OPERATIONAL EFFICIENCY OF INDIAN BANKS:
DOES OWNERSHIP MATTER?

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ABSTRACT
Banks play an important role in the socio-economic development of Indian economy. Banking system in the country has undergone a lot of changes as competition has intensified with the entry of large number of private banks and foreign banks. Operational efficiency is the ability for an organization to execute its tactical plans while maintaining a healthy balance between cost and productivity. The objectives of this paper is to classify the commercial banks in India on the basis of their Ownership as a guide line for future development, and to assess their operational efficiency. It has been argued since long time that private ownership of firms leads to better firm performance, since private ownership leads to better intra-firm allocation of resources. The results of this study imply that it might be necessary for a bank management to take all the required decisions to enhance the financial positions of the bank.

KEYWORDS: Operational efficiency, Equity Ratio, Net Worth, correlation.

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