Ten-Year Growth Analysis of new Private sector Banks in the Indian Banking Industry

Parveen Singla
Research Scholar, Department of Management,
DeshBhagat University, Mandi Gobindgarh, India

Dr.Rajinder Kumar Uppal
Head of Dept. Economics,
D.A.V College, Malout (Pb.)

Abstract

From the last past decade, manifolds developed by Indian banking system. It has set up new milestones in the field of banking. It has developed due to privatization in India, which paves the way of setting up new branches of private banks in various parts of India. The proficiency and the reasons of growth are discussed in this paper in respect of productivity of private sector banks of India. For increasing the employee efficiency and growth there is need to bring about market discipline of usage inputs the process of regulatory reforms undertaken by the Government. Bank converts its inputs to outputs at an efficient rate in order to maximisation of its profit and to be retaining in the competitive conditions. Manpower is the very essential resource for the organisation. If they have a trained, motivated and hardworking human resource then banking sector may give very good results. This study analysed the published ten year data from 2002-03 to 2012-13 for all the new seven private sector banks of India i.e. Axis, HDFC, ICICI, Development Credit bank, IndusInd, Kotak Mahindra and YES Bank.. *As per RBI reports "A profile of banks 2004-05, a profile of banks 2008-09, a profile of banks 2012-13"* The present study concludes that the productivity per employee of Axis bank is far better than other selected new private sector banks in perspective of business, deposits ,investments. While per branch productivity of ICICI bank is far better than other selected new private sector banks in perspective of investment, advances and profit

Keywords: Business per Employee, Business per Branch, Profit Per employee, Profit per Branch, Growth of banks, productivity of banks

Introduction

Growth is said to be a major indicator of resilience of an economic system. Even the rise and fall of economics and hence swings in the fortunes of civilizations are explained through levels of productivity. Productivity is fundamental to progress throughout the world. Productivity is at the heart of economic growth and development, improvement in standard of living and quality of life. The sources of productivity at national level play their role in one way or the other at organisational level. Changes in output per unit input or productivity result from a wide range of developments. Productivity is influenced by a number of sources and not by handful of determinants. Any factor, which reduces the waste in any form or increase efficiency, is called a source of productivity. Productivity is construed as the ability and willingness of an economic unit to produce maximum possible output with given inputs and technology. Higher the output per unit of input, higher is the productivity. Efficiency, on the other hand, measures performance of the bank in a normative sense by comparing it with the industry leader within or across the borders. While, a bank may improve in terms of productivity over a period, its efficiency score may decline if rise in its productivity is slower than that of the industry's best performer. A common approach to efficiency and productivity analysis in the banking sector is the ratio analysis, whereby the performance of a Banking unit is adjudged in terms of certain key parameters and their ratios such as cost to income ratio, business per employee, business per branch *etc.* Deposit mobilisation and credit creation is the core of banking business. Hence, the intermediation cost, which relates income from credit, and cost of deposit would illuminate bank's efficiency in its core function of raising deposits from savers and on lending to user groups.

Banking and the Indian Economy

Money or finance is an important and necessary factor for economic development. The main challenge before a developing nation is to foster sustainable growth. For growth or its recovery, the nation's productive capacity has to be strengthened and expanded. In the development agenda, an important issue relates to the problem of the provision and delivery of the financial service and credit. Banking is the fulcrum of an Economy. The banking Industry is one of the basic instruments of economic growth. It must be on a sound footing, as it constitutes an important link in various socio-economic activities. Banking has been compared to a road over which all the produce of a district passes to the markets but which does not itself produce a single blade of anything. Financial institutions play the role of bridging the gap between those who have money or savings and those who need it. So it is considered the backbone of economic development, any change in its processes is deemed to have repercussions on the country's growth.

Review of Literature

It is relevant to refer briefly to the previous studies and research in the related areas of the subject to find out and to fill up the research gaps, if any. Literature on financial services can generally be found, a number of books are available on banking related aspects as merchant banking, loan syndication, securitization, profitability etc. but, few studies are undertaken on the role of technology on the productivity in the banking services.

Kothari, C.R. (1991) analyzed the productivity, profitability and social objectives in public sector banks and stressed the need for better profitability in banks to ensure the bank's role in the development of an economy.

Muraleedharan, K.P. (1994) studied the relationship between the labour productivity and the antecedents of workers i.e., whether the productivity of employees with the same socio-economic background is same or not. The study reveals that the aggregate productivity of the employees is neither very high nor very low. Sex wise, man is superior to woman in productivity and the marital status does have some correspondence with the labour productivity. He opined that, no close relation exist between the religion to which the worker belongs and his productivity. As per the study, job satisfaction and the satisfaction with the work environment do have significant relation with the productivity of workers. Finally, it was also concluded that economic conditions of the workers have no market impact on productivity.

Bava, N. (2000) studied that the concept of productivity needs to be widened so as to enlarge not only its economic aspect (ratio between inputs and outputs) but also the political, administrative, social, cultural, national, international dimensions. He pointed out that productivity involves both quantitative and qualitative aspects, Long term and short term consequences, of public policies, administrative actions, in actions, aberrations, government-citizen relationship's, active co-operation, participation and involvement of the people. He opined that many aspects of public sector productivity are qualitative. Measuring productivity of services is a difficult task because of lack of measurement standards and the difficulty of definition. Finally, it was concluded that adoption of new management techniques, job enrichment, participative decision-making, rewards and incentives, moral building, motivation and human resource development can help increase productivity in public administration.

Uppal, R.K. (2006) studied the profitability of four major bank groups that is SBI and its associates (G-I), Nationalized Banks(G-II), New private sector banks (G-III) and foreign banks (G-IV) in the second post banking sector reforms era and concludes that there is a significant difference in the profitability of various major bank groups. The average profitability is the highest in the foreign banks and new private sector banks but the public sector banks are far behind in many parameters due to the significant and negative effects of burden whereas new private sector banks have higher profitability and the lowest burden with positive impact of interest income and expenditure. The paper suggests some strategies for the survival of PSBs in the liberalized and globalize environment.

Robert, A.S. (2006) studied that the human contribution to productivity, or employee's job performance, is considered to result from ability and motivation. He opined that most studies show that high employee satisfaction does contribute to long run productivity by reducing, turnover, absenteeism, sabotage, theft, and worker alienation. However, the evidence on short-run productivity, or output per employee hour, is not so clear. Sometimes high employee satisfaction leads to higher short-run productivity, but there is no assurance that this is always true. Regarding the relationship between satisfaction and productivity, it was concluded that effort and performance affect satisfaction, and that satisfaction by its influence on level of aspiration affect satisfaction and that satisfaction by its influence on level of aspiration affects subsequent effort and performance. He expressed that the satisfaction-productivity is circular.

Rao, N. and Tiwari, S. (2009) studied the efficiency of five public sector banks selected based on deposits size. The study concludes that all employee efficiency factors have insignificant influence on deposits, assets and advances, from branch efficiency, only operating profits per branch and from operating efficiency, cost of deposits have significant and positive impact. Liquidity influencing factors and ultimate profit factors do not influence deposits, assets and advances significantly although all profit factors have negative effect. The study also suggests some measures to improve efficiency.

Research Gap

The earlier studies have calculated productivity of Public Sector Banks. But the present study will concentrate on new age of private sector banks of about ten year analysis since 2002. The above said review of literature of some studies reveals the productivity of various banks. The present study is addition to an existing literature on the productivity area with some new variations and parameters

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Research Problem

After the introduction of IT act in 2000, PSBs are facing numerous challenges like Productivity, Profitability, Proficiency and Efficiency from private sector banks and foreign sector banks. It is believed that PSBs have not only lost their deposits to new generation private sector banks but also to old private sector banks and foreign banks. Private and foreign banks have been the early adopters of technological innovations and gaining the fruits in terms of improved efficiency and customer satisfaction while public sector banks are beginning to hold on to the competition. Since the growth of economy is largely dependent on the performance of these banks, even with the growth of new private and foreign players, these banks will have an important role to play. That's why a comprehensive study is required to investigate the trends, growth and emerging issues particularly in the new private sector banks.

Need of the Study

The need of the study is to know about the growth among all the new seven private sector banks from the last decade.

Objectives of the Study

The main objective of the present study is to focus the attention of bankers, economists, planners and government on the bank productivity, which is crucial for improving their low productivity. The main objective is sought to be achieved by pursuing the following objectives in the present study.

1. To multiply the productivity parameters of Indian commercial banks.
2. To examine the Growth differentials of selected banks under study.
3. To study the productivity performance of the banking industry in pre mature and post mature IT regime.
4. To evaluate the policy perspective of banking sector in India.

Scope of the Study

The present study is concerned with trends and changes in growth, productivity, with particular emphasis on employee and branch productivity, in the Indian private sector banking. The study deals with trends, changes and differentials in productivity in different banks and bank groups. External environment is almost same for all these banks.

Limitations of the Study

1. This study is based on the annual report of the bank and secondary data collected from RBI & IBA Bulletin published from time to time. Therefore, the quality of this research depends on quality and reliability of data published in annual reports.

2. No generalisation of universal application is applied here. The study is based on seven new private sector banks.
3. This study not covered the operations at various branch level and micro level.
4. To measure the productivity of banks, there are lot of different methods. In this connection view of expert differed from one another.

Research Methodology

The study is concerned with the banking industry in India. Post-liberalization, privatization and globalization period has shown transformation in banking Industry. Particularly, with the introduction of IT in banking industry a lot of changes have taken place in public sector banks but slowly whereas in new private sector banks and foreign banks working in India, these changes have come at fast pace because these banks are fully computerized by birth.

The study is confined to Indian banking industry. Hence, the Universe of the study is banking industry of India. The performance is analysed on bank, bank group and industry level.

The Indian banking industry is divided into three major bank groups i.e. Public Sector Banks, New Private Sector Banks, Foreign Banks and only New Private Sector bank group on the basis of performance have been selected for the study.

Seven New Private Sector Banks are following:-

1. Axis Bank Ltd.	2. Development Credit Bank Ltd.
3. HDFC bank Ltd	4. ICICI Bank
1. Indusind bank	2. Kotak Mahindra bank Ltd.
3. Yes bank	

Parameters of the Study

The study attempts to accomplish its objectives by making cross sectional and inter-temporal analysis because of eight indicators. These indicators have been divided into two categories. In terms of input of number of employee's i.e. labour productivity and measure branch productivity. These indicators are as follows:

A. Per Employee Indicators (Manpower Productivity)

* Business per employee : (BUS/E)
* Profit per employee : (P/E)
* Deposits per employee : (D/E)
* Advances per employee : (A/E)
* Investments per employee : (I/E)

B. Per Branch Indicators (Branch Productivity)

* Business per Branch : (BUS/B)

* Profit per Branch : (P/B)
* Deposits per Branch : (D/B)
* Advances per Branch : (A/B)
* Investments per Branch : (I/B)

Analysis of Data

For getting overall results of productivity and information technology, combined values will be calculated by converting the original variables of respective factors in to Standardized/Normal score. T-scale based on t-scores was used for to compute index for employee, branch, financial and total productivity and information technology.

Productivity Analysis

Productivity is at the heart of economic growth and development, improvement in standard of living and quality of life.

Definition

Productivity is defined as the goods and services produced per unit of labour, capital or both. The ratio of output to labour and capital is a total productivity measure. In simple words, productivity is the output per unit of input employed. The basic definition of productivity is:

$$\text{Productivity} = \frac{\text{Total Output}}{\text{Total Input}}$$

Major Indicators of Productivity

A. Employee Productivity

Human resource is the most important asset of an organization and banking business is no exception to it. In the present study, employee productivity of new private banks has been evaluated by taking five ratios in consideration. A brief summary of all these ratios are as under:-

(1) Business per Employee

This ratio reveals the Business-collection capacity of an employee. If the average of the business per employee increases then productivity of the bank will increases

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	92.60	80.80	102.10	102.20	102.40	111.70	106.00	111.10	136.60	127.60	121.50	108.60
Development Credit Bank	46.30	48.04	40.20	39.00	39.10	45.10	37.90	51.50	49.10	51.40	67.40	46.82
HDFC	86.50	86.60	80.60	75.80	60.70	50.60	44.60	59.00	65.30	65.40	75.00	68.19
ICICI	112.00	101.00	88.00	90.50	102.70	100.80	115.40	76.50	73.50	70.80	73.50	91.33
Indusind	128.40	107.99	92.57	88.01	103.97	106.26	83.60	83.75	84.40	78.84	84.05	94.71
Kotak Mahindra	00.00	35.42	38.72	35.20	38.39	38.40	34.70	48.70	53.50	61.30	68.60	41.17
YES Bank	00.00	00.00	68.79	84.80	53.05	68.31	98.84	162.38	222.03	174.77	177.42	100.94

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in Axis Bank average Business per employee was Rs. 108.60 million during the period of the study. While other banks like HDFC, Development Credit, ICICI, Indusind, Kotak Mahindra and Yes Bank average business per employee is less than Axis bank. Hence, we can conclude that the productivity of Axis bank is better than other bank in terms of Business per employee.

2. *Profit per Employee*

This ratio reveals the profit of an employee. If the average of the profit per employee increases then productivity of the bank will increases.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	0.82	0.80	0.80	0.86	0.75	0.83	1.00	1.20	1.40	1.40	1.50	1.03
Development Credit Bank	0.26	0.12	-1.10	-0.70	0.04	0.20	-0.40	-0.50	0.10	0.20	0.50	-0.11
HDFC	1.00	0.93	0.88	0.73	0.61	0.49	0.42	0.60	0.74	0.80	1.00	0.74
ICICI	1.10	1.20	1.10	1.00	0.90	1.00	1.10	0.90	1.00	1.10	1.40	1.07
Indusind	0.95	1.49	1.01	0.15	0.26	0.26	0.35	0.65	0.82	0.86	0.92	0.70
Kotak Mahindra	00.00	1.02	0.53	0.41	0.31	0.40	0.30	0.70	0.80	0.90	1.00	0.57
YES Bank	00.00	00.00	-0.18	0.88	0.38	0.63	1.14	1.68	2.09	2.04	2.10	0.97

(Source: Compiled personally from the RBI report 2002-13)

Above table and shows, that in ICICI Bank average Profit per employee was Rs. 1.07 million during the period of the study. While other banks like Axis, HDFC, Development Credit, Indusind, Kotak Mahindra and Yes Bank average Profit per employee is less than ICICI bank. Hence, we can conclude that the productivity of ICICI bank is better than other bank in terms of Profit per employee.

3. *Deposits per Employee*

This ratio reveals the deposit-collection capacity of an employee. If the average of the deposit per employee increases then productivity of the bank will increases

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	72.56202	60.78909	66.60786	61.21471	58.90381	59.45179	56.91141	65.29584	71.84154	69.3504	66.65091	64.50721636
Development Credit Bank	27.5584	31.09104	25.91484	24.42533	33.17055	27.18121	23.92842	30.08988	25.80589	30.8602	37.67477	28.88186636
HDFC	46.70424	53.60303	40.25914	37.50302	31.80053	26.95367	27.10566	32.26264	37.41326	37.33676	42.68627	37.60256545
ICICI	41.72644	50.04703	55.3658	64.79179	69.1786	60.07742	42.12362	49.19076	39.60085	43.84309	47.14631	51.19015545
Indusind	99.6292	66.15475	63.13914	63.45032	6.750861	66.35413	52.012	49.61954	49.03739	45.20971	47.04982	55.30971464
Kotak Mahindra	0	39.99103	20.48595	18.2541	20.23175	18.13204	19.01544	27.13142	28.13558	30.73086	37.46608	23.59765909
YES Bank	0	0	32.02899	46.41148	33.64716	42.13651	60.53688	92.21817	116.9226	87.11751	95.32403	55.12212091

(Source: Compiled personally from the RBI report 2002-13)

Above table shows, that in Axis Bank average deposits per employee was Rs. 64.50 million during the period of the study. While other banks like HDFC, Development Credit, ICICI, Indusind, Kotak Mahindra and Yes Bank average deposits per employee is less than Axis bank. Hence we can conclude that the productivity of Axis bank is better than other bank in terms of deposits per employee.

4. ***Advances per Employee***

This ratio reveals the advances capacity of an employee to provide the loans to their clients. If the average of the advances per employee increases then productivity of the bank will increases.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	30.71001	27.16275	32.77253	34.05158	36.9499	40.47832	39.54461	48.21668	54.06317	53.48777	51.96855	40.8550791
Development Credit Bank	18.74906	16.95622	14.34464	14.59734	19.96995	18.20582	16.85891	21.74544	19.69503	25.73989	29.66712	19.6844927
HDFC	24.53559	31.27975	28.31229	23.56567	21.85827	16.96544	18.76801	24.25042	28.69542	29.57503	34.54138	25.6679336
ICICI	46.15298	46.03424	50.69887	57.36607	58.78155	55.45298	42.11649	44.12331	37.97959	43.53897	46.76539	48.0918582
Indusind	61.96987	43.12463	43.33173	39.36575	42.41868	44.59742	37.09857	38.17685	37.33676	37.42156	38.53295	42.1249791
Kotak Mahindra	0	18.80717	19.13768	17.65082	20.09196	17.16935	20.20822	23.59734	28.20125	31.16364	35.58664	21.0558245
YES Bank	0	0	36.76329	38.38915	25.74703	29.93651	46.43617	76.36992	87.46144	67.3318	66.91287	43.2134709

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in ICICI Bank average advances per employee was Rs. 48.09 million during the period of the study which is better than other banks like HDFC, Development Credit, Indusind, Axis, Kotak Mahindra and Yes Bank .

5. ***Investment per Employee***

This ratio reveals the Investment of an employee by their convincing skills they force the employees to invest their banks by providing the attractive policies. If the average of the investment per employee increases then productivity of the bank will increases.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	33.53721	22.60806	31.60681	32.8506	26.9509	22.8679	22.46431	25.86636	27.33063	29.36294	30.0091	27.76862
Development Credit Bank	9.223813	14.48228	12.20226	10.10164	13.87678	9.552573	8.350669	12.68322	10.55658	12.264	15.12928	11.6748268
HDFC	27.94406	34.13185	2.142857	19.08455	14.2315	13.2119	11.16357	11.29502	12.72231	14.75315	16.08242	16.0693806
ICICI	30.71899	31.91711	28.00322	28.08077	27.38753	27.3937	19.88199	29.43723	23.64198	27.38005	27.61518	27.40525
Indusind	29.37428	26.47962	19.59076	22.87526	22.54879	23.1091	19.01529	19.32343	19.33619	15.55165	17.08764	21.2992736
Kotak Mahindra	0	25.8565	8.704145	7.93995	12.62093	10.09274	11.07354	14.21252	16.46288	17.19841	21.19927	13.2146259
YES Bank	0	0	19.08213	21.5311	12.5788	16.17143	26.64545	35.13386	47.92263	49.19762	61.18451	26.3134118

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in Axis Bank average investment per employee was Rs. 27.76 million during the period of the study which is better than other banks like HDFC, Development Credit, Indusind, ICICI, Kotak Mahindra and Yes Bank .

B*) Branch Productivity*

While evaluating the results in terms of in frastructural facilities utilized by the banks at various locations, places, again three indicators have been used. A brief summary of these ratios are as under:

(1) Deposits per Branch

A Branch is the initial organizational unit in any bank with similar environment and clientele. This also follows the similar policies, methodologies and structure in a particular bank. In order to smoothen out the individual differences, this seems to be a better unit for measuring productivity. It reflects the organizational effectiveness of the bank. Higher the deposit per branch, better the system of collection and vice-versa.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	1580.283	1505.501	1944.392	1924.473	2011.717	2528.95	2630.739	2322.902	2454.421	2380.816	2280.818	2142.27382
Development Credit Bank	960.0016	909.5995	678.8831	548.1429	559.5925	969.2163	669.1073	744.8773	970.3945	925.6509	1206.677	831.1039
HDFC	1927.542	1665.362	1631.879	2189.81	1957.438	2539.237	1652.49	1763.475	1821.213	1692.664	1708.823	1868.17573
ICICI	3298.286	3280.451	3080.683	4095.647	4779.423	3226.71	4171.38	1825.51	1632.445	1480.955	1455.577	2938.82427
Indusind	2052.022	2948.824	1513.92	1425.641	1468.506	1563.384	1813.182	1934.877	1831.193	1746.409	1855.553	1832.13736
Kotak Mahindra	0	963.2512	1505.061	1623.262	1897.513	1911.138	1268.786	1668.307	1691.185	2117.636	2094.915	1521.91402
YES Bank	0	0	4746.51	8861.6	3161.004	3164.36	2237.302	3125.008	4057.469	2762.051	2911.678	3184.27109

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in YES Bank average deposits per branch was Rs. 3184.27 million during the period of the study which is far better than like HDFC, Development Credit, Indusind, Axis, Kotak Mahindra and ICICI Bank.

(2) Profit *per Branch*

This ratio reveals the profit of a branch. This ratio has been computed by dividing the amount of total profit by the number of branches of the bank. Higher the profit per branch higher the productivity per branch.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	13.99387	14.90595	15.2352	16.1942	14.73425	18.79166	24.81829	25.08986	25.15512	26.12181	28.15825	20.2907691
Development Credit Bank	5.390938	2.272105	-18.5764	-9.83846	0.572473	4.298077	-7.06182	-7.23182	1.976364	3.601754	8.951613	- 1.42228873
HDFC	22.28372	17.88437	17.81704	21.0892	19.67113	24.58945	15.56156	17.93364	20.63856	20.70537	22.78431	20.0871227
ICICI	32.39388	38.97566	38.50854	45.25577	41.88394	32.01101	39.76185	21.47658	22.21014	23.00919	27.72527	33.0192573
Indusind	15.18241	40.68661	16.51787	2.429795	3.672324	3.825333	7.591071	15.01695	17.79121	19.05012	20.31063	14.7340294
Kotak Mahindra	0	27.73902	20.6013	18.90731	15.32245	19.90769	10.96933	23.97977	25.28875	31.09091	30.53812	20.3949682
YES Bank	0	0	-12.42	91.96	22.64244	29.18382	25.80458	32.33166	38.19353	32.24	34.46355	26.7635982

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in ICICI Bank average profit per branch was Rs. 33.019 million during the period of the study. While other banks like HDFC, Development Credit, Indusind, Axis, Kotak Mahindra and Yes Bank average profit per branch is less than ICICI bank. Hence we can conclude that the productivity of ICICI bank is better than other bank in terms of profit per branch.

(3) Deposits per Branch

A Branch is the initial organizational unit in any bank with similar environment and clientele. This also follows the similar policies, methodologies and structure in a particular bank. In order to smoothen out the individual differences, this seems to be a better unit for measuring productivity. It reflects the organizational effectiveness of the bank. This ratio has been computed by dividing the amount of total deposits by the number of branches of the bank. Higher the deposit per branch, better the system of collection and vice-versa.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	1238.321	1132.649	1268.48	1152.701	1157.205	1346.022	1412.444	1365.219	1290.844	1293.97	1251.182	1264.45791
Development Credit Bank	571.4063	588.6842	437.6404	343.2967	474.7312	584.1346	422.4455	435.2091	510.0182	555.7544	674.5	508.892782
HDFC	1040.744	1030.814	815.1121	1083.437	1025.495	1352.604	1004.301	964.3111	1043.454	966.3392	972.5772	1027.19896
ICICI	1228.801	1625.513	1938.233	2932.202	3219.413	1923.139	1522.649	1173.833	879.5404	917.0854	933.6745	1663.09848
Indusind	1592.222	1806.452	1032.598	1027.808	95.35135	976.2564	1128.077	1146.361	1063.944	1001.454	1038.708	1082.65743
Kotak Mahindra	0	1087.561	796.2963	841.7949	1000	902.4176	695.2889	929.4358	889.3921	1061.612	1144.143	849.812873
YES Bank	0	0	2210	4850	2004.878	1951.912	1370.288	1774.742	2136.693	1376.798	1564.383	1749.06309

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in YES Bank average deposits per branch was Rs. 1749.06 million during the period of the study. While other banks like HDFC, Development Credit, Indusind, Axis, Kotak Mahindra and ICICI Bank average deposits per branch is less than YES bank. Hence we can conclude that the productivity of YES bank is better than other bank in terms of deposits per branch

(4) Advances per Branch

In addition to employee skills, the loan policies as well as interest rates etc. of a particular bank also affect advances. This ratio reflects this aspect of the bank. This ratio has been computed by dividing the amount of total advances by the number of branches of the bank. Higher the advances per branch, better the advance policies and hence the productivity.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	524.0876	506.1081	624.12	641.2069	725.9055	916.4516	981.4296	1008.125	971.4038	997.9982	975.5622	806.581682
Development Credit Bank	388.75	321.0526	242.2472	205.1648	285.8065	391.25	297.6364	314.5182	389.2455	463.5439	531.1371	348.213836
HDFC	546.7442	601.5254	573.2287	680.7961	704.8799	851.3691	695.3797	724.8306	800.3137	765.4524	787.0013	702.865555
ICICI	1359.158	1495.179	1774.854	2596.146	2735.559	1775.106	1522.391	1052.909	843.5318	910.724	926.1308	1544.69896
Indusind	990.3704	1177.581	708.6614	637.6712	599.1351	656.1538	804.6224	882	810.0805	828.9362	850.6833	813.263209
Kotak Mahindra	0	511.4634	743.8889	813.9744	993.0909	854.5055	738.9022	808.3696	891.4681	1076.562	1086.749	774.452182
YES Bank	0	0	2536.667	4011.667	1534.146	1386.765	1051.11	1469.742	1598.307	1064.106	1098.121	1431.87555

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in ICICI Bank average advances per branch was Rs. 1544.69 million during the period of the study. While other banks like HDFC, Development Credit, Indusind, Axis, Kotak Mahindra and YES Bank average advances per branch is less than ICICI bank. Hence we can conclude that the productivity of ICICI bank is better than other bank in terms of advances per branch.

(4) Investment per Branch

This ratio reveals the investment capacity of a branch. This ratio has been computed by dividing the amount of total investment by the number of branches of the bank. Higher the investment per branch higher the productivity per branch.

Banks/Years	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Average
Axis Bank	572.3358	421.2432	601.92	618.592	529.4685	517.7419	557.5259	540.8193	491.075	547.8665	563.3358	541.993082
Development Credit Bank	191.25	274.2105	206.0674	141.978	198.6022	205.2885	147.4273	183.4455	208.6364	220.8596	270.8629	204.420755
HDFC	622.6977	656.3729	43.38565	551.3398	458.9339	663.0067	413.6252	337.6014	354.8244	381.8367	366.4268	440.913741
ICICI	904.6429	1036.659	980.3301	1270.817	1274.553	876.9001	718.6771	702.4567	525.0916	572.7207	546.8845	855.430245
Indusind	469.4444	723.0645	320.3937	370.5479	318.4865	340	412.4184	446.4292	419.5294	344.4894	377.2399	412.913027
Kotak Mahindra	0	703.1707	338.3333	366.1538	623.8182	502.3077	404.8978	486.8755	520.4073	594.1267	647.3857	471.588791
YES Bank	0	0	1316.667	2250	749.5122	749.1176	603.1356	676.1523	875.7581	777.5154	1004.112	818.360927

(Source: Compiled personally from the RBI report 2002-13)

Above table shows that in ICICI Bank average investment per branch was Rs. 855.43 million during the period of the study. While other banks like HDFC, Development Credit, Indusind, Axis, Kotak Mahindra and YES Bank average investment per branch is less than ICICI bank. Hence, we can conclude that the productivity of ICICI bank is better than other bank in terms of investment per branch.

Conclusion

Every organization performs its task with the help of resources as men, machine, materials and money. Except work force other resources are non-living but manpower is a live and generating resource. Work force utilizes other resources and gives output. If work force is not available then other resources are useless and cannot produce anything. Out of all the factors of production work force has the highest priority, is the most significant factor of production, and plays a pivotal role in areas of productivity and quality.

The major transformation has been undergone in the banking sector after 1991 when the introduction of liberalization and financial reforms in the financial sector. The main objectives focused to the reform in making the banking sector more competitive, profitable and productive. As per RBI reports “A profile of banks 2001-06, a profile of banks 2006-10, a profile of banks 2008-13” some of the Indian banks would become international and also the greater presence would be there of international banks in India.

Increment in productivity is the only key to success in the competitive environment. In this study the research analysed the new private sector banks during the period of 2002 to 2013.

The conclusion of the study is that the though the productivity per employee of Axis bank is far better than other selected new private sector banks in perspective of business, deposits ,investments. While per branch, productivity of ICICI bank is far better than other selected new private sector banks in perspective of investment, advances and profit.

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