



A Comparative Analysis of Employee's Productivity in Selected Nationalized Banks of India.

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ABSTRACT

A well managed service sector is very important for growth and development of developing countries like India. Banking sector is major part of service sector for the economic development of country. Productivity and efficiency is the only way to survive in the competitive market. In the present research paper, researcher tries to analyze employee's productivity in the context of Banking. Employee's productivity means capacity of employees to produce maximum output with the use of minimum input and efforts. Researcher has made efforts to compare employee's productivity in the Nationalized Banks viz., Bank of Baroda (BOB), Dena Bank, Union Bank of India (UBI), Indian Bank. Researcher has used various accounting ratios and statistical tools for analysis and comparison of data.

KEYWORDS : Thyroglossal duct cyst, fine-needle aspiration biopsy, papillary carcinoma.

Introduction

Service sector is growing very fast in the economy of any country. Particularly in India, Banking sector is major part of service sector for the economic development of country. In present time, stiff competition is there in each and every sector of economy. To survive in the competitive environment, it is very important to focus on the productivity and efficiency of work. Higher productivity means getting more output by using less input and low productivity means getting less output by using more input. Generally most of the economic problems occurred because of low productivity. In India, if we will deeply concentrate to improve productivity, then it will increase national income, per capita income and improve overall living standard of public.

Productivity in the Banking sector can be measure in three major areas i.e. capital productivity, employee productivity and Branch Productivity. Generally in Banking, operating expenses, establishment expenses and other expenses are treated as input. Business per employee, Business per Branch, Net profit per employee, Net profit per Branch etc are treated as output.

Meaning of Employee's Productivity in Banking Framework

Banking is major and very important part of Service Sector in India. Therefore it is very necessary to study productivity of Banks. In simple words productivity means the ratio of output to input. Productivity is the quantitative relationship between what is produced and what is used in the process. In the service sector manpower and their higher efficiency is very important to achieve higher productivity. Employee's productivity means capacity of employees to produce maximum output with the use of minimum input and efforts.

There are various benefits of high employee's productivity like, Employees feel satisfaction towards their job, their job involvement increases, it will develop sense of commitment and loyalty, employees get hike in salaries, organization get good profit and that will increase reputation of concerned organization in the Market.

Productivity = Output/Input

Below mentioned ratios are formulated by researcher as suggested by RBI to analyze Employee's Productivity in selected Banks.

[1] Business per Employee = Business/No of Employees
(Business = Deposits + Advances)

[2] Net Profit Per Employees = Net profit/No of Employees × 100

Review of Literature

Sarkar and Das (1998) make use of 15 indicators in their study to make comparison of public sector banks, private sector banks and foreign banks based on major criteria representing efficiency viz. productivity, profitability and financial management on which bank

group wise information was available.

According to CRISIL study (2002) it was found that lower operating expenses improved the profitability of banks, contrary to the popular perception that only trading profits helped the banking sector shore up their bottom lines.

Karam and Puja (2008) compare the productivity of public, private and foreign banks using ACGR and regression and concluded that public sector banks are growing with consistent pace and intra group variations are also less than other sector.

Dr JyotindraJani and Prof. Manish.Raval (2012) have made attempt to analyse employee's productivity with the use of financial ratio of business per employee and profit per employee in selected Nationalized banks viz BOI, CBI, IOB AND PNB and give valuable suggestions and findings for productivity improvement.

Importance of the Study

This research work will be helpful to the Indian Nationalized Banks to understand Employee's productivity and efficiency of work. It is useful to make comparison of employee's productivity in selected Banks and accordingly they will take corrective actions. Findings and conclusion given by the researcher will be helpful to the Indian Nationalized Banks to improve the area of productivity.

Objectives of the Study

- 1) To study employee's productivity in the context of Banking.
- 2) To compare employee's productivity in BOB, Dena Bank, UBI and Indian Bank.
- 3) To give valuable suggestions to improve Employee's Productivity.

Period of the Study

The present study has been made by researcher on the basis of the financial data collected for the period of last five years i.e. year 2009-2010; to year 2013-14 of the sample banks.

Selection of the sample unit

Universe of the study include all Nationalized, private sector and foreign banks working in India. From the above mentioned universe, the researcher has randomly selected Four banks viz."Bank of Baroda", "Dena Bank", "Union Bank of India" and "Indian Bank".

Sources of the data collection

The present study is based on the secondary data collected from the issues of IBA bulletin, Annual Report of BOB, Dena bank, UBI and Indian Bank and from various websites for better reliability and authenticity.

Tools and Techniques for Data Analysis

Ratio analysis is used to analyze the financial data collected from various sources and test of hypothesis (F-Test two way ANNOVA Table, at 5% significance level). Using MS excel for calculating Test of Hypoth-

esis.

Hypothesis of the Study

- (i) H0R: There is no significant difference Between Business per Employee between the Sample Units.
- (ii) H0C: There is no significant difference Between Business per Employee within the sample unit during the study period.
- (iii) H0R: There is no significant difference Between Net Profit per Employee between the Sample Units.
- (iv) H0C: There is no significant difference Between Net Profit per Employee within the sample unit during the study period.

Analysis of Productivity by using statistical techniques

[1] Business Per Employee

Table No : 1 Ratio of Business per employee (in crores)

Bank	2009-10	2010-11	2011-12	2012-13	2013-14
BOB	9.81	12.29	14.66	16.89	18.65
Dena Bank	8.27	10.99	13.17	14.75	14.53
UBI	8.53	10.43	10.70	12.15	13.76
Indian Bank	7.66	9.38	11.24	13.12	14.64

(Source : compiled from www.moneycontrol.com, www.RBI.org.in)

Table No : 2 Analysis of Variance (ANOVA)

Sources of Variations	SS	DOF	MS	Fcal	Ftab
Between the Banks	36.3249	3	12.1083	18.26	3.49
Within the Banks	118.3104	4	29.5776	44.60	3.26
Error	7.9587	12	0.663225		
Total	162.594	19			

[2] Net Profit Per Employee

Table No : 3 Ratio of Net profit per employee (in lakhs)

Bank	2009-10	2010-11	2011-12	2012-13	2013-14
BOB	7.85	10.59	11.87	10.39	9.87
Dena Bank	4.85	6.15	7.87	7.31	4.25
UBI	7.47	7.50	5.80	6.79	5.02
Indian Bank	8.37	9.33	9.77	8.85	6.43

(Source : compiled from www.moneycontrol.com, www.RBI.org.in)

Table No : 4 Analysis of Variance (ANOVA)

Sources of Variations	SS	DOF	MS	Fcal	Ftab
Between the Banks	52.5123	3	17.5041	16.02	3.49
Within the Banks	16.45983	4	4.114958	3.77	3.26
Error	13.11293	12	1.092744		
Total	82.08506	19			

Findings of the Study

Table No : 22 Findings

Productivity Ratios	Fcal	Ftab	Findings
Business Per Employee • Between the Banks (Row)	18.26	3.49	Null Hypothesis H0R is rejected so it may conclude that there is significant difference in Business per Employee between the selected Banks. Null Hypothesis H0C is rejected so it may conclude that there is significant difference in Business per Employee within the selected Banks during the study period
• Within the Banks (Column)	44.60	3.26	
Net Profit per Employee • Between the Banks (Row)	16.02	3.49	Null Hypothesis H0R is rejected so it may conclude that there is significant difference in Net Profit per Employee between the selected Banks. Null Hypothesis H0C is rejected so it may conclude that there is significant difference in Net Profit Per Employee within the selected Banks during the study period
• Within the Banks (Column)	3.77	3.26	

Conclusion

From the data collected from various sources, researcher has made interpretation with the help of ratios and statistical analysis. From the above mentioned findings, the researcher may come to the conclusion that both the hypothesis is rejected. It can be seen that Business per Employee ratio of selected banks are different. It is higher in BOB (72.3) and low in UBI (55.57) from the selected Banks. It can be seen that Net Profit per Employee ratio of selected banks are different. It is higher in BOB (50.57) and low in Dena Bank (30.43) from the selected Banks. To improve these ratios, the bank should make effective utilization of its labor force.

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