



MEASUREMENT OF EMPLOYEE PRODUCTIVITY IN ANDHRA PRAGATHI GRAMEENA BANK: AN ANALYTICAL STUDY

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Abstract

Employee Productivity is an important factor that determines the overall efficiency of any organization in general and business organizations like bank in particular. Employee productivity, in a broader sense, refers to a measurement of efficiency of an employee in an organization in a given point of time of a completed task. More specifically, higher employee productivity drives the business of a bank and pushes it into further growth and development while, low employee productivity hampers its effective and efficient functioning, with this background in mind, this paper tried to examine the employee productivity in one of the RRBs i.e., APGB located in the economically backward region of Andhra Pradesh on selected parameters and also endeavored to identify the factors that influence the employee productivity. The results of the employee productivity in APGB in terms of its deposits, advances and loans, operating expenses, employee cost etc. showed a positive trend during a decade period i.e., 2011-2021 but found ups and downs in managing the Non-performing Assets. The factors that influenced a positive trend in employee productivity in APGB include high rate of interest compared to its counter-part Commercial banks, implementation of NRI deposit scheme, introduction of deposit insurance and social security schemes, creation of awareness programs among the customers through Financial Literacy Centers, Performance of Business Correspondents, continuous persuasion and follow up by the top officials, key role played by the Regional Managers and finally continuous campaigns on all areas of banking business. Crop failures on account of scarcity rainfall, willful evasion of installment by the borrowers, sluggish legal systems, diversion of funds other than the purpose for which loan are availed by the customers and poor loan management might be some of the factors for mounting of NPAs. Finally, it is suggested that bank officials of APFB at all levels should pay much more attention is reducing the cost of per employee and also NPAs per employee. The analysis also led us to conclude that the Bank should extend loan and advances even to the non-priority sectors so that to some extent profit of the bank and the employee productivity could be achieved.

Keywords: *Employee Productivity, Non-performing Assets, Deposits, Loans and Advances, Operating Expenses.*

Introduction

Employee productivity is an important and crucial aspect that determines the overall efficiency of any organization including business organization like bank. Employee productivity can be understood as the amount of work (output) produced by an employee in a specified period of time. It can also be evaluated with years of employee efficiency in a given point of time. In the words of James Clear, Productivity refers to a measurement of the efficiency of an employee of a period completed a task and further felt that productivity is more than just getting things done. It also reflects an organization's ability to withstand even during recessionary period. Since employees are the integral part of business operations of banks and hence, the overall success of the banks can be assessed by adding value



through his/ her role and capacity. Therefore, the combined efforts of employees as a whole will during the business forward into the future prospects. Employee productivity of long-term strategy that spills over further benefits such as higher employee engagement level, greater well-being and an improved culture in the work of an organization including banks.

Banking sector plays a significant role in developing the overall socio-economic development of any country in general and developing country like India in particular. Recognizing the role of banks, from time-to-time different types of banks such as Cooperative Banks, Scheduled Commercial Banks and Regional Rural Banks were established by the Government of India. Regional Rural Banks came into existence from 1975 on the recommendations of M.Narasimham Committee.

The main objectives of the RRBs have been enlarging from time to time and as of today they provide banking facilities to rural and semi-urban areas, carryout Government's operations like disbursement of wages to MGNREGA workers and distribution of pension, provide other Para-banking facilities and to bridge agricultural and a other credit gaps among the rural and semi-urban people. There were about 196 RRBs as March 1990 and over a period of time their number has been brought down and because of amalgamation. Accordingly, as on April 2020, there are about 43 RRBs across the country and meeting the credit requirement of the rural people.

Review of Literature

Literature on banking sector is available at National and International level. Many researches have been conducted, seminars and symposiums have also been held focusing on various dimensions such as physical, operational and financial performance of banks. However, not many studies, seminars, and symposiums were held on employee productivity with special reference to Regional Rural Banks. To mention some of such attempts are hereunder reviewed in order to trace out research gaps and highlight the emerging need for analyzing the employee productivity based on the quantitative data of the Andhra Pragathi Grameena Bank.

Shroff (2007)¹ attempted to discover how the banking industry transformed itself over time, and issues concerning the changes were also discussed. The author came to the conclusion that the Indian banking industry is on the verge of undergoing a complete and radical transformation. The author suggested that restructuring of the banking sector will bring prosperity to the system and, as a result, will increase the productivity and efficiency of the banks in India.

Wanyama and Mustsotso (2010)² in their paper on a research project carried out on commercial banks in Kakamega Central district in Kenya focused on the influence of employee productivity on organizational performance in commercial banks. The findings of the study further added value to the expanding scope of existing research studies on the influence of employee productivity on the organizational performance.

Parastoo et.al (2012)³ made an attempt to study the productivity through effectiveness and efficiency in the Banking sector.

Haenisch (2012)⁴ studied the factors affecting the productivity of Government workers in the USA by conducting a survey among the State Government workers in the State of Wyoming. The results indicated that workers appreciated having freedom and autonomy like their jobs and the sense of achievement and welcome team work, but felt limited by poor supervision and management, poor communications, insufficient budget and staffing.



Nda and Fard (2013)⁵ presented a literature review on the significance of training and development on employee productivity. They also reiterated that the most vital asset of every organization under stiff and dynamic competition is its human capital and strongly opined that the training and development is an instrument that aids human capital in exploring their dexterity and also play a vital role to the productivity of organizations work force.

Ibrahim Mahamid et.al (2013)⁶ in their research paper tried to identify the major factors influencing employee productivity in the KSA public construction project.

Sommanek (2014)⁷ conducted a research study on employees' productivity in five Indian private sector banks i.e., Axis Bank, HDFC Bank, ICICI Bank, Kotak Mahindra Bank and Yes Bank using financial ratios. It is found in the study there was no significant difference in business per employee among the private sector and also there was no significant difference profit per employee among the private sector banks.

Shashi Yadav and Garima (2015)⁸ in their article on “Employees Productivity in Indian Banks: A Comparative Analysis” For a deeper analysis, the authors have selected a group of banks namely, Nationalised Banks, SBI Groups, old Private Sector Banks, New Private Sector Banks and Foreign Banks and measured their employee productivity based on select parameters from (2008-09 to 2012-2013). It is found in the study that the performance of SBI Group Banks is extremely poor as compared to all other bank groups for business per unit of employee cost and profit per unit of employee, cost during the period under study.

Aram Hanna Massoudi (2016)⁹ in their research article entitled “Employees Performance Dimensions in Kurdistan region hotel industry in Iraq”. The study established that there is a significant correlation between employee performance with the other independent variables such as empowerment, transformational leadership, team work and work environment.

Meena Mahesawari (2016)¹⁰ in her original research paper on Productivity: A conceptual framework” stated that the productivity is the ratio of all the available goods and services to the potential sources. Further held that the highest employee productivity leads to social progress and economic growth.

Vadrade and Katti (2018)¹¹ made a comparative study on the performance of employee productivity of select-public and private banks during 2010-2015 considering their indicators for measuring employee productivity One tailed ‘t’ test showed that investment, total income, profit and spread per employee private sector banks was better than public sector banks and there was no much difference could be noticed in the remaining ratios of employee productivity in both the banks. The study also suggested that the public sector banks should focus on enhancing spread per employee and shrinking of burden per employee

A study on the impact of work-stress on employee productivity was made by Ehsan and Ali (2019)¹² found that work related stress could affect the productivity of banking staff of Faisalabad, Pakistan and also established a significant relationship between work stress and employee's productivity in banking sector.

Agarwal et.al (2020)¹³, in one of the papers on employee productivity identified three psychological characteristics like optimism, well-being and personal strength and analysed their impact on the productivity of the employee. The results showed that the implementation of such positive



psychological concepts at work-place improved the employee performance Vis-a-Vis the organizational productivity.

Research gaps and need for the current study

It is clear from the review of the literature that some studies are made on employee productivity in banks but majority of them are conducted at international level. A very few endeavors are made in the Indian context. Besides, no study is made on the employee productivity in APGB especially ever since its existence in 2006. The bank is located in a backward and drought-prone area like Rayalaseema region of Andhra Pradesh and the bank has been catering to the credit needs of the socially and economically backward communities in the region. The socio-economic sustainable development of the region can be possible through financial institutional initiatives like establishment of banking institutions. Like APGB and its various schemes for the development of region. Therefore, the effective and efficient functioning of the bank can be possible through its work-force and their productivity level. Hence, the present study is an attempt to fill this gap and suggest measures to ensure higher employee productivity level as to help the overall functioning of the bank.

Statement of the problem

The Andhra Pragathi Grameena Bank is one of the RRBs sponsored by Syndicate Bank (present Canara Bank) in the State of Andhra Pradesh came into existence on 1st June 2006 after merging three RRBs i.e., Rayalaseema Grameena Bank, Sri Anantha Grameena Bank and Pinakini Grameena Bank. It covers the jurisdiction of five districts such as Anantapuramu, YSR Kadapa, Kurnool, Nellore and Prakasam, and its headquarters are at YSR Kadapa. The bank has seven regional offices with a branch network of 438. The APGB altogether has as many as 552 branches. Of which, 326 branches are located in rural areas, 144 branches in semi-urban areas, and 82 branches located in urban areas. The bank is carrying its business with the help of 2656 employees as on 2020. Of these, 1662 are the officers 873 are the Office Assistants and 121 sub-staff. It is very fortunate to observed that the performance of the bank has been duly recognized at different forums of the bank and secured various distinctions and awards. The performance of the bank can partly be attributed to the productive capacity of the employees over a period of time. In the light of these observations, the present study intends to analyse the employee productivity on selected parameters of the APGB for a decade period i.e., from 2010-11 to 2019-2020.

Objectives of the study

The objectives of the current paper include

1. To explain and describe the concept of employee productivity, identify the factors that influence employee productivity of business organisations like bank and also to identify the research gaps.
2. To measure and analyse the employee productivity of APGB in terms of selected parameters.
3. To offer the suggestions based on the analysis of the annual financial reports and to improve the employee productivity in the banking institutions in general and in APGB in particular.

Hypothesis

1. H₀: There is no significant Correlation between number of employees to that of Deposits per employee, Advances per employee & Business per employee.

Scope of the study: The scope of the study is confined to Andhra Pragathi Grameena Bank which is spreaded its branches and operating in five districts such as Anantapuramu, Kurnool, YSR Kadapa, Nellore, and Prakasam. The study is confined only to ten years financial and other related data that is available in the form of official annual reports of the bank.



Time frame for analysis: In order to measure the financial performance of the APGB in terms of business per employee, profit per employee, employee cost to operating expenses, business per unit of employee cost, profit per unit of employee cost and host of other financial reports, of the bank for a period of ten years i.e., from 2010-2011 to 2019-2020 have been considered, accordingly the data was collected, calculated and interpreted.

Data source: The data for the study have been collected from the secondary sources available in the form of official financial reports such as Balance sheet, and profit & loss accounts of the bank for a decade period of the APGB. However, literature part of the employee productivity has been pooled from the published books, research articles and websites.

Tools used for analysis: The annual financial reports and other data of the APGB are analysed using the statistical techniques like Percentages, Averages, Compound Annual Growth Rate (CAGR), Standard Deviation, Co-efficient of Variances and Pearson Co-efficient of Correlation were deployed for analysis of the data.

Formula:

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

Table -1, Year-wise details of Number of employees, Number of branches, financial status and growth rates of business operations of APGB (Rs. in Crores)

Year	No. Employees	No of Branches	Total Deposits	Total Advances	Total Business	Operating Expenses	Employee Cost	Total NPAs	Total Profit
2010-2011	1983	385	4079.05	4227.75	8370.00	181.39	120.83	82.53	130.13
2011-2012	1998	421	4512.74 (10.63)	5426.99 (28.37)	9867.10 (17.89)	150.26 (-17.16)	109.98 (-8.98)	98.65 (19.53)	150.44 (15.61)
2012-2013	2061	438	5001.06 (10.82)	6702.39 (23.50)	11760.69 (19.19)	169.89 (13.06)	127.43 (15.87)	126.00 (27.72)	155.61 (3.44)
2013-2014	2012	450	5947.69 (18.93)	7242.59 (8.06)	13262.17 (12.77)	189.37 (11.47)	136.01 (6.73)	161.08 (27.84)	160.37 (3.06)
2014-2015	2121	470	7813.24 (31.37)	7195.93 (-0.64)	15135.01 (14.12)	208.25 (9.97)	149.93 (10.23)	280.28 (74.00)	165.45 (3.17)
2015-2016	2578	500	9594.65 (22.80)	8113.12 (12.75)	17838.28 (17.86)	274.24 (31.69)	193.84 (29.29)	295.63 (5.48)	166.07 (0.37)
2016-2017	2486	530	11553.91 (20.42)	9568.21 (17.94)	21271.09 (19.24)	321.53 (17.24)	194.93 (0.56)	263.51 (-10.86)	173.88 (4.70)
2017-2018	2473	549	13064.16 (13.07)	11389.82 (19.04)	25039.05 (17.71)	410.63 (27.71)	212.49 (9.01)	235.01 (-10.82)	206.31 (18.65)
2018-2019	2606	552	14324.78 (9.65)	13686.46 (20.16)	28285.00 (12.96)	558.34 (35.97)	443.45 (108.69)	274.45 (16.78)	231.18 (12.05)
2019-2020	2656	552	16150.71 (12.75)	15117.84 (10.46)	31543.00 (11.52)	666.85 (19.43)	546.38 (23.21)	257.37 (-6.22)	281.37 (21.71)
Compound annual growth rates (CAGR)			0.1652 16.52%	0.1521 15.21%	0.1588 15.88%	0.1556 15.56%	0.1825 18.25%		0.0895 8.95%

Source: Compiled data from the annual financial statements of Andhra Pragathi Grameena Bank from 2010 to 2020.

Note: The figures in brackets indicate Growth rates.



Table 1 depicts the year-wise details of APGB in terms of its number of employees, number of branches and business operations for a decade period i.e., from 2010-11 to 2019- 2020.

As far as the number of employees and number of branches of APGB is concerned, it is observed that during 2010-2011 there were about 1983 employees in all its 385 branches covering five districts Viz., Anantapur, Kadapa, Nellore, Prakasam, Kurnool. It has also been observed that the number of employees over the years have been increasing in tune with the growth in branches. The number of branches by the end of 2019-2020 were 552 and the total number of employees during the same period were 2656 and on an average the number of employees per branch comes to 4.81 i.e., around five employees.

The details on Business Operations of Andhra Prgathi Gremeena bank are presented and analysed in as many as seven parameters. They broadly include deposits mobilized, advance lent, business carried out, profit earned, operating expenses and employee cost incurred, and the total Non-performing Assets during the study period i.e., from 2010-2020.

Total deposits: Deposits as per the APGB include Demand Deposits and Term Deposits. Demand deposits are these deposits, which is include Savings Deposits and Current Deposits while the term Deposits are the Deposits which comprise of fixed deposits of both short- term and long term in nature. As per as the total deposits mobilised, it could be found that there has been a satisfactory performance of the bank. More specifically, it is observed that in the year 20210-2011 the total deposits of the bank were also Rs 4079.5 crore and thereafter that is till 2019-2020 a positive progress could be seen. The analysis further led us to infer that the highest rate of growth i.e., 31.37% is seen in the year 2014-2015, the lowest growth rate 9.65% could be witnessed by 2018-2019.

Advances and Loans: Advances and loans primarily refer to those advances and loans given to primary sector (i.e., farm sector), nonfarm sector and allied sectors such agriculture, small scale industries, professional and self- employment loan, educational loan loans, state sponsored corporations for SC and ST, consumption loan, retail trade loans etc. and loan to non-primary sectors. Mostly, loans and advances were given for the development of infrastructure facilities and steel and also loans given to institutions. Regarding the total advances lent by the bank, it is found in this regard that except during 2014-15, there has been a steady growth rate in all the ten years of business operations of the bank regarding various advances lent to the customers (i.e., beneficiaries) in the region. On the whole, it is found that the highest growth rate could be seen in the year 2011-12 while the lowest growth rate could be observed during 2013-2014. The CAGR calculation showed that there has been a steady growth to the extent of 15.21per cent. It is disheartening to note that there was a negative growth rate to the extent of -0.64 per cent out of a total period of ten years

Total Business: This business pertains to total deposits, total advances lent by the Bank including deposits pooled from the Non- Resident Indians (NRIs). The APGB's Total Business details as furnished in the table above revealed that the total business during 2010-11 was Rs 8370 crore and in the subsequent years also the total business has been found increasing. However, the highest growth rate of total business 19.24per cent of the bank could be witnessed during 2016-17 and the lowest rate total business 11.52 per cent turned up in the year 2019-20 and CAGR could be arrived at 15.88 per cent. It is, therefore, inferred that the total business of the bank has been found in five out of ten year's period growth rates are more than CAGR and hence, showed a positive growth of the bank. On the whole, it is observed that growth in terms of total business of the bank has not been found ups and downs showing a positive trend



Operating Expenses: According to APGB, operating expenses include both employee cost (payment towards salaries and provisions for future payment) office expenses (expenses towards rent, taxes, printing and stationary etc.) and also depreciation on banks property, Auditors and law charges, bad debts written-off /loss on one-time settlement (OTS), GST paid and other expenses. According to the details on Operating Expenses including employee salaries shown in the table, it can be understood that the highest operating expenses were increased in 2019-2020 to the tune of Rs 666.85 crore, while the least expenses i.e., Rs 150.26 crore made in the year 2011-12. The details as per the growth rates calculated in operating expenses over the years. It is found that the highest growth rate 35.97 per cent could be witnessed in the year 2018-2019 whereas the least growth rate -17.16 per cent was observed during the year 2011-12 and the compound annual growth rate could be at 15.56 per cent. A deep peep into the figures revealed that growth in terms of Operating expenses has been found more than CAGR of 15.56 per cent the 2015-2016 to 2019-2020 whereas the same is less during 2010-2011 to 2014-2015. Based on the above analysis, it can safely conclude that operating expenses have been increasing from 2015-16 onwards. This might be because of announcement of 7th Pay Commission of the Government of India.

Employee cost: Employee Cost is the expenses exclusively made towards the services rendered by the employees of the bank preferably paid in the form of salaries, and allowances Employee Cost of the bank refers to the cost incurred in respect of the salaries paid to the employees. The total employee cost details as depicted in table above clearly revealed that the compound annual growth rate is 18.25 per cent over a decade period under the study. The total Employee Cost during 2010-11 was Rs 120.83 crore. Further, it is found that except in 2011-12, in the rest of the years, there has been a growth rate in the expenses incurred towards employees' salaries. The highest growth rate could be seen in 2018-2019 but more expenses were made in 2019-2020. Thus, it can conclude that the total cost towards employee salaries on an average over a decade period calculated comes at 18.25 per cent out of the total expenditure

Non-Performing Assets (NPAs): A Non- performing Asset refers to classification for loans and advances that are in difficult follow in arrears. Loans in arrears when the principle and interest payments are late or missed by the loanee within a specified time by the bank depending upon the type of loan availed by the customer Management of Non- performing Assets is also one of the indicators to measure the performance of the banks. The details regarding the status of Non- Performing Assets of APGB were portrayed in table above. As such during 2010-11 The NPAs of the banks were about Rs 82.53 crore. It is unfortunate to find that over the years the NPAs have been mounting in the bank. However, the highest NPAs were recorded in 2015-16, the lowest being Rs 82.53 crore in 2010-11 However, the negative growth rate over the years is observed during 2017-2019 where as in the rest of the years, there has been found an increasing trend. Thus, it can be concluded that NPAs has been the pulling down factor in the APGB which needs a special focus and attention to manager them timely

Total Profit (Net profit): Profits arrived by the Bank referred to the profits earned after deducting the taxes and provisions out of the total profits. The details on the total profit earned by APGB for a ten years period and the growth rates calculated there on revealed that the profit of the bank during 2010-2011 was stood at Rs 130.13 crore and showing a positive growth but not a steady growth. Further, it is found that the highest growth rate i.e.21.71per cent in the profit earned during 2019-2020 and the lowest growth rate 0.37 per cent in the year 2015-2016 and the overall CAGR is found at 8.95 per cent. The data on the whole, revealed that though the bank is earning profit in the ten years but not a satisfactory growth could be seen during 2012-13 to 2016-17. However, during the year's i.e.,2011-12,



2017-18, 2018-19, and 2019-20 the growth in terms of total profit of the bank could be seen above the compound annual growth rate (CAGR) of 8.95 per cent. Based on the analysis it can be concluded that the performance of the APGB in terms of the profit earned is satisfactory.

Table-2, Employee Productivity dimensions in Andhra Pragathi Grameena Bank year-wise (Rs. in Lakhs)

Year	No. Employees	Deposit per Employee	Advances per Employee	Business per Employee	Operating Expenditure per Employee	Per Employee cost	NPAs per Employee	Profit per Employee
2010-2011	1983	205.70	213.20	422.08	9.14	6.09	4.16	6.56
2011-2012	1998	225.86	271.62	493.84	7.52	5.50	4.93	7.52
2012-2013	2061	242.65	325.20	570.63	8.24	6.18	6.11	7.55
2013-2014	2012	295.61	359.96	659.15	9.41	6.75	8.00	7.97
2014-2015	2121	368.37	339.27	713.57	9.81	7.06	13.21	7.80
2015-2016	2578	372.17	314.70	691.94	10.63	7.51	11.46	6.44
2016-2017	2486	464.75	384.88	855.63	12.93	7.84	10.59	6.99
2017-2018	2473	528.27	460.56	1012.49	16.60	8.59	9.50	8.34
2018-2019	2606	549.68	525.19	1085.37	21.42	17.01	10.53	8.87
2019-2020	2656	608.08	569.19	1187.61	25.10	20.57	9.69	10.59
S.D	284.00164	145.26887	111.63013	257.8998152	6.022882293	5.145595744	2.9511233	1.219927593
Mean	2297.4	386.114	376.377	769.231	13.08	9.31	8.818	7.863
C.V	0.1236187	0.3762331	0.296591283	0.335269659	0.460465007	0.552695569	0.33467037	0.155147856
'r' Correlation		0.8983.	0.7715.	0.8566				
P Value		0.000413	0.008958	0.00155				

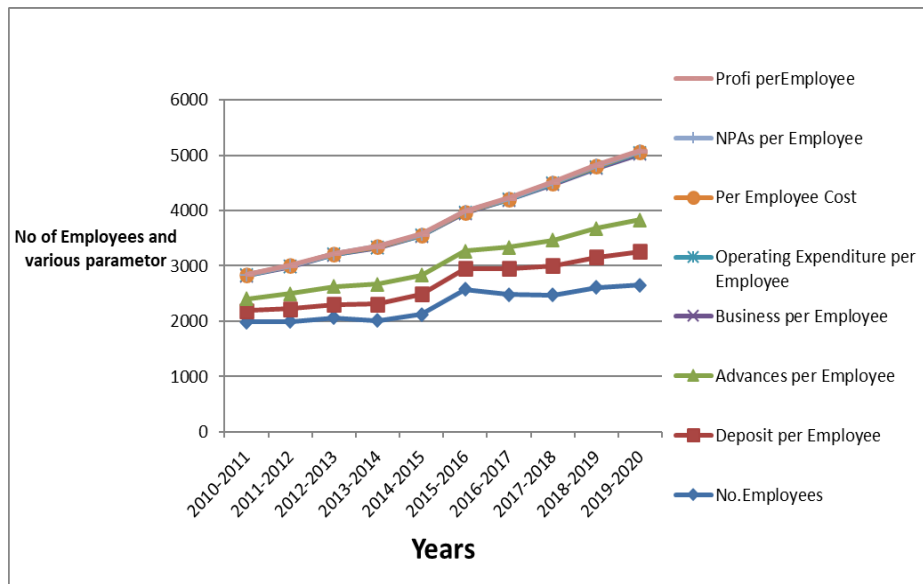
Source: Compiled data from the annual financial statements of Andhra Pragathi Grameena Bank from 2010 to 2020.

Testing of Hypothesis

It is clear from table 2, that the calculated 'P' value regarding deposits per employee (0.000413), advances per employee (0.008958), and business per employee (0.00155) in Andhra Pragathi Grameena Bank during the study period (2010-2020) is less than the table value at 5 per cent level of significance ($p \leq \alpha$). Hence, it can be concluded that the formulated null hypothesis that there is no correlation between number of employees to that of deposits per employees, advances per employee and business per employee is rejected.



Figure 1: Year-Wise Employee Productivity Dimensions in Andhra Pragathi Grameena Bank



Deposits per Employee (Employee Productivity)

“Employee Productivity in terms of deposits” refers to total deposits mobilized by the APGB in a particular year divided by the total number of employees during the said year. It implies that the deposits cannot solely be made by the public or customers on their own. But believed to be the active initiation and rigorous campaigns made by the employees at different levels on continuous persuasion, because of attractive interest rates and sometimes accessibility of the bank. In this paper, the data on the deposits mobilized by the APGB over ten years period (2010-11 to 2019-2020) and also year-wise number of employees have been collected and shown in table 2. As per the data, it is observed that during 2010-11, the number of employees of the bank are 1983 in all its 385 branches. The total deposits as per the records show about Rs 4079.05 crore. Thus, the employee productivity comes to Rs 213.20 lakhs during 2010-11. It is further found that over the years both the number of branches, and number of employees have been found increasing and accordingly the growth of deposits could also be seen increasing. Therefore, it can be concluded that employee productivity with regard to mobilization of deposits has been found quite satisfactory. The findings also imply that besides other motivational and attractive factors, the employees’ commitment especially in the mobilization of demand, current and recurring deposits from the public/customers in the jurisdiction of the bank might also be the reasons for huge mobilization of deposits

Advances and Loans lent

The details on per employee advances and loans lent by APGB in a decade period can be found in table 2. For calculation of per employee productivity in terms of advances and loans, it is found that the total advances and loans lent by the bank during 2010-11 come to Rs 4227.75 crore while the total employees and the employee productivity in this regard come out to Rs 213 lakhs. It is found a positive trend in the growth of advances lent till 2013-14 and later in about a couple of years i.e., 2014-2016, unfortunately, the per employee productivity in lending the loans have come down from Rs 359.56 to Rs 314.70 lakhs but again in the subsequent years, i.e., 2016-17 onwards a growth spurt has been found in lending different types of loans and advances by the bank. A growth in lending advances might be because of primary sector loans as per the Government schemes, demand from the farmers for



agricultural loans and in many a times, the high growth in employee productivity might be because of active initiation taken by the banks' officials at the top level and also dedicated efforts active involvement and commitment of the employees at lower level might be also the contributing factors. Thus, the findings endorse that employee productivity in lending advances is notable and appreciable.

Employee Productivity in terms of Business per Employee

'Business per Employee' refers to the total business operations carried out by the bank in a particular year divided by the number of employees engaged during that year. Total business operations include total deposits mobilised, total loans lent and other business transactions carried out by the bank, The details of total business carried out by APGB for a period of ten years i.e., from 2010-11 to 2019-20 and also the number of employees in that particular year can be seen in table 2. It is observed from the table that except during 2015-16 years the business per employee in the said bank has been increasing in tune with the number of employees in all ten years. This can partly be attributed to the efforts and initiation taken by the employees. The reasons for low business per employee might be because of manifold reasons and need not necessarily be low work-load carried out by the employees.

Operating Expenses

Regarding Operating expenses, the lesser the operating expenses, it is presumed and implied that the more efficiency of the bank. Operating expenses are also closely related to the total business carried out by the employees. As per table 2, it can be observed that the least operating expenses per employee was at Rs 7.52 lakhs. while the highest can be found as Rs 25.10 lakhs by 2019-20. But it is noticed that the operating expenses over the years has been found increasing in all the years in the study. The sole objective of the employee productivity of or employee efficiency in business organisations like bank is to decrease the expenses and thereby increase employee efficiency. Thus, it can be inferred that the operating expenses of the bank in all the years have been found increasing. This implies that the bank should focus upon minimising the operating expenses in order ensure high employee productivity

Employee Productivity in terms of per Employee Cost

Per employee cost refers to the cost incurred in the form of salaries and allied expenses made by the bank for engaging the employees in a given period of time. It is mandatory on the part of the bank to pay the salaries as per the Pay Commission of the Government of India. It is found in case of the APGB in the study, that the least employee cost Rs 5.50 lakhs was found in 2011-2012 and in the remaining years also the cost per employee has been found increasing. This cost will naturally be increasing as the new employees are adding year-by-year. Though the per employee cost has an impact on the profit earned but inevitable on the part of the bank to pay salaries as per the recommendations of the Pay Commission of Government of India.

Employee productivity and Non- Performing Asset per Employee

The status of NPAs, undoubtedly, can be attributed to the employees' performance/ productivity on their respective job positions and also indicates their commitment towards the bank. As per as the APGB is concerned, the NPAs per employee has been found ups and downs. However, it is found that the least NPAs Rs 4.16 lakhs are recorded per employee in the year i.e.,2010-2011but the highest NPAs was noticed in the year 2014-15. The reasons for high rate of NPAs on the part of the employees partly might be because of lack of commitment both lending and recovery stages, poor persuasion with the loanee, lack of on time communication with the borrowers and lack of close supervision by the bank personnel on the loans, unable to reach the information the borrowers about the repercussion in the event of the failure to pay the loan installments as per the bank's schedule.



Profit per Employee as a sign of Employee Productivity

Profit per employee refers to the amount achieved after deducting all expenses incurred on all the business operations of the bank. It is also a measuring scale for employee productivity. The details in this regard are depicted in table 2 and from this it can be observed that profit per employee in APGB has been satisfactory in all through the study period. On a deep observation, it is found that the least profit per employee is seen during 2015-16 whereas the highest profit per employee could be achieved during 2019-2020. It is quite interesting to notice that a little ups and downs, the profit of the bank per employee has been impressive except during 2015-2017. On the whole, it is found that the bank's performance in terms of profit earned per employee over a decade period is impressive, despite different factors that might have contributed to such performance but invisible and qualitative factor that can be attributed include the employees' active involvement and dedicated efforts in carrying out the business activity of the bank. Thus, it shows the employees' efficiency and their productivity abilities might have, undoubtedly, been an impressive impact on employee productivity in achieving a growth in profitability of the APGB during the study period

Findings

Based on the historical origin, growth and development of Andhra Pragathi Grameena Bank (APGB) which came into existence after amalgamation of three Regional Rural Banks (RRBs) (such as Sri Anantha Grameena Bank, Rayalaseema Grameena Bank and Pinakini Grameena Bank) on 01-06-2006. This bank covers five districts like Anantapur, Kadapa, Kurnool, Nellore and Prakasam in the state of Andhra Pradesh. The purpose of this paper is to identify, calculate the total business of the APGB in terms of total deposits mobilised, advances and loans lent, operating expenses, total cost, NPAs and profit earned by the bank in a decade period i.e., from 2010-2011 to 2019-2020. It calculated the employee productivity (per employee) on all the said business dimensions during the same period.

1. It is found that within a span of ten years, the bank branches rose from 385 to 552, with 43.37% growth. Similarly, the employee strength has also been grown from 1983 to 2656 registering a growth rate to the extent of 33.93 per cent by 2020.
2. Regarding the total deposits mobilised, it is witnessed that the highest growth is found as 31.37 per cent during 2014-2015, and the lowest growth rate is observed (as 9.65%) and the Compound Annual Growth Rate (CAGR) is at 16.52 per cent. On the whole, the Deposit per employee (Employee Productivity) in this regard is worked out as Rs 608.08 lakhs during 2019-2020. This is found as the highest deposit per employee during ten years
3. As per the total advances and loans lent by the APGB, it is found that a negative growth rate i.e.-0.64 per cent during 2014-15 and the same is reflected in the employee productivity as Rs339.27 lakhs which is the lowest employee productivity compared to the rest of the years. Further found that though the employees' strength during 2015-2016 has been increased compared to 2014-2015 the employee productivity in lending advances lent has also come down on the whole, the calculated CAGR is showing at 15.21 per cent.
4. About the total business of the bank, it is observed that there has been a steady growth in the total business carried out by the bank in all 10 years period. However, the highest growth could be seen in 2016-17. The CAGR could be arised at 15.88 per cent the per employee business of the bank, the highest Rs 1187.61 lakhs could be seen in the year 2019-20 and the lowest total branches of the banks comes to Rs 422.08 lakhs.
5. In case of operating expenses of the APGB, it is observed that except during 2011-12 in the rest of the years such expenses have been found increasing. This is probably because of the reason



that the number of branches and also the employee strength of the bank over the years have been increasing. The overall observations of the operating expenses increased by the bank led us to infer that the expenses have been found increasing. This is evident from the CAGR calculations that are shown in the table.

6. Employee cost as is presented in the preceding paras, reveals the actual salaries being paid to the employees of all cadres. It is observed that during 2010-2011, the per employee cost in APGB is worked out Rs 120.83 per cent but in the succeeding year i.e., 2011-12, the employee cost has come down to 109.98 per cent. But the employee cost by 2019-2020 has grown up almost four times than 2010-2011. This might be on account of the announcement of 7th Pay Commission and provision for creation of Pension Fund for the benefit of the employees.
7. It is found study that out of ten years study period, the NPAs per employee during 2010-11 were Rs 4.16 lakhs and the same unfortunately is reached to the tune of Rs 13.21 lakhs, by 2014-15, which can be witnessed as the highest NPAs per employee during the entire period and thereafter started to declining to Rs 9.69 lakhs per employee. Thus, it can be concluded that the NPAs after 2016-17 started decaling which signifies the fact that the recovery position of NPAs has been found satisfactory that reflects the per employee performance in recovering the NPAs is satisfactory
8. Regarding Profit per employee, the fist five years, the profit per employee is found increasing trend upto 2013-14 and thereafter, started decreasing from Rs 7.97 lakhs to Rs.6.44 lakhs by 2015-16 and thereafter found increasing trend. This clearly made us to infer that profit per employee has been showed a positive trend from 2017-18 onwards.

Conclusion

Finally, it can be suggested that in order to enhance highest employee productivity in APGB, the officials at all levels of the bank personnel should pay much more attention in reducing the cost per employee and also NPAs per employee. The bank should also provide necessary provisions to grant liberal loans and advances even to the non-priority sectors. So that employee productivity of the bank could be increased much more than the expected profit per employee in the years to come.

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