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Richard W. Woodman
Texas A&M University

Daniel C. Ganster
University of Nebraska - Lincoln

Jerome Adams
U.S. Military Academy

Michael K. McCuddy
Memphis State University

Paul D. Tolchinsky
Organizational Research, Inc.

See next page for additional authors

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Authors

Richard W. Woodman, Daniel C. Ganster, Jerome Adams, Michael K. McCuddy, Paul D. Tolchinsky, and Howard Fromkin

A Survey of Employee Perceptions of Information Privacy in Organizations[1]

RICHARD W. WOODMAN
Texas A&M University
DANIEL C. GANSTER
University of Nebraska-Lincoln
JEROME ADAMS
U.S. Military Academy
MICHAEL K. McCUDDY
Memphis State University
PAUL D. TOLCHINSKY
Organizational Research, Inc.
HOWARD FROMKIN
Fromkin Van Horn Ltd.

In this study of employees in five multinational corpo-rations, assessment was made of (a) employees' beliefs regarding the types of personal information stored by their companies, (b) the accuracy of those perceptions, (c) reactions to various internal and external uses of this personal information, and (d) evaluations of the com-panies' information handling policies and practices.

The growing concern of private citizens and state and federal lawmakers for the protection of privacy has established the issue of information privacy as one with important consequences for organizations in both the public and the private sector. At the federal level, legislation already has been passed concerning such areas as student records, IRS returns, federal government records, and financial credit reporting. In response to a grow-ing awareness of the potential abuses that arise from society's dependency on personal record keeping and the power of current technology to store

and disseminate such data, Congress enacted the Privacy Act of 1974, the most comprehensive domestic privacy legislation to date. In addition, legislation proposing regulation in varying degrees of all record keeping systems containing personal data maintained by either public or private sector organizations is under consideration by a number of state legislatures. For example, seven states have passed legislation that specifically gives employees the right to see their personnel records (Lublin, 1980).

Of immediate concern to organizations is the process by which they collect, store, and utilize personal information about their employees. Most organizations maintain records including such types of personal information as demographics, work histories, medical data, financial or credit data, arrest records, and psychological tests. The use of such information spans the activities of selection, placement, training, evaluation and promotion, and human resource planning. In fact, the storage and use of many forms of employee personal information is vital to the effective functioning of most organizations. In many instances there would appear to be a real conflict between an organization's need for personal information and the needs of individuals to maintain their privacy. Schein recently noted a conflict "between these employer needs and governmental pressures, via past and current proposed regulations, to restrict certain employer operations so as to preserve individual privacy" (1977, p. 155). According to Schein, "In the conflict between employer and government, the personnel psychologist has been and is in the position of grappling with legislative definitions of privacy in the absence of research on employee perceptions of and attitudes toward privacy in the employment setting" (1977, p. 155). There currently is a dearth of empirical data regarding employees' knowledge of and reactions to the types of information about them stored by their employers and the ways in which the information is maintained, safeguarded, and utilized.

Recently the U.S. Labor Department has been holding hearings on "workplace privacy," which could have considerable implications for both employers and employees (Stone, 1980). In the midst of debating the merits of proposed privacy protection legislation, there is a real need for theory and research concerning the concept of information privacy from the perspective of the employee. To begin to fill this gap, a large scale survey research project was conducted in 1976-1977 by the present authors. One objective of this research was to explore the psychological dynamics of information privacy with specific emphasis on the various antecedents of perceiving "invasion of privacy." Data concerning this research objective may be found in Tolchinsky, McCuddy, Adams, Ganster, Woodman, and Fromkin (1981). The purpose of the present paper is to provide a dissemination of survey results addressing the following questions:

1. Do persons have accurate perceptions regarding the types of personal information about them maintained by their employer?
2. Does the accuracy of employee perceptions vary depending on the nature of the information?

3. What are employee cognitive and affective reactions to various uses employers might make of personal information?
4. To what extent do employees perceive problems with the manner in which their employer collects, stores, or uses personal information?

Method

Sample

Units of five large, multinational corporations agreed to participate in the study. These units varied in size from slightly more than 1,000 to some 12,000 employees and were located in California, Illinois, and Michigan. Among them were an entire division of a corporation, two corporate headquarters, a corporate headquarters with several divisions, and a division headquarters. A sample of between 500 and 800 employees was drawn from each company. The specific sampling plans varied across companies in order to accommodate the differing personnel record keeping systems. Four of the five samples were "systematic" samples drawn from employee lists, only one of which used a random start procedure. The fifth sample was a proportionate random sample drawn by computer. Three of the samples were stratified—two by employee category and one by department. Of the 3,100 employees contacted by their company, 2,047 completed the study (a response rate of 66 percent). The combined sample represented a wide variety of job categories and levels, including middle and upper management, engineers, scientists, first and second line supervisors, various staff personnel (such as analysts, "coordinators," and technicians), clerical workers, secretaries, skilled craftsmen, warehousemen, and semiskilled workers. The functions represented included engineering, finance, purchasing, manufacturing, personnel, and product development. The sample included both union and nonunion employees. Table 1 illustrates the mean responses by company in demographic categories of age, sex, tenure, income level, job level, education, and pay code for all individuals who participated in the survey.

Given that the selection of organizations was made largely on the basis of availability and the selection of employees from these companies was not strictly random, these data cannot be construed as representative of employees of large American corporations. Nor can it be argued that the findings represent the perceptions and beliefs of all the employees of the companies in the study. For example, one might expect that individuals who are particularly sensitive to "information privacy" might be underrepresented in the sample despite assurance of anonymity. The data, when considered at face value, represent simply the responses of 2,047 working men and women concerning the personal information practices in their company. The determination of how widespread these perceptions are among the general working population must await further empirical tests.

Table 1
Descriptive Statistics of Sample by Company

Company	n	Mean Tenure (years)	Mean Income ($)	Mean Age	Sex (Percent) M	Sex (Percent) F
A—Retailing	427	9.44	20,644	41.7	72	23
B—Retailing	498	10.87	19,993	38.0	55	45
C—Aerospace	514	8.96	12,525	36.6	42	58
D—Automotive	255	9.22	21,204	38.0	85	15
E—Manufacturing	353	12.79	27,954	42.0	95	5
Total Sample	2,047	10.22	19,777	39.1	66	34

Company	Mean Years of Education	Job Level (Percent) Supervisory	Job Level (Percent) Nonsupervisory	Pay Code (Percent) Exempt	Pay Code (Percent) Nonexempt	Pay Code (Percent) Hourly
A—Retailing	15.1	27	73	55	23	22
B—Retailing	15.1	46	54	64	9	27
C—Aerospace	14.1	33	67	35	20	45
D—Automotive	15.2	40	60	56	31	13
E—Manufacturing	16.1	53	47	46	49	5
Total Sample	15.0	39	61	51	24	25

Questionnaires

Two questionnaires were constructed for use in the study. The first, an employee questionnaire, consisted of 186 items divided into 6 sections. Section 1 listed 60 types of personal information. Respondents were asked to indicate whether or not they believed that each type of information was recorded in such a way that their company could select any employee and be able to identify that specific item of information for that employee. This section contained seven categories of information believed to represent the various types of data stored by organizations. The categories included demographic (e.g., marital status, military experience); affiliations and activities (e.g., recreational activities, religious affiliation); jobs—other companies (e.g., prior references, prior performance records); jobs and appraisal—current company (e.g., current job description, performance ratings); payroll—fringe benefits (e.g., salary history, insurance plans); medical (e.g., disabilities and illnesses); and financial (e.g., credit rating information, personal assets and liabilities).

Section 2 of the questionnaire listed ways in which people inside the company might use personal information (e.g., for hiring decisions, layoffs, and promotions). Section 3 listed several persons and agencies external to the respondent's company to whom the employer might release personal information such as hospitals, political organizations, courts, government agencies, and so on. In both sections, respondents were asked to indicate (a) if their company *used* (section 2) or disclosed (section 3) personal information in the way described; (b) how *proper* they believed such use/disclosure to be; and (c) how *comfortable* they were with such use or disclosure.

The use of "proper" and "comfort" ratings in conjunction with the assessment of actual use of personal information stems from the authors' assumption that privacy is a psychological phenomenon with both cognitive and affective components. Cognitive components involve an individual's beliefs about what kinds of personal information "should" be private. Affective components involve the individual's feelings and emotions that are aroused under various kinds of solicitations for or disclosures of different kinds of personal information (Hoylman, 1976). For instance, a person can recognize the legitimacy and understand the utility of a request for personal financial information on an application for a house mortgage (cognitive component), yet simultaneously may be uncomfortable or anxious about disclosing such personal information (affective component). The recognition of the duality of information privacy dictates that any attempt to measure the process must include both assessment of the individual's beliefs about the legitimacy of certain practices and assessment of the individual's feelings about such disclosures. Measurement of either component alone will yield an incomplete picture of a person's response to information privacy (Fromkin, Adams, Ganster, McCuddy, Tolchinsky, & Woodman, 1979).

Section 4 of the questionnaire included items assessing respondents' satisfaction with the information handling practices of their company. Section 5 contained various hypothetical situations involving disclosure of information to which employees were asked to respond. Analyses of Section 5 data may be found in Tolchinsky et al. (1981). Finally, Section 6 asked the respondent to disclose the demographic data contained in Table 1.

The second questionnaire, an organization questionnaire, was designed to be completed by high ranking officers of the corporations surveyed who were considered experts on their company's information handling systems. It contained 137 items, 60 of which corresponded to the items in Section 1 of the employee questionnaire. The remaining items in the organization questionnaire concerned company policies regarding maintenance, access, disclosure, and upgrading of employee records.

The initial selection of items for both questionnaires was based on a preliminary study of information practices and policies in several companies and practices described in pending and enacted state and federal legislation. The questionnaires were pretested in a manufacturing organization, and the final versions were constructed on the basis of data gathered during these pilot tests.

Procedure

The employee questionnaire was administered on site at each of the five locations during company time by members of the research team. Organizations notified their employees by letter that they had been selected to participate in the study. The company letter explained who was conducting the study, why the study was being done, and stressed that their participation would be anonymous and voluntary. The questionnaire was

completed in employee groups varying in size from 25 to 200 individuals and was administered in central locations (auditoriums, cafeterias, etc.) within each company unit. Before respondents completed the survey, a member of the research team again stressed that participation was voluntary and guaranteed that anonymity would be protected. In order to emphasize this anonymity, employees placed their completed questionnaires directly into cartons for shipment to the researchers.

The organization questionnaire, because it was designed to assess the actual information handling policies and practices of the companies, was completed independently by at least two officials from each company who were familiar with the information handling practices of their company. These officials then met to compare responses and reach consensus before returning the questionnaires to the researchers.

Results and Discussion

Accuracy of Employee Perceptions

As described above, the first 60 items of the employee questionnaire assessed employees' perceptions about the types of personal information their employer maintained. By comparing these responses to those from the employer's organization questionnaire, the accuracy of employee responses could be assessed. To each of these 60 items, the respondent could reply "yes," "no," or "don't know." Table 2 contains a summary of responses to these items grouped by information categories.

Table 2
Employee Perceptions of Personal Information Storage

| | Percentage Responses | | | |
Information Category	"Yes"	"No"	"Don't Know"	Misses[a]
Demographic	75.6	12.2	11.0	1.5
Affiliations and activities	27.2	47.0	24.0	29.0
Jobs—other companies	68.8	14.3	16.3	20.9
Jobs and appraisal—current company	75.4	9.4	14.1	15.8
Payroll—fringe benefits	85.8	7.9	4.9	6.9
Medical	53.0	26.8	18.8	24.1
Financial	17.5	46.8	34.0	19.0

[a]Employee and company response do not match.

One way to assess employees' knowledge about their company's data storage system is to examine the extent to which they profess ignorance. This was accomplished simply by noting the number of times an employee responded "don't know" to the first 60 items. The average employee responded "don't know" on 15 percent of the items. By itself, it is difficult to determine whether this figure indicates a significant degree of professed ignorance. An examination of the breakdown of "don't know" replies by type of information is a bit more revealing (see Table 2, third column).

In general, respondents indicated they knew whether their company stored various types of demographic information, except for security check and criminal records data, to which more than a third answered "don't know." On the other hand, employees were quite unsure about the types of financial data their company stored about them. "Don't know" responses ranged from 29 percent for data about assets such as home ownership, automobiles, stocks and bonds, and savings accounts to 40 percent for data concerning credit garnishments and bankruptcies. In several other areas, respondents claimed a rather significant lack of knowledge. For instance, 28 percent of the sample did not know whether their company had information about their political activities; 25 percent did not know about religious affiliation, 24 percent did not know about psychological test information; and 31 percent did not know whether their employer kept mental health records about them. Thus it would appear that for certain types of personal information, relatively large percentages of employees claim ignorance of their employer's record keeping practices.

When employees did respond "yes" or "no," their responses were compared to those on the organization questionnaire for their company to determine the accuracy of their perceptions. Across all 60 items, employees' perceptions were accurate (i.e., matched those reported by their company) 68 percent of the time on average and were wrong 17 percent of the time (the remaining 15 percent were "don't knows"). But as with "don't know" replies, respondents' accuracy varied considerably according to the type of information (see Table 2, fourth column). Overall, employees' perceptions were most accurate with regard to demographic information. This is not surprising because many of the items in this category (such as name, address, phone number, age, and sex) are the types of information most people might reasonably assume would be stored by large companies. Yet, responses to two items in this information category—arrest and conviction records—revealed significant misperceptions concerning company information storage practices. Approximately 50 percent of all respondents thought their company retained this information, although only one company in the survey actually did so. The U.S. Congress Privacy Protection Study Commission (1977) expressed considerable concern about the use of arrest and conviction records. Although recognizing an organization's need to be concerned with plant and office security, the Commission distinguished between arrest and conviction records and recommended that limitations be placed on the collection and use of such information. Although four of the five companies studied did not store arrest or conviction information, their employees' contrary beliefs are important. One might theorize that other companies may be in a similar situation, and in light of the Privacy Protection Study Commission's emphasis on this topic, organizations may want to ensure that their employees understand under what circumstances, if any, and for what purposes such information is stored.

Employees' perceptions were most often wrong concerning information about affiliations and activities (union, religious, political, etc.). For these types of information 29 percent of employee replies disagreed with those of their employer. When respondents were wrong, 60 percent of the errors occurred because the employee through that information was kept by the employer but the employer said it was not. The explanations for their overestimation are unclear, but there are some common organizational practices that may account for it. For instance, many application forms in the recruitment process require job candidates to list their extracurricular activities in high school and college. Also, some companies regularly survey current employees concerning their participation in such outside activities as civic organizations and charity drives. Employees may perceive that such information is retained in company files, unless they are specifically informed that the information has been eliminated or was never included in their records.

Regarding medical information, employees disagreed with their company 24 percent of the time. However, in this case, 87 percent of the perceptual errors occurred because the employees thought their company did not maintain the information when, in fact, their company reported that it did. A potential explanation of this misperception is that the respondents do not understand the actual uses made of medical information by employers. The Privacy Protection Study Commission recommended that employees be allowed to inspect and copy their medical records. If implemented, this PPSC recommendation would alleviate problems that may occur because of inaccurate perceptions. Even if organizations allow employee access, they still may find it advisable to examine and justify many of their medical information handling practices.

In sum, the accuracy of employee perceptions concerning the types of personal information their company maintained seemed to be a function of the nature of the information in question. For some categories, such as affiliations and activities, respondents tended to overestimate the amount of data stored by their employer; in other cases, such as medical, they actually underestimated the amount on file.

Reactions to Information Use: Internal

Respondents were asked to express their opinions about one defined category of personal information in relation to each of 16 different potential internal uses. These 16 uses can be classified into four, more general decision making functions as follows: (1) Personnel decisions (hiring, job assignment, promotion, salary increases, terminations, layoffs, performance evaluation, and planning future job assignments); (2) Employee benefits/claims (employee benefits and insurance claims); (3) Auditing (potential conflict of interest, general company audit, audit of specific employees); and (4) Other (internal research, internal address and phone lists, and charity drives).

Table 3
Perceptions of Company Use, Propriety, and Comfort for Different Internal Uses of Information by Information Category

Internal Use of Information	Information Category						
	Demographic	Affiliations	Jobs— Other	Jobs— Current	Payroll	Medical	Financial
1. Personnel decisions[a]							
Percent responding							
yes to use	57.3	39.0	47.7	67.1	57.7	45.6	26.0
yes to proper	56.9	38.7	55.3	72.4	60.0	50.8	27.9
agree to comfort	49.2	33.5	49.5	64.4	50.5	41.0	23.1
2. Employee benefits/claims[b]							
Percent responding							
yes to use	50.6	22.3	24.2	36.7	50.5	44.4	16.1
yes to proper	53.3	28.3	30.8	40.5	54.6	50.2	19.9
agree to comfort	49.6	25.6	26.9	35.6	47.6	40.8	15.0
3. Auditing[c]							
Percent responding							
yes to use	22.7	19.6	21.3	23.2	24.8	13.4	16.7
yes to proper	33.0	28.7	31.7	35.1	35.4	24.4	25.9
agree to comfort	28.2	28.4	26.2	27.1	29.3	20.9	23.2
4. Other functional uses[d]							
Percent responding							
yes to use	32.9	24.8	22.1	29.2	33.9	16.3	17.8
yes to proper	31.2	23.9	22.9	25.7	26.7	21.0	15.5
agree to comfort	27.5	19.5	17.1	19.4	20.3	17.6	12.6

[a]Hiring, job assignment, promotion, salary increases, termination, layoffs, performance evaluation, planning future job assignments.
[b]Employee benefits, insurance claims.
[c]Potential conflict of interest, general company audit, and audit of specific employee.
[d]Internal research, internal address and phone lists, charity drives.

Respondents were asked to record three separate opinions about each potential use. First, respondents were asked whether they believed a specific category of information is *used* by their company in each of the above 16 ways. Second, respondents were asked whether they believed each described use of a specified information category to be *proper*. Last, respondents were queried as to whether or not they were *comfortable* with each use. Thus, employee responses can be analyzed according to their perceptions of use, propriety, and comfort for each of the different kinds of information in relation to each of the different functional uses of information. Space limitations do not permit presentation of detailed analyses of all responses to these 16 potential internal uses of personal information. However, Table 3 contains a summary of these responses collapsed into the four decision making functions described above. For example, 57.3 percent of respondents reported that their company uses demographic information to make "personnel decisions"; 56.9 percent of the respondents thought this use of personal information was "proper"; and 49.2 percent of respondents were "comfortable" with this use.

Some general statements may be made about the findings from this section of the questionnaire. Employees in the sample perceived that personal information is used in their companies mostly for personnel decisions such as hiring, job assignments, and promotions. The respondents perceived

that personal information is less likely to be used to administer employee benefits, compile address/phone lists, or conduct charity drives. Substantial numbers of employees did not know whether or not personal information is used in certain ways. For example, over 50 percent of the respondents did not know if personal information was used for auditing or internal research. In terms of type of personal information, respondents perceived that demographic, jobs and appraisal—current company, and payroll information are most likely used in their company. Financial and affiliations and activities were perceived as the kinds of information least likely to be used for any of the 16 functions. Medical information also was perceived as having low use for auditing and other functions.

In general, employees thought most proper and felt most confortable with their company's use of personal information when it was deemed relevant for organizational decision making regarding how well an employee did or might perform job duties. Such relevant uses of information included hiring decisions, promotion, job assignments, and layoffs. Employees viewed as considerably less proper and were less comfortable about the use of personal data by the company for such purposes as research, charity drives, and auditing. However, some types of personal information seemed to be sensitive no matter how they were used. For example, more than 50 percent of the respondents indicated that the use of personal financial information was improper for all internal corporate uses. With respect to medical information, relatively few employees found its use improper for hiring decisions (20 percent), for making job assignments (25 percent), and processing insurance claims (30 percent). However, the number of employees who thought the use of medical data was improper was considerably higher when it was used for determining salary (70 percent), layoffs (60 percent), performance evaluations (60 percent), and terminations (50 percent). Again, employee opinions concerning the propriety of personal information use seems to be determined by the relevancy of the information for particular decisions. Employee financial and medical information seems to be viewed by employees as being irrelevant to most internal organizational decisions.

Reactions to Information Use: External

Respondents were asked to answer separate questions concerning use, propriety, and comfort in relation to the potential release of personal information to 14 different persons or agencies outside the corporation. These 14 external recipients can be grouped into five general classifications as follows: (1) Judicial (attorneys representing other persons, law enforcement officials without court orders, court orders with subpoenas); (2) Medical (physicians, dentists, and hospitals; insurance companies); (3) Government agencies (Internal Revenue Service, local and state agencies, federal agencies other than IRS); (4) Educational institutions (educational institutions, research agencies); and (5) Other (lending institutions,

Table 4
Perceptions of Company Use, Propriety, and Comfort
for Different External Disclosures of Information
by Information Category

External Use/ Disclosure of Information	Information Category						
	Demographic	Affiliations	Jobs— Other	Jobs— Current	Payroll	Medical	Financial
1. Judicial[a]							
Percent responding							
yes to use	17.5	18.7	15.4	19.0	18.6	19.2	18.8
yes to proper	22.0	21.8	21.2	22.0	22.1	23.2	21.7
agree to comfort	18.3	17.0	19.7	18.0	19.0	17.8	17.4
2. Medical[b]							
Percent responding							
yes to use	26.5	16.0	19.7	21.4	28.4	31.3	14.2
yes to proper	26.9	15.6	18.8	18.4	23.8	29.0	13.5
agree to comfort	23.7	13.5	17.7	13.7	20.7	26.3	12.6
3. Government agencies[c]							
Percent responding							
yes to use	36.2	25.6	28.4	34.0	42.1	24.8	27.9
yes to proper	35.2	25.0	26.5	29.3	39.4	20.0	27.5
agree to comfort	25.4	19.3	20.7	19.6	28.3	16.0	19.1
4. Educational institutions[d]							
Percent responding							
yes to use	18.9	11.8	13.1	15.2	18.7	12.2	12.9
yes to proper	16.5	16.0	15.2	14.8	14.0	13.3	11.7
agree to comfort	17.5	16.2	15.3	14.1	13.2	15.0	13.0
5. Other recipients[e]							
Percent responding							
yes to use	12.0	11.3	9.1	11.9	11.0	6.8	9.7
yes to proper	10.3	7.5	8.0	7.7	9.4	5.5	7.8
agree to comfort	7.2	6.7	7.0	6.8	7.6	4.3	5.6

[a]Attorneys representing other persons, law enforcement officials without court orders, court orders with subpoenas.
[b]Physicians and dentists, insurance companies.
[c]Internal Revenue Service, local and state agencies, federal agencies other than IRS.
[d]Educational institutions, research agencies.
[e]Lending insitutions, political organizations, unions, mailing list companies.

political organizations, unions, mailing list companies). In a manner similar to the preceding discussion, employee responses to the external disclosure of personal information can be analyzed for each of the different kinds of personal information in relation to each of the different outside agencies. Again, space does not permit a detailed presentation of all responses, but a summary may be found in Table 4.

Employees in the sample perceived that personal information is most likely to be disclosed to outside agencies such as courts with subpoenas, the Internal Revenue Service, local and state governments, and lending institutions and least likely to be disclosed to attorneys, political organizations, unions, and mailing list companies. There were large percentages of "don't know" responses concerning research agencies, law enforcement personnel, educational institutions, federal government agencies other than IRS, medical representatives, and insurance companies. In general, the rate of "yes" endorsements was considerably less, and the rate of "don't know" endorsements was considerably higher than the same

endorsements for internal disclosures of personal information. Employees perceived that demographic, jobs and appraisal—current company, and payroll information is most likely to be disclosed to outside parties. Financial information is perceived as the kind of information that is least likely to be disclosed to outside parties.

In general, employees were most uncomfortable about the external disclosure of medical and financial information. In addition, they expressed the greatest concern for the release of information to political parties, mailing list companies, and attorneys representing other people. Those outside parties deemed most proper to receive personal information from their company were courts with subpoenas, local or state governments, and the IRS. However, even here only 56 percent of the respondents thought it was proper to release information to courts with subpoenas. In the case of no other release to an external organization or persons did a majority of employees endorse the transfer of *any* type of personal information, except the release of payroll data to the IRS (but even then only 51 percent viewed it as proper). In general, respondents appeared to be much more concerned about the disclosure of personal information to people outside the company than the use of information for purposes internal to the company.

Reactions to Company Policies

Section 4 of the employee questionnaire assessed employees' perceptions and attitudes concerning a variety of company information handling policies. The major conclusions from this section are briefly summarized here.

Employees appear to be relatively unaware of their company's policy concerning access to their personal information files. In addition, 78 percent of the sample indicated that they are never requested to examine their records, a full 85 percent have never done so, and only 44 percent believed that they would be allowed to correct inaccurate data in their files.

Cross tabulations of these "access" items with demographic characteristics of the employees indicated several trends. First, older and higher income employees tended to be the ones who believed that they are allowed to examine their files. Respondents who indicated that they have actually examined their files also tended to be older and at higher income levels. Nonsupervisory hourly paid employees were the least likely to have examined their records. These results are consistent with the results of Section 1, in which it was found that older, higher income employees had the most accurate perceptions of the types of personal information stored by their company.

In terms of control of personal data, somewhat more than half of the respondents believed that their company controls the authorization of personnel who are permitted to see their records. However, only 18 percent of the respondents believed that their company would seek their permission

before disclosing information to people inside the company, and only 26 percent believed that such permission would be sought before disclosure outside of the firm. In contrast, 76 percent indicated that their permission *should* be sought for internal disclosure, and a full 92 percent so replied for external disclosure. This reveals a significant discrepancy between what the sample perceived the situation to be and what they think it ought to be concerning permission to disclose personal information. Clearly, the majority of the sample want their company to ask their permission before giving data to anyone, although it does make some difference whether the data is going inside or outside the organization. This sensitivity to external disclosures of personal information reinforces the earlier presented results in which a large percentage of employees reported feeling uncomfortable when information is passed outside the firm.

Respondents were asked whether or not they had had an experience that upset them because the company disclosed personal information to someone, and if so, whether the situation was resolved to their satisfaction. Only 7 percent of the respondents reported that they had had an experience that upset them because information was disclosed to someone inside the company. But of those who did report such an experience, only 12 percent indicated that the situation has been resolved to their satisfaction. Similarly, in the case of information disclosure to someone outside the firm, 3 percent reported having had an upsetting experience, and only half of these cases had been resolved to the employees' satisfaction.

Finally, two items assessed employees' general reactions to their company's information handling practices and procedures. When asked if they were satisfied with their company's information handling practices, 44 percent of the sample indicated that they were satisfied; 22 percent indicated dissatisfaction. A "don't know" or neutral response to this query was given by 34 percent. When asked if they thought that their company did a good job in protecting their privacy, 43 answered in agreement and only 8 percent in disagreement. Again 39 percent responded "don't know," and 10 percent indicated a neutral opinion. On the one hand, these responses indicated little overt dissatisfaction with the firms' personal information handling practices. Yet, looked at another way, less than half of the employees responded favorably in terms of these two general satisfaction and privacy protection items. The large number of "don't know" or neutral responses suggests caution in assuming that information privacy is a "nonissue" among these employees.

Conclusions

The data reported represent only a summary of the responses of 2,047 corporate employees concerning their company's handling of personal information. Fully aware of the limits to the generalizability of the sample, the authors feel that the data suggest the following tentative conclusions.

(1) Employees in the sample have limited factual knowledge about the types of personal information their company keeps on file.

(2) Employees in the sample tend to underestimate the extent to which their employer stores some types of information (e.g., medical) and to overestimate for other types (e.g., affiliations and social activities).

(3) Employees in the sample appear considerably more concerned about disclosure of personal information to parties outside the firm than they are about how information is used within the firm.

(4) Employees in the sample seem to use a "relevancy" criterion when deciding whether it is proper for a particular type of information to be used for a particular purpose.

(5) Not all personal data are equally sensitive, and certain types of data that have previously been argued to be sensitive (e.g., medical data) may not be considered so if their use appears relevant to the nature of the data.

(6) Many concerns regarding the use of personal data might be ameliorated by informed participation on the part of employees.

A word of caution is needed about these interpretations of the discriminations that employees made between the different kinds of personal information in Section 2 (internal uses) and Section 3 (external disclosure) of the questionnaire. All these findings remain somewhat ambiguous due to the nature of the definitions of the seven categories of personal information. That is, as opposed to single specific and discrete types of information, employees were responding to information categories that included within them a number of different types of personal information. Although it is clear that some categories of information are more sensitive than others, this research identifies only those broad categories that require more detailed and specific attention in future research.

Although empirical support is sketchy, information privacy often is equated to the power to *control* the use of personal information (Fromkin et al., 1979; Kelvin, 1973; Margulis, 1977; Westin, 1967). With regard to control of personal information, several additional observations concerning the survey data reported here are in order.

In general, most employees report no "upsetting" experience with their company's use of personal information. This finding is consistent with some recent research indicating that individuals feel more positively about their control over personal information in the case of employers than in the case of other types of organizations such as insurance companies, credit grantors, and lending institutions (Stone, Gueutal, McClure, & Gardner, 1980). It is noted that the incidence of upsetting internal uses of information was twice the magnitude of the incidence of upsetting external disclosures. This difference can be attributed to several factors. Perhaps there simply are fewer external disclosures. Alternatively, employees may be unaware of the external disclosures in their organizations and more aware of internal releases.

A relatively small number of the sample reported that their company asks their permission prior to internal or external disclosures of personal information. Yet, an overwhelming majority of respondents believe that their companies should ask their permission prior to release of personal information. The impracticality of obtaining employees' permission prior to the internal release of any kind of personal information is obvious. However, the results of this study suggest that a policy of prior informed consent for some kinds of sensitive information would reduce employees' lack of knowledge and the likelihood of erroneous assumptions and would increase the degree of employees' satisfaction with their company's management of personal information. Similarly, although the frequency of external disclosures is decidedly less than the frequency of internal uses of personal information in most organizations, the present sample of employees expressed a greater sensitivity toward external disclosures. Thus, initiation of some policy of informed consent prior to external disclosures of personal information likely would result in a number of benefits to the organization, including a reduction in the likelihood that employees will perceive an invasion of privacy. This conclusion is supported also by some consistent research results that suggest that perceptions of invasion of privacy are increased by a perceived lack of control over the use of personal information (Fusilier & Hoyer, 1980; Hoylman, 1976; Tolchinsky et al., 1981).

It is instructive also to note the differences between knowledge concerning actual use of personal information and affective responses to that use. For example, respondents frequently answered that they did not know whether or not their organization used personal information in a particular way or allowed a specified release, but the "don't know" response level declined markedly when employees were asked to register their beliefs as to the propriety of the identical situations and their·comfort with such practices. In general, at least one third of the employees responding answered "don't know" as regards their companies' practices in relation to almost every use and external release. But when queried as to the propriety or comfort with the same practices, the rate of "don't knows" fell to under 10 percent of the total responding to any given question.

In conclusion, managers should be aware of the potentially conflicting concerns of individuals to maintain control over their personal information and the needs of complex organizations for information with which to make decisions. Managers also should be aware that the present legal climate with regard to information privacy presages stricter controls over the types of personal information organizations may elicit from their employees, and how such information is stored, utilized, and disclosed. Additional specific legislation has been proposed that could have significant impact on the private sector (Comprehensive Right to Privacy Act, H.R. 1984, 94th Congress, 1st session, 1975). At the same time, Schein has argued that such concern for the protection of privacy has taken a narrow perspective which has "yet to grapple with the issue of privacy from the

perspective of the attitudes, perceptions, and concerns of the individual employee" (1977, p. 161). The study reported here has the potential of broadening this perspective.

To broaden this perspective further, it is necessary to examine closely the concept of information privacy itself—a concept that so far has seemed to defy definition. (See, for example, Altman, 1974, Kelvin, 1973, Westin, 1967, and Proshansky, Ittelson, and Rivlin, 1976.) It is hoped that increased study of the issue of information privacy from a broader perspective will enhance the probability that the privacy needs of individuals will be integrated with increased information demands of complex organizations.

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Richard W. Woodman is Associate Professor of Management, Texas A&M University.

Daniel C. Ganster is Associate Professor of Management, University of Nebraska–Lincoln.

Jerome Adams is Associate Professor in the Science Research Laboratory at the U.S. Military Academy, West Point.

Michael K. McCuddy is Associate Professor, Department of Management, Memphis State University.

Paul Tolchinsky is President of Organizational Research, Inc.

Howard L. Fromkin, is executive vice president of Fromkin Van Horn Limited.