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

by

DonHee Lee

A DISSERTATION

Presented to the Faculty of

The Graduate College at the University of Nebraska

In Partial Fulfillment of Requirements

For the Degree of Doctor of Philosophy

Major: Interdepartmental Area of Business

(Management)

Under the Supervision of Professor Sang M. Lee

Lincoln, Nebraska

May, 2011

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

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University of Nebraska, 2011

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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.

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