UNIVERSITI TEKNOLOGI MARA

DETERMINANTS OF FIRM'S PERFORMANCE: EVIDENCE FROM MALAYSIA PLANTATION SECTOR

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergaduate, Universiti Teknologi MARA Johor, regulating the conduct of my study and research.
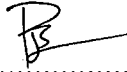
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ABSTRACT

Corporate firms in plantation industry have been taking various actions and strategies to increase their firms' performance. Malaysia recently recognise plantation sector as an economic booster that has a potential to able to compete in global market for long-term duration. As Malaysia want to achieve a greater efficiency in order to increase the total production in plantation sector, firms that involve in this industry must first be assessed in their performance. The key to the main problem of the study is to identify which determinants that have significant relationship to the performance. The study adapted four determinants as the independent variable namely Capital Intensity, Leverage, Growth Rate and Firm Size for the research meanwhile the dependent variable if firms' performance that is represented Return on Asset as the proxy. 10 plantation companies are selected from Bursa Saham Malaysia listed whereby a set of quarterly data is derived from Thomson Reuter's DataStream for the period between 2007 to 2017. A few methodologies are used to analyse the data such as Descriptive analysis, Correlation analysis, Normality Test and Regression analysis. For this study, the Regression is done through Panel OLS Regression since the data is panel data. The finding of the study shows that Leverage and Firm Size have significant relationship at 5% level of significance with the firms' performance (ROA) meanwhile Growth rate has significant relationship with firm performance (ROA) at 10% level of significance. Capital Intensity shows a result whereby this variable does not have significant relationship to the firm's performance. For the study, there are a few recommendation suggested by the researcher to improve the accuracy and the preciseness of the result.

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