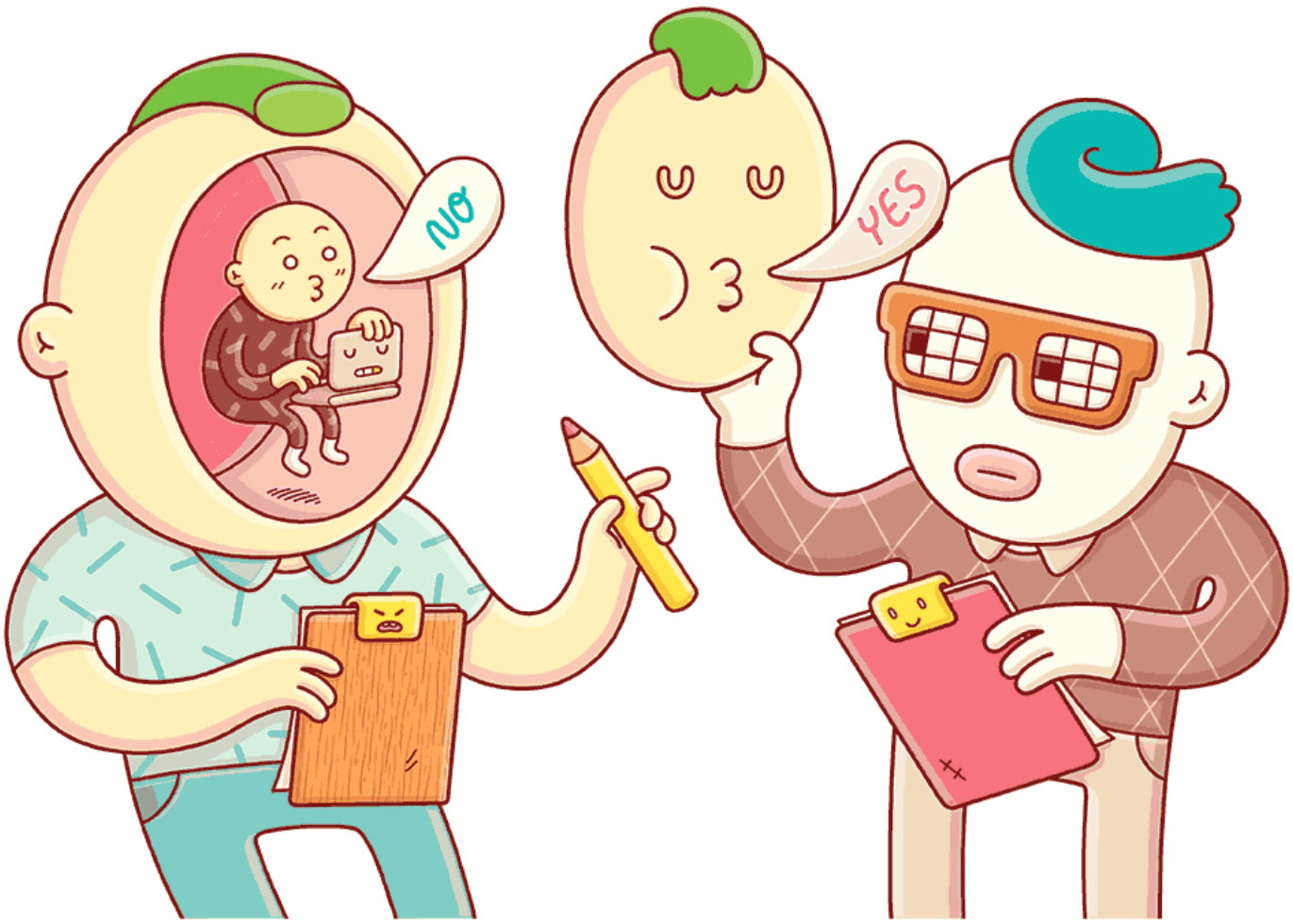
How to Negotiate with a Liar

Leslie K. John • From the July–August 2016 Issue



Brosmind

Robust social psychology research indicates that people lie—and lie often. One prominent study found that people tell, on average, one or two lies every day. Negotiators are no exception. Judging from studies done in 1999 and 2005, roughly half of those making deals will lie when they have a motive and the opportunity to do so. Typically they see it as a way to gain the upper hand (although it can actually cause backlash and prevent the kind of creative problem solving that leads to win-win deals). Deception is thus one of the intangibles that negotiators have to prepare for and take steps to prevent.

Many people assume that the solution is to get better at detecting deception. There's a widespread notion that one can reliably spot a liar through subtle behavioral cues—or "tells," in the parlance of poker and

other games that involve bluffing. But the evidence doesn't support that belief. One meta-analysis (a study of studies) found that people can correctly identify whether someone is telling a lie only 54% of the time—not much better odds than a coin flip. Even the polygraph—a technology specifically engineered to detect lies in a controlled setting—is riddled with problems and comes to the wrong conclusion about a third of the time. Humans are particularly inept at recognizing lies that are cloaked in flattery: your boss's promise that a promotion is coming any day now; the supplier's assurance that your order is his top priority. We're wired to readily accept information that conforms to our preexisting assumptions or hopes.

Is there anything you can do to ensure you're not duped in a negotiation? Yes, if you focus on prevention rather than detection. There are several science-backed strategies that can help you conduct conversations in a way that makes it more difficult for your counterpart to lie. Though these methods aren't fail-safe, they will leave you better positioned in your deal making and help you to create maximum value.

1. Encourage Reciprocity

Humans have a strong inclination to reciprocate disclosure: When someone shares sensitive information with us, our instinct is to match their transparency. In fact, simply telling people that others—even strangers—have divulged secrets encourages reciprocation. In a series of studies that I conducted with Alessandro Acquisti and George Loewenstein, we presented readers of the *New York Times* with a list of unethical behaviors, such as making a false insurance claim and cheating on one's tax return. People who were told that "most other participants" had admitted doing those things were 27% more likely to reveal that they had done likewise than were people who were told that only a few others had made such admissions.

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Reciprocity is particularly pronounced in face-to-face interactions. In experiments led separately by Arthur Aron and Constantine Sedikides, randomly paired participants who worked their way through a series of questions designed to elicit mutual self-disclosure were more likely to become friends than were pairs instructed to simply make small talk. (One couple assigned to the disclosure exercise eventually married!) Inducing a close relationship is not the primary goal of most negotiations, of course. But other research, by Maurice Schweitzer and Rachel Croson, shows that people lie less to those they know and trust than they do to strangers.

A good way to jump-start reciprocity is to be the first to disclose on an issue of strategic importance (because your counterpart is likely to share information in the same category). For example, imagine you are selling a piece of land. The price it will command depends on how it's developed. So you might tell a potential buyer that you want to sell the land for the best use. This could prompt her to divulge her plans; at a minimum, you are encouraging a conversation about interests, which is critical to creating mutually beneficial deals. This strategy has the added benefit of letting you frame the negotiation, which can enhance your chances of finding breakthroughs.

2. Ask the Right Questions

Most people like to think of themselves as honest. Yet many negotiators guard sensitive information that could undermine their competitive position. In other words, they lie by omission, failing to volunteer pertinent facts. For example, consider an individual who is selling his business but knows that vital equipment needs replacing—a problem imperceptible to outsiders. It might seem unethical for him to withhold that information, but he may feel that by simply avoiding the topic, he can charge a higher price while still maintaining his integrity. "If the buyer had asked me, I would have told the truth!" he might insist.

The risk of not getting the whole story is why it's so important to test your

negotiating partners with direct questions. Schweitzer and Croson found that 61% of negotiators came clean when asked about information that weakened their bargaining power, compared to 0% of those not asked. Unfortunately, this tactic can backfire. In the same experiment, 39% of negotiators who were questioned about the information ultimately lied. But you can go a long way toward avoiding that outcome by posing your queries carefully. Research by Julia Minson, Nicole Ruedy, and Schweitzer indicates that people are less likely to lie if questioners make pessimistic assumptions ("This business will need some new equipment soon, right?") rather than optimistic ones ("The equipment is in good order, right?"). It seems to be easier for people to lie by affirming an untrue statement than by negating a true statement.

3. Watch for Dodging

Savvy counterparts often get around direct questions by answering not what they were asked but what they *wish* they'd been asked. And, unfortunately, we are not naturally gifted at detecting this sort of evasiveness. As Todd Rogers and Michael Norton have found, listeners usually don't notice dodges, often because they've forgotten what they originally asked. In fact, the researchers discovered that people are more impressed by eloquent sidestepping than by answers that are relevant but inarticulate.

Dodge detection is improved, however, when listeners are prompted to remember the question—for example, when it is visible as the speaker replies. In a negotiation, therefore, it's a good idea to come to the table with a list of questions, leaving space to jot down your counterpart's answers. Take time after each response to consider whether it actually provided the information you sought. Only when the answer to *that* question is "yes" should you move on to the next issue.

4. Don't Dwell on Confidentiality

Research shows that when we work to assure others that we'll maintain their privacy and confidentiality, we may actually raise their suspicions, causing them to clam up and share less. As early as the 1970s, the National Research Council documented this paradox with potential survey participants: The greater the promises of protection, the less willing people were to respond. This relationship holds up in experimental research. In studies conducted by Eleanor Singer, Hans-Jürgen Hippler, and Norbert Schwarz, for example, fewer than half of the people who received a strong confidentiality assurance agreed to complete an innocuous survey, whereas about 75% of those given no such assurance agreed to do so.

My colleagues and I have discovered that strong privacy protections can also increase lying. In addition, we've found that when questions are posed in a casual tone rather than a formal one, people are more likely to divulge sensitive information. Imagine you are negotiating a job offer with a prospective employee and would like to assess the strength of her other options: Does she have competitive offers? She's likely to be more forthcoming if you avoid or at least minimize confidentiality assurances and instead nonchalantly broach the topic: "We all know there are tons of great firms out there. Any chance you might be considering other places?" Of course, you should still properly protect any confidential information you receive, but there's no reason to announce that unless asked.

5. Cultivate Leaks

People inadvertently leak information in all kinds of ways, including in their own questions. For example, suppose you are in charge of procurement for a firm and you're about to sign a contract with a supplier who has promised to deliver goods within six months. Before signing, he asks you what happens in the event of late delivery. The question could be innocent, but it might also signal his worries about meeting the schedule. So you need to pay attention.

When people leak mindlessly, the information tends to be accurate. Astute

negotiators realize that valuable knowledge can be gleaned simply by listening to everything their counterparts say, even seemingly extraneous or throwaway comments—in the same way that interrogators look for statements from criminal suspects that include facts not known to the public.

In the Hot Seat: Handling Tough Questions Honestly

Information exchange is integral to creating win-win deals, but it must be carefully managed. Disclose too much and your counterpart might take advantage of you; disclose too little and you miss opportunities to discover mutually beneficial trades. So what should you do when you're asked a question that, if answered truthfully, would put you at a bargaining disadvantage?

What Not To Do

Lie. You will be tempted to lie. Don't. Setting aside ethical, moral, and legal arguments, if you get caught, it can damage your reputation and your relationship with your counterpart and potentially put the entire deal in peril. Research shows that many positive interactions are required to restore trust after a single breach, and breaches entailing deception are among the most difficult to recover from.

Palter. Another common but misguided approach is what Todd Rogers and colleagues call "paltering," or using truthful statements to convey an inaccurate impression. The researchers give the example of former U.S. president Bill Clinton's answer to a question about whether he'd had a sexual relationship with Monica Lewinsky: "There is not a sexual relationship—that is accurate." Technically that statement was not a lie, because his involvement with Lewinsky was in the past. But research shows that

Even if your counterpart is determined to withhold information, you can still encourage leakage. In a series of experiments, my collaborators and I found that people are much more likely to let slip information about their engagement in sensitive behaviors than they are to explicitly divulge it. In one study, we probed *New York Times* readers about matters such as lying about their income. We directly asked people in one group if they had ever engaged in specific activities. We took an indirect approach with the other group, asking participants to rate the ethicality of various behaviors using one of two scales—one scale if they themselves had engaged in the behavior and a different scale if they had not. Participants in the latter group were roughly 1.5 times likelier to admit (tacitly) to bad behavior than were people asked point-blank about their conduct.

In a negotiation, you might use similarly indirect tactics to glean

people view such legalistic skirting of the truth as unfavorably as they view outright lying.

Abstain. A third common workaround is to abstain from answering the question. However, Kate Barasz, Michael Norton, and I have shown that this tactic leaves a worse impression than disclosing even extremely unsavory information. For example, in one study, participants viewed people who had confessed to frequently stealing items worth more than $100 as more trustworthy than those who had simply refused to answer the question.

What To Do

Redirect. In the short term, the strategies deployed by politicians, who routinely face tough, direct questions, can be instructive—particularly for one-shot negotiations (when you are unlikely to meet your counterpart again). A familiar tactic is to dodge the question by changing the subject to something seemingly related. As noted earlier, people are generally not very good at detecting dodges, so you have an opportunity to selectively disclose information of your choosing. A second strategy is to turn the tables and question the questioner. Responding in this way can deflect attention and enable you to take control of the topic.

Share carefully. If you're playing a longer game, disclosure can work in your favor; it can foster trust and facilitate better outcomes through collaboration and joint problem solving. To avoid being exploited, however, negotiators should start small: Share a substantive but not critical piece of information. Only if your counterpart reciprocates should you continue the tit for tat; disclosure without reciprocation leaves you vulnerable to your counterpart's value-claiming tactics.

information. For example, give your counterpart a choice of two different offer packages—two possible ways of dividing the spoils—both of which would be acceptable to you. If she expresses a preference for one over the other, she is leaking information about her priorities and giving you insight into her relative valuation of the issues up for negotiation.

Here's one more strategy that might encourage your counterpart to inadvertently show her hand: Request contingency clauses that attach financial consequences to her claims. If she balks at agreeing to them, it may be because she's lying. At a minimum, such a reaction should prompt you to probe further. Suppose, for example, that your business is negotiating the acquisition of a small start-up. Your counterpart gives you sales projections that strike you as optimistic or even impossible. You could propose a contingency clause that would tie the acquisition price to the sales level achieved. That would motivate your counterpart to provide realistic sales projections, and it would protect you if she's wrong.

Lying surrounds us—and can be a real

impediment to the creation of value in negotiation. The good news is that deploying science-backed strategies can go a long way toward bringing out the best in negotiations—and in the parties involved.

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