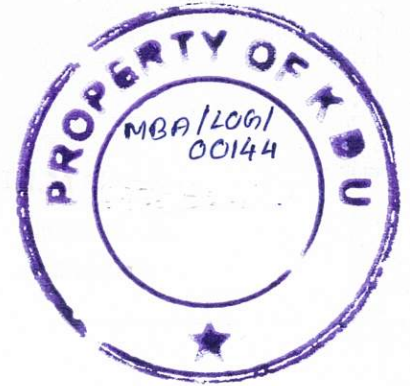


**A COMPARISON OF THE OPERATIONAL
PERFORMANCE OF INSOURCING AND OUTSOURCING
OF CUSTOMS BROKERAGE SERVICE AT AIRPORT AND
AVIATION SERVICES (SRI LANKA) (PRIVATE) LIMITED**

by

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The research problem revolves around the decision-making process between in-housing and outsourcing in Airport and Aviation Services (Sri Lanka) (Pvt) Ltd. It aims to identify the effect of these approaches on cost, customer satisfaction, process efficiency, and quality to help the organization make informed decisions and enhance its operational effectiveness. The sample size consists of 223 employees selected through convenient sampling for the quantitative study, while 13 managers are purposively chosen for the qualitative analysis. Structured questionnaires are employed to collect quantitative data, while interviews are conducted for qualitative data collection. The data analysis methodology includes thematic analysis for qualitative data and paired mean analysis for quantitative data. By employing these methods, the study aims to gather insightful data, analyze it rigorously, and provide valuable findings on the impact of cost, customer, process, and quality perspectives on in-housing and outsourcing decisions in Airport and Aviation Services (Sri Lanka) (Pvt) Ltd. In terms of cost perspectives, in-housing is perceived as more cost-effective compared to outsourcing. Customer perspectives reveal varying perceptions, with in-housing and outsourcing receiving different levels of favorability. Process perspectives indicate differences in control and effectiveness between in-housing and outsourcing. Quality perspectives highlight distinctions in terms of innovation and efficiency between the two approaches. Overall suitability scores show variations in the perceived suitability of in-housing and outsourcing. The findings suggest that in-housing is generally viewed more favorably across all perspectives. For cost perspectives, there is a significant negative parameter estimate for Outsourcing, indicating that it is associated with a lower suitability compared to In-Housing. In customer perspectives, the parameter estimate for in-housing is non-significant, suggesting that it does not have a significant impact on suitability compared to outsourcing. Process perspectives show a significant positive parameter estimate for in-housing, indicating that it is associated with a higher suitability compared to outsourcing. Quality perspectives reveal a significant negative parameter estimate for in-housing, suggesting that it is associated with a lower suitability compared to outsourcing. These findings provide insights into the relationships between the different perspectives and the suitability of in-housing and outsourcing.

Keywords: Operational Cost, Process, Customer, Quality, In-housing, Outsourcing