

Application of DEA to Identify the Firm's Efficiency A Case Study of
Taiwan's Computer Manufacturers

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Abstract

The goal of this study is to examine the level and determinants of efficiency of Taiwan computer manufacturers. For this purpose, we used data envelopment analysis (DEA) as first stage to identify the efficiency of each firm. In the second stage, we used Tobit regression model to regress the efficiency scores derived from DEA on key explanatory variable which reflects firm profitability and performance. The result suggests that firm with high profitability indicator in term of ROA, ROE and EPS are more likely to operate at higher level of efficiency

Keyword : Efficiency, DEA, Regression analysis, Taiwan computer's manufacturers