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**Dr. Larry J. Williams, Virginia Commonwealth University**

**Title:** Decomposing Model Fit: Measurement vs. Theory in Organizational Research Using Latent Variables

**Abstract**

Goodness of fit indices have an important role in structural equation model (SEM) evaluation. However, some (e.g., McDonald & Ho, 2002; Mulaik, James, Van Alstine, Bennett, Lind, & Stilwell, 1989) have raised concerns that overall fit values primarily reflect the fit of the measurement model, and this allows significant misspecification among the latent variables to be masked. We reviewed five of the top OBHR journals from 2001 to 2008 and identified 44 studies using SEM where the overall composite model could be decomposed into its measurement and path components. We also presented rationale for a relatively new fit index that focuses on the path component, the RMSEA-P. The root mean square error of approximation of the path component (RMSEA-P) for these studies generally showed unfavorable results, with many values failing to meet commonly accepted standards. The confidence intervals of the RMSEA-P and chi-square difference tests provided evidence that many of the conclusions based upon the goodness of fit of the overall model may be inaccurate. We conclude with recommendations for how researchers can focus more attention on path models and latent variable relations and improve their model confirmation process.