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Employee's Productivity in Selected Indian Public Sector Banks-An Analysis

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ABSTRACT

The aim of the study has been chosen to analyze the employee's productivity in selected banking sectors. Employee productivity is an evaluation and estimation of the effectiveness of a employee or group of employees. Productivity may be calculated in terms of the output of an employee in a specific period of time. This research falls under the type of descriptive research. Secondary data collection has been used. The present study was initiated with the employee productivity in selected public banking sectors. Analysis of variance was used for knowing the various factors affecting employee's productivity. The study found that there is no significance difference between among the various public sector banks.

KEYWORDS Profit per employee - Business per employee - public sector banks – Productivity – Profitability – Commercial Banks

Introduction

Employee productivity (sometimes referred to as workforce productivity) is an evaluation and estimation of the effectiveness of a worker or group of employees. Productivity may be calculated in terms of the output of an employee in a specific period of time. Particularly, the productivity of a given worker will be assessed relative to an average for employees doing similar work. Because the success of the organization is depending upon the productivity of its workforce, employee productivity is a significant consideration for businesses. Productivity levels only determine the organization success. If an organization has more productivity it will be earned more profit, unless it has to face big loss. Hence the organization success and failure depends on only output of the employees.

Review of literature

Rina V. Sommanek (2014) In her study titled " A study on employee's in some selected private sector banks in India- an analysis" found that there is no significance difference between businesses per employee among private sector banks. And also no significance difference between profits per employee among private sector banks.

Dr. Ansarul Haque (2013) In his study "comparison of financial performance of commercial banks" found that there is no significant means in difference of profitability among various banks groups in respect to ROA and NIM, yet a significant means of difference is seen among the peer groups in terms of ROE.

Biwesh Neupane (2013) In his study "Efficiency and Productivity of Commercial Banks in Nepal: A Malmquist Index Approach" found that positive relationship between debt to equity ratio and efficiency as well as between capital adequacy and efficiency. Profitable banks with lower leverage and higher capital adequacy ratio are found to be more efficient and bank loans seem to be more highly valued than alternative bank outputs.

Geetu Gupta, Amandeep Kaur (2013) in their study "An Economic Analysis of Productivity and Performance of Public Sector Banks in India" found that banks are divided into four categories, excellent, good, fair and poor for the period under study. Finally, appropriate policy suggestions are made for improvement of productivity in public sector banks in India.

Himanshu Jain Dr. Chandra deep Mishra. In their study" Trends in employee's cost profitability and profitability-gap between public sector and private sector banks" found that public sector banks are improving well in comparison to private sector banks, However, the performance of public sector banks is still quite low compared to the private sector banks.

Kumar.J and Dr.R. Thamilselvan. in their study "A study on Managerial Efficiency of Selected Indian Commercial Banks" found that Business per employee is highest in Bank of Baroda, in which the management ability to optimize the use of its human resources. The AXIS Bank management policy gives more importance to its human capital. Hence it has the highest profit per employee

Objectives of the Study

The main objectives of the study are as follows:-

1. To analyze the Business per employee of public sector banks.
2. To study about the profit per employee in public sector banks.

DATA AND METHODOLOGY:

DATA

The present study covers the Employee Productivity Selected Indian public Sector Banks. The selection of these banks on the basis of their Total Assets, there are seven top leading public sector banks like State Bank of India, Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank, Union Bank of India and Industrial Development of India for the period from April 1, 2010 to March 31, 2015. The data has been collected from the annual reports, corporate database and RBI website.

METHODOLOGY

Every organization is utilizing resources like men, machine, money, materials and information to carry out their business effectively and efficiently. Out of these resources the manpower is the most important resource. The man power only determines the productivity of an organization. This study is relating to an organization productivity or efficiency of employees in selected banking sectors in India.

Table. 1 Business per Employee

Banks	2010-11	2011-12	2012-2013	2013-14	2014-15
SBI	7.05	7.98	9.43	10.64	12.34
BOB	12.29	12.62	16.89	18.65	18.89
BOI	12.84	14.66	15.82	19.63	20.69
PNB	10.18	11.32	11.65	12.83	13.19
CB	12.28	13.74	14.20	14.38	14.35
UBI	10.43	10.70	12.50	13.74	14.20
IDBI	23.46	23.87	25.64	24.65	26.21
Sum	88.53	94.89	106.13	114.52	119.87
Mean	12.65	13.56	15.16	16.36	17.12
Variance	26.59	25.46	27.74	23.44	25.50

Source: Bank Annual Reports from 2010-11 to 2014-15

The above table.1 clearly shows that the business per employee in selected banking sectors. The total business per employee of 2014-15 was more when compared to 2010-11, 2011-12, 2012-13 and 2013-14 productivity respectively. The same when compared to all particular five years business 2011-12 was very less. IDBI employees were only showing more productivity (26.30) than other public banking sectors as well as SBI employees were showing low level productivity (12.34) than other banking sectors. BOI, PNB, CB and UBI more or less have same level of productivity.

Table.2 Analysis of Variance (ANOVA) of Business per Employee

Source of Variation	SS	DOF	Mean Square	F	sig
Between Banks	98.039	4	24.510	0.952	0.448
Within Banks	772.336	30	25.745		
Total	870.375	34			

The above table .2 demonstrates that analysis of variance of business per employee. The mean square of between banks was 24.510 and 25.745 for within banks. It is evident from mean scores as given in above table. The business per employee in selected banking sectors was much different from others. Total sum of square was 870.375 for business per employee.

Table. 3 Profits per Employee

Banks	2010-2011	2011-12	2012-2013	2013-14	2014-15
SBI	3.85	5.31	6.45	4.85	6.02
BOB	10.59	12.00	10.00	9.87	6.88
BOI	6.20	6.40	6.44	10.00	7.00
PNB	8.35	8.42	8.06	5.00	5.00
CB	9.76	8.21	7.00	5.00	5.00
UBI	7.50	6.00	7.00	5.00	5.00
IDBI	11.93	13.16	12.17	6.82	5.00
Sum	58.18	59.50	57.12	46.54	39.90
Mean	8.31	8.50	8.16	6.65	5.70
Variance	7.57	9.15	4.68	5.51	0.86

Source: Bank Annual Reports from 2010-11 to 2014-15

The above table .3 shows that profit per employee in selected public banking sectors.

BOI employees have more profit (7.00) than other banking sector employees. Simultaneously

PNB, UBI and IDBI employees have very low level of profitability (5.00) when compared to other banking sector employees. BOB employees also got second place (6.88) with the level of earning profits.

Table.4 Analysis of Variance (ANOVA) of Profit per Employee

Source of Variation	SS	DOF	Mean Square	F	sig
Between Banks	42.367	4	10.592	1.908	0.135
Within Banks	166.520	30	5.551		
Total	208.888	34			

The above table .4 reveals that analysis of variance of profit per employee. The mean square of between banks was 42.367 and 166.520 for within banks. The profit per employee in selected banking sectors was much different from others. Total sum of square was 208.888 for business per employee.

Conclusion

This study clearly explains the significance of the productivity for an organization. An organization which has a more productivity among others that same organization earns more profit. Hence the company creates more innovations for improve productivity as well as encourage employees and give more facilities in work place which is necessity in an organization. . Productivity levels only determine the organization success. If an organization has more productivity it will be earned more profit, unless it has to face big loss. Hence the organization success and failure depends on only output of the employees. It is concluded that IDBI employees were only showing more productivity (26.30) than other public banking sectors as well as SBI employees were showing low level productivity (12.34) than other banking sectors. BOI employees have more profit (7.00) than other banking sector employees. Simultaneously PNB, UBI and IDBI employees have very low level of profitability (5.00) when compared to other banking sector employees.

Review of literature

Kamlesh and Dr. Hawa (2013) In their study "Employee Productivity of Private Sector Banks in India" found that the performance of the private banks on all the eight variables has shown a increasing trend. In the year 2004-05 and 2011-2012, the performance of private banks has decreasing growth rate over the base year. The private sector banks has higher exponential growth rate (12.14%) regarding total expenditure per employee than total From the financial year 2001-02 to 2005-06 the performance of new private sector bank is better than old private sector bank regarding selected productivity indicators but after 2005-06 the old private sector banks compete with the new private sector banks and perform better than new private sector banks.

Neha Saini (2014) In her study "Measuring the Profitability and Productivity of Banking Industry: A case study of selected Commercial Banks in India" found that public sector banks are coming up with high productivity and low profitability when compared with private sector banks. To increase profitability banks should embrace to adopt new technology to compete with private sector banks and also successful survive in market.

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