



# Brown Bag Research Workshop Ethics & Accounting

Wednesday, December 16, 2020, 12:00 pm

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Dr. Peter Werner (Maastricht University)

## Wage negotiations and strategic responses to transparency

**Abstract:** This paper investigates how exogenous and endogenous transparency affects the results of wage negotiations between employers and employees. In a treatment with exogenous wage transparency, employers' offers increase significantly compared to the case when offers are private information. Moreover, the share of equal wage offers becomes larger.

Employers and employees rarely induce wage transparency themselves. When employees could enforce transparency but stay uninformed, average wage offers are significantly lower than in the other treatments. This suggests that employees forego potential wage increases by remaining ignorant about co-workers' offers. These findings have important implications for policies aimed at increasing wage transparency.



Peter Werner is Associate Professor of Microeconomics and Public Economics at Maastricht University's School of Business and Economics. In his research, he is most interested in behavioral and experimental economics. His research goal is to apply insights about behavioral regularities to the design of organizations, markets and public policy. Furthermore, he conducts fundamental research on the nature of social preferences.

This research workshop provides an informal setting for discussing current research from economic ethics, behavioral economics, management accounting, and related fields. The term "brown bag" alludes to the brown paper bags in which lunch is wrapped, especially in the USA. Accordingly, you are welcome to have your lunch break during our guest's talk (turn off your microphone!). We are looking forward to seeing many colleagues, doctoral candidates, and professors at the talk! Registration is not necessary.