

**EFFECT OF PRODUCT DIVERSIFICATION ON FIRM
PERFORMANCE:
A STUDY ON TRACTORS MALAYSIA HOLDINGS
BERHAD**

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**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) International Business**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA, MELAKA**

2007

LETTER OF SUBMISSION

16 May 2007

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Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "EFFECT OF PRODUCT DIVERSIFICATION ON FIRM PERFORMANCE: A STUDY ON TRACTORS MALAYSIA HOLDINGS BERHAD" to fulfill the requirement as needed by the Faculty of Business Management, University Technology MARA.

Thank you

Yours sincerely



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ACKNOWLEDGEMENT

Firstly, I would like to convey a special thanks to my respectable advisor, Mr. Norazman bin Harun, for his professional guidance over the research process period. A token of appreciation are hereby to my previous advisor, Mrs. Halimahton bte Borhan, to the second examiner, Miss Najihah and to Mrs. Maheran binti Katan for their enormous assistance in the data analysis

I also want to express a credit to my supervisor, Mr. Rusli bin Osman, manager of Training Operations in Tractors Malaysia Training and Development Centre Sdn Bhd, Puchong for relevant corporate information. A deep gratitude is for my beloved family and supportive colleagues for their support that enable me to conduct the research smoothly.

Lastly, I also want to thank the people that had helped me in the research.

Hopefully, this research paper will help the holdings to further growth with product diversity that efficiently utilised available asset and enlighten both future researchers and the government on the importance of the topic discussed.

Thank you.

Yours sincerely,

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TABLE OF CONTENTS	PAGE
ACKNOWLEDGEMENT	iv
LIST OF TABLES	vi
LIST OF FIGURES	vii
ABSTRACT	viii
CHAPTER 1: INTRODUCTION	1
1.1: Background of the Study	1
1.2: Problem Statement	4
1.3: Research Questions	5
1.4: Research Objectives	6
1.5: Theoretical Framework	7
1.6: Hypotheses	9
1.7: Significance of the Study	12
1.8: Scope of the Study	12
1.9: Limitations of the Study	13
1.10: Definitions of Terms	14
CHAPTER 2: LITERATURE REVIEW	17
2.1: Product Diversification Activities	17
2.2: Product Diversification Approach	20
2.3: Firm Performance Indicators	23
2.4: Assets Utilization	25
2.4.1: Excess Assets Utilization Ratio	25
CHAPTER 3: RESEARCH METHODOLOGY	27
3.1: Research Design	27
3.2: Data Collection Method	27
3.3: Data Analysis and Interpretation	27
CHAPTER 4: DATA ANALYSIS AND INTERPRETATION	30
4.1: Relationship between Product Diversification and Firm Performance using Chi-Square Tests Analysis	30
4.2: Relationship between Product Diversification and Firm Performance with Assets Utilization using Multiple Hierarchical Linear Regression Analysis	38
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS	55
5.1 Conclusions	55
5.2 Recommendations	56
BIBLIOGRAPHY	58
APPENDICES	63
Appendix I – Products Offered by the Holdings	63
Appendix II – Secondary Data	66
Appendix III – Ascending Scales Data	67

ABSTRACT

This research reveals the effect of product diversification on the performance of Tractors Malaysia Holdings Berhad from year 1996 to year 2005, in terms of accounting-based, market-based and value-based measures. The analysis is further conducted with an adjusted variable of assets utilization by the holdings to see its' influence onto the performance-diversity original direction effect.

The purpose of the research is to identify the relationship between product diversification and the holdings performance, and to examine the relationship with assets utilization. Recommendations for the holdings to accelerate the performance with the diversification and fully utilized assets in the present operation are highlighted. There are also suggestions for future researchers and the government.

The product diversification activities and the assets utilization efficiency level by the holdings with respect to the industry during the year of study are analysed to see their effects on the holding's performance. Data were collected from secondary sources and arranged according to the priority of need for the research. Raw data on the variables were analysed using SPSS application system (Statistical Package for Social Science) and interpreted into Chi-Square Tests and Regression output tables

The empirical finding shows a positive linear relationship between product diversification and the firm performance even though previous research found out that the relationship is in quadratic form. The principal that related international diversification on related product outperformed international diversification on unrelated product is met. However using econometric modelling which is regression, it is found that there is no correlation existed between product diversification and firm performance with assets utilization.