

Perceptions of Deception: Making Sense of Responses to Employee Deceit

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ABSTRACT. In this research, we examine the effects that customer perceptions of employee deception have on the customers' attitudes toward an organization. Based on interview, archival, and observational data within the international airline industry, we develop a model to explain the complex effects of perceived dishonesty on observer's attitudes and intentions toward the airline. The data revealed three types of perceived deceit (about

beliefs, intentions, and emotions) and three additional factors that influence customer intentions and attitudes: the players involved, the beneficiaries of the deceit, and the harm done by the perceived lie. We develop a model with specific propositions to guide organizations with respect to apparently deceitful behavior of their employees. Implications and directions for future research are provided, focusing on the question of whether organizations should consistently encourage honesty or train their employees to be effective liars.

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Introduction

Employers are becoming increasingly interested in promoting employee honesty and integrity given the many recent scandals they have experienced and the negative effects these events have had (Anand et al., 2004; Burnett, 2002; Byrne, 2002). Past theory suggests that systematic dishonesty negatively influences customer perceptions, thus assuming honesty is key (e.g., Baier, 1993; Cialdini, 1996; Cialdini et al., 2004; Raelin, 1984), but empirical verification of this assumption is scarce. In addition, there are two lines of research that are in direct opposition to the honesty assumption: research finding that organizations encourage their employees to lie and research finding that employees lie for the good of the organization. The first stream of research finds employers advocating the manipulation of customers through dishonesty (Kaun, 1994; Takala and Urpilainen, 1999; Robertson and Rymon, 2001; Sims, 2002). Some organizations directly or indirectly encourage their employees to deceive customers to improve customer

satisfaction and performance. One method of convincing customers of believing something that is not necessarily true is so commonly used that it has its own, more socially acceptable, name: emotional labor (Hochschild, 1983). For example, flight attendants have been taught to smile and reassure passengers even when they are not happy, and bill collectors have been taught to appear angry even when they are not (Hochschild, 1983; Sutton and Rafaeli, 1988).

The second stream that challenges the honesty assumption, the reputation management research, has found that employees often engage (successfully or not) in reputation management on behalf of the organization (Cialdini, 1989; DePaulo et al., 1989; Elsbach et al., 1998) – they tell untruths for the “good” of the organization. We place the term “good” in quotes because that is our overarching research question – whether organizational employees should lie or not, and in using the normative term “should,” we address the practical question “Does this have an effect on the bottom-line of the organization,” not the deontological question or whether lying is morally good or even the utilitarian question as to whether society would be better off. We propose that the answer to the practical question depends on attributions and how sense is made of the lie. Therefore, we believe the critical question, ignored by past research on lying and deceit in organizations (cf. Scott and Jehn, 2003; cf. Steinel, 2004), is how people make sense of perceived employee deceit.

If employees are not effective in convincing customers that the organization is honest, the customers may react negatively. Therefore, organizations have a vested interest in ensuring that they are *not perceived* as deceptive (Eckman, 1992; Kaun, 1994; Victor and Cullen, 1988), even if they (or their employees) *are* deceptive. The success of a company depends on what a company does to define and communicate its business purpose, philosophy, strategy, and objective (Leung et al., 1998) and therefore, customer perception of lies can have important consequences for organizations – decreased business and tarnished reputations, for instance.

Stakeholders’ images of organizations influence their willingness to do business with organizations (Fombrun, 1996; Scott and Jehn, 2003; Turban and Cable, 2003). A main contribution of our study is that we examine individuals’ perceptions of deceit and the factors that influence their responses to this perceived

deceit. Thus, in our study, we are not focusing on whether or not the employee is telling the truth or lying; we propose that it is whether or not the customer *perceives* deceit that is critical, and how they respond to this perceived deception. We claim that this focus, on the perception of deception, is necessary to accurately inform the actions of employees and to determine the appropriate emphasis (on honesty or dishonesty) of organizations.

Past research on lying and deceit in organizations does not directly examine these issues or, specifically, the attitudinal or behavioral effects of perceptions of employee deceit. To address the limitations of past research, we examine the effect that customer perceptions of employee deception have on the customers’ attitudes toward an organization. We define perceived deceit as occurring when a customer believes that an employee has intentionally tried to make them believe something that is untrue (DePaulo et al. 1989). We conduct a qualitative research study to investigate how perceptions of deceit affect attitudes and behaviors. From our research, we noted four critical factors that influence the attitudes and intentions of those who experience lies (the recipients). We develop a model with propositions incorporating categories of perceived deceit, the actors involved, motivations of perceived deceit, and the degree of harm done by the perceived deceit (see Figure 1).

This research has three main contributions. It is one of the first studies that we are aware of that provides a framework for how individuals respond when they feel lied to by a representative of an organization. Second, we extend the research on lying and deception in organizations by using attribution theory to frame our findings of how individuals respond to perceived lies (including emotional labor efforts by employees that may be perceived as lies) and how this influences their views of the organization. Third, and most practical for organizations, we develop a model to inform organizations and employees of the effects of their actions that can be interpreted as lies and when organizations should promote lying or encourage honesty.

Identifying and reacting to employee deceit

Lying is common in everyday life. According to Nyberg (1993), deception appears to be “normal

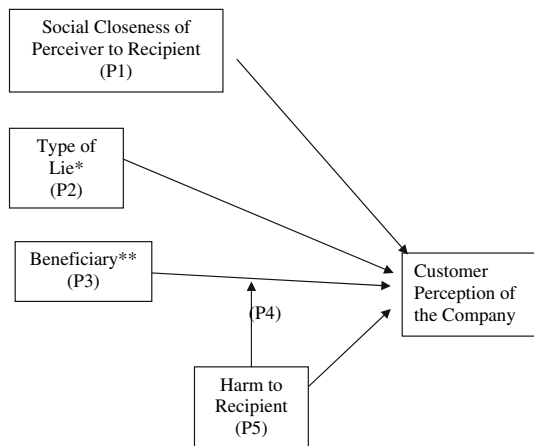


Figure 1. Factors influencing customer perception of the company (CPC). *The three types of lies are lies of beliefs, lies of emotion, and lies of intention (lies about beliefs are more negative than those about intentions or emotions; Proposition 2). **The three motives to lying – beneficiaries are the company, the employee, or the passenger – in order of negative effect on CPC, they are: benefits company > benefits employee > benefits passenger; Proposition 3.

rather than abnormal, a workaday attribute of practical intelligence” (p. 1). Empirical evidence indicates the prevalence of lying (cf. Elaad, 2003; cf. Steinel, 2004). For instance, DePaulo et al. (1996) claim that people tell an average of one or two lies daily. Turner et al. (1975) found that people lie in about two-thirds of their conversations. In addition, people perceive lies when none actually have occurred (Elaad, 2003). Given that people lie more frequently than we expect, and people often perceive lies when none occur, organizations need to determine how lying (or the perception of lying) influences their business and their customers. Therefore, we ask the very blunt question: should employers forbid employees from lying or help them be good liars? Since it is the perception of deception that matters, we argue, we examine instances when people feel as if they have been lied to and how this affects their attitudes and behaviors.

Dishonesty and deception

Deception is defined as acts of intentionally causing someone (the target) to believe something the actor (deceiver) believes to be untrue (Bok, 1989). This can be accomplished through words, silence, gestures, and inaction (DePaulo et al., 1982). Most of

the empirical research on lying in organizations attempts to ascertain which situations or personal characteristics will predict dishonesty of an employee (e.g., Grover, 1993a; Scott and Jehn, 2003). Situational research has focused on characteristics of an *organization* that correlate with high levels of employee dishonesty (e.g., Robertson and Rymon, 2001, Scott, 2003). Individual-level research has focused on characteristics of *employees* that are correlated with higher levels of dishonesty (e.g., Grover, 1993b; Shapiro et al., 1995). Not surprisingly, this research indicates that organizations that are unfair and have unethical work climates and cultures are likely to have more dishonest employees, and individuals who are more Machiavellian and less conscientious lie more often. Little of this research, however, addresses the recipient’s opinion about being lied to, nor does it examine the effects on those being lied to. In fact, one research stream which could be interpreted as addressing organizationally encouraged dishonesty (emotional labor; e.g., Ashforth and Humphrey, 1993; Mann, 1999; Morris and Feldman, 1996; Rupp and Spencer, 2006), presumes recipients are successfully deceived and therefore do not realize that they have been lied to. One possible exception to this is Grandey et al.’s (2004) work on emotional labor where they find a correlation between customer aggression and “surface acting,” or faking expressions of emotion. They recognize that their research design does not allow them to determine whether employees engaged in more surface acting when they anticipate more customer aggression or whether customers are more aggressive when they recognize that employees are trying to deceive them. They conclude the former, but we believe that the latter is actually more likely.

We see three limitations to the organizational research on lying and deceit in organizations. First, as stated above, much of the work has ignored the effect that perceived lying has on those who perceive it. Second, the research has not reconciled the contradictions of when organizations should promote lying and when they shouldn’t. In some cases it seems that organizations believe they are more effective if they deceive customers (Kaun, 1994; Takala and Urpilainen, 1999; Robertson and Rymon, 2001), yet in most cases the public image they want to portray is one of honesty and integrity (Baier, 1993; Cialdini, 1996; Raelin 1984). The

emotional labor literature suggests that “deep acting,” in which the employee actually comes to feel the displayed emotion, is more effective in satisfying customers than is “surface acting,” in which the insincerity is more easily detected (Grandey et al. 2004). And third, we know little about how people associate perceived deceptive acts of employees with the organization (cf. Scott and Jehn, 2003). There is some evidence from the emotional labor literature that perceived authentic acts affect customers’ “encounter satisfaction” only when other service goals have been satisfied (Grandey et al. 2005), and we intend to extend this research by examining perceived unauthentic acts and how they affect customers’ encounter satisfaction. Our goal in this research is to investigate the views of individuals who felt that they had been lied to and how this affected their perception of the organization, which employs the person who supposedly lied to them.

“Why do they lie?”: causal attributions and sensemaking
Given the limitations of theories of lying and deceit in organizations to explain responses to perceived lies, we frame our approach to this research in sensemaking and attribution theories. We provide a brief overview of these two literatures that helped frame our research question and interpretation of the data. Sensemaking deals with the process by which people seek information, assign meaning to the information perceived, and subsequently respond (Kezar and Eckel, 2002; Thomas et al., 1993; Weick, 1995). Individuals attempt to create order by interpreting their situation and what is occurring around them; creating a reality out of the information they selectively process. In most studies of sensemaking, the focus is on individual sensemaking in organizations. While Griffith (1999) broadened the scope of sensemaking research by examining how users make sense of technology, she and others (e.g., Dougherty et al., 2000) still call attention to the lack of research examining sensemaking from the view of organizational outsiders. Nor has sensemaking focused on how people respond to perceived lies. It has been documented that sense is made of events that get noticed (Starbuck and Milliken, 1988; Weick, 1995) and events that are novel or discrepant with one’s expectations are likely to get noticed (Louis and Sutton, 1991). Attribution theory

posits similar characteristics for situations in which people try to explain why an event has occurred (Hastie, 1984), yet also ignores the specific discrepant situation of being lied to and it pays little attention to the bi-level analysis of attribution to the individual employee or to the whole organization.

Attribution theory is relevant to our research question for several reasons. First, according to attribution theory, observers attempt to determine the cause of behavior, especially unusual behavior (Weiner, 1986). We suspect that the way in which customers respond to perceived lies is determined, in part, by how they make sense of the behavior and what caused it. Second, attribution theory (and sensemaking) states that observers focus their attention on making sense of unusual, or ambiguous information or situations (Hastie, 1984; cf. Louis and Sutton, 1991). Observers do not attempt to determine why routine events occur as planned. Customers do not return to car dealerships to find out why their cars are running smoothly; booksellers are not besieged by customers wanting to know why books are in stock and properly shelved, and train conductors are rarely asked why the train is arriving on time. The observer, upon perceiving an unexpected event, will decide to which of several possible causes it should be attributed (Shaver, 1985). We propose that a perceived lie, an unexpected event, will call attention to the event and the customer will attempt to make sense of this and attribute blame. Finally, as customers seek to attribute causes (and blame) for events which are displeasing to them, we believe this research can draw on, as well as inform, attribution theory by focusing specifically on an event which is very unpleasant for most people – being lied to – that hasn’t been thoroughly addressed to date by either attribution or sensemaking theories.

To extend the research on lying and deceit in organizations utilizing the blame/response focus, we propose and examine two main research questions: how is employee deceit classified or distinguished by observers (Research Question 1) and how do observers attribute blame, and thus respond to an individual employee or organization (Research Question 2). We next describe the methods we used to investigate this in our particular research project. We conducted qualitative research incorporating observation and interview methodologies, as well as archival data, to investigate our research questions.

We present the resultant model of perceived deceit and how this affects customer attitudes and intentions (see Figure 1), providing propositions generated by our research, and concluding the paper with a discussion of the practical and research implications of this study.

Methods and analyses

The purpose of this research is to inductively identify the factors that influence the interpretation of perceived deceit and how this influences attitudes and intentions. We decided that a qualitative design was appropriate for numerous reasons. First, given documented problems in studying lying with self-report methodologies (see Ong and Weiss, 2000, for a thorough review), our data collection employed qualitative and inductive methods to investigate the nature of perceived lies in the airline industry. According to Werner and Schoepfle (1987), unstructured interviews, or conversations, are an ethnographic method that lends itself to the study of sensitive issues such as ethical dilemmas and perceptions. Scott (2003) in her qualitative study of truth-telling and deceit, claims that survey research does not allow the rapport to build which enables individuals to provide detailed information about unethical behavior. Second, qualitative methods allow us to examine insiders' (perceivers of deceit) views of deception and how this influences their attitudes and intentions. Given that the intent of our study is to investigate customer *perceptions* of deception, we chose qualitative methodologies that would allow us to explore and interpret the in-time, "lived experience" of the participants (Tomlinson and Egan, 2002) as they experienced and reacted to an observed lie. Third, these methods have specifically been useful in other studies of sensemaking (e.g., Dougherty et al., 2000; Dutton et al., 2002; Gioia and Thomas, 1996; Tomlinson and Egan, 2002) as they provide valuable data as to how people understand and respond to their surroundings. However, this methodology has rarely been used to study attribution theory (for an exception see Stratton, 1998). Therefore, pertaining to cases of perceived deception, using inductive methods allowed us to develop theory in an area where there has been a lack of research and theory development.

The setting

Given our interest in employee dishonesty and customer perceptions, we conducted our research in the service sector. Van Heerden and Puth's (1995) model of corporate image demonstrates that conscious behavioral cues, such as customer responsiveness and service, are key to a customer's perception of that firm. We believe that effects of perceived deceit are therefore prominent in the service sector where the service provided is generally intangible and delivered to the customer by a service employee (Griffith, 2001). The "product" is often portrayed by the organizational employee through demeanor and integrity. That is, in the service sector, a firm's reputation is conveyed by the employees and their actions, not solely by a material product. For example, in the U.S. airline industry in the year 2000 over 92% of the complaints received were related to customer service (United States Department of Transportation, 2000). Customers assess an organization's reliability through their encounters with its employees (Schneider and Bowen, 1985). But the question still remains, should organizations insist on employee honesty or train employees to lie without detection?

We present a study of the airline industry that uses ethnographic methods and induction. The study was conducted in the airline industry for five main reasons: (1) the close contact between provider and customer, (2) the extensive time period of interactions between providers and customers (i.e., flights, layovers), (3) the importance of reputation in this competitive industry (Nelms, 1996), (4) the institutionalized training which promotes deception (Hochschild, 1983), and (5) the availability of large numbers of customers for interviews and observation. In addition, customer dissatisfaction is critical to an airline's bottom line since the loss of one elite business customer can result in up to as much as \$100,000 per year of lost revenue (Nelms, 1996).

Data sources

We used data from three sources: structured observation, unstructured interviews, and archival data to examine how aspects of perceived lies influence

attitudes and behavioral intentions. In total, we collected observational data on 1102 flights over 54 months on 12 international airlines (the average length of a flight was 158 min; average miles were 2780; flights ranged from 38 min to 13 h) and conducted 97 unstructured interviews.

This study was undertaken while the first author had access, as a family member of an airline employee, to a generous allowance of “non-revenue” flights for herself. She was commuting by air between her home and her university on a weekly basis and conducted this research in the course of those commuting trips. In addition, she used the flight allowance for vacations and also traveled (with revenue tickets) to conferences and research sites, conducting interviews and observation during these flights as well. There is a sharing policy across international airlines for non-revenue passengers, so taking that into account as well as the revenue flights, we were able to collect data on 12 different airlines. Regarding seat assignment, on revenue flights she took whatever economy-class seat the computer assigned to her and on non-revenue flights the seating was based on seats available after all revenue passengers and non-revenue passengers with higher seniority status were allocated to a seat. On 11% of the flights she was seated in first or business class.

It is also important to note that one trip (e.g., going to one conference) can include 4–6 flights, or “legs.” If one is flying from Minneapolis to Philadelphia on a certain airline, there is often a stop in Detroit (especially if one is flying as a non-revenue, standby passenger). Thus, one trip back and forth to Philadelphia includes four flights. Since crews, passengers, aircraft, and seat assignments usually change on each flight in a trip, we use “flights” rather than “trips” as our unit of analysis.

Eleven percent of the flights (110) were also observed by a trained assistant; that is, 22 flights were also observed by a graduate student flying to conferences and research sites over a 4-year period (i.e., seven trips; four trips with four legs each = 16 flights and three trips with two legs each = six flights) and 88 flights were also observed by an off-duty airline industry staff member accompanying the first author.

Structured observation

As passengers, the first author and the two assistants (one trained academic research assistant and one

trained voluntary off-duty airline industry assistant) observed customers and flight crews on 1102 airline flights. The research assistants were unaware of the purpose of the study but aware that their task was to observe and assess customer attitudes about flying and customers reactions to flight crew behavior. We instructed them to write as much as possible about what was going on around them (within a three row/seat radius, if possible, approximating 42 passengers) and to write, if possible, verbatim what was said around them by the flight crew and passengers (cf., Atkinson and Shaffier, 1998). The observers took extensive fieldnotes and also rated the comments heard from each customer observed ($n = 1206$) on 5-point Likert scales as to whether or not the customer appeared satisfied with this flight, was satisfied with the employee service, intended to fly this airline again, and whether or not he/she viewed the organization as a stellar company. To increase method credibility and reliability, and as mentioned above, 11% of the flights were observed by two of the three observers to provide triangulation within a similar ethnographic method (observation) across multiple observers as detailed by Patton (1990). Following a technique used by cognitive and linguistic anthropologists based on discourse theory, we conducted both formal and informal tests of inter-observer reliability by examining the consistency of field notes across observers (Werner and Schoepfle, 1987). In general, the commonality across observers in the fieldnotes and information collected was quite high. In fact, the independent observers noted the same incident of perceived deception over 96% of the time.

Unstructured interviews

Ninety-seven unstructured interviews ranging from 10 min to over 2 h were conducted with passengers – the average interview length was 37 min of conversation. All interviews were conducted by the first author and took place during the flight, most often with a passenger seated near the researcher. An interview was conducted if the passenger appeared willing to engage in conversation. The passenger to be interviewed was informed within the first 5 min of the conversation that we were conducting academic research on the experience of airline passengers. Only three attempts at interviews failed out of the 100 attempted. The explanation from the three

passengers who did not agree to be interviewed was that they were too busy. While the percent of passengers willing to be interviewed seems quite high (97%), the selection of our research site (airplanes) was intentional to facilitate such a high rate of involvement. Ethnographic field techniques for sampling specify such situations where individuals have spare time (e.g., waiting for public transportation, on planes and trains) as an ideal locale in which to find willing interview participants (Werner and Schoepfle, 1987). Twenty-six of the 97 passengers interviewed were women, 31 were flying first class, 29 were frequent fliers, and over 75% were flying for business.

The passenger interviews were framed in the manner of casual conversation and were intended to build rapport between researcher and informant to increase validity (Werner and Schoepfle, 1987). The passengers were asked a series of grand tour questions about their experience flying. Grand tour questions are those used by ethnographers to get a general view, or tour, of their informants' typical experience (Spradley and McCurdy, 1972). We therefore began with questions such as "What type of experiences have you had flying with this airline?," and proceeded to more specific questions about the current flight, including, but not limited to, "Why are you flying today?" and "How has the flight been for you so far?"

The grand tour questions were followed by semi-focused interview questions about certain topics and situations. For instance, to gain insight into the passengers' perceptions of the flight crew, we asked the informants questions such as "What was the most frustrating thing about this flight?," "Why do you think it happened?," "Have there been any problems on this flight?," and if a situation entailing a perceived lie was mentioned, "Are you willing to tell me about the lie?" If the answer was "yes" (which was always the case), further questions included "What was the lie about?," "How did you know it was a lie?," "How did that make you feel?," "What was the outcome, or harm, done by this lie?," and other prompts to gather data about how they reacted to the lie and their attitude toward the organization after experiencing this lie. Our goal, common to studies of sensemaking that use interview and narrative techniques (e.g., Dougherty et al., 2000; Tomlinson and Egan, 2002), was to

capture people's accounts and rationales of the event, in this case a lie, and how they reacted to it.

The third set of questions was about the informant's view of the organization, satisfaction with the airline in general, satisfaction with this flight in specific, and intent to fly this airline again in the future. The second and third sets of questions were counterbalanced across interviews – 49 interviewees were asked grand tour questions, the semi-focused topical questions, and then their attitudes and intended future behavior; the other 48 were asked grand tour questions, their attitudes and intended future behavior, and then the semi-structured topical questions.

Archival data

In addition, archival sources (airline newsletters, in-flight magazines, exposés) provided information about airline values and espoused image. For instance, the archival data were coded by two raters as to the espoused organizational image, especially as it pertains to customers' views. The inter-rater reliability was .94. These data were used as a baseline to ensure that all airlines in the study considered customers important. While some airlines claimed unique values – "We are the on-time airline" – all airlines in the study represented themselves in their employee newsletters and in-flight magazines as customer-focused. We also coded the data for instances of employee deception reported, for example, in "letters to the airline" and "complaints handled" and used the coded archival data to triangulate our findings from the observation and interview data when possible.

Data analysis

Stage 1: thematic analysis

We used the observation notes, interviews, field notes, and archival data to discover perceptions of and reactions to perceived employee deception. Transcribed observation notes and interview data were combined by flight to provide triangulation of informant comments, observed flight parameters, and verbal data observed from other passengers and the flight crew (Patton, 1990). Both researchers read and independently categorized the transcripts to identify themes regarding episodes of perceived

deceit (Miles and Huberman, 1994: 246). Specific themes arose based on types of perceived deceit and the factors surrounding the event. As a check of our process of categorization, we had two independent coders conduct thematic analysis to identify categories. The coders had a 92% overlap with each other and 87% overlap with our initial themes. We reconciled the differences through conversations and further immersion in the data. This follows the method of Miles and Huberman (1994) for developing grounded theory as we were continually comparing the developing categories and model to the data. We followed Glaser and Strauss's (1967) rule of "theoretical saturation" – as we began noticing the same consistent themes arising over and over again, this indicated closure on this analysis. Table I provides information on our data sources, the degree to which each category was identified in each type of data, and the overlap in categories across data source.

Stage 2: comparison/contrast

Two essential aspects of using the inductive method to build grounded theory are contrast and comparison (Strauss, 1987). We followed the techniques of past organizational research and, specifically, studies of sensemaking (e.g., Dougherty et al., 2000), that use contrast/comparison analyses of data to build theory. To proceed with this analysis, we evaluated whether situations included individuals who were satisfied with the company or not to divide the data into subsets of satisfied fliers and dissatisfied fliers. Our goal was then to compare these situations to determine if there were different ways that people made sense of the deceit that led them to these divergent outcomes. We were able to use a mean split of the aggregated observer ratings (5-point Likert scales; see earlier description in structured observation) of customer satisfaction, intent to fly the airline again, and whether or not the passenger viewed the organization as a stellar company because the scales were highly correlated (Cronbach's $\alpha = .88$) and call this the customer's perception of the corporation (CPC). This intercorrelation is not surprising given research on productivity and performance in the service sector (cf. Leung et al., 1998). In addition, we were able to validate our conceptualization of positive and negative CPC with the qualitative data

in the interview and field notes. For example, a passenger in the positive CPC group claimed that "This is the best airline I have ever flown on, and I've flown on quite a few!" while a passenger in the negative CPC group stated "I hate this carrier! I will never, ever fly this airline again!" Remember that all participants included in this analysis perceived lies; our split was on who was satisfied and who wasn't, and why. From this analysis we were then able to examine what it was about the perceived deceit that differed across the satisfied and unsatisfied flyers.

Explaining perceptions of deception and their effects

Four main themes arose that depict event characteristics surrounding the perceived deceit episodes (RQ1) that we propose link deception to CPC (RQ2): (1) the players involved in the deception, (2) the type of perceived deceit, (3) the beneficiaries of deceit, and (4) the harm done by the perceived deceit.

Event characteristic 1: players involved

In the data, we consistently (in both the satisfied and dissatisfied conditions) found three players mentioned as being involved in the perceived deceit: the perceived deceiver (the person lying), the perceived recipient of the deceit (the person being lied to), and the perceived beneficiary of the deceit (person or organization benefiting from the deceit). For example, take the first scenario in Table II from the interview notes: "They always say they'll bring a pillow, and then never do. In fact, I bet they never intend to!" This passenger is complaining about the flight attendant who said he would bring her a pillow. The flight attendant would, in our model, be labeled the deceiver. The passenger would be the recipient. The passenger went on to describe the lazy nature of the flight attendant and the fact that she thought he just said he'd get the pillow to calm her down and never intended to. So, the perceived beneficiary in this scenario is the flight attendant (benefiting by not having to take extra time to get a pillow).

TABLE I
Cross-event evidence of deception categories

| Deception type | Confirmed by | | | Same incident identified by two sources |
|---|-------------------------|--|--------------------------------|---|
| | Interview <i>n</i> = 97 | Observation of flights <i>n</i> = 1102 | Archival sources <i>n</i> = 62 | |
| About beliefs <i>n</i> = 228 | 72% ^b | 49% | 22% | 74% |
| About intentions <i>n</i> = 145 | 47% | 65% | 6% | 89% |
| About emotions ^a <i>n</i> = 985 | 89% | 97% | 42% | 99% |
| Deception factor mentioned | | | | |
| Liar | 87% | 77% | 45% | 96% |
| Recipient | 65% | 98% | 33% | 58% |
| Benefit | 44% | 32% | 15% | 28% |
| Harm | 69% | 55% | 48% | 76% |

^a This refers to the same behavior – the smiling farewell – noted almost unanimously.

^b The percent represents the number of times this factor is mentioned or observed in a reported lying incident.

TABLE II
Episodes of perceived deception: types and factors

| Deception type | Interview texts | Field notes |
|---------------------------|---|---|
| Intention | “They always say they’ll bring a pillow, and then never do. In fact, I bet they never intend to!” | She said, in response to his request: Sure, I’ll go make you some tea right now. She never did. |
| Belief | “Yeah, right! It really looks foggy out there. I bet they are just still loading bags on.” [strong sarcasm] | Why did the pilot say that they were going to get mechanics out here, when the mechanics just left and had the pilot sign off? It seems it was to calm the crowd. |
| Emotion | “I just hate that when they stand and say goodbye and smile — you know they don’t mean it!” | Once again, the typical farewell with the big smile. This is strange. I notice the FA (flight attendant) sympathizing with a passenger and in a blink she is back with her friends making fun of him. |
| <i>Characteristics</i> | | |
| Deception characteristics | Interview texts | Field notes |
| Perceived deceiver | “They all lie — the flight attendants and the pilots. It’s amazing.” | I’ve noted that it is not just the ticket agents and flight attendants, but the pilots often make announcements that seem off and a bit misleading. |
| Recipient | “It’s me. They lie to me. I’m the captive audience who has to sit and listen to that crap.” | Some people just tune out the announcement but others listen to the lies and just take them in or start making noise and rolling their eyes — “Oh come onnnn!” Oh, riggghhhh! |
| Beneficiary | | |
| Company- | “I know they just say that [there’s a weather delay] because the company makes them, because they want to look good. They don’t want to get known for having faulty equipment.” | I overhear the first class flight attendants discussing their discomfort with this one —referring to the pilot’s announcement about the delay due to a broken seatbelt. |
| Employee- | “I can’t believe they think we buy that b.s. about ‘too turbulent to serve drinks in the main cabin.’ They are just plain lazy.” | He just told me there were no pillows on board and now I see him handing one to someone in first class. He lied to me. |
| Passenger- | “They told me I’d make my connection. It was great, I didn’t worry a bit. I should have known it was long gone! If they had told me the truth I would have been screaming the entire flight!” | I overheard this one flight attendant: “Yeah, right. If I had told the truth I’d be out of a job in a minute.” |
| Harm | “It’s no big deal. I can get the next connecting flight.” “My son is ill! You have to tell me NOW if I will be able to get to San Francisco tonight!!!” | My drink is in my lap, my neighbor’s laptop is on my foot. Everyone is screaming, but they keep trying to tell us everything is o.k. I can’t believe they are actually boarding those students for an international connection that they know they won’t make. Who’s going to take care of them when they have to overnight them? A discussion ensues among the flight attendants. “I can’t believe they make us do this.” “I know.” “But it’s better than having the whole plane in a panic.” Apparently there is some damage to one engine that is causing turbulence but they have announced weather problems. |

We found that the players involved in the deceit, and the passengers' perceptions of these players, were very relevant in determining the customer's view of the corporation (see Figure 1). There seemed to be a hierarchy of recipient, such that when the subject perceived self, a significant other, or a sympathetic other as being the victim, the CPC suffered more than when the victim was a loud or drunken passenger or another unsympathetic target. We propose that the distance between the perceiver and the recipient influences how offensive people view the deceit to be. For instance, the distance is non-existent if the person perceiving the lie is the same person as the person being lied to; but remember that a perceiver can observe someone else being lied to, for example, a drunken passenger that he/she does not identify with, thus creating a larger distance between perceiver and recipient. The concept of *social distance* (Rokeach, 1960) suggests that individuals construct schemas of out-group members by forming a hierarchy of what types of people are to be kept at a greater distance than others. Individuals construct these social representations based on social distances that exist between members of one social group and members of different groups defined by visible demographic attributes such as gender and ethnicity (e.g., Hraba et al., 1999). Byrne's (1971) research on similarity-attraction proposes that people are attracted to those similar to them and often apply negative assumptions to those dissimilar. This may discount the effect of the lie such that lying to someone who is dissimilar, or more distant, is not seen as negative as lying to someone who is closer to oneself. As one satisfied perceiver stated: "I just don't feel any connection to those people who get so drunk. Sometimes I think they deserve to be lied to – they don't really need another drink!" Therefore, we propose a hierarchy based on social distance of perceiver to victim (self, similar other, dissimilar other) that affects CPC (customer's perceptions of the company: customer satisfaction, intent to fly the airline again, and the perception that the organization is a stellar company):

Proposition 1

When the perceiver of the deceit is closer (social distance) to the recipient of the deceit, the response to the deception will

be more negative (lower CPC) than those who perceive themselves as more distant from the recipient.

In addition, we also found another aspect that past research on lying and attributions has missed. Most empirical research on lying, blaming, and sense-making identify a perceiver (person placing blame or making sense) and an actor (person lying), but this work has not identified or distinguished between beneficiaries of the action being perceived. For instance, the sensemaking research discusses sense-makers and sensegivers, and while a recent study of the social processes in organizational sensemaking takes into account stakeholders (Maitlis, 2005) it does not specify how benefiting various stakeholders influences the sensemakers perceptions of the organization. Similarly, attribution theory addresses the idea that customers may blame themselves (rather than the employee or the organization) for service-failures when see themselves as actors, partially responsible for the service failure (Yen et al. 2004), but it does not address blame for service failures among beneficiaries of the service failures. Therefore, we also propose (and continue to develop in event characteristic 3: beneficiaries) that in addition to the person lying and the person being lied to, it is important to consider the person or entity (e.g., the organization) who is benefited by the lie when considering how blame is attributed and the extent of the perceivers' satisfaction with the organization.

Event characteristic 2: categories of deception

Passengers in both conditions (satisfied and dissatisfied) identified three sub-types of perceived lies: perceived deception about intentions, perceived deception about emotions, and perceived deception about beliefs. Table I shows the data found regarding this typology and Table II provides examples of the types and characteristics of deception.

Perceived deception about intentions

Perceived deception about intentions misrepresents what the speaker plans to do. The passenger perceives that while the flight attendant says that he/she plans to perform some action without any actual intention to do so. "I'll be right back with another

pot of coffee,” is an example from the observation data. In this instance, the passenger being observed rolled his eyes, commenting “Yeah, that’ll be the day!” We coded this observation as perceived deception about intentions assuming that the passenger hearing the statement believed the person making the statement did not intend to return any time soon (and she didn’t). “I’ll order you a vegetarian meal,” is what one informant described in the interview as a lie they were told by a flight attendant. “I knew they had absolutely no intention of putting in the order. They were just saying that to make me happy.” Table II provides other examples from the interview texts and field notes. For instance, one passenger stated “They always say they’ll bring a pillow, and then never do. In fact, I bet they never intend to!” We classified these perceived lies as perceived deception of intentions.

Perceived deception about beliefs

Perceived deception about beliefs are statements where the passenger perceives that the flight attendant believes information to be false, but presents it as if it were true. “We were late departing because we didn’t have everyone’s bags,” was reported by one passenger as a lie. This constituted deception about beliefs, since the passenger perceived that the speaker knew that the late departure was actually due to another flight attendants’ late arrival. Another example from the observation data was when a coach passenger yelled, “That’s a lie! I’ve done it before!” when a flight attendant told him, “Our policy prohibits passengers from changing seats.” Data of this sort were categorized as perceived deception about beliefs. Table II provides more examples from the field notes and interviews.

Perceived deception about emotions

In these instances the passenger believes that the flight attendant intentionally misrepresents emotions or feelings. Frequently, this is a case where the passenger believes the flight attendant has failed at an emotional labor attempt. The classic example is when the flight attendants smile at every passenger as they leave saying “Goodbye.” Most passengers interviewed and some observed stated that there had been occasions when they did not believe that the flight attendants really felt like smiling at this point in time. Another instance of perceived deception of

emotion occurred when one interviewed passenger reported always feeling deceived when the flight attendant says, “We’re glad you chose to fly Airline XXX today” because the passenger is a (self-described) big pain in the ass. Table II provides an example we observed from first class in which the flight attendant is kindly comforting a passenger stating that she knows how he feels (during the turbulence) and then rejoins her colleagues only to make fun of his panic, stating that she has never felt this way. The passenger wasn’t fooled and told his traveling companion that he didn’t think the flight attendant believed a word she said. While many customers may believe that this kind of deceit is required in any customer-service job, the distinguishing factor in the instances we examined was that the deceit was not carried out effectively. Recognizing that, in theory, a flight attendant should be nice to all passengers is very different from recognizing that a particular flight attendant is faking being nice to *you*.

In sum, passengers noted three types of deceit: deceit of beliefs, deceit of emotions, and deceit of intentions. Deceit of belief occurs when the employee lies about something that the employee believes is untrue but presents as true. For example, when the flight attendant knows the delay is due to a late arriving pilot but tells passengers it is because of weather at the destination this is a lie of belief. Baier (1993) notes that when we lie about beliefs, we do not tell others what we believe, but what we want them to believe. This may be a kindness, as in the case where one might replace a child’s dead goldfish and tell the child it was the same fish. Deceit of emotion refers to covering up or hiding one’s true feelings. Again, the motivation may be one of kindness. The smiling flight attendant may be attempting to cover up true feelings of disgust, fatigue, or indifference. Because we are focusing on customer perceptions of deception, we are addressing only those cases where the true feelings of disgust, fatigue, or indifference somehow leaked through enough that the customers perceived the flight attendant to be faking. A lie of intention is when the flight attendant tells a passenger that he will look for a pillow when he actually had no intention of ever doing so. Our research findings regarding perceptions of organizational deceit expands past work on two major fronts: first, we

empirically derive the three categories from our qualitative data providing grounded theory for constructs often only theorized about abstractly by philosophers (e.g., Baier, 1993); and, second, we specify the set of event characteristics that influence the effect of the various types of employee deceit perceived on customers' perceptions of deception.

Passengers make sense of lies and attribute blame based on the content of the lie. While sensemaking research has identified a first stage that individuals engage in as issue identification and relate this to employees' personal concerns (Bansal 2003), they do not separate emotions from intentions or beliefs. We found this distinction critical in determining how individuals assign blame, which ultimately influences their responses to the lie. Issue interpretation (the second stage) has been shown to be critical to how employees make sense and distinguish among what issues are more important than others (Gioia and Thomas, 1996), and in this research we found that it is also critical to how external stakeholders (i.e., customers) interpret and respond to actions of employees. While Dutton et al. (2002) discuss issues that are obviously of importance to employees (i.e., gender-equity issues), they don't specify the degree to which the specific issues identified are related to (violations of) emotions, beliefs, or intentions. Our research allows us to make distinctions among categories of perceived deception (about emotions, beliefs, and intentions) and the different responses the various forms evoke. Bell and Tetlock (1989) discuss how blame is attributed to individuals within organizations, but we examine how organizations are assigned blame *for*, or because of, actions of their employees which we propose is related to the type of deceit perceived and other event characteristics.

Based on our contrast/compare analysis, we found that passengers were more dissatisfied when they viewed lies as being about beliefs, than about intentions or emotions. This result may seem counterintuitive. One might expect, based on the emotions literature, to find emotion to yield stronger results. However, we base our findings and following proposition on the specific characteristics of beliefs vs. intentions or emotions relevant to attribution and sensemaking (taking into account the emotional labor literature from the perspective of the customer). These characteristics (stability and control) regarding the content of the deception (i.e.,

deception about beliefs, intentions, or emotions) influence both the amount of dissatisfaction and the focus of the dissatisfaction on the organization when the lie is about beliefs.

Beliefs are seen as more stable and therefore reliable decision-criteria. Intentions may be thwarted by events, emotions may change, but beliefs are supposed to be enduring. Therefore, customers may perceive deception about beliefs as being more problematic (decreasing satisfaction), since they are more likely to rely more heavily on beliefs than on intentions or emotions in making decisions of consequence. While they may occasionally make decisions based on intentions of service providers, they are likely to account for random interference (e.g., "They intend to bring me a pillow, but maybe they will run out, so I'd better get my own."), thus reducing the potential effect of a lie of intention. Similarly, any decisions based on the emotions of another person will take into account that the emotions may change, thus reducing the potential harm of a lie. There may also be an unconscious discounting of the informational worth of emotional expression by service personnel, since most customers know that such employees are often required to provide "service with a smile" (Grandey et al., 2005). Thus, the total amount of dissatisfaction customers had was related to the type of lie based on stability likelihood of the content (i.e., beliefs, intentions, and emotions).

In addition, the attribution of blame to the organization as opposed to the employee or another customer was affected by the amount of control the organization was seen to have over the deceit. Both emotions and intentions were specific to individual employees and subject to change. So, even if a customer had evidence that one flight attendant was not really happy or did not really intend to obtain a pillow that did not mean that the organization as a whole was not happy or did not intend to provide service. However, beliefs, by their nature, are supposed to be assessments of the way the world is, not subject to individual differences. Therefore, a lie by one employee about beliefs was more easily generalized to the organization. Attribution theory claims that acts that are perceived as less in the control of the actor are less likely to be associated with blame to that specific actor. We extend this by suggesting that when the deception is about beliefs the perceivers blame the organization because they perceive the

actors as speaking on behalf of themselves in the case of emotions and intentions, but on behalf of the organization in the case of beliefs. Therefore, based on the characteristics of stability and control as related to the category of deception, we propose:

Proposition 2

When the perceived deception is about beliefs, the response to the deception will be more negative (lower CPC) than if the deceit is about intentions or emotions (see Figure 1).

Event characteristic 3: beneficiaries

We also found that passengers specifically identified three different entities or people who would benefit from the deceit: the company, the employee, and the passengers. For instance, an example of a lie that was perceived to benefit the company was provided by one passenger: “I know they told us that we would leave on time, but I could tell it was never going to happen with all that snow on the ground. They just say it to make the company look good.” In another instance, the lead flight attendant talking to one of the new flight attendants said that he tells [passengers] that the late departure is due to weather, even when it’s nice out. “Hey,” the lead said, “I don’t want them to hate our airline!” thus indicating a lie to benefit the company.

The data suggested that when the passenger perceived the *company* as the beneficiary, the employee is perceived by customers to lie for three main reasons, which we call motives: (1) for policy or training reasons, (2) to save the organization’s face, and (3) for efficiency reasons. A common example of the first motive from our data is the crew member who is instructed by policy or training (as perceived by the customer) to say, “We’re glad you chose XXX Airlines today,” even when the crew member is perceived to have actually wished the person had been elsewhere (motive: follow policy or training – benefits the organization). In the exchange above (“Hey! I don’t want them to hate our airline!”), the perception was that the employee lied to make the organization look better (motive: to save organizational face – benefits the organization). In another

instance in response to a perceived lie, a passenger said “No way! They just want to get done quicker. I hate this airline!!” (motive: efficiency – benefits the organization). We found that recipients perceiving deceit are more likely to develop a negative view of the corporation when the recipient believes the perceived deceit benefits the organization.

The second category of perceived beneficiary identified by the passengers was the category of *airline employee*. We found that when the employee was perceived to deceive to benefit him or herself it was perceived to be to save face, to avoid passenger anger, to make the job easier, and/or to address a personal interest (lying about age or marital status) and was perceived much less negatively than lies to benefit the company. Some perceived deceit provided benefit to the employees themselves, as indicated from the following quote: flight attendant speaking – “I know I told him I would, but there is no way in hell that I’m going to go back through that cabin one more time to get that jerk a pillow. It’s a waste of time, besides.” (motive: job easier; avoid passenger – benefits employee). Other examples found throughout the data refer to perceived lying in which the passenger attributes the lie to the flight attendant’s laziness: “I couldn’t believe it. I know they have magazines on board; you know, I went back later and got one myself. She just didn’t want to do it for me” (motive: job easier – benefits employee).

The third category of perceived beneficiary found in the data is the *passenger*. The following example from the field notes demonstrates an employee lying to protect the passenger: “I repeatedly heard the flight attendant telling the passenger in front of me to calm down, that everything was ok. Actually, it wasn’t ok. This was one of the most turbulent flights I’ve ever been on, but I think she knew that if she didn’t work with this fearful flyer there would be more trouble! He was practically out of his seat with the intention of heading toward the cockpit or the escape door.” This type of lie, to benefit the passenger, was actually perceived as acceptable or appropriate by customers, or at least less offensive than lies that benefit a “lazy” employee.

In addition, when passengers seemed to be getting anxious (“Oh no, we’re looping again!!”) the flight attendants would often say: “It’s ok – we’ll be landing shortly” or “We’ll be on the ground in 5 min.” This was often shown to be very inaccurate

information; however, the perceived lie was intended to calm down passengers and was often quite successful. When the passenger perceived that the employee lied to keep a *passenger* calm, the customer perception of the company was less affected. In fact, some people were very pleased when they thought they were being lied to. This especially occurred if the lie could benefit the passenger in some way such as saving him/her from unnecessary worry (e.g., “I don’t even want to know if there is a mechanical problem. I’m sure they’ll fix it fine – I’d rather they say it’s traffic control, then I don’t worry so much.”).

When deceit was perceived to be required, encouraged, or permitted by the organization, it more negatively affected customer’s perceptions of the organization. The compare/contrast analysis indicated CPC was found to be the lowest when deceit was perceived as undertaken in order to benefit the company and was the highest when deceit was perceived to be made to benefit the passenger (see Figure 1). This extends Schein’s (1979) view of organizational use of deception to enhance organizational power and efficiency by proposing that consequences will be more negative when the lie is perceived to benefit the organization than when an employee lies to protect themselves or someone else (i.e., the customer). Refining Schein’s distinction further, we found that lies that were altruistic or social (protecting someone else) were much more acceptable compared to individualistic, or self-serving, lies (protecting self). Because we are interested in the organization-level evaluation (Customer Perception of the Company), we do not view the organization as the “other” but as an extension, or even facilitator (e.g., via training or standard operating regulations; Hochschild, 1983) of the employee, or deceiver. In fact, we are suggesting that customers may forgive individual employees for lies on the behalf of the organization, but be very unforgiving of the organization for the same lie. Laboratory research on lying (e.g., Shapiro, 1991) suggests that the reason for a lie affects a victim’s negative reactions to the lie, but has not yet specified motives and how they impact customer views of the organization or the beneficiary. In this study, our assessment of negativity was based on the view of the customers perceiving deception and how they perceived the company based on this perception of deception. In addition, while attribution theory suggests that a person “reacts to what he thinks the other person is perceiving, feeling, and thinking, in

addition to what the other person may be doing” (Heider, 1958), it does not specify categories of beneficiaries. Therefore, based on our research we extend prior work by proposing that the beneficiary (see Figure 1) is critical to determine the effect of a perceived lie on CPC (customer perception of the company):

Proposition 3

When an individual perceives that the motivation to lie is to benefit the employee him or herself, the response to the deception will be less negative (higher CPC) than if the benefit is to the organization, but more negative than if the benefit is to the passenger him or herself or to another passenger (benefits company > benefits employee > benefits passenger).

Event characteristic 4: harm and consequences

The consequence of believing a lie is what we label the perceived harm of the lie. In our data, the perceived harm done by believing a lie varied, ranging from helping the recipient to being very harmful to the recipient. For example, the lie: “Your bag will be on flight #563,” caused one person to believe that her insulin would arrive at her destination in time for her to avoid serious health problems (and thus caused great harm when the luggage didn’t arrive). Another person provided a similar story, believing that the documents he needed for a presentation would arrive at his destination in time for him to make a presentation (causing moderate harm when the luggage didn’t arrive). A third person believed that her souvenirs and dirty clothes would arrive home when she would (causing little harm when the luggage didn’t arrive). And a fourth example is the person who decided not to take a standby seat on an earlier flight that was then involved in a mid-air collision, because he thought he would have to wait for his bags (actually helpful). Relying on the statement as true would cause these individuals varying degrees of harm (or benefit). Other data demonstrating varying degrees of harm were perceived lies that may make passengers miss their connecting flight. In some instances this was a low-harm situation as they had no specific reason to reach their destination at a specific time. In one instance, it was actually helpful in that the passenger

wanted to lay over in the town to visit a friend. And, yet in other instances the level of harm was higher. For example, one passenger told us that if he missed his connection he would miss his wedding. Thus, we found that the degree of harm done by believing a perceived lie affects the degree and direction of the individual's perception of the corporation. Attribution theory suggests that people make attributions when they perceive unexpected events. We suggest that harm is a trigger which makes people search for someone to blame, and the more harm perceived, the more likely they are to blame the organization (see Figure 1). Therefore, our simple proposition is:

Proposition 4

The more harm done by the perceived lie, the more negative the response (lower CPC) to the deceit.

While research on crisis and emergency conditions suggests that conditions that cause great harm are much more likely to negatively influence a company's reputation (e.g., Burnett, 2002; Gephart, 1993), they do not often focus on the other end of the spectrum – crises (or lying) that makes people happy. Therefore, we also extend this work by finding a more complex interaction than past research or theory on lying or attributions has suggested. When deceit was for the benefit of the passenger (e.g., keeping them calm) and harm was high, the passenger was much more pleased, and in some cases actually preferred being lied to¹ than when deceit was for the benefit of the company or when the deceit benefited them and the harm was minimal. In other words, customers were very accepting of the company or employee who lied to them under conditions of high harm in order to keep them calm. In the words of one passenger: "Hey, if I have 10 min left to live, I don't want to know about it." While it may seem counterintuitive that people like to be lied to, incorporating cognitive dissonance theory (Festinger, 1957) into theories of organizational deceit can explain these results. If a person holds two cognitions that are inconsistent, they experience dissonance. For example, if a passenger is aware that he/she is flying on an airline and believes this is safe, there is no dissonance. However, if the flight attendant tells them that there

is a problem with the aircraft, flying is no longer safe and there is dissonance. Thus, being lied to allow them to be in a dissonance-free, or preferable state with consistent beliefs (Aronson, 1992). Thus, we propose an interaction between the event characteristics of harm and beneficiary (see Figure 1):

Proposition 5

The degree of harm perceived will moderate the effect between beneficiary (motivation of the lie) and the CPC; that is, the more harm perceived by the lie, the more negative the response (lower CPC) if the beneficiary of the lie is the employee or the organization while the more positive the response (higher CPC) will be when there is high harm and the beneficiary is the passenger.

Conclusions

Using an in-depth qualitative analysis of over 1100 airline flights, we identified three types of deceit (deceit of belief, deceit of emotion, and deceit about intention) and specific event characteristics of the perceived deception that influence customers' attitudes and intended behaviors. We found that depending upon an individual's perception of deceit and the characteristics surrounding the deceit, it may actually be categorized negatively, positively, or somewhere in between in relation to customer perception of the corporation (i.e., customer satisfaction, intentions of repeat business). We found that people do not necessarily blame an organization for employee deceit, and in extreme cases may actually applaud the employee for not telling the truth. In addition to a typology of lies (and the players involved) not previously identified in empirical research on lying, our model includes factors that determine what effect the perceived deceit will have on the customer's view of the organization, or the nature of responses when sense is made of a perceived lie. Two factors (beneficiary and harm done) are linked to the motives that customers attribute to the deceiver, which influence their subsequent attitudes and behaviors, extending the concepts of attribution and sensemaking to research on how

employee deceit can affect organizations. These empirical findings also help link past moral theorizing (e.g., Bok, 1989; Jones and Ryan, 1997) to outcomes relevant to organizations and extend research on lying to incorporate perceptions of deception.

As with all research, there are limitations to this study. First, it is only conducted in one service industry, the airline industry. Other industries that would be interesting to study are car rental agencies, restaurants, moving companies, and lawyers – all of which are service occupations where deceit may be prevalent, or at least is perceived to be prevalent by many. Some thought has been given to the profession of law and the role lies play (Lerman, 1990) and empirical work could validate the model suggested by our research. In sum, generalizing our model of customers' (or other stakeholders') perceptions of corporations and deceit to other industries will be needed. A second limitation is that it is conducted within an English-speaking, Western cultural setting. Research has shown that an individual's willingness to engage in deception and their reactions to deception vary by culture (Triandis, 2001; Triandis et al., 2001). Unfortunately, all of our flights originated or terminated in the United States and our observations excluded any non-English interactions. Therefore, our sample does not have sufficient numbers of members of collectivist cultures for us to be able to determine whether the differences apply and we feel that generalizing to collectivist cultures from our model is not advisable.

We also propose that future research investigate the effects of lying on the employees perceived, or encouraged, to lie. Raelin (1984) examines why employees lie as adaptive behavior in response to conflict and suggests that they often leave the job or organization soon thereafter. Grover (1993a) also found that physicians and nurses report that they may lie when they experience role conflict, but the research did not focus on actual behavior or the aftereffects. While the effects of lying on liars has been empirically studied by communication researchers (Camden et al., 1984; Lippard, 1988), the focus has been on close interpersonal relationships, rather than employee–customer interaction, and the research sample is typically undergraduate students. Consequently, we believe there is sufficient reason to expand the model presented here to

incorporate the effects on employees as well as customers. Additionally, the effect of being unfairly accused of lying on employees could be an important extension of the model. As certain occupations, organizations, or industries develop reputations for dishonesty, employees may experience more interactions where their word is doubted. While the emotional labor models (e.g., Ashforth and Humphrey 1993; Mann 1999; Morris and Feldman 1996; Rupp and Spencer 2006) address the effect of being expected to deceive people regularly, they don't distinguish between successful and unsuccessful attempts at deceit.

A natural implication of our findings might be for organizations to do a better job of teaching their employees how to lie. However, employees don't necessarily like to lie (Murphy, 1998) given the emotional labor often needed (Erickson and Wharton, 1997). And, personally, this is not necessarily what we want to suggest; however, our results indicate that organizations should be interested in the perceptions of the truthfulness of their employees. In our industry of study – air travel – the Airline Passenger Fairness Act introduced in 1999 provides that carriers would have to tell passengers when a flight is oversold and “the *real* reason a flight has been delayed, diverted or canceled” (italics added; Napach, 1999: 31). According to Akeroff (1983): “...it pays persons to bond themselves by acquiring traits that cause them to appear honest.” The best use of training then, we propose, would be to train employees to disseminate information throughout the organization quickly and accurately so that customer contact employees have access to the truth and are not tempted to make up answers or reply with a frustrating “I don't know.” However, it may also be useful to train customer contact employees how to recognize the types of unexpected situations, which cause customers to attempt to attribute blame and to teach them to give more frequent updates to customers in those situations. It may also be useful to train customer contact employees what kinds of responses, even if true, appear evasive to customers. Employees, especially service providers, who appear to deceive customers (even when they may be telling the truth), can damage the employee/customer relationship. We propose that behavior of employees intending to help maintain or improve a

company's reputation may not enhance (as past work has suggested, e.g., Cialdini, 1989; DePaulo et al., 1989), but may actually detract from the CPC, thus decreasing customer satisfaction, and causing a decline in repeat business. This is the case if the behavior is perceived by the customers as deceptive. If customers do not locate the blame for the event with the organization or its employees, they will have less reason to view the organization negatively because of the deception. However, the more they find the event to be for the benefit of the organization, the more likely they will be to perceive deception even when there is none, and, as we found, this will influence their attitudes toward the airline and its personnel, as well as their actions (e.g., repeat business).

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Note

¹ This was a surprise to both authors, and apparently to one reviewer. Any empirical test of this model should take into account the possibility that, in instances of high harm, there may be an individual difference (locus of control, perhaps), which causes some to be more upset by being deceived "for their own good."

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