



## **A STUDY ON OPERATIONAL EFFICIENCY OF PUBLIC AND PRIVATE SECTOR BANKS IN INDIA**

*Smrithi Ashokan,*

*Research Scholar, Department of Management Studies, Bharathiar University, Coimbatore.*

*Dr.S.Sandhya Menon,*

*Research Guide, Principal, CMS-IMS, Bharathiar University, Coimbatore.*

### **ABSTRACT**

*The Indian banking system has undergone significant transformation following financial sector reforms as laid out by Shri M.Narasimham Committee in 1991. The banking sector's performance is perceived as the replica of economic activities of the economy. The stage of development of the banking industry is a good reflection of the development of the economy. In this present study we have analysed the operational efficiency of commercial banks in India with objectives of comparative performance public sector banks and private sector banks, profitability position of different sector in relation to number of employees and challenges faced by public sector banks in Indian banking scenario. In this study the physical performances of the banks is analyzed based on its branches and enrolled permanent employee strength. The performance of the branch network is bound to have a significant impact on the bank as a whole. Some parameters like productivity, efficiency ratio etc to analyse the efficiency of different sector banks. The study is diagnostic and exploratory in nature and makes use of secondary data. The study finds and concludes that the private sector banks and SBI & its Associate banks have to improve on their branch expansion and employee strength. It is evident that the internal management and employee efficiency of nationalised banks are far better than other sectors of commercial banks. It is found that in terms of physical performances and business growth parameter of nationalized banks were at the top position. The present study has also revealed that business per employee and profit per employee is maximum in case of nationalised banks during the study period.*

**Keywords:** Operational Efficiency, Public Sector Banks, Private Sector Banks, Productivity.