

**Policy Innovation Diffusion and Organizational
Performance:
The Moderating Effect of Organizational
Commitment**

Empirical Evidence from Bookstart Program in Taiwan

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Introduction

- In these days, numerous policy analysis researches also employed diffusion of innovation theory to explain how public policy is implemented in complex public organization, particularly in government agencies.
- For instance, Berry & Berry (2007) proposed diffusion of policy innovation in government agencies lies in one of four following reasons: competition, learning, mandate, and public pressure.
- Current literatures usually argue that innovation, including management, process, technology and so on, is positively associated with better organizational performance, particularly in the organizations of private sector.
- Nevertheless, would the innovation also plays an positive role in public organizational performance? This paper attempts to answer this research question by using sample observations of Taiwan's public libraries that are implementing Bookstart program.

Literature Review

- A preponderance of literature has investigated the relationship between innovation and organizational performance, primarily in organizations of private sector.
- Few studies on the association between innovation and organizational performance. Walker (2006) pioneer work employed innovation diffusion theory to research on public organizations, which stipulated different factors drive the diffusion of different types of innovation across English local government.
- Moreover, Walker's (2004, 2010) seminal work also asserted that performance management mediated the relationship between management innovation and organizational performance.



Innovation Nature of Bookstart Program in Taiwan

- Bookstart Program's innovation lies primarily in the original public service it provide to the public. Bookstart program's innovation properly addresses the significant issues by engaging parents in children's early year education.
- we take the viewpoint that Bookstart program can be categorized as a type of service innovation proposed by Walker (2008: 593), which define it as "*new services offered by public organizations to meet an external user or market need.*"
- In 2006, Hsin-Yi Foundation collaborated Taipei City public library and Taichung City Cultural Affairs Bureau to officially start with massive Bookstart movement.
- In 2009, Ministry of Education, a Central government agency, starts to involve this policy by subsidizing local public library to take part in Bookstart program which turns to be a nationwide activity in Taiwan. Therefore, it exhibits a center-down diffusion pattern in this policy innovation.

Theoretical Arguments

- While so many extent literatures praised the numerous benefits that innovation may bring about, it has not confirmed with extensive experiments in public organizations.
- Furthermore, the adoption of innovation is both complex and time-consuming. All these innovation natures may hamper public employees' morale as well as the ensuing performance.
- This negative impact is particularly apparent in center-down diffusion pattern of policy innovation.
- As a consequence, this research asserts that innovation diffusion (IDT) is inversely associated with organizational performance. However, if the public organization demonstrates higher organizational commitment, it would ease the negative effects.
- In other words, organizational commitment moderates the relationship between innovation diffusion and organizational performance, such that the negative relationship is weaker for high organizational commitment public libraries.

Methodology

- We surveyed 529 public libraries around the island with two waves of questionnaire. All the survey questions were in the form of a six-point Likert scale.
- After deducting samples with missing values, we collect sample observation from 268 public library.
- We employed the techniques of structural equation modeling (SEM) to analyze the association of policy innovation and organizational performance, moderated by organizational commitment.
- The statistical software, AMOS 24.0, is utilized in this research with the auxiliary of IBM SPSS Statistics 23.0.



Measurements I

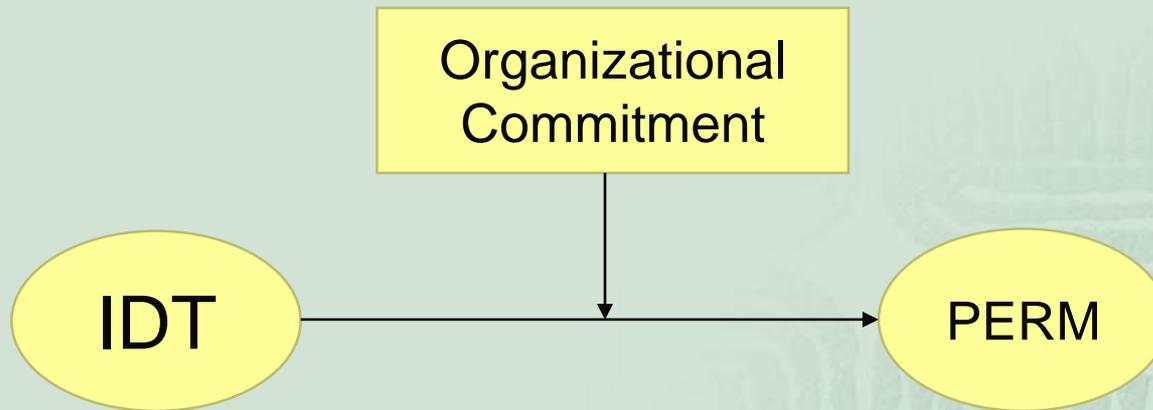
- Organizational performance was measured by four common used performance indicators for public library.
- Policy innovation was measured by four survey items that explore informants' perception of the implementation of Bookstart program. The survey questions are mainly based on the innovation diffusion theory.
- Organizational commitment was also measured by the survey questions, with three dimensions of affective commitment, continuance commitment, and normative commitment.



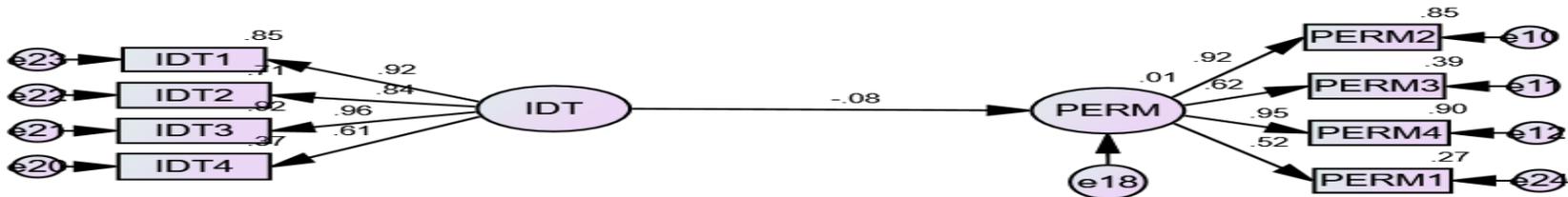
Measurements II

Factors	Indicators
Innovation Diffusion	<ol style="list-style-type: none">1. The Bookstart program is consistent with the library's mission and value2. The Bookstart program fits well with the library's operations and existing practices3. The Bookstart program is appropriate for the library's goal4. The Bookstart program rules are clear and easy to understand
Organizational Commitment	<ol style="list-style-type: none">1. Willing to work at here to retire2. Willing to dealing with the problems of my library3. willing to talk about my library with others4. This library is meaningful for me5. I'm not willing to leave6. I believe it is necessary to work here7. I will not have other working chances except here8. Leaving this library will bring me troubles9. Modern people change jobs too frequently10. It is unfaithful to work at other places11. We should always loyal to our working places12. It will be better to work at the same place to retire
Organizational Performance	<ol style="list-style-type: none">1. Total # of new membership cards2. Total # of people who visit the library3. Total # of people who borrow books in the library4. Total # of books borrowed from the library

Empirical Model

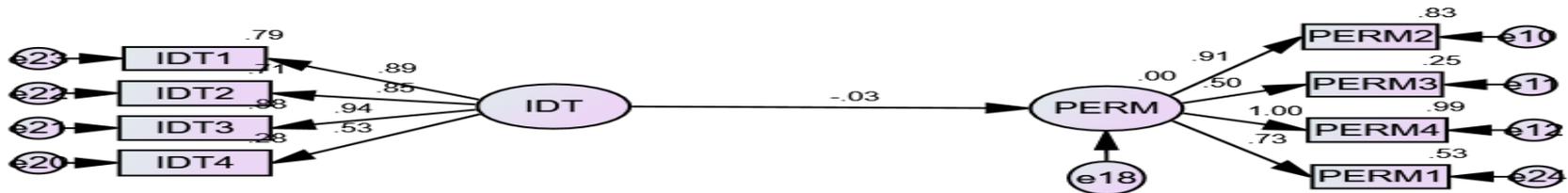


General Model Result



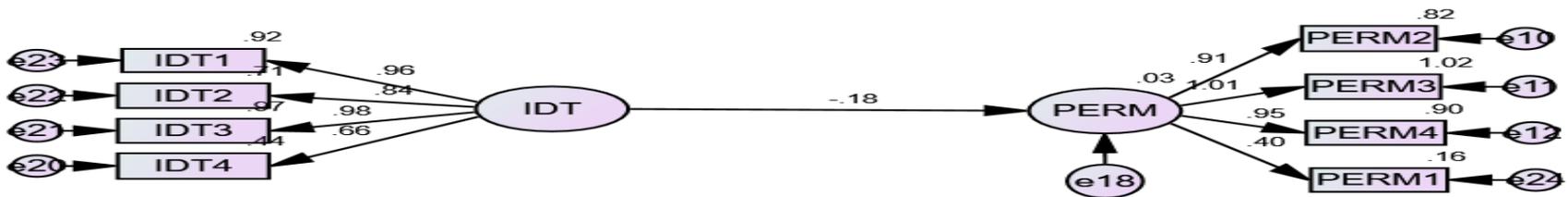
Chi-square=20.828
p-value=.346
degree of freedom=19
chi-square/df=1.096
gfi=.981 agfi=.964
rmsea=.019

High-Commitment Model Result



Chi-square=32.886
p-value=.025
degree of freedom=19
chi-square/df=1.731
gfi=.949 agfi=.903
rmsea=.071

Low-Commitment Model Result



Chi-square=20.009
p-value=.394
degree of freedom=19
chi-square/df=1.053
gfi=.964 agfi=.932
rmsea=.021

Model Goodness-of-fit

Item	Criteria	Whole	High-Commit	Low-Commit
χ^2	Smaller	20.828	32.886	20.009
χ^2/df	1 ~ 5	1.096	1.731	1.053
GFI	>0.9	0.981	0.949	0.964
AGFI	>0.9	0.964	0.903	0.932
RMS EA	<0.08	0.019	0.071	0.021