Research Paper COMMERCE

A Study on Employee's Productivity in Some Selected Private Sector Banks in India: An Analysis

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ABSTRACT

The productivity reveals the efficiency of any organization. The concept of productivity varies with the nature of organization. It refers to goods or services produced per unit of capital, labour or both in a period of time. It is the relationship between output per unit to input employed. The present study focused on banking sector in terms of Employees Productivity. Productivity has given importance to check the growth of banks. The five years period has been selected from 2009-10 to 2013-14. A researcher has tried to attempt Employees Productivity Ratios in the Private Sector banks using financial ratios like Business Per Employee and Profit Per Employee. For the analysis purpose, five Indian Private Sector Banks i.e. Axis Bank, HDFC Bank, ICICI Bank, Kotak Mahindra Bank and Yes Bank have been selected.

KEYWORDS HDFC, ICICI, ANOVA, Productivity,

Introduction:

Productivity, efficiency and profitability are three important indicators to measure the financial performance of any organization. These terms are interrelated. Productivity checks the growth of any business which helps the business to be more profitable. It shows economic growth, competitiveness and living standard of a country. Higher productivity shows high standard of living. Hence, the countries which are having low productivity need to improve their productivity by providing maximum employment opportunities so that they can improve their standard of living which ultimately accelerates the growth of nation.

Conceptual Framework:

The concept of productivity of a manufacturing firm cannot be readily implemented in banks. It varies with the nature of organization. The term productivity refers to goods or services produced per unit of capital, labour or both in a period of time. It is the relationship between output per unit to input employed. In simple worlds, it is the ratio of output to input. It can be calculated by using the following formula.

Productivity = Output / Input

In banking sector, Human resources are most powerful and valuable assets which show the ability of banks to deliver value to the customers. So, skills of employees or labour or staff play an important role to achieve high productivity in banks.

The Employees Productivity in banks can be judged by using some of the selected financial ratios by RBI. The following ratios are used by researcher for the analysis of Employees Productivity.

Business Per Employee
Profit Per Employee

Review of Literature:

Bhuvan J. Vyas and Dr.Vijay Pithadia (2012) presented a study on productivity in service sector: Sbi & Idbi bank. The two productivity indicators like Income Per Employee and Expenditure Per Employee were selected for the period of 2006-2007 to 2010-2011. Ratio analysis and F-test has been used to measure the productivity of the banks. From the analysis, it is concluded that there is significant difference between SBI and IDBI for Income per employee expenditure per employee.

Geetu Gupta and Amandeep kaur (2013) conducted a study on productivity and performance of public sector banks in India on the basis of Branch Productivity and Employee Productivity for the period of 1991-2010. The statistical tools like Mean, Standard Deviation and Co-efficient of Variation have been used to analyze the productivity. It is suggested that banks need to improve their productivity apart to this improvements in profitability, maintain efficiency level and technology and exploring available cost-effective solutions.

Dr. Hawa Singh and Kamlesh (2013) studied on Employee's productivity of private sector banks in India during the period 2002-2012. The Eight-variables like Deposit Per Employee, Advance Per Employee, Business Per Employee, Total Expenditure Per Employee, Total Income Per Employee, Spread Per Employee, Net profit Per Employee, Burden Per Employee were selected to compute the productivity of private sector banks. For the purpose of analysis the statistical tool like Standard Deviation, Co-efficient of Variation, Exponential Growth Rate, (EGR) and Trend Analysis have been used. It is observed that the performance of private sector banks has increased trend during 2004-05 to2011-2012 and also observed that the performance of new private sector banks compete and better than new private sector banks.

Dr. Jyotindra .M. Jani and Manish B. Raval (2012) presented a paper on employee's productivity in terms of business and profit by using the financial ratios like Business per employee and profit per employee in four selected Nationalized Banks of India during 2006-2007 to 2010-2011. F-Test two way ANOVA table has been used to analyze the data. The study reveals that there is sign difference in Business Per Employee and Profit Per Employee between the banks and there is significant difference in Business Per Employee within the banks over the period of study and there is no significant difference in profit per employee within the banks over the period of study.

Vivek Singala (2013) conducted a study on analysis of productivity in three private sector banks during 2007-08 to 2011-2012. Ratio analysis has been used to compare the productivity of Indian banks. The Branch Productivity Ratios and Employee Productivity ratios were selected. It is concluded that ICICI bank is better in employee productivity but less good in branch productivity than other selected private sector banks.

Objectives of the Study:
To measure Employee's Productivity with the help of Productivity Ratios i.e. Business Per Employee and Profit Per Employee.

To compare Employee's Productivity in terms of Business and Profit of selected banks.

Period of the Study:
The period of the present study has been covering the last 5 financial years start from 2009-10 to 2013-14.

Data Collection:
The present study has analyzed the Employee's Productivity of selected banks during the study period. The main source of data for the study is secondary data, collected from the published Annual Reports of selected Indian New Private Sector Banks, Various Books to subjects and Reserve Bank of India websites. The articles published in journals relating to the subjects have also been used.

Sample Size:
The universe of the study includes all the banks working in India. But for the purpose of the study, a researcher has randomly selected five New Private Sector Banks i.e. Axis Bank, HDFC (Housing Development Finance Corporation) Bank, ICICI (Industrial Credit and Investment Corporation of India) Bank, Kotak Mahindra Bank, Yes Bank.

Tools and Techniques of Analysis:
For the analysis and evaluation purpose, Ratio Analysis and F-test One Way ANOVA (Analysis of Variance) have been used.

Hypothesis of the Study:
There is no significant difference in Business Per Employee of Selected Banks.

There is no significant difference in Profit Per Employee of Selected Banks.

Limitations of the Study:
The present study is mainly based on secondary data and secondary data have their own limitation and therefore its findings depend entirely on the accuracy of such data.

The present study is considered only Employee's productivity Ratios.

The present study is largely based on accounting and statistical techniques that have their own limitations and it will affect the study.

Table 1 Business Per Employee
(Figures in Crores)

Banks	2009-10	2010-11	2011-12	2012-13	2013-14
AXIS	11.11	13.66	12.76	12.15	12.30
HDFC	5.90	6.53	6.54	7.50	8.90
ICICI	7.65	7.35	7.08	7.35	7.47
Kotak Mahindra	4.87	5.35	6.13	6.86	6.78
Yes Bank	16.24	22.20	17.48	17.74	15.58
Sum	45.77	55.09	49.99	51.60	51.03
Mean	9.154	11.018	9.998	10.32	10.206
Variance	21.31013	49.43497	24.76072	21.78755	13.54838

(Sources: Complied from Annual Reports of Banks and RBI (www.rbi.org.in)

Table 2
A Table Showing Analysis of Variance (ANOVA) of Business Per Employee

Source of Variation	SS	Dof	MS	F cal	F crit
Between Banks	8.99998	4	2.25	0.085982	2.866081
Within Banks	523.367	20	26.1684		
Total	532.367	24			

Table 3 Profit Per Employee
(Figures in Lakhs)

Banks	2009-10	2010-11	2011-12	2012-13	2013-14
AXIS	12.00	14.00	14.00	15.00	15.00
HDFC	5.98	7.37	8.00	10.00	12.00
ICICI	9.00	10.00	11.00	14.00	14.00
Kotak Mahindra	7.00	8.00	9.00	10.00	10.00
Yes Bank	16.75	20.89	20.40	21.00	20.50
Sum	50.73	60.26	62.40	70.00	71.50
Mean	10.146	12.052	12.48	14.00	14.30
Variance	18.90408	31.11387	24.852	20.50	15.70

(Sources: Complied from Annual Reports of Banks and RBI (www.rbi.org.in)

Table 4
A Table Showing Analysis of Variance (ANOVA) of Profit Per Employee

Source of Variation	SS	Dof	MS	F cal	F crit
Between Banks	55.9336	4	13.9834	0.62949	2.86608
Within Banks	444.28	20	22.214		
Total	500.213	24			

Finding of the Study:
The above table reflects the Employees Productivity Ratios and One-way Analysis (F-test). The following are the finding of the study.

Employees Productivity Ratios	F cal and F tab Value	Conclusion	Findings
Business Per Employee	F cal 0.086 F tab 2.866	H0: Accepted H1: Rejected	It is concluded that there is no significant difference in Business Per Employee among the Private Sector Banks.
Profit Per Employee	F cal 0.630 F tab 2.866	H0: Accepted H1: Rejected	It is concluded that there is no significant difference Profit Per Employee among the Private Sector Banks.

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