

Management Efficiency Of Select Public And Private Sector Commercial Banks In India – A Financial Aspect Approach

Dr. J. Paramasivam¹, A. Subha Pradha²

¹M. Com, MBA, B.Ed, DCA, M.Phil, Ph.D, Assistant professor, PG & Research Department of commerce, Thiru Kolanjiappar Government Arts College (Grade -1), Vriddhachalam

²M. Com, M.Phil, Asst.professor, St. Charles College of Arts & Science, Eraiyur.(Part time Research Scholar, Thiru Kolanjiappar Government Arts College (Grade -1), Vriddhachalam

Abstract

Management efficiency is very important for conducting a banking business successfully. The performance of public sector and private sector banks in terms of their management efficiency may differ. In this context, the researchers studied the management efficiency of 3 public sector banks (State Bank of India, Bank of Baroda and Canara Bank) and 3 private sector banks (HDFC Bank, ICICI Bank and Axis Bank) for the period of ten years from 2014-15 and 2023-24. The researcher collected and used financial information from the published annual reports of the banks. The researchers applied financial ratios for the analysis (Advances to Deposits Ratio, Deposits to Total Liabilities Ratio, Business per employee, Profit per Employee, Total Advances to Total Assets Ratio, Business Development in terms of Income, Business Development in terms of total assets and Business development in terms of total business). The study found that management efficiency in terms of advances to deposits ratio, profit per employee ratio, total advances to total assets ratio and business development in terms of income of private sector banks was better than public sector banks. The management capacity in terms of deposits to total liabilities and business per employee of public sector banks was better than private sector banks. Overall, the management capacity of HDFC Bank was found to good during the study period among all the sample commercial banks and among the private sector commercial banks and this bank was ranked first among the samples. Followed by, the management capacity of Axis Bank was also good and it was ranked second. Among the private sector Banks, ICICI Bank performed poor in terms of management capacity. SBI stood first among the public sector banks in terms of management capacity. Bank of Baroda and Canara Bank were the least performed banks in terms of management capacity.

Key words: Management efficiency, business per employee, profit per employee, deposits, advances, business development.

INTRODUCTION

Commercial banks in India are crucial to the nation's economy, offering a broad spectrum of financial services to individuals, businesses, and government bodies. These institutions are overseen by the Reserve Bank of India (RBI) and play a key role in mobilizing savings, extending credit, facilitating investments, and encouraging economic growth. The Indian banking sector is characterized by a blend of public sector banks, private sector banks, and foreign banks, which contributes to its diversity and innovation. Commercial banks in India provide services including savings and current accounts, loans, credit cards, investment products, and digital banking solutions, significantly aiding financial inclusion and economic progress. They are instrumental in India's economic development by mobilizing savings and directing them towards productive investments. These banks offer a variety of financial services such as loans, savings accounts, and investment opportunities that are vital for the growth and success of businesses. By providing credit facilities to entrepreneurs and businesses, commercial banks promote economic growth, generate employment opportunities, and foster innovation across various sectors of the economy. Moreover, commercial banks support both domestic and international trade by offering trade finance services, thus contributing to the overall advancement of the economy. Commercial banks serve as the foundation of India's financial system, bolstering economic activities and promoting sustainable development. Successful running of a bank is essential for both for the management, employees, customers and for the economy. Among various aspects of efficient running of a bank, Management efficiency is a critical component in evaluating the performance and stability of commercial banks under the CAMEL model. Among various components, management capacity specifically refers to the bank management's ability to effectively utilize resources and implement strategies to achieve financial goals and maintain operational efficiency. Management capacity of the selected commercial banks are to be

assessed. Assessing management efficiency offers valuable insights into how well a commercial bank is positioned to manage its resources and respond to challenges in the financial landscape.

LITERATURE REVIEW

Shukla S.S. (2015) analysed financial strength of both public and private sector banks in India. The study found that HDFC Bank and Bank of Baroda stood at top position in terms of capital adequacy. In terms of asset quality, HDFC Bank was performed better than other banks. HDFC bank and ICICI bank performed good in terms of management quality and earnings quality. At the whole, HDFC bank performed well among the selected banks in India. **Kaur J., Kaur M. & Singh S.** (2015) studied the financial performance of public sector banks using CAMEL model. The study found that Bank of Baroda was leading in all the aspects of CAMEL followed by Punjab National Bank in Capital Adequacy, Management efficiency and Earning capacity and Bank of India in Asset Quality. **Mukdad Ibrahim** (2015) made a quantitative analysis by using financial ratios such as liquidity, profitability, management capacity, capital structure and share performance. The study found that the bank of Sharjah benefitted by having an overall higher degree of liquidity, profitability, management capacity and capital structure, Dubai Islamic bank was better off in relation to share indicators performance and in terms of overall stability. **Nataraja N.S., Nagaraja R.C., & Ganesh L.** (2018) studied the performance of major three private sector banks, listed on both the National Stock exchange (NSE) and Bombay stock exchange (BSE). Multiple regression technique has been used to find the financial performance measured by the three indicators based on independent variables, banks size, credit risk, asset management, operational efficiency and debt ratio. Results of the study indicated that all the selected ratios have impact on good management performance of Private commercial banks.

Devi P., & Pant A. (2020) studied the financial performance of ICICI bank. The study concluded that the liquidity position and solvency position are not good. The study found that there was no impact of liquidity on solvency. The capitalization ratio, interest coverage and EFO to debt are not good and there is no correlation between capitalization ratio, interest coverage and EFO to debt. **Ghosh K.** (2021) studied credit Risk Management on Financial Performance of Indian Commercial Banks. The study showed the results of mixed and varied indications about credit risk management and its influence on the financial performance of commercial banks. The study results also indicate that the profitability of Indian commercial banks is declining due to increase in NPAs. Inspite of having a strong capital adequacy ratio, profitability has not increased every year. **Patra K., and Ankura S.** (2022) studied the profitability performance of scheduled commercial banks in India. The study found that GNPA, Credit-Deposit ratio and Capital Adequacy ratio have negative impact on the rate of profit of the Indian banks. The study suggests that the banks must reduce their NPAs and CD ratio to improve their profitability.

Lal T., and Gupta A. (2023) examined the effects of CAMELS components on the financial performance of Indian commercial banks. The study evidenced that that the financial performance of Indian banking sector as evaluated by ROA and ROE is statistically and significantly affected by capital adequacy, liquidity and sensitivity to market risk, whereas asset quality, managerial efficiency and earning quality was found to have insignificant impact on the financial performance. **Chandulal D.A.** (2024) studied financial performance of selected private and public sector banks through CAMEL model. The study found that private sector banks showed best performance in Kotak Mahindra Bank whereas poor performance in ICICI Bank. While in public sector banks the performance was good in BOB and poor in Union Bank. The overall ranking of CAMEL model represents good performance for BOB and Poor ranking for ICICI Bank. **Neesha** (2025) studied the Performance Evaluation of Selected Commercial Banks in India. The study found that the majority of the selected banks were complying with Basel minimum capital requirement norms and earning adequately. However, it was also found by the study that as banks earning increased non-performing asset component in bank books also increased.

Objectives

The study has been undertaken with the following specific objectives.

- To study the management efficiency of selected public and private sector banks in India.
- To compare and rank the sample banks in terms of various measures of management efficiency.

METHODOLOGY

Management efficiency is very important for conducting a banking business successfully. The performance of public sector and private sector banks in terms of their management efficiency may differ. In this

context, the researchers studied the management efficiency of both public sector and private sector banks in financial aspect. For this purpose, the researchers selected 3 public sector banks namely, State Bank of India, Bank of Baroda and Canara Bank and 3 private sector banks, namely, HDFC Bank, ICICI Bank and Axis Bank. The researcher made the study for the period of ten years from 2014-15 and 2023-24. The researcher collected financial information during the study period of the respective sample banks from their annual reports, which were collected from their official websites. The researchers applied financial ratios for analysing management efficiency of the sample banks namely, Advances to Deposits Ratio, Deposits to Total Liabilities Ratio, Business per employee, Profit per Employee, Total Advances to Total Assets Ratio, Business Development in terms of Income, Business Development in terms of total assets and Business development in terms of total business.

RESULTS AND DISCUSSION

The study has been analysed the management capacity of the selected public and private sector commercial banks In India applying the ratios of Advances to Deposits Ratio, Deposits to Total Liabilities Ratio, Business per employee, Profit per Employee, Total Advances to Total Assets Ratio, Business Development in terms of Income, Business Development in terms of total assets and Business development in terms of total business. The results are presented in the subsequent tables.

Table 1: Advances to Deposits Ratio

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS
2014-15	0.82	0.69	0.70	0.81	1.07	0.87
2015-16	0.85	0.67	0.68	0.85	1.03	0.95
2016-17	0.77	0.64	0.69	0.86	0.95	0.90
2017-18	0.71	0.72	0.73	0.83	0.91	0.97
2018-19	0.75	0.73	0.71	0.89	0.90	0.90
2019-20	0.72	0.73	0.69	0.87	0.84	0.89
2020-21	0.67	0.73	0.63	0.85	0.79	0.88
2021-22	0.67	0.74	0.65	0.88	0.81	0.86
2022-23	0.72	0.78	0.70	0.85	0.86	0.89
2023-24	0.75	0.80	0.71	1.04	0.84	0.90
Mean	0.74	0.72	0.69	0.87	0.90	0.90

The Advances to Deposits Ratio of commercial banks is a key indicator that measures the proportion of loans provided by the banks compared to the deposits they hold. It reflects the bank's lending capacity and liquidity position. Table 1 shows that the mean value of advances to deposits ratio of State Bank of India was 0.74., it shows that the bank lent 75% of their deposits lent as advances. The advances to deposits ratio of Bank of Baroda was gradually increasing over the study period. Its mean value stood at 0.72. This ratio was low at the beginning of the study period and it was little more during the second half of the study period. Lowest advances to deposits ratio was recorded by Canara bank during the study period, its mean value stood at 0.69. It seems to be low and therefore Canara bank's lending performance was not good during the study period. Since, it lent only about 70% of their deposits as advances. The mean value of Advances to deposits ratio of HDFC Bank stood at 0.87, this was higher than all the public sector banks. Since, this bank lent more proportion of their deposits received as advances, it will increase its profitability. Similar to the above, the advances to deposits ratio of ICICI Bank and Axis Bank was also high. The mean value of the ratio of these banks stood at 0.90 each. It shows that both ICICI Bank and Axis Bank lent 90% of their deposits received from customers as advances.

Table 2: Deposits to Total Liabilities Ratio

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS

2014-15	0.77	0.86	0.86	0.76	0.56	0.70
2015-16	0.73	0.86	0.87	0.77	0.58	0.68
2016-17	0.76	0.87	0.85	0.75	0.63	0.69
2017-18	0.78	0.82	0.85	0.74	0.64	0.66
2018-19	0.79	0.82	0.86	0.74	0.68	0.68
2019-20	0.82	0.82	0.86	0.75	0.70	0.70
2020-21	0.81	0.84	0.88	0.76	0.76	0.71
2021-22	0.81	0.82	0.89	0.75	0.75	0.70
2022-23	0.80	0.83	0.88	0.76	0.75	0.72
2023-24	0.80	0.84	0.88	0.66	0.75	0.72
Mean	0.79	0.84	0.87	0.75	0.68	0.70

The Deposits to Total Liabilities Ratio is one of the key financial metrics used to assess the liquidity and stability of commercial banks. This ratio measures the proportion of deposits held by the bank in relation to its total liabilities. The primary function of a bank is accepting deposits from customers. Hence a good bank should have more proportion of deposits compared to its total liabilities. Table 2 shows that the mean value of deposits to total liabilities ratio of State Bank of India ranged was 0.79, it shows that the bank had about 80% of its total liabilities in the form of deposits. The deposits to total liabilities ratio of Bank of Baroda was also high, its mean value was 0.84. Similarly, the deposits to total liabilities ratio of Canara Bank was also high. Its mean value stood at 0.87. Canara bank recorded highest deposits to total liabilities ratio (0.87) among the sample banks. This bank performed better in terms of having high proportion of deposits in its total liabilities during the study period. The deposits to total liabilities of HDFC Bank was lower than all the public sector banks (Mean: 0.75). Both ICICI Bank and Axis Bank recorded comparatively lower ratio of deposits to total liabilities during the study period (Mean: 0.68 & 0.70). These banks had lower proportion of deposits compared to their total liabilities.

Table 3: Business per Employee

₹ Crore

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS
2014-15	13.49	21.18	14.89	10.74	11.29	14.29
2015-16	15.38	18.69	14.90	11.59	11.88	13.90
2016-17	17.25	18.79	15.03	14.26	11.76	13.91
2017-18	17.58	18.30	15.40	16.45	13.16	14.98
2018-19	19.81	19.86	17.60	17.82	14.60	16.84
2019-20	22.32	19.41	18.04	18.34	14.55	16.34
2020-21	24.96	20.19	18.70	20.59	17.09	16.76
2021-22	27.78	22.84	20.59	20.71	18.67	17.82
2022-23	32.32	27.45	23.65	20.14	17.37	19.50
2023-24	37.11	31.69	27.15	22.81	19.11	19.49
Mean	22.80	21.84	18.60	17.34	14.95	16.38

The Business per Employee Ratio is a key metric used to evaluate the efficiency and productivity of commercial banks. This ratio is calculated by dividing the total business volume generated by a bank by the number of employees working for the bank. Table 3 reveals that the mean value of business per employee ratio of SBI stood at ₹22.80 crore. It was observed that business per employee of SBI was increasing rapidly during the study period. This bank stood top in terms of business per employee ratio among the sample banks of the study. The business per employee ratio of Bank of Baroda was also high

during the study period. Its mean value showed that every employee of the bank made a business of about ₹22 crore per year. The business per employee ratio of Canara Bank was found to be low among public sector banks, but higher than all the private sector banks (Mean: ₹18.60 crore). Business per employee ratio of all the private sector banks were lower than public sector banks. This the mean value of the ratio of HDFC Bank was ₹17.34 crore, it was the highest ratio among the private sector banks. ICICI bank secured lowest business per employee ratio among the sample banks (Mean: ₹14.95 crore). Axis Bank also recorded lower business per employee ratio (Mean: ₹16.38 crore).

Table 4: Profit per Employee
₹ Lakhs

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS
2014-15	6.14	6.88	5.01	13.45	16.85	17.42
2015-16	4.79	-10.53	-5.21	14.09	13.49	16.40
2016-17	5.00	2.64	2.01	17.31	12.08	6.50
2017-18	-2.48	-4.37	-7.17	19.88	8.31	0.46
2018-19	0.34	0.78	0.59	21.55	3.96	7.55
2019-20	5.81	0.65	-3.81	22.49	8.15	2.19
2020-21	8.31	1.00	2.90	25.96	16.61	8.41
2021-22	12.97	9.11	6.53	26.15	22.66	15.18
2022-23	21.30	18.06	12.48	25.50	25.18	10.42
2023-24	26.29	23.56	17.61	28.51	30.09	23.83
Mean	8.85	4.78	3.09	21.49	15.74	10.84

The Profit per Employee Ratio of commercial banks indicates how efficiently a bank is utilizing its workforce to generate profits. Table 4 shows that the management capacity of private sector banks were better than public sector banks during the study period, since they secured higher profit per employee ratio than public sector banks. The mean value of profit per employee ratio of SBI was ₹8.85 crore. The results show that the ratio of profit per employee of SBI was increasing over the study period, it was very high during last two years of the study period. Profit per employee of Bank of Baroda was low (Mean: ₹4.78 crore). The earning capacity of the bank was not good during the study period, and it was better during the last two years of the study period. Similarly, profit per employee ratio of Canara bank was also low during the study period (Mean: ₹3.09 crore). This bank recorded lowest ratio of profit per employee among the sample banks. The profit per employee ratio of HDFC Bank was highest among the sample banks (Mean: ₹21.49 crore). This bank utilized their employees more efficiently in terms of earning profit. The ratio of ICICI Bank was also high (Mean: ₹15.74 crore). It was low during the period from 2017-18 to 2019-20. The profit per employee ratio of Axis bank was at moderate level (Mean: ₹10.84 crore).

Table 5: Total Advances to Total Assets Ratio

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS
2014-15	0.63	0.60	0.60	0.62	0.60	0.61
2015-16	0.62	0.57	0.59	0.66	0.60	0.64
2016-17	0.58	0.55	0.59	0.64	0.60	0.62
2017-18	0.56	0.59	0.62	0.62	0.58	0.64
2018-19	0.59	0.60	0.62	0.66	0.61	0.62
2019-20	0.59	0.60	0.60	0.65	0.59	0.62
2020-21	0.54	0.61	0.55	0.65	0.60	0.62
2021-22	0.55	0.61	0.57	0.66	0.61	0.60

2022-23	0.58	0.65	0.62	0.65	0.64	0.64
2023-24	0.60	0.67	0.62	0.69	0.63	0.65
Mean	0.58	0.60	0.60	0.65	0.61	0.63

The Total Advances to Total Assets Ratio is a key financial metric used to assess the management capacity of commercial banks. Providing advances is one of the primary functions of a commercial bank. Having more proportion of advances in total assets of a commercial bank exhibits efficient management capacity of the bank. Table 5 reports that the total advances to total assets ratio of SBI was lower than other sample banks (Mean: 0.58). The bank had only 58% of its total assets in the form of advances. The mean value of the ratio of Bank of Baroda and Canara Bank were 0.60 each, which indicates that these banks had about 60% of its total assets in the form of advances and remaining 40% were in the form of other assets such as cash and balance with other banks, fixed assets and other assets. The total assets to total assets ratio of private sector banks were little more than the public sector banks. The mean value of total advances to total assets ratio of HDFC Bank recorded highest among the sample banks (Mean: 0.65), this bank had more advances as proportion to its total assets. The total advances to total assets of ICICI Bank and Axis Bank was also high, the mean values of the ratio of the above banks stood at 0.61 and 0.63 respectively.

Table 6: Business Development in Terms of Income

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS
2014-15	NA	NA	NA	NA	NA	NA
2015-16	9.64	3.58	1.24	23.50	11.09	14.86
2016-17	9.97	-0.21	0.09	14.98	8.23	11.66
2017-18	25.65	2.75	-1.53	16.98	-1.73	0.91
2018-19	5.49	11.45	10.77	22.14	7.64	20.03
2019-20	8.19	53.93	6.30	18.42	17.11	14.76
2020-21	2.02	-3.33	48.38	5.79	7.50	-3.28
2021-22	2.39	-2.47	2.02	7.67	6.94	9.24
2022-23	16.68	22.43	20.11	22.60	23.04	22.65
2023-24	26.60	27.59	23.71	59.53	28.50	30.11
Mean	11.85	12.86	12.34	21.29	12.03	13.44

Business development in terms of income for commercial banks refers to the strategies and activities aimed at increasing revenue. This can involve expanding the bank's customer base, introducing new products or services, or improving operational efficiency to reduce costs. Table 6 shows that the management capacity of SBI in terms of business development of income was not good during the study period, since the bank recorded lowest ratio, its mean value was low at 11.85%. Which means, total income of the bank went up averagely at 11.85% during the study period. The mean value of the ratio of Bank of Baroda and Canara Bank were almost similar (Mean: 12.86% & 12.34%). Total income of these banks went up at the rate of little higher than 12% averagely. This hike was little higher than SBI. HDFC Bank recorded highest ratio of business development in terms of income among the sample banks. The bank achieved high growth rate of its total income during all the years of the study period except during 2020-21 and 2021-22 (Mean: 21.29%), it indicates that total income of the bank rose at the rate of 21% averagely during the study period. The ratio of ICICI Bank was negative during 2017-18 and it recorded high rates during last two years of the study period. Similar result was observed for Axis Bank also. The ratio of business development in terms of income of Axis Bank was negative during 2020-21 and it was very low during 2017-18. It recorded high rates during last two years of the study period and during 2018-19.

Table 7: Business Development in terms of Total Assets
Percentage

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS
2014-15	NA	NA	NA	NA	NA	NA
2015-16	15.11	-6.10	0.91	20.04	11.54	13.75
2016-17	14.78	3.50	5.53	21.87	7.09	14.46
2017-18	27.67	3.62	5.72	23.16	13.92	14.94
2018-19	6.55	8.47	12.62	16.98	9.70	15.86
2019-20	7.35	48.26	4.19	22.98	13.88	14.25
2020-21	14.76	-0.22	59.37	14.14	12.02	7.83
2021-22	9.99	10.61	6.35	18.41	14.70	19.09
2022-23	10.61	14.13	9.68	19.22	12.25	12.10
2023-24	12.01	8.72	10.83	46.70	18.14	12.14
Mean	13.20	10.11	12.80	22.61	12.58	13.82

Business development in terms of total assets refers to the strategic efforts made by commercial banks to increase the value of their total assets. By effectively managing and growing their total assets, banks can strengthen their financial position, enhance their competitiveness, and capture new business opportunities in the market. Table 7 reports that the management capacity of Bank of Baroda was not good in terms of business development of total assets during the study period, since the bank recorded lowest ratio, its mean value was low at 10.11%. Which means, total assets of the bank went up averagely at 10.11% during the study period. The mean value of the ratio of State Bank of India and Canara Bank were almost similar (Mean: 13.20% & 12.80%). Total assets of these banks went up at the rate of around 13% averagely during the study period. HDFC Bank recorded the highest ratio of business development in terms of total assets among the sample banks. The bank achieved rapid growth rate of its total assets during all the years of the study period (Mean: 22.61%). The ratio of business development in terms of income of ICICI Bank was low during 2016-17 and it recorded high rates during the last year of the study period. The mean value of the ratio of Axis Bank stood at 13.82%.

Table 8: Business Development in Terms of Total Business
Percentage

Year	Public Sector			Private Sector		
	SBI	BOB	CANARA	HDFC	ICICI	AXIS
2014-15	NA	NA	NA	NA	NA	NA
2015-16	11.04	-8.40	0.08	23.86	14.36	15.45
2016-17	13.19	2.83	4.07	18.51	11.39	13.02
2017-18	28.36	3.43	8.26	20.77	12.48	13.44
2018-19	9.83	8.71	13.27	20.42	15.48	16.79
2019-20	9.21	47.73	3.00	22.88	14.25	16.13
2020-21	10.13	2.27	56.02	15.26	17.65	8.32
2021-22	10.68	8.95	8.49	18.65	15.44	16.54
2022-23	12.34	17.64	12.28	18.99	14.39	17.19
2023-24	13.08	11.57	11.65	39.63	18.03	13.47
Mean	13.10	10.53	13.01	22.11	14.83	14.48

Business development in terms of total business refers to the strategic efforts made by commercial banks to expand and grow their overall business activities. This includes increasing their customer base, expanding into new markets, launching new products and services, and enhancing existing offerings to drive revenue growth and profitability. Table 8 shows that the management capacity of Bank of Baroda was not good in terms of business development of total business, since the bank recorded lowest mean (10.53%). The mean value of the of State Bank of India and Canara Bank were almost similar (Mean: 13.10% & 13.01%). Total assets of these banks went up at the rate of around 13% averagely every year for both banks. HDFC Bank recorded the highest ratio of business development in terms of total business among the sample banks. The bank achieved rapid growth rate of its total assets during all the years of the study period (Mean: 22.11%), it shows that total business of the bank raised at very high rate during the study period. The ratio of ICICI Bank was at moderate level (Mean: 14.83%). The ratio of Axis Bank also recorded almost similar result (Mean: 14.48%).

The below mentioned table presents the summary of results in terms of ranks of respective ratios measuring management capacity of the sample banks and overall rank.

Table 9: Combined Result of Management Capacity

S/N	Bank	Ad/Dep	Dep/TL	BPE	PPE	Ad/TA	BD-I	BD-TA	BD-TB	Combined Score	Combined Rank
1	SBI	III	III	I	IV	V	VI	III	IV	27	III
2	BOB	IV	II	II	V	IV	III	VI	VI	24	V
3	CANARA	V	I	III	VI	IV	IV	IV	V	24	V
4	HDFC	II	IV	IV	I	I	I	I	I	41	I
5	ICICI	I	VI	VI	II	III	V	V	II	26	IV
6	AXIS	I	V	V	III	II	II	II	III	33	II

Table 9 brings out the combined results of management capacity of the sample commercial banks of the study. Management capacity of the banks has been studied with eight various ratios. The results of the table show that the management capacity of HDFC Bank was found to good during the study period among all the sample commercial banks and among the private sector commercial banks, since it secured highest combined score (41) and this bank was ranked first. Followed by, the management capacity of Axis Bank was also good, its calculated combined score was also high at 33 and it was ranked second. Among the private sector Banks, ICICI Bank performed poor in terms of management capacity, since it secured lowest combined score among private sector banks (26). SBI stood first among the public sector banks in terms of management capacity. Bank of Baroda and Canara Bank were the least performed bank in terms of management capacity, since their combined score was lowest among the sample banks (24 each) and they were ranked last (5th).

CONCLUSION

Profitability and long-lasting success of any bank mainly depend on management efficiency of the bank. Hence the researchers studied the management efficiency of 3 public sector and 3 private sector banks in financial aspect. The study found that management efficiency in terms of advances to deposits ratio, profit per employee ratio, total advances to total assets ratio and business development in terms of income of private sector banks was better than public sector banks. The management capacity in terms of deposits to total liabilities and business per employee of public sector banks was better than private sector banks. Overall, the management capacity of HDFC Bank was found to good during the study period among all the sample commercial banks and among the private sector commercial banks and this bank was ranked first among the samples. Followed by, the management capacity of Axis Bank was also good and it was ranked second. Among the private sector Banks, ICICI Bank performed poor in terms of management capacity. SBI stood first among the public sector banks in terms of management capacity. Bank of Baroda and Canara Bank were the least performed banks in terms of management capacity.

REFERENCES

1. Chandulal D.A. (2024). Financial Performance Analysis of Selected Private and Public Sector Banks in India Through Camel Model Approach. *A Global Journal Of Social Sciences*, 7.2, 10-16.
2. Devi P., and Pant A. (2020). An Empirical Study on Liquidity and Solvency Performance in ICICI Bank. *International Journal of Research in Engineering, Science and Management*, 3.11, 50-52.
3. Ghosh K. (2021). Effects of Credit Risk Management on Financial Performance: A study on the Indian Commercial Banks. *SKBU Business Review*, 1.1, 103-115.
4. Jaspreet Kaur, Manpreet Kaur and Simranjit Singh (2015), Financial Performance Analysis of Selected Public Sector Banks: A Camel Model Approach, *International Journal of Applied Business and Economic Research*, Vol.13, No.6, pp.4327-4348.
5. Lal T., and Gupta A. (2023). Measuring Impact of CAMELS Model on Financial Performance of Indian Commercial Banks. *Asian Journal of Economics and Finance*, 5.2, 119-139.
6. Mukdad Ibrahim (2015), A Comparative Study of Financial Performance between Conventional and Islamic Banking in United Arab Emirates, *International Journal of Economics and Financial Issues*, Vol.5, No.4, pp.868-874.
7. Nataraja N.S., Nagaraja R.C., and Ganesh L. (2018). Financial Performance of Private Commercial Banks In India: Multiple Regression Analysis. *Academy of Accounting and Financial Studies Journal*, 22.2, 1-12.
8. Neesha (2025). A Study on the Performance Evaluation of Selected Commercial Banks in India. *International Journal of Creative Research Thoughts*, 13.1, h408-h418.
9. Patra K., and Ankura S. (2022). Profitability as a Performance Indicator of Scheduled Commercial Banks. *BKGC Scholars*, 3.1, 1-6.
10. Sneha S Shukla (2015). Analysing Financial Strength of Public and Private Sector Banks: a CAMEL Approach. *Pacific Business Review International*, Vol.7, No.8, pp.44-50.