst forecast revision period (between previous earnings announcement and forecast date), measured in thousands.	Lightcast
High-REV	Indicator variable equal to 1 if JP-REV is above the 75th percentile of the sample distribution; 0 otherwise.	Lightcast
JP-6M	Total volume of unique job postings in the six-month window prior to the analyst's forecast date, measured in thousands.	Lightcast
JP-12M	Total volume of unique job postings in the twelve-month window prior to the analyst's forecast date, measured in thousands.	Lightcast
JP-PRE	Standardized cumulative abnormal job postings over quarters Q_{-3} to Q_{-1}, scaled by dividing by 1,000 for readability in regressions.	Lightcast
Panel B: Job Posting Characteristics Variables		
EFF	Average job posting effort, calculated as the ratio of total (duplicated) postings to unique positions for a given firm-quarter. Duplicate postings occur when a single unique job is cross-posted to multiple job board websites, as identified by Lightcast. Higher values indicate greater posting effort.	Lightcast

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Appendix A (continued)

Variable	Definition	Source
DUR	Average number of days job postings remain active and accepting applicants for a given firm-quarter. Represents median posting duration in the selected region, occupation, and company.	Lightcast
EDU	Average educational level required across all job postings for a given firm-quarter, measured in years of education. Extracted from detailed educational credential requirements in posting text.	Lightcast
EXP	Average number of years of work experience required across all job postings for a given firm-quarter. Extracted from job posting text using machine learning algorithms.	Lightcast
MGR	Average proportion of job postings requiring managerial responsibilities for a given firm-quarter. Identified through parsing and extraction of job posting text using Lightcast's proprietary algorithms. Ranges from 0 to 1.	Lightcast
SKILLS	Average total number of skills required per job posting for a given firm-quarter. Identified using Lightcast's comprehensive taxonomy of over 33,000 skills extracted from job posting text.	Lightcast
SENIOR	Firm-quarter average seniority level of job postings, where Junior=1, Intermediate=2, and Senior=3. Captures the average hierarchical seniority of posted positions, as classified by Lightcast based on textual indicators in job titles and descriptions.	Lightcast
SALARY-FROM	Lower bound of the disclosed salary range in job postings for a given firm-quarter.	Lightcast
SALARY-TO	Upper bound of the disclosed salary range in job postings for a given firm-quarter.	Lightcast
SALARY-MID	Average midpoint value of salary ranges disclosed in job postings for a given firm-quarter. Calculated as the mean of the midpoint between minimum and maximum salary bounds across all postings that disclose salary information. Measured in thousands of dollars.	Lightcast
SAL-DISC	Proportion of job postings that disclose salary information within a given firm-quarter. Calculated as the number of postings with non-missing salary data divided by total postings. Ranges from 0 to 1.	Lightcast
FULL	Proportion of full-time positions among all job postings for a given firm-quarter. Full-time positions coded as 1, part-time as 0. Ranges from 0 to 1.	Lightcast

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Appendix A (continued)

Variable	Definition	Source
WORD	Average word count of job posting descriptions for a given firm-quarter. Calculated as the mean number of words across all job postings after removing HTML tags. Higher values indicate more detailed or comprehensive job descriptions.	Lightcast
SPEC	Average number of specialized (technical or hard) skills per job posting for a given firm-quarter. Specialized skills are primarily required within a subset of occupations or equip one to perform specific tasks (e.g., "NumPy" or "Hotel Management").	Lightcast
SOFT	Average number of soft (baseline or cross-cutting) skills per job posting for a given firm-quarter. Soft skills are broadly applicable across many different occupations and relate to interpersonal, communication, or cognitive abilities (e.g., "Communication" or "Problem Solving").	Lightcast
Panel C: Resume Data and Employee Flow Variables		
HC-START	Number of employees present at the beginning of the quarter, defined as profiles that started before the quarter and did not end before quarter start.	Lightcast
HC-END	Number of employees remaining at the end of the quarter, defined as profiles that were still active beyond quarter end.	Lightcast
HC-TOTAL	Total number of unique employee profiles that were active at any point during the quarter.	Lightcast
JoinCount	Number of employees whose profiles indicate a job start during the quarter.	Lightcast
LeaveCount	Number of employees whose profiles indicate a job end during the quarter.	Lightcast
NetCount	Net change in headcount during the quarter, measured as JoinCount minus LeaveCount.	Lightcast
Turnover	Raw employee turnover rate in quarter q, measured as LeaveCount divided by HC-START, expressed in percentage terms.	Lightcast
Join	Raw employee hiring rate in quarter q, measured as JoinCount divided by HC-START, expressed in percentage terms.	Lightcast
Net	Raw net headcount growth rate in quarter q, measured as (JoinCount − LeaveCount) divided by HC-START, expressed in percentage terms.	Lightcast
AbTurnover	Abnormal employee turnover rate in quarter k, measured as Turnover minus the firm's three-year, same-quarter average turnover rate.	Lightcast

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Appendix A (continued)

Variable	Definition	Source
AbJoin	Abnormal hiring rate in quarter k, measured as Join minus the firm's three-year, same-quarter average hiring rate.	Lightcast
AbNet	Abnormal net headcount growth rate in quarter k, measured as Net minus the firm's three-year, same-quarter average net growth rate.	Lightcast
NetPre	Average net employee flow rate over quarters Q_{-3} to Q_{-1}, scaled by dividing by 1,000 for readability in regressions.	Lightcast
HighNetPre	Indicator variable equal to 1 if NetPre is above the sample median; 0 otherwise.	Lightcast
JoinPre	Average employee join rate over quarters Q_{-3} to Q_{-1}.	Lightcast
JoinPost	Average employee join rate over quarters Q_0 to Q_{+2}.	Lightcast
Panel D: Analyst Forecasting Variables		
SUE	Standardized unexpected earnings, calculated as the forecast error (actual EPS minus I/B/E/S consensus forecast) divided by the standard deviation of forecast errors over the past eight quarters. A higher (lower) value indicates earnings above (below) analyst expectations, normalized by historical forecast volatility.	I/B/E/S, Compustat
BADNEWS	Indicator variable equal to 1 if the firm's standardized unexpected earnings (SUE) is negative; 0 otherwise. SUE is calculated as the forecast error (actual EPS minus I/B/E/S consensus forecast) divided by the standard deviation of forecast errors over the past eight quarters.	I/B/E/S, Compustat
HighBADNEWS, *LowBADNEWS*	Indicator variables for bad news severity halves. *HighBADNEWS* equals 1 for bad news firm-quarters in the most negative 50% of standardized unexpected earnings (SUE below the median of negative SUE); *LowBADNEWS* equals 1 for the remaining 50% of bad news observations.	I/B/E/S, Compustat
EARNINGS	Earnings per share (EPS) scaled by the stock's closing price on the last trading day before the firm's earnings announcement date (RDQ).	CRSP, I/B/E/S
ERROR	Forecast error, calculated as (Actual EPS − Forecasted EPS). Often scaled by stock price for comparability across firms.	Compustat, I/B/E/S
FORECAST	Consensus analyst forecast, measured as the median of the most recent individual analyst earnings forecasts issued within 90 days prior to the earnings announcement. Represents expected earnings per share.	I/B/E/S

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Appendix A (continued)

Variable	Definition	Source
REVISION	Analyst forecast revision, calculated as (Revised forecast − Initial forecast) / —Initial forecast—.	I/B/E/S
EarnMgmt	Indicator variable equal to 1 if the firm's earnings surprise falls within the narrow 0-1% "small beat" range, suggesting potential earnings management. Specifically, equals 1 if (Actual EPS − Consensus EPS) / Consensus EPS ∈ [0%, 1%], following Brown and Caylor (2005) and Hribar and Jenkins (2004).	I/B/E/S
ANALYST	Number of analysts providing earnings forecasts for the firm in a given year-quarter.	I/B/E/S
Panel E: Firm Characteristics Variables		
OppSell	Indicator variable equal to 1 if the firm's opportunistic insider selling—classified following Cohen et al. (2012) based on whether an insider traded in the same calendar month in each of the preceding three years—exceeds the annual × SIC-2 industry median in the earnings announcement quarter or the immediately preceding quarter (rolling Q_0/Q_{-1} window); 0 otherwise.	Thomson Reuters
HighSell	Indicator variable equal to 1 if total insider shares sold exceeds the annual × SIC-2 industry median in the announcement quarter or the immediately preceding quarter; 0 otherwise.	Thomson Reuters
HighTrade	Indicator variable equal to 1 if total insider transactions (buys plus sells) exceeds the industry-quarter median in the announcement quarter or the immediately preceding quarter; 0 otherwise.	Thomson Reuters
MaxHHI	The maximum labor market Herfindahl-Hirschman Index across the MSA × SOC5 markets where the firm operates. Higher values indicate greater labor market concentration (less competition).	Lightcast
LowHHI	Indicator variable equal to 1 if the firm's labor market concentration *MaxHHI* is below the year median; 0 otherwise. Following Azar et al. (2022), *MaxHHI* is defined as the maximum Herfindahl-Hirschman Index observed across all labor markets (intersections of six-digit SOC codes and Commuting Zones) in which the firm recruits. Lower HHI indicates higher labor market competition.	Lightcast
HighRD	Indicator variable equal to 1 if the firm's R&D intensity (R&D expenditures divided by total assets) exceeds the 75th percentile for firms in the same two-digit SIC industry and year, following the convention in Section 5; 0 otherwise.	Compustat

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Appendix A (continued)

Variable	Definition	Source
HighCover	Indicator variable equal to 1 if the number of analysts issuing earnings forecasts for the firm exceeds the SIC-2 × year median; 0 otherwise. *LowCover* equals 1 for firms at or below the same median threshold; 0 otherwise.	I/B/E/S
SIZE	Natural logarithm of total assets at the end of the quarter.	Compustat
ROA	Return on assets, calculated as the sum of the last four quarters of operating income after depreciation (OIADPQ) divided by total assets five quarters ago (ATQ), following Choi et al. (2023).	Compustat
SALE	Sales growth, calculated as the percentage change in net sales (SALEQ) from the same quarter in the previous year.	Compustat
Q	Tobin's Q, calculated as the ratio of market value of assets to book value of assets: (ATQ − CEQQ + PRCCQ × CSHOQ) / ATQ.	Compustat
CAPX	Capital expenditures scaled by total assets, calculated as CAPXY / ATQ.	Compustat
R&D	Research and development expenses scaled by total assets, calculated as XRDQ / ATQ. Set to zero when missing.	Compustat
LIQ	Cash and short-term investments scaled by total assets, calculated as CHEQ / ATQ.	Compustat
LEV	Total debt scaled by total assets, calculated as (DLTTQ + DLCQ) / ATQ.	Compustat
M/A	Market-to-assets ratio, calculated as market capitalization divided by total assets: (PRCCQ × CSHOQ) / ATQ.	Compustat
MEDIACOV	Media coverage count, measured as the total number of unique media firms that publish content about a company's earnings announcement within a given firm-quarter.	RavenPack
IO	Institutional ownership, calculated as total shares held by institutional investors filing SEC Form 13F divided by shares outstanding at quarter-end. Institutional holdings aggregated by CUSIP8 and calendar quarter. Shares outstanding from CRSP (SHROUT × 1,000) or Compustat (CSHOQ × 1,000,000) when CRSP unavailable. Winsorized to [0, 1].	Thomson Reuters 13F, CRSP, Compustat
LABOR	Labor intensity indicator, equal to 1 if the ratio of employees to total assets (EMP / ATQ) is above the sample median; 0 otherwise. Captures the degree to which a firm relies on human capital relative to physical and financial capital.	Compustat
Panel F: Governance Controls		

Continued on next page

Appendix A (continued)

Variable	Definition	Source
BSIZE	Number of active directors on the board at the annual report date, measured as the count of unique directors with active roles.	BoardEx
DUAL	Indicator variable equal to 1 if the CEO also serves as Chairman of the board at the annual report date; 0 otherwise.	BoardEx
TENURE	Number of years the CEO has been in office, calculated as the time elapsed from the CEO's start date to the annual report date, measured in years.	BoardEx
Panel G: Capital Market Variables		
BHAR	Buy-and-hold abnormal return over post-announcement horizon w, computed as the compounded daily stock return minus the compounded daily CRSP value-weighted market return over the same window.	CRSP
ABVAR	Abnormal return variance, measured as the cumulative sum of squared daily abnormal returns over specified event window w.	CRSP
Panel H: Time Indicators		
PRE	Indicator variable equal to 1 for the three quarters preceding the earnings announcement (quarters Q_{-3}, Q_{-2}, Q_{-1}); 0 otherwise.	
POST	Indicator variable equal to 1 for the three quarters following the earnings announcement (quarters Q_0, Q_{+1}, Q_{+2}); 0 otherwise.	
Q_k	Indicator variable equal to 1 for quarters occurring k periods relative to the earnings announcement quarter; 0 otherwise, where $k \in \{-4, -3, -2, -1, 0, +1, +2, +3, +4\}$. Negative values denote pre-announcement quarters, $k = 0$ represents the earnings announcement quarter, and positive values denote post-announcement quarters.	

Table OA-1
Sample Distribution

Note: This table reports the distribution of the final sample across years and Fama–French one-digit SIC industries. The sample includes 17,159 firm-earnings-announcement observations from 2011Q1 to 2024Q4. Panel A shows total job postings, the percentage of sample total, the number of unique firms, and the median number of postings per firm by year. Panel B presents the same statistics by broad industry classification.

Panel A: Sample Distribution by Year

Year	Total Postings	Percent Total	Unique Firms	Median # of Postings
2011	108,009	0.78%	25	691.5
2012	533,141	3.83%	391	107.0
2013	610,966	4.39%	410	109.0
2014	510,085	3.67%	402	91.0
2015	876,583	6.30%	501	117.0
2016	946,795	6.81%	507	101.0
2017	1,032,544	7.43%	510	111.0
2018	1,236,751	8.89%	546	158.0
2019	1,349,933	9.71%	570	181.0
2020	993,617	7.15%	541	131.5
2021	2,047,376	14.72%	719	192.0
2022	2,228,717	16.03%	694	222.0
2023	1,345,864	9.68%	707	121.5
2024	83,900	0.60%	83	158.5
Total	**13,904,281**	**100.00%**	**1,506**	**141.0**

Panel B: Sample Distribution by Industry

Industry (SIC)	Total Postings	Percent Total	Unique Firms	Median # of Postings
Agriculture	3,055	0.02%	2	384.0
Construction	126,692	0.91%	29	138.0
Manufacturing	4,087,771	29.40%	756	117.0
Mining	35,326	0.25%	44	43.0
Public Admin	116,165	0.84%	3	2363.0
Services	4,032,530	29.00%	421	142.0
Transportation	867,688	6.24%	79	139.5
Wholesale/Retail	4,635,054	33.34%	172	506.0
Total	**13,904,281**	**100.00%**	**1,506**	**141.0**

Table OA-2
Job Postings Distribution by Year and Month

This table presents job postings distribution across different time categories using the final sample of 17,159 firm-earnings-announcement observations. The columns present total postings by year and by calendar month of the earnings announcement.

Year	Postings	Month	Postings
2011	108,009	January	1,090,098
2012	533,141	February	1,657,959
2013	610,966	March	756,752
2014	510,085	April	1,430,674
2015	876,583	May	1,632,811
2016	946,795	June	382,643
2017	1,032,544	July	1,407,542
2018	1,236,751	August	1,708,003
2019	1,349,933	September	392,366
2020	993,617	October	1,704,338
2021	2,047,376	November	1,361,436
2022	2,228,717	December	379,659
2023	1,345,864		
2024	83,900		
Total	**13,904,281**	**Total**	**13,904,281**

Table OA-3
Comparison of Firm Characteristics by Pre-Hiring Levels

Note: This table compares firm characteristics between bad news firms with high versus low pre-announcement hiring intensity. The sample consists of firm-quarters with negative standardized unexpected earnings (SUE < 0) at the earnings announcement (Q_0). We classify firms as high pre-hiring ($HighPre_{i,q} = 1$) when their cumulative abnormal job postings in quarters Q_{-3} to Q_{-1} are positive and exceed the median within their two-digit SIC industry-year cohort. The remaining negative-surprise observations form the below-median pre-hiring group ($LowPRE_{i,q} = 1$). The *Difference* column reports mean differences (High − Low) with *t*-statistics from two-sample *t*-tests. Variable definitions are in Appendix A. ***, **, and * denote significance at 1%, 5%, and 10% levels.

Variable	HighPre (Mean)	LowPre (Mean)	Difference (High − Low)	t-stat
Earnings & Forecast Attributes				
ERROR	-0.056	-0.050	-0.006	-0.26
SUE	-0.705	-0.693	-0.012	-0.50
Firm Fundamentals				
SIZE	7.553	7.821	-0.269***	-3.94
ROA	-0.005	0.001	-0.006***	-3.29
Q	2.892	2.343	0.550***	6.81
CAPX	0.026	0.026	0.000	0.05
R&D	0.020	0.012	0.008***	6.99
LIQ	0.160	0.128	0.032***	5.33
LEV	0.515	0.574	-0.058***	-5.94
Low-HHI	0.465	0.398	0.067***	3.44
ANALYST	10.357	9.650	0.707**	2.54
LABOR	0.493	0.544	-0.051***	-2.59
Governance & Ownership				
IO	0.793	0.782	0.011	1.34
BSIZE	7.352	7.705	-0.352***	-4.24
DUAL	0.381	0.396	-0.015	-0.81
TENURE	7.014	9.336	-2.322***	-3.37
Obs	922	2,194		

Table OA-4
Distribution of Earnings Surprises and Sample Characteristics

Note: This table presents the distribution of earnings surprises and sample characteristics. Panel A shows the frequency distribution of firm-quarter observations classified as good news versus bad news. Good news observations are those where actual earnings-per-share meets or exceeds the I/B/E/S consensus forecast ($BADNEWS = 0$); bad news observations are those where it falls short ($BADNEWS = 1$). Panel B reports the total number of job postings, number of observations, and number of unique firms by news type. Panel C shows the distribution of negative earnings surprises by severity. Bad news firm-quarters are split at the median standardized unexpected earnings (SUE) into two halves: HighBADNEWS (High Severity) comprises the most negative 50% of bad news observations, and LowBADNEWS (Low Severity) comprises the remaining 50%. Panel D reports average job postings per firm-quarter by industry and earnings news type using one-digit SIC industry classifications.

Panel A: Frequency Distribution of BADNEWS Observations

News Type	**Freq.**	**Percent**
Good News	14,043	81.84
Bad News	3,116	18.16
Total	17,159	100.00

Panel B: Job Postings Distribution by News Type

News Type	Job Postings	Observations	Firm Count
Good News	11,462,406	14,043	1,299
Bad News	2,441,875	3,116	1,280

Panel C: Distribution of Negative Earnings Surprises by Severity

Bin	Percentile Range	SUE Range	Obs
HighBADNEWS (High Severity)	0–50th	$[-3.06, -0.51]$	1,558
LowBADNEWS (Low Severity)	50–100th	$(-0.51, -0.00]$	1,558

Panel D: Average Postings Distribution by Industry and News Type

Industry	Avg Postings (Bad News)	Avg Postings (Good News)
Construction	305.32	254.84
Manufacturing	511.10	327.54
Mining	105.47	112.44
Other	325.00	260.00
Public Administration	2745.33	1516.17
Retail Trade	2690.94	2989.40
Services	817.49	915.83
Trans-Comm-Utilities	1149.30	1006.18
Wholesale Trade	569.29	513.34

Table OA-5 Panel A
Job Postings Around Negative Earnings Announcements: Raw Counts

Note: This table replicates Table 3 Panel A using raw job posting counts as the dependent variable in place of ABJP. Column (1) includes firm and year-quarter fixed effects only. Column (2) adds firm-level controls. Column (3) further adds cohort fixed effects. See Table 3 Panel A for variable definitions and model description. t-statistics in parentheses are based on standard errors clustered two-way at the firm and year-quarter levels. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

	Job Postings (Raw Counts)		
	(1)	(2)	(3)
Baseline:			
$BADNEWS_{Q0}$	−2.747	0.130	2.318
	(−0.151)	(0.006)	(0.117)
Dynamics (Interactions):			
$BADNEWS_{Q0}\times Q_{-4}$	13.042	13.042	7.400
	(0.672)	(0.640)	(0.423)
$BADNEWS_{Q0}\times Q_{-3}$	29.199**	29.199	21.537
	(2.171)	(1.659)	(1.228)
$BADNEWS_{Q0}\times Q_{-2}$	47.830**	47.830**	36.885*
	(2.630)	(2.482)	(1.925)
$BADNEWS_{Q0}\times Q_{-1}$	39.649***	39.649***	32.896***
	(4.253)	(3.867)	(3.439)
$BADNEWS_{Q0}\times Q_{+1}$	6.930	6.930	6.473
	(0.953)	(0.708)	(0.608)
$BADNEWS_{Q0}\times Q_{+2}$	−3.823	−3.823	−2.246
	(−0.188)	(−0.185)	(−0.117)
$BADNEWS_{Q0}\times Q_{+3}$	9.493	9.493	16.135
	(0.388)	(0.390)	(0.677)
$BADNEWS_{Q0}\times Q_{+4}$	2.666	2.666	6.211
	(0.097)	(0.096)	(0.232)
Time-Period Effects:			
Q_{-4}	−6.709	−6.709	−24.516*
	(−0.423)	(−0.419)	(−1.843)
Q_{-3}	−15.776	−15.776	−27.375**
	(−1.305)	(−1.297)	(−2.510)
Q_{-2}	−6.639	−6.639	−14.925
	(−0.673)	(−0.669)	(−1.583)
Q_{-1}	−3.866	−3.866	−8.751
	(−0.723)	(−0.608)	(−1.140)
Q_{+1}	−14.318***	−14.318**	−5.011
	(−2.855)	(−2.481)	(−1.615)
Q_{+2}	−15.943	−15.943	2.978
	(−1.642)	(−1.312)	(0.531)

Continued on next page

Table OA-5 Panel A (Continued)

	Job Postings (Raw Counts)		
	(1)	(2)	(3)
Q_{+3}	−27.150**	−27.150*	−0.753
	(−2.287)	(−1.793)	(−0.206)
Q_{+4}	−36.172**	−36.172**	–
	(−2.564)	(−2.066)	
Controls:			
SIZE		12.801	12.801
		(0.418)	(0.418)
ROA		437.422***	437.422***
		(2.697)	(2.696)
TOBIN-Q		10.748*	10.748*
		(1.917)	(1.916)
CAPX		239.459	239.459
		(0.903)	(0.900)
R&D		604.244	604.244
		(1.236)	(1.236)
LIQ		−80.623	−80.623
		(−1.023)	(−1.026)
LEV		18.542	18.542
		(0.275)	(0.273)
ANALYST		1.178	1.178
		(0.497)	(0.499)
LABOR		−4.510	−4.510
		(−0.229)	(−0.231)
IO		−32.143	−32.143
		(−0.458)	(−0.458)
BSIZE		−4.972	−4.972
		(−0.498)	(−0.496)
DUAL		27.094	27.094
		(1.144)	(1.142)
TENURE		−3.640***	−3.640***
		(−3.622)	(−3.493)
CONSTANT	93.303***	18.636	13.278
	(10.512)	(0.064)	(0.046)
Wald Tests: $H_0 : \beta_1 + \beta_k = 0$			
$k = -4$ (Q_{-4})	10.295	13.172	9.718
	(0.698)	(0.871)	(0.662)
$k = -3$ (Q_{-3})	26.452	29.329*	23.855
	(1.836)	(1.854)	(1.507)
$k = -2$ (Q_{-2})	45.083***	47.960***	39.203***

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Table OA-5 Panel A (Continued)

	Job Postings (Raw Counts)		
	(1)	(2)	(3)
	(3.417)	(3.345)	(2.977)
$k = -1$ (Q_{-1})	36.902**	39.779*	35.214*
	(2.172)	(1.982)	(1.820)
$k = +1$ (Q_{+1})	4.183	7.060	8.791
	(0.243)	(0.386)	(0.508)
$k = +2$ (Q_{+2})	−6.570	−3.693	0.073
	(−0.385)	(−0.204)	(0.004)
$k = +3$ (Q_{+3})	6.746	9.623	18.453
	(0.337)	(0.461)	(0.859)
$k = +4$ (Q_{+4})	−0.081	2.795	8.529
	(−0.004)	(0.144)	(0.441)
Observations	154,431	154,431	154,431
R-squared	0.134	0.135	0.150
Controls		Y	Y
Fixed Effects:			
Firm	Y	Y	Y
Year-Quarter	Y	Y	Y
Cohort	N	N	Y
Cluster SE		Firm + Year-Quarter	

Table OA-5 Panel B
Cumulative Effects Tests: Reallocation vs. Expansion (Raw Counts)

Note: This panel reports cumulative effects tests based on the specification in Table OA-5 Panel A, Column (3). The total difference in predicted raw job postings between bad news and good news firms in quarter k is $(\beta_1 + \beta_k)$, where $\beta_k = 0$ for the reference quarter Q_0. Test 1 (Full Window) tests the cumulative effect over the six-quarter window Q_{-3} to Q_{+2} ($H_0 : 6\beta_1 + \beta_{-3} + \beta_{-2} + \beta_{-1} + \beta_{+1} + \beta_{+2} = 0$). Test 2 (Pre-Announcement) sums effects from Q_{-3} through Q_{-1} ($H_0 : 3\beta_1 + \beta_{-3} + \beta_{-2} + \beta_{-1} = 0$). Test 3 (Post-Announcement) sums effects from Q_0 through Q_{+2} ($H_0 : 3\beta_1 + \beta_{+1} + \beta_{+2} = 0$). ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Test Specification	**Coefficient**	**Std. Error**	***t*-stat**
Test 1: Full Window (Q_{-3} to Q_{+2})	109.455	79.408	1.38
Test 2: Pre-Announcement (Q_{-3} to Q_{-1})	98.273**	40.123	2.45
Test 3: Post-Announcement (Q_0 to Q_{+2})	11.182	46.885	0.24

Figure OA-1
Covariate Balance Test for Propensity Score Matching

Note: This figure presents standardized bias across covariates before and after propensity score matching (PSM). $BADNEWS_{Q0}$ firms (experiencing bad news earnings announcements at Q0) are matched 1:3 with *GOODNEWS* firms (experiencing non-bad news) using nearest neighbor matching with a caliper of 0.01, based on firm characteristics measured at Q-4 (four quarters before the earnings announcement). Matching variables include firm size (SIZE, natural logarithm of total assets), profitability (*ROA*, return on assets), growth opportunities (Q, Tobin's Q), cash holdings (CASH, cash-to-assets ratio), leverage (LEV, debt-to-assets ratio), capital expenditures (CAPX, capital expenditures scaled by assets), R&D intensity (RD, research and development expenses scaled by assets), labor intensity (LABOR), analyst coverage (ANALYST), institutional ownership (IO), board size (BSIZE), CEO duality (DUAL), and CEO tenure (TENURE). Filled circles are unmatched observations; × symbols are matched observations. The vertical line at zero indicates perfect balance. Standardized bias is calculated as the difference in means between treatment and control groups divided by the pooled standard deviation. The sample consists of U.S. publicly listed firms from 2011Q1 to 2024Q4.