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Virginia Commonwealth University

BARGAINING THEORY

The Effect of Agents and Mediators on Negotiation Outcomes, by Max H. Bazerman, Margaret A. Neale, Kathleen L. Valley, Edward J. Zajac, and Yong Min Kim (Northwestern University)

This paper examines how third-party intervention affects the direct behavior of negotiators. Study 1 explores the impact of alternative third-party roles on negotiated outcomes, examining the impact of agents and mediators on the negotiated price and the likelihood of impasse. Results show that the selling price of a property is higher when an agent is used than when no intermediary is involved. However, the selling price was not affected by the use of a mediator. The use of an agent is also shown to increase the rate of impasse. In Study 2, we explore the nature of the negotiated relationship between the "parties" and an agent involved in completing the transaction. Agent commission, measured as a percentage of the sale price of a property, is lower when the bargaining zone is reduced. These studies document the importance of analyzing the impact of autonomous third-party roles on the *outcomes* of negotiation. *Organizational Behavior and Human Decision Processes*, October 1992, 53(1): 66-73. (Reprinted with permission of *Organizational Behavior and Human Decision Processes*.)

RISK PERCEPTION AND ECONOMIC BEHAVIOR

Examining Risk Preferences Under High Monetary Incentives: Experimental Evidence from the People's Republic of China, by Steven J. Kachelmeier (University of Texas, Austin) and Mohamed Shehata (McMaster University, Hamilton, ON, Canada)

Several experimental sessions were conducted to elicit certainty equivalents for a sequence of lotteries involving real monetary outcomes. The opportunity