



PRODUCTIVITY APPRAISAL: AN EMPIRICAL STUDY OF SELECTED COMMERCIAL BANKS IN INDIA

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ABSTRACT :

The Indian Banking Industry is full of competition due to liberalization and its performance is the vital indicator of economic performance of the country. Employee productivity is an important criterion to measure the performance of banks. So the present paper intends to analyze employee productivity of sixteen private sector banks during the second reform phase. The parameters used to depict employee productivity are net profit per employee, spread per employee, interest income per employee, total expenditure per employee and deposits per employee. The tools used to measure employee productivity include Herfindahl's Index of Concentration and Exponential Growth Rate (EGR). The result depicts that Federal bank occupies the first rank in terms of net profit per employee and spread per employee because the Exponential Growth Rate of Federal Bank is highest among all the private sector banks with respect to these two variables. Among all the banks only IndusInd bank is showing negative exponential growth rate in respect to spread per employee variable. In regard to exponential growth rate of interest income per employee and deposit per employee, South Indian Bank is at first rank. Furthermore with respect to total expenditure per employee Nainital Bank is at top position and IndusInd Bank occupies last rank i.e., it is at better position than other banks.



KEYWORDS : Employee Productivity, Second Reform Phase, Private Sector Banks, Herfindahl's Index of Concentration, Exponential Growth Rate.

INTRODUCTION

In pursuance of the long term vision of developing sound, competitive and inclusive and customer friendly banking sector, the reserve bank will continue with the on-going regulatory and supervisory reforms and also explore newer areas. Banks have been making all efforts to reduce their non-performing assets through various legal channels like resolutions through Lok Adalats, Debt Recovery Tribunals (DRT) etc. As part of the framework for revitalizing distressed assets, on June 13, 2016, the Reserve Bank introduced the Scheme for Sustainable Structuring of Stressed Assets (S4A). Banks act as an intermediary in channelizing funds from surplus units to deficit units. The II Reforms phase, i.e., Post Liberalization Era started in 1998-99. Since employee productivity has become a measure area of concern for the development and management of banking sector. Therefore it is important to analyze whether employee productivity of banks has improved after the second reform phase.

Employee productivity measures the productivity of input of a number of employees for output factors like income, expenditure, and spread etc. The ratio is calculated by dividing the required parameters

of employee productivity by the number of employees. Since employee productivity is an important criteria to measure the performance of banks. Therefore, in the present study attempt has been made to analyse the employee productivity of private sector banks in India.

REVIEW OF LITERATURE

By studying various studies related to productivity an insight is developed regarding the factors which have impact on banks' productivity. Some of the important studies are reviewed here:

Kumbhakar and Kapoor (2003) studies the relationship between deregulation and total factor productivity (TFP) growth in the Indian banking industry using a generalized shadow cost function approach. Data contain 27 PSB and 23 Private Sector Banks over 1985–96 that covers both pre- and post-deregulation periods. Study reveals that a significant decline in regulatory distortions and the anticipated increase in TFP growth have not yet materialized following deregulation. While private sector banks have improved their performance mainly due to the freedom to expand output, public sector banks have not responded well to the deregulation measures.

Ram Mohan and Ray (2004) attempt to examine comparison between PSBs and their private sector counterparts based on measures of productivity. They employ two measures of productivity: Tornqvist and Malmquist total factor productivity growth. They attempt these comparisons over the period 1992-2000, comparing PSBs with both domestic private and foreign banks.. Study reveals that PSBs are seen to be at a disadvantage in only one out of six comparisons. It is difficult, therefore, to sustain the proposition that efficiency and productivity have been lower in public sector banks relative to their peers in the private sector.

Rao (2011) attempts to analyse the various elements of spread of banks under five different categories, i.e. , nationalized banks, SBI group, new private banks, old private banks and foreign banks from 2006-11. One Way Anova is used for doing analysis. The analysis reveals that there is a significant difference between the spread margins of the different categories of bank.

Yadagiri and Srinivas (2012) analysed the financial performance of Indian public sector banks with reference to deposits, advances, business per employee, profit per employee, return on assets and capital adequacy ratio etc. The study includes 28 public sector banks operating in India. On the basis of result, paper suggest that the performance of public sector banks can be enhanced by introducing good governance through articulating corporate values, code of conducts etc.

Seshadri et al. (2013) analysed the productivity and efficiency of two public and two private sector commercial banks under accounting measures for the period from 1999-2000 to 2012-2013. The banks selected for study include SBI, Andhra Bank, Axis Bank and ICICI. The result reveals that the public sector banks like State bank of India and Andhra bank operational efficiency ratios are higher than the private sector banks like Axis bank and ICICI banks.

Singh and Kamlesh (2013) analyzed the employee productivity of the private sector banks using eight parameter like profit, deposit, advances, spread, burden, total income, business and total expenses and statistical tools like average, standard deviation, coefficient of variation, exponential growth rate and trend analysis have been used for analyzing the data. The time period selected for the study is 2002-2012. The result reveals that the performance of the private banks on all the eight variables has shown an increasing trend.

Singla (2013) analyses the published five-year data from 2007-08 to 2011-12 for the three private sector banks, i.e., ICICI Bank, HDFC Bank and Axis Bank. The methodology involves calculation of three per employee and three per branch ratios so as to reflect the inherent operational differences of the three selected private banks. The study concludes that though the per employee productivity of ICICI bank is far better than other selected private sector bank, but per branch productivity of ICICI bank is less than the other selected banks.

Vaishali and Dangwal (2013) intend to analyze productivity of two major player of public and private sector banks, i.e., State Bank of India and ICICI, during the second reform phase from 2007-08 to 2011-12. In

order to analyse the productivity, parameters of branch productivity and employee productivity have been taken up for the study. Herfindahl's Index of Concentration is applied to analyse the productivity. The study has revealed that the ICICI is better than the SBI in both the parameters of employee productivity and branch productivity. It is only the spread per employee where the SBI is found to be slightly higher than the ICICI. But as the ICICI has higher total expenditure per branch than the SBI, i.e., it leads to lower profit for the ICICI.

The above review of literature indicates that there are number of valuable studies related to various parameters of productivity but there is a need to conduct a systematic and comprehensive research with respect to employee productivity parameter of productivity to fill the gap. Hence, the proposed study has been selected for the research purpose.

OBJECTIVES OF THE STUDY

The main objectives of the study are as under:

- To evaluate the Employee Productivity of private sector banks in India during the second reform phase.
- To investigate the factors affecting the Employee Productivity of private sector banks.

RESEARCH METHODOLOGY

Sample Size

For the analysis purpose sample of sixteen private sector banks are selected from the Universe of private sector banks in India. Among the sixteen private sector banks there are five new private sector banks and eleven old private sector banks selected in the study. Random Sampling technique is used for the study. The samples of the banks selected in the study are as follows:

S. No.	Private Sector Banks
1	Axis Bank (AXB)
2	City Union Bank (CUB)
3	Dhanlaxmi Bank (DB)
4	Development Credit Bank (DCB)
5	Federal Bank (FB)
6	HDFC Bank (HDFC)
7	ICICI Bank (ICICI)
8	IndusInd Bank (IIB)
9	ING Vysya Bank (IVB)
10	Jammu and Kashmir Bank (JKB)
11	Karnataka Bank (KB)
12	Karur Vysya Bank (KVB)
13	Lakshmi Vilas Bank (LVB)
14	Nainital Bank (NB)
15	Ratnakar Bank (RB)
16	South Indian Bank (SIB)

* The name of UTI Bank has been changed to Axis Bank from July 30, 2007.

* ING Vysya Bank formed in 2002 by purchase of an equity stake in Vysya Bank by Dutch ING Group.

Data Collection

The study is based on the secondary data. The data is collected through Report on Trend and Progress of Banking in India and Statistical Tables relating to Banks in India.

Tools of Analysis

To evaluate the Employee Productivity, Herfindahl's Index of Concentration and Exponential growth rate were applied. Software package MS Excel is also used. To analyze the Employee Productivity five parameters have been selected i.e., net profit per employee, spread per employee, interest income per employee, total expenditure per employee and deposits per employee.

Data Analysis

Net Profit per Employee during the Period Selected for Study

Table 1 shows the data in relation to profit per employee of private sector banks for the period 1998-99 to 2012-13. As shown in table, the overall concentration index has declined from 0.16171 in 1998-99 to 0.07575 in 2012-13. During the study period the maximum share to overall index is of ICICI Bank (44.79%) in 2011-12 and the minimum share to overall index is of Development Credit Bank (-23.83%) in the year 2004-05. In the year 1998-99 the maximum share of concentration index with respect to net profit per employee is made by HDFC Bank (37.12%) followed by IndusInd Bank (26.78%) and ICICI Bank (18.91%). On the other side the minimum share is of Federal Bank and South Indian Bank both having concentration index of (0.01%) followed by Dhanlaxmi Bank (0.02%) and third lowest rank is occupied by Nainital Bank and ING Vysya Bank with concentration index (0.09%). In the middle of the study i.e., 2005-06 the maximum share is of ICICI Bank (31.83%) followed by Axis Bank (17.53%) and HDFC Bank (10.95%) and the minimum share is obtained by Development Credit Bank (-14.20%) followed by Ratnakar Bank and ING Vysya Bank, both having (0.01%) and third lowest rank is occupied by Dhanlaxmi Bank (0.14%). In the year 2012-13 the maximum share to overall index is made by Axis Bank, i.e., 16.76% followed by ICICI Bank (16.15%) and Jammu and Kashmir Bank (11.31%). Whereas the minimum share of concentration index is of Dhanlaxmi Bank (0.01%) followed by Laxmi Vilas Bank (0.76%) and Development Credit Bank (1.89%). There are banks that have shown relative share of net losses during the study period. These banks include Dhanlaxmi Bank in the year 2004-05 and 2011-12, Development Credit Bank in 2004-05, 2005-06, 2008-09 and 2009-10, ING Vysya Bank in 2004-05 and Ratnakar Bank in 2004-05. The eight banks have recorded higher EGR than the group EGR of private sector banks in terms of net profit per employee i.e., 12.13%. Exponential growth rate is highest in Federal Bank (38.13%) followed by South Indian Bank (28.62%) and it is lowest in Dhanlaxmi Bank (-8.11%) followed by HDFC Bank (-0.20%). The comparative analysis between public and private sector banks with respect to net profit per employee parameter shows that the public sector banks are better placed than the private sector banks because the group EGR of net profit per employee of public sector banks (15.05%) is higher than the group EGR of private sector banks (12.13%).

Table 1: Net Profit per Employee of Private Sector Banks

Concentration Index (C.I.)																	
S.N.	Year Banks	1998-99		1999-2000		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06	
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%
1	AXB	0.02178	13.49	0.01706	11.91	0.02149	16.89	0.01639	15.12	0.01533	15.06	0.01095	10.06	0.01131	10.03	0.01794	17.53
2	CUB	0.00049	0.30	0.00078	0.55	0.00101	0.79	0.00118	1.09	0.00127	1.26	0.00280	2.57	0.00238	2.11	0.00403	3.96
3	DB	0.00004	0.02	0.00024	0.17	0.00010	0.09	0.00016	0.16	0.00030	0.29	0.00029	0.28	0.00061	0.54	0.00015	0.14
4	DCB	0.00168	1.04	0.00182	1.27	0.00222	1.74	0.00174	1.60	0.00153	1.50	0.00024	0.22	0.02690	23.83	0.01453	14.20
5	FB	0.00001	0.01	0.00018	0.13	0.00038	0.31	0.00046	0.43	0.00064	0.64	0.00077	0.72	0.00044	0.39	0.00408	3.99
6	HDFC	0.06003	37.12	0.03294	22.99	0.03014	23.69	0.01703	15.71	0.02310	22.69	0.01356	12.46	0.01243	11.01	0.01121	10.95
7	ICICI	0.03059	18.91	0.02191	15.29	0.04440	34.88	0.00301	2.77	0.02473	24.28	0.02435	22.36	0.02790	24.72	0.03257	31.83
8	IIB	0.04331	26.78	0.06257	43.66	0.01981	15.57	0.01275	11.76	0.02048	20.11	0.04032	37.03	0.02280	20.22	0.00078	0.76
9	IVB	0.00015	0.09	0.00020	0.15	0.00016	0.13	0.04413	40.68	0.00074	0.73	0.00025	0.23	0.00015	0.13	0.00001	0.01
10	JKB	0.00111	0.69	0.00130	0.91	0.00270	2.13	0.00432	3.99	0.00512	5.03	0.00552	5.07	0.00063	0.56	0.00219	2.16
11	KB	0.00070	0.43	0.00073	0.51	0.00050	0.39	0.00129	1.19	0.00147	1.44	0.00160	1.47	0.00256	2.28	0.00537	5.27
12	KVB	0.00111	0.69	0.00241	1.68	0.00258	2.04	0.00388	3.59	0.00441	4.35	0.00537	4.93	0.00321	2.85	0.00708	6.92
13	LVB	0.00032	0.21	0.00067	0.46	0.00077	0.60	0.00065	0.61	0.00067	0.65	0.00074	0.68	0.00001	0.01	0.00047	0.46
14	NB	0.00015	0.09	0.00017	0.12	0.00025	0.19	0.00020	0.19	0.00034	0.34	0.00068	0.65	0.00078	0.69	0.00124	1.21
15	RB	0.00018	0.12	0.00014	0.10	0.00022	0.17	0.00043	0.40	0.00074	0.72	0.00042	0.38	0.00068	0.60	0.00001	0.01
16	SIB	0.00001	0.01	0.00014	0.10	0.00050	0.39	0.00077	0.71	0.00093	0.91	0.00095	0.89	0.00001	0.01	0.00061	0.60
Total		0.16171	100	0.14332	100	0.12729	100	0.10847	100	0.10186	100	0.10887	100	0.11287	100	0.10233	100

Continued

Table 1: Net Profit per Employee of Private Sector Banks

Concentration Index (C.I.)																EGR
S.N.	Year Banks	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	%
1	AXB	0.01405	15.53	0.01124	14.27	0.01084	15.05	0.01691	21.13	0.01814	22.45	0.01102	12.22	0.01270	16.76	5.88
2	CUB	0.00475	5.27	0.00465	5.92	0.00355	4.95	0.00433	5.43	0.00632	7.82	0.00431	4.78	0.00491	6.49	16.04
3	DB	0.00043	0.47	0.00086	1.10	0.00235	3.27	0.00006	0.09	0.00005	0.06	0.00068	0.75	0.00001	0.01	-8.11
4	DCB	0.00005	0.05	0.00062	0.78	0.00287	3.99	0.00304	3.80	0.00010	0.13	0.00044	0.49	0.00143	1.89	7.22
5	FB	0.00758	8.39	0.00597	7.57	0.00612	8.49	0.00433	5.41	0.00550	6.80	0.00486	5.39	0.00472	6.23	38.13
6	HDFC	0.00909	10.07	0.00384	4.87	0.00254	3.54	0.00404	5.04	0.00547	6.77	0.00377	4.19	0.00639	8.45	-0.20
7	ICICI	0.02807	31.02	0.02221	28.17	0.01652	22.93	0.01633	20.40	0.00902	11.16	0.04040	44.79	0.01223	16.15	4.53
8	IIB	0.00219	2.44	0.00144	1.83	0.00170	2.36	0.00530	6.63	0.00749	9.27	0.00451	5.01	0.00579	7.65	0.62
9	IVB	0.00095	1.05	0.00160	2.03	0.00134	1.86	0.00196	2.45	0.00234	2.90	0.00137	1.52	0.00290	3.83	18.35
10	JKB	0.00521	5.76	0.00481	6.11	0.00403	5.60	0.00540	6.75	0.00663	8.20	0.00464	5.15	0.00856	11.31	15.07
11	KB	0.00508	5.61	0.00568	7.22	0.00406	5.64	0.00127	1.59	0.00137	1.71	0.00100	1.13	0.00205	2.72	11.61
12	KVB	0.00764	8.45	0.00720	9.15	0.00060	0.85	0.00811	10.16	0.00912	11.28	0.00481	5.34	0.00455	6.01	12.80
13	LVB	0.00026	0.29	0.00031	0.41	0.00378	5.25	0.00016	0.21	0.00163	2.02	0.00075	0.85	0.00057	0.76	9.87
14	NB	0.00263	2.93	0.00352	4.46	0.00406	5.66	0.00492	6.15	0.00438	5.44	0.00318	3.53	0.00258	3.40	17.92
15	RB	0.00009	0.10	0.00208	2.64	0.00259	3.59	0.00092	1.14	0.00020	0.27	0.00150	1.68	0.00168	2.23	15.72
16	SIB	0.00233	2.57	0.00274	3.47	0.00500	6.97	0.00289	3.62	0.00299	3.72	0.00287	3.18	0.00463	6.11	28.62
Total		0.09048	100	0.07884	100	0.07203	100	0.08005	100	0.08084	100	0.09018	100	0.07575	100	12.13

Source: Calculated

*Italic and bold figures show relative share of net losses.

Private Sector Banks – Spread per Employee

The data pertaining to spread per employee of private sector banks for the period 1998-99 to 2012-13 is presented in Table 2. As shown in table, the overall concentration index has declined from 0.14034 in 1998-99 to 0.06619 in 2012-13. During the study period the maximum share to overall index is of IndusInd Bank (48.93%) in 1999-2000 and the minimum share to overall index is of Federal Bank i.e., 0.13% in the year 1998-99. In the year 1998-99 the maximum share to overall concentration index is made by IndusInd Bank (47.19%) followed by HDFC Bank (21.39%) and Axis Bank 13.33%. Whereas in 1998-99 the minimum share of concentration index is obtained by Federal Bank (0.13%) followed by ING Vysya Bank (0.16%) and Dhanlaxmi Bank and South Indian Bank both obtain the third last rank with concentration index 0.31%. In the middle of the study i.e., 2005-06 the maximum share of concentration index is of ICICI Bank (18.21%) followed by HDFC Bank (15.61%) and Axis Bank 14.43% obtaining the highest first, second and third rank respectively. On the other side in the year 2005-06, the minimum share of concentration index is obtained by Ratnakar Bank (1.62%) followed by Laxmi Vilas Bank (1.69%) and Development Credit Bank (1.84%) obtaining the lowest first, second and third rank respectively. In the year 2012-13 the maximum share to overall index is made by Axis Bank, i.e., 11.91% followed by Jammu Kashmir Bank (11.12%) and HDFC Bank (9.51%) and the minimum share to overall index is made by Dhanlaxmi Bank (2.07%) followed by Laxmi Vilas Bank (2.83%) and Development Credit Bank (3.01%). The five banks namely, Axis Bank, Development Credit Bank, HDFC Bank, ICICI Bank and IndusInd Bank have recorded lower EGR than the group EGR of private sector banks in terms of spread per employee i.e., 10.54%. Exponential growth rate is highest in Federal Bank (18.91%) followed by ING Vysya Bank (16.80%) and it is lowest in IndusInd Bank (-2.18%) followed by HDFC Bank (1.78%). It is only the IndusInd Bank which has shown negative exponential growth rate among private sector banks. The group EGR of public sector banks in terms of spread per employee is 13.88% and private sector banks group EGR is 10.54%. This indicates that the spread per employee of public sector banks is better than the private sector banks. The analysis also reveals that during the period of the study if comparative analysis is made between concentration index of initial year (1998-99) and the last year (2012-13), the concentration index of all the banks increases except four banks namely, ICICI Bank, Axis Bank, HDFC Bank and IndusInd Bank.

Table 2: Spread per Employee of Private Sector Banks

Concentration Index (C.I.)																	
S.N.	Year Banks	1998-99		1999-2000		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06	
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%
1	AXB	0.01870	13.33	0.01007	7.12	0.00395	3.19	0.01090	11.06	0.01215	12.85	0.01248	14.42	0.01015	12.81	0.01045	14.43
2	CUB	0.00035	0.25	0.00079	0.57	0.00090	0.73	0.00130	1.32	0.00141	1.49	0.00220	2.54	0.00256	3.24	0.00292	4.04
3	DB	0.00044	0.31	0.00055	0.39	0.00053	0.44	0.00090	0.91	0.00106	1.14	0.00127	1.47	0.00134	1.69	0.00138	1.91
4	DCB	0.00168	1.22	0.00130	0.93	0.00263	2.13	0.00373	3.78	0.00185	1.95	0.00204	2.36	0.00092	1.16	0.00133	1.84
5	FB	0.00018	0.13	0.00052	0.37	0.00081	0.65	0.00158	1.61	0.00189	2.02	0.00203	2.34	0.00259	3.27	0.00342	4.74
6	HDFC	0.03002	21.39	0.04003	28.29	0.02465	19.93	0.02293	23.27	0.02991	31.59	0.02583	29.86	0.01669	21.05	0.01131	15.61
7	ICICI	0.01683	11.99	0.01282	9.07	0.03947	31.91	0.00477	4.85	0.00972	10.27	0.00885	10.22	0.01053	13.28	0.01319	18.21
8	IIB	0.06623	47.19	0.06924	48.93	0.04313	34.86	0.03948	40.08	0.02413	25.49	0.01628	18.82	0.01676	21.14	0.00685	9.46
9	IVB	0.00023	0.16	0.00023	0.17	0.00045	0.37	0.00092	0.95	0.00131	1.39	0.00121	1.41	0.00248	3.14	0.00375	5.18
10	JKB	0.00166	1.18	0.00138	0.98	0.00173	1.39	0.00369	3.75	0.00350	3.69	0.00354	4.11	0.00324	4.08	0.00364	5.03
11	KB	0.00082	0.59	0.00052	0.38	0.00079	0.64	0.00093	0.95	0.00081	0.87	0.00114	1.33	0.00224	2.83	0.00273	3.79
12	KVB	0.00105	0.75	0.00167	1.18	0.00169	1.37	0.00270	2.75	0.00227	2.39	0.00505	5.85	0.00359	4.54	0.00365	5.04
13	LVB	0.00046	0.35	0.00065	0.46	0.00067	0.55	0.00082	0.84	0.00075	0.79	0.00085	0.99	0.00131	1.67	0.00122	1.69
14	NB	0.00070	0.50	0.00063	0.44	0.00068	0.56	0.00128	1.31	0.00137	1.45	0.00139	1.62	0.00157	1.99	0.00266	3.67
15	RB	0.00046	0.35	0.00044	0.32	0.00066	0.54	0.00109	1.11	0.00090	0.96	0.00080	0.93	0.00103	1.32	0.00117	1.62
16	SIB	0.00044	0.31	0.00057	0.40	0.00091	0.74	0.00143	1.46	0.00156	1.66	0.00148	1.73	0.00220	2.79	0.00270	3.74
Total		0.14034	100	0.14149	100	0.12373	100	0.09851	100	0.09467	100	0.08652	100	0.07927	100	0.07245	100

Continued

Table 2: Spread per Employee of Private Sector Banks

Concentration Index (C.I.)																EGR
S.N.	Year Banks	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	%
1	AXB	0.00844	11.99	0.01023	15.06	0.00798	11.50	0.01197	16.62	0.01012	14.89	0.00820	10.89	0.00788	11.91	4.27
2	CUB	0.00274	3.89	0.00296	4.37	0.00250	3.60	0.00256	3.56	0.00359	5.29	0.00286	3.82	0.00329	4.97	15.28
3	DB	0.00174	2.48	0.00183	2.71	0.00187	2.71	0.00041	0.57	0.00085	1.27	0.00065	0.86	0.00137	2.07	11.41
4	DCB	0.00149	2.13	0.00201	2.96	0.00257	3.72	0.00714	9.90	0.00124	1.83	0.00158	2.11	0.00199	3.01	7.94
5	FB	0.00474	6.73	0.00519	7.65	0.00755	10.88	0.00584	8.12	0.00723	10.65	0.00640	8.52	0.00467	7.06	18.91
6	HDFC	0.01022	14.52	0.00650	9.56	0.00495	7.15	0.01185	16.44	0.00587	8.65	0.00445	5.92	0.00629	9.51	1.78
7	ICICI	0.01358	19.29	0.01071	15.77	0.01462	21.06	0.00177	2.46	0.00411	6.06	0.02321	30.85	0.00605	9.16	3.70
8	IIB	0.00369	5.24	0.00365	5.38	0.00291	4.19	0.00606	8.42	0.00633	9.33	0.00424	5.64	0.00457	6.92	-2.18
9	IVB	0.00255	3.63	0.00252	3.73	0.00284	4.11	0.00412	5.72	0.00348	5.13	0.00201	2.68	0.00326	4.94	16.80
10	JKB	0.00433	6.14	0.00382	5.62	0.00429	6.19	0.00462	6.42	0.00620	9.13	0.00506	6.74	0.00736	11.12	12.67
11	KB	0.00304	4.32	0.00320	4.72	0.00260	3.75	0.00091	1.27	0.00183	2.70	0.00191	2.55	0.00246	3.74	11.25
12	KVB	0.00382	5.42	0.00352	5.18	0.00271	3.91	0.00409	5.68	0.00462	6.79	0.00335	4.46	0.00359	5.42	11.73
13	LVB	0.00156	2.23	0.00118	1.75	0.00099	1.43	0.00196	2.74	0.00316	4.66	0.00133	1.77	0.00187	2.83	12.34
14	NB	0.00406	5.78	0.00428	6.31	0.00447	6.45	0.00408	5.66	0.00420	6.18	0.00351	4.67	0.00378	5.71	13.36
15	RB	0.00128	1.83	0.00338	4.98	0.00313	4.53	0.00156	2.17	0.00325	4.78	0.00254	3.37	0.00232	3.51	13.11
16	SIB	0.00309	4.39	0.00289	4.26	0.00334	4.82	0.00305	4.25	0.00181	2.66	0.00387	5.15	0.00537	8.12	16.22
Total		0.07042	100	0.06794	100	0.06940	100	0.07208	100	0.06797	100	0.07524	100	0.06619	100	10.54

Source: Calculated

INTEREST INCOME PER EMPLOYEE OF PRIVATE SECTOR BANKS

The relevant data pertaining to interest income per employee of private sector banks for the period 1998-99 to 2012-13 is presented in table 3. As shown in table, the overall concentration index has declined from 0.15498 in 1998-99 to 0.06393 in 2012-13. During the study period the maximum share to overall index is of IndusInd Bank (62.73%) in 1999-2000 and the minimum share to overall index is of Nainital Bank (0.14%) in 1998-99. In the year 1998-99 the maximum share of concentration index with respect to interest income per employee is made by IndusInd Bank (59.71%) followed by Axis Bank (16.65%) and ICICI Bank (11.95%). On the other side the minimum share is of Nainital Bank (0.14%) followed by Ratnakar Bank (0.16%) and Laxmi Vilas Bank (0.29%). In the middle of the study i.e., 2005-06 the maximum share is of ICICI Bank (23.27%) followed by IndusInd Bank (18.63%) and Axis Bank (14.34%). Whereas the minimum share to overall index is of Ratnakar Bank (1.23%) followed by Nainital Bank (1.60%) and Dhanlaxmi Bank (1.69%). In the year 2012-13 the maximum share to overall index is made by South Indian Bank, i.e., 9.78% followed by Axis Bank (9.48%) and Jammu and Kashmir Bank (7.85%) occupying the highest first, second and the third rank respectively. In the year 2012-13 the minimum share is of Development Credit Bank (3.15%) followed by Ratnakar Bank and Nainital Bank, both with concentration index (4.12%) and Dhanlaxmi Bank occupies the third lowest rank with concentration index 4.68%. The five banks i.e., Axis Bank, Development Credit Bank, HDFC Bank, ICICI Bank and IndusInd Bank have recorded lower EGR than the group EGR of private sector banks in terms of interest income per employee i.e., 8.47%. If the concentration index of 1998-99 and 2012-13 is compared all the private banks show increase in concentration index in 2012-13 except four banks i.e., ICICI Bank, Axis Bank, HDFC Bank and IndusInd Bank. Exponential growth rate is highest in South Indian Bank (14.28%) followed by Nainital Bank (13.82%) and Ratnakar Bank (13.36%). Exponential growth rate is lowest in IndusInd Bank (-5.78%) followed by Axis Bank (-0.03%) and ICICI Bank (0.39%). The exponential growth rate is low for IndusInd Bank, Axis Bank and ICICI Bank because with time period other private banks have occupied the good share of concentration index. Among the private sector banks the exponential growth rate with respect to interest income per employee is negative for two banks i.e., Axis Bank and IndusInd Bank. Public sector banks take the lead in terms of interest income per employee with group EGR 14.56% and the group EGR of private sector banks is 8.47%.

Table 3: Interest Income per Employee of Private Sector Banks

Concentration Index (C.I.)																	
S.N.	Year Banks	1998-99		1999-2000		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06	
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%
1	AXB	0.02581	16.65	0.01792	11.93	0.02122	16.79	0.02449	23.07	0.01688	16.93	0.01130	13.28	0.01037	13.13	0.01093	14.34
2	CUB	0.00060	0.38	0.00070	0.46	0.00070	0.57	0.00126	1.19	0.00118	1.19	0.00208	2.46	0.00260	3.29	0.00232	3.06
3	DB	0.00052	0.35	0.00058	0.39	0.00069	0.55	0.00106	0.99	0.00090	0.91	0.00110	1.31	0.00136	1.73	0.00129	1.69
4	DCB	0.00148	0.97	0.00175	1.17	0.00345	2.75	0.00412	3.89	0.00315	3.16	0.00319	3.76	0.00258	3.27	0.00264	3.46
5	FB	0.00091	0.59	0.00078	0.52	0.00080	0.64	0.00145	1.37	0.00137	1.38	0.00187	2.19	0.00214	2.72	0.00286	3.75
6	HDFC	0.01027	6.65	0.01232	8.21	0.01001	7.94	0.01079	10.18	0.01193	11.96	0.01076	12.65	0.00745	9.44	0.00509	6.69
7	ICICI	0.01853	11.95	0.01678	11.18	0.02440	19.31	0.00404	3.81	0.02833	28.39	0.02277	26.75	0.01704	21.57	0.01775	23.27
8	IIB	0.09255	59.71	0.09420	62.73	0.05915	46.79	0.04825	45.46	0.02636	26.43	0.01809	21.26	0.01842	23.32	0.01421	18.63
9	IVB	0.00070	0.45	0.00077	0.52	0.00079	0.63	0.00152	1.45	0.00154	1.55	0.00200	2.35	0.00282	3.58	0.00353	4.63
10	JKB	0.00060	0.39	0.00082	0.55	0.00103	0.82	0.00226	2.14	0.00173	1.74	0.00245	2.89	0.00322	4.08	0.00351	4.60
11	KB	0.00077	0.52	0.00083	0.56	0.00096	0.76	0.00167	1.58	0.00151	1.53	0.00207	2.43	0.00232	2.94	0.00308	4.06
12	KVB	0.00076	0.49	0.00097	0.65	0.00097	0.77	0.00148	1.39	0.00142	1.42	0.00275	3.24	0.00280	3.56	0.00281	3.69
13	LVB	0.00044	0.29	0.00055	0.37	0.00063	0.49	0.00102	0.97	0.00080	0.80	0.00115	1.35	0.00151	1.92	0.00166	2.18
14	NB	0.00023	0.14	0.00024	0.16	0.00029	0.24	0.00050	0.47	0.00051	0.52	0.00071	0.84	0.00090	1.16	0.00122	1.60
15	RB	0.00026	0.16	0.00034	0.22	0.00048	0.38	0.00074	0.69	0.00064	0.64	0.00079	0.92	0.00091	1.16	0.00093	1.23
16	SIB	0.00048	0.31	0.00055	0.38	0.00078	0.62	0.00144	1.35	0.00146	1.46	0.00197	2.32	0.00247	3.13	0.00237	3.12
Total		0.15498	100	0.15017	100	0.12641	100	0.10618	100	0.09978	100	0.08513	100	0.07900	100	0.07627	100

Continued

Table 3: Interest Income per Employee of Private Sector Banks

Concentration Index (C.I.)																EGR
S.N.	Year Banks	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	%
1	AXB	0.00902	11.72	0.00734	9.88	0.00678	9.48	0.00751	10.83	0.00784	11.84	0.00624	8.55	0.00606	9.48	-0.03
2	CUB	0.00197	2.57	0.00249	3.35	0.00270	3.78	0.00352	5.08	0.00439	6.64	0.00334	4.58	0.00394	6.16	11.84
3	DB	0.00139	1.81	0.00165	2.23	0.00208	2.92	0.00069	0.99	0.00145	2.21	0.00209	2.88	0.00297	4.68	11.32
4	DCB	0.00159	2.07	0.00205	2.78	0.00271	3.79	0.00216	3.12	0.00145	2.19	0.00158	2.18	0.00200	3.15	6.20
5	FB	0.00392	5.09	0.00426	5.75	0.00471	6.59	0.00562	8.09	0.00566	8.55	0.00525	7.19	0.00443	6.93	10.77
6	HDFC	0.00444	5.78	0.00238	3.21	0.00235	3.29	0.00252	3.64	0.00304	4.61	0.00221	3.04	0.00300	4.72	0.75
7	ICICI	0.02058	26.73	0.01862	25.07	0.01984	27.73	0.01381	19.89	0.00496	7.49	0.02294	31.42	0.00491	7.69	0.39
8	IIB	0.01424	18.51	0.01397	18.82	0.00725	10.13	0.00657	9.47	0.00626	9.46	0.00425	5.83	0.00434	6.79	-5.78
9	IVB	0.00260	3.38	0.00281	3.79	0.00332	4.65	0.00346	4.99	0.00362	5.48	0.00208	2.84	0.00316	4.95	10.53
10	JKB	0.00334	4.35	0.00337	4.55	0.00377	5.26	0.00400	5.77	0.00522	7.88	0.00354	4.85	0.00502	7.85	12.69
11	KB	0.00343	4.47	0.00362	4.88	0.00381	5.32	0.00394	5.68	0.00399	6.04	0.00340	4.66	0.00415	6.50	11.13
12	KVB	0.00301	3.91	0.00326	4.39	0.00330	4.63	0.00460	6.64	0.00561	8.48	0.00432	5.92	0.00468	7.32	11.62
13	LVB	0.00214	2.78	0.00192	2.59	0.00179	2.50	0.00304	4.39	0.00392	5.93	0.00321	4.40	0.00368	5.76	12.64
14	NB	0.00170	2.20	0.00207	2.79	0.00223	3.12	0.00272	3.93	0.00299	4.53	0.00209	2.87	0.00263	4.12	13.82
15	RB	0.00082	1.06	0.00126	1.71	0.00145	2.03	0.00108	1.56	0.00103	1.56	0.00159	2.18	0.00263	4.12	13.36
16	SIB	0.00275	3.57	0.00312	4.21	0.00341	4.78	0.00412	5.93	0.00470	7.11	0.00483	6.61	0.00625	9.78	14.28
Total		0.07701	100	0.07428	100	0.07157	100	0.06941	100	0.06620	100	0.07304	100	0.06393	100	8.47

Source: Calculated

Total Expenditure per Employee over the Years

The relevant data pertaining to total expenditure per employee of private sector banks for the period 1998-99 to 2012-13 is presented in Table 4. As shown in table, the overall concentration index with respect to total expenditure per employee has declined from 0.15374 in 1998-99 to 0.06359 in 2012-13. During the study period the maximum share to overall index is of IndusInd Bank (62.76%) in 1999-2000 and the minimum share to overall index is of Nainital Bank (0.14%) in 1998-99. In the year 1998-99 the maximum share of concentration index is made by IndusInd Bank (60.80%) followed by Axis Bank (16.55%) and ICICI Bank (11.71%). On the other side in 1998-99 the minimum share is of Nainital Bank (0.14%) followed by Ratnakar Bank (0.18%) and Jammu and Kashmir Bank (0.28%). In the middle of the study i.e., 2005-06 the maximum share of concentration index is of ICICI Bank (26.63%) followed by IndusInd Bank (20.52%) and Axis Bank 13.01%. Whereas in 2005-06, the minimum share is of Ratnakar Bank (1.11%) followed by Nainital Bank (1.24%) and Dhanlaxmi Bank (1.83%). In 2012-13 the maximum share to overall index is made by Axis Bank, i.e., 9.32% followed by South Indian Bank (9.30%) and Karur Vysya Bank (7.33%) occupying the highest first, second and third rank respectively. In 2012-13 the minimum share is of Nainital Bank (3.67%) followed by Development Credit Bank (3.75%) and HDFC Bank (4.33%) occupying the lowest first second and third rank respectively. The five banks i.e., Axis Bank, Development Credit Bank, HDFC Bank, ICICI Bank and IndusInd Bank have recorded lower EGR than the group EGR of private sector banks in terms of total expenditure per employee i.e., 8.07%. Exponential growth rate is highest in Nainital Bank (13.77%) followed by South Indian Bank (13.37%) and Ratnakar Bank (13.26%). Exponential Growth rate is lowest in IndusInd Bank (-5.94%) followed by Axis Bank (-0.36%) and ICICI Bank (-0.03%). Among all the private sector banks, only three banks have shown negative exponential growth rate of total expenditure per employee namely, Axis Bank, IndusInd Bank and ICICI Bank. That means they are at better position than other private sector banks with respect to total expenditure per employee. The group EGR of total expenditure per employee of public sector banks is 13.97% and the group EGR of private sector banks is 8.07%. This indicates that the private sector banks are better placed than public sector banks and the public sector have to follow some strategies to reduce their total expenditure per employee. As the higher total expenditure leads to lower profit.

Table 4: Total Expenditure per Employee of Private Sector Banks

		Concentration Index (C.I.)															
S.N.	Year Banks	1998-99		1999-2000		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06	
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%
1	AXB	0.02546	16.55	0.01842	12.49	0.02570	20.24	0.02744	26.37	0.01802	17.68	0.01071	12.14	0.01035	12.83	0.01038	13.01
2	CUB	0.00069	0.45	0.00063	0.44	0.00063	0.49	0.00118	1.15	0.00099	0.98	0.00159	1.81	0.00213	2.65	0.00165	2.08
3	DB	0.00059	0.38	0.00208	1.42	0.00086	0.68	0.00128	1.24	0.00103	1.02	0.00116	1.32	0.00154	1.92	0.00146	1.83
4	DCB	0.00169	1.09	0.00067	0.46	0.00360	2.84	0.00439	4.22	0.00388	3.82	0.00443	5.03	0.00524	6.49	0.00490	6.15
5	FB	0.00118	0.77	0.00088	0.59	0.00077	0.63	0.00136	1.31	0.00117	1.16	0.00168	1.91	0.00178	2.22	0.00230	2.88
6	HDFC	0.00817	5.32	0.00908	6.16	0.00807	6.36	0.00919	8.83	0.00989	9.72	0.00778	8.82	0.00526	6.53	0.00383	4.81
7	ICICI	0.01799	11.71	0.01775	12.03	0.02458	19.36	0.00460	4.44	0.03412	33.49	0.03044	34.51	0.02201	27.28	0.02124	26.63
8	IIB	0.09352	60.82	0.09266	62.76	0.05703	44.88	0.04376	42.07	0.02331	22.88	0.01681	19.05	0.01626	20.17	0.01637	20.52
9	IVB	0.00088	0.57	0.00104	0.72	0.00090	0.73	0.00198	1.91	0.00209	2.06	0.00283	3.22	0.00345	4.28	0.00431	5.42
10	JKB	0.00045	0.28	0.00069	0.47	0.00078	0.62	0.00181	1.75	0.00121	1.19	0.00174	1.97	0.00256	3.18	0.00266	3.34
11	KB	0.00078	0.52	0.00067	0.46	0.00092	0.74	0.00181	1.73	0.00155	1.54	0.00206	2.34	0.00201	2.49	0.00251	3.14
12	KVB	0.00075	0.48	0.00022	0.16	0.00084	0.67	0.00126	1.23	0.00116	1.14	0.00194	2.20	0.00240	2.98	0.00225	2.83
13	LVB	0.00058	0.37	0.00046	0.33	0.00070	0.55	0.00121	1.16	0.00087	0.87	0.00128	1.46	0.00159	1.97	0.00185	2.32
14	NB	0.00019	0.14	0.00062	0.43	0.00025	0.19	0.00040	0.39	0.00043	0.43	0.00065	0.74	0.00075	0.93	0.00098	1.24
15	RB	0.00028	0.18	0.00092	0.62	0.00051	0.41	0.00086	0.83	0.00066	0.65	0.00085	0.96	0.00093	1.15	0.00088	1.11
16	SIB	0.00054	0.37	0.00085	0.57	0.00076	0.61	0.00141	1.37	0.00140	1.37	0.00222	2.52	0.00236	2.93	0.00215	2.70
	Total	0.15374	100	0.14764	100	0.12705	100	0.10405	100	0.10190	100	0.08825	100	0.08066	100	0.07978	100

Continued

Table 4: Total Expenditure per Employee of Private Sector Banks

		Concentration Index (C.I.)														EGR
S.N.	Year Banks	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		
		C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	%
1	AXB	0.00908	11.08	0.00737	9.32	0.00683	9.29	0.00709	10.24	0.00782	11.97	0.00624	8.55	0.00592	9.32	-0.36
2	CUB	0.00151	1.86	0.00200	2.54	0.00243	3.29	0.00328	4.75	0.00390	5.97	0.00306	4.21	0.00374	5.88	10.85
3	DB	0.00150	1.84	0.00178	2.27	0.00236	3.21	0.00099	1.45	0.00221	3.39	0.00349	4.79	0.00395	6.23	11.65
4	DCB	0.00248	3.04	0.00291	3.68	0.00366	4.97	0.00329	4.75	0.00204	3.12	0.00202	2.78	0.00237	3.75	6.07
5	FB	0.00312	3.82	0.00344	4.35	0.00334	4.55	0.00430	6.22	0.00435	6.67	0.00432	5.94	0.00406	6.39	9.26
6	HDFC	0.00347	4.23	0.00197	2.49	0.00218	2.97	0.00217	3.13	0.00269	4.12	0.00200	2.75	0.00275	4.33	0.95
7	ICICI	0.02444	29.84	0.02241	28.32	0.02150	29.18	0.01374	19.85	0.00523	8.01	0.02320	31.81	0.00459	7.21	-0.03
8	IIB	0.01850	22.59	0.01769	22.34	0.00923	12.54	0.00700	10.11	0.00645	9.88	0.00447	6.14	0.00456	7.18	-5.94
9	IVB	0.00337	4.12	0.00365	4.61	0.00437	5.94	0.00406	5.87	0.00471	7.23	0.00239	3.28	0.00342	5.38	9.64
10	JKB	0.00246	3.03	0.00266	3.37	0.00301	4.09	0.00323	4.67	0.00416	6.36	0.00265	3.63	0.00373	5.87	12.42
11	KB	0.00296	3.63	0.00335	4.24	0.00380	5.17	0.00575	8.31	0.00484	7.42	0.00366	5.03	0.00441	6.94	11.02
12	KVB	0.00240	2.93	0.00278	3.52	0.00312	4.25	0.00423	6.12	0.00381	5.84	0.00409	5.62	0.00465	7.33	11.37
13	LVB	0.00221	2.71	0.00213	2.69	0.00210	2.86	0.00315	4.56	0.00517	7.92	0.00350	4.81	0.00417	6.56	11.88
14	NB	0.00104	1.29	0.00130	1.65	0.00145	1.97	0.00199	2.88	0.00224	3.44	0.00162	2.22	0.00233	3.67	13.77
15	RB	0.00092	1.14	0.00084	1.06	0.00105	1.43	0.00096	1.39	0.00132	2.02	0.00155	2.13	0.00297	4.67	13.26
16	SIB	0.00232	2.85	0.00281	3.55	0.00316	4.29	0.00395	5.70	0.00434	6.64	0.00460	6.31	0.00591	9.30	13.37
	Total	0.08191	100	0.07916	100	0.07368	100	0.06925	100	0.06535	100	0.07293	100	0.06359	100	8.07

Source: Calculated

DEPOSITS PER EMPLOYEE

Table 5 shows the data pertaining to deposits per employee of private sector banks for the period 1998-99 to 2012-13. As shown in table, the overall concentration index with respect to deposits per employee has declined from 0.15597 in 1998-99 to 0.06477 in 2012-13. During the study period the maximum share to overall index is of IndusInd Bank (57.36%) in 1999-2000 and the minimum share to overall index is of Nainital Bank (0.14%) in the year 1999-2000. In the year 1998-99 the maximum share of concentration index is made by IndusInd Bank (55.99%) followed by ICICI Bank (19.54%) and Axis Bank (14.49%). In the year 1998-99 the minimum share is of Nainital Bank and Ratnakar Bank, both having (0.16%) followed by South Indian Bank (0.24%) and Laxmi Vilas bank (0.27%). In the middle of the study i.e., 2005-06 the maximum share is of ICICI Bank (20.08%) followed by IndusInd Bank (19.27%) and Axis Bank (17.92%). On the other side in 2005-06 the minimum share is of Ratnakar Bank (1.23%) followed by Nainital Bank (1.56%) and Dhanlaxmi Bank (1.59%). In 2012-13 the maximum share to overall index is made by South Indian Bank, i.e., 11.70% followed by Jammu Kashmir Bank (10.36%) and Axis Bank (9.86%) occupying the highest first, second and third rank respectively. In 2012-13 the minimum share is of Development Credit Bank (3.16%) followed by HDFC Bank (4.05%) and Dhanlaxmi Bank (4.12%) occupying the lowest first, second and third rank respectively. The five banks i.e., Axis Bank, Development Credit Bank, HDFC Bank, ICICI Bank, IndusInd Bank have recorded lower EGR than the group EGR of private sector banks in terms of deposits per employee i.e., 8.85%. Exponential growth rate is highest in South Indian Bank (16.03%) followed by Ratnakar Bank (14.23%) and Nainital Bank (14.19%). Exponential growth rate is lowest in IndusInd Bank (-6.40%) followed by ICICI Bank (-2.63%) and Axis Bank (0.90%). Among the private banks only two banks namely, ICICI Bank and IndusInd Bank have shown negative exponential growth rate of deposits per employee. The comparative analysis between public and private sector banks reveals that the public sector banks are at better position in terms of deposits per employee because the group EGR of public sector banks (15.36%) is greater than group EGR of private sector banks (8.85%). It is also clear from the figures that the EGR of public sector banks is almost double of private sector banks in terms of deposits per employee.

Table 5: Deposits per Employee of Private Sector Banks

		Concentration Index (C.I.)															
Year		1998-99		1999-2000		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06	
S.N.	Banks	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%
1	AXB	0.02261	14.49	0.02302	14.49	0.02202	15.84	0.02419	20.31	0.02360	23.42	0.01625	19.65	0.01840	23.14	0.01380	17.92
2	CUB	0.00053	0.35	0.00037	0.24	0.00053	0.39	0.00099	0.84	0.00121	1.21	0.00182	2.22	0.00193	2.44	0.00176	2.29
3	DB	0.00052	0.34	0.00039	0.25	0.00049	0.36	0.00080	0.68	0.00088	0.88	0.00116	1.41	0.00132	1.67	0.00123	1.59
4	DCB	0.00142	0.92	0.00178	1.13	0.00267	1.93	0.00359	3.02	0.00340	3.38	0.00425	5.15	0.00278	3.51	0.00219	2.86
5	FB	0.00075	0.49	0.00038	0.25	0.00055	0.39	0.00095	0.81	0.00138	1.38	0.00197	2.38	0.00228	2.87	0.00290	3.78
6	HDFC	0.00815	5.23	0.01737	10.93	0.00852	6.14	0.01056	8.87	0.01521	15.11	0.01264	15.29	0.00672	8.46	0.00518	6.73
7	ICICI	0.03048	19.54	0.02059	12.96	0.04214	30.32	0.00818	6.87	0.00780	7.74	0.01101	13.31	0.01253	15.75	0.01546	20.08
8	IIB	0.08734	55.99	0.09109	57.36	0.05716	41.11	0.06148	51.63	0.03679	36.53	0.01925	23.28	0.01608	20.22	0.01483	19.27
9	IVB	0.00074	0.48	0.00061	0.39	0.00066	0.48	0.00106	0.89	0.00165	1.65	0.00212	2.57	0.00297	3.74	0.00275	3.57
10	JKB	0.00069	0.45	0.00085	0.54	0.00110	0.79	0.00187	1.57	0.00190	1.89	0.00305	3.68	0.00411	5.17	0.00435	5.66
11	KB	0.00081	0.52	0.00061	0.39	0.00082	0.59	0.00135	1.14	0.00165	1.64	0.00210	2.55	0.00252	3.17	0.00342	4.45
12	KVB	0.00057	0.37	0.00048	0.31	0.00059	0.43	0.00101	0.85	0.00146	1.46	0.00189	2.28	0.00233	2.94	0.00250	3.25
13	LVB	0.00043	0.27	0.00039	0.25	0.00051	0.37	0.00077	0.65	0.00087	0.87	0.00126	1.53	0.00136	1.72	0.00197	2.56
14	NB	0.00024	0.16	0.00021	0.14	0.00026	0.18	0.00042	0.35	0.00053	0.52	0.00069	0.84	0.00095	1.20	0.00119	1.56
15	RB	0.00024	0.16	0.00024	0.15	0.00036	0.27	0.00059	0.50	0.00065	0.66	0.00078	0.95	0.00085	1.08	0.00095	1.23
16	SIB	0.00038	0.24	0.00035	0.22	0.00058	0.41	0.00121	1.02	0.00167	1.66	0.00241	2.91	0.00232	2.92	0.00245	3.19
Total		0.15597	100	0.15881	100	0.13903	100	0.11909	100	0.10073	100	0.08272	100	0.07952	100	0.07700	100

Continued

Table 5: Deposits per Employee of Private Sector Banks

		Concentration Index (C.I.)														EGR
S.N.	Year	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		
	Banks	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	C.I.	%	
1	AXB	0.01109	14.83	0.01023	14.51	0.00835	12.38	0.00968	14.45	0.01008	15.10	0.00732	10.54	0.00638	9.86	0.90
2	CUB	0.00201	2.69	0.00253	3.59	0.00295	4.39	0.00356	5.30	0.00406	6.09	0.00363	5.22	0.00413	6.38	12.74
3	DB	0.00159	2.13	0.00189	2.69	0.00323	4.81	0.00106	1.58	0.00229	3.45	0.00176	2.53	0.00266	4.12	11.22
4	DCB	0.00190	2.55	0.00213	3.04	0.00147	2.19	0.00205	3.06	0.00131	1.97	0.00145	2.08	0.00204	3.16	6.69
5	FB	0.00410	5.49	0.00403	5.72	0.00466	6.91	0.00473	7.05	0.00525	7.88	0.00477	6.87	0.00471	7.29	11.96
6	HDFC	0.00323	4.32	0.00210	2.98	0.00189	2.81	0.00236	3.52	0.00275	4.13	0.00212	3.06	0.00262	4.05	1.37
7	ICICI	0.01530	20.47	0.01045	14.82	0.01027	15.23	0.00746	11.10	0.00308	4.63	0.01559	22.46	0.00319	4.93	-2.63
8	IIB	0.01458	19.49	0.01274	18.07	0.00697	10.35	0.00559	8.33	0.00473	7.08	0.00311	4.48	0.00318	4.92	-6.40
9	IVB	0.00285	3.82	0.00373	5.29	0.00431	6.39	0.00406	6.06	0.00375	5.63	0.00202	2.93	0.00279	4.31	10.14
10	JKB	0.00435	5.82	0.00414	5.88	0.00482	7.17	0.00519	7.73	0.00623	9.33	0.00505	7.29	0.00671	10.36	13.54
11	KB	0.00317	4.25	0.00383	5.44	0.00435	6.46	0.00465	6.92	0.00437	6.56	0.00410	5.91	0.00465	7.19	11.63
12	KVB	0.00217	2.90	0.00355	5.04	0.00378	5.62	0.00484	7.21	0.00575	8.62	0.00488	7.03	0.00474	7.33	12.99
13	LVB	0.00181	2.44	0.00211	3.01	0.00236	3.51	0.00265	3.96	0.00354	5.32	0.00325	4.68	0.00353	5.47	12.94
14	NB	0.00080	1.07	0.00208	2.96	0.00245	3.63	0.00298	4.44	0.00298	4.47	0.00254	3.67	0.00289	4.47	14.19
15	RB	0.00320	4.28	0.00118	1.68	0.00137	2.04	0.00115	1.71	0.00099	1.49	0.00193	2.79	0.00289	4.46	14.23
16	SIB	0.00258	3.45	0.00372	5.28	0.00412	6.11	0.00509	7.58	0.00550	8.25	0.00587	8.46	0.00760	11.70	16.03
Total		0.07480	100	0.07052	100	0.06744	100	0.06718	100	0.06675	100	0.06945	100	0.06477	100	8.85

Source: Calculated

CONCLUSION

In the present study the attempt has been made to analyze and compare the employee productivity of private sector banks. Employee productivity is measured with the help of Herfindahl's index of concentration and exponential growth rate. With respect to net profit per employee, exponential growth rate is highest in Federal Bank (38.13%) followed by South Indian Bank (28.62%) and it is lowest in Dhanlaxmi Bank (-8.11%) followed by HDFC Bank (-0.20%). In regard to spread per employee, the exponential growth rate is highest in Federal Bank (18.91%) followed by ING Vysya Bank (16.80%) and it is lowest in IndusInd Bank (-2.18%) followed by HDFC Bank (1.78%). Whereas the exponential growth rate with respect to interest income per employee is highest in South Indian Bank (14.28%) followed by Nainital Bank (13.82%) and Ratnakar Bank (13.36%). The exponential growth rate is lowest in IndusInd Bank (-5.78%) followed by Axis Bank (-0.03%) and ICICI Bank (0.39). Furthermore with respect to total expenditure per employee, exponential growth rate is highest in Nainital Bank (13.77%) followed by South Indian Bank (13.37%) and Ratnakar Bank (13.26%). Exponential Growth rate is lowest in IndusInd Bank (-5.94%) followed by Axis Bank (-0.36%) and ICICI Bank (-0.03%). Exponential growth rate with respect to total expenditure per employee is highest in Nainital Bank (13.77%) followed by South Indian Bank (13.37%) and Ratnakar Bank (13.26%). Exponential Growth rate is lowest in IndusInd Bank (-5.94%) followed by Axis Bank (-0.36%) and ICICI Bank (-0.03%). Exponential growth rate with respect to deposits per employee is highest in South Indian Bank (16.03%) followed by Ratnakar Bank (14.23%) and Nainital Bank (14.19%). Exponential growth rate is lowest in IndusInd Bank (-6.40%) followed by ICICI Bank (-2.63%) and Axis Bank (0.90%). Therefore the result depicts that Federal bank occupies the first rank in terms of net profit per employee and spread per employee because the Exponential Growth Rate of Federal Bank is highest among all the private sector banks with respect to these two variables. Among all the banks only IndusInd bank is showing negative exponential growth rate in respect to spread per employee variable. In regard to exponential growth rate of interest income per employee and deposit per employee, South Indian Bank is at first rank. Furthermore with respect to total expenditure per employee Nainital Bank is at top position and IndusInd Bank occupies last rank i.e., it is at better position than other banks. Employee productivity plays the vital role for the

overall development of banks. So it is needed that banks should work out to improve their employee productivity.

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