The Impact of Supply Chain Innovation on Organizational Performance: An Empirical Study in the Health Care Organization

DonHee Lee
University of Nebraska - Lincoln

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THE IMPACT OF SUPPLY CHAIN INNOVATION ON ORGANIZATIONAL PERFORMANCE: AN EMPIRICAL STUDY IN THE HEALTH CARE ORGANIZATION

by

DonHee Lee

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THE IMPACT OF SUPPLY CHAIN INNOVATION ON ORGANIZATIONAL PERFORMANCE: AN EMPIRICAL STUDY IN THE HEALTH CARE ORGANIZATION

DonHee Lee, Ph.D.

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Advisor: Sang M. Lee

Supply chain management (SCM) has drawn significant attention in the health care industry in recent years because of its significant impact on hospital performance and quality of care. Since SCM is a complex system that interfaces with many different dimensions within a hospital and with suppliers, organizations need to first innovate their business processes while also considering their suppliers’ processes to accomplish effective SCM. Supply chain (SC) innovation helps organizations achieve efficiency and quality management practices for new customer value creation, which is expected to result in improved organizational performance.

This study examines the effects of innovation leadership, SC innovation, SC efficiency, and QM practices on organizational performance in the health care organization. More specifically, this study explores relationships among several factors that may influence organizational performance. Also, this study attempts to investigate differences between two health care organization groups: more than 500 and less than
500 beds.

The structural equation modeling (SEM) technique with AMOS 17.0 was used to test hypotheses in the research model. The results confirmed the effect of innovation leadership on process improvement and IT application for SC innovation. The study also found positive relationships between process improvement and IT application as part of SC innovation; and SC efficiency and QM practices. In addition, the results showed the effect of operational improvement as a result of SC efficiency and QM practices on organizational performance. The study results also showed moderating effects of hospital size, controlled as between two groups: more than 500 and less than 500 beds.
TABLE OF CONTENTS

LIST OF FIGURES .......................................................................................................................... IV

LIST OF TABLES ............................................................................................................................. V

CHAPTER 1: INTRODUCTION .......................................................................................................... 1

1.1. Background of the Study ........................................................................................................ 1
1.2. Research Purpose and Questions .......................................................................................... 6
1.3. Research Methodology .......................................................................................................... 7
1.4. Importance of the Study ......................................................................................................... 7
1.5. Organization of the Dissertation ........................................................................................... 9

CHAPTER 2: REVIEW OF THE LITERATURE ............................................................................... 10

2.1. Supply Chain Management in the Health Care Industry .................................................... 10
2.1.1. Characteristics of SCM in the Health Care Industry ....................................................... 13
2.2. Leadership and SC Innovation ............................................................................................. 15
2.2.1. Innovation Leadership for Health Care SCM ................................................................. 20
2.3. SC Innovation ....................................................................................................................... 22
2.3.1. Process Improvement for SC Innovation ......................................................................... 25
2.3.2. Information Technology for SC Innovation .................................................................... 27
2.4. SC Efficiency ....................................................................................................................... 30
2.5. Quality Management Practices ............................................................................................ 32
2.6. Organizational Performance ............................................................................................... 38
2.7. Summary ............................................................................................................................... 42

CHAPTER 3: CONCEPTUAL FRAMEWORK ................................................................................. 43

3.1. Research Model ..................................................................................................................... 43
3.2. Hypotheses Development ..................................................................................................... 44
3.2.1. Relationship between Innovation Leadership and SC Innovation .................................. 44
3.2.2. Relationship between SC Innovation and SC Efficiency ................................................ 47
3.2.3. Relationship between SC Innovation and Quality Management Practices .................. 48
3.2.4. Relationship between SC Efficiency and Organizational Performance ......................... 50
3.2.5. Relationship between Quality Management Practices and Organizational Performance ... 51
3.3. Summary ............................................................................................................................... 52
CHAPTER 4: METHODOLOGY

4.1. Sample .......................................................................................................................... 53
4.2. Variables ....................................................................................................................... 54
4.2.1. Innovation Leadership ............................................................................................... 55
4.2.2. SC Innovation .......................................................................................................... 56
4.2.3. SC Efficiency ............................................................................................................ 57
4.2.4. Quality Management Practices .............................................................................. 58
4.2.5. Organizational Performance .................................................................................... 59
4.3. Control Variables ........................................................................................................ 60
4.4. Data Collection ............................................................................................................ 61
4.5. Analysis Methods ........................................................................................................ 64
4.6. Summary ...................................................................................................................... 65

CHAPTER 5: DATA ANALYSIS AND RESULTS

5.1. Interpreting Statistics from Structural Equation Modeling .......................................... 66
5.1.1. Chi-square ($\chi^2$) Statistic ..................................................................................... 67
5.1.2. Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) .............. 67
5.1.3. Comparative Fit Index (CFI) ................................................................................... 67
5.1.4. Root Mean Square Residual (RMR) ....................................................................... 68
5.1.5. Root Mean Square Error of Approximation (RMSEA) .......................................... 68
5.2. Assessment of the Measurement Instruments ............................................................. 69
5.2.1. Reliability Analysis ................................................................................................. 69
5.2.2. Validity Analysis ...................................................................................................... 70
5.3. AMOS Analysis and Results ....................................................................................... 78
5.4. Tests of Hypotheses .................................................................................................... 80
5.4.1. Relationship between Innovation Leadership and SC Innovation .......................... 81
5.4.2. Relationship between SC Innovation and SC Efficiency ......................................... 82
5.4.3. Relationship between SC Innovation and Quality Management Practices ........... 83
5.4.4. Relationship between SC Efficiency and Organizational Performance ................... 85
5.4.5. Relationship between Quality Management Practices and Organizational Performance .............. 86
5.4.6. The Summary of Hypotheses Tests ..................................................................... 87
5.5. Moderating Effects of Number of Bed Capacity between Groups ......................... 88
5.6. Summary .................................................................................................................... 93

CHAPTER 6: CONCLUSIONS AND DISCUSSION .................................................................. 94

6.1. Summary and Discussion ......................................................................................... 94
6.2. Limitations of the Study ................................................................. 100
6.3. Implications for Practice ................................................................. 102
6.4. Directions for Future Research ......................................................... 103
6.5. Summary ...................................................................................... 105

REFERENCES .................................................................................. 106

APPENDICES .................................................................................. 127

Appendix A: Official Approval Letter for IRB project #11356 .................. 127
Appendix B: Questionnaire of the Study ................................................ 128
LIST OF FIGURES

Figure 1-1: The Rise in U.S. NHE in Comparison to GDP and NHE per Capita .................................................. 2
Figure 1-2: The Rise in U.S. NHE in Comparison to GDP and Inflation as Percentage ......................................... 3
Figure 1-3: NHE by Type of Service in 2007 ........................................................................................................... 3
Figure 2-1: Function of Innovation Leadership in SCM .......................................................................................... 21
Figure 3-1: The Proposed Model ........................................................................................................................... 44
Figure 5-1: The Second Order CFAs of SC Efficiency, QM Practices and Organizational Performance ........... 76
Figure 5-2: Path Analysis and Factor Loadings ...................................................................................................... 79
Figure 5-3: Path Analysis and Factor Loadings’ More than 500 Beds ................................................................. 91
Figure 5-4: Path Analysis and Factor Loadings’ Less than 500 Beds ................................................................. 92
LIST OF TABLES

Table 2-1: Two Kinds of Challenges in the Health Care Industry .................................................. 20
Table 2-2: Organizational Performance in SCM .............................................................................. 42
Table 4-1: Measurement Items of Innovation Leadership ................................................................. 55
Table 4-2: Measurement Items of SC Innovation .............................................................................. 56
Table 4-3: Measurement Items of SC Efficiency ............................................................................... 57
Table 4-4: Measurement Items of QM Practices ............................................................................. 59
Table 4-5: Measurement Items of Organizational Performance ....................................................... 60
Table 4-6: Measurement Items for the Study .................................................................................... 62
Table 4-7: Hospital and Respondents' Characteristics .................................................................... 64
Table 5-1: Cronbach’s Alphas of Factors ......................................................................................... 70
Table 5-2: Results of PCA and CFA ................................................................................................. 73
Table 5-3: Results of Fit Indices for CFA ......................................................................................... 75
Table 5-4: Correlation Matrix and Average Variance Extracted (AVE) ............................................. 78
Table 5-5: Results of Goodness of Fit Test ....................................................................................... 79
Table 5-6: Results of Significance Test for Paths of the Model ......................................................... 80
Table 5-7: The Summary of Hypotheses Tests ................................................................................ 87
Table 5-8: Results of Goodness of Fit Test on Groups Differentiated by Number of Beds .......... 89
Table 5-9: Results of Significance Tests for Paths between Groups ............................................... 90