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## Max-Wertheimer Minerva Center for Cognitive Processes and Human Performance

אנו שמחים לארח את

**Dr. Andreas Nicklisch**

**Max Planck Institute for Research on Collective Goods, Bonn**

### *Wage Differentials, Fairness, and Social Comparison: An Experimental Study of Interrelated Ultimatum Bargaining*

The German law for temporary agency employment establishes the formula of equal pay for equal work. Our study explores one consequence of this formula, the effect of social comparison for wage acceptance, in multilateral ultimatum games. The results of our laboratory experiments indicate that the availability of information concerning ultimatum offers to other responders influences acceptance behavior even if responders find themselves in different bargaining situations. Particularly, behavior is partly influenced by self-regarding social comparison; that is, the probability of acceptance decreases significantly for offers which put responders at a substantial disadvantage compared with others. However, responders are partly concerned about unfavorable discrimination against others. Overall, we find that responders in the weaker bargaining situation (“temporary agency employees”) receive a premium in addition to their offers if they are informed about offers made to responders in strong bargaining situations (“permanent employees”), while the latter responders accept lower offers if they know the offers made to responders in the weaker bargaining situation.

ההרצאה תתקיים ביום א' ה-2 לדצמבר 2008, בשעה 11:30  
בחדר 527 בבניין בלומפילד (קומה 5) בפקולטה להנדסת תעשייה וניהול, טכניון.

נשמח לראותכם בין אורחינו

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