

Running Head: CONSEQUENCES OF DISHONESTY

**The Consequences of Dishonesty**

Scott S. Wiltermuth

*University of Southern California*

David T. Newman

*University of Southern California*

Medha Raj

*University of Southern California*

Abstract: 122 words

Text: 1,993 words

**Abstract**

We review recent findings that illustrate that dishonesty yields a host of unexpected consequences. We propose that many of these newly-identified consequences stem from the deceiver choosing to privilege other values over honesty, and note that these values may relate to compassion, material gain, or the desire to maintain a positive self-concept. Furthermore, we argue that conflict between these values and honesty can be used to explain the unexpected consequences of dishonest behavior. We demonstrate that these consequences need not be negative, and discuss research that illustrates that dishonest behavior can help actors generate trust, attain a sense of achievement, and generate creative ideas. In addition, we discuss recently-identified negative consequences that can result from privileging other values over honesty.

## **The Consequences of Dishonesty**

People have long known that dishonest behavior can yield enticing rewards. Lies allow people to feel better about themselves, protect themselves from embarrassment, look better in others' eyes, and foster positive relations with other people [1]. Consequently, the motives for most lies baffle few people and the topic may seem deserving of little further scholarly attention. We suggest, however, that analyzing why people tell particular lies may illuminate the likely consequences of those lies. We therefore take this approach in reviewing the recent research identifying novel and important consequences of deception.

## **Motives for Dishonesty**

Although people lie in as many as a fifth of their interactions [1], most of their statements are true. People default to honesty for many reasons: honesty can make life less cognitively depleting [2,3], it can lower the risk of social sanctions [4], and it can allow people to see themselves as morally virtuous [5,6,7,8]. When someone decides to eschew these benefits by lying, they privilege a value other than honesty over honesty [9]. This can and does lead to some predictable negative consequences for the actor, for the recipient of the lie, and for society. As recent articles have shown, dishonest behavior can lead to some important and nonobvious negative consequences [10,11,12,13,14]. Just as interestingly, privileging another value over honesty can also produce positive consequences in ways that have only recently been discovered.

We argue that the value that people privilege over honesty when they tell a particular lie has critical implications for the type of consequences that the lie is likely to generate. We discuss below the likely consequences of privileging three primary categories of values over honesty,

and acknowledge that in the real world people may simultaneously possess multiple motives for telling any particular lie.

### *Compassion*

People lie about their feelings more often than they lie about anything else [1]. When people state that they feel more positively about something than they actually do, they build rapport with others and spare others' feelings [15]. Lying in such prosocial ways can actually increase benevolence-based trust, such that people exhibit more trust toward those who tell altruistic lies and mutually-beneficial lies than they do toward people who privilege honesty over compassion by telling the truth [16]. Furthermore, people perceive others who lie in altruistic or mutually-beneficial ways as more moral than people who state the truth [17], which suggests that the consequent gains may more than compensate for any deficits in integrity-based trust created by altruistic or mutually-beneficial lies. Telling prosocial lies may therefore send a useful signal both to the self and to other people that the deceiver cares about acting benevolently and compassionately. In contrast, antisocial lies may degrade perceptions of the liar's intentions towards others and his or her general trustworthiness [18].

Prosocial and antisocial lies also create different consequences for social networks. Recent models have shown that telling prosocial lies enables people to maintain larger social networks than would otherwise be possible because those who tell prosocial lies are able to connect otherwise relatively unconnected parts of social networks [19]. Antisocial lies motivated by self-interest, in contrast, constrain network size and fragment social networks because they alienate people—reducing the likelihood of social cohesion. If counter-deception strategies are not

developed to overcome this negative consequence of antisocial lies, society becomes fragmented into small but well-connected groups opposing each other.

It should be noted, however, that not all deception motivated by compassion has positive consequences. Prosocial lies may also reduce people's abilities to make accurate forecasts of their likelihood of success [20,21]. If a potential entrepreneur contemplates starting a business and solicits advice from social contacts, those social contacts may decide out of kindness to express more enthusiasm about the idea than they really feel. If so, their advice may bias the entrepreneur to be more likely to start the business than they otherwise would.

### ***Material Gain***

In many cases, people forsake honesty because lying offers them access to resources that they would not otherwise obtain [15,22]. When people lie because they are valuing material gain over honesty, they often create negative consequences for themselves. People trust the actors less [18] because the actors have demonstrated the primacy of their self-interest over any sense of obligation to be honest.

The decision to privilege material gains over honesty can have consequences beyond the deceiver. When actors demonstrate the primacy of self-interest over honesty, their behavior also sets a descriptive norm [23] and signals to other actors that the choice of self-interest over honesty is a common and acceptable way to behave. As a result, one actor's dishonesty can be socially contagious and increase the likelihood that others will behave unethically [10,11,24,25,26]. Demonstrating this phenomenon, Innes and Mitra [10] found that individual propensities for honesty decline in the face of evidence that a large proportion of one's peer group is dishonest—even when the stakes are quite small.

Importantly, people do not always become more likely to behave dishonestly after seeing someone else act dishonestly. People are likely to emulate the behavior of in-group members and of those psychologically close to them [27], but are less likely to act dishonestly after observing out-group members behave dishonestly [25]. Whether dishonesty has a positive or negative effect on others' dishonesty therefore depends upon the social landscape in which the dishonesty occurs.

This signal to others that the actor is willing to compromise honesty may, in some contexts, be beneficial to the actor. Pierce and Snyder [28] demonstrate that employees who are willing to act dishonestly on behalf of customers, relative to those who are not, are rewarded with a lower risk of termination and greater financial gains. In this way, their willingness to behave dishonestly becomes a social currency desirable to people who might benefit from their dishonesty (i.e., the clients).

People who behave dishonestly for personal gain rather than for prosocial reasons face the challenge of reconciling their actions with their need to see themselves as good, moral people [7,29]. People may do so in three chief ways, which lead to distinct sets of consequences.

*Moral Disengagement.* The first way to reconcile past dishonest actions with a view of the self as an honest person involves rationalizing one's behavior and morally disengaging by using cognitive mechanisms (e.g., displacement of moral agency, disadvantageous social comparison) to reduce tendencies to self-sanction [11,30]. People who pursue this strategy, ironically, may find themselves on a slippery slope, such that they start to rationalize and subsequently engage in more significant lies, particularly if they have a prevention mindset [31]. In an interesting demonstration of the slippery slope phenomenon, Gino, Norton, and Ariely [32] showed that

people who were instructed to wear counterfeit glasses developed feelings of inauthenticity that led them to abandon moral standards and behave more dishonestly in subsequent tasks. Also demonstrating the danger of the slippery slope as a consequence of moral disengagement, Welsh et al. [14] found that a gradual increase in monetary incentives over three rounds of a task made people twice as likely to overstate their performance in the final round as were people whose incentives rose abruptly or began at the maximum level. Small initial acts of dishonesty can therefore lead to consistent (and escalating) trends in behavior, which is particularly problematic because a slow erosion of ethics is less noticeable than abrupt moral degradation [33].

*Motivated Forgetting.* Another strategy for reconciling one's dishonest actions with one's desired self-view is by engaging in motivated forgetting of moral views. Across several studies, people who broke moral rules by behaving dishonestly on a game suppressed their knowledge of the rules relevant to the immorality of their behavior, while maintaining memory of the non-moral aspects of the rules [34,35]. As a consequence, dishonest behavior can diminish memory of some forms of information. In similarly motivated behavior, people will also resolve dissonance caused by their dishonesty by presenting themselves as virtuous and condemning others particularly harshly for the same forms of dishonesty that they had committed [36].

*Moral Compensation.* A third way to reconcile past dishonest actions with a positive self-view is through moral compensation. People can morally compensate for past dishonesty by performing prosocial actions or by providing justifications for their behavior [37,38,39], especially if they place great importance on having a positive moral identity [40]. People can also morally compensate for future unethical behavior by accruing moral credentials—that is, moral credits in a potentially unrelated domain [41].

Recent research has started to clarify when dishonest behavior leads to further dishonest behavior, motivated forgetting of moral rules, or compensatory prosocial behavior. Cornelissen, Bashshur, Rode, and Le Menestrel [42], for example, have shown that people's ethical predisposition influences whether past unethical behavior is more likely to yield subsequent unethical or ethical behavior. Specifically, they illustrate that outcome-focused actors are likely to balance dishonest behavior with honest behavior, whereas rule-based actors are likely to act consistently and therefore less ethically after acting dishonestly originally.

### *Desire to Maintain Positive Self-Concept*

As the above research suggests, people's need to maintain a positive self-regard can influence the nature of the consequences of dishonest behavior. This same need can also motivate people to lie even when they have little financial or material reason to do so [43,44,45,46]. For example, people who have a need to see themselves as intelligent or skilled at some task may inflate reports of their performance on tasks. When demonstrating intelligence or skill is the motive that trumps honesty, dishonesty can lead to positive emotions because it instills feelings of self-satisfaction amongst those who get away with dishonest behavior [47].

Similarly, lying motivated by the need to see oneself as skilled or intelligent can lead people to forget that dishonest behavior played a role in their success. As Chance, Norton, Gino, and Ariely [48] demonstrated, people who exploit opportunities to cheat on tests infer that their performance indicates intelligence and therefore, are likely to make misguided bets about their future performance on tests in which they have no opportunity to cheat. As such, dishonesty and the ego-protective processes that ensue can lead people to make inaccurate predictions and bets.



Even if lying is not motivated by a need to demonstrate one's intelligence, it can have positive consequences for one form of intelligence—creativity. When people behave dishonestly they break out of a rule-following mindset. Doing so leaves them better able to break rules within a domain to create new connections between previously unrelated cognitive elements, and ultimately construct more creative ideas [49].

### **Future Directions**

Future research could productively examine whether telling prosocial lies can escalate into telling self-oriented lies. Because people rely on different rationalizations to excuse themselves for telling these two distinct forms of lies, people may not suspect that the prosocial lies that they tell their friends could eventually escalate to more self-interested lies. However, when people privilege a value over honesty they may start to devalue honesty relative to other values. Moreover, telling prosocial lies may make people feel like they are acting morally; they may therefore feel licensed to tell lies motivated by self-interest.

Future research could also examine whether people's espousal of distinct moral foundations [50] predicts whether they would punish others for privileging the moral foundation over honesty. For example, dishonesty stemming from following the orders of authorities may create fewer negative social consequences in cultures that embrace authority. Lastly, it may be productive to explore how people can effectively communicate their aversion to or embracement of specific forms of dishonesty. As recent work has shown, people who take a utilitarian approach to ethical decision-making will consider beneficiaries' moral preferences when they are known [51].

## **Conclusion**

Pinocchio's nose grew whenever he would lie. The consequences of deception are much less clear for the rest of us, but patterns are starting to emerge. In this work, we suggest that many of the intriguing and recently-identified consequences of dishonesty can be productively understood as a function of the motives that conflict with honesty.

### References

1. DePaulo BM, Kashy DA, Kirkendol SE, Wyer MM, Epstein JA: **Lying in everyday life.** *Journal of Personality and Social Psychology* 1996, **70**:979-995.
2. Vrij A: **Why professionals fail to catch liars and how they can improve.** *Legal and Criminological Psychology* 2004, **9**:159-181.
3. Vrij A, Fisher R, Mann S, Leal S: **Detecting deception by manipulating cognitive load.** *Trends in Cognitive Sciences* 2006, **10**:141-142.
4. Tittle CR, Rowe AR: **Moral appeal, sanction threat, and deviance: An experimental test.** *Social Problems* 1973, **20**:488-497.
5. Greenwald AG: **The totalitarian ego: Fabrication and revision of personal history.** *American Psychologist* 1980, **35**:603-618.
6. Griffin DW, Ross L: **Subjective construal, social inference, and human misunderstanding.** *Advances in Experimental Social Psychology* 1991, **24**:319-359.
7. Mazar N, Amir O, Ariely D: **The dishonesty of honest people: A theory of self-concept maintenance.** *Journal of Marketing Research* 2008, **45**:633-644.
8. Sanitioso R, Kunda Z, Fong GT: **Motivated recruitment of autobiographical memory.** *Journal of Personality and Social Psychology* 1990, **59**:229-241.
9. Rixom J, Mishra H: **Ethical ends: Effect of abstract mindsets in ethical decisions for the greater social good.** *Organizational Behavior and Human Decision Processes* 2014, **124**:110-121.
10. \*Innes R, Mitra A: **Is dishonesty contagious?** *Economic Inquiry* 2013, **51**:722-734.  
Using experiments in the United States and India, found that both honesty and dishonesty are contagious in the sense that individuals are more likely to be honest (or dishonest)

when exposed to information suggesting that other people have a higher propensity for honesty (or dishonesty).

11. \*Moore C, Gino F: **Ethically adrift: How others pull our moral compass from true north, and how we can fix it.** *Research in Organizational Behavior* 2013, **33**:53-77.  
Using the metaphor of the moral compass to describe individuals' inner sense of right and wrong, offer a framework that identifies social reasons why our moral compasses can come under others' control. Even good people are led to cross ethical boundaries when they observe peers behaving unethically.
12. Peer E, Acquisti A, Shalvi S: **"I cheated, but only a little": Partial confessions to unethical behavior.** *Journal of Personality and Social Psychology* 2014, **106**:202-217.
13. Reuben E, Stephenson M: **Nobody likes a rat: On the willingness to report lies and the consequences thereof.** *Journal of Economic Behavior and Organization* 2013, **93**:384-391.
14. Welsh DT, Ordóñez LD, Snyder DG, Christian MS: **The slippery slope: How small ethical transgressions pave the way for larger future transgressions.** *Journal of Applied Psychology* 2015, **100**:114-127.
15. DePaulo BM, Kashy DA: **Everyday lies in close and casual relationships.** *Journal of Personality and Social Psychology* 1998, **74**:63-79.
16. \*\*Levine EE, Schweitzer ME: **Are liars ethical? On the tension between benevolence and honesty.** *Journal of Experimental Social Psychology* 2014, **53**:107-117. Across three studies, found that individuals who tell prosocial lies, lies told with the intention of benefitting others, are perceived to be *more* moral than individuals who tell the truth.

Moral judgments of lies are sensitive to the consequences of lying for the deceived party, but insensitive to the consequences of lying for the liar.

17. \*\*Levine EE, Schweitzer ME: **Prosocial lies: When deception breeds trust.** *Organizational Behavior and Human Decision Processes* 2015, **126**:88-106. Across five studies, found that prosocial lies increase benevolence-based trust but harm integrity-based trust. Additionally, perceived benevolence is more important than perceived integrity in predicting trust behavior.
18. Tyler JM, Feldman RS, Reichert A: **The price of deceptive behavior: Disliking and lying to people who lie to us.** *Journal of Experimental Social Psychology* 2006, **42**:69-77.
19. \*\*Iñiguez G, Govezensky T, Dunbar R, Kaski K, Barrio RA: **Effects of deception in social networks.** *Proceedings of the Royal Society B* 2014, **281**:20141195. Using an agent-based model, found that antisocial lying causes social networks to become increasingly fragmented. In contrast, white lies can prove to be beneficial in smoothing the flow of interactions and facilitating a larger, more integrated network.
20. DePaulo BM, Bell KL: **Truth and investment: Lies are told to those who care.** *Journal of Personality and Social Psychology* 1996, **71**:703-716.
21. Larson JR: **The dynamic interplay between employees' feedback-seeking strategies and supervisors' delivery of performance feedback.** *Academy of Management Review* 1989, **14**:408-422.
22. Steinel W, De Dreu CKW: **Social motives and strategic misrepresentation in social decision making.** *Journal of Personality and Social Psychology* 2004, **86**:419-434.

23. Cialdini RB, Kallgren CA, Reno RR: **A focus theory of normative conduct: A theoretical refinement and reevaluation of the role of norms in human behavior.** In *Advances in Experimental Social Psychology*, Vol. 24. Edited by Zanna MP. Academic Press; 1991:201-235.
24. Chiu PC, Teoh SH, Tian F: **Board interlocks and earnings management contagion.** *The Accounting Review* 2013, **88**:915-944.
25. Gino F, Ayal S, Ariely D: **Contagion and differentiation in unethical behavior: The effect of one bad apple on the barrel.** *Psychological Science* 2009, **20**:393-398.
26. Gino F, Gu J, Zhong CB: **Contagion or restitution? When bad apples can motivate ethical behavior.** *Journal of Experimental Social Psychology* 2009, **45**:1299-1302.
27. \*Gino F, Galinsky A: **Vicarious dishonesty: When psychological closeness creates distance from one's own moral compass.** *Organizational Behavior and Human Decision Processes* 2012, **119**:15-26. In four studies employing multiple manipulations of psychological closeness, found that feeling connected to another individual who engages in selfish or dishonest behavior leads people to vicariously justify such behavior and to behave more selfishly and less ethically themselves.
28. \*\*Pierce L, Snyder JA: **Unethical demand and employee turnover.** *Journal of Business Ethics*, forthcoming. Using data from tests conducted by licensed vehicle emissions inspectors, found that consumer demand for unethical behavior such as fraud can impact employee turnover through market and psychological forces. Fraudulent employees and employees of fraudulent firms enjoy longer tenure.

29. Tsang, JA: **Moral rationalization and the integration of situational factors and psychological processes in immoral behavior.** *Review of General Psychology* 2002, **6**:25-50.
30. Bandura A: *Social foundations of thought and action: A social-cognitive view.* Prentice Hall; 1986.
31. Zhang S, Cornwell JFM, Higgins ET: **Repeating the past: Prevention focus motivates repetition, even for unethical decisions.** *Psychological Science* 2014, **25**:179-187.
32. Gino F, Norton M, Ariely D: **The counterfeit self: The deceptive costs of faking it.** *Psychological Science* 2010, **21**:712-720.
33. Gino F, Bazerman MH: **When misconduct goes unnoticed: The acceptability of gradual erosion in others' unethical behavior.** *Journal of Experimental Social Psychology* 2009, **45**:708-719.
34. Shu L, Gino F: **Sweeping dishonesty under the rug: How unethical actions lead to forgetting of moral rules.** *Journal of Personality and Social Psychology* 2012, **102**:1164-1177.
35. Shu L, Gino F, Bazerman MH: **Dishonest deed, clear conscience: When cheating leads to moral disengagement and motivated forgetting.** *Personality and Social Psychology Bulletin* 2011, **37**:330-349.
36. \*Barkan R, Ayal S, Gino F, Ariely D: **The pot calling the kettle black: Distancing response to ethical dissonance.** *Journal of Experimental Psychology: General* 2012, **141**:757-773. In six studies, found that conflicting cognitions involving unethical behavior on the one hand and belief in a positive moral self on the other create *ethical dissonance* that requires tension-reduction mechanisms, such as using an

overcompensating ethical code to judge others more harshly and present the self as ultra-honest and virtuous.

37. Jordan J, Mullen E, Murnighan JK: **Striving for the moral self: The effects of recalling past moral actions on future moral behavior.** *Personality and Social Psychology Bulletin* 2011, **37**:701-713.
38. Sachdeva S, Iliev R, Medin DL: **Sinning saints and saintly sinners: The paradox of moral self-regulation.** *Psychological Science* 2009, **20**:523-528.
39. Shalvi S, Gino F, Barkan R, Ayal S: **Self-serving justifications: Doing wrong and feeling moral.** *Current Directions in Psychological Science*, forthcoming.
40. Mulder LB, Aquino K: **The role of moral identity in the aftermath of dishonesty.** *Organizational Behavior and Human Decision Processes* 2013, **121**:219-230.
41. Merritt AC, Efron DA, Fein S, Savitsky KK, Tuller DM, Monin B: **The strategic pursuit of moral credentials.** *Journal of Experimental Social Psychology* 2012, **48**:774-777.
42. Cornelissen G, Bashshur MR, Rode J, Le Menestrel M: **Rules or consequences? The role of ethical mind-sets in moral dynamics.** *Psychological Science* 2013, **24**:482-488.
43. Edelman BG, Larkin I: **Social comparisons and deception across workplace hierarchies: Field and experimental evidence.** *Organization Science* 2015, **26**:78-98.
44. Mazar N, Ariely D: **Dishonesty in everyday life and its policy implications.** *Journal of Public Policy and Marketing* 2006, **25**:117-126.
45. Paulhus DL, John OP: **Egoistic and moralistic biases in self-perception: The interplay of self-deceptive styles with basic traits and motives.** *Journal of Personality* 1998, **66**:1025-1060.



46. Von Hippel W, Trivers R: **The evolution and psychology of self-deception.** *Behavioral and Brain Sciences* 2011, **34**:1-16.
47. \*\*Ruedy NE, Moore C, Gino F, Schweitzer ME: **The cheater's high: The unexpected affective benefits of unethical behavior.** *Journal of Personality and Social Psychology* 2013, **105**:531-548. Across six studies, found that even though individuals predict they will feel guilty and have increased levels of negative affect after engaging in unethical behavior, individuals who cheat on different problem-solving tasks consistently experience more positive affect than those who do not.
48. \*Chance Z, Norton M, Gino F, Ariely D: **Temporal view of the costs and benefits of self-deception.** *Proceedings of the National Academy of Sciences* 2011, **108**:15655-15659. Across four experiments, found that people who cheat are likely to engage in self-deception, inferring that their elevated performance is a sign of intelligence. When asked to predict their future performance, participants who cheated erroneously expected to perform equally well.
49. \*\*Gino F, Wiltermuth SS: **Evil genius? How dishonesty can lead to greater creativity.** *Psychological Science* 2014, **25**:973-981. In five experiments, found that people who cheated were subsequently more creative than noncheaters. The link between dishonesty and creativity is explained by a heightened feeling of being unconstrained by rules.
50. Graham J, Haidt J, Nosek BA: **Liberals and conservatives rely on different sets of moral foundations.** *Journal of Personality and Social Psychology* 2009, **96**:1029-1046.
51. Wiltermuth SS, Bennett VM, Pierce L: **Doing as they would do: How the perceived ethical preferences of third-party beneficiaries impact ethical decision-making.** *Organizational Behavior and Human Decision Processes* 2013, **122**:280-290.