



# Confident and Cunning: Negotiator Self-Efficacy Promotes Deception in Negotiations

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## Abstract

Self-confidence is associated with many positive outcomes, and training programs routinely seek to build participants' self-efficacy. In this article, however, we consider whether self-confidence increases unethical behavior. In a series of studies, we explore the relationship between negotiator self-efficacy—an individual's confidence in his or her negotiation ability—and the use of deception. We find that individuals high in negotiator self-efficacy are more likely to use deception than individuals low in negotiator self-efficacy. We also find that perceptions of the risk of deception mediate this relationship. By identifying negotiator self-efficacy as an antecedent to unethical behavior, our findings offer important theoretical and empirical insights into the use of deception, the role of individual differences in ethical decision making, and the broader consequences of self-confidence in business and society.

**Keywords** Deception · Lying · Negotiation · Self-efficacy · Ethics · Confidence

Just like that! Between my white lie and my assertiveness, I'd managed to snag \$10,000 more than I was making. – Ellen O'Hara (2010), book editor in New York City

During her salary negotiation, O'Hara's prospective employer asked her how much she made at her current job. Rather than deflect the question or answer honestly, O'Hara lied; "Let's just say I inflated the figure—and told her I was earning \$5000 more than I was."

When it comes to lying in the workplace, O'Hara is not alone. Deception is pervasive in interpersonal interactions and organizations (Erat and Gneezy 2012; Gaspar et al. 2015; Gneezy 2005; Grover 1993; Weber and Wasieleski 2001). Job candidates frequently lie on their applications (Gurchiek 2015), financial advisors often lie to their clients (Angelova and Regner 2013), medical doctors commonly

lie to their patients (Iezzoni et al. 2012), and negotiators routinely lie to their counterparts (for a recent review, see Gaspar and Schweitzer 2013). Though some forms of deception are for the benefit of the target, we focus our attention on self-interested deception—deception that benefits the deceiver at the expense of the target (Erat and Gneezy 2012; Levine and Schweitzer 2014, 2015).<sup>1</sup>

Deception poses a particular challenge in negotiations, as negotiations afford both the opportunity and the incentive for people to engage in deception (e.g., Gaspar and Schweitzer 2013; Koning et al. 2011; Olekalns and Smith 2007, 2009; Steinel and De Dreu 2004). In particular, negotiations are characterized by information asymmetries (i.e., some information is private; Schweitzer and Hsee 2002), and individuals routinely fail to detect deception in their interpersonal interactions (Bond and DePaulo 2006; Ekman and O'Sullivan 1991; Ekman et al. 1999; Lewicki and Hanke 2012). As a result, negotiators can often increase their profit by misrepresenting their private information (Koning et al. 2011; Olekalns et al. 2014a, b; O'Connor and Carnevale 1997; Schweitzer and Croson 1999, Steinel and De Dreu 2004).

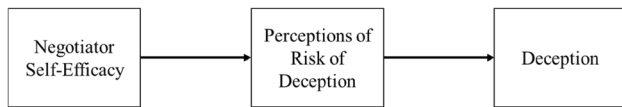
Several scholars have used a rational choice framework to conceptualize the deception decision process. In this framework, individuals evaluate the costs and benefits of engaging

<sup>1</sup> Consistent with this definition, we characterize Ellen O'Hara's lie as a self-interested lie (not a mere "white lie").

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**Fig. 1** Theoretical model

in deception (Gino et al. 2009; Lewicki 1983). The benefits include the profit gained by using deception, and the costs include the likelihood of detection and the consequences of detected deception. If individuals are self-interested and purely rational, they will lie whenever it is beneficial for themselves (i.e., whenever the benefits of deception exceed the costs of deception). Though this view of deception is extreme, scholars such as Akerlof (1970) have used the rational choice framework to undergird claims about markets, and experimentalists such as Tenbrunsel (1998) have found supporting evidence for important elements of this framework (e.g., economic incentives predictably influence the use of deception).

Lewicki (1983) proposed a cost–benefit approach for understanding the decision to use deception that considers the importance of *subjective perceptions*. In this work, Lewicki (1983) postulated that *perceptions* of the costs and benefits of engaging in deception, even if incorrect, influence the decision to use deception. He also postulated that individual and contextual factors will influence these perceptions and the use of deception.

In this article, we build on Lewicki’s (1983) theoretical framework and explore the role of self-confidence in the deception decision process. We focus on negotiator self-efficacy and deception in negotiations—“breeding grounds” for unethical behavior (Tenbrunsel 1998, p. 330) that are “often strewn with falsehoods and deception” (Adler 2007, p. 69). Though no prior research has explored the link between negotiator self-efficacy and deception, we expect negotiator self-efficacy to influence the perceptions of the costs of engaging in deception and, through the perceptions, the use of deception in negotiation (see Fig. 1). Lewicki (1983) postulated that perceptions of the costs of engaging in deception are an important input in the deception decision process, yet we know surprisingly little about what traits influence these perceptions and the use of deception in negotiations.

Our work fills a particularly important gap in our understanding of how and when individuals decide to engage in deception. Across our studies, we show that feelings of self-confidence profoundly influence perceptions of the cost of deception and the use of deception. In Study 1, we find that individuals high in negotiator self-efficacy are more likely to believe that their use of deception will go “unnoticed and undetected” than individuals low in negotiator self-efficacy. That is, we find that negotiator self-efficacy influences a central input in the cost–benefit analysis: perceptions of the risk

(or costs) of deception. In Studies 2, 3, and 4, we find that individuals high in negotiator self-efficacy are more likely to use deception than individuals low in negotiator self-efficacy. In Study 5, we assess our full model and find that perceptions of the risk of deception mediate the relationship between negotiator self-efficacy and the use of deception.

Although high self-confidence has many benefits, our findings reveal that high self-confidence can also promote unethical behavior. For decades, academic and popular press writers have enjoined individuals to build self-confidence and praised its benefits (e.g., Bandura 1977, 1993; Gist and Mitchell 1992; Hannah et al. 2011; MacNab and Worthley 2008; O’Connor and Arnold 2001; Sullivan et al. 2006; Walumbwa et al. 2011). As Bandura (1993) asserted, “Once formed, [self-] efficacy beliefs contribute significantly to the level and quality of human functioning” (145). Surprisingly little attention, however, has been devoted to the *potential costs* of boosting self-confidence. Our research considers an important and previously over-looked consequence to boosting self-confidence: the use of self-interested deception.

## Deception

We define deception as the intentional misrepresentation of information or emotions (Fulmer et al. 2009; Gaspar et al. 2015; Gaspar and Schweitzer 2013). This definition has two key elements: (1) intentionality—deceivers must intend to mislead a target, and (2) misrepresentation—the information or emotion communicated must be false.

Though individuals may lie to benefit others (e.g., “Your haircut looks great;” Levine and Schweitzer 2014, 2015), we focus on self-interested deception, the least ethical and permissible form of deception. Negotiators consistently perceive self-interested lies to be inappropriate (Lewicki and Robinson 1998; Robinson et al. 2000) and punish deceptive counterparts (Boles et al. 2000; Bornstein and Weisel 2010; Brandts and Charness 2003; Schweitzer et al. 2002).

The prospect of retaliation makes the decision to use self-interested deception risky. Lewicki (1983) postulated that the decision to use deception is a product of negotiators’ perceptions of the costs and the benefits of deception. In this framework, the cost of engaging in deception reflects the likelihood of detection and the consequences of detected deception. Importantly, Lewicki (1983) recognized that perceptions of the likelihood of detection, the consequences of detected deception, and the benefits of deception may be inaccurate.

An emerging literature on deception has begun to identify factors that influence the deception decision process. This research finds that people with a pro-self motivation are more likely to use deception than those with a prosocial motivation (Steinel 2015; Steinel et al. 2010) and that people

with a competitive frame are more likely to lie than those with a cooperative frame (Schweitzer et al. 2005; Steinel and De Dreu 2004). People are also more likely to use deception when information is ambiguous (Schweitzer and Hsee 2002), when they can readily rationalize their use of deception (Gaspar et al. 2015; Gino and Ariely 2012; Shalvi et al. 2011), and when they are in positions of power (Olekalns et al. 2014a, b). Interpersonal trust (e.g., Olekalns and Smith 2007, 2009; Yip and Schweitzer 2015), positive and negative emotions (Methasani et al. 2017; Moran and Schweitzer 2008; Olekalns and Smith 2009; Yip and Schweitzer 2016), and the types of questions people ask (Minson et al. 2018; Schweitzer and Croson 1999) can also influence the decision to use deception.

In our investigation, we build on Lewicki's (1983) deception decision framework and consider a potentially important, but neglected factor: negotiator self-confidence. In particular, we explore how negotiator self-efficacy influences negotiators' perceptions of the costs of deception and, through these perceptions, their use of deception in negotiations. We focus particular attention on negotiators' perceptions of the risk of detection, a central input in the cost–benefit analysis.

## Self-Confidence and Negotiator Self-Efficacy

We define self-confidence as an individual's belief that he or she can perform well across a variety of situations (Chen et al. 2001; Eden and Aviram 1993; Eden 1988; Judge et al. 1998; Sherer et al. 1982).<sup>2</sup> In the popular and the academic press, scholars often advocate for building self-confidence. Indeed, self-confidence is associated with important outcomes in everyday life. For instance, self-confidence is positively related to self-esteem (Chen et al. 2001; Eden and Aviram 1993), a learning goal orientation (Chen et al. 2000), and performance and satisfaction in the workplace (Judge and Bono 2001).

Self-efficacy reflects self-confidence in a specific domain (Bandura 1986, 1997; Gist and Mitchell 1992; Lee, and Bobko 1994).<sup>3</sup> For example, individuals may possess leadership self-efficacy (Paglis and Green 2002), entrepreneurial self-efficacy (Zhao et al. 2005, or creative self-efficacy (Tierney and Farmer 2002). Self-efficacy is an important construct for understanding behavior in negotiations and organizations, as recent studies indicate that self-efficacy is more predictive of task-related outcomes than general feelings of self-confidence (for a review and discussion, see Chen et al. 2001).

In this article, we focus on a particular type of self-confidence that is likely to matter in a domain that is a “breeding ground” for self-interested deception: negotiator self-efficacy. Following prior research, we define negotiator self-efficacy as a negotiator's belief in his or her ability to perform well in a negotiation (Brooks and Schweitzer 2011; Sullivan et al. 2006).

Compared to individuals low in negotiator self-efficacy, individuals high in negotiator self-efficacy are more likely to feel that they can persuade their counterparts to make concessions, convince their counterparts to take their perspective, and prevent their counterpart from exploiting their weaknesses (Sullivan et al. 2006). Individuals high in negotiator self-efficacy are also more likely to feel that they can find mutually beneficial trade-offs, maximize joint interests, and establish rapport with their counterparts (Sullivan et al. 2006).

Negotiator self-efficacy impacts not only negotiators' beliefs, but also their negotiation decisions and outcomes. For instance, Sullivan et al. (2006) find that negotiator self-efficacy influences the selection of negotiation tactics (e.g., establishing a high level of rapport with a counterpart, persuading a counterpart to make most of the concession), and Brooks and Schweitzer (2011) and Arnold and O'Connor (2006) find that negotiator self-efficacy influences persistence in negotiations. These studies also show that negotiator self-efficacy influences negotiation performance, such that individuals high in negotiator self-efficacy obtain better outcomes than individuals low in negotiator self-efficacy (Arnold and O'Connor 2006; Brooks and Schweitzer 2011; Sullivan et al. 2006).

In this article, we extend prior investigations of negotiator self-efficacy to a particularly important and ubiquitous decision in negotiations and interpersonal interactions: the decision to use deception. We consider negotiators' perceptions of deception and their use of deception. We expect negotiator self-efficacy to influence perceptions of the cost of deception. In particular, we expect people high in negotiator self-efficacy to perceive less risk in their use of deception than people low in negotiator self-efficacy. We also expect people high in negotiator self-efficacy to be more likely to use deception than people low in negotiator self-efficacy, and we expect perceptions of the risk of detection to mediate this relationship.

In our studies, we measure perceptions, intentions, and the use of deception across different domains including incentivized negotiations, and we both measure and manipulate negotiator self-efficacy. This approach is consistent with prior work that has studied negotiator self-efficacy as both a trait (e.g., Arnold and O'Connor 2006; Sullivan et al. 2006) and a state (Brooks and Schweitzer 2011). Across our studies, we find consistent support for our thesis that negotiator self-efficacy influences perceptions of the costs of

<sup>2</sup> This is sometimes termed “general self-efficacy.”

<sup>3</sup> This is sometimes termed “specific self-efficacy.”

deception and, through these perceptions, the use of deception in negotiation.

## Hypotheses

The decision to use deception is guided by negotiators' perceptions of the costs and the benefits of engaging in deception (Lewicki 1983). Individuals are deterred from engaging in deception when the *expected costs* of engaging in deception (e.g., the likelihood of detection and the consequences detected deception) are high (for a recent discussion, see Warren and Schweitzer 2018). Conversely, individuals are more likely to engage in deception when the *expected benefits* of engaging in deception (e.g., additional profit) by misleading a counterpart are high (for a discussion on expected costs and benefits, see Gino and Shea 2012; Gino et al. 2009). For instance, Tenbrunsel (1998) found that negotiators with high incentives are more likely to misrepresent information than were those with low incentives, and Kajackaite and Gneezy (2017) found that economic incentives predictably influence deception in "games, such that "when benefit from lying increases, more people choose to lie" (p. 442).

In our investigation, we explore how negotiator self-efficacy influences subjective assessments of the costs of engaging in deception. Surprisingly, very little research has explored how individuals form their beliefs regarding the expected costs of deception. In our studies, we focus our attention on a particularly important component of the cost of deception: perceptions of the risk of detection. In addition to Lewicki's (1983) theoretical model, theoretical and empirical research in the fields of economics, criminology, and sociology indicates that risk perceptions profoundly influence the use of deception and related forms of unethical behavior (Becker 1968; Kajackaite and Gneezy 2017; Paternoster and Simpson 1996). In fact, in recent work in experimental economics, Kajackaite and Gneezy (2017) manipulated the likelihood of deception detection and concluded that "our results show that for many participants, the decision to lie follows a simple cost–benefit analysis" (p. 433).

Only a few studies have explored negotiator self-efficacy. This research has consistently identified the benefits of high negotiator self-efficacy. These studies have found individuals high in negotiator self-efficacy are more persistent (e.g., less likely to exit the negotiation early) and perform better in negotiations (Arnold and O'Connor 2006; Brooks and Schweitzer 2011; Sullivan et al. 2006) than individuals low in negotiator self-efficacy. In addition, Sullivan et al. (2006) found that individuals high in negotiator self-efficacy believe that they can more effectively persuade their counterparts than those low in negotiator self-efficacy.

Other research on self-efficacy provides further insights into the influence of negotiator self-efficacy on perceptions of the costs of deception. In particular, Krueger and Dickson (1994) found that risk self-efficacy—an individual's confidence in his or her ability to understand risk—influences risk perceptions in traditional economic tasks. In their research, they considered classic risk dilemmas and gambling decisions. They found that high (low) task-related risk self-efficacy leads people to perceive more opportunity (risk) on these specific tasks (i.e., risk dilemmas and gambling decisions). Interestingly, risk self-efficacy did not generalize to another, related task. In our studies, we consider a very different type of self-efficacy, negotiator self-efficacy, and we consider risk perceptions related to an interpersonal decision in a context that often tempts individuals to engage in deception.

Taken together, this research shows that self-efficacy can influence perceptions of risk (people perceive less risk in their decisions) and that negotiator self-efficacy can influence beliefs about how persuasive believe themselves to be someone is (people perceive themselves to be persuasive). We extend this research to negotiator self-efficacy and the context of deception in negotiations and postulate that compared to individuals low in negotiator self-efficacy, individuals high in negotiator self-efficacy will perceive less risk to the use of deception, such that they believe that they are less likely to be caught using deception to mislead their counterpart.

**Hypothesis 1** Individuals high in negotiator self-efficacy will perceive the decision to deceive others as less risky than individuals low in negotiator self-efficacy.

The likelihood of deception detection is a critical input in rational choice models of the deception decision process (for a discussion, see Gaspar and Schweitzer 2013; Gino and Shea 2012; Gino et al. 2009). In Lewicki's (1983) model, perceptions of the risk of detection are inversely related to the decision to use deception. As a result, we expect negotiator self-efficacy to also influence deception decisions.

Taken together, Hypothesis 1, which predicts that negotiator self-efficacy reduces perceptions of the risk of deception, and Lewicki's (1983) postulate that individuals are more likely to use deception if they perceive lower risks of deception, suggests that negotiator self-efficacy will influence the use of deception. In particular, we expect individuals high in negotiator self-efficacy to be more likely to use deception than individuals low in negotiator self-efficacy, and we expect perceptions of the risk of deception to mediate this relationship.

**Hypothesis 2** Individuals high in negotiator self-efficacy are more likely to use deception than individuals low in negotiator self-efficacy.

**Hypothesis 3** Perceptions of the risk of deception mediate the relationship between negotiator self-efficacy and the use of deception.

## Study 1

In Study 1, we consider the relationship between negotiator self-efficacy and subjective perceptions of the cost of deception. In this study, we manipulated negotiator self-efficacy, and we measured deception risk perceptions.

### Participants

We recruited 120 individuals through Amazon's Mechanical Turk to participate in an online study in exchange for \$0.40. Participants were mostly male (60.0%) and, on average, 33.81 years old. We described the study as a series of unrelated tasks on negotiation and decisions.

### Procedures

We randomly assigned participants to one of two conditions: high negotiator self-efficacy or low negotiator self-efficacy. We manipulated negotiator self-efficacy with the Negotiation Aptitude Test (NAT; Brooks and Schweitzer 2011). Following this manipulation, participants reported their perceptions of the risk of engaging in deception.

### Manipulation

We manipulated negotiator self-efficacy through the Negotiation Aptitude Test (NAT; Brooks and Schweitzer 2011). In this task, participants answered questions about how they would react to ten negotiation scenarios. We then provided participants with false performance feedback. Consistent with Brooks and Schweitzer (2011), in the high self-efficacy condition, we informed participants that they had scored in the 97th percentile on the NAT; in the low self-efficacy condition, we informed participants that they had scored in the 47th percentile on the NAT. We randomly assigned participants to these conditions. We report the full scenarios for this manipulation in "Appendix A".

### Risk of Deception Measure

We asked participants to indicate the likelihood (1 = not at all likely to 7 = very likely) that, if they had engaged in deception in a negotiation, their "counterpart would have

detected the deception" and that their "deception would have gone unnoticed." The two questions were highly correlated ( $r = -0.70, p < 0.001$ ). For this reason, we reverse-scored the first question and averaged participants' responses to form a single measure of the perceived risk of engaging in deception ( $\alpha = 0.82$ ).

### Pilot Study

We were concerned that measuring negotiator self-efficacy in our main study would make the purpose of our study transparent and potentially trigger effects, such as demand effects, that might bias our findings. As a result, we confirmed that effectiveness of our manipulation of negotiator self-efficacy in a pilot study rather than in the main study.

For the pilot study, we recruited a non-overlapping sample of 120 individuals on Amazon's Mechanical Turk to participate in an online study in exchange for \$0.40. Participants were mostly male (66.67%) and, on average, 32.86 years old. We described the study to participants as a series of unrelated tasks on negotiation and decisions.

In the pilot study, we randomly assigned participants to one of two conditions: high negotiator self-efficacy or low negotiator self-efficacy (Brooks and Schweitzer 2011). Following this manipulation, participants completed O'Connor and Arnold (2001) ten-item measure of negotiator self-efficacy (1 = strongly disagree, 5 = strongly agree;  $\alpha = 0.95$ ). The ten-item self-efficacy scale included items such as, "I think I can reach a high level of performance in this negotiation," and "I am confident in my ability to perform effectively in this negotiation task." We report the full set of items for this scale in "Appendix B".

We conducted an independent samples *t*-test to compare negotiator self-efficacy between the conditions. The results confirmed the effectiveness of the manipulation. Participants in the high negotiator self-efficacy condition reported that they were more confident in their negotiation ability ( $M = 3.60, SD = 0.70$ ) than were participants in the low negotiator self-efficacy condition ( $M = 3.18, SD = 0.88, t [118] = 2.91, p < 0.01$ ).

### Results

We conducted a two-sample *t*-test to compare the perceived risk of engaging in deception in the high negotiator self-efficacy and low negotiator self-efficacy conditions. Consistent with our prediction, we found that participants in the high self-efficacy condition were more likely to believe that their use of deception would go unnoticed and undetected ( $M = 4.18, SD = 1.49$ ) than were participants in the low self-efficacy condition ( $M = 3.67, SD = 1.24, t [118] = 2.01, p < 0.05$ ).

## Discussion

Results from this study demonstrate that negotiator self-efficacy influences subjective perceptions of the cost of deception. In particular, our results reveal that compared to negotiators low in self-efficacy, negotiators high in self-efficacy are more likely to believe that their deception will go undetected. These findings suggest that negotiator self-efficacy shifts negotiators' perceptions of the risk—and therefore the costs—of engaging in deception.

## Study 2

In Study 2, we establish a link between negotiator self-efficacy and deception. In this study, we measure both negotiator self-efficacy and intentions to use deception.

## Participants

We recruited 120 individuals via Amazon's Mechanical Turk to participate in an online study in exchange for \$0.40. The 119 participants who completed the study were mostly male (63.03%), and, on average, 29.93 years old. They had an average of 10.14 years of work experience. We described the study to participants as a series of unrelated tasks on negotiation and decisions.

## Procedure and Measures

We collected measures of both negotiator self-efficacy and intentions to use deception in a negotiation.

First, participants answered questions about their confidence in their ability to negotiate. We used the same ten-item measure of negotiator self-efficacy that we used in Study 1 (1 = strongly disagree, 5 = strongly agree;  $\alpha = 0.91$ ; O'Connor and Arnold 2001), as well as Sullivan et al.'s (2006) four-item measure of negotiator self-efficacy (0 = no confidence, 100 = full confidence;  $\alpha = 0.90$ ). The ten-item self-efficacy scale included items such as, "I think I can reach a high level of performance in this negotiation, and "I am confident in my ability to perform effectively in this negotiation task." The four-item negotiator self-efficacy scale (distributive) included items such as, "persuade the other negotiator to make most of the concessions" and "convince the other negotiator to agree with you." We report the full set of items for these scales in "Appendix B".

Second, participants completed the eight-item version of the SINS scale developed by Moran and Schweitzer (2008), which measures intentions to use deception in a negotiation. In this scale, participants indicated how likely (1 = not at all likely, 7 = very likely;  $\alpha = 0.78$ ) they would be to use a series of eight deceptive tactics in an "important" negotiation. The

**Table 1** Study 1: descriptive statistics and correlations

	Mean	Std. Dev.	Negotiator self-efficacy 1 <sup>a</sup>	Negotiator self-efficacy 2 <sup>b</sup>
Negotiator self-efficacy 1 <sup>a</sup>	3.60	0.63		
Negotiator self-efficacy 2 <sup>b</sup>	65.21	18.30	0.83***	
Deception intentions	4.03	1.02	0.30***	0.37***

\*\*\* $p < 0.001$ , \*\* $p < 0.01$ , \* $p < 0.05$

<sup>a</sup>O'Connor and Arnold (2001)

<sup>b</sup>Sullivan et al. (2006)

scale included items such as, "intentionally misrepresent information to your counterpart in order to strengthen your negotiation arguments or positions" and "deny the validity of information which your counterpart has that weakens your negotiating position, even though that information is true and valid." We report the eight items in "Appendix C".

## Results

We found that individuals high in negotiator self-efficacy were more likely to report that they would deceive others than individuals low in negotiator self-efficacy. We report the descriptive statistics and correlations for our measures in Table 1.

We conducted two regression analyses. In both analyses, we included intentions to use deception as the dependent variable and negotiator self-efficacy and gender as the independent variables. We included gender as a control variable, as recent research indicates that males and females differ in their tendency to use deception in negotiation (Kennedy et al. 2017).

In the first analysis, we used the O'Connor and Arnold (2001) measure of negotiator self-efficacy, and we found that negotiator self-efficacy predicts intentions to use deception ( $\beta = 0.49$ ,  $SE = 0.14$ ,  $p < 0.01$ ). In the second analysis, we used the Sullivan et al. (2006) measure of self-efficacy, and we again found that negotiator self-efficacy predicts intentions to use deception ( $\beta = 0.02$ ,  $SE = 0.00$ ,  $p < 0.001$ ). Gender did not predict the use of deception ( $p = n.s.$ ). Taken together, we found that negotiators high in self-efficacy reported that they were more likely to use deception than were negotiators lower in self-efficacy.

## Discussion

In Study 2, we establish a link between negotiator self-efficacy and the use of deception. In particular, we find that participants who reported high negotiator self-efficacy were

more likely to intend to use deception than were participants who reported low negotiator self-efficacy.

Though this study identifies a significant link between negotiator self-efficacy and intentions to use deception, it suffers from two limitations. First, our methodological approach limits our ability to establish a causal relationship. Second, we measured deception intentions rather than deceptive behavior. Third, we didn't directly test our full model. We address all three of these limitations in our subsequent studies.

### Study 3

In Study 3, we extend our investigation by manipulating rather than measuring self-efficacy. This enables us to draw a causal link between self-efficacy and deception.

#### Participants

We recruited 120 individuals via Amazon's Mechanical Turk to participate in an online study in exchange for \$0.40. Participants were mostly male (74.17%), and, on average, 32.18 years old. They had an average of 12.05 years of work experience. We described the study to participants as a series of unrelated tasks on negotiation and decisions.

#### Procedure and Design

In this study, we randomly assigned participants to one of two conditions: high negotiator self-efficacy or low negotiator self-efficacy. Following this manipulation, participants responded to the same measure of intentions to use deception as we used in Study 2.

#### Manipulation

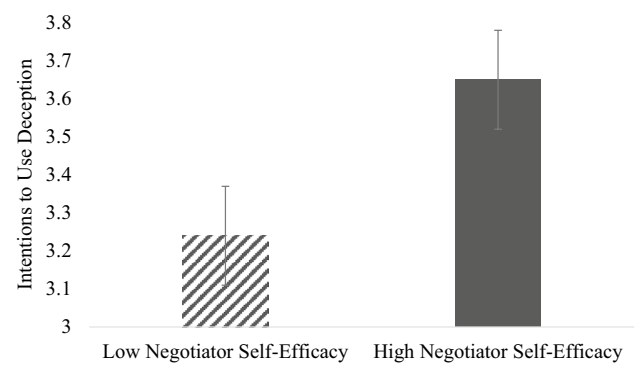
We manipulated negotiator self-efficacy through the NAT that we used in Study 1 (Brooks and Schweitzer 2011).

#### Dependent Measure

Following the manipulation of negotiator self-efficacy, participants responded to the same intention questions as those we used in Study 2 ( $\alpha = 0.78$ ).

#### Results

We conducted an independent samples *t*-test to compare intentions to use deception in the low negotiator self-efficacy condition and the high negotiator self-efficacy condition. Consistent with our prediction, participants in the high negotiator self-efficacy condition reported that they were



**Fig. 2** Study 3: the effect of negotiator self-efficacy on intentions to use deception ( $t [118] = 2.17, p < .05$ )

more likely to intend to use deception ( $M = 3.65, SD = 1.10$ ) than were participants in the low negotiator self-efficacy condition ( $M = 3.24, SD = 0.94, t [118] = 2.17, p < 0.05$ ; see Fig. 2).

#### Discussion

In this study, we manipulated negotiator self-efficacy and again link negotiator self-efficacy with intentions to engage in deception. In Study 2, we find that individuals with high negotiator self-efficacy are more likely to report that they would engage in deception than are those with low negotiator self-efficacy. In Study 3, we find that individuals exposed to a high negotiator self-efficacy manipulation are more likely to report that they would engage in deception than those exposed to a low negotiator self-efficacy manipulation.

### Study 4

In Study 4, we extend our investigation to study deception behavior. In this study, we manipulated negotiator self-efficacy, and we measured deception in a negotiation task that involved monetary stakes. As in many natural negotiation settings, the negotiation task in this study afforded participants the opportunity to mislead their counterpart.

#### Participants

We recruited 229 individuals from a Northeastern university to participate in a laboratory study in exchange for a \$10 and the opportunity to earn additional money. We described the study to participants as a series of unrelated tasks on negotiation and decisions. In our analyses, we report the results from the 201 participants who completed the comprehension check and did not report suspicion. Participants were mostly female (59.70%) and, on average, 21.03 years old.

## Procedure/Design/Manipulation

We assigned participants to one of two conditions: high negotiator self-efficacy or low negotiator self-efficacy. As in Studies 1 and 3, we manipulated negotiator self-efficacy with the *NAT*. Following this manipulation, participants completed a computer-mediated negotiation task.

## Negotiation Task

The negotiation task involved the sale of a used iPod. We provided participants with information about the iPod, and we informed participants they would receive a cash payment equivalent to 5% of the negotiated price. We include the study material in “Appendix D”.

In the negotiation task, we informed participants that we would randomly assign them to a role (buyer vs. seller of the iPod) and a negotiation partner (another participant). In reality, we assigned all participants to the role of seller, and we had all participants negotiate with a pre-programmed computer.

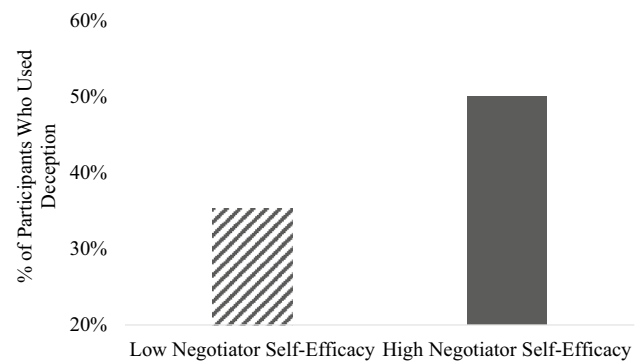
We also informed participants that the iPod had frozen twice and that they had had to reload their music, and that only they—as the seller of the iPod—had this information. Participants then negotiated via chat and received a message from their “counterpart” that included the question, “The iPod doesn’t have any problems, does it?” This question, and the asymmetric information participants had regarding the iPod, afforded participants the opportunity to use deception with respect to the freezing problem with the iPod.

## Deception Measure

To measure deception, we had two research assistants who were blind to the purpose of the study and the experimental conditions code participants’ responses. The research assistants knew the full set of information about the iPod and coded whether or not the seller had been deceptive (i.e., concealed the problem with the iPod; e.g., “Nope, perfect working condition. Mint new appearance. Great deal! 😊”) or not deceptive (i.e., revealed the problem with the iPod; e.g., “It froze twice but I fixed it myself just by looking it up online. I just had to reupload my songs from my computer”). It was very clear to raters whether or not participants lied about the condition of the iPod. The interrater reliability for the coding was 1.00 (perfect agreement).

## Results

We conducted a  $\chi^2$  analysis to compare the use deception in the low negotiator self-efficacy and high negotiator self-efficacy conditions. The results indicated that participants in the high negotiator self-efficacy condition were more likely to



**Fig. 3** Study 4: percent of participants who used deception in the low and high negotiator self-efficacy conditions ( $\chi = 4.40$ ,  $p < 0.05$ )

conceal the problem with the iPod (50.0%) than were negotiators in the low negotiator self-efficacy condition (35.35%,  $\chi^2 = 4.40$ ,  $p < 0.05$ ; see Fig. 3). These results support our prediction that negotiators high in self-efficacy are more likely to use deception than negotiators low in self-efficacy.

## Discussion

In this study, we manipulated negotiator self-efficacy, and we measured negotiator behavior. Consistent with the results of Studies 2 and 3, we find that negotiators high in self-efficacy are more likely to engage in deception than those low in self-efficacy.

## Study 5

In Study 5, we test our full model and the mechanism underlying the relationship between negotiator self-efficacy and deception. In particular, we examine whether perceptions of the risk of deception (see Study 1) mediate this relationship.

## Participants

We recruited 65 business professionals enrolled in management courses at two Northeastern universities to participate in the study in exchange for extra course credit. Participants were mostly female (56.92%) and, on average, 34.46 years old. They had an average of 13.51 years of full-time work experience. We described the study to participants as a series of unrelated tasks on negotiations and decisions.

## Procedure and Measures

We collected measures of negotiator self-efficacy, intentions to use deception in a negotiation, and perceptions of the risk of deception. First, participants responded to the same four-item measure of negotiator self-efficacy that we



**Table 2** Study 5: descriptive statistics and correlations

	Mean	Std. Dev.	Negotiator Self- efficacy	Risk perceptions	Gender
Negotiator self-efficacy	71.47	17.57			
Risk perceptions	4.43	1.68	-0.27*		
Gender <sup>a</sup>	0.43	0.50	0.02	-0.19	
Deception Intentions	2.86	1.21	0.42***	-0.59***	0.35**

\*\*\* $p < 0.001$ , \*\* $p < 0.01$ , \* $p < 0.05$

<sup>a</sup>1 = male, 0 = female

used in Study 2 ( $\alpha = 0.88$ ; Sullivan et al. 2006). Second, participants responded to the same eight-item version of the SINS scale that we used in Study 2 ( $\alpha = 0.92$ ; Moran and Schweitzer 2008). Third, participants indicated their perceptions of the risk of deception. We used the items that we used in Study 1 to assess the likelihood that, if participants had engaged in deception in the negotiation, their deception would have gone “unnoticed and undetected.” As in Study 1, we reversed-scored this construct so that higher scores correspond to increased risk perceptions.

## Results

We conducted a series of analyses to compare the responses of participants at the two universities. We found no differences between participants in their responses to any of our measures (negotiator self-efficacy, risk perceptions, and use of deception; all  $p = n.s.$ ), and we report the results of the analyses for the full sample of all participants.

We found that individuals high in negotiator self-efficacy were more likely to report that they would deceive others than individuals low in negotiator self-efficacy. We also found that perceptions of the risk of deception mediate this relationship. We report the descriptive statistics and correlations for our measures in Table 2.

### Negotiator Self-Efficacy and Use of Deception

We conducted a regression analysis with intentions to use deception as the dependent variable and negotiator self-efficacy and gender as the independent variables. We included gender as a control variable, as recent research indicates that males and females differ in their tendency to use deception in negotiation (Kennedy et al. 2017).

We found that negotiator self-efficacy predicts the use of deception ( $\beta = 0.03$ ,  $SE = 0.01$ ,  $p < 0.001$ ). In support of our prediction, individuals high in negotiator self-efficacy indicated that they were more likely to use deception than individuals low in negotiator self-efficacy. We also found that gender predicts the use of deception ( $\beta = 0.82$ ,  $SE = 0.26$ ,  $p < 0.01$ ). Consistent with recent research on gender and

deception, males indicated that they were more likely to use deception than individuals low in negotiator self-efficacy.

### Mediation Analysis

We assessed whether perceptions of the risk of deception mediate the relationship between negotiator self-efficacy and deception using two different approaches. We controlled for gender (see prior discussion) in both of these analyses. The results of both of these analyses support our prediction that perceptions of the risk of deception mediate the relationship between negotiator self-efficacy and the use of deception in negotiation.

First, we followed the traditional mediation approach recommended in Baron and Kenny (1986). In support of our prediction, we found that negotiator self-efficacy predicts the use of deception ( $\beta = 0.03$ ,  $SE = 0.01$ ,  $p < 0.001$ ), that negotiator self-efficacy predicts perceptions of the risk of deception ( $\beta = -0.03$ ,  $SE = 0.01$ ,  $p = 0.03$ ), and that perceptions of the risk of deception mediate the relationship between negotiator self-efficacy and intentions to use deception (*Sobel Test Statistic* = 2.55,  $SE = 0.00$ ,  $p = 0.01$ ).

Second, we followed the indirect-bootstrapping approach recommended in Preacher and Hayes (2008). We performed 5000 bootstrap resamples and used 95% bias-corrected confidence intervals. In support of our prediction, we found that perceptions of the risk of deception mediate the relationship between negotiator self-efficacy and intentions to use deception (indirect effect = 0.01,  $SE = 0.01$ , 95% bias-corrected CI 0.0005 to 0.0202).

## General Discussion

Our findings establish a significant link between confidence and deception. In our studies, we focus on deception in negotiation and negotiator self-efficacy, confidence in one’s negotiating ability. We found that compared to individuals low in negotiator self-efficacy, individuals high in negotiator self-efficacy perceive lower costs (i.e., less risk) to the use of deception. We also found that individuals high in negotiator self-efficacy are more likely to use deception than are

individuals low in negotiator self-efficacy. In our studies, we link both trait (Studies 2 and 5) and state (Studies 1, 3, and 4) negotiator self-efficacy to the decision to use deception.

We establish this relationship within the context of negotiations, where deception poses a particularly pernicious problem. In Study 1, we manipulated negotiator self-efficacy, and we measured subjective perceptions of the costs of deception. We found that individuals high in negotiator self-efficacy perceive less risk (and therefore lower costs) to the use of deception than individuals low in negotiator self-efficacy. In Study 2, we measured negotiator self-efficacy and intentions to use deception, and we found that individuals high in negotiator self-efficacy were more likely to intend to use deception than individuals low in negotiator self-efficacy. In Studies 3 and 4, we manipulated negotiator self-efficacy and found that individuals high in negotiator self-efficacy were more likely to intend to use (Study 3) and to use (Study 4) deception than individuals low in negotiator self-efficacy. In Study 5, we assess our full model and find that perceptions of the risk of deception mediate the relationship between negotiator self-efficacy and the use of deception. Our studies identify a causal link between self-efficacy and deception and reveal that this link is robust to both trait and state self-efficacy. Taken together, our findings provide consistent evidence that negotiator self-efficacy promotes the use of deception in negotiation.

## Theoretical Implications

Our findings inform several theoretical implications. First, our studies are the first to demonstrate that self-confidence promotes the use of deception. In particular, our studies are the first to link both trait and state negotiator self-efficacy to deception in negotiation. In a series of studies, we find consistent support for our thesis that negotiator self-efficacy will influence perceptions of the risk of engaging in deception, intentions to use deception, and the use of deception. Interestingly, we find that negotiator self-efficacy is associated with broad conversational confidence. Though the ability to effectively tell lies and to mitigate the harmful consequences of detected deception is not part of how we conceived, measured, or manipulated negotiator self-efficacy, this is a critical, related skill that individuals conflate with high negotiator self-efficacy.

Second and importantly, our findings challenge the “instrumental” conceptualization of deception. According to this conceptualization, “bargainers (a) will use deception as a means to reach their goals in bargaining but (b) will refrain from using deception when they have alternative means to reach their goals” (Koning et al. 2010, p. 57). That is, because individuals high in negotiator self-efficacy are less likely to need to use deception to increase their outcomes than those low in negotiator self-efficacy, the instrumental

approach predicts that individuals high in negotiator self-efficacy are *less* likely to use deception than those low in negotiator self-efficacy. In contrast to the instrumental theory of deception, we find that those *low* in self-efficacy are *less* likely to use deception than those high in self-efficacy. Quite possibly it is those least likely to benefit from deception who are the most likely to use deception, and those most likely to need deceptive tactics are those least likely to use deception.

Third, our results provide insights into the deception decision *process*. In many theoretical models, perception of the risk of detection is an important input in the deception decision process. For instance, Lewicki (1983) proposed that negotiators will engage in deception if they perceive that the benefits of engaging in deception outweigh the costs of engaging in deception. However, surprisingly little prior research has considered factors that influence these risk perceptions (for an exception, see Moran and Schweitzer 2008). In this article, we highlight one critical factor that is especially likely to influence perceptions of the costs of engaging in deception: negotiator self-efficacy. In particular, we demonstrate that negotiators high in self-efficacy perceive less risk in the decision to use deception than negotiators low in self-efficacy.

Finally, though the academic and popular press has broadly advocated for building self-confidence and praised it as beneficial to individuals, organizations, and societies (e.g., Bandura 1977, 1993; Gist and Mitchell 1992; Hannah et al. 2011; MacNab and Worthley 2008; O’Connor and Arnold 2001; Sullivan et al. 2006; Walumbwa et al. 2011), results from our studies reveal that high self-efficacy may promote unethical behavior. In particular, we find that people high in negotiator self-efficacy are more likely to intend to use and to use deception than are people low in negotiator self-efficacy. Our research highlights an important and previously overlooked consequence to boosting self-confidence: an increase in unethical behavior.

## Future Research and Limitations

We see several opportunities for future research. First, we encourage future work to further expand our understanding of the mechanics of the deception decision process. By deepening our understanding, we can better predict when deception is most likely to pose a problem. Our work reveals that both trait and state characteristics influence deception. Future work should extend our investigation to consider other trait and state characteristics such as the emotions, the conflict frames, the moral frameworks, and the regulatory foci of negotiators. In particular, this research should consider the individual and situational factors that may moderate the relationship between negotiator self-efficacy and

deception. For instance, moral identity (Aquino and Reed 2002) and interpersonal trust (e.g., Olekalns and Smith 2007, 2009) may moderate this relationship. Theory and research on ethical decision making in organizations is likely to offer important insights into these and other moderators (e.g., Reynolds 2006, 2008; Reynolds and Ceranic 2007; Reynolds et al. 2010; Treviño and Weaver 2003; Treviño et al. 2006; Wasieleski and Hayibor 2008; Wasieleski and Weber 2009; Weber 1990, 1996; Weber and Wasieleski 2001, 2013).

Second, though our studies focus on the use of deception, future work should explore ways to curtail the risk of being deceived. For potential targets of deception, it is important to explore strategic tactics and approaches for curtailing deception. Some of these approaches might directly influence subjective perceptions of deception detection, such as sharing anecdotes about negotiators who were caught telling lies. Other approaches might attempt to influence perceptions of self-efficacy. Indeed, our studies indicate that self-efficacy is labile and that tactics that can influence self-efficacy may also influence deception. Future work should also consider how negotiators can manipulate perceptions of the context to reduce their risk of being deceived (e.g., competitive and cooperative perceptions; Reynolds et al. 2010).

Third, future research could further develop our understanding of negotiator self-efficacy. Our findings build on recent work that demonstrates that negotiator self-efficacy is highly malleable. Future work should develop our understanding of both the antecedents, such as negotiation experiences and exposure to negotiation courses, and consequences, such as deception and anxiety, of negotiator self-efficacy.

Fourth, future research should extend our studies to include other negotiation tactics. In a series of papers, Lewicki and colleagues (e.g., Lewicki and Robinson 1998; Robinson et al. 2000) found that negotiators clearly differentiate between competitive (ethical) and unethical negotiation tactics. Yet, Schweitzer et al. (2005) found that the line between select competitive (ethical) and unethical tactics is, at times, blurred. Future research should study the relationship between negotiator self-efficacy and the use of competitive, ethical (“hardball”) tactics. This research should also consider the processes through which negotiators rationalize their use of deception to make it more permissible, as well as the tactics that negotiators, organizations, and regulators can use to reduce this tendency.

Fifth, future research is needed to understand the long-term implications of our model. This research should consider negotiator self-efficacy and deception in repeated interactions. This research should also consider long-term risk perceptions. Though we focused on short-term risk perceptions and found that confident negotiators expect their deception to go undetected, the time horizon for deceit may

moderate the relationship between negotiator self-efficacy and deception. Importantly, this type of inquiry will require that scholars adopt more complex study designs than those traditionally used in the deception literature.

Sixth, there is very little research on the traits that influence risk perceptions and, through these perceptions, the use of deception. In this article, we focused on the trait of negotiator self-efficacy. However, much more research is needed to understand the individual and situational factors that influence negotiators’ perceptions of the costs and benefits of deception and, as a result, their use of deception in negotiations. We believe that this is a particularly important area of inquiry for scholars to consider.

Finally, our studies focused on self-efficacy in the context of negotiations. Future work should extend our investigation to other domains, such as interviews, expense reporting, and situations that include conflicts of interest. Our findings link self-confidence in negotiations with deception within negotiations. It is unclear how self-efficacy in one domain might influence deception in a second domain. More importantly, individuals may develop *deception self-efficacy*. This type of self-efficacy may broadly influence behavior across a range of domains. We call for future work to explore deception self-efficacy and related constructs.

## Practical Implications

Our findings inform a number of practical implications. First, our findings identify an important risk factor for deception. When we face a confident counterpart, we should be especially vigilant. We should also recognize that confident negotiators may misperceive their risk of being detected. Prescriptively, we should be particularly vigilant, verify claims, and ask probing questions when we face confident negotiators.

Second and related to the prior, our findings suggest approaches to curtail the risk of being deceived. In particular, our findings suggest negotiators should use tactics to reduce the confidence of their counterparts and/or take actions to influence their counterparts’ perceptions of the costs of deception. Importantly, our findings indicate that it is the subjective perceptions of these costs (not the actual costs) that matter. Negotiators should focus on increasing counterparts’ perceptions of these costs, as this should reduce the likelihood that counterparts use deception.

Third, our findings offer advice to confident negotiators and those who seek to become confident through negotiation training. In particular, negotiators’ perceptions of the risks of getting caught using deception can shift as they develop confidence. Negotiators should recognize how their subjective perceptions change when they feel confident. They should also recognize that this shift can get them into trouble. For instance, detected deception harms interpersonal trust (Boles

et al. 2000; Schweitzer et al. 2006) and increases the likelihood of retaliation and retribution (Boles et al. 2000; Wang et al. 2009). These lessons may be especially important for negotiation instructors seeking to instill confidence in their students.

Finally, our findings demonstrate the importance of including ethics training in programs designed to increase the self-efficacy of employees. Our findings indicate that self-efficacy programs may have unintended effects in the absence of a strong moral (normative) component. It is important for organizations to instill a strong moral compass in negotiators enrolled in these and related training programs. Our research suggests that programs designed to enhance self-efficacy may have predictable and unintended consequences.

## Conclusion

There are enormous benefits to feeling confident. We reveal, however, that self-confidence is also associated with unethical behavior. Confident negotiators are more likely to believe that their use of deception will go undetected and are more likely to intend and to engage in deception than less confident negotiators. Executives, politicians, and leaders who feel confident and work to instill confidence in others should be mindful of the parallel challenge of instilling a strong moral compass.

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## Compliance with Ethical Standards

**Conflict of interest** All authors declare that he has no conflict of interest.

**Ethical Approval** All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki Declaration and its later amendments or comparable ethical standards.

## Appendix A

### Negotiation Aptitude Test (Negotiator Self-Efficacy Manipulation)

1. Imagine that you want to purchase a house that has a list price of \$500,000, but comparable prices for homes

range from \$350,000 to \$450,000. You can afford to pay \$400,000. The housing market is rising (house prices are increasing), and there are three other buyers interested in the same house. Of the following options, which is best? a. Wait for another buyer to make an initial offer. b. Offer \$400,000 before the other buyers make offers. c. Offer \$350,000 before the other buyers make offers. d. Look for a different house that has fewer interested buyers.

2. Imagine that you want to buy a house that has a list price of \$200,000, but comparable prices for homes range from \$150,000 to \$250,000. You can afford to pay \$300,000. The housing market is falling (house prices are decreasing), and there are three other buyers interested in the same house. Of the following options, which is best? a. Wait for another buyer to make an initial offer. b. Make a full price offer of \$200,000 before the other buyers make offers. c. Offer \$150,000 before the other buyers make offers. d. Look for a different house that has fewer interested buyers.
3. Imagine you have been offered a new job. The company has offered you a salary of \$70,000/year. New hires with similar experience, education, and skills are paid \$75,000/year on average. If you do not take the new job, you will go back on the job market, and the unemployment rate is 10% (very high). You have no other outside options. Of the following choices, which is best? a. Tell the company you will only accept the job for \$80,000/year. b. Tell the company you will only accept the job for \$75,000/year. c. Accept the offer at \$70,000/year. d. Reject the offer and go back on the job market.
4. Imagine you have been offered a new job. The company has offered you a salary of \$70,000/year. New hires with similar experience, background, education, and skills are paid \$75,000/year on average. If you do not take the new job, you will go back on the job market, and the unemployment rate is 1% (very low). You have no other outside options. Of the following choices, which is best? a. Tell the company you will only accept the job for \$80,000/year. b. Tell the company you will only accept the job for \$75,000/year. c. Accept the offer at \$70,000/year. d. Reject the offer and go back on the job market.
5. Imagine that you are buying a new car. You have found the exact car that you want, and the dealer has it in stock. The list price is \$35,000, and from your research the dealer invoice is \$28,000. You really like this car, and you would be willing to pay up to \$35,000 for it. You The Anxious Negotiator 40 suspect that other buyers are interested in this same car and that the dealership is not very eager to sell this car. What amount

- would you make for your first offer? a. \$28 K b. \$30 K c. \$33 K d. Make the dealership offer the next price.
6. Imagine that you are buying a new car. You have found the exact car that you want, and the dealer has it in stock. The list price is \$35,000, and from your research the dealer invoice is \$28,000. You really like this car, and you would be willing to pay up to \$35,000 for it. You suspect that other buyers are not interested in this same car and that the dealership is very eager to sell this car. What amount would you make for your first offer? a. \$28 K b. \$30 K c. \$33 K d. Make the dealership offer the next price.
  7. Imagine that you are organizing a large party. You are working with a caterer for a sit-down dinner for 200 people. The caterer is charging you \$100 per person and asks you to commit to the exact number of guests. This caterer is the best in town. You can pay \$20,000, but you would prefer to pay less. How would you respond to this caterer? a. Pay full price to ensure good service. b. Offer the caterer \$80 per person and commit to 200 people. c. Offer the caterer \$100 per person, but insist on paying for only the guests who show up. d. Shop for alternative caterers to use as competitive leverage.
  8. Imagine that you are organizing a large party. You are working with a caterer for a sit-down dinner for 200 people. The caterer is charging you \$100 per person and asks you to commit to the exact number of guests. This caterer is NOT the best in town. You can pay \$20,000, but you would prefer to pay less. How would you respond to this caterer? a. Pay full price to ensure good service. b. Offer the caterer \$80 per person and commit to 200 people. c. Offer the caterer \$100 per person, but insist on paying for only the guests who show up. d. Shop for alternative caterers to use as competitive leverage.
  9. Imagine you are getting married to the man or woman of your dreams. Your fiancé wants you to sign a prenuptial agreement before you wed because s/he is fairly wealthy. In the case of divorce, the prenuptial offer is to split your wealth and assets 80% for your spouse, 20% for you because that is the ratio of your current wealth. What should you do? a. Agree to sign the prenuptial agreement with the 80/20 division. b. Agree to sign the prenuptial agreement only with a 50/50 division of wealth and assets to be equitable. c. Consult with a lawyer and then make a counter-offer. The Anxious Negotiator 41 d. Refuse to sign the prenuptial agreement because marriage is about love, not material wealth.
  10. To what extent are the following statements true? a. Almost always true b. Often true c. Rarely true -In general, it is better to live with some conflict. -Not all

conflict needs to be managed. -In reality, most things in life are negotiable. -Many people are willing to provide the same goods or services for a lower price. -If you offer someone a low price, they are likely to provide worse service or get insulted. -When people say that a price is their absolute lowest price, they are telling the truth. Once people have their mind set on a certain deal, you cannot change their mind.

## Appendix B

### Ten-Item AND Four-Item Measures of Negotiator Self-Efficacy

O'Connor and Arnold's (2001) ten-item measure of negotiator self-efficacy (1 = strongly disagree, 5 = strongly agree). Note: Items 4 and 10 are reverse-scored.

1. I feel confident that I can prevent the other negotiator from exploiting my weaknesses.
2. I am confident in my ability to perform effectively in this negotiation task.
3. I think I can reach a high level of performance in this negotiation.
4. I do not think I would feel confident in my ability to negotiate for my salary.
5. I am sure I can learn how to perform this negotiation effectively in a relatively short period of time.
6. I feel confident in my ability to negotiate effectively on this task.
7. I am certain that I can persuade the other negotiator to make most of the concessions.
8. I think I can convince the other negotiator to agree with me.
9. I am sure that I can gain the upper hand against the other negotiator.
10. I think the other negotiator would convince me to make more concessions.

Sullivan et al. (2006) four-item measure of negotiator self-efficacy (distributive; 0 = no confidence, 100 = full confidence).

1. Persuade the other negotiator to make most of the concessions
2. Convince the other negotiator to agree with you
3. Gain the upper hand against the other negotiator
4. Prevent the other negotiator from exploiting your weaknesses

## Appendix C

### Eight-Item Sins Scale

You will be asked to consider a list of tactics that negotiators sometimes use. You should consider these tactics in the context of a situation in which you will be negotiating for something which is very important to you and your business. For each tactic, you will be asked to indicate how likely you would be to use this tactic in this situation.

Please indicate the likelihood that you would use these tactics during your negotiation.

1 = not at all likely to 7 = very likely

1. Promise that good things will happen to your counterpart if he gives you what you want, even if you know that you can't (or won't) deliver these things when his cooperation is obtained.
2. Intentionally misrepresent information to your counterpart in order to strengthen your negotiation arguments or positions.
3. Make an opening demand that is far greater than what you really hope to settle for.
4. Convey a false impression that you are in absolutely no hurry to come to a negotiated agreement, thereby trying to put time pressure on your counterpart to concede quickly.
5. In return for concessions from your counterpart now, promise to make future concessions which you know you will not follow through on.
6. Deny the validity of information which your counterpart has that weakens your negotiating position, even though that information is true and valid.
7. Make an opening demand so extreme that it seriously undermines your counterpart's confidence in his ability to negotiate a satisfactory settlement.
8. Guarantee that the rest of the managers and employees in your department, whom you represent in this negotiation, will uphold the settlement that you reach, although you know that they will likely violate the agreement later.

## Appendix D

### Study Material for iPod Negotiation Task

In this study, you and another participant will be randomly assigned to roles of Seller and Buyer and engage in an online negotiation simulation. If you and the other

participant reach a deal, you will earn 5% of your profit from the deal at the end of the lab session. Please wait while role assignments are made.

You have been assigned to the role of: **Seller219**. The participant you will be negotiating with will play the role of: **Buyer219**

You have been assigned the role of Seller. Your task is to negotiate the sale of a used iPod (two years old, silver, 80G, w/case, headphones, and charger). You checked Craigslist, and saw that similar used iPods in good condition were selling for about \$30-\$70.

The iPod is in great working condition. The only problem you have had with it were two instances when the iPod froze. After freezing you could not get the device restarted until you found a fix online that involved resetting the factory defaults and as a result deleting all your music. Thankfully, you had all your songs on the hard-drive of your computer.

You listed the iPod on Craigslist. The listing is below. The Buyer you will negotiate with will also see this listing.



You will now begin negotiating the sale of the iPod with the other participant. The negotiation will begin with the other participant contacting you using the chat feature of the experimental software in order to begin the discussion and learn more about the item.

You will only have a limited amount of time to chat. When the time to chat runs out, you will have an opportunity to exchange offers.

You have a message from Buyer219.

**Buyer219:** ok, I guess I'm supposed to go first [sic]...so you've had the iPod for 2 years. it doesn't have any problems, does it?

**Seller219:** [seller response]

**Buyer219:** ok. let me think about what I'd be willing to pay... they gave some other ads here that I am supposed [sic] to compare this one to

You will now make an offer. The number of rounds for exchanging offers in this negotiation is limited and uncertain. At some point, the negotiation will end with or without a deal.

Here is how each round works: Your counterpart will see your offer and compare it other ads that they have (their outside option). Your counterpart will then either accept your offer, reject your offer, or make a counteroffer. If you reach a deal, you will earn 5% of the sale price. If you do not reach a deal, you will earn \$0.

Select Choice: \$30, 35, 40, 45, 50, 55, 60, 65, 70

Your partner has accepted your offer of [selected offer inserted].

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