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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

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(Management)

Under the Supervision of Professor Sang M. Lee

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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.

TABLE OF CONTENTS

LIST OF FIGURES	IV
LIST OF TABLES	V
CHAPTER 1: INTRODUCTON	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.....	53
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.....	66
5.1. Interpreting Statistics from Structural Equation Modeling.....	66
5.1.1. Chi-square (χ^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 Study100

6.3. Implications for Practice.....102

6.4. Directions for Future Research.....103

6.5. Summary105

REFERENCES106

APPENDICES127

 Appendix A: Official Approval Letter for IRB project #11356127

 Appendix B: Questionnaire of the Study128

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