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Will it be Disclosure or Fabrication of Personal Information?

An Examination of Persuasion Strategies on Prospective Employees

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ABSTRACT

Individuals are increasingly reluctant to disclose personal data and sometimes even intentionally fabricate information to avoid the risk of having it compromised. In such situations, , organizations face an acute dilemma: they must obtain accurate job applicant information in order to make good hiring decisions, but potential employees may be reluctant to provide accurate information because they fear it could be used for other purposes. Building on theoretical foundations from social cognition and persuasion theory, we propose that, depending on levels of privacy concerns, organizations could use appropriate strategies to persuade job applicants to provide accurate information. We conducted a laboratory experiment to examine the effects of two different persuasion strategies on prospective employees' willingness to disclose information, measured as their intentions to disclose or falsify information. Our results show support for our suggestion. As part of this study, we propose the term information sensitivity to identify the types of personal information that potential employees are most reluctant to disclose.

Keywords: *Employee Privacy Concern; Information Fabrication; Information Disclosure; Organizational Strategies; Persuasion Theory; Privacy*

INTRODUCTION

Business organizations and other institutions are able to use information systems (IS) to capture and store vast amounts of personal data. Consequently, the public has developed acute anxiety that personal information may be misused, disclosed to unrelated parties, and perhaps even stolen by identity thieves. In early 2000, in a *Wall Street Journal*/NBC poll, "Americans cited loss of personal privacy as their No. 1 concern about the 21st century…"

Organizations are faced with a difficult dilemma: job applicants are reluctant to disclose personal information and sometimes may even provide incomplete or false personal data. Empirical studies show that when people are asked

to disclose personal information, they tend to provide false information if they believe their privacy is being compromised (Fox et al., 2000; Lwin & Williams, 2003). But organizations' competitiveness depends on their ability to collect accurate information that will enable them to make critical personnel selection decisions. Therefore, organizations must devise strategies to resolve the conflict between their need for accurate personal information and individuals' wishes to keep their information private.

Because it is partly the increased functionality of IS that has created the heightened awareness of privacy issues, IS researchers and journals are showing keen interest in addressing privacy related issues (e.g., Malhotra, Kim, & Agarwal, 2004; Smith, Milberg, & Burk, 1996). Although several studies have been conducted, thus far they tend to focus on *consumers'* privacy concerns; research about *employees'* privacy concerns and how organizations must address those issues are relatively scarce (Greenway & Chan, 2005). Current and prospective employees have voiced their information privacy concerns in recent years, and have reported that they have been reluctant to provide accurate personal information when they seek jobs or promotions because they have been afraid that their information will be used in unrelated ways that may impact them adversely (Alge, Ballinger, Tangirala, & Oakley, 2006; Stone & Stone, 1990). This is compounded by the fact that privacy practices that protect employee privacy are not standardized across organizations, and employees do not have a clear understanding of policies in their respective organizations (Eddy, Stone, & Stone-Romero, 1999). Furthermore, in contrast to consumers who can terminate a transaction if they fear their privacy may be compromised, job applicants and employees feel more pressured to disclose personal information to get or hold jobs. In these pressured situations, they tend to fabricate their personal information, as is the case in personality tests (Hough, 1998; Hough, Eaton, Dunnette, Kamp, & McCloy, 1990; Schmitt & Oswald, 2006). Therefore, it is critical to research how organizations may implement practices that assuage employees' privacy concerns so that they will be more willing to provide accurate information.

Researchers have pointed out that employees may be relatively more reluctant to provide specific types of personal information; that is, they may exhibit greater "information sensitivity" to some types of information, but thus far little research has tackled this issue (Thompson & Kaarst-Bown, 2005). It is important to identify the types of sensitive information that might be fabricated so that organizations can be more cautious when they ask employees to disclose sensitive information.

To address those gaps in information privacy research, we conducted an empirical study in which we measured information privacy concerns of prospective employees by adapting the information privacy scale developed by Malhotra et al. (2004). Then, using persuasion theory, we tested strategies by which organizations may persuade prospective employees to give accurate personal information. In this study, we focus on prospective employees because job applicants and incumbents respond differently when they are asked to disclose personal information; prior work in psychology suggests that job applicants may be more likely than incumbents to give false information (Hough, 1998; Schmitt & Oswald, 2006). We test whether prospective employees with high levels of privacy concerns are more reluctant to provide personal data and more likely to fabricate what they do provide. Our findings support our arguments that organizations could adopt specific persuasive strategies in privacy policy statements that will persuade prospective employees to increase their intentions to disclose accurate personal information and reduce their intentions to fabricate information.

RESEARCH FRAMEWORK

IS scholars have noted that privacy is one of the most critical issues that organizations must confront (see review by Greenway & Chan, 2005). According to former Secretary of Commerce Norman Mineta (2000), even the U.S. government regards privacy as one of the most critical