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AWI This Week

Monday, 21.5.12

17.15-18.45

AWI 00.010

Departmental Seminar

Gleb Koshevoy, CEMI, RAS, Moscow

"Random Sets Lotteries and Decision Theory"

Tuesday, 22.5.12

14.15-15.15

AWI 02.036

Economics & Politics Seminar

Todd Sandler, University of Texas at Dallas

"Terrorist Success in Hostage-Taking Missions:
1978-2010"

Wednesday, 23.5.12

17.15-18.45

AWI 00.010

Departmental Workshop

Mercedes Hausi, University of Heidelberg

"HR meets HP Study - Incentivizing young and older
high potentials"

Abstracts

Departmental Seminar

Gleb Koshevoy

"Random Sets Lotteries and Decision Theory"*

We propose an approach to study the risk evaluation of random set lotteries. We show that under some axioms, the risk evaluation of a random set lotteries reduces to an evaluation of the expectation sets. I will also report on tests which we had made at the Experimental Laboratory of the University of Paris 1 (France) in order to understand the distribution of types of DMs which have to compare the random set lotteries.

*with Marc-Arthur Diaye

Economics & Politics Seminar

Todd Sandler

"Terrorist Success in Hostage-Taking Missions: 1978–2010"*

This article investigates the determinants of logistical and negotiation successes in hostagetaking incidents using an expanded event data set that runs from 1978 to 2010. Unlike an earlier study, the current study has a rich set of negotiation variables in addition to political, geographical, and organizational variables. The 33 years of data allow us to split the data into two subperiods: 1978–1987 prior to the dominance of religious fundamentalist terrorists; and 1988–2010 after their dominance. Logistical success depends on resource and target vulnerability proxies, while negotiation success hinges on bargaining variables. Among many novel findings, democracy greatly hampers logistical success throughout the entire period, while it has a less distinct negative effect on negotiation success. Kidnappings, tropical climates, and high elevation foster logistical success, while more terrorist nationalities in the attack squad and terrorist casualties hamper logistical success. Terrorist tactics that either decrease the government's disagreement value or increase the terrorists' relative bargaining strength augments negotiation prospects for the terrorists.

*with Charlinda Santifort

Departmental Workshop

Mercedes Hausi

"HR meets HP Study - Incentivizing young and older high potentials"

The demographic change and its effect on the German labor market is an important topic in the current literature. The age structures in companies are already shifting, with less young employees entering the job market, and older employees retiring later in life. It is getting more and more important to not only support young employees but also older ones. The core of the discussion in the management literature is how to handle the age difference between young and older high potentials and how to incentivize and support the different age groups. The current study aims to assessing whether there are age differences between the groups with respect to achievement motivation, strength and weaknesses in everyday work, loyalty to the company and advanced education. The study explores the different views of experts and young and older high potentials. One finding of this study is that, contrary to the common assumptions in the literature, young and older high potentials do not differ in their self-assessment in most cases. Further, we find that the self-image of high potentials differs from the experts' image; e.g. experts attribute in most cases a lower score to the older high potentials.

Jour Fix

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Talks and Research Visits

Karin Loch presented the paper "Anticipating Long-Term Stock Market Volatility" (joint with Christian Conrad) at the Spring Meeting of Young Economists, Mannheim, April 27, and at the ZEW Conference on "The Role of Expectations in Financial Markets", Mannheim, May 10.

Publications

Aurélien Baillon, Bram Driesen, Peter Wakker: *Relative Concave Utility for Risk and Ambiguity*, in *Games and Economic Behavior* 75 (2012) pp. 481 - 489. DOI Information: <http://dx.doi.org/10.1016/j.geb.2012.01.006>

Newsletter no. 11 will not be published before Monday, May 28.

**Editorial deadline for issue 11/2012 of the newsletter:
Wednesday, May 23, 2012, 12 o'clock
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,
please contact the address above.