Relationship Between Information Privacy Concerns and Computer Self-Efficacy

Garry L. White, Texas State University – San Marcos, USA
Jaymeen R. Shah, Texas State University – San Marcos, USA
James R. Cook, , Texas State University – San Marcos, USA
Francis Mendez, Texas State University – San Marcos, USA

ABSTRACT

Individuals have two types of focus involving privacy and technology: a person’s concerns with organizational practices towards the privacy of personal information (management focus), and the person’s self-efficacy of computers (technology focus). People view management of personal information and information technology as unrelated issues. The authors hypothesize that there is no relationship between a person’s concerns for information privacy (management focus) and his/her self-efficacy towards computers (technology focus). The purpose of this study was to investigate the relationship between computer self-efficacy, and concerns for personal information privacy.

Keywords: data collection; data errors; information management; information technology; information privacy; privacy policies; self-efficacy; unauthorized data use

INTRODUCTION

Personal information is information that is associated with and identifies an individual. Personal information may be generated by an organization from an internal database, or by combining internal data with external data sources. Almost all businesses and government agencies process personal information. Technological advances have made it easier for these organizations to collect, store, and process individuals’ personal information. Intrusive business practices and fears regarding inadequate
level of security for protecting collected personal information seem to have elevated the concern regarding erosion of personal information privacy—“a condition of limited access to identifiable information about individuals” (Smith, 1993). Lack of transparency in government regulations may have also contributed to the increasing concern regarding personal information privacy (Data Protection Commissioner, 2003).

Protection of information privacy has been identified as one of the critical issues in contemporary management practice (Mason, 1986). The results of a survey in Ireland revealed that people place a high value on the privacy of personal information. Most respondents of the survey believed that businesses are intruding upon their personal information privacy, and strongly agreed with the statement, “businesses regularly want to know more about me than they need to” (Data Protection Commissioner, 2003). The results of another survey conducted by Wall Street Journal and NBC News indicated that the loss of personal privacy is the topmost concern of Americans in the twenty-first century (Seib, 2001). Americans believe that they have lost control over how their personal information is collected and used (Harris Interactive, 2001-2002).

Potential loss of personal privacy is also one of the main reasons why people are hesitant regarding transacting business on the Web. For example, a survey conducted in 2001 by The Yankee Group revealed that 83% of the consumers are “somewhat” or “very concerned” about privacy on the Internet (Yankee Group, 2001). Privacy concerns with the Internet tend to have a negative effect on the intention to conduct business over the Internet (Dinev & Hart, 2003, 2005-2006). Finally, a poll conducted in February 2002 found that a majority of the consumers do not trust businesses to handle their personal information properly (Electronic Privacy Information Center, 2005). Growth of e-commerce is impacted due to concerns regarding information privacy.

Self-efficacy is defined by Bandura (1986) as “people’s judgments of their capabilities to organize and execute courses of action required to attain designated types of performances. It is concerned, not with the skills one has, but with judgments of what one can do with whatever skills one possesses” (p. 391). Thus, it is an individual’s belief regarding his/her capability to accomplish a specific task. People with low levels of computer self-efficacy tend to avoid technology and have anxiety towards technology (Dinev & Hart, 2005-2006). Those with high computer self-efficacy have a greater trust with Web sites that display Web privacy seals (Rifon, LaRose, & Choi, 2005). Computer self-efficacy is a powerful predictor of Internet usage (Eastin & LaRose, 2000).

The combined effect of the intrusive business practices and advances in information technology seems to have increased individuals’ anxieties regarding the threat to their personal informa-
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