Fifty Shades of Deception: Characteristics and Consequences of Lying in Negotiations

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Abstract

Deception pervades our social interactions. In both professional and personal settings, deception can profoundly influence our relationships and our outcomes. In this article, we review the extant literature on deception, and focus particular attention on deception in negotiations—a "breeding ground" for deception. We challenge prior work that has conceptualized and investigated deception as a dichotomous construct (e.g., the statement was honest or deceptive), and we challenge prior work that has broadly conceptualized deception as unethical. Instead, we characterize deception as a *multi-dimensional construct with outcomes that range along a continuum form harmful to helpful*. In this article, we focus on three dimensions of deception: *Intentionality* (self-interested or prosocial), *Content* (informational or emotional), and *Activity* (omission, commission, or paltering), and we introduce the Deception Consequence Model (DCM). Our model extends our understanding of the consequences of deception and provides a theoretical foundation for future empirical research.

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"In all lies there is wheat among the chaff..."

- Mark Twain (1889, p. 78), A Connecticut Yankee in King Arthur's Court

Deception pervades our interpersonal interactions in negotiations, organizations, and our social lives (Erat & Gneezy, 2012; Gaspar, Levine, & Schweitzer, 2015; Gneezy, 2005; Grover, 1993; Leavitt & Sluss, 2015; Levine and Schweitzer, 2014, 2015). Financial advisors and lawyers often lie to their clients (Angelova & Regner, 2013; Lerman, 1990), medical doctors frequently lie to their patients (Iezzoni, Rao, DesRoches, Vogeli, & Campbell, 2012), and negotiators routinely lie to their counterparts (Gaspar & Schweitzer, 2013). The lies that individuals tell can profoundly influence their relationships, their outcomes, and their targets.

In this article, we review the literature on the consequences of deception in negotiation. Though deception has similar consequences across domains, negotiations afford a particularly rich context within which to investigate deception. In fact, Tenbrunsel (1998) characterizes negotiations as a "breeding ground" for deception (p. 330), and Adler (2007) writes "that when it comes to negotiation, the process is often strewn with falsehoods and deception (p. 69).

The negotiation context affords both the opportunity and the incentive for people to use deception. First, negotiation is characterized by information asymmetries and information dependence (Murnighan, Babcock, Thompson, & Pillutla, 1999; Schweitzer & Croson, 1999; Schweitzer & Hsee, 2002). In a typical negotiation, individual negotiators lack relevant information, such as the attractiveness of their counterpart's alternatives, that would guide their negotiation behavior. Second, detecting deception in natural communication is very difficult (Bond & DePaulo, 2006; Ekman & O'Sullivan, 1991). As a result, deception – at least in the short-term – is often effective.

In our review of the literature on deception in negotiation, we introduce a model – *The Deception Consequence Model* (DCM) – that focuses on the *consequences* of deception. In our review, we draw on the substantial literature that has investigated deception in negotiation (e.g., Boles, Croson, & Murnighan, 2000; Lewicki, 1983; Schweitzer & Croson, 1999; Steinel & De Dreu, 2004; Tenbrunsel, 1998). Our model integrates this research to extend our understanding of the consequences of deception in negotiation and provide a theoretical foundation for empirical research.

Importantly, we characterize deception as a multi-dimensional construct with outcomes that range along a continuum from harmful to helpful. In particular, we characterize deception across three dimensions: *Intentionality* (self-interested or prosocial), *Content* (informational or emotional), and *Activity* (omission, commission, or paltering). This approach represents a sharp departure from early research that characterized deception as dichotomous (e.g., deceptive v. honest) and universally bad (e.g., St. Augustine, 420 AD/1996, "To me, however, it seems that every lie is a sin"). Specifically, we reject the dichotomous characterization of statements as truthful or dishonest, and we reject as misguided the belief that all forms of deception are immoral and impermissible (for a discussion, see Gaspar, Levine, & Schweitzer, 2015).

Deception in Negotiation

In this article, we adopt Gaspar and Schweitzer's (2013) definition of deception as "the use of statements and/or behaviors, including acts of omission, that intentionally mislead a counterpart" (p. 161). We conceptualize deception to include both informational and emotional deception (Barry, 1999; Fulmer, Barry, & Long, 2009; Lewicki & Robinson, 1983; Lewicki & Stark, 1996; Robinson, Lewicki, & Donahue, 2000). Within this definition, we highlight the

importance of intentionality. To engage in deception, we assert that people must intend to mislead their target.

Within negotiations, individuals frequently face the temptation to engage in deception. In fact, Lewicki and Hanke (2012) suggest that negotiators face a constant dilemma with respect to deception. In particular, they note that "each negotiator must decide how honest to be, and how much to trust the other, in the process of shaping and disclosing information" (p. 214).

Though a substantial literature in management, economics, and psychology has deepened our understanding of deception, there are three key trends in the literature that have limited our understanding of deception. First, extant research has disproportionately focused on *self-serving deception* – deception that exploits a target and benefits the deceiver (Erat & Gneezy, 2012; Gneezy, 2005). In many interactions, however, people engage in *prosocial deception* – deception that benefits deceivers and their targets (Levine & Schweitzer, 2014, 2015).

Second, the vast majority of deception studies have focused on *informational deception*, the misrepresentation of information (e.g., Lewicki & Robinson, 1983; Lewicki & Stark, 1996; Robinson et al., 2000). As a result, we know surprisingly little about *emotional deception*, the misrepresentation of emotions (Barry, 1999; Fulmer et al., 2009). Though a few studies have considered the misrepresentation of both (e.g., Ten Brinke & Porter, 2012), in this article, we identify the lack of focus on emotional deception as a significant omission.

Third, existing research has disproportionately focused on the *antecedents* of deception (for a recent review, see Gaspar & Schweitzer, 2013). Though a few scholars have explored the *consequences* of deception, our understanding of the consequences of deception is evolving. For example, though early research asserted that detected deception causes enduring harm to trust

(Schweitzer, Hershey, & Bradlow, 2006), more recent research has found that, in some cases, detected deception can actually enhance trust (Levine & Schweitzer, 2015).

Forms of Deception

To understand the consequences of deception, we develop a taxonomy of types of deception. In this section, we identify three critical dimensions of deception. Specifically, we characterize deception along the following three dimensions: *Intentionality, Content,* and *Activity*.

There are many different forms of deception. Deception can be classified according to the intentionality of the deception – self-interested or prosocial (Levine & Schweitzer, 2014, 2015). Deception can also be classified according to the content of the deception – emotional or informational (Barry, 1999; Barry & Rehel, 2014; Fulmer et al., 2009) – and the activity of deception – that is, whether or not the act of deception involves an omission, an active commission (Schweitzer & Croson, 1999), or the active use of truthful statements to mislead others (Rogers et al., 2016). Deception has also been categorized with respect to the characteristics of the misrepresented information (e.g., Lewicki & Robinson, 1983; Lewicki & Stark, 1996; Robinson et al., 2000; Schweitzer & Hsee, 2002).

Intentionality: Self-Interested and Prosocial Deception

Levine and Schweitzer (2014, 2015) identified two forms of deception that are prevalent in interpersonal interactions: self-interested deception and prosocial deception. Self-interested deception benefits the deceiver and harms the target of deception (Erat & Gneezy, 2012; Gneezy, 2005). In contrast, prosocial deception benefits the target (Levine & Schweitzer, 2014, 2015). Though most theoretical and empirical research has explored self-interested deception, prosocial deception is common in negotiation and interpersonal interactions. Erat and Gneezy (2012) found that 33 percent of participants used prosocial deception to increase their counterparts' payoffs in an economic game, and DePaulo and Kashy (1998) found that many of the lies that people tell in their everyday social interactions are prosocial.

Content: Informational and Emotional Deception

We identify two broad categories of deceptive content: emotion and information. Emotional deception involves the intentional misrepresentation of emotion (Barry, 1999; Barry & Rehel, 2014; Fulmer, Barry, & Long; 2009). In contrast, informational deception involves the intentional misrepresentation of information (Lewicki & Robinson, 1983; Lewicki & Stark, 1996; Robinson et al., 2000).

Though most theoretical and empirical research has focused on informational deception (e.g., Boles et al., 1997; O'Connor & Carnevale, 2000; Schweitzer & Croson, 1999; Tenbrunsel, 1998), emotional deception is prevalent in negotiation (Andrade & Ho, 2009; Barry, 1999; Fulmer et al., 2009). In the process of engaging in emotional deception, people can misrepresent both the type and the intensity of their emotion. Andrade and Ho (2009) found that people often "game" and misrepresent their emotions in strategic interactions, and Fulmer et al. (2009) identifies a series of specific emotion-related tactics that people use in negotiation. These include expressing false disappointment, pretending to like an opponent, strategically simulating anger, and expressing false sympathy.

Within the category of informational deception, we build on work by Schweitzer (2001) and consider three types of negotiation-relevant information.

Reservation price. Negotiators can misrepresent their reservation price. This includes misrepresenting a budget or a negotiator's "bottom line." As Shell (1991) describes, this type of misrepresentation is so common that it should be expected in negotiation.

Interest. Negotiators can misrepresent their interests. They could misrepresent their interest in reaching a deal or their interest along a specific issue. For example, upon learning that the seller prefers an early closing date, the buyer (who also prefers an early closing date) may feign interest in a late closing date to extract concessions from the seller. O'Connor and Carnevale (1997) characterized the misrepresentation of a common value issue as a "nasty, but effective negotiation strategy" (p. 504).

Material facts. Negotiators can fabricate facts. Shell (1991) identifies these as the most serious form of deception. In extreme cases, lies about material facts can constitute fraud. Though the successful prosecution of deception in negotiations is rare, Shell (1991) reviews legal cases that resulted in convictions and identifies cases in which, "what moralists would often consider merely 'unethical' behavior in negotiations turns out to be precisely what the courts consider illegal behavior" (p. 93).

Activity: Deception Through Omission, Commission, and Paltering

Schweitzer and Croson (1999) distinguish lies of commission from lies of omission. When individuals lie by omission, they fail to disclose relevant information. As Robert Louis Stevenson (1881/1910) writes in *Virginibus Puerisque*, "The cruelest lies are often told in silence" (p. 72). In contrast to lies by omission, lies of commission involve the active use of false statements (Schweitzer & Croson, 1999).

Deception can also take the form of paltering – the use of truthful statements to mislead counterparts (Rogers et al., 2016). In a recent paper, Rogers et al. (2016) identified paltering as a distinct form of deception. In contrast to deception through omission, paltering involves the *active* use of statements, and, in contrast to deception through commission, paltering involves the use of *truthful* statements. In a series of studies, Rogers et al. (2016) found that paltering is

common in negotiations and that people prefer to mislead others through the use of paltering than through the use of deception through commission.

The Deception Consequence Model

We build upon our framework of distinct types of deception to understand the consequences of deception. Just as deception can take many different forms, the consequences of deception are highly varied. For instance, though earlier work made broad claims about deception, such as the claim that deception causes enduring harm to trust (Schweitzer et al., 2006), more recent research indicates that though some forms of deception cause enduring harm to trust, other forms of deception actually foster trust (e.g., Levine & Schweitzer, 2014, 2015). That is, the consequences of deception range along a continuum from harmful to helpful.

In this article, we introduce the *Deception Consequence Model* (DCM) to integrate and extend theoretical and empirical research on the consequences of deception. We develop our model with respect to deception in negotiation – a context where deception plays a particularly important role (e.g., Boles, Croson, & Murnighan, 2000; O'Connor & Carnevale, 1997; Schweitzer & Croson, 1999; Steinel & De Dreu, 2004; Tenbrunsel, 1998).

Deception fundamentally influences negotiators and their outcomes, and our model describes how the effects of deception crucially depend on the form of deception, the detection of deception, the negotiators, the negotiation structure, and the negotiation process. We depict these relationships in Figure 1, and, in this article, we articulate how our model offers important insights into the effects of deception in negotiation and provides a theoretical foundation for empirical research.

Insert Figure 1 here

Perceptions of Deception

People perceive some forms of deception to be more permissible than other forms. In this article, we consider differences with respect to (1) self-interested and prosocial deception, (2) paltering, deception through commission, and deception through omission, (3) informational deception and emotional deception, and (4) the type of information that is misrepresented. We also consider the effects of the negotiators, the negotiation structure, and the negotiation process on perceptions of the different forms of deception.

Self-Interested Deception and Prosocial Deception

People perceive prosocial deception to be more permissible than both self-interested deception and honest communication that is not prosocial. In a series of studies, Levine and Schweitzer (2014, 2015) investigated perceptions of prosocial deception. In one series of studies, they found that people trust those who engage in prosocial deception more than those who are honest and selfish (Levine & Schweitzer, 2014). In a second series of studies, they found that people perceive those who engage in prosocial deception to be more moral than those who are honest and selfish (Levine & Schweitzer, 2015). As Schweitzer (2014) notes, "When we separate honesty and deception from pro-social and pro-self-interests, we find that people actually don't care that much about deception...They really care about helping others" (n.p.).

Paltering, Deception by Commission, and Deception by Omission

People perceive self-interested lies of omission to be more permissible than both selfinterested paltering and self-interested lies of commission. Unlike paltering and lies of commission, lies of omission do not involve the active manipulation of a target's beliefs (Rogers et al., 2016; Schweitzer & Croson, 1999). In addition, observers may hold targets of lies of omission responsible for holding inaccurate beliefs and not investigating important assumptions (Rogers et al., 2016; Schweitzer & Croson, 1999). Empirical research indicates that people perceive self-interested deception by omission as less serious (Spranca, Minsk, & Baron, 1991) and more honest (Rogers et al., 2016) than self-interested deception by commission.

People also perceive self-interested paltering as more permissible than self-interested lies of commission. Unlike deception by commission, paltering involves the use of *truthful* statements. In a recent article, Rogers et al. (2016) found that people perceive paltering to be more honest than lies of commission.

Informational Deception and Emotional Deception

People perceive self-interested emotional deception to be more permissible than selfinterested informational deception. Fulmer et al. (2009) conceptualized emotional deception as a less active form of deception than information deception, as emotional deception does not require the use of "overt and explicit" false assertions. In an empirical study, Fulmer et al. (2009) found that people perceive the use of emotional deception in negotiation as more "ethically appropriate" than the use of informational deception. Even when emotional deception does involve misleading statements (e.g., "I really loved your paper."), emotional deception may still be judged less severely than information deception because internal emotional states may be perceived to be more elastic (i.e., uncertain and imprecise; Schweitzer & Hsee, 2002).

Informational Deception: Reservation Prices, Interests, and Material Facts

People perceive the misrepresentation of reservation prices and interests to be more permissible than the misrepresentation of material facts (e.g., Lewicki & Robinson, 1983; Lewicki & Stark, 1996; Robinson et al., 2000). Information related to reservation prices and interests in negotiation is more elastic (i.e., uncertain, imprecise, and open to multiple interpretation; Budescu, Weinberg, & Wallsten, 1988) than information related to material facts (inelastic), and the misrepresentation of elastic information is judged to be more permissible than the misrepresentation of inelastic information (Schweitzer & Hsee, 2002). In general, the more elastic information and emotions are perceived to be, the more permissible misrepresentation will be.

Deception and Negotiation Characteristics

People perceive the use of self-interested deception to be more permissible in some negotiations than in other negotiations. These perceptions often depend on the negotiators and the negotiation structure and process (Gaspar & Schweitzer, 2013). We consider four of these characteristics: negotiators' perceptions of the conflict, negotiators' perceptions of their counterparts' use of deception, the elasticity of the information that is misrepresented, and the questions that negotiators ask their counterparts.

Perceptions of competition and cooperation. Every interpersonal interaction involves both cooperation and competition (Galinsky & Schweitzer, 2015). People perceive the use of self-interested deception to be more permissible in competitive negotiations than in cooperative negotiations. Schweitzer, DeChurch, and Gibson (2005) found that the "line" between competitive tactics and unethical tactics is blurred in competitive negotiations, and Schweitzer et al. (2005) and Steinel and De Dreu (2004) found that people are more likely to use self-interested deception in negotiations that they perceive to be competitive than in negotiations that they perceive to be cooperative. As Carr (1968) asserted in his classic discussion on business as a poker game, "No one expects poker to be played on the ethical principles preached in churches" (p. 145). We expect characteristics of the negotiation process, such as pre-negotiation socialization (e.g., Schweitzer & Kerr, 2000; Schweitzer & Gomberg, 2001) and the use of cooperative or competitive labels (Liberman, Samuels, & Ross, 2004), to fundamentally shift perceptions of cooperation and competition.

Perceptions of counterparts' use of deception. People perceive the use of selfinterested deception to be more permissible if they expect their counterpart to use deception than if they do not (Lewicki and Spencer, 1991; Tenbrunsel, 1998). As the British statesman Henry Taylor (as cited in Carr, 1968) remarked, "Falsehood ceases to be falsehood when it is understood on all sides that the truth is not expected to be spoken" (p. 143). In this perspective, "It is usually permissible to misstate one's bargaining position when one has good reason to think that one's negotiating partner is doing the same" (Carson, 1993, p. 317). Importantly, the mere belief that a counterpart might engage in deception may be sufficient to create a deception norm.

Elasticity of information. People perceive the misrepresentation of elastic information to be more permissible than the misrepresentation of inelastic information. In contrast to inelastic information, elastic information is uncertain, imprecise, and open to multiple interpretation (Budescu et al., 1988). In an empirical study, Schweitzer and Hsee (2002) found that negotiators perceive the misrepresentation of more elastic information to be more permissible than the misrepresentation of less elastic information.

Questions. The use of questions is integral to the negotiation process. Negotiations are characterized by information asymmetries and information dependence and the link between questions, disclosures, and deception is particularly important. We highlight these relationships as an important and emerging area of research that merits further investigation. Recent findings suggest that the nature of questions asked can profoundly influence deception and information disclosure. Minson, Ruedy, and Schweitzer (2012) found that negotiators responded less

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honestly to general questions than they did to questions that either raise the prospect of a problem or presume a problem. In related work, Schweitzer and Croson (1999) found that when negotiators are asked direct questions, they are less likely to tell self-interested lies overall, but are more likely to tell self-interested lies by commission than omission.

People perceive the use of self-interested deception to be more permissible if a counterpart has not asked a question than if a counterpart has asked a question. For instance, Rogers et al. (2017) focused on differences in perceptions of prompted (question asked) and unprompted (question not asked) self-interested deception. In particular, they found that people perceive the use of self-interested paltering to be more unethical if the palter is prompted than if the palter is unprompted.

Emotion

There are several links between emotion and deception. For instance, people can misrepresent their emotions to mislead their counterparts, and the use of deception can influence the emotions of deceivers and their targets (Gaspar & Schweitzer, 2013). We consider the effects of self-interested and prosocial deception – informational and emotional – on the emotions of deceivers and their targets.

Self-Interested Deception

Deceivers. Though early research assumed that people experience negative emotions (e.g., guilt, shame) when they use self-interested deception, recent research has found that people can also experience *positive emotions* – especially if their self-interested deception goes *undetected* (Ruedy, Moore, Gino, & Schweitzer, 2013). In a recent paper, Ruedy et al. (2013) documented this phenomenon, which they termed the "cheater's high" (p. 531), and in earlier research, Ekman (1985) referred to a similar concept as a "duping delight" (p. 166). In Ruedy et

al. (2013), the experience of positive emotions reflected the "thrill" of using deception and "getting away with it" (Ruedy et al., 2013, p. 534).

In contrast, people often experience *negative emotions* when their self-interested deception is suspected or detected. Often, people experience anxiety in response to the uncertain consequences of their detected deception and the prospect of negative consequences such as retaliation and retribution (Boles et al., 2000; Brandts & Charness, 2003; Croson, Boles, & Murnighan, 2003; Schweitzer, Brodt, & Croson, 2002). People may also experience feelings of guilt when their deception is detected, particularly if they recognize the harm to their target (Eisenberg, 2000).

When people engage in *emotional deception*, they can also experience emotions though a process of reciprocity and emotional contagion. In a recent paper, Campagna, Mislin, Kong, and Bottom (2015) found support for this "blowback" effect in negotiation. In a series of studies, they found that negotiators who mispresent their felt emotions experience the emotion that they misrepresent. Specifically, they found that negotiators who misrepresent anger come to experience genuine anger, and that negotiators who misrepresent happiness come to experience genuine happiness.

Targets. Targets of deception also experience emotional reactions. In response to *self-interested deception* targets are likely to experience negative emotions, such as anger. This is especially likely to be true when targets perceive deceptive acts to reflect an unfair negotiation tactic. Pillutla and Murnighan (1996) found that people experience anger when they receive merely unfair offers in ultimatum games, and Fehr and Gachter (2000) found that people experience anger when others fail to cooperate and contribute in public good games. In addition to anger, people can experience moral outrage. Salerno and Peter-Hagene (2013) found that

(2013) found that people experience moral outrage in response to corruption and deception.

Targets of deception are also likely to experience emotional reactions to *emotional deception* – even when they fail to detect it. Specifically, targets of emotional deception are likely to experience either the emotion that their counterpart misrepresented or a complementary emotion. In a recent paper, Campagna et al. (2015) found that negotiators experience the emotions that their counterparts misrepresent, and Van Kleef, De Dreu, and Manstead (2004) found that the strategic expression of emotion (e.g., anger) can induce a complementary emotion in counterparts (e.g., fear).

Prosocial Deception

Though no prior research has studied the effects of *prosocial deception* on emotions, prosocial deception is likely to influence the emotions of deceivers and their targets. In particular, people are likely to experience positive emotions when they use prosocial deception. In addition, people are likely to experience positive emotions if they are the targets of prosocial deception. Indeed, empirical research indicates that prosocial actions elicit positive emotions in benefactors and recipients. For instance, people experience positive emotions when they perceive that their actions are prosocial (Dunn, Aknin, & Norton, 2008; Williamson & Clark, 1989). People also experience positive emotions (e.g., gratitude) when they receive a benefit and think that the benefactor intentionally provided the benefit to enhance their well-being (McCullough, Kimeldorf, & Cohen, 2008).

Trust

One of the most consistent findings in research on deception relates to the effect of *self-interested* deception on trust. Theoretical models predict that detected self-interested deception

harms trust, and empirical research supports this prediction. As Henry Ward Beecher (1868/1898) remarked in his sermon, "A lie is a very short wick in a very small lamp. The oil of reputation is very soon sucked up and gone."

People trust those who use *self-interested deception* less than those who do not. Boles et al. (2006) and Rogers et al. (2016) found that self-interested informational deception harms trust, and Cote, Hideg, and Van Kleef (2013) and Campagna et al. (2016) found that self-interested emotional misrepresentation can harm trust. Schweitzer et al. (2006) further found that trust harmed by detected self-interested informational deception is never fully restored – even if the target of deception receives a promise to change and an apology, and observes a series of trustworthy actions.

In contrast, people trust those who use *prosocial deception* more than those who are honest. Though much of research assumes that deception harms trust, Levine and Schweitzer (2015) found that some forms of deception can increase trust. In a series of empirical studies, Levine and Schweitzer focused on the effect of prosocial deception on interpersonal trust. In contrast to proposition that deception harms trust, they found that people trust those who use prosocial deception more than those who are honest.

The use of *emotional deception* can also influence trust through emotion-specific processes. First, emotional deception can influence the trust perceptions of targets. In particular, the emotions that people misrepresent can influence the emotions of their counterparts (e.g., complimentary or reciprocal; Campagna et al., 2015), and, in turn, their trust perceptions (Dunn & Schweitzer, 2005). In a recent study, Campagna et al. (2015) found that negotiators' false expressions of anger increase counterparts' genuine anger and decrease their trust perceptions.

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They also found that negotiators' false expressions of happiness increase counterparts' genuine happiness and increase their trust perceptions.

Second, emotional deception can influence the trust perceptions of deceivers. In particular, the emotions that people misrepresent can influence the emotions that they experience (Campagna et al., 2015), and, in turn, their perceptions of trustworthiness of their counterpart (Dunn & Schweitzer, 2005). In a recent paper, Campagna et al. (2015) found support for a "blowback" effect in negotiation, such that the misrepresentation of emotion influences the emotions that negotiators experience and their trust perceptions.

Retaliation, Retribution, and Rewards

Self-interested deception often provokes retaliation. In experimental studies, people routinely punish those who use self-interested deception (Boles et al., 2000; Croson et al., 2003; Schweitzer & Croson, 1999) – even when punishment is costly (Brandts & Charness, 2003). In these studies, negotiators meet "lies with treachery" (*The Edda*, a 13th century collection of Norse epic verse, cited in Bok, 2011, n.p.).

In contrast, *prosocial deception* can provoke positive reactions; meeting "smiles with smiles" (*The Edda*, cited in Bok, 2011, n.p.). Prosocial deception benefits others (Levine & Schweitzer, 2014, 2015), and people perceive those who engage in prosocial deception to be more moral (Levine & Schweitzer, 2014) and more trustworthy (Levine & Schweitzer, 2015) than those who make honest, but selfish, decisions.

A substantial literature has found that people punish deception (Boles et al., 2000; Croson et al., 2003; Schweitzer & Croson, 1999; Wang, Galinsky, & Murnighan, 2009; Wang, Leung, See, & Gao, 2011) and reward honesty (Wang et al., 2009; Wang et al., 2011). These studies, however, confounded self-interest with deception and prosociality with honesty. Consistent with

Levine and Schweitzers' (2014, 2015) investigations that unconfounded self-interest from deception, we postulate that people punish self-interested behavior and reward prosociality. That is, we conjecture that targets are far more sensitive to deceivers' motives than they are to the use of deception per se.

Defensive Deception Decisions

People are more likely to use *self-interested deception* if they believe that their counterpart may use self-interested deception than if they believe their counterpart has not engaged in self-interested deception. We refer to this as *defensive deception*, and we define it as deception prompted by the belief that a counterpart may use deception. Indeed, people are often suspicious of their counterparts (Boles et al. 2000), and more likely to use deception if they expect their counterpart to use deception (Tenbrunsel, 1998). We postulate that defensive deception is easy to rationalize. In fact, in the mutual trust perspective, deception is morally permissible "when grounds for trust are absent" (Dees & Cramton, 1991, p. 5). In addition, we conjecture that people may engage in deception to punish a deceiver.

Desire for Future Interaction

The desire for future interaction is an important relational aspect of negotiation, and people have *less* desire to interact in the future with those who use *self-interested deception* than those who negotiate honestly. The detection of self-interested deception harms trust (e.g., Boles et al.; 2006; Rogers et al., 2016; Schweitzer et al., 2016), and harmed trust reduces the desire for future interactions (Naquin & Paulson, 2013). In empirical research, Boles et al. (2000) and Rogers et al. (2016) found that people are less interested in negotiating with counterparts who use self-interested deception than counterparts who negotiate honestly, and Wang et al. (2009)

found that people are more interested in avoiding counterparts who use self-interested deception than approaching honest counterparts.

In contrast, we postulate that people will be more interested in interacting with a counterpart who use *prosocial deception* (e.g., "You look great in that dress!") than a counterpart who negotiates honestly. Prosocial deception increases trust (Levine & Schweitzer, 2015), and Naquin and Paulson (2013) found that people have more desire to interact with people they trust than people they do not. Taken together, this research indicates that prosocial deception is likely to increase the desire for future interaction.

The use of *emotional deception* can also influence the desire for future interaction through emotion-specific processes. In particular, people can experience the emotions that they misrepresent (Campagna et al., 2015), and the emotions that people experience can influence their desire for future interaction. The emotions that people misrepresent can also influence the emotions of their counterparts (complimentary or reciprocal; Campagna et al., 2015), and the emotions of counterparts can also influence their desire for future interaction. In an empirical study, Allred, Mallozzi, Matsui, and Raia (1997) found that the more anger and less compassion that negotiators experienced for their counterparts, the less desire they had to interact in the future.

Confidence and Competence

The effective use of deception – self-interested or prosocial, informational or emotional, and through commission, omission, or paltering – is likely to increase *deception self-efficacy*. We define deception self-efficacy as a person's belief in his or her ability to effectively use deception. As Bernie Madoff (2011, cited in Nobel, 2016) recalled in a recent interview from prison, "I built my confidence up to a level where I...felt that...there was nothing that...I couldn't attain" (n.p.). In this context, the effective use of deception refers to deception that has the intended effect on the interaction.

The effective use of deception can also influence the perceptions of others. For instance, though much of research assumes that the use of self-interested deception signals *incompetence*, Gunia and Levine (2017) proposed that for those in some occupations, the use of deception signals *competence*. In a recent paper, they found that people perceive those who use self-interested deception in high "stereotypical selling" occupations (e.g., sales, advertising, consulting) to be more competent than people who use self-interested deception in low "stereotypical selling" (e.g., accounting, non-profit management). Their results indicate that, in some contexts, the use of deception demonstrates that deceivers understand "that business, as practiced by individuals as well as by corporations, has the impersonal character of a game – a game that demands both special strategy and an understanding of its special ethics" (Carr, 1968, p. 144).

Decision to Use Deception

The decision to use deception in a later round depends on the detection of deception in earlier rounds. In particular, people are *less* likely to use self-interested deception in a later round if their deception is *detected* in an earlier round. This is likely for four reasons. First, people may experience guilt or a threat to their moral self-concept (Aquino & Reed, 2002; Mazar, Amir, & Ariely, 2008) that leads them to morally compensate for their earlier decision to use deception (Jordan, Mullen, & Murnighan, 2011; Zhong, Liljenquist, & Cain, 2009). Second, people may increase their estimates of the likelihood of detection, an important input in cost-benefit models of deception (Lewicki, 1983). Third, people may recognize the high costs of repeated detected (e.g., harmed trust; Schweitzer et al. 2006). Fourth, people may experience a decrease in deception self-efficacy that makes them less confident in their ability to effectively use deception.

In contrast, people are *more* likely to use deception in a later round if their deception is *undetected* in an earlier round. This is likely for three reasons. First, people may experience positive emotions (e.g., the "cheater's high" reported in Ruedy et al., 2013) that "stretch the moral gray zone" (Vincent, Emich, & Goncalo, 2013, p. 595) and lead to a "deception addiction." Second, people may decrease their estimates of the likelihood of detection, an important input in cost-benefit models of deception (Lewicki, 1983). Third, people may experience an increase in deception self-efficacy that makes them more confident in their ability to effectively use deception.

Deception and Negotiation Agreement, Implementation, and Outcomes Negotiation Agreement and Implementation

The use of *self-interested deception* influences the likelihood of reaching and implementing an agreement. If self-interested deception is *undetected*, self-interested deception is likely to *increase* the likelihood of reaching and implementing an agreement. However, if self-interested deception is *detected*, self-interested deception is likely to *decrease* the likelihood of reaching and implementing an agreement. Self-interested informational and emotional deception that is detected harms trust (Boles et al., 2000; Cote et al., 2013; Rogers et al., 2016; Schweitzer et al., 2016) and increases the retaliation (Boles et al., 2000). Often, this retaliation takes the form of rejecting offers (Boles et al., 2000; Croson et al., 2003; Schweitzer and Croson, 1999). In a recent paper, Rogers et al. (2016) found that self-interested paltering that is detected decreases the likelihood of reaching a negotiation agreement.

Prosocial deception is also likely to influence the likelihood of reaching and implementing an agreement. In contrast to detected self-interested deception, prosocial deception increase trusts (Levine & Schweitzer, 2015). For this reason, prosocial deception – detected or undetected – is likely to *increase* the likelihood of reaching and implementing a negotiation agreement.

The use of *emotional deception* can also influence the likelihood of reaching and implementing an agreement through emotion-specific processes. For instance, the emotions that people misrepresent can influence their own emotions and those of their counterparts, and these emotions can influence the likelihood of reaching and implementing a negotiation agreement. In a recent paper, Campagna et al. (2015) found that the false expression of emotion influences the emotions that negotiators experience and their likelihood of implementing a negotiation. In particular, they found that negotiators' false expressions of anger increase their counterparts' experience of genuine anger and decrease the likelihood that counterparts implement the agreement, and that negotiators' false expressions of happiness increase their counterparts' experience of genuine happiness and increase the likelihood that counterparts implement the agreement.

Negotiation Outcomes

Deceivers. People can benefit from their use of *self-interested deception* if their deception is *undetected*. In experimental research, people who use self-interested deception perform better than people who interact honesty (Aquino, 1998; Boles et al., 2000; Croson et al., 2003; Rogers et al., 2016; Schweitzer et al., 2003, 2005;). For instance, Schweitzer and Croson (1999) found that people who use self-interested deception through commission and omission that is undetected perform better than those who negotiate honestly, and Rogers et al. (2016)

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found that for people who use self-interested paltering that is undetected perform better than those who negotiate honestly. As White (1980) asserted, "The critical difference between those who are successful negotiators and those who are not lies in this capacity both to mislead and not to be misled" (p. 927).

However, the use of *self-interested deception* can "backfire" if it is *detected*. In particular, people who use self-interested deception that is detected often perform *worse* (i.e., realize lower economic outcomes) than those who negotiate honestly (Boles et al., 2000; Cote et al., 2013; Croson et al., 2003). In empirical studies, people who use self-interested informational deception that is detected make higher offers, receive lower offers, and are more likely to have their offers rejected than people who negotiate honestly (Boles et al., 2000; Croson et al., 2003). People who use *self-interested emotional deception* that is detected also experience more demands from counterparts than those who negotiate honestly (Cote et al., 2013).

The use of *emotional deception* can also influence the performance of deceivers through emotion-specific processes. In particular, people can experience the emotions that they misrepresent (Campagna et al., 2015), and the emotions that people experience can influence their negotiation decisions and outcomes (e.g., Allred et al., 1997; Brooks and Schweitzer, 2013; Carnevale, 2008). In research on emotional deception and performance in negotiation, Campagna et al. (2015) found that negotiators who express false anger experience genuine anger and a persistent strategic disadvantage in negotiation (e.g., increased implementation costs), and that negotiators who express false happiness experience genuine happiness and a persistent strategic advantage in negotiation (e.g., increased implementation costs).

Targets. People who are targets of *self-interested deception* often perform worse than those who are not (Schweitzer, DeChurch, & Gibson, 2005; Schwetizer & DeChurch, 2001).

FIFTY SHADES OF DECEPTION

Interestingly, this is true both when targets *fail to detect* deception and when they *detect*. Though the consequences can be more serious when targets fail to detect deception, targets of detected deception often punish deceivers (Boles et al., 2000; Croson et al., 2003; Schweitzer & Croson, 1999), even when punishment is costly (Brandts & Charness, 2003). Therefore, though the detection of deception offers important benefits to targets, it can also reduce their outcomes if they decide to punish deceivers and the punishment is costly (Boles et al., 2000). In one study, Boles et al. (2000) found that people who detect deception earn less than those who did not detect deception. A related concern is how trust rebuilds following detected deception, and the trust restoration process can have important implications for the long-term costs of engaging in deception in negotiations (Haselhuhn et al., 2015).

The use of *emotional deception* can also influence the performance of targets through emotion-specific processes. In particular, the emotions that people misrepresent can influence the emotions of their counterparts (e.g., complimentary or reciprocal; Campagna et al., 2015), and, in turn, influence the performance of counterparts (Allred et al., 1997; Brooks and Schweitzer, 2013; Carnevale, 2008). For instance, Brooks and Schweitzer (2013) found that negotiators who feel anxious make lower first offers, exit earlier, and earn less profit than negotiators who do not.

DISCUSSION

Deception pervades our interpersonal interactions, and the lies that people tell can profoundly influence the course of their relationships and the nature of their outcomes. In this article, we review the literature on the consequences of deception. We focus our review on deception in negotiation. Though deception has similar consequences across domains, negotiations afford a particularly rich context within which to investigate deception. In our review of the literature, we introduce a model: The *Deception Consequence Model* (DCM). In contrast to prior theoretical models that focus on the antecedents of deception, our model focuses on the *consequences* of deception. Our model extends our understanding of the consequences of deception and provides a theoretical foundation for future empirical research.

In this article, we characterize deception as a multi-dimensional construct with outcomes that range along a continuum form harmful to helpful. We focus on three dimensions of deception: *Intentionality* (self-interested or prosocial), *Content* (informational or emotional), and *Activity* (omission, commission, or paltering). Our approach represents a sharp departure from existing research that has characterized deception as dichotomous (e.g., deceptive v. honest). Whereas prior studies have largely contrasted deception with honesty, we argue that future work should investigate types of deception, and consider deception along a continuum.

In addition, we reject as misguided the belief that all forms of deception are immoral. We contend that scholars need to reconsider presumptions, such as Immanuel Kant's (1758/2003) assertion that, "The greatest violation...is lying" (p. 182), and St. Augustine's (approximately 420 AD/1996) proclamation that, "To me, however, it seems that every lie is a sin" (p. 21).

A direct implication of our broader conceptualization of deception is the need for future research to expand our understanding of the consequences of deception. In particular, additional work is needed to develop a fuller understanding of the *benefits* of deception. Most prior deception research has confounded deception and self-interest and, as a result, has focused disproportionality on the costs of deception. In fact, very few studies have explored the benefits of deception (see Levine & Schweitzer, 2014, 2015 for exceptions). Future research is needed to understand both when, and under what conditions deception can be harmful – and when it can be helpful.

We also call for related investigations to explore when targets and observers judge deception to be permissible. In some contexts, deception is not only permissible – but expected. This includes domains in which norms dictate the use of deception (e.g., poker, recommendation letters, false flattery). For instance, Gunia and Levine (2017) found that self-interested deception is permissible and expected in "stereotypical selling" interactions.

In addition, we call attention to the dearth of research investigating *emotional deception*. Though people often misrepresent the type or intensity of emotion that they are experiencing, most theoretical and empirical research has focused on informational deception. Future research is needed to expand our understanding of the use and consequences of emotional deception.

Finally, we call for future research to explore the long-term consequences of deception. Most studies on the consequences of deception focus on short-term, non-repeated interactions. However, negotiations often involve repeated interactions, and the decision to use deception often has enduring consequences for deceivers and their targets.

Deception is complicated. Not only are the effects of deception context-dependent, but critically, deception is a multi-dimensional construct. Rather than considering deception as a monolithic construct, we call for future scholars, managers, educators, and parents, to adopt a far more nuanced—and more permissive—view of deception. Rather than one shade of deception, there are many.

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Appendix A

The Deception Consequence Model (DCM)



Figure 1: The Deception Consequence Model (DCM)