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# Invited Reaction: Development and Exploratory Validation of an Organizational Efficacy Scale

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Without reservation, in the preceding article (Bohn, 2010) the author has captured a deficiency, as he quotes, of “over two decades” in the human resource development (HRD) field. Although many have examined noteworthy items within the self-efficacy model as a means of assessing the functionality of organizations, a true depiction of organizational efficacy has not surfaced until now. Prior to this validation, many in the HRD field had long pondered the employee perspective of efficacy for its impact upon organizational effectiveness. In reality, all that remained after each study was individual self-efficacy levels without anything to bridge the gap to organization results. A scale for examining the confidence within an organization is most sufficient for determining the reasons for varying levels of organizational output, not only on a product basis but also from a human performance perspective.

The organizational efficacy tool described is an extension of collective efficacy measures, and narrows collective efficacy to specific business populations. Although we have known that efficacy predicts performance, we now know how efficacy in organizations influences specific business performance results. This, indeed, corresponds to the work of Bandura and those of his persuasion to develop instruments that match with the situations of measurement. As a result, the financial analysts, at this point, should leap for joy because of the closer tie between human resource development initiatives and return-on-investment evaluations for the holistic organization. The utility of the organizational efficacy is far reaching in that organizations have many forms and bases for doing business, and thus the scale developed here can be used to examine a variety of businesses—from the smallest art museum to the largest airplane manufacturer. Therefore, diminishing returns from this scale are not in the near future.

The efforts made to clarify and distinguish self-efficacy, collective efficacy, and organizational efficacy do wonders to invite the reader to reflect upon why

such a need exists in the HRD environment. Upon review, one comes to realize the magnitude of the relationships between the three and ultimately the organizational efficacy impact to which the author briefly alluded—the wage influence. It should be noted that an organizational efficacy level is more than just a wage influence; it is also an economic influence. In basic business principles, the organization produces products and services through wage earners, who then buy the goods and services of societal organizations so that organizations produce even more. Therefore, if organizational efficacy predicts organizational performance, this extends beyond the wage earner to positive performance that will expand the economic whole.

Because organizational efficacy is a subset of collective efficacy, we do have to realize that without the thoughts of a collective group, organizational efficacy could not be derived, given that a group of people make up the organization's activities. But organizational efficacy must address or prompt employees for their views on topics that would adequately assess the efficaciousness nature of the organizational whole. As a reader, one might easily dispute the use of collective capacities, mission or purpose, and sense of resilience as restricted determinants of organizational efficacy and, simultaneously, be mindful of broader constructs that could be included. But the methodology of the author is sound and perhaps goes overboard in ensuring the validity of these components. Perhaps Katz and Kahn (1978) did reveal items beyond the factors proved here, such as the importance of an organization's level of innovation. In other words, the rationale used for deriving from theory may have had a wider scope.

There is obvious familiarity with factor analysis and scale development in the article, and the procedures used were sufficient for proving the results and obtaining the essential 17 items for measuring organizational efficacy. I do agree that such a scale for measuring organizational efficacy can be used with confidence regardless of the recognized limitations the author conveys, such as inconsistent sampling. As diversity increases in American companies, criterion variable analysis will become even more important. Also, it is rather hard to believe that the study lacked international participants. Perhaps the writer means to indicate there were not enough significant international participants to designate a separate influential population in the study to change the results. Regardless, it is imperative now that organizational efficacy be studied from international perspectives, internal organizational subsets (e.g., department perspectives), and efficacy "cycles." An essential tool for increasing organizational performance and identifying areas for organizational improvement has been discovered.

**References**

- Bohn, J. G. (2010). Development and exploratory validation of an organizational efficacy scale. *Human Resource Development Quarterly*, 21(3), 227–251.
- Katz, D., & Kahn, R. (1978). *The social psychology of organizations*. New York: Wiley.

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