EVALUATING THE PERFORMANCE OF HOME BUILDING COMPANIES

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ABSTRACT

Home building industry, considered to be one of the drivers of the U.S. economy, is going through a dramatic transformation as U.S. economy recovers out of the current recession. In this paper, we use data envelopment analysis, an operations research technique, to benchmark the performance of nineteen homebuilding companies against one another for the year 2011. We find that only two companies out of nineteen are 100 percent efficient. We also identify the areas in which inefficient companies are lagging behind their efficient peers.

Keywords: Evaluate, performance, homebuilding