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DO MERGERS AND ACQUISITIONS IMPROVE MANAGERIAL EFFICIENCY: EVIDENCE FROM INDIAN BANKING SECTOR

Dr. K. Maddileti*   Dr. Y. Jaya Krishna**
**Assistant Professor, Dept. of Commerce, Sri Krishnadevaraya University, Anantapuramu Andhra Pradesh.*
***Academic consultant, Dept. of Commerce, Sri Krishnadevaraya University,Anantapuramu ,Andhra Pradesh*

Abstract
One of the most crucial elements influencing the functioning of financial institutions is sound management. However, indicators of management quality are particularly relevant to specific institutions and cannot be simply aggregated throughout the industry. As a result of the qualitative nature of management, it is challenging to assess its soundness solely by reviewing the bank's financial reports. Nevertheless, the ratio of total advances to total deposits, the amount of business done per employee, and the amount of profit made per employee are useful indicators of a bank's managerial caliber. This paper analyses the Management efficiency of banks before and after mergers in terms of Total advances to total deposits (Credit-Deposits Ratio), Business per Employee and Profits per Employee and the impact of amalgamation on the managerial efficiency of the two public sector banks (IDBI and IOB) and the two private sector banks (HDFC and ICICI) in India selected for specific study over a period of 16 years i.e., from 1999-2000 to 2014-2015 with the help of above parameters and by using statistical measures of standard deviation and T-test.

Keywords: Mergers, Banking, Financial soundness, (Credit-Deposits Ratio), Business per Employee and Profits per Employee.

Introduction
Mergers and Acquisitions are important tools for business expansion across borders. Researchers from all around the world are eager to work in this topic (Goyal & Joshi.2011) For banks to expand their business, cost-cutting and sound financial planning are essential. The use of mergers and acquisitions makes all of these activities possible. The soundness of the banking sector, which is the sector with the fastest rate of growth, is the guiding principle for the growth of the national economy. In order to adapt to these shifting conditions, banks use mergers and acquisitions. To measure the financial soundness of banks CAMEL method was used. In this method third important component was M, which stands for *Management efficiency/quality*. This parameter is used to evaluate management's efficiency of the organization. Management efficiency ensures stability and strength to the bank in generating business and maximizing profits. Some of the important ratios used to assess the management efficiency of the banks in the present study are Total advances to total deposits (Credit-Deposits Ratio),Business per Employee (BEMP) and Profits per Employee (PEMP).

Review of Literature
Neha Duggal (2015)[1], focused on post-merger performance of acquiring firms in Indian pharmaceutical industry . The researcher used various ratios like Current ratio, Quick ratio, Debt-Equity ratio, Return on Net worth, Interest turnover ratio, Debt equity ratio, Operating profit ratio..etc. and statistical tools like T test. The study period covers from 2000 to 2006. The study observed that merger have significant impact on the performance as compared to pre-merger period but the impact is

evident more in the immediate year after merger. Finally he concludes that there is a positive impact of merger announcement on the operating and financial performance in short-run but not in long –run.

Dr. Hawa Singh and Kamlesh (2013)[2], focused on the estimation employee productivity in the Indian private sector bank group. To analyse the employee productivity of the private sector banks eight parameters like profit, deposit, advances, spread, burden, total income, business and total expenses are selected and statistical tools like averages, standard deviation, coefficient of variation, exponential growth rate (EGR) and trend analysis have been used for analysing the data. The study covers a period of 11 years i.e., from 2002-2012. It was observed that the performance of the private banks in all the eight variables has shown an increasing trend. One important observation was the exponential growth rate of total expenditure per employee was much higher than the total income per employee. It is also observed that from the financial year 2001-02 to 2005-06 the performance of new private sector bank is better than the old private sector banks regarding selected productivity indicators but after 2005-06 the old private sector banks started competing with the new private sector banks and performed better than the new private sector banks.

D**r. Shashi Yadav and Garima(2015)[3]** analysed the productivity of employees by using the factors like business per employee, profit per employee and employee cost to operating expenses for five bank groups- Nationalised banks – SBI- Old private sector banks- New private banks and foreign banks. The study covers five years data i.e., from 2008-09 to 2012-13. It was observed that the performance of the Foreign Banks was much superior to all the other bank groups in terms of amount. In terms of growth, New Private Sector Banks have performed much better among all the other bank groups and performance of SBI group was extremely poor.

Karam Pal Narwal and Shweta Pathneja (2015)[4] focused on productivity and profitability of Indian banking sector. Here performance of public and private sector banks in terms of productivity and profitability is being assessed in two different time periods (2003-04 to 2008-09 and 2009-10 to 2013-2014). To measure the total productivity banks, Data Envelopment Analysis (DEA) model and regression has applied. Finally the study found that private sector banks are more productive than public sector banks over the whole study period. The main reason of more productivity of private sector banks is the better utilization of technology than the public sector banks.

Dr. D.MahilaVasanthiThangam and Ms.Thoushifa.T (2016)[5]analysed the branch and employee productivity of nine banks, three banks each from Public Sector Bank group, Private Sector Bank group and Foreign group in India during 2009-10 to 2013-15.The selected banks are the largest banks in the respective groups in terms of deposits and advances. The researchers have analysed the productivity of selected banks in terms of bank net profits, deposits, advances, total interest income, total expenditure and total business by taking both the Branches and employees as the base. This Study found that BOA (FB) stood first with higher branch productivity as well as employee productivity among all nine banks under study and PNB (PSB) and HDFC (PVTB) and SMAU (FB) ended up with lower productivity. After making a detailed analysis they concluded that the number of branches and the number of employees of are two major determining factors influencing the productivity of banks. According to the study the public sector banks with their large number of branches and employees exhibited lower productivity than their counter parts in private & foreign sectors.

Need for the Study

From the review of literature, it can be observed that academicians, researchers, financial organisations in India have carried out research studies covering various aspects of mergers and

acquisitions. However, the present study is different from the above research studies in terms of both period and sample chosen. The reasons of M&A may different from time to time and may vary from company to company. In the tasks of combinations most of them focused on manufacturing sector. Further very few studies have attempted in service sector. In service sector, banking has been scanty. Hence, there is a need for this study.

Objectives

The present research paper aims at analyzing the impact of mergers on the management efficiency of the Indian Banking industry:

1. To study and identify the Management efficiency of the selected public and private sector banks.
2. To analyse the impact of Mergers on Management efficiency of selected public and private sector banks in India.

Hypotheses

H_0: There is no impact of amalgamation on management efficiency in both selected private and Public sector banks in India.

H_1: The amalgamation of banks has a significant impact on management efficiency both In selected public and private sector banks in India

Research Methodology

Period of Study

The present study covers the impact of merger, the period of study is sixteen years from 1999-2000 to 2014-2015, it is divided into two parts period before merger and period after merger. In case of ICICI and IOB the study period covers 8 years before merger and 8 years after merger, whereas in HDFC it covers 9 years before merger and 7 years after merger and in case of IDBI it is 7 years before merger and 9 years after merger.

Data Collection

The study is purely based on the secondary sources. The data has been taken from the annual reports of selected public and private sector banks. And all the data relating to history, growth and development of Banking Industry have been collected from the books, magazine, published paper, report, article, various newspapers, bulletins and various published and unpublished theses and dissertations, various web sites like www.RBI.Org.in, www.Moneycontrol.com, www.Indiainfoline.com .

Statistical Tools of Analysis

The statistical tools like Percentage, Average, Standard Deviation, T-test, Ratios Analysis, Charts and Diagrams are used for analysis of the present study.

Sample Design

For the purpose of the study, four banks were selected–two banks from public sector and two banks from private sector.

SI.NO.	Name of Bank	MERGED BANK	Year of MERGER	Category
1	Indian Overseas Bank	Bharat Overseas Bank ltd.	2007	*Public*
2	IDBI Bank Ltd.	United Western Bank Ltd.	2006	*Public*
3	HDFC Bank ltd	Centurion bank of Punjab ltd.	2008	*Private*
4	ICICI Bank ltd.	Sangli bank ltd	2007	*Private*

Source: RBI Newsletter.

Data Analysis and Interpretation

Table 1 to 8 depicts the data on the measurement of Management efficiency in the selected public and private sector banks by using the below three ratios.

Credit-Deposits Ratio is the ratio of the total advances to total deposits. It measures the efficiency and ability of the bank's management in converting the deposits available with the bank excluding other funds like equity capital, etc. into high earning advances. The ratio is indicative of the percentage of funds lent by the bank out of the total amount raised through deposits. Increase in this ratio indicates the management's efficiency in utilizing the available resources productively. But too high ratio indicates management's aggressive approach and it may result in mismatch between capital adequacy and asset quality. At the same time too low Credit-Deposit ratio adversely affects bank's earnings ability.

Business per Employee shows the productivity of employees in a bank. It is used as a tool to measure the efficiency of employees of a bank in generating business. This ratio is also used to find out whether a bank is relatively over or under staffed. Higher the ratio the better is the performance of the bank as it indicates that the bank is utilizing its employee's very efficiently. Increase in the business per employee is a positive sign as it indicates that the bank management is making efforts to extract more revenue out of each of its employees.

Profit per Employee shows the surplus earned per employee. It is calculated by dividing the profit after tax earned by a bank by the total number of employees. This ratio also helps in checking the efficiency of a bank in maximizing profits per employee. The higher this ratio the better is the performance.

Table:1 Management's Capacity of IDBI before and after the amalagamation

RATIOS	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	*2005-06*	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Before Merger							After Merger								
Credit-Deposit Ratio (in %)	NA	NA	NA	100.56	69.38	182.17	***202.83***	144.09	112.62	92.02	82.43	87.04	85.79	86.43	83.85	80.20
Business per Employee (Rs.in Cr.)	NA	NA	NA	NA	19.19	13.49	*17.31*	14.14	18.81	21.16	25.04	24.83	25.34	27.38	26.37	28.28
Profit per Employee (Rs.in Cr.)	1.66	0.238	0.149	0.166	0.136	0.242	*0.123*	0.084	0.088	0.084	0.084	0.121	0.132	0.122	0.007	0.053

It indicates that the bank's management is utilizing its employees efficiently. **Source:** Compiled from Annual Reports

Table: 2 Management's Capacity of IOB before and after the amalagamation

RATIOS	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	*2006-07*	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Before Merger								After Merger							
Credit-Deposit Ratio (in %)	47.59	47.77	47.67	47.54	48.92	56.97	68.78	*68.46*	71.66	74.80	71.31	77.00	78.87	79.34	77.15	69.81
Business per Employee (Rs.in Cr.)	1.27	1.56	1.90	2.21	2.53	2.85	3.53	*4.85*	5.85	6.90	7.10	10.03	11.66	12.82	13.59	13.08
Profit per Employee (Rs.in Cr.)	0.001	0.004	0.009	0.017	0.021	0.027	0.032	*0.042*	0.049	0.052	0.026	0.042	0.038	0.020	0.020	(0.014)

Source: Compiled from Annual Reports

Table: 3 Impact of Amalgamation on Management Capacity of IDBI

SI NO.	RATIOS	Mean		T-Value		Result	Growth Rate (%)
		Before Amalgamation	After Amalgamation	Cal.	Table Value @5%		
1	Credit-Deposit Ratio (in %)	138.74 (63.93)	94.94 (20.77)	1.845	1.761	**S**	**-31%**
2	Business per Employee (Rs.in.Cr)	16.66 (3.16)	23.48 (4.59)	0.957	1.761	**NS**	**41%**
3	Profit per Employee (Rs.in.Cr)	0.387 (0.561)	0.0861 (0.039)	1.323	1.761	**NS**	**-78%**

Source: Compiled from table 1
Note: The figure given in the parenthesis indicates Standard Deviation; **S**= Significant; **NS**=Non-Significant

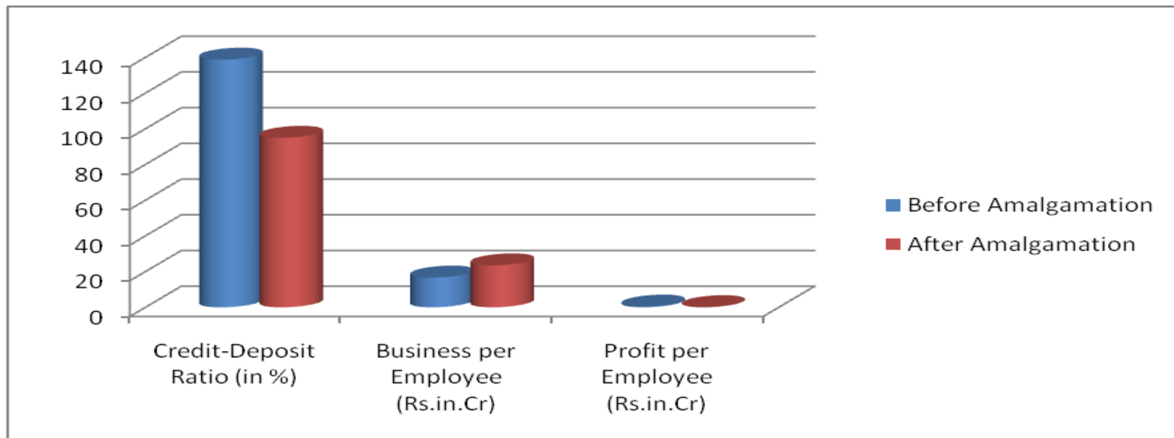
TABLE: 4 IMPACT OF AMALGAMATION ON MANAGEMENT CAPACITY OF IOB

SI NO.	RATIOS	Mean		T-Value		Result	Growth Rate (%)
		Before Amalgamation	After Amalgamation	Cal.	Table Value @5%		
1	Credit-Deposit Ratio (in %)	54.21 (9.44)	74.99 (3.37)	5.672	1.761	**S**	**38%**
2	Business per Employee(Rs.in.Cr)	2.59 (1.16)	10.13 (3.12)	9.619	1.761	**S**	**291 %**
3	Profit per Employee(Rs.in.Cr)	0.019 (0.014)	0.029 (0.021)	0.819	1.761	**NS**	**52%**

Source: Compiled from table 2

Note: The figure given in the parenthesis indicates Standard Deviation; **S**= Significant; **NS**=Non-Significant

Graph: 1 Management Capacity of IDBI before and after Amalgamation



Graph: 2 Management Capacity of IOB before and after Amalgamation

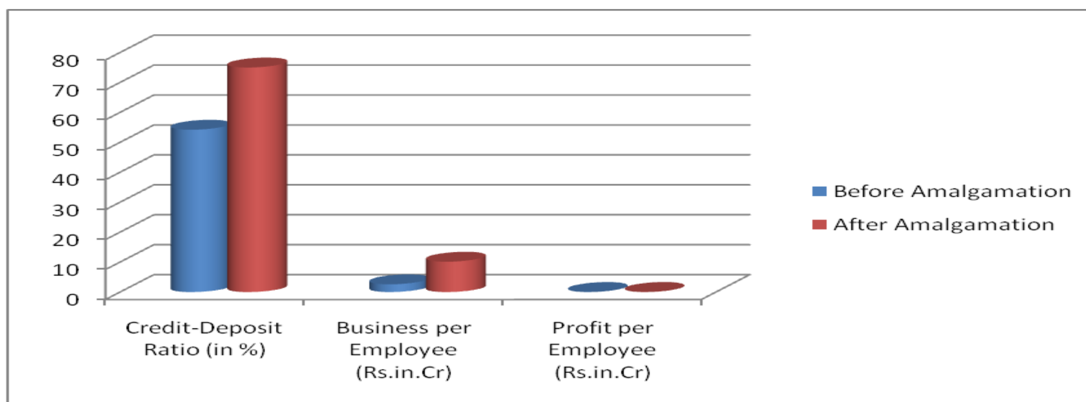


Table 1 to 2 presents data on the total advances to total deposits, Business per employee and Profit per employee of the two public sector banks under study - IDBI and IOB before and after the amalgamation. If the ratio is too high, it implies that the bank will not have sufficient liquidity to cover any unforeseen fund requirements and with a too low ratio the bank may not earn to its potential. The ratio of total advances to total deposits (credit/deposit) in IDBI before the amalgamation ranged from 100.56 per cent in 2002-03 to 202.83 per cent in 2005-06 and after the amalgamation it ranged from 144.09 per cent in 2006-07 to 80.20 per cent at the end of the study period. Thus the bank could set right the problem of liquidity after amalgamation. In IOB it ranged from 47.59 per cent in 1999-2000 to 68.46 per cent in 2006-07 before the amalgamation. During the post amalgamation period it ranged from 71.66 per cent in 2007-08 to 69.81 per cent at the end of the study period. Thus, IOB continued to give priority to liquidity rather than earnings. Overall, higher ratio in IDBI implies ability of its management in converting the deposits available with the bank into high earning advances as compared with IOB.

The business per employee before the amalgamation in IDBI declined from Rs. 19.19 Cr in 2003-04 to Rs. 17.31 Cr 2005-06 whereas during the post amalgamation period it rose from Rs. 14.14 Cr in 2006-07 to Rs. 28.28 Cr in 2014-15. IDBI stood first in business per employee among all the public

sector banks in India during 2004-2015. In IOB before the amalgamation it ranged from Rs. 1.27 Cr in 1999-2000 to Rs. 4.85 Cr in 2006-07 and after the amalgamation it rose from Rs. 5.85 Cr in 2007-08 to Rs. 13.08 Cr in 2014-15. Higher ratio in IDBI implies higher productivity of its employees than in IOB. The lowest business per employee among all the public sector banks was registered in State bank of Mysore (Rs. 1.24 Cr). The business per employee in IOB is slightly higher than this figure.

The profit per employee before the amalgamation of IDBI were declined from Rs.1.65 Cr in 1999-2000 to Rs. 0.12 Cr in 2005-06 and after the amalgamation it decreased from Rs. 0.084 Cr in 2006-07 to Rs. 0.053 Cr by the end of the study period. In case of IOB ranged from Rs. 0.001 Cr to Rs. 0.042 Cr before the amalgamation and after the amalgamation- it was declined from Rs. 0.049 Cr to negative figure of Rs. 0.014 Cr (Loss per Employee). Higher ratio is a positive sign.

In both selected banks, Business per employee has increased whereas in IOB after amalgamation, the Profit per employee has declined. The above analysis clearly indicates that IDBI has an edge over the IOB in its ability to convert deposits into credit and thereby generate higher business per employee and profit per employee.

Table 3 and 4 depicts data on the average of the total advances to total deposits, Business per employee and Profit per employee in the two public sector banks under study. ‘ T ’ values for these ratios are also presented to know whether it is a positive or negative impact of amalgamation. In IDBI the average of total advances to total deposits decreased from 138.74 per cent before the amalgamation to 94.94 per cent after amalgamation with a negative growth rate of 31 per cent whereas in IOB the same has increased from 54.21 per cent before the amalgamation to 74.99 per cent after the amalgamation with a positive growth rate of 38 per cent. The average Business per employee before and after the amalgamation in IDBI was Rs. 16.66 Cr and Rs. 23.48 Cr with a positive growth rate of 41 per cent whereas in IOB- it was Rs. 2.59 Cr and Rs. 10.13 Cr with a positive growth rate of 291 per cent respectively. An average Profit per employee in IDBI was found Rs. 0.387 Cr before the amalgamation but decreased to Rs. 0.086 Cr after the amalgamation with a negative growth rate of 78 per cent whereas IOB is only Rs. 0.019 Cr before the amalgamation, increased to Rs. 0.029 Cr after the amalgamation with a positive growth rate of 52 per cent. The impact of amalgamation on management efficiency has been tested by using ‘ T ’ test at five per cent level of significance. In both banks- there is a significant difference in Credit- Deposit ratio. T values of business per employee in IOB indicate that there is a significant impact of amalgamation. In IDBI, the business per employee is non-significant. The profit per employee in both banks there is not significant.

Table: 5 Management Capacity of HDFC before and after the amalagamation

RATIOS	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Before Merger									After Merger						
Credit-Deposit Ratio (in %)	39.89	39.78	38.60	52.53	58.35	70.33	62.84	68.74	**62.94**	69.24	75.17	76.70	79.21	80.92	82.49	81.08
Business par Employee (Rs.in Cr.)	5.92	5.92	6.54	7.12	8.49	6.86	6.11	5.37	**4.34**	4.59	5.65	6.61	6.69	7.76	9.83	10.70
Profit par Employee (Rs.in Cr.)	0.102	0.076	0.079	0.091	0.106	0.095	0.075	0.064	**0.042**	0.043	0.057	0.070	0.078	0.097	0.124	0.134

Source: Compiled from Annual Reports

Table: 6 Management Capacity of ICICI before and after the amalagamation

RATIOS	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Before Merger								After Merger							
Credit-Deposit Ratio (in %)	37.07	42.93	146.59	110.61	91.17	91.57	88.54	84.97	92.30	99.98	89.70	95.91	99.31	99.19	102.05	107.18
Business par Employee (Rs.in Cr.)	3.41	5.21	10.28	9.57	9.57	10.62	12.26	12.80	13.82	12.54	9.33	7.76	8.74	9.39	9.28	11.29
Profit par Employee (Rs.in Cr.)	0.027	0.038	0.035	0.114	0.120	0.111	0.100	0.093	0.122	0.108	0.098	0.090	0.111	0.134	0.136	0.168

Source: Compiled from Annual Reports

TABLE: 7 IMPACT OF AMALGAMATION ON MANAGEMENT CAPACITY OF HDFC

SI NO.	RATIOS	Mean		T-Value		Result	Growth Rate (%)
		Before Amalgamation	After Amalgamation	Cal.	Table Value @5%		
1	Credit-Deposit Ratio (in %)	54.89 (12.72)	77.83 (4.58)	7.483	1.761	**S**	**42%**
2	Business per Employee (Rs.in.Cr)	6.30 (1.17)	7.40 (2.20)	0.836	1.761	**NS**	**18%**
3	Profit per Employee (Rs.in.Cr)	0.081 (0.020)	0.086 (0.034)	0.212	1.761	**NS**	**6%**

Source: Compiled from table 5

Note: The figure given in the parenthesis indicates Standard Deviation; **S**= Significant; **NS**=Non-Significant

TABLE: 8 IMPACT OF AMALGAMATION ON MANAGEMENT CAPACITY OF ICICI

SI NO.	RATIOS	Mean		T-Value		Result	Growth Rate (%)
		Before Amalgamation	After Amalgamation	Cal.	Table Value @5%		
1	Credit-Deposit Ratio (in %)	86.68 (35.03)	98.20 (5.52)	0.885	1.761	**NS**	**13%**
2	Business per Employee (Rs.in.Cr)	9.22 (3.28)	10.27 (2.07)	0.604	1.761	**NS**	**11%**
3	Profit per Employee (Rs.in.Cr)	0.080 (0.039)	0.121 (0.025)	2.756	1.761	**S**	**52%**

Source: Compiled from table 6

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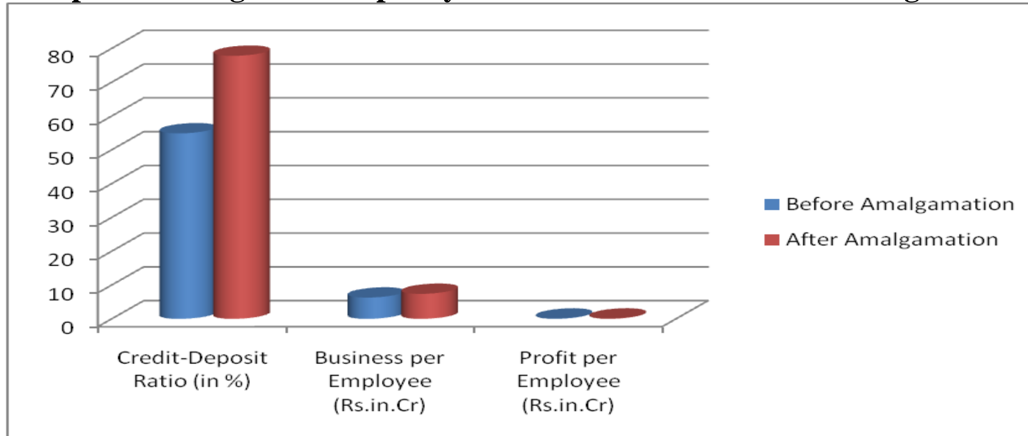
Note: The figure given in the parenthesis indicates Standard Deviation; **S**= Significant; **NS**=Non-Significant.

Graph: 3 Management Capacity of HDFC before and after Amalgamation



Graph: 4 Management Capacity of ICICI before and after Amalgamation

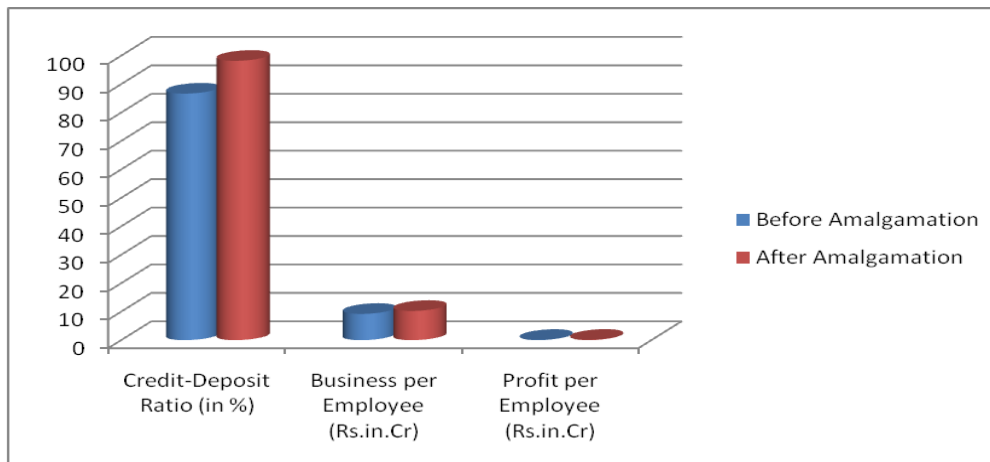


Table 5 and 6 represents the data on the total advances of total deposits, Business per employee and Profit per employee of the two private sector banks under study i.e., HDFC and ICICI before and after amalgamation. The ratio of total advances to total deposits (credit/ deposit) in HDFC before the amalgamation ranged from 39.89 per cent in 1999-2000 to 62.94 per cent 2007-08 and after the amalgamation it ranged from 69.24 per cent in 2008-09 to 81.08 per cent at the end of the study period. In ICICI-ranged from 37.07 per cent in 1999-2000 to 84.97 per cent 2006-07 before the amalgamation. During the post amalgamation period it ranged from 92.30 per cent in 2007-08 to 107.18 per cent in 2014-15. Higher ratio in ICICI implies better efficiency of its management in converting the deposits available with the bank into high earning advances as compared with HDFC. However, it may lead to the problem of liquidity in ICICI as the ratio has exceeded 100 per cent during the post amalgamation. Management of HDFC on the other appears to have been following balanced approach giving equal importance to liquidity and profitability.

The business per employee before the amalgamation in HDFC declined from Rs. 5.92 Cr in 1999-2000 to Rs. 4.34 Cr in 2007-08 , and after the amalgamation it rose from Rs. 4.59 Cr in 2008-09 to Rs. 10.70 Cr in 2014-15. In ICICI -it ranged from Rs. 3.41 Cr in 1999-2000 to Rs. 12.80 Cr in 2006-07 before amalgamation and it declined from Rs. 13.82 Cr in 2007-08 to Rs. 11.29 Cr in 2014-15 after amalgamation. The lowest business per employee among all private sector banks was registered in Sangli Bank (Rs. 0.83 Cr) during 2014-15. The business per employee in HDFC is much higher than this figure. But both HDFC and ICICI are nowhere near the highest business in employee achieved Yes Bank (Rs. 22.20 Cr).

The profit per employee before the amalgamation in HDFC declined from Rs. 0.102 Cr in 1999-2000 to Rs. 0.042 Cr in 2007-08 and after the amalgamation- it rose from Rs. 0.043 Cr 2008-09 to Rs. 0.134 Cr by the end of the study period. In ICICI -it ranged from Rs. 0.027 Cr to Rs. 0.093 Cr before the amalgamation and after the amalgamation, it is found that increased from Rs. 0.122 Cr to Rs. 0.168 Cr. Increase in the ratio in both the banks is a positive sign. The ICICI, however, has an edge over the HDFC in its ability to convert deposits into credit and thereby generate higher business per employee and profit per employee.

Table 7 and 8 reveals average of the total advances to total deposits, Business per employee and Profit per employee in two public sector banks under this study. ‘ T ’ values for these ratios are also presented to know whether the impact of amalgamation is significant or not. In HDFC, the average of total advances to total deposits increased from 54.89 per cent before the amalgamation to 77.83 percent after amalgamation with a positive growth rate of 42 per cent whereas, in ICICI the ratio was increased from 86.68 per cent before the amalgamation and increased to 98.20 per cent after the amalgamation with a positive growth rate of 13 per cent. The average of Business per employee before and after the amalgamation was Rs. 6.30 Cr and Rs. 7.40 Cr with a positive growth rate of 18 percent in HDFC, whereas, in ICICI it was found Rs. 9.22 Cr and Rs. 10.27 Cr with an positive growth rate of 11 per cent respectively. The average Profit per employee in HDFC was noticed Rs. 0.081 Cr before the amalgamation and Rs. 0.086 Cr after the amalgamation with a meager growth rate of 6 per cent, whereas, in ICICI it was only Rs. 0.080 Cr before the amalgamation and Rs. 0.121 Cr after the amalgamation with a growth rate of 52 per cent. The impact of amalgamation on management efficiency has been tested by ‘ T ’ test at five per cent level of significance. The Credit- Deposit ratio concern there is a significant impact in HDFC, whereas ICICI no significant difference. It is clearly shows that, in both banks there is no significant difference in business per employee after the amalgamation. The profit per employee is concern there is a significant difference in ICICI, whereas, in HDFC there is no significant difference. According to the formulation of Null and Alternative hypotheses. The Null hypothesis is rejected and the alternative hypothesis *“The amalgamation of banks has a significant impact on management efficiency both in selected public and private sector banks in India”* is accepted.

Conclusion

The study revealed that merger is the useful tool for growth and expansion in Indian Banking Sector. It is helpful for survival of weak banks by merging into larger bank. This study focuses on the impact of merger on management efficiency of Indian Banking sector. An analysis of the management capacity of the amalgamated banks during the pre-amalgamation and the post- amalgamation period of selected public and private sector banks was done by using three ratios i.e., Credit-Deposits ratio, Business per Employee ratio and Profit per Employee ratio. These ratios indicate the ability of a bank to turn its resources into revenue. It is clear from the above that, out of the selected four banks- IOB and HDFC

have succeeded in maintaining high C/D ratio when compared with IDBI and ICICI. It is found that HDFC was found at the top position with a highest average Credit-Deposit ratio, Business per employee and profit per employee followed by ICICI and IOB but IDBI is lagging behind in all these management capacity ratios.

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