

Customs Broker Services Operational Performance: Basis for the Development of Corporate Strategy

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Abstract. This study investigated the operational performance of customs brokers and its implications for developing a corporate strategy. In total, 277 respondents participated, comprising 121 customs brokers and 156 importers from the Philippines, providing demographic information and responding to self-administered questionnaires. We evaluated operational performance based on quality, speed, dependability, flexibility, and cost using a 4-point Likert scale. The findings revealed that both groups of respondents highly rated customs brokers in terms of quality, dependability, flexibility, and cost. Specific examples illustrating these high ratings were noted. We analyzed differences based on demographic profiles between customs brokers and importers, including gender, speed, and educational attainment. Significant differences were found based on gender and speed. Additionally, variations in educational attainment were identified regarding dependability and flexibility. A significant difference was observed between customs brokers and importers regarding operational performance objectives in terms of speed, with customs brokers rated higher than importers. Addressing this identified difference by implementing targeted measures to enhance speed can contribute to overall operational improvement, meeting the time-sensitive needs of importers and further strengthening the reputation of customs brokers. These findings have practical implications for developing a strategy to enhance the operational performance of customs broker services. By recognizing their strong performance in quality, dependability, flexibility, and cost, customs brokers can continue to prioritize and maintain high standards in these areas, thereby improving overall service delivery.

Keywords: Customs brokers; Operational performance; Corporate strategy.

1.0 Introduction

Importation and exportation are crucial to the success of national economies, and they produce great business opportunities as they are part of global foreign trade and significant to business supply chain management (World Bank, 2018). These activities are under the supervision of different government bodies in every country, which provide various policies referred to as "Trade facilitation," which refers to a set of rules that make it easier for goods to enter or leave a country for international trade. These rules are both technical and legal. As a result, trade facilitation includes all border processes, from the electronic exchange of shipment data to the simplification and standardization of trade documentation. As mentioned by Go (2018), Trade Facilitation measures may include behind-the-border policies like domestic business regulations and standards that importers and exporters must meet before importing and exporting; logistics systems that physically move and store goods from their point of origin to their destination; port infrastructure and facilities; and procedures and requirements that must be met once a shipment reaches the importing country.

In the Philippines, the increase in demand for manufactured goods and imports of raw materials is the result of demand in global manufacturing (Tirona, 2021). In the latest UN Global Survey on Digital and Sustainable Trade Facilitation report, the country's overall performance keeps getting better. In 2021, it got a score of 86.02%, which

is up from 80.65% in 2019, and was third among other Southeast Asian nations. The improved performance of the Philippines in trade facilitation is attributed to the efforts and initiatives of the Bureau of Customs. As stated in an annual report, despite the challenges, the Bureau of Customs is still consistent with its mandate to collect lawful revenues and exceeded the intended annual collection goal for 2021 by 4.7%, or P29.06 billion (BOC Annual Report 2021). Part of this initiative are the Customs Brokers, who specialize in navigating the complex procedures and regulations related to customs, tariffs, and trade laws of different countries. According to the Bureau of Customs (2019) "The practices of the customs broker profession are imbued with public service, as they involve the collection of taxes, which is the lifeblood of the government, and the facilitation of international trade, which affect the economic development of the country." For this reason, a customs broker must always act by accordance with the established set of standards to perform his duties and responsibilities, accordingly.

A customs broker in the Philippines is a licensed individual registered by the Professional Regulatory Commission and accredited by the Bureau of Customs. They assist importers and exporters in complying with the laws that govern the importing and exporting countries. Using a customs broker is the best option for accelerating the process of importing and exporting. Hiring a customs broker can shorten the amount of time it takes for an importer to have their goods released from the custody of the Bureau of Customs. Additionally, customs brokers ensure that the correct duties and taxes are collected in the government's favor and that technical smuggling of goods is minimized, according to Medin (2021). Most manufacturing producers that participate in international trade utilize the use of customs brokers, and brokers usually handle large amounts of trade for more than one manufacturing company. As of 2021, there were 2,345 licensed customs brokers and 16,053 regular importers accredited by the Bureau (BOC, 2022).

They ensure all requirements are met, prepare documentation, and make sure that shipments' corresponding duties and taxes will be collected by the government. Customs brokers confirm if the goods are correctly classified based on the Tariff and Customs Laws. They are experts in classifying goods to be imported and can apply the appropriate HS Code in the declaration of shipments to the Bureau of Customs. Customs brokers help merchants choose the right HS code, "Harmonized System Code," or other product classification codes. These harmonized codes aid authorities in understanding how to handle your items and are, to some extent, internationally identifiable. It is not as simple as "googling it" to find the right categorization code (Hall, 2021). Another thing is that a customs broker can help your items get through customs and other government agencies at the border. The professional services offered by customs brokers can save importers from any penalties that may be imposed on them in the event of a wrong shipment declaration.

Some importers and exporters are not sufficiently knowledgeable about the procedures involved in exportation and importation. Therefore, there are instances where shipments arrive at their destinations without the necessary permits. This lack of awareness leads to delays and penalties since importers are unaware that different government agencies require shipment permits. Importers often have a limited understanding of the laws governing importation and exportation. Given the complexity of importing and exporting goods, many companies opt to hire customs brokers who can act on their behalf. These customs brokers handle interactions with government agencies, facilitate the shipment clearance, and ensure they reach their final destinations.

Due to the limited study in the field of customs brokerage, this study was undertaken to support the customs broker profession in the Philippines. The study developed a recommended corporate strategy program to enhance and improve the operations of customs brokers. An exceptional customs broker plays a crucial role in aiding the government by ensuring the accurate collection of duties and taxes in favor of the government. They also assist the importers in maintaining high professional standards, transparency, and efficiency.

2.0 Methodology

2.1 Research Design

The study employed a descriptive, quantitative research design. Descriptive research aims to describe and present the characteristics, behaviors, or phenomena of a particular subject or population (Smith & Johnson, 2018). It is used to gather and interpret quantifiable data from the profile of the respondents' profile, including gender, highest educational attainment, and length of service. The researchers also identified the operational performance objectives assessed by the respondents, specifically in terms of quality, speed,

dependability, flexibility, and cost. The data collected through this research design were analyzed and interpreted to gain insights into the respondents' perceptions and assessments of the operational performance objectives. These results were then utilized in the development of a corporate strategy program.

2.2 Research Participants

The study was conducted in Parañaque City, chosen due to its proximity to the Ninoy Aquino International Airport, where a significant number of customs brokers operate. This location provided convenient access to engage with customs brokers and importers, who are likely concentrated in this area due to their work nature. A total of 277 respondents participated in the study, comprising 121 Customs Brokers and 156 Importers from respective populations of 216 and 352, with response rates of 87% and 85%. The required number of respondents was determined using the Raosoft formula, computed with 95% confidence and a 5% margin of error. Population data were retrieved from the website of the Bureau of Customs. Given the limited number of participants, a purposive sampling method was employed for participant selection based on specific criteria: customs brokers must be practicing professionals registered at the Bureau of Customs and located in Parañaque, while importers must have direct transactions with customs brokers, be registered at the Bureau of Customs, and also be located in Parañaque City.

2.3 Research Instrument

A self-made questionnaire was utilized by the researcher to collect primary data and information from the two groups of respondents. The questionnaire comprised two sections. The first section requested the respondent's demographic profile, including age, gender, educational attainment, and length of service. The second section of the survey inquired about the operational performance objectives of customs brokers, specifically focusing on quality, speed, dependability, flexibility, and cost.

Before full implementation, a pilot test was conducted and administered to thirty (30) qualified participants. The self-made questionnaire underwent validation using Cronbach's alpha to determine the reliability score, as depicted in Table 1. Overall, Cronbach's alpha results fell under the categories of good ($0.9 > \alpha \geq 0.8$) and excellent ($\alpha \geq 0.9$), indicating a high level of internal consistency for our scale. It's important to note that while a high Cronbach's alpha score suggests internal consistency among the scale's components, it does not necessarily imply that the scale is unidimensional; rather, it indicates that the components of the scale are internally consistent.

Table 1. Results of Reliability Test – Cronbach's Alpha

Variables Tested	Cronbach's Alpha	Interpretation
Quality	0.894	Good
Speed	0.861	Good
Dependability	0.918	Excellent
Flexibility	0.843	Good
Cost	0.832	Good

2.4 Data Gathering Procedure

The questionnaire was personally administered to each group of respondents. The researcher conferred, discussed the significance of the study, and gave ample time to answer the survey. The questionnaire was also distributed through the online platform using Google Forms. The distribution and retrieval of the questionnaires were done on a one-on-one basis since the researcher went directly to the respondents.

2.5 Data Analysis

The data gathered were interpreted through the following statistical procedure:

Frequency and Percentage. In the first section of the questionnaire, descriptive statistics such as frequency distribution were used to describe the profile of the respondents in terms of age, gender, highest education attainment, and length of service.

Weighted Mean. Weighted Mean is simply the average score of distribution. This was used to determine the customs broker performance objectives based on the respondents' assessment. The mean was determined by summing all the values and dividing by the total number of values. In this paper, a 4-point Likert-type Scale was used.

Kruskal-Wallis H-test and Mann-Whitney U-test. This tool was used to determine the significant differences in the assessment of respondents when they were grouped according to their respective demographic profiles. This test is considered a non-parametric test that is used to determine if there are statistically significant differences between two or more groups of variables.

T-test. This tool was used to test the significant differences in the assessment of the customs brokers and importers on the operational performance objectives. The null hypothesis will be tested at the level of 0.05 significance.

2.6 Ethical Considerations

The following ethical issues are considered:

Informed Consent. The researcher gave the people who took part in this study an informed consent form. All the information gathered was kept confidential. This consent served as a record that the participants agreed to take part in the study knowingly, voluntarily, and intelligently, and clearly and distinctly.

Confidentiality. Participants' names, ages, and other essential data are kept confidential. The researcher will not share valuable information with non-participants. No identities will be mentioned. During the reporting of the findings from this study, no individual identities will be discussed in any way.

Respect for privacy. The researcher respects the participant's views if they refuse to report personal information, as they regard it as a breach of privacy.

Right to withdraw. Any participant who initially agrees to participate in this study has the right to withdraw from the study at any point and the right to refuse to answer any particular questions or participate in a particular set of procedures.

3.0 Results and Discussion

3.1 Profile of the Customs Brokers and Importers

Table 2. Frequency and percentage distribution of respondents

	Customs Broker		Importer		Overall	
	f	%	f	%	f	%
Age						
21-30 years old	18	14.88	62	39.74	80	28.88
31-40 years old	69	57.02	72	46.15	141	50.90
41-50 years old	31	25.62	19	12.18	50	18.05
51 years and above	3	2.48	3	1.92	6	2.17
Gender						
Male	85	70.25	58	37.18	143	51.62
Female	36	29.75	98	62.82	134	48.38
Educational Attainment						
Bachelor's degree	116	95.87	152	97.44	268	96.75
Master's degree	5	4.13	3	1.92	8	2.89
Doctorate	0	0.00	1	0.64	1	0.36
Length of Service						
1-5 years	10	8.26	48	30.77	58	20.94
6-10 years	25	20.66	62	39.74	87	31.41
11-15 years	55	45.45	27	17.31	82	29.60
16-20 years	17	14.05	16	10.26	33	11.91
21 years and above	14	11.57	3	1.92	17	6.14

Table 2 represents the frequency and percentage distribution of respondents in terms of age, gender, educational attainment, and length of service. It shows that the majority of both customs brokers and importers belong to the 31-41 age bracket, comprising 57.02% and 46.15%, respectively. Among customs brokers, there is a significant difference in numbers between males (70.25%) and females (29.75%), while among importers, females (62.82%) outnumber male importers (37.18%). Additionally, among customs brokers, the majority of respondents graduated with a bachelor's degree (95.87%), a trend also seen among importers (97.44%). Furthermore, customs brokers (45.45%) typically have 11-15 years of experience in the field, while importers (39.74%) have 6-10 years of service, indicating that most importers are less experienced than customs brokers.

Based on these findings, customs brokers with 11-15 years of experience are already well-established and capable of providing quality services to their clients. Overall, the results indicate that most respondents are in the established phase of their careers, characterized as employees developing entry-level job skills and gaining work

experience to become more competitive and relevant. Employees are building foundational job skills, gaining work experience, and working towards becoming more competitive and valuable in their respective fields (Anjum, 2020). According to Ji and Kim's study (2018), employee turnover was significantly influenced by factors such as satisfaction with the current work department, job satisfaction, organizational commitment, and job stress, collectively playing a crucial role in shaping individuals' decisions to leave the organization.

3.2 Operational Performance of Customs Brokers and Importers *Quality*

Table 3. Assessment of customs brokers and importers in terms of quality

INDICATOR	MEAN	INTERPRETATION
1. Documents are prepared professionally, and they indicate essential information such as the country of origin, classification code, invoice value, weight, and quantity of the goods accurately and in good faith.	3.88	Strongly Agree
2. Challenges encountered during the customs clearance process are effectively managed.	3.84	Strongly Agree
3. The complicated customs clearance process is simplified, and the proper regulatory documents are prepared from the different government agencies.	3.83	Strongly Agree
4. Importers are assisted concerning classification, valuations, and determination of the country of origin for imports on matters relating to government requirements accordingly.	3.87	Strongly Agree
5. Import technical issues are responded to promptly.	3.82	Strongly Agree
6. Clients are defended and educated when dealing with customs or other government entities.	3.75	Strongly Agree
7. A high level of professional standards, transparency, efficiency, and business ethics are upheld.	3.85	Strongly Agree
8. Responsibilities are carried out with the utmost diligence and integrity, ensuring a high level of overall service delivery standards.	3.86	Strongly Agree
Composite	3.84	Strongly Agree

Table 3 displays the extent of operational performance in terms of quality. The results from two groups of respondents regarding the operational performance of customs brokers indicate an overall mean score of 3.84, which corresponds to "strongly agree" in terms of quality. This suggests that both groups strongly agree that the quality of the customs brokers' operational performance is high, reflecting a high level of satisfaction with it. According to Excelsior (2022), importers will need to rely on shipping experts to make informed decisions and enhance their overall efficiency and competitiveness in the global market. Utilizing a high-quality customs broker can significantly enhance a business's efficiency, cost-effectiveness, and compliance in international trade. The expertise and services provided by professional customs brokers enable businesses to navigate the complexities of global trade seamlessly, ensuring smooth operations and competitive advantage.

Speed

Table 4. Assessment of customs brokers and importers in terms of speed

INDICATOR	MEAN	INTERPRETATION
1. Always updated with the latest trade industry trends.	3.84	Strongly Agree
2. Shipments are customs cleared from customs custody as scheduled.	3.81	Strongly Agree
3. Shipments are delivered in accordance with the client's specified delivery date or schedule.	3.81	Strongly Agree
4. Client needs, and demands are responded to and assisted immediately and effectively.	3.84	Strongly Agree
5. Necessary special permits from various government agencies are applied for on time.	3.79	Strongly Agree
6. Clients' needs in identifying complex problems related to import transaction activities are responded to promptly.	3.83	Strongly Agree
7. Clients are kept up to date on the latest developments during the clearance process at customs custody.	3.81	Strongly Agree
8. Billings and other handling charges are turned over to customers on time.	3.74	Strongly Agree
9. Any discrepancy report regarding entry location and documentation is immediately responded to, avoiding any delays.	3.86	Strongly Agree
10. Refunds for overpayment or any adjustments are collected ahead of time from shipping lines.	3.67	Strongly Agree
Composite	3.80	Strongly Agree

Table 4 illustrates the extent of operational performance in terms of speed. The overall responses from two groups of respondents regarding speed, with a mean of 3.80, were described as "strongly agree." This indicates that both customs brokers and importers agree that the speed of services meets their expectations. While there is general agreement on the speed of operations performance, it's important to substantiate these findings with relevant studies. Research conducted by Lai et al. (2022) investigated how speed and punctuality of services influence customer satisfaction in the logistics industry. Their findings indicated that customers prioritize timely delivery and prompt resolution of issues or delays. This aligns with the high average scores obtained in this research,

suggesting that both customs brokers and importers appreciate the ability of customs brokers to deliver shipments on specified schedules and promptly address any issues that may arise.

Dependability

Table 5. Assessment of customs brokers and importers in terms of dependability

INDICATOR	MEAN	INTERPRETATION
1. A reliable and visible customs clearance schedule is maintained to clear shipments on time.	3.84	Strongly Agree
2. Shipments are delivered in an agreed timely manner.	3.80	Strongly Agree
3. Accurate declaration of shipment information is ensured in customs entry declarations.	3.85	Strongly Agree
4. Transaction records and documents of clients are kept confidential.	3.86	Strongly Agree
5. Recent changes to trade policies, such as customs regulations, are consistently monitored to avoid any delays during clearance.	3.84	Strongly Agree
6. Customs procedures and practices in clearing goods are transparent and synchronized.	3.84	Strongly Agree
7. Effective and efficient communication with officials of the Bureau of Customs and other government agencies is maintained throughout the clearance process to ensure smooth transactions.	3.84	Strongly Agree
8. Strong working relationships with government agencies are established, gaining trust and allowing timely transactions.	3.80	Strongly Agree
9. We maintain a strong partnership with different local transport services specializing in the quick and effective delivery of shipments.	3.83	Strongly Agree
10. Consulting or advice on the correct procedures to meet various regulatory requirements is provided.	3.84	Strongly Agree
Composite	3.83	Strongly Agree

Table 5 depicts the extent of operational performance in terms of dependability. The overall mean score for customs brokers' services in terms of dependability, scoring 3.83, indicates that respondents strongly agree, on average, that customs brokers are reliable in their services. This positive rating suggests that customs brokers consistently meet client expectations and fulfill their responsibilities in a trustworthy manner. Importers perceive customs brokers as dependable partners capable of efficiently and effectively handling various aspects of the importation process. This high level of dependability reflects the professionalism and commitment customs brokers demonstrate in delivering their services.

A study conducted by Magbagbeola (2018) aimed to support these findings on the dependability of customs brokers by examining the significance of trust and confidentiality in the customs brokerage field. The study highlighted the importance of upholding the confidentiality of transaction records and documents for fostering trust between customs brokers and importers. According to the study, customers place greater importance on customs brokers who strongly commit to protecting their private data, as this helps build trust and professionalism in the business partnership. The outcomes of this study align with the high mean scores obtained, indicating that both customs brokers and importers highly prioritize the dependability of customs brokers in maintaining transaction records and document confidentiality. Additionally, the research underscores customs brokers' moral and occupational obligations in upholding privacy norms and emphasizes the importance of trust and discretion in the customs brokerage sector.

Flexibility

Table 6. Assessment of customs brokers and importers in terms of flexibility

INDICATOR	MEAN	INTERPRETATION
1. Capabilities include adopting the latest trends in the import and export industry.	3.83	Strongly Agree
2. The ability to adjust to the latest rulings on customs regulations and other international trade-related information is demonstrated.	3.84	Strongly Agree
3. Adoption of the most recent technology, staying up-to-date on changing trends, and possessing other capabilities for customs clearance procedures are maintained.	3.85	Strongly Agree
4. The ability to resolve and catch up with irregularities encountered and adopt measures upon the clearance of shipments in customs custody is demonstrated.	3.86	Strongly Agree
5. Capacity to find other third-party industry partners to meet customer demands is ensured.	3.80	Strongly Agree
6. The capacity to adopt new strategic decisions, such as product or service development or new market adoption, is demonstrated.	3.85	Strongly Agree
Composite	3.84	Strongly Agree

Table 6 presents the extent of operational performance in terms of flexibility. The overall mean score for customs brokers' services in flexibility, scoring 3.84, indicates strong agreement among respondents. This means that, on average, participants perceive customs brokers' services to be prompt and efficient. The high mean score suggests that customs brokers can handle tasks and processes quickly, meeting the expectations and demands of their clients. This positive assessment highlights the effectiveness of customs brokers in delivering timely services and reflects their commitment to providing efficient customs clearance and logistics operations.

To validate the results regarding customs brokers' flexibility, a study conducted by Richey et al. (2022) investigated the importance of adaptability and responsiveness in the field of logistics. The study focused on examining how customs brokers navigate complex international trade systems, emphasizing their ability to adapt to evolving trends and regulations. According to this research, customs brokers who exhibit flexibility in embracing current industry trends and adapting to changing customs regulations are more capable of satisfying the varied requirements of their clients. These findings align with the high mean scores obtained in this study, suggesting that both customs brokers and importers perceive customs brokers as capable of embracing flexibility in their operations. Furthermore, the study underscores the significance of customs brokers staying current with technological advancements and industry best practices, as this enhances their capability to offer efficient and responsive customs clearance procedures. Flexibility is shown to be valuable in customs brokers' operational performance by these findings, showcasing its role in meeting the dynamic demands of the import and export industry.

Cost

Table 7. Assessment of customs brokers and importers in terms of cost

INDICATOR	MEAN	INTERPRETATION
1. Customs clearance and transport services are delivered without any hidden charges.	3.76	Strongly Agree
2. Services are provided within the expected cost.	3.81	Strongly Agree
3. Competitive trucking charges for the delivery of goods are maintained.	3.77	Strongly Agree
4. Competitive service rates that fit the needs and specifications are offered.	3.81	Strongly Agree
5. Irregularities or costly mistakes are avoided to prevent potential penalties.	3.84	Strongly Agree
6. The ability to recommend other alternative legal requirements to reduce costs, such as legal tariff reduction and other fees, is demonstrated.	3.84	Strongly Agree
Composite	3.80	Strongly Agree

Table 7 displays the extent of operational performance in terms of cost. The combined mean score for both respondents regarding cost is 3.80, indicating a strong agreement. This suggests that respondents perceive the cost aspect to be well-managed, and they have a positive view of the cost-effectiveness of customs brokerage services.

The study suggests that customs brokers who can identify alternative legal obligations such as tariff reductions and fee reductions play a critical role in minimizing importers' expenses. This finding supports the high average scores obtained in this study, indicating that both importers and customs brokers view customs brokers as capable of offering cost-saving strategies and suggestions. Additionally, the study highlights the importance of customs brokers in ensuring transparency and preventing concealed fees throughout the customs clearance and transportation process. These findings emphasize the significance of customs brokers in cost management and providing transparent and competitive pricing. By participating in import operations, customs brokers can contribute to improving cost efficiency.

3.3 Difference in Respondents' Evaluation of Operational Performance Based on Demographic Profiles

Age

Table 8 presents the Kruskal-Wallis results of the analysis examining the difference in the assessment of operational performance objectives among respondents based on their age. The operational performance objectives assessed include quality, speed, dependability, flexibility, and cost. The p-values are provided to evaluate the significance of the differences. Regarding quality, with a p-value of 0.465. Since the p-value is higher than the predetermined significance level of 0.05, the null hypothesis cannot be rejected. This indicates that there is no significant difference in the assessment of quality among respondents of different age groups. For speed, with a p-value of 0.717. Similar to the previous case, the p-value is higher than 0.05, indicating that there is no significant difference in the assessment of speed based on age.

Table 8. Kruskal-Wallis analysis results for differences in assessment of operational performance objectives by age group

CATEGORY	AGE	MEAN RANK	P-VALUE	DECISION	INTERPRETATION
Quality	21-30 years old	129.11	0.465	Failed to reject Ho	There is no significant difference
	31-40 years old	141.86			
	41-50 years old	147.49			
	51 years and above	132.83			
Speed	21-30 years old	134.58	0.717	Failed to reject Ho	There is no significant difference
	31-40 years old	143.81			
	41-50 years old	131.82			
	51 years and above	144.67			
Dependability	21-30 years old	127.81	0.242	Failed to reject Ho	There is no significant difference
	31-40 years old	140.55			
	41-50 years old	153.08			
	51 years and above	134.50			
Flexibility	21-30 years old	129.61	0.451	Failed to reject Ho	There is no significant difference
	31-40 years old	142.41			
	41-50 years old	145.68			
	51 years and above	128.50			
Cost	21-30 years old	131.19	0.424	Failed to reject Ho	There is no significant difference
	31-40 years old	139.28			
	41-50 years old	151.64			
	51 years and above	131.17			
Overall Assessment	21-30 years old	132.76	0.814	Failed to reject Ho	There is no significant difference
	31-40 years old	140.58			
	41-50 years old	142.54			
	51 years and above	155.67			

In terms of dependability, with a p-value of 0.242. Similarly, the p-value is higher than 0.05, failing to reject Ho, which means that there is no significant difference in the assessment of dependability based on age. Regarding flexibility, with a p-value of 0.451. Since the p-value exceeds the predetermined significance level of 0.05, the null hypothesis cannot be rejected. This indicates that there is no significant difference in the assessment of flexibility in terms of age. Concerning cost, with a p-value of 0.424. The p-value exceeds the critical value of 0.05, suggesting that there is no noteworthy difference in the evaluation of cost based on age. This demonstrate that age does not greatly affect how operational performance objectives are perceived.

Gender

Table 9 illustrates these findings by examining respondents' gender using the Mann-Whitney test. This analysis aims to compare their evaluation of operational performance objectives, including quality, speed, dependability, flexibility, and cost. The p-values allow the researcher to evaluate the importance of the distinctions.

Table 9. Mann-Whitney test results for differences in assessment of operational performance objectives by gender

CATEGORY	GENDER	MEAN RANK	P-VALUE	DECISION	INTERPRETATION
Quality	Male	143.22	0.305	Failed to reject Ho	There is no significant difference
	Female	134.49			
Speed	Male	149.55	0.016	Reject Ho	There is a significant difference
	Female	127.74			
Dependability	Male	139.17	0.966	Failed to reject Ho	There is no significant difference
	Female	138.81			
Flexibility	Male	143.46	0.248	Failed to reject Ho	There is no significant difference
	Female	134.24			
Cost	Male	143.41	0.270	Failed to reject Ho	There is no significant difference
	Female	134.29			
Overall Assessment	Male	146.48	0.100	Failed to reject Ho	There is no significant difference
	Female	131.02			

The obtained result in terms of quality with a p-value of 0.305. When considering speed, it is noteworthy that the p-value, determined to be 0.016, falls below the significance level of 0.05. The survey findings suggest that when it comes to customs brokers, male respondents tend to complete their job tasks with greater speed and efficiency compared to their female counterparts. These results imply a potential difference in the pace at which men and women in the customs brokerage field handle their responsibilities. According to the World Bank Group (2022), the findings suggest that the Philippines can enhance its trade facilitation policies to cater to the specific needs of

female traders. This can be achieved by enhancing female traders' awareness and comprehension of official border regulations and procedures through focused information sessions, workshops, and training programs, among other measures, by emphasizing the importance of the newly established National Trade Facilitation Committee and incorporating gender sensitivity into its action plan. By streamlining the process of regular government consultations with the private sector and implementing these recommendations, governments can gain a better understanding of trade obstacles and formulate policies that optimize the advantages of trade for women, enabling their increased participation in the economy. While these changes can empower females and contribute to their effectiveness, it's important to note that the goal is not to make women work "like men," but rather to create a more equitable and supportive environment where individuals of all genders can excel in their roles with greater speed and efficiency (Ellemers, 2018). The findings suggest that maintaining board gender diversity is essential for transport and logistics firms to achieve positive outcomes in their investments in environmental performance (Shakil et al., 2022). In terms of dependability, the corresponding p-value equals 0.966. With regards to flexibility, with a p-value of 0.248. In the same vein, the p-value surpasses the significance threshold, implying that there is no difference in the appraisal of flexibility related to gender. Concerning cost, with a p-value of 0.270.

The survey indicates that male customs brokers tend to work faster and more efficiently than their female counterparts. To address this, the compznies can enhance trade facilitation policies by providing targeted training and workshops for female traders, emphasizing gender sensitivity, and involving women in policy consultations. This approach aims to create a supportive environment for all genders. Additionally, maintaining gender diversity on boards is essential for positive environmental performance in transport and logistics firms.

Educational Attainment

Based on respondents' educational attainment, Table 10 presents the Kruskal-Wallis outcomes of the analysis examining the difference in assessing operational performance objectives among respondents. The obtained p-values below 0.131 pertain to quality. Regarding speed, the p-value exhibits the result of 0.190. When considering dependability, the researcher observed a p-value of 0.039. Yet, the p-value is statistically significant, implying a meaningful difference in the appraisal of dependability between respondents with diverse educational attainment levels. This finding suggests that the educational backgrounds of the respondents play a crucial role in shaping their perceptions of dependability. In other words, individuals with different educational attainment levels appear to hold differing views or judgments on their jobs regarding dependability.

Table 10. Kruskal-Wallis analysis for differences in assessment of operational performance objectives by educational attainment

CATEGORY	EDUCATIONAL ATTAINMENT	MEAN RANK	P-VALUE	DECISION	INTERPRETATION
Quality	Bachelor's degree	139.13	0.131	Failed to reject Ho	There is no significant difference
	Master's degree	152.06			
	Doctorate	1.00			
Speed	Bachelor's degree	139.69	0.190	Failed to reject Ho	There is no significant difference
	Master's degree	132.69			
	Doctorate	4.00			
Dependability	Bachelor's degree	138.32	0.039	Reject Ho	There is a significant difference
	Master's degree	178.81			
	Doctorate	2.00			
Flexibility	Bachelor's degree	138.19	0.019	Reject Ho	There is a significant difference
	Master's degree	183.50			
	Doctorate	1.00			
Cost	Bachelor's degree	138.97	0.100	Failed to reject Ho	There is no significant difference
	Master's degree	157.38			
	Doctorate	1.00			
Overall Assessment	Bachelor's degree	139.30	0.202	Failed to reject Ho	There is no significant difference
	Master's degree	146.13			
	Doctorate	1.00			

Education is an essential component of boosting productivity and driving economic growth. It also has a ripple effect, as human capital acts as a catalyst for innovation, and a highly educated workforce fosters creative ideas. This leads to more dependable employees and more employment opportunities of higher quality (GGI Insights, 2023). People primarily pursue a master's degree with the objectives of securing a promotion and a higher income, advancing within their current career or transitioning to a new one, personal development, earning prestige, or

attaining self-actualization (Amani et al., 2022). Obtaining a doctorate is crucial for career success, as it is often considered an essential requirement for many job positions. Although some may view the doctorate as equivalent to a period of professional experience, most graduates acknowledge that completing their doctorate has resulted in better salaries, career advancement opportunities, and dependability (Bryan & Guccione, 2018). In summary, the relationship between educational attainment and job performance, particularly dependability, is complex. While a higher level of education can contribute positively to job dependability, it's essential to recognize that other factors, such as work experience and personal qualities, also play a significant role in shaping an individual's job performance.

With regard to flexibility, the p-value is 0.019. This could mean that individuals with different educational backgrounds perceive flexibility differently or that there are measurable differences in flexibility scores among these groups. Collaborating with flexible customs brokers is essential for businesses involved in international trade. These brokers can customize customs clearance and compliance procedures to meet unique demands, industry standards, and the ever-changing global trade environment. By doing so, they help to facilitate the seamless movement of import and export goods across international boundaries, contributing to the success of businesses in the global marketplace. Furthermore, customs brokers with higher levels of education are known to exhibit greater flexibility in their work, making them an even more valuable partner for businesses looking to stay ahead in the challenging world of international trade (Global eTrade Services, 2023). Being flexible in their operations, they can configure their product lines to meet various requirements and also make quick adjustments to these product lines to accommodate new demands. Flexibility is closely linked to the speed objective, which means that a company should be able to produce high-quality products or services while also adapting its operations to suit different market conditions, like changing rules and regulations for customs clearance, which cause additional customs-related transaction costs (Yanikkaya & Koral, 2018). Those who graduate with a study in logistics demonstrate a commendable level of engagement across a spectrum of industry sectors, highlighting their capacity for versatility and adaptability. Employers consistently express satisfaction with the caliber of these graduates, attesting to their high-quality standards and adept skill levels. This feedback underscores the success of educational efforts in producing graduates who not only meet but surpass industry expectations, contributing significantly to various facets of the dynamic and rapidly growing transport and logistics sector (Mudunkotuwa & Edirisinghe, 2017). If customs brokers have an advanced education, like a master's degree or doctorate, they exhibit even greater flexibility and effectiveness in their work, as their in-depth knowledge of international trade and customs regulations equips them to navigate the changing complexities of the global market.

Concerning cost, the p-value is 0.100. The p-value is above the significance level, implying a rejection of the null hypothesis, meaning that there is no significant difference in the assessment of cost among individuals with various levels of educational attainment. Overall, education plays a crucial role in enhancing job performance, particularly in fields like customs brokerage where flexibility is essential. Higher levels of education, such as master's degrees or doctorates, contribute to greater adaptability and effectiveness in navigating the complexities of international trade. This underscores the importance of investing in education to cultivate a skilled and versatile workforce capable of meeting the evolving demands of the global marketplace.

Length of Service

Based on participants' length of service, Table 11 presents the results obtained from the Kruskal-Wallis test analyzing differences in evaluating operational performance objectives. In terms of quality, the p-value is 0.214, suggesting that there is not enough statistical proof to reject the null hypothesis with a significance level of 0.05. Accordingly, there is no noticeable distinction in the appraisal of quality among individuals with different tenures.

Regarding speed, the corresponding p-value is 0.075, exceeding the significance level, indicating no significant difference in the assessment of speed based on length of service. Concerning dependability, with a p-value of 0.160, the lack of statistical significance suggests no notable distinction in the evaluation of reliability among participants with varying lengths of service. For flexibility, the p-value is 0.343, surpassing the significance level, indicating no noteworthy difference in the assessment of flexibility according to length of service. Regarding cost, the corresponding p-value is 0.079, exceeding the significance level, implying no significant difference in the assessment of cost among individuals with varying lengths of service.

Table 11. Kruskal-Wallis analysis for differences in assessment of operational performance objectives by length of service					
CATEGORY	LENGTH OF SERVICE	MEAN RANK	P-VALUE	DECISION	INTERPRETATION
Quality	1-5 years	127.87	0.214	Failed to reject Ho	There is no significant difference
	6-10 years	133.41			
	11-15 years	147.64			
	16-20 years	137.58			
	21 years and above	166.68			
Speed	1-5 years	137.49	0.075	Failed to reject Ho	There is no significant difference
	6-10 years	134.74			
	11-15 years	147.87			
	16-20 years	113.82			
	21 years and above	172.03			
Dependability	1-5 years	122.77	0.160	Failed to reject Ho	There is no significant difference
	6-10 years	137.98			
	11-15 years	142.67			
	16-20 years	146.52			
	21 years and above	167.32			
Flexibility	1-5 years	125.89	0.343	Failed to reject Ho	There is no significant difference
	6-10 years	140.13			
	11-15 years	142.30			
	16-20 years	139.15			
	21 years and above	161.74			
Cost	1-5 years	130.41	0.079	Failed to reject Ho	There is no significant difference
	6-10 years	133.38			
	11-15 years	143.36			
	16-20 years	136.15			
	21 years and above	181.56			
Overall Assessment	1-5 years	130.79	0.108	Failed to reject Ho	There is no significant difference
	6-10 years	132.66			
	11-15 years	146.75			
	16-20 years	129.00			
	21 years and above	181.47			

In light of the insignificant p-values for all operational performance objectives, it can be determined that there is no considerable disparity in the assessment of these objectives among survey respondents with varying tenure. This demonstrates that the length of service does not greatly affect how operational performance objectives are perceived.

3.4 Difference in Operational Performance of Customs Brokers and Importers

The T-test was employed to test the significant difference in operational performance objectives between customs brokers and importers. Table 12 presents the T-test results exploring how Customs Brokers and Importers assess the Operational Performance Objectives of Customs Brokers. The table provides the means, standard deviations, F-values, and p-values for each indicator: quality, speed, dependability, flexibility, and cost.

When examining indicators of Quality, Dependability, Flexibility, and Cost in this study, the obtained p-values were higher than anticipated at levels of (Quality= 0.059), (Dependability= 0.186), (Flexibility= 0.118), and (Cost= 0.237). Consequently, the researcher cannot refute the null hypothesis, implying that there is no notable distinction in the assessment of these operational performance objectives between Customs Brokers and Importers. In contrast, regarding Speed as a measure of operational performance, with a p-value (0.008) below the significance level, the researcher has enough evidence to reject the null hypothesis. This suggests a considerable variation in the speed estimation among the two categories.

Table 12. Differences in the assessment of customs brokers and importers on the operational performance

INDICATORS	RESPONDENTS	MEAN	SD	F-VALUE	P-VALUE	DECISION	INTERPRETATION
Quality	Customs Broker	3.87	0.262	7.64	.059	Failed to	There is no
	Importer	3.80	0.315			Reject Ho	significant difference
Speed	Customs Broker	3.85	0.288	3.55	.008	Reject Ho	There is a significant
	Importer	3.75	0.333				difference
Dependability	Customs Broker	3.86	0.316	1.38	.186	Failed to	There is no
	Importer	3.81	0.308			Reject Ho	significant difference
Flexibility	Customs Broker	3.87	0.307	1.50	.118	Failed to	There is no
	Importer	3.81	0.318			Reject Ho	significant difference
Cost	Customs Broker	3.83	0.351	0.16	.237	Failed to	There is no
	Importer	3.78	0.337			Reject Ho	significant difference

According to the ratings, Customs Brokers reported a higher mean score of 3.85 for task and process completion speed, while Importers scored 3.75. It can be inferred from this statement that Customs Brokers have the belief that they can competently and timely execute their tasks. In contrast, Importers perceive the speed of customs brokers to be insufficient and below their expectations. Customs brokers' services are seen as potentially having delays, inefficiencies, or inadequate responsiveness according to importers' perspective. According to Garvey (2022), delivering goods or services on time is crucial for increasing customer satisfaction, and customers often have expectations regarding when they will receive the products or services they've paid for. Meeting or exceeding these expectations can lead to increased customer satisfaction and loyalty. Conversely, delays or late deliveries can lead to dissatisfaction and a negative impact on a business's reputation.

A supporting study consistent with these findings regarding differences in speed perceptions between customs units and importers is the research study conducted by Restuputri et al. (2022) which aimed to explore the perception of speed in the logistics industry from the perspective of service providers and customers. The findings revealed a trend, where logistics providers reported higher service speed compared to customer evaluations. This difference indicated a relationship between perceived delivery speed and actual speed between the providers. Importantly, the study highlighted the importance of addressing this discrepancy to meet customer expectations and increase overall satisfaction. The findings of this study support the results of the current study, highlighting the need for news organizations to better understand and bridge the gap between perceived speed and customer expectations so they will improve their services. The success of the customs clearance process, the standard of infrastructure, the seamlessness of international transportation, competitive pricing, the caliber of personnel and service quality, and the speed delivery of materials in the procurement procedure are all crucial factors to consider when meeting customer satisfaction (Yusufkhonov et al., 2021).

4.0 Conclusion

The study revealed that most of the respondents are importers, particularly those within the 31–41 age group, characterized by females with bachelor's degrees and service experience ranging from 6 to 10 years. On the other hand, within the same age group of 31–41, customs brokers predominantly comprise males holding bachelor's degrees and having 11–15 years of service experience. The findings revealed that both the customs brokers and importers had similar assessments of the customs brokers' operational performance objectives, indicating a mutual agreement on the excellence of services provided. The result was observed across dimensions such as quality, speed, dependability, flexibility, and cost. Gender was found to have a significant impact on the perception of speed, indicating that individuals perceived speed differently based on their gender. Educational attainment was another influential factor, affecting dependability and flexibility, although it did not significantly impact quality, speed, or cost. On the other hand, both the group of age and length of service were not observed to have a significant influence on the perception of operational performance objectives. There is a difference in perception between customs brokers and importers when it comes to the speed of operations. Customs brokers had a higher perception of their speed compared to what importers perceived. This discrepancy highlights a gap between perceived speed and customer expectations.

The research findings have important implications for the customs brokerage industry. The agreement between customs brokers and importers on service excellence is positive for industry standards. Notably, gender influences perceptions of speed, while education impacts dependability and flexibility. Although age and service length don't significantly affect perceptions, businesses should be mindful of workforce diversity. Having a gender diversity

training program that focuses on enhancing communication and responsiveness to meet the specific expectations of both males and females can help them better align their services with the diverse needs of their customers. This will create a more equitable and supportive environment where individuals of all genders can excel in their roles with greater speed and efficiency. The observed gap between customs brokers and importers in the perception of operational speed emphasizes the importance of aligning services with customer expectations. Given the observed gap, customs brokers should adapt to strengthen the speed in the operation. There is a need for improved coordination and communication between the two groups. Customs brokers should work closely with importers to ensure shipments are delivered by the specified delivery date or schedule and respond immediately to any discrepancies to prevent delays and meet the customer's satisfaction. Also, Implement a culture of continuous skill development, should provide opportunities for ongoing professional growth, training, and skill enhancements to ensure that all customs brokers and staff are dependable, flexible, and well equipped to meet customer expectations. Finally, encourage a culture of continuous quality improvement within the organization. Emphasize the importance of feedback from both importers and employees to drive positive change in operations. Regularly review and update the operational process, emphasizing accuracy, efficiency, and transparency. Regularly monitor and analyze KPI's, such as clearance times, error rates, and customer feedback, to identify areas for improvement and measure the success of your efficiency initiatives.

The study's insights provide useful information for enhancing the customs brokers services by adapting to changing needs and improving overall performance and customer satisfaction. Customs brokers can continue to prioritize and maintain high standards in these areas, thereby improving overall service delivery. Further studies should be conducted on the organizational developments for customs brokers that can contribute to their operations through the on-going improvement and adaptation of customs brokerage practices and standards to meet the evolving needs of international trade.

5.0 Contributions of Authors

The study was conceived and conducted, solely by the author, encompassing all stages from inception to completion.

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7.0 Conflict of Interests

The author declares no conflict of interest.

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