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# Deception among Organizational Leaders: Impacts on Employee Perceptions of Supervisor Credibility, Power, and Trust

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I am submitting herewith a thesis written by Paisleigh Jo Kelley entitled "Deception among Organizational Leaders: Impacts on Employee Perceptions of Supervisor Credibility, Power, and Trust." I have examined the final electronic copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science, with a major in Communication and Information.

Michelle T. Violanti, Major Professor

We have read this thesis and recommend its acceptance:

Joan R. Rentsch, Laura E. Miller

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Vice Provost and Dean of the Graduate School

(Original signatures are on file with official student records.)

# Deception among Organizational Leaders: Impacts on Employee Perceptions of Supervisor Credibility, Power, and Trust

A Thesis Presented for the
Master of Science
Degree
The University of Tennessee, Knoxville

Paisleigh Jo Kelley May 2015

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### **Dedication**

How elated the scholar becomes when discovering new knowledge! How dull a life would be without the promise of learning!

This thesis represents much more than the findings alone; it symbolizes a long journey in scholarship that has come to define who I am. I would like to dedicate this work to all of those who have loved me and supported me throughout this process. More specifically, I would like to express my gratitude for my family, including my parents who have always encouraged me to keep going when I didn't believe in myself, and my grandparents who read almost every paper I ever submitted and supplied much needed feedback and words of affirmation. To my brothers, I drew from you both in ways you'll never know—especially in my efforts to persevere and take things in stride—knowing that you two might look to me for guidance, I wanted my behavior to always be true to who we are as a family. Thank you.

I further dedicate this work to my friends. Thank you for sticking with me through this process and for understanding that graduate school is a huge demand on my time and yours. I'm so very grateful for your love, humor, and encouraging words. For those of you who made it with me, I wouldn't be here without you. A special message to the ladies (and a few gents) in my cohort, you rock beyond compare! We did it, baby!

To my professors, mentors, coworkers, deans, and other UT-affiliated folk, thank you. Scholars are sharpened by scholars. I am eternally appreciative of the ways you have shaped me, believed in me, and 'grown' me. Thank you for supporting me intellectually and sometimes financially. I will work to repay you in tangible and non-tangible ways for all of my days. I hope to be as respectable and inspiring as you have been to me.

To the love of my life, Remy, you have influenced me more than perhaps any other person I've known. Your dedication, love for learning, and ambitious nature pushes me every day to be a better scholar and person. If not for you, I'm not sure if I would have had the confidence to try my luck at higher education. Thank you for holding me when I have cried over a bad review, for setting me straight when I go on a stress-fueled tangent, and for being there to celebrate my triumphs and amplify my accomplishments. Without you, I am nothing but a crazed scholar; with you, I can rise above the noise and be someone who can make a difference in the world.

With unending love,

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Thank you.

#### Abstract

Deception is ubiquitous in day-to-day communication. While most deceptive acts are relatively minor in terms of interpersonal impact, lying in the workplace may result in negative organizational outcomes (Griffith et al., 2011). Moreover, business leaders who engage in deceptive communication may elicit similar behavior in their employees (Henrichs, 2007). The current study assesses how different deceptive messages spoken by organizational leaders (e.g., honest messages, messages that withhold information, and messages that distort information) impact employee perceptions of that leader's credibility, power, and trustworthiness. The results of this study indicate that employees view business leaders as less credible and less trustworthy when they engage in deceptive communication, regardless of message type. Further, when managers engage in deceptive messaging, they are perceived as holding less referent power and are viewed as holding more coercive power. Legitimate power, expert power, and reward power were unaffected by deceptive messages. Implications for practice and recommendations for future research are discussed.

Keywords: Deception, Organizational Communication, Leadership, Supervisor Credibility, Power, Managerial Trust

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### **CHAPTER 1: INTRODUCTION**

Deception is ubiquitous in human interaction. Several studies have identified the prevalence with which people engage in lying or otherwise untruthful behavior and have found that deceitful communication is a fact of social life rather than an extraordinary event (DePaulo & Kashy, 1998). Approximately 61.5 percent of discourse involves some form of deception (Turner, Edgley, & Olmstead, 1975). Most deceptive messages are communicated in casual conversation and are comprised of a complex combination of truth and deceit (McCornack, 1992). More recent research by DePaulo, Kashy, Kirkendol, Wyer, and Epstein (1996b) suggests that people lie in one of every five interactions. While the statistics may seem alarming, most lies tend to be relatively unremarkable and insignificant (DePaulo et al., 1996b). Indeed, deceit may be viewed as functional and prosocial in many situations. For instance, white lies are thought to induce more benefit than harm and are exercised regularly in conversation to save face and uphold socially normative behaviors (DePaulo & Kashy, 1998). Despite the potential for deceptive behavior to be functional in interactional settings, ethical considerations still apply and serious ramifications may follow when a lie is discovered. Of particular interest to the current study are the functions and consequences of deceptive leadership in organizations.

Despite recent appeals to promote and enact ethical leadership, unscrupulous behavior among organizational leaders abounds (Brown & Treviño, 2006; Griffith, Connelly, & Thiel, 2011). Almost every day, a new scandal that showcases the rampant spread of deceit among organizational leaders emerges. Ironically, business leaders rank

ethical conduct, defined as having personal integrity and practicing honesty, as the most necessary skill for individuals entering the workforce (American Association of School Administrators, 1996). Workers may be more tempted to lie in the current marketplace because they are being pushed harder than ever to meet the demands of a post-recession economy, which includes downsizing, lower profit margins, and intense competition (Williams, Hernandez, Petrosky, & Page, 2009). Including managers, 56 percent of workers felt some pressure to act illegally or unethically within a year's time by cutting corners, covering up incidents, deceiving customers, lying to supervisors, and taking credit for a co-worker's ideas (Greengard, 1997). These instances and others like them place deceit as a key variable in the workplace environment.

The continuation and even promotion of deceptive behaviors has the potential to impact an organization's overall performance on both a micro and a macro level. For instance, when employees distrust their leaders or perceive that a violation of conduct has occurred, they lose faith in their leaders and may not perform to expectations (Robinson & Rousseau, 1994). Moreover, unethical behavior breeds unethical behavior, meaning that organizational leaders who are deceptive are more likely to foster an organizational climate whereby deception becomes part of the norm (Henrichs, 2007). Numerous studies have shown that there is a relationship between formal, enforced ethical policies and employee satisfaction. For instance, Boyer and Webb (1992) posit that when codes of ethics are effectively implemented and applied, employee satisfaction increases.

Employee satisfaction also increases when top management stresses the necessity of ethical behavior in business operations (Vitell & Davis, 1990). Employees who feel that

unethical behavior garners personal success expressed lower levels of organizational commitment (Byington & Johnston, 1991). Both organizational commitment and employee satisfaction are variables that predict organizational health and can mitigate the negative effects of turnover (Karsh, Booske, & Sainfort, 2005). Thus, deceptive actions within the organization compromise more than the individual's integrity; they can potentially harm the organization as a whole.

When conceptualizing deceit, it is also useful to operationalize honest communication. Given that the present study does provide a condition called *honesty* response, expounding on honest communication allows for more insight and clarity into the difference between honest messages versus messages that withhold or distort information. Honest communication in this study is defined as a kind of continuum whereby messages in the workplace are conveyed with the intention to communicate accurate information in a timely manner to the parties who need to know this information to complete tasks at hand. In attempting to find literature that defines honest communication, none actually elaborated on how one might operationalize honest messages. Therefore, here, honest communication is conceptualized as truthful information that is presented in a transparent manner (i.e. without self-serving motive) to relevant parties to the communication. Importantly, honest communication is a receiver phenomenon: whoever receives the message evaluates it and the information as being truthful or deceitful (honest or dishonest). This becomes important later in the study in referencing source credibility as some researchers posit that a message cannot be divorced from the source (McCroskey, Richmond, & McCroskey, 2002; McCroskey,

1997). Therefore, if a message is truthful but the source is perceived as being incredible, the message may not be evaluated as honest. Here, we see the difficulty in finding a true definition of honest communication. Nevertheless, this is an important variable to consider as it provides the antithetical definition to deception, which is the main focus of the present study.

Despite the evident need to explore deception within organizations, relatively few studies have taken on the task. While some typologies (see Buller & Burgoon, 1994; McCornack, 1992) provide a framework to understand deception as a construct, very few examine how deception functions at a managerial level (see Griffith et al., 2011).

#### Rationale

The aim of the current study is to explore how employees perceive leaders who engage in deception in the workplace at different levels of abstraction. To date, four forms of organizational deception have been identified: withholding, distortions, ambiguity, and changing the subject (McCornack, 1992). Withholding refers to the omission of critical information whereas distortion involves altering critical information. Ambiguity involves delivering unclear or vague information and changing the subject refers to a topic reversal in conversation (McCornack, 1992). This study is interested in understanding deceptive acts as they apply to withholding and distorting information since these conceptions held the highest statistical power in previous experiments (Dunleavy, Chory, & Goodboy, 2010; McCornack et al., 1992). As mentioned previously, deceptive communication can function in counterintuitive ways (e.g., to mitigate negative social consequences). It is possible that the context surrounding

deceptive acts dictates how deception is evaluated. For instance, previous research on instances of co-worker deception indicates that distortions are perceived as the least honest forms of deception with withholding being perceived as the most honest (Hubbell & Medved, 2000). Because supervisor-subordinate relationships are fundamentally different than co-worker relationships, deception may be evaluated differently, making this exploration worthy of study. Perceptions of source credibility, organizational power, and managerial trustworthiness have been selected as variables that warrant examination as they have the potential to be impacted by leader deception. Moreover, these same variables were examined in a recent study that yielded significant results and the researchers called for future studies to examine a number of different scenarios related to deception in the workplace (Dunleavy, Chory, & Goodboy, 2010). Therefore, the purpose of this study is to examine employee perceptions of the leader who uses deception in the workplace in an effort to advance theoretical and practical implications of this phenomenon.

### **CHAPTER 2: LITERATURE REVIEW**

Although for the most part, people tend to be honest, they tend not to be completely honest or completely dishonest (Williams et al., 2009). While it is widely accepted that people have a right to privacy, American culture values open and honest communication (Seiter, Bruschke, & Bai, 2002; Williams et al., 2009); when violations to this cultural creed are exposed, there can be real consequences. For instance, interpersonal research in deception suggests that when lies are discovered, relationships can be damaged, trust can falter, and credibility can be permanently compromised (Buller & Burgoon, 1994; DePaulo et al., 1996b; Dunleavy, Chory, & Goodboy, 2010; Robinson & Rousseau, 1994). Such consequences have ramifications for both the liar and the receiver of the deceit. Because communication necessitates interaction and presumes a base level of trust that what is said is truthful and accurate, dishonest communication has the potential to be internalized and produce negative affect in receivers (McCornack & Levine, 1990). Deceptive communication is problematic at best. Indeed, lying is considered "one of the most prominent and universal ethical issues" because of its sweeping impacts on relationships and on individuals (Cherrington & Cherrington, 1990, p. 19). As previously mentioned, there are circumstances under which lying is acceptable and even preferred; however, the current research takes issue with deception that cannot be considered prosocial. Further, the current study seeks to explore deception as it occurs within organizations, specifically among business leaders.

The role of deception in organizations is complicated. To some extent, lying is to be expected in a business environment. For instance, bluffing in business deals is morally

acceptable as this tactic can sometimes seal the deal on a sale or otherwise further the negotiation (Varelius, 2006). Some people feel that the organizational environment is exempt from the notion that honesty is the best policy because several normal business procedures necessitate stretching the truth. For instance, employees admit to using deceptive messages to appease customers, to cover up for mistakes, and to look better in front of colleagues (Reynolds, 2006). One study found that an average 10-minute business conversation contained 2.9 lies (Reynolds, 2006). While instances of deceit may be the norm, business leaders are often held to a higher standard in the company. Often, leaders are the visible faces of their organizations in the larger community, meaning that their conduct is scrutinized by internal and external stakeholders (Griffith et al., 2011). Thus, deceptive or unethical actions in leadership have the potential to have negative consequences for the organization (Oz, 2001). Moreover, unethical leadership can infect employees and contribute to a toxic, dysfunctional organizational climate (Henrichs, 2007; Oz, 2001; Treviño & Youngblood, 1990). Lying behavior in organizations can also result in legal action, conflict among workers, and involuntary turnover (Malone & Hayes, 2012). Clearly, deceit among organizational leaders has concrete ramifications for organizations. Still, few studies have analyzed to what effect instances of deception among leaders impacts employee perceptions of that leader. This study attempts to understand how deception impacts employee perceptions of source credibility, power, and managerial trustworthiness among leaders of an organization.

A cursory definition suggests that source credibility refers to the overall ethos of an individual. While source credibility has been examined in a number of contexts,

organizational scholars came to the arena later (Falcione, 1974a). Source credibility is comprised of three primary dimensions: competence, caring, and character (McCroskey & Teven, 1999). These dimensions will be further defined later in the literature review; however, without elucidating the construct too much further, research has shown that deceptive communication may have the potential to weaken source credibility (Grover, 1997). Source credibility is also related to power.

Power differentials are inherent in the supervisor-subordinate relationship. Previous research has identified that power has the potential to have an effect on people's behavior (McCroskey & Richmond, 1983). Given that this study is concerned with how supervisors are evaluated when using deceptive communication, power is an important variable to consider. Finally, managerial trustworthiness exists as a distinct variable in this study. Trust in the organizational literature is defined as the willingness of an individual to be vulnerable to the actions of a manager with the expectation that the manager will not exploit or otherwise take advantage of the individual despite the manager's ability to exert power or control the individual (Mayer, Davis, & Schoorman, 1995). Thus, deception has the potential to impact perceptions of trustworthiness. The following literature review expounds upon what is known about deception to date, with a focus in research related to deception in organizations and among business leaders, source credibility, power, and trust to contextualize the current study.

### Deception

Although relatively few studies have endeavored to explore deception in the organizational communication literature, there is a body of research dedicated to

understanding and categorizing deception as a communication strategy. The research community recognizes that there are two definite categorizations in terms of deceptive communication—that of omission and that of commission (Chisholm & Feehan, 1977). Lies of omission occur when the deceiver takes on a passive role and allows the receiver to believe in something that is untrue (Chisholm & Feehan, 1977). A modern conception would include lies of omission to include concealing the truth or withholding information (Dunleavy, Chory, & Goodboy, 2010). Lies of commission, on the other hand, refer to instances when the deceiver purposefully and consciously intends to be deceptive (Crishom & Feehan, 1977). Modern conceptions of this type of deceit include distorting information, telling bold-face lies, and strategically manipulating information given to the receiver (Dunleavy, Chory, & Goodboy, 2010; Payne, 2008). These classifications allow clarity in terms of what deceit might *look like*, so to speak, but they do little to elaborate on function. Luckily, recent research elaborates on how deceit manifests as a communication strategy.

Buller and Burgoon's (1994) interpersonal deception theory (IDT) defines deception as "a communicative act intended to create in the target person a belief that the source considers false, either by causing a false belief to be formed or by altering a pre-existing belief to a false state" (p. 192). In other words, for these theorists, deception is a conscious act. IDT suggests that people are motivated to deceive because the resulting communication works to reinforce one's self-identity, can strengthen self-presentation or impression management efforts, can act to protect or advance relationships, and/or preserve oneself (or others) from emotional harm (Buller & Burgoon, 1996). This theory

posits that deception is successful when the listener is unable to detect the non-verbal or verbal cues that would expose the communication as deceptive (Buller & Burgoon, 1994; Payne, 2008). An important note in IDT is that perceived deception is just as powerful to the receiver as actual deception and receivers become virtually certain a sender is either truthful or deceptive based on the same set of cues that ignite suspicion (Buller & Burgoon, 1996). Detecting deceit is accomplished through analyzing *leakage*, otherwise known as non-strategic cues exhibiting unintentional, unconscious behaviors that are not fluent with patterned communication (Buller & Burgoon, 1996). For example, IDT might suggest that a person who averts gaze or rapidly fidgets might be practicing deceptive communication and that these nonverbal behaviors constitute leakage. Receivers who are familiar with senders are better able to pick up on deceptive communication behaviors; however, intimacy and deception detection have a curvilinear relationship such that increased levels of intimacy may have decreased deception detection ability due to the tendency for truth biases to kick in (DePaulo et al., 1989). The ability to detect deception has been studied in a multitude of contexts with the majority of reports finding that accuracy rates range between 45 and 70 percent (Kalbfleisch, 1992). Although this is a brief look at IDT, the theory helps clarify how deception is understood from both the sender and receiver side of an interaction. Another theory offers further explanation into deceit as a communication phenomenon.

Information manipulation theory (IMT) (McCornack, 1992; McCornack, 1997) focuses on how messages are delivered within a conversation and what makes these messages successful or unsuccessful. According to IMT, "messages that are commonly

thought of as deceptive derive from covert violations of the conversational maxims" (McCornack, 1992, p. 5). According to Grice (1989), four maxims enable effective communication; they involve a balance of quality, quantity, relevance, and clarity. To elaborate briefly, the maxim of quality necessitates that one does not utter false information and the maxim of clarity dictates that one should avoid ambiguity or obscurity of expression (Grice, 1989). Thus, when information is deceptive, it involves a manipulation or distortion of any one of these conversational maxims (McCornack, 1997). The theory also posits that individuals may produce messages that adhere to all of Grice's maxims, but they might *present* them in a fashion that undermines the principle of cooperativeness that underlies Grice's maxim development (McCornack, 1992). For instance, a sarcastic remark whereby the actual language is truthful but the tone denotes a departure from fully ascribing to the words can still be viewed as deceptive. While IMT deals with the actual semantics and linguistics of deceptive communication, it does not detail the nuances or motives for practicing deceptive communication.

Motives for deceptive communication. Intent and motives to deceive impact both outcomes and perceptions of dishonest communication. In general, research indicates that some lies are evaluated as less severe and less offensive than others, but this evaluation derives from the perceived motive and intent of the deceit. Scholars differ in how they understand deceit as it relates to motive. For instance, O'Hair and Cody describe deception as "purposeful, often goal directed [behavior that] . . . frequently functions as a relational control device" (1994, p. 181). These researchers identify five categories of deception, including lies, evasion, concealment, overstatement, and

collusion. O'Hair and Cody's (1994) taxonomy indicates that the manipulative nature of deception necessitates intentionality. In contrast, other scholars find that deception may be spontaneous, unrehearsed, and enacted in an attempt to provide an answer to an unforeseen question (DePaulo et al., 1996b; Williams et al., 2009). Further, people facing the same situations vary in their individual propensity to lie (Williams et al., 2009). DePaulo, Ansfield, Kirkendol, & Boden (2004) found that people tend to tell serious lies when the subject matter is something they are ashamed of, feel is immoral or illegal, or would cause immense distress to others. Serious lies like these distress the deceiver because they require increased cognitive burden of maintaining the lie (DePaulo et al., 2004). Still, people continue to lie because they have learned that it can be a relatively effective problem-solving strategy (Knapp & Comadena, 1979; Lippard, 1988).

Early research into motives for deceit found that dishonesty usually could be attributed to five overarching reasons: to save face (of self or other), to guide social interaction, to avoid tension or conflict, to positively affect relationships, and to achieve interpersonal power (Turner et al., 1975). Camden, Motley, and Wilson (1984) developed Turner et al.'s (1975) research and established that people are motivated to deceive based on major rewards categories. Although their study specifically looked into white lies, the results showed that people were motivated to deceive to meet basic needs, establish affiliation with a group, and improve/maintain self-esteem (Camden et al., 1984). Other research positions deception as a means to increase personal power. For instance, Hample found that lies are primarily told out of "a need to defend oneself socially or economically in a disadvantaged situation" as a power balancing strategy (1980, p. 45).

In a similar vein, Lippard (1988) found that the majority of lies on behalf of an authority figure are told in an effort to control behavior. Clearly, a variety of potential motives has been identified in the interpersonal literature on deceptive communication. Although consensus has not been reached, it is fair to assume that each of these approaches offers a valid explanation of why deception occurs in interaction. What is of interest in the present study is how deception functions in the workplace. Does deceit operate differently in a context where relationships are involuntary and power differentials are more formalized? While very few scholars have tackled this issue, a brief review of the literature provides insight into how deception might be framed from an organizational standpoint.

Deception in organizations. One of the most prominent theoretical viewpoints in the organizational literature on deception supports the idea that people in the workplace lie for one of two situational reasons: out of self-interest and because there exists a role conflict (Grover, 1993). In his seminal work on the subject, Grover (1993) explains that self-interest motivates people to lie to achieve goals or attain resources. Lies are told in an effort to achieve desired outcomes and are used as a negotiation tactic to the extent that they are effective (Lewicki, 1983). In other words, people will practice deceit so long as their personality allows for the lies to go on undetected (Grover, 1993). This, Grover maintains, is a cost/benefit calculation by which the individual weighs the cost of lying against the potential reward. Grover (1993) also considers agency theory, a theory that suggests all behavior is guided by self-interest, to explain why people in organizations have the tendency to distribute information asymmetrically. Thus, the agents (deceivers)

privilege themselves with the most information and parcel out information they deem appropriate to parties who may help in goal achievement (Grover, 1993; Jensen & Meckling, 1976). Because the agent holds the majority of the information and the receiver does not have access to it, this process can be deemed concealment and is therefore deceptive in nature. Issues of goal conflict further support self-interest. When the organization rewards certain behaviors over others, unethical behavior may result in an attempt to meet those rewards (Grover, 1993). For example, if organizational sales goals are incentivized with monetary bonuses, it may be that employees use unethical or deceptive means to sell products. Grover's theoretical development of lying in organizations also suggests that role-conflict can lead to deceptive behavior.

Role-conflict involves a set of expectations attached to specific occupations (formal or informal) within an organization (Grover, 1993). Individuals in organizations often hold several different roles that can have competing expectations. "Role conflict may occur when two or more inconsistent role expectations are communicated within a short period of time" (Wooten & White, 1983, p. 20). For lying to occur, the strength of the role demand must be relatively equal between roles where any decision other than lying would not satisfy the demands. In other words, if one role demand was stronger than the other, the individual would likely choose to fulfill the stronger role at the expense of the weaker one; but when both demands are relatively equal, the individual becomes distressed in trying to meet both role demands (Grover, 1993). Lying, therefore, functions as a means to relieve distress when people must act in a discrepant manner from their assigned roles (Grover, 1993). Often, these lies are meant to give the illusion

that the tasks associated with role A are being met when in reality, attention and behavior is supporting the tasks associated with role B (Grover, 1993; 1997). For example, if a person has strong moral values and does not wish to take on an unethical client, but is pressured to because it is expected as a part of the job description, the person will likely take on the client and lie to oneself in an effort to justify or rationalize the decision (Grover, 1993). Cognitive dissonance theory is provided as a brief rationale for how cognitions are justified. Lying is emotionally laborious and must be dealt with to show why a particular lie is not absolutely reprehensible (Grover, 1993). Thus, minimizing the lie's negative consequences and favoring the positive outcomes can reduce dissonance. Grover's (1993) work offers a dense explanation of the cognitive processes that influence lying and deception in organizations. This seminal work set the stage for looking at lying behavior in organizations as a deeply psychological process. Other macro-level analyses showcase deceptive behaviors and how they impact the organization as a whole.

Characteristics of the work environment have the potential to influence deception. For example, a competitive work environment breeds more instances of deception than a cooperative one (Steinel & De Dreu, 2004). Similarly, cultural impacts influence how deception is perceived in the organization. In interdependent workplaces where groups are mutually dependent on each other, deception may be perceived as being for the greater good (Kim, Kam, Sharkey, & Singelis, 2008). In these interdependent environments, distortion of information might be seen as necessary and thus the guilt associated with deceit may be absent or less than it is in more independent work environments (Kim et al., 2008). Indeed, a study involving an independent work

environment found that employees have more positive perceptions of coworkers who are open and honest than of those who deceive; in fact, honest employees were considered more powerful and more trustworthy than those who engaged in lies of omission or commission (Dunleavy, Chory, & Goodboy, 2010). Although this review touches on several motivations and evaluations of deceptive behavior in organizations, a surprising lack of work has been done exploring deception among organizational leaders. A brief review of the existing research in this area helps frame the current study.

**Deceptive leadership in organizations.** Only 3 out of 10 people believe that business leaders can be trusted to tell the truth (Reeves, 2006). This might be attributed to the fact that full disclosure in business is not always an option and organizational leaders are often confronted with the challenge of managing what information to disclose versus what information to conceal. Moreover, selective truth telling involves weaving a narrative that the leader must be competent in communicating even when the story may conflict with personal views (Williams, et al. 2009). Leaders often get caught in the lie based on the story about the event rather than on issues related to the event itself, which can weaken perceptions of that leader's integrity (Reeves, 2006). Of course, there are differences in how deceit is perceived in organizations depending on the assumed intent of the message. For instance, research shows that deceptive communication that is evaluated as being enacted for personal gain produces more negative affect in employees than deceptive messages that are communicated for the benefit of the organization (Griffith et al., 2011; Nielsen, 2003; Seiter, Bruschke, & Bai, 2002). However, previous research found that Americans are more likely to use deception for personal gain rather

than for the organization's benefit (Sims, 2002). Given that leaders are in positions of power in organizations, they have the ability to influence their followers. Research has shown that employees who are highly committed to the organization have a strong tendency to adopt organizational goals and values, act on behalf of the company, and exhibit a strong desire to maintain membership (Mowday, Steers, & Porter, 1979). While these are usually considered good qualities, these organizational members are also more likely to adopt the behaviors of their leaders, meaning that if leaders engage in unethical behaviors such as deception, these employees will follow suit in an effort to adhere to the norms of the organizational culture (Griffith et al., 2011; Mowday, Steers, & Porter, 1979; Oz, 2001). Thus, leader deception has the potential to have far-reaching negative impacts beyond the singular act.

While deceptive leadership has the potential to spread to followers, it also has the potential to damage important relationships. Trust between leaders and followers has been shown to be a motivating factor that enhances employee attitudes and performance (Mayer, Davis, & Schoorman, 1995). Moreover, trust fosters affective reactions, which facilitates the development of affective commitment towards both the leader and the organization (McAllister, 1995; Shore & Wayne, 1995). Thus, leader deception may violate trust and subvert the benefits associated with trusting relationships (McCornack & Levine, 1990). Erickson, Shaw, and Agabe (2007) found that leaders are negatively perceived when that lack honesty and integrity. These assessments were not made from sweeping offenses such as bribery or fraud; rather, leaders were evaluated negatively when they engaged in small-scale deception such as blaming employees for their

mistakes, taking credit for someone else's work, or being unwilling to confront unethical behavior of others in the organization (Erickson, Shaw, & Agabe, 2007). They also indicated that bad leadership has significant negative impacts for employees who have to operate in this kind of office environment. For instance, deceptive leadership can lead to employees experiencing negative emotions, increased stress, lower self-esteem, and a loss of confidence in their abilities (Erickson, Shaw, & Agabe, 2007). The authors note that these negative impacts extend beyond the workplace and can negatively shape the lives of these employees with their health and personal lives suffering. Bad leaders experience increased human resource costs, increased absenteeism, and heightened turnover, each of which can contribute to lower work quality, loss of organizational memory and skill, and an overall dysfunctional company culture (Erickson, Shaw, & Agabe, 2007).

Part of the problem here is that deceptive, or bad, leaders generally are not met with any negative consequences. In fact, 65 percent of bad leaders got promoted or were never punished for unethical work (Erickson, Shaw, & Agabe, 2007). Some scholars argue for having a formal code of ethics and procedures under which compliance with these codes facilitates a healthier work environment (Griffith, et al., 2011; Sims, 2002). Given that instances of deception are so widespread in organizations, controlling this phenomenon presents a huge challenge because deception is ubiquitous in business practice. Thus, developing a better understanding of deception and how it is perceived within the organization is necessary before interventions are implemented.

The current study seeks to contribute to the literature on deception by expounding on how leader deception is perceived by employees. This study specifically looks at how credibility, power, and trustworthiness are impacted by deception as it functions at different levels of abstraction (i.e., withholding and distorting). The following sections define the aforementioned variables and connect the constructs to deceptive communication.

### **Source Credibility**

Source credibility arises out of traditional studies in rhetoric and persuasion, but it has been applied in a variety of fields including communication, information science, management science, psychology, and public relations. Source credibility is often associated with ethos, one of the pillars of persuasive communication first established by Aristotle (McCroskey & Young, 1981). According to Andersen and Clevenger (1963), ethos is defined as the image held of a communicator by the receiver; this image that the communicator portrays is important because no message is received independently of its source (McCroskey, Richmond, & McCroskey, 2002; McCroskey, 1997). Thus, credibility plays a central role in persuasive discourse because it constitutes one dimension of a message's effectiveness such that message receivers are either persuaded or critical based on the perceived ethos of the source (McCroskey, 1997; McCroskey & Teven, 1999).

Dimensions of source credibility have been the subject of debate among scholars.

McCroskey (1966) initially proposed that two factors, authoritativeness and character,

were the most important predictors of credibility. Later researchers added to the

construct, suggesting additional dimensions: competence, trustworthiness, dynamism (Berlo, Lemert, & Mertz, 1969), and objectivity (Whitehead, 1968). Over time, scholars criticized these studies as being underdeveloped and inconsistent in their measurement and conceptualization of credibility (Applbaum & Anatol, 1973; Cronkhite & Liska, 1976). Recent studies have improved on measurement error and have validated three dimensions of source credibility: competence, character, and caring (McCroskey & Teven, 1999; McCroskey & Young, 1981). Competence, sometimes called expertise in the literature, refers to the intelligence, qualification, knowledge, and authoritativeness of the source (McCroskey & Teven, 1999). Character considers the trustworthiness, honesty, sagacity, and safety of the source (McCroskey & Teven, 1999). Finally, caring refers to perceptions of goodwill, understanding, empathy, and responsiveness (McCroskey & Teven, 1999; McCroskey & Young, 1981). The aggregate perception of these qualities allows for a holistic judgment of source credibility to be made. Because source credibility inherently involves perception and interpretation, there is some room for error in judgment. These psychological missteps will be briefly reviewed for better understanding of the variable in relation to deception.

Studies have shown that credibility assessments are heavily influenced by a demeanor bias (Bond & DePaulo, 2008). The demeanor bias refers to the phenomenon that occurs when a person "evokes general impressions of honesty and truthfulness irrespective of their actual veracity" (Burgoon, Blair, & Strom, 2008, p. 577). In other words, people can appear to be honest even when telling a lie. Bond and DePaulo (2008) maintain that these people who appear most honest when lying also appear most honest when telling the

truth, contributing to the overall perspective that they are wholly credible. In studies assessing the demeanor bias, results have shown that high credibility liars are more likely to be persuasive and to be believed than low credibility truth tellers (Bond & DePaulo, 2008). This phenomenon has the potential to have real ramifications for organizations, as honest statements may not be heeded due to low credibility sources, or vice versa, messages may be perceived as truthful when in fact they are not. While this may not seem significant, these evaluations can influence future cognitive evaluations and communication. For instance, the perceived credibility of a communicator is an important factor for effective deception detection (Levine et al., 2011).

Studies have shown that deception detection is more accurate when the sender is not viewed as a credible source (George, Tilley, & Giordano, 2014; Levine et al., 2011). This effect may be attributed to the piqued suspicion that the sender may be inherently a dishonest person due to demeanor biases, making the receiver of the message more critical of communication attempts. This aroused state allows receivers to be hypersensitive to all communication from an incredible sender (George, et al., 2014). While this effect does aid in deception detection, it also can trigger the perpetuation of false alarms. In other words, the demeanor bias suggests that when a source is perceived as lacking credibility, receivers are likely to perceive more of that source's communication acts as dishonest (George et al., 2014).

The phenomenon is further explained by Davies and Parasuraman's (1981) signal detection theory, which posits that when individuals strive to detect signals from background noise, they are prone to making incorrect judgments that deem the noise as

significant communication attempts known as false alarms (Burgoon et al., 2008). Since deceptive communication signals can contain ambiguous nonverbal and verbal cues, individuals make uncertain judgments (Klein, Goodhue, & Davis, 1997). Moreover, the expectation that a source will be deceptive heightens the likelihood that individuals will evaluate these signals as being keys to discovering the lie from the truth; a number of these judgments will be incorrect (George et al., 2014; Klein et al., 1997). Incorrect evaluations about a message not only have the potential to perpetuate false information, but also they may act to propagate negative and/or inaccurate information about the source. Clearly, perceptions of credibility have real effects in terms of message interpretation and cognitive evaluations of sources. In discussing deception in the workplace, organizational leaders must be aware and mindful of how they might be perceived. Although some research has focused on the credibility of organizational leaders, relatively little work has been done in terms of how deception might impact credibility assessments.

Supervisor credibility. Supervisor credibility has been a subject of interest to researchers in organizational communication and management science since the mid-1970s (see Falcione, 1974; 1974b). Perceived credibility of one's supervisor is connected with higher levels of employee satisfaction (Campbell, Martin, & Wanzer, 2001; Falcione, 1974), positive affect towards the supervisor (Cole &McCroskey, 2003), favorable attitudes towards the supervisor (Mugny, Tafani, Falomir, Juan, & Layat, 2000), increased employee motivation (Kay & Christophel, 1995), and greater supervisory influence (Teven, 2007). Early research found that credibility among

business leaders was built through certain communication behaviors including: allowing employees to participate in decision making, soliciting feedback from employees, giving prompt answers to questions, making sure that employees had access to channels where they could voice concern, being open and honest with employees, and expressing concern for the welfare, needs, and feelings of employees (Falcione, 1974b). Later studies contend that supervisor credibility is actualized through truthful communication (Dasgupta, 1988), certainty and follow through on promises (Hart, Capps, Cangemi, & Caillouet, 1986), and reliability/predictability (Johnson-George & Swap, 1982). Research has also shown that supervisors who are more immediate are perceived as more credible (McCroskey, Richmond, & Franey, 1999). Given that credibility is a function of communication, it stands to reason that deceptive communication has the potential to compromise one or more dimensions of the credibility construct.

Credibility and deceptive communication. Deceptive communication may diminish perceptions of credibility (Grover, 1997). In fact, DePaulo et al. (1991) argue that leaders who deceive incur large risks because for every lie they tell, they gamble with their current and future credibility. Once credibility is compromised, it may never return to its initial positive status (DePaulo et al., 1991; Schweitzer, Hershey, & Bradlow, 2006). Adding to the salience of this issue is the notion that leaders often possess many of the personality traits associated with frequent deception, such as Machiavellianism, social adroitness, and sociability (Kashy & DePaulo, 1996). Moreover, leadership types are often dominant people, a characteristic that has been associated with enhanced deception abilities (Burgoon & Dunbar, 2000). Organizational leaders may even rely on credibility

as a strategy to avoid deception detection (Lindsey, Dunbar, & Russell, 2011). In other words, managers might utilize goodwill or expertise to engage in more effective deception. Although studies show that managers usually engage in deception when the perceived risks of getting found out are low (Lindsey et al., 2011), the consequences following deception detection are severe. Some scholars maintain that because information and the source of the information are difficult to separate (McCroskey et al., 2002), leaders who are perceived as deceptive not only lose credibility, but they risk being able to lead because the perception of their overall character is compromised (Lindsey et al., 2011; Schweitzer et al., 2006). In short, deceptive communication appears to have significant impacts on perceptions of supervisor credibility. As such, the following hypothesis is proposed:

H1: Organizational leaders who engage in honest communication are perceived as having the highest credibility scores, followed by those who withhold information, and finally will be least credible when they send distorted messages.

### **Power**

One important consideration when studying the communication between supervisors and subordinates is the influence power has in this dynamic relationship. Power has been defined as the capacity for one person to influence the behavior of another (Berger, 1994) and controls how people interact with each other (Lindsey, et al., 2011). Persons holding higher power status tend to be more influential than those with lower power status (Dunbar, 2004). French and Raven (1959) identified five bases from

which power usually stems: legitimate, coercive, reward, referent, and expert. Legitimate power comes from holding a high status position that is sanctioned by society, such as that of a supervisor. Coercive power stems from the ability of a person to punish another person when they are noncompliant. Reward power stems from the ability of a person to compensate another for compliance. Referent power is based in perceptions of attractiveness, worthiness, or respect. Finally, expert power stems from a person's supreme knowledge or skill. Each bases of power is exerted, sometimes simultaneously, to solicit compliance and produce intended effects on a subject (Berger, 1994; French & Raven, 1959). Other scholars have added power bases such as informational power (Raven, Centers, & Rodrigues, 1975) and credibility (Aguinis, Simonsen, & Pierce, 1998); however, these conceptions have not been as prevalent in the literature as the original five power bases.

In organizations, power hierarchies are more formalized than they are in most interpersonal relationships (Lindsey et al., 2011); thus, power dynamics are governed by existing rules and norms of behavior for organizations. Dunbar's (2004) dyadic power theory (DPT) suggests that power is derived from different levels of access to resources and the legitimate authority to use these resources. In the workplace, organizational leaders have both of these qualifications, which impacts perceived differences in power between organizational leaders and members (Lindsey et al., 2011). Dunbar (2004) suggests that power-unequal dyads, like the leader-member dyad, demonstrate less overt dominance in their messages than power-equal counterparts. Instead, power is *leaked* out

in verbal and nonverbal messages to subordinates and these subtle displays work to reaffirm the leader's more powerful position.

Komter (1989) distinguishes between manifest and latent power. Manifest power refers to the visible outcomes of power such as direct verbal and nonverbal communication that are made known to achieve certain ends (Komter, 1989). Latent power is enacted when the needs of a powerful person are identified and conflict is avoided due to fear of retaliation of the powerful person (Komter, 1989). Dunbar (2004) maintains that organizational leaders who are high in legitimate power do not need to make their influence attempts manifest because by virtue of their powerful position, they maintain control and influence. However, members who wish to influence the leaders may refrain from airing grievances if they fear that negative consequences will follow their control attempts (Dunbar, 2004). The motive here is for the leader-member dyad to maintain the power differential and preserve the relationship, especially in the workplace where roles are formalized and working relationships are structurally fixed. A leader who engages in overt displays of power threatens the quality of the relationship, which can disrupt subsequent productivity and interactions. It has been noted that deception is a latent strategy that serves to influence others or gain compliance in the organization regardless of power status (Lindsey et al., 2011). The relationship between power and deception will now be discussed.

**Deception and power in the workplace.** Research examining the relationship between power and deception in the workplace has largely focused on motives or outcomes (Burgoon & Dunbar, 2000; Kashy & DePaulo, 1996) rather than the impact

deception has on perceptions of power. McShane and Von Glinow (2003) note that power in the organization is "ultimately a perception" (p. 356). What is unclear in the research is exactly how deception influences this perception of power. Further, it is unclear how power differentials may influence evaluation of deception in the workplace. One study (see Lindsey et al., 2011) finds that deception is tolerated more by subordinates than by supervisors. To clarify, subordinates rated deception as more acceptable overall than did supervisors, suggesting that people with higher power status are given more allowance when it comes to deceptive behavior. When subordinates lied to supervisors, the general acceptability of this behavior was much lower (Lindsey et al., 2011). Further, subordinates perceived that their supervisors were more skilled at lying behavior in general. In this same study, researchers found that supervisors lied about a wide range of subjects including exaggerating the urgency or importance of tasks, taking credit for the work of others, and even concealing their efforts to spy on subordinates (Lindsey et al., 2011). Subordinates, on the other hand, lied about relatively innocuous subjects such as reasons for absenteeism or real attitudes about a given task. Fascinatingly, this study found that deceptive messages communicated by management attempted to downplay legitimate power differentials to make themselves more believable and relatable and instead relied heavily on perceptions of credibility to deceive and gain compliance (Lindsey et al., 2011). Of course, perceptions of power may not be uniform or salient in every interaction therefore rendering influence attempts nuanced in a long history of embedded context and difficult to uniformly assess. Some research has found a difference between pro-social and anti-social message strategies, for which deception is among the latter category (Marwell & Schmitt, 1967).

Research has shown that the ability for a supervisor to influence a subordinate may depend on what kind of power is present and what types of compliance-gaining strategies are used (Teven, 2007). For instance, when supervisor legitimacy is low, influence attempts must be more direct and polite (Teven, 2007). Recall Dunbar's (2004) dyadic power theory, which suggests that when legitimate power is high, influence attempts do not need to be as overt. Thus, when this type of power is low, supervisors need to save face and be a bit more overt in their requests to gain compliance. Marwell and Schmitt (1967) posit that direct and polite influence strategies culminate to build prosocial power, typified by messages that communicate friendliness and liking. Anti-social power is the product of messages that entail some form of coercive, punishing, or harmfully deceptive activity (Marwell & Schmitt, 1967). Therefore, perceptions of power may lie more in the messages communicated over time than in the power base itself. This is an important conclusion to the current study because it suggests that deceptive messages may not be as effective in gaining compliance.

Because power is essential to supervision, managers would be wise to consider the methods by which they communicate with employees. Indeed, research has shown that attitudes towards supervisors are likely to affect the success of influence attempts and those employees will work harder for a supervisor whom they like and respect (Teven, 2007). Moreover, subordinates express negative attitudes towards mangers that use coercive or anti-social power (Student, 1968), which can lead to lower employee

satisfaction and lower workplace productivity (Campbell, Martin, & Wanzer, 2001; Teven, 2007). Finally, the study on which the present investigation is modeled (see Dunleavy, Chory, & Goodboy, 2010) explored how deception influenced perceptions of power among co-workers. Results indicated that power was perceived as highest when deception was absent (honest responses), and lowest when messages were deceptive (withholding, distorting). The current study seeks to find if perceptions of power differ given that there is an inherent status difference between supervisors and subordinates. Given the current literature, the following hypothesis is proposed:

H2: Organizational members perceive their leaders as highest in power when they communicate honest messages, followed by withholding messages, and finally, distorted messages.

### **Managerial Trust**

Managerial trust is the most contemporary variable in this study, and therefore, little research has been done that expounds upon this concept. One long-standing definition of managerial trust contends that trust is "an expectancy held by an individual or group that the word, promise, verbal or written statement of another individual can be relied upon" (Rotter, 1967, p. 651). While trustworthiness is a component of the character dimension discussed in the credibility section, managerial trust is a distinct construct worthy of its own exploration. Managerial trust is developed over time between a supervisor and his/her subordinates; it is characterized by trustworthy behaviors that include truth telling, keeping commitments, communicating accurate information, and behaving ethically/without inducing harm (Hubbell & Medved, 2001; Hubbell & Chory-Assad,

2005). Moreover, managerial trust is developed over the course of the relationships between a subordinate and a supervisor and is constituted by the expectation of predictable and ethical behavior (Dunleavy, Chory, & Goodboy, 2010).

The trustworthiness dimension of credibility is more generalized, allowing an individual to make character judgments about anyone, including a stranger, whereas managerial trust is reliant on an existing relationship, relational history, and specific behaviors (Dunleavy, Chory, & Goodboy, 2010; Hubbell & Chory-Assad, 2005).

Although the research in this area is sparse, managerial trust has been linked to organizational outcomes. For instance, Cook and Wall (1980) assert that higher levels of managerial trust predict the long-term stability of an organization as well as the well-being of its members. More specifically, trust in organizational leaders predicts subsequent sales, potential profits, and the potential for turnover (Mayer, Davis, & Schoorman, 1995). Higher levels of trust can increase organizational citizenship behaviors, which are conceptualized as behaviors in which employees go the extra mile for the good of the company (Aryee, Budhwar, & Chen, 2002).

Scholars suggest that supervisors should initiate trust development because they hold the power in the relationship and therefore are expected to model job expectations, relational expectations, and ethical expectations (Hubbell & Chory-Assad, 2005). While still a relatively young concept, some work has been done measuring managerial trust. These measures usually consider the following as antecedents to trust development: employee participation in decision-making (Savery & Waters, 1989), supervisory feedback (Nyhan, 1999), employee empowerment (Nyhan, 1999), employee perceptions

of managerial credibility (Kouzes & Posner, 1993), and years on the job/tenure under the supervisor (Mishra & Morrissey, 1990).

Members of the organization learn to trust leaders through observing fair and ethical behavior. Hubbell and Chory-Assad (2005) assert that communication style, content and amount are important components of how trust is built between supervisors and subordinates such that subordinates who feel that supervisors have not communicated fairly or who have engaged in deceit will be perceived as unethical, dishonorable, and immoral, therefore lowering perceptions of their trustworthiness (McCroskey & Teven, 1999). Thus, deceptive communication has the potential to negatively impact perceptions of trust.

Two dimensions of trust have been identified in the literature: cognition-based and affective-based (Aryee, Budhwar, & Chen, 2002; McAllister, 1995). Cognition-based trust refers to the rational evaluation of people's ability to do what they say they will do—in other words, the dependability, predictability, and overall competency of people to keep their promises. The affective-based dimension of trust refers to an emotional component or attachment developed over time through the mutual care and concern that exists between individuals (McAllister, 1995). This emotional basis for trust is a relatively new concept in organizational literature, but is an important component to consider when evaluating deception between supervisors and subordinates. Deceptive actions and messages have the potential to compromise existing levels of trust. Moreover, experiencing or discovering deceit can trigger an emotional reaction to the violation of trust (Mayer & Davis, 1999). Furthermore, cognitive and affective dimensions of trust

may be linked such that when emotions are experienced, they update the cognitive script thereby changing prior perceptions of trustworthiness (Mayer & Davis, 1999). This means that although the emotions may dissipate over time, cognitions regarding the event and the deceiver may never recover.

The current study asks whether managerial trust is affected by deception among organizational leaders. Dunleavy, Chory, & Goodboy's (2010) findings suggest that trust is most negatively impacted by distorted messages, followed by withholding messages, but not negatively impacted by honest messages. Therefore, the following hypothesis is proposed:

H3: Organizational members perceive their leaders as most trustworthy when they communicate honest messages, followed by withholding, and finally, distorted messages.

#### **CHAPTER 3: METHODS**

## **Participants**

Participants in this study included students from a large southeastern university as well as persons in the general population who agreed to take the survey via social networking sites (N = 403). Given that this is an exploratory study, generalizing to a particular population was not the goal. Instead, data were gathered from a broad sample that constituted both persons who are currently employed as well as currently unemployed. Differences between these two groups were not considered for the purpose of this research. A closer look at the data revealed that out of 403 total participants, 53 did not complete the entire survey; therefore, the total number of participants included in the data analysis was 350 representing a mean age of 28.66 years (SD 13.68, range 18 to 75). Of these participants (33.4 percent male, 64.7 percent female, 1.8 percent did not indicate biological sex), 62.3 percent reported being currently employed while 37.7 percent reported being currently unemployed. Of those who were currently employed, 36.1 percent worked 20 hours per week or less and 63.9 percent worked more than 20 hours per week. When asked the length of time that they had worked at their current job, most participants reported tenure of less than 5 years (76.6 percent) while some (23 percent) reported working more than five years and a very small amount (0.5 percent) chose the "other" category.

Respondents were also asked a series of questions regarding whether they had been or are currently a supervisor, to which 45.3 percent answered that they are/have been a supervisor and 54.7 percent reported never having been a supervisor. Of those who have been or are a supervisor, most of the respondents (74.5 percent) indicated that their tenure

as a supervisor was less than five years, while almost a quarter (22.2 percent) of respondents indicated that their tenure as a supervisor exceeded 5 years and 3.4 percent indicated the "other" category. A separate question asked how long individuals who are currently employed had been working under their current supervisor, to which most of the respondents (85.4 percent) reported a length of time under 5 years, some (9.3 percent) reported working for more than 5 years for the same supervisor, and few (4.4 percent) reported not having a supervisor, or answered "other" (1 percent).

After receiving approval from the Institutional Review Board (IRB), recruitment for subjects was done through the School of Communication Studies' research pool, a platform that aids in student recruitment by connecting students who require a research participation credit with a study. Subjects were also recruited via social networking sites (Facebook, Twitter, and LinkedIn) with a link posted to the electronic survey to solicit participation. Participation was voluntary, required subjects to be 18 years or older, and the entire survey took about 10 to 15 minutes to complete.

### **Procedures**

Participants in the study were randomly assigned to respond to one of three scenarios adapted from previous research (Dunleavy, Chory, and Goodboy, 2010; Hubbell, Chory, & Medved, 2005). The original scenario, which features a co-worker witnessing another co-worker taking supplies from the office and later being confronted about the issue, was determined by Hubbell, Chory, & Medved (2005) to be a plausible occurrence in the workplace. While the original scenario took place between co-workers, the scenario here was modified slightly to reflect a business leader engaged in taking the office supplies.

Further, the scenario was modified to place the respondent in the role of the subordinate overhearing the manager talking to the chief financial officer about the missing office supplies. The scenarios given to the participants are exactly the same except for the last sentence, which either indicates an honest, withholding, or deceptive message (See Appendix A). Each of the conditions had a relatively similar number of respondents: honest condition (N = 107), withholding condition (N = 123), and distorting condition (N = 107) = 120); it is important to note that the sample size throughout the data sets may differ marginally due to some missing data. After reading the given scenario, participants were instructed to rate the leader's source credibility, power, and trustworthiness via associated surveys. Upon completion of the entire study, subjects who volunteered via the research pool were given their research credit and participation was considered complete. Subjects completed the online survey on their own accord via their own chosen internet-enabled devices. Informed consent was established with a qualifying question at the beginning of the study. The chosen interface was Qualtrics, an online metric system that the university subscribes to. Anonymity was secured because no identifying information was requested beyond their initial demographic information. Demographic information included age, sex, work status, whether the respondent is or has been a supervisor, tenure at a workplace, and tenure under one's supervisor.

#### **Instruments**

**Source credibility**. Participants rated the manager's source credibility using McCroskey and Teven's (1999) Source Credibility Measure (see Appendix B). The measure features 18 items with 6 items representing each of the 3 credibility dimensions:

competence, character, and caring. Subjects responded to a seven-point semantic differential scale. Higher scores indicated higher perceptions of source credibility. Sample items include: "informed/uninformed" (competence), "honest/dishonest" (character), "has my interest at heart/doesn't have my interest at heart" (caring). McCroskey and Teven's (1999) scale has performed reliably in studies examining source credibility in organizational contexts (e.g., competence  $\alpha$ = .88, character  $\alpha$ = .91, and caring  $\alpha$ = .87 in Dunleavy et al., 2010; competence  $\alpha$ = .92, character  $\alpha$ = .93, and caring  $\alpha$ = .95 in Cole & McCroskey, 2003). Construct validity for this scale was established in McCroskey and Teven's (1999) original scale development.

Power. Participants rated the manager's power using the five-item Generalized Belief Measure (McCroskey & Richmond, 1996). This measure, first used to assess attitudes towards supervisors (McCroskey, 2006), has been used to measure power in a number of studies, including assessing student perceptions of instructor power (Paulsel, Chory-Assad, & Dunleavy, 2005) and perceptions of power after co-worker deception (Dunleavy, et al., 2010). For the current study, a definition of each type of power was provided (e.g., expert, referent, legitimate, coercive, reward) followed by the phrase, "the manager has \_\_\_\_\_\_ power" where the given power type appeared in the blank. For example, one item read "the manager has expert power" and another read "the manager has coercive power," and so forth (see Appendix C). The participants then responded to these statements by answering a seven-point semantic differential scale that read: "agree/disagree," "true/false," "right/wrong," "yes/no," "correct/incorrect." Higher

scores indicated higher perceptions of the power type. Previous studies have obtained reliabilities ranging from .80 to .91 (Dunleavy et al., 2010; Paulsel et al., 2005).

**Managerial trustworthiness**. Participant perceptions of the manager's trustworthiness were assessed using a modified version of the 29-item Managerial Trustworthy Behavior scale (Hubbell & Medved, 2000). A theoretical conception of managerial trust, first proposed by Whitener, Brodt, Korsgaard, and Werner (1998) served as a guiding framework that informed the development of the measure by Hubbell and Medved (2000). The items on the scale represent four dimensions of managerial trust, including: behavioral consistency (predictability of a manager's behavior over time), behavioral integrity (manager's propensity to tell the truth and keep promises), manner and quality of information communicated (manager's communication accuracy, explanations, and openness), and demonstration of concern (manager's interest in, protection of, and ability to avoid hurting subordinates). Based on confirmatory factor analysis, one study dropped eight items from the scale (Hubbell & Chory-Assad, 2005). Reliabilities using the modified version of this scale were .95 after deleting the eight items (Hubbell & Chory-Assad, 2005). For the purposes of this study, only the first 8 items on the scale were asked for the sake of survey brevity and because the researchers felt that the latter questions may be too far abstracted from the scenario for participants to adequately answer. Therefore, dimensions of behavioral consistency and behavioral integrity were the only dimensions assessed in the research (See Appendix D). The items were scored such that higher scores indicated more trust in the manager.

### Analysis

A reliability analysis on each of the study scales assessed the measures' internal consistency. Reliability for McCroskey & Teven's (1999) Source Credibility Scale was excellent ( $\alpha$  = .915) with strong reliabilities for each of the power dimensions based on McCroskey's & Richmond's Generalized Belief Measure (1996): referent power ( $\alpha$ = .965); coercive power ( $\alpha$ = .965); expert power ( $\alpha$ = .975); reward power ( $\alpha$ = .968); and legitimate power ( $\alpha$ = .945). Finally, Hubbell & Chory-Assad's (2005) Managerial Trustworthiness Behaviors scale showed mixed results. The dimension of behavioral consistency was found to be unreliable ( $\alpha$  = .665); however, the dimension of behavioral integrity showed better reliability ( $\alpha$  = .851). Because reliability for behavioral consistency could not be increased to an acceptable level of at least .70 by deleting items, which is considered standard in terms of reliably measuring the construct (Kline, 2000), the scale was not used for further analyses.

Prior to beginning hypothesis testing, a factor analysis was conducted on the credibility measure. Previous research found support for three distinct factors within the credibility measure (Dunleavy et al., 2010; McCroskey & Teven, 1999); therefore this analysis was conducted to determine whether the three-factor structure held in the current research. While the three-factor solution explained 62.0 percent of the variance, the factor structure did not align with the three distinct credibility factors posited (i.e., nine of the items loaded on the first factor and included character, caring, and competence items). When the data were allowed to determine the factor structure, a three-factor solution explained 62.1 percent of the variance; however, none of the factors contained more than

four items and all of them had items from multiple proposed subscales. Thus, the single-factor solution yielded the largest number of items loading at .60 or above even though it only explained 43.9 percent of the variance and was used for all subsequent credibility analyses.

To test hypothesis one (H1), which predicts that perceptions of source credibility differ between deceptive conditions (i.e. honest, withholding, distorted), and hypothesis three (H3), which predicts that managerial trustworthiness differ between deceptive conditions, two separate one-way ANOVA tests were conducted. The one-way ANOVAs helped to determine if there were significant differences reported between conditions. To test hypothesis two (H2), which predicts that power bases will be perceived differently based on deceptive conditions, a MANOVA was conducted. The MANOVA test helps to control for Type I error and was needed to test H2 due to the high number of dependent variables (legitimate, coercive, referent, reward, and expert power).

#### **CHAPTER 4: RESULTS AND DISCUSSION**

### **Statistical Analyses**

Correlations among the dependent variables are listed in Table 1 (see below). Two-tailed tests revealed statistically significant relationships exist among several of the variables. Although many variables are statistically significant, only a few reach the level of practical significance. For example, less than 3 percent of the variance in legitimate power is explained by credibility, which indicates little to no relationship exists between these variable although technically they reached statistical significance. More information about the relationships between variables can be found in the table below.

**Table 1** Correlations between Dependent Variables

	Credibility	Referent	Legitimate	Coercive	Reward	Expert	Trust
Credibility	1						
Referent	.383**	1					
Legitimate	125*	.035	1				
Coercive	260**	072	.383**	1			
Reward	005	.081	.373**	.440**	1		
Expert	.097	.195**	.032	.133*	.072	1	
Trust	.633**	.294**	056	270**	081	022	1

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

*Note*. Items for coercive power were negatively worded. Higher scores on coercive indicate that they possess this power base. Leaders can be perceived to possess all five power bases simultaneously and thus have direct power base correlations.

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

### **Hypothesis Testing**

The first hypothesis predicted that organizational members would perceive leaders as highest in source credibility when they communicated honest messages, followed by withholding messages, and then distorted messages. Results of the one-way ANOVA indicated that there was a statistically significant difference in how credibility was perceived between the various conditions F(2,347) = 18.701, p < .001,  $\eta^2 = .0973$ . Tukey's post-hoc comparisons revealed a statistically significant difference between honest messages and withholding messages (p < .001) as well as honest messages and distorted messages (p < .001). However, there was not a statistically significant difference in how credibility was perceived between withholding messages and distorted messages (p = n.s.). While the overall test supported anticipated differences across the scenario conditions, the hypothesis failed to be supported because the follow-up test did not reveal the predicted order of mean differences between scenario conditions (see Table 2).

**Table 2** Descriptives and Significance for Credibility

	Scenario	Mean	Std.	N	P value
			Deviation		
Credibility <sup>a,b</sup>	Honest	41.3271	9.66688	107	.000
	Withholding	34.9431	10.70797	123	
	Distorting	33.4083	10.28542	120	
	Total	36.3686	10.76121	350	

a is a significant difference between honest and withholding

b is a significant difference between honest and distorting

c is a significant difference between withholding and distorting

The second hypothesis predicted that organizational members would perceive their leaders as highest in power when they communicated honest messages, followed by withholding messages, and finally, distorted messages. Results of the MANOVA indicated that there were statistically significant differences between perceptions of power and the various deceptive conditions F(10,652) = 3.655, p < .001. To assess these differences further, five one-way ANOVAs, one for each power base, were conducted. Results of the ANOVAs revealed that there are not statistically significant differences in how legitimate power (p = .474), reward power (p = .369), or expert power (p = .079) is perceived among the various deceptive conditions (honest, withholding, distorted). However, results of the ANOVAs did reveal statistically significant differences in how referent power F(2,347) = 18.701, p < .001,  $\eta^2 = .0417$  and coercive power F(2,332) =6.440, p < .001,  $\eta^2 = .0373$  are perceived among the various deceptive conditions. Tukey's post-hoc comparison tests between groups showed statistically significant differences in how referent power is perceived between honest messages and distorted messages (p < .001). There was no statistically significant difference between honest and withholding messages or between withholding and distorted messages. For coercive power, Tukey's post-hoc comparison tests revealed statistically significant differences between honest and withholding messages (p = .003) as well as statistically significant differences between honest messages and distorted messages (p = .007); however, there was not a statistically significant difference between withholding messages and distorting messages. While the overall test supported anticipated differences across the scenario conditions, the hypothesis failed to be supported because follow-up tests did not reveal

the predicted order of mean differences between scenario conditions among all of the power bases (see Table 3).

**Table 3** Descriptives and Significance for Power Bases

	Scenario	Mean	Std.	N	P value
			Deviation		
Referent <sup>b</sup>	Honest	18.9320	8.11711	103	.001
	Withholding	16.9915	8.93607	117	
	Distorting	14.4513	8.45048	113	
	Total	16.7297	8.69075	333	
Legitimate	Honest	27.3301	6.91175	103	.435
_	Withholding	28.2308	6.17194	117	
	Distorting	27.0972	7.89435	113	
	Total	27.5676	7.01842	333	
Coercive <sup>a,b</sup>	Honest	22.3689	8.72228	103	.001
	Withholding	25.8718	7.27482	117	
	Distorting	25.6195	7.40092	113	
	Total	24.7027	7.92464	333	
Reward	Honest	22.6505	8.50341	103	.387
	Withholding	24.0598	7.14661	117	
	Distorting	23.1150	7.67737	113	
	Total	23.3033	7.76468	333	
Expert	Honest	17.2718	6.96236	103	.074
•	Withholding	19.1795	8.23744	117	
	Distorting	19.5221	7.86731	113	
	Total	18.7057	7.77336	333	

a is a significant difference between honest and withholding

The third hypothesis predicted that organizational members would perceive their leaders as most trustworthy when they communicated honest messages, followed by withholding messages, and finally by distorted messages. Because only one dimension, behavioral integrity, survived the reliability testing, a one-way ANOVA was conducted to test for significant differences among the deceptive conditions. Results of the ANOVA

b is a significant difference between honest and distorting

c is a significant difference between withholding and distorting

indicated that there were statistically significant differences between the deceptive conditions F(2,326) = 84.790, p < .001,  $\eta^2 = .3422$ . Tukey's post-hoc test of comparisons between groups showed that honest messages were rated as being statistically significantly higher in terms of trust than withholding messages (p < .001) and distorted messages (p < .001) in relation to managerial trustworthiness. However, there was no statistically significant difference between withholding messages and distorted messages (p = n.s.). While the overall test supported anticipated differences across the scenario conditions, the hypothesis failed to be supported because follow-up tests did not reveal the predicted order of mean differences across scenario conditions (see Table 4).

**Table 4** Descriptives and Significance for Managerial Trust

	Scenario	Mean	Std.	N	P value
			Deviation		
Trust <sup>a,b</sup>	Honest	15.2574	4.11498	101	.000
	Withholding	9.8783	3.46954	115	
	Distorting	9.0354	3.70070	113	
	Total	11.2401	4.61705	329	

a is a significant difference between honest and withholding

#### **Discussion**

The purpose of this study was to understand how various forms of deceptive messages impact employee perceptions of supervisor credibility, power, and trustworthiness. The findings of this study extend the current literature in organizational communication, specifically in terms of how deception functions within the workplace. Moreover, the present study answers the research call (see Dunleavy et al., 2010) to

b is a significant difference between honest and distorting

c is a significant difference between withholding and distorting

analyze types of deceptive messages and their impact at various levels of the organizational hierarchy. Results of the study indicate that there are differences in how employees respond to honest messages versus deceitful messages communicated by their managers. Each of the hypotheses predicted that there would be a statistically significant difference between the types of deceptive messages (i.e., messages that withhold or distort the truth) and perceptions of credibility, power, and trustworthiness such that honest messages would be associated with the highest scores for each of the variables, followed by withholding information, and finally by distorting information. These predictions held for honest and deceitful messages; however, there were no statistically significant differences between messages that withheld the truth versus messages that distorted the truth. Thus, one of the main findings of this study is that while honest messages are associated with perceptions of higher levels of credibility, power (referent and coercive), and trustworthiness, messages that involve any form of deception can compromise these qualities in leadership.

Unlike previous research, this study found that both lies of omission (withholding) and lies of commission (distorting) are equally destructive to perceptions of credibility and trust. The extent to which employees understand a manager's power is also impacted by deceptive messages such that referent power (e.g., liking/respect) and coercive power (e.g., punishing capacity) are informed by whether a manager is perceived as honest. These findings illuminate that deceitful communication does not affect certain forms of power (e.g., legitimate, reward, and expert), which is indicative of the expectations for how different power bases generally function in the workplace.

Overall, the findings indicate that employees' perceptions of supervisory credibility, power, and trust, do differ based on whether the supervisor is honest or dishonest.

Elucidating how deceit impacts each of these variables provides useful information for improving supervisory communication strategies and behaviors.

**Supervisor credibility.** Hypothesis one predicted that the manager in the scenario would be perceived as most credible when engaging in honest communication, followed by deceptively withholding information, and would be thought of as least credible when engaging in distorting information. Indeed, supervisors are perceived as most credible when they are honest, but there was no difference between withholding and distorting information. Thus, a manager's credibility is perceived as significantly lower when engaged in any form of deceptive communication. Given that previous research (see Dunleavy et al., 2010) has asserted that lies of omission (withholding) may be viewed as more acceptable than bold-face lies (distortion), the present study found that respondents viewed withholding information as equally destructive to perceptions of credibility. This finding is in line with previous research that suggests that any deceptive communication has the potential to weaken credibility (Dunleavy et al., 2010; Grover, 1997). Because credibility, an essential component of persuasion, may also weaken a business leader's effectiveness in gaining employee compliance on organizational tasks (Cole & McCroskey, 2003) and support (Teven, 2007), leaders and managers must minimize any behaviors that are likely to diminish their credibility. Moreover, once deception is detected, subsequent messages from that source are likely to be evaluated as deceitful regardless of the message's veracity (Bond & DePaulo, 2008; George et al., 2014). Thus,

perceived deception can lead to lasting assessments of low credibility far beyond the singular deceitful act.

Importantly, the scenario used as the basis for evaluation depicted a manager lying to the CFO of a company instead of directly to an employee; thus, perceptions of credibility are reliant on the message itself regardless of to whom the communication is directed. Because this distinction reveals that credibility is determined outside of direct interpersonal interaction, it can be assessed by observing one's communication with another. Therefore, managers who engage in deceptive communication of any sort may risk losing credibility among a wider network of employees than those directly engaged in the interaction displaying the deceitful communication. In contrast, managers who practice honest and transparent communication can expect higher credibility attributions, which can result in more effective leadership and employee satisfaction (Campbell, Martin, & Wanzer, 2001; Teven, 2007), even when it appears no one else may be paying attention to an interaction.

**Power.** Hypothesis two predicted that perceptions of power would be highest when the manager engaged in honest communication, followed by deceptive communication that involved withholding information, and finally by deceptive communication that distorted the truth. Results for hypothesis two indicate that not all of the power bases are equally impacted by honest versus deceptive messages. In fact, only two of the power bases (referent and coercive) were impacted by the various deceptive conditions. In other words, perceptions of legitimate power, reward power, and expert power stayed relatively consistent regardless of the manager's behavior while referent

power and coercive power differed between honest and dishonest conditions. Expounding upon these results illuminates how different power bases are perceived in relation to workplace deception.

Power is fundamentally an influence mechanism. As opposed to credibility, which is assigned based on personal judgments of competence, character, and goodwill, people assign power to others when they perceive that the other possesses or has access to resources that are essential to goal attainment (Dunbar, 2004). Access to these resources may remain relatively consistent regardless of the communication behavior exhibited by the person in power, especially in an organization where power hierarchies are more formalized and control of resources remains relatively consistent (Lindsey et al., 2011). This dynamic helps explain why certain power bases are unaffected by deceptive messages. To be more specific, legitimate, reward, and expert power were not statistically significantly impacted by deceptive communication. A brief review of each of these power bases helps explain the findings.

Legitimate power is assigned when a person holds a high-status position that is sanctioned by society, such as that of a manager (French & Raven, 1959). Thus, if a manager engages in deceptive communication, that act alone does not detract from the fact that the manager still occupies a position of legitimate power by virtue of being the manager. Similarly, expert power is assigned when a person has specialized knowledge or skill (French & Raven, 1959), neither of which is depleted when a person engages in deceit. What is interesting to note here is that the competence dimension of credibility, which pertains to ability, knowledge, and qualification, diminished when the manager

engaged in deceptive communication (McCroskey & Teven, 1999). This finding may be accounted for in how the questions related to each construct were presented to respondents. For the power bases, explicit definitions were given and participants were asked to rate their agreement with whether the manager possessed each power base; the credibility questionnaire was much less direct in its questioning. Moreover, each power base was scored separately whereas the credibility questionnaire gave a composite score. This finding also suggests that expertise in terms of power is a separate construct than expertise in terms of credibility and that people may assess this characteristic differently based on what they are evaluating.

Reward power, which is associated with the ability to compensate people for their contribution (French & Raven, 1959), was not statistically significantly impacted by the various deceptive conditions. Logically, access to monetary or other rewards often comes with assigned legitimate power such that engaging in deceptive messages does not change the relationship between employees' perceptions that the manager has access to these incentives. That said, respondents did perceive a difference in a manager's coercive power based on whether the manager engaged in deceptive communication. The data showed that managers who engaged in honest communication were significantly less likely to be viewed as more coercive than those who engaged in withholding and distorting messages respectively. Coercive power is the ability for a person to punish others when they are not in compliance (French & Raven, 1959).

Perhaps employees who witness deception among organizational leaders perceive that those leaders will behave unethically in a multitude of workplace situations, which

may contribute to the belief that their leaders will be more punishing overall. One line of research that may inform this finding is the motivational foundation for lying in organizations. For instance, business leaders who engage in lying behavior are thought to do so in an effort to control behavior (Lippard, 1988). Since lying is sometimes done to manipulate other people and coercion is a form of influence that is exerted to prevent undesirable behaviors, it may be that lying and coercion are thought to be one in the same by the respondents. The scenario might also have lent itself to the assumption that if a manager will lie to a CFO, who is higher in legitimate power, then other unscrupulous behavior may present itself when the manager interacts with employees, including punishing behaviors that would indicate higher levels of coercive power. What is clear from the data is that coercive power is significantly higher among managers who engage in deceptive communication and lower in those who engage in honest communication.

Finally, referent power was statistically significantly higher among managers who engaged in honest communication versus withholding and deceptive communication. Referent power is based in perceptions of liking, attractiveness, worthiness, and respect (French & Raven, 1959). In essence, the results reveal that people assign greater referent power to managers whom they like and they like managers more when they are honest than when they are deceptive. Previous research has found that attitudes towards supervisors can impact the success of that manager's influence attempts (Teven, 2007). Thus, managers who engage in deceptive communication may be compromising their ability to effectively lead in comparison with honest managers. Indeed, employees work harder for supervisors they like and respect (Teven, 2007) and are less satisfied and less

productive when working for a manager they dislike or disrespect (Campbell, Martin, & Wanzer, 2001). Therefore, managers would be wise to practice honest communication to gain employee respect and uphold this particular power base, which can help to better employee relations and performance.

Managerial trustworthiness. Hypothesis three predicted that respondents would have the most trust in their leaders when they engaged in honest communication, followed by messages withholding information, and finally would have the least amount of trust when business leaders distorted information. Results show that employees do perceive their managers as most trustworthy when they engage in honest communication, but both forms of deceptive messages resulted in lowered perceptions of trust without regard for message type. Employees evaluate their supervisors as being less trustworthy overall if they are at all deceitful. Similar to the character dimension of credibility, managerial trust considers perceptions of integrity, honesty, and sagacity, but it differs from credibility in that managerial trust depends on an assessment of the manager's predictability and ethicality, which is attributed to that individual through observation of specific behaviors (Dunleavy et al., 2010). Logically, once a manager behaves in an unpredictable or unethical way, trust between the leader and the follower may be permanently hindered because when a violation of trust occurs, the employee is likely to update a cognitive script to account for the misconduct and create a new expectation that the manager cannot be relied upon (Mayer & Davis, 1999). Clearly, deception, regardless of message type or motive, is damaging to current and future perceptions of trust. Given that higher levels of managerial trust have been shown to predict organizational stability

and employee wellbeing (Cook & Wall, 1980), deception among business leaders has the potential to damage the overall health of the organization.

### **Practical Implications**

While the findings support the notion that honesty is the best policy, it is clear from previous research that deception is so ubiquitous to communication, comprising some 61.5 percent of human interaction (Turner, Edgely, & Olmstead, 1975), that ridding deceit entirely from human behavior in the workplace would be a nearly impossible task. The question becomes how top management can communicate in a way that promotes honesty, integrity, and transparency. The main finding of the present study is that managers who are honest in their communication are perceived more positively in terms of credibility, trust, and referent power than are managers who practice deception. Organizational leaders would do well to set a culture that values open communication and fosters the development of trust between supervisors and subordinates. Research has shown that involving employees in decision-making (Savery & Waters, 1989), giving honest feedback (Nyhan, 1999) and being a role model for fair and ethical behavior (Kouzes & Posner, 1993) can help set the stage for developing trust within organizations. Moreover, enforcing ethical codes of conduct at all levels of the organizational hierarchy can lead to employee satisfaction (Boyd & Webb, 1992) and increased organizational commitment (Byington & Johnston, 1991). By creating a climate that values trust and honesty, managers may be less likely to engage in deceptive communication. On the contrary, managers who practice deception may be modeling that behavior to their

employees, allowing deceit, and perhaps other unethical behaviors, to become the norm, which can contribute to a dysfunctional organizational climate (Henrichs, 2007).

Certain power bases were unchanged by the various deceptive conditions tested in the current study. For instance, legitimate, expert, and reward power remained relatively consistent regardless of whether a manager engaged in deceptive or honest communication. While these power bases do function to influence and gain compliance in organizations, they likely solicit lower levels of performance than if they were combined with positive perceptions of referent power. Referent power, or liking, can go a long way in gaining cooperation when other power bases may be lacking because employees are more likely to perform at a higher level for a supervisor whom they like and respect (Campbell, Martin, & Wanzer, 2001). Similarly, managers with relatively low legitimate power may need to draw on credibility, likability, or trust to gain employee compliance. Practicing deception also led to higher perceptions of coercive power, which is thought to be a form of anti-social power that leads to lower levels of satisfaction and commitment (Student, 1968; Teven, 2007). Thus, perceptions of deceptive leadership may compromise the qualities that promote effective leadership.

Organizations would benefit from considering the impact that deception has on employee perceptions of business leaders. Given that deception was rated less positively than honesty along a number of qualities that are associated with better leadership, neglecting to consider ethicality in formal policy and informal practice can lead to less satisfying and productive workspaces. By enacting ethical codes and enforcing them in

practice, organizations can expect higher quality work and employee satisfaction, less turnover, and a healthier company culture (Erikson, Shaw, & Agabe, 2007).

#### **Limitations and Future Directions**

While the present study does contribute interesting findings to the research on deceptive communication, it is not without limitations. It is possible that the instructions were unclear to participants. The scenario was presented at the beginning of the survey, but was not shown throughout, which may have caused respondents to forget the exact behavior of the manager. Anecdotal evidence from participants indicated that some respondents forgot what the scenario was about when taking the survey. They emailed the researcher to inquire if they should start the survey over again, this time, paying more attention to the scenario. Thus, it is possible that people who completed the survey may have been working from a vague assumption or remembrance about what was going on in the scenario. This could result in some skewed data by respondents remembering the event of taking the office supplies rather than allowing the conditional sentence (e.g., an honest, withholding, or distortion condition) to take precedence in the assessment of that manager's credibility, power, and trustworthiness.

It may also be that the behavior was considered less egregious and relatively commonplace in an organizational setting so omission becomes part of the expected script for workplace employees. The attitude of "what is the big deal in taking a few office supplies from such a large organization" may have become an overriding influence that mitigated the omission condition's influence. Future research might benefit from

reiterating the scenario at each phase of the survey instrument and possibly specifying a dollar amount for the missing supplies.

Another limitation of the research is that one of the instruments used did not produce acceptable reliability for all dimensions (i.e., the managerial trustworthiness behaviors scale). Moreover, the complete instrument was not used to measure trust due to some of the items showing poor fit with the given scenario. Some of the items on the complete measure involve assessing trust by drawing on prior experiences with one's manager. For example, one item asks whether the respondents feel that they can communicate job-related ideas to the manager. Another item asks if the respondents view the manager as someone who is usually clear about job-related expectations. These and similar items were not included because the researchers felt that the scenario did not provide information that would allow respondents to answer these questions adequately. Future research might consider using the complete scale to assess dimensions of trust more fully.

Future research might consider looking at what other factors may impact perceptions of credibility and power, as the scenarios explained little of the variance in these two variables. It could be that respondents were unsure of how to evaluate the motive behind the manager's actions and behavior. Future research would benefit from asking participants to elaborate on why they feel that the manager is taking the office supplies. Similar questions might ask to what extent the manager's motives are based in self-interest versus organizational benefit to understand if motive is a factor in assessing credibility.

Previous research asserts that different forms of deception are evaluated differently, with lies of omission (withholding) judged as less offensive than lies of commission (distortion) in most cases (Chisholm & Feehan, 1977; Dunleavy et al., 2010; Hubbell & Medved, 2000). None of the variables measured indicated a statistically significant difference between these two deception conditions. One explanation may lie in the scenario itself, which asked participants to assess deception via a manipulation in which a manager was taking supplies from a company. Respondents may have felt that the behavior of taking office supplies was an unethical act and could have been working under the assumption that the manager was unscrupulous unless an honesty response claiming personal responsibility for the action was used. This may explain why honest messages were evaluated more positively than either of the deceptive conditions. Future research would do well to analyze this factor in more depth and determine what the exact differences are in people's perceptions of withholding and distorting information.

Researchers might consider experimenting with multiple scenarios that depict deception in various forms. The scenario in this case depicted a manager taking office supplies from a company and discussing the missing supplies with the company's chief financial officer. The respondent in this case is removed from the scenario. It would be interesting to see whether directing the deceptive communication towards the respondent would yield different results. Multiple scenarios featuring different players in the organizational hierarchy could reveal nuanced differences in how deception is perceived depending on the target audience.

Future research might also benefit from examining each of the credibility dimensions individually. Unlike previous studies (see Dunleavy et al., 2010; McCroskey & Teven, 1999), this research did not find support for a three-factor structure of credibility. Future studies might examine how each of the subscales (i.e. competence, character, and caring) are impacted by honest versus deceptive messages.

Finally, the present study assessed deception as it related to perceptions of credibility, power, and trust among organizational leaders. Each of these variables has been linked to organizational outcomes such as employee performance and turnover; however, no study has directly linked deceptive behavior to organizational outcomes. Future research would do well to follow a model that assessed deceptive communication, how it is evaluated, and what effects it produces within an organizational setting, specifically in relation to employee satisfaction, attitude, turnover, and performance.

These recommendations could not only bolster the organizational and deceptive communication literatures, but also help explain why differing deceptive conditions did not result in the hypothesized outcomes. Moreover, research in this area can enlighten scholars as to when deception might be pro-social and acceptable in organizations versus when it is anti-social or dysfunctional. This information could allow organizational leaders to design ethical codes of conduct that promote honest communication strategies and limit destructive deception.

Following the guide of a recent study (see Dunleavy et al., 2010), the present study attempted to understand how different forms of deception impacted employee perceptions of managerial credibility, power, and trustworthiness. Results of this study show that

organizational leaders who practice deceptive communication are perceived as less credible, less trustworthy, and more coercive than leaders who communicate honest messages. Further, referent power was higher for managers who practice honesty in the workplace. While there were no statistically significant differences found between types of deceptive messages (i.e., withholding or distorting), employees clearly respond more positively to honesty than they do to deceit. McCroskey & Teven's (1999) source credibility scale showed that credibility was a unidimensional construct, which contributes to the field and future researchers who may employ this scale in terms of establishing reliability and validity. This study extends the research on deceptive communication by drawing connections between it and the studied variables. Further, by locating the deceptive event within the organizational context and positioning the main actor in the scenario as a manager, this research adds to the leadership and organizational communication literatures. Organizations would be wise to consider that employees evaluate the behavior and communication strategies of business leaders even when they are not directly involved in the manager's interactions. As such, companies may benefit from enacting formal codes of conduct that limit or provide consequences to persons who engage in deceit. This effort can help construct a culture that values open and honest communication while tempering some of the negative impacts that deception in organizations can produce.

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# Appendices

### Appendix A

#### Scenario

One afternoon when coming back from lunch, you witness your manager putting some office supplies in his/her car. You stop to ask if your manager needs help and (s)he explains that (s)he does not, stating, "I need this stuff but I intend to replace it after the next payday." You feel a little upset about this and skeptical that your manager will buy new materials, but you decide it's none of your business.

On Monday of the next week, you overhear a conversation between your manager and the Chief Financial Officer (CFO) regarding why office supplies keep disappearing from his unit. The CFO asks your manager if (s)he knows why the supplies have been slowly disappearing. Your manager looks at the CFO and says:

Honesty Response: "Last week I took some of the supplies that I needed but I was planning to return them after payday."

Withholding Response: "You are right, I have noticed that some things are missing. They tend to turn up eventually."

Distortion Response: "You know, I'm sorry but I haven't noticed anything missing at all. I don't know what could be happening."

## Appendix B

# Source Credibility Measure

**Instructions:** On the scales below, indicate your feelings about the manager in this scenario. Numbers 1 and 7 indicate a very strong feeling. Numbers 2 and 6 indicate a strong feeling. Numbers 3 and 5 indicate a fairly weak feeling. Number 4 indicates you are undecided.

1) Intelligent	1	2	3	4	5	6	7	Unintelligent
2) Untrained	1	2	3	4	5	6	7	Trained
3) Cares about me	1	2	3	4	5	6	7	Doesn't care about me
4) Honest	1	2	3	4	5	6	7	Dishonest
5) Has my interests at heart	1	2	3	4	5	6	7	Doesn't have my interests at heart
6) Untrustworthy	1	2	3	4	5	6	7	Trustworthy
7) Inexpert	1	2	3	4	5	6	7	Expert
8) Self-centered	1	2	3	4	5	6	7	Not self-centered
9) Concerned with me	1	2	3	4	5	6	7	Not concerned with me
10) Honorable	1	2	3	4	5	6	7	Dishonorable
11) Informed	1	2	3	4	5	6	7	Uninformed
12) Moral	1	2	3	4	5	6	7	Immoral
13) Incompetent	1	2	3	4	5	6	7	Competent
14) Unethical	1	2	3	4	5	6	7	Ethical
15) Insensitive	1	2	3	4	5	6	7	Sensitive
16) Bright	1	2	3	4	5	6	7	Stupid
17) Phony	1	2	3	4	5	6	7	Genuine
18) Not understanding	1	2	3	4	5	6	7	Understanding

### **Appendix C**

Organizational Power Measure / Generalized Belief Questionnaire

Instructions: Please read each of the following definitions of power and reflect on the given scenario. Each question will ask about a different type of power in relation to scenario.

**Power:** Power refers to the possession of authority or influence over another person. **Referent power:** Referent power refers to power that is gained through interpersonal respect and liking. A person with referent power may have influence over others because others tend to like them, respect them, or value the connections they have with key members in the organization.

**Legitimate power:** Legitimate power is also known as positional power, it is derived from the position/job title a person holds within the organization. A CEO is an example of someone who has legitimate power in an organization.

**Coercive power:** Coercive power is derived from a person's ability to influence others through threats, punishments, or disciplinary actions. Coercive power may refer to the ability to punish, fire, or reprimand an employee and is typically used to maintain control over organizational policies and norms.

**Reward power:** Reward power is derived from a person's ability to offer incentives or allocate resources to another person in an organization. Incentives may include extra salary, promotions, or positive feedback/communication.

**Expert power:** Expert power is derived from possessing specialized knowledge or expertise in a particular subject/area. People with expert power influence key decisions because their opinions and ideas are informed and respected.

#### **Generalized Belief Measure**

**Directions:** On the scales below, please indicate the degree to which you believe the following statement: "The manager in the scenario has\_\_\_\_\_\_ power".

Numbers "1" and "7" indicate a very strong feeling. Numbers "2" and "6" indicate a strong feeling. Numbers "3" and "5" indicate a fairly week feeling. Number "4" indicates you are undecided or do not understand the adjective pairs themselves. There are no right or wrong answers. Only choose one number per line.

1) Agree	1	2	3	4	5	6	7	Disagree
2) False	1	2	3	4	5	6	7	True
3) Incorrect	1	2	3	4	5	6	7	Correct
4) Right	1	2	3	4	5	6	7	Wrong
5) Yes	1	2	3	4	5	6	7	No

## Appendix D

## Managerial Trustworthy Behavior (MTB) Scale Items

**Instructions:** Recall the given scenario in which your manager is communicating with the CFO about missing materials from the office. With this scenario in mind, answer the following questions where an answer of 1 indicates that you strongly disagree and an answer of 7 indicates that you strongly disagree.

1. My manager is predictable								
Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
2. My manager is con	nsistent	in his/h	er beha	viors				
Strongly Disagree		2	3	4	5	6	7	Strongly Agree
3. My manager acts as I expect him/her to								
Strongly Disagree	_		3	4	5	6	7	Strongly Agree
4. My manager is honest with me								
Strongly Disagree		_	3	4	5	6	7	Strongly Agree
5. My manager is <i>not</i> straightforward								
Strongly Disagree	_	2	3	4	5	6	7	Strongly Agree
6. My manager generally tells the truth								
Strongly Disagree	•	2	3	4	5	6	7	Strongly Agree
7. My manager keeps his/her promises								
Strongly Disagree		-	3	4	5	6	7	Strongly Agree
8. My manager is someone I can rely on to keep his/her promises								
•	1	2	•	4	5 5		7	Strongly Agree

# Appendix E

## **Demographic Questions**

1.	Please indicate your age:
	Please indicate your biological sex: Male Female Prefer not to answer
	Have you ever been a supervisor? Yes No
	How long were you a supervisor?
	Less than 6 months
	Between 6 months and 1 year
	Between 1 and 3 years
	Between 3 and 5 years
	Between 5 and 7 years
	Between 7 and 10 years
	Between 10 and 15 years
	More than 15 years
5	Are you currently employed? Yes No
	Please indicate the length of your employment. If you have more than one job, please
0.	answer in reference to the job that you have been working at for the longest.
	Less than 6 months
	Between 6 months and 1 year
	Between 1 and 3 years
	Between 3 and 5 years
	Between 5 and 7 years
	Between 7 and 10 years
	Between 10 and 15 years
	More than 15 years
	Other
7.	Please indicate your current work status. Please answer in reference to the job that you
	have been working at for the longest
	Between 1 and 10 hours per week
	Between 10 and 20 hours per week
	Between 20 and 40 hours per week
	More than 40 hours per week
8.	How long have you been working for your current supervisor?
	Less than 6 months
	Between 6 months and 1 year
	Between 1 and 3 years
	Between 3 and 5 years
	Between 5 and 7 years
	Between 7 and 10 years
	Between 10 and 15 years
	More than 15 years
	I don't have a supervisor

### INFORMATION STATEMENT

**INTRODUCTION:** You are invited to participate in a research study about deceptive leadership in the workplace. The purpose of this study is to investigate how instances of deception among supervisors impact employee perceptions of that leader's credibility, power, and trust. You must be 18 years or older to participate.

### INFORMATION ABOUT PARTICIPANTS' INVOLVEMENT IN THE STUDY:

You will be administered an online survey. The survey will take approximately 30 minutes to complete. The online survey results will only be accessible by the researchers. Your answers are completely anonymous and will only be used for research purposes. All data will be kept on password protected devices to maintain confidentiality.

**RISKS:** There are no foreseeable risks greater than those encountered in everyday life involved with participating in this research.

**BENEFITS:** This research will help bolster the scholarly literature and information known about the communication theories that are being investigated by the researchers.

**CONFIDENTIALITY:** The information you provide will be kept confidential. Data will be stored securely and will be made available only to the persons conducting the study unless participants specifically give permission in writing to do otherwise. No reference will be made in oral or written reports that could link participants to this study. Identifying information will not be collected.

**CONTACT INFORMATION** If you have questions at any time about the study or the procedures, (or you experience adverse effects as a result of participating in this study,) you may contact the researchers: Paisleigh Kelley at 241 Douglas Ave., Knoxville, TN 37921, pkelley3@vols.utk.edu, and (615) 995-6191 OR Michelle Violanti at 287 Communications Bldg., Circle Park Dr., Knoxville, TN 37916, violanti@utk.edu and (865) 974-7072. If you have questions about your rights as a participant, contact the Office of Research Compliance Officer at (865) 974-7697.

**PARTICIPATION** Your participation in this study is voluntary; you may decline to participate without penalty. If you decide to participate, you may withdraw from the study at any time without penalty and without loss of benefits to which you are otherwise entitled. If you withdraw from the study before data collection is completed your data will be destroyed.

**CONSENT:** By clicking the NEXT button, I acknowledge that I am at least 18 years of age, have read the above information, and I agree to participate in this study.

#### **VITA**

Paisleigh Jo Kelley was born in Nashville, Tennessee to Rhonda and Page Kelley. She is the older sister of two brothers, Logan and Hudson Kelley. Paisleigh attended several schools throughout her childhood, each of which offered a unique scholarly experience. She graduated from Hillsboro High School in 2007 and enrolled at Middle Tennessee State University for the fall of that year. After a brief period away from college, Paisleigh returned to academia in autumn of 2009 as a Communication & Information (CCI) undergraduate. She double majored in Communication Studies and English Literature and was very active in the university community. Paisleigh served as an ambassador for CCI for two years and also was nominated to participate on several academic councils. In May 2013, she graduated with a Bachelor of Arts in Communication with Summa Cum Laude status. She was recognized as a top scholar in each of her majors. Paisleigh entered the CCI graduate program in August 2013. She was fortunate to receive assistantships for both years of her graduate schooling, serving as both a Graduate Teaching Associate for the School of Communication Studies as well as an academic coach for the Student Success Center. Paisleigh graduates with a Master's of Science degree in Communication in May 2015. She hopes to continue her academic pursuits by entering a Ph.D. program.