

ABSTRACT

IT companies have invested more on new technologies and services to make awareness and give knowledge to the customers because it is currently a changing era from hardware and software to focus on cloud and device services. Supply chain management is emphasized in order to achieve long term competitive advantages from cost reductions and service quality improvements with their stakeholders.

The research purpose is to identify the employee motivation on service quality of preferred and traditional suppliers. Selecting preferred suppliers is challenging for the company since not all suppliers could be kept on the list. As such the clear direction and policy must be established based on the feedback from employees. The information must be obtained from all segments in the organization to ensure that the new direction would be geared since it would affect the company as a whole.

The researcher applied the questionnaire survey method by designing a survey on employee motivation to use preferred suppliers. The research dimensions emphasize two services; quality of work and price factors. All 150 respondents of ABC Company are defined as the target population of the study. The researcher used descriptive statistics to analyze the respondents' demographic data. Multiple Linear Regression and paired t-test were used as major data analysis methods to test the four hypotheses in this research.

In summary, quality of work and price factors were found to have a relationship to use preferred and traditional suppliers as expected. The proposed conceptual framework was significantly fit by analyzing the multiple regressions and paired t-test analysis. All proposed hypotheses were supported by the data. However, the regression model indicated that the independent variables had a relationship to use preferred and traditional suppliers. In contrast, the results indicated that employee motivation to use preferred supplier is higher than using traditional suppliers.