



# Honesty is Such a Lonely Word

## People Underestimate Others' Honesty in Negotiations

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Across four studies we find a **systematic discrepancy between actual and expected honesty** – while negotiators are largely expected to deceive to maximize their economic gains, most of them are honest. This gap is due to people **overestimating** the extent to which other negotiators are motivated by **greed** and underestimating the extent to which they are motivated by **moral concerns**. This discovery is important for negotiations as it might partly account for inefficient negotiations.

### INTRO & HYPOTHESES

Negotiators can gain leverage and increase self-gain by having an information advantage. They may benefit from deceiving or withholding information from their counterparts.

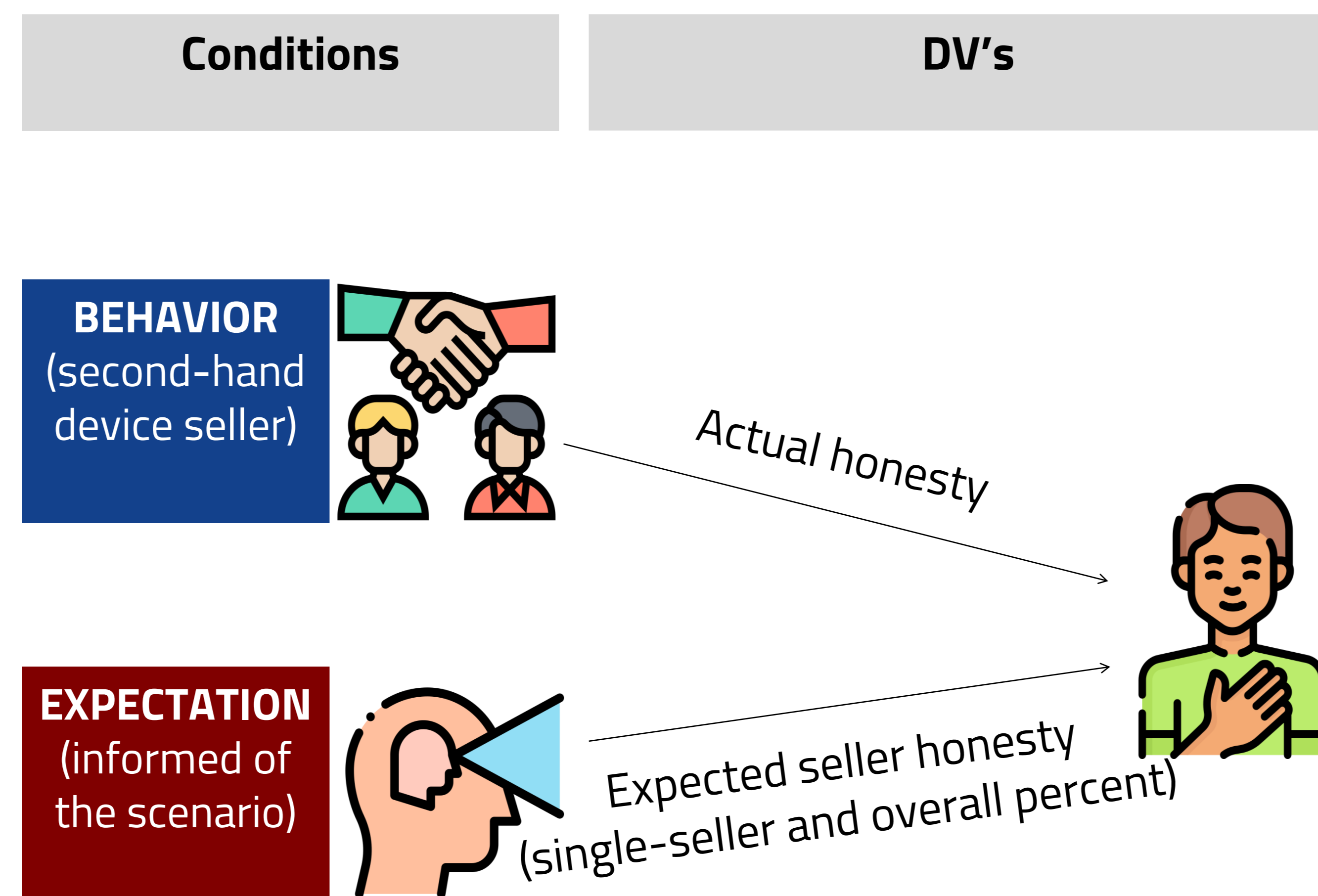
Yet, aside from being motivated by self-gain, negotiators strive to preserve a self-image of being honest and fair. They anticipate feeling guilty when deceiving others. These motivations *constrain* negotiators' dishonesty.

Still, people underestimate others' moral motivations, and tend to overestimate the impact of self-gain concerns on others' decisions.

**H1.** People overestimate other negotiators' dishonesty.

**H2.** The overestimation of other negotiators' dishonesty is mediated by an underestimation of the impact of moral concerns (**H2a**), as well as their overestimation of the impact of greed and self-interest (**H2b**) on other negotiators' decisions.

### METHOD

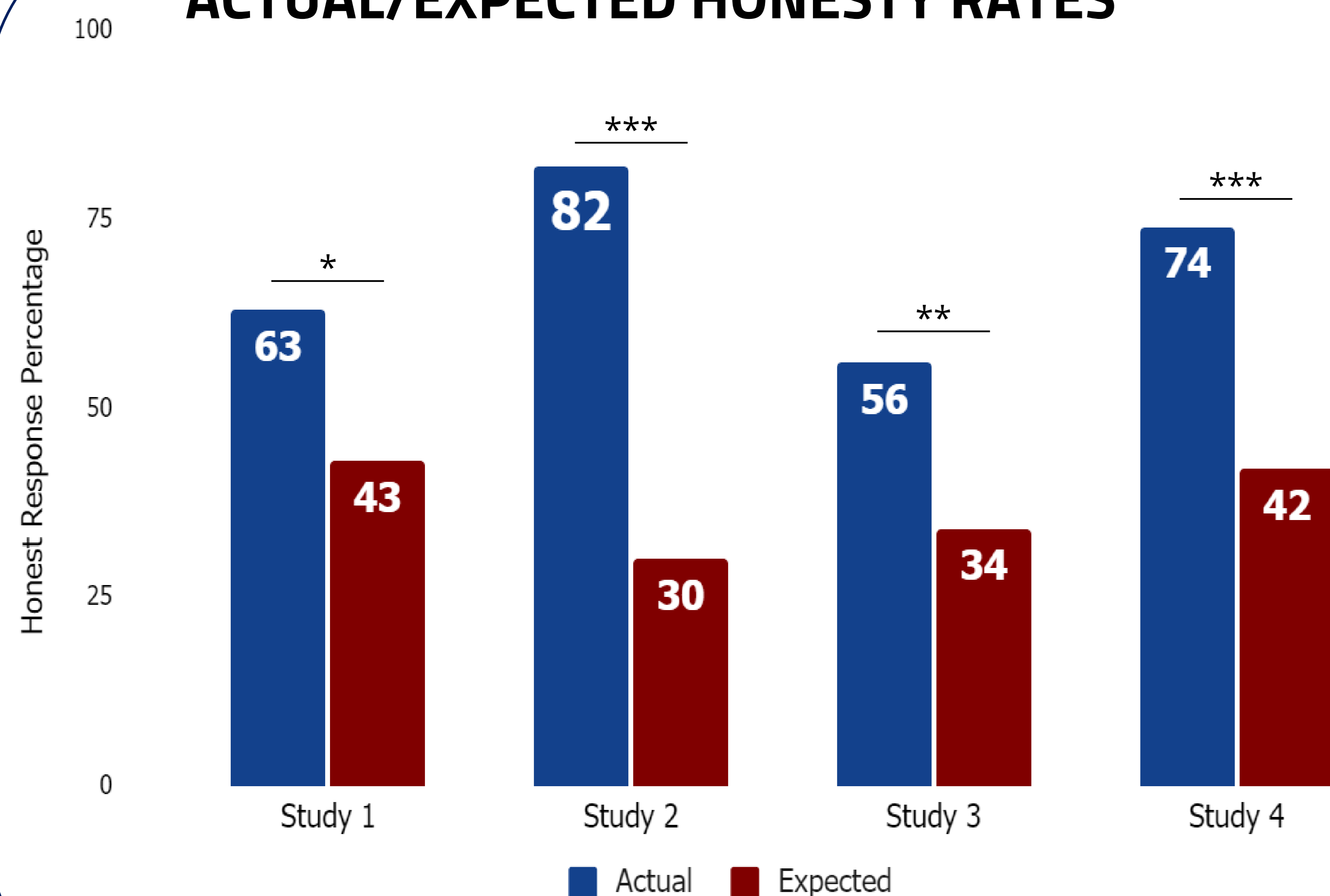


### OVERVIEW OF STUDIES

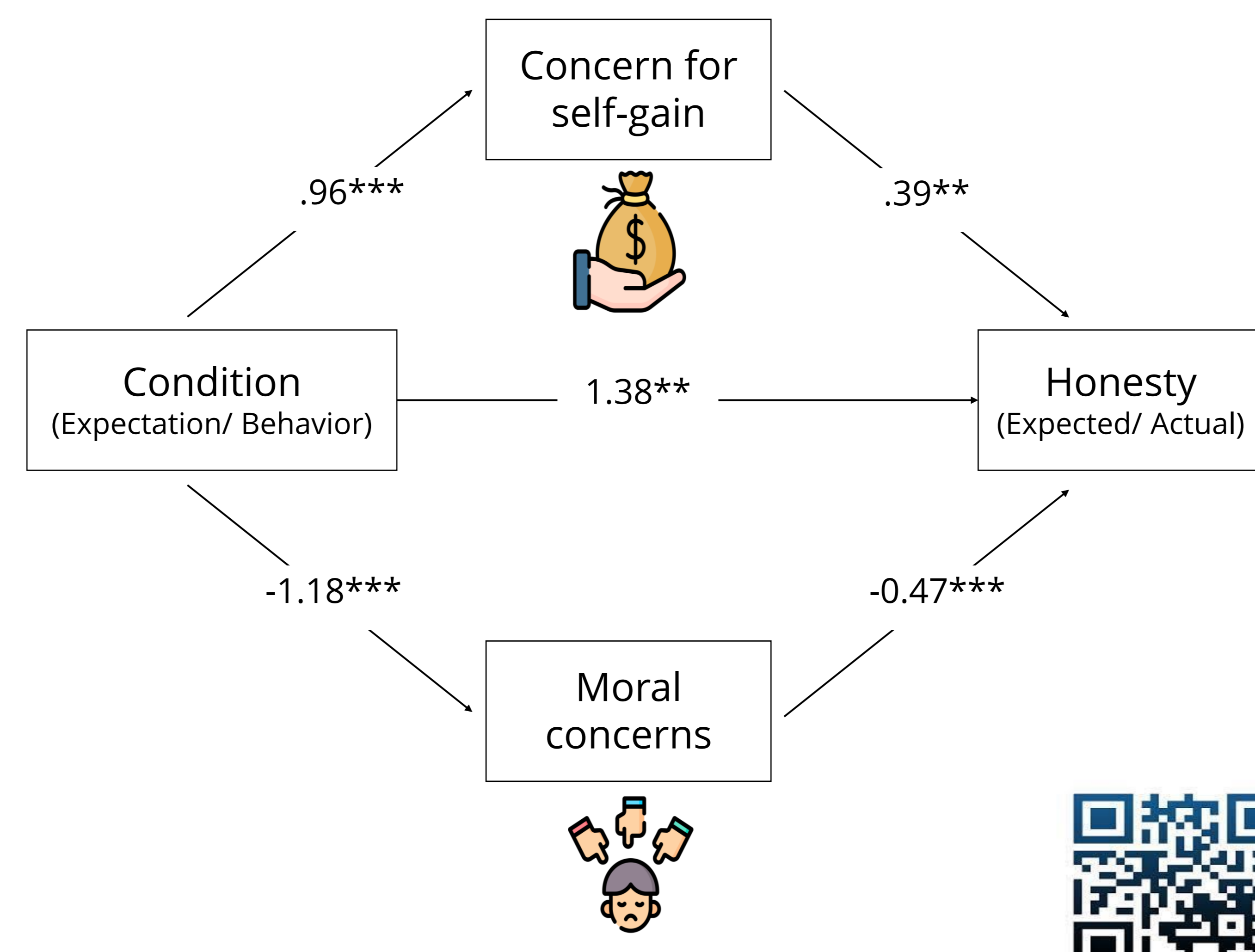
STUDY	SAMPLE	TOTAL SAMPLE	METHODOLOGICAL VARIATIONS				
			True/false message choice	Direct question	Free text message	Solicited expectation framing: "honest"/"deceptive"	Assessed underlying mechanism
1	MTurk	161	☑				
2	Management students	108		☑			
3	MTurk	448			☑	☑	☑
4	Management students	216		☑			☑

### RESULTS

#### ACTUAL/EXPECTED HONESTY RATES



#### MECHANISM (Study 4)



### DISCUSSION

- Findings:** Negotiators are more trustworthy than people expect them to be. This is because people underestimate other negotiators' moral concerns and overestimate their greed (concern for self-interest).
- Importance:** This gap might partly account for negotiation inefficiency.
- Contribution:**
  - Provide insight into the understudied process of initial trust formation.
  - Extend the growing social perception literature on people's underestimation of others' moral motivations to competitive contexts such as negotiations.

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Z-tests for proportion comparisons (equivalent to  $\chi^2$ -test for independence).  
 \*  $p < 0.05$ . \*\*  $p < 0.01$ . \*\*\*  $p < 0.001$ .

