



Examination of Strategic Planning of Banks to the Context of India

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT

Aim: This research is a modest effort to explore strategic analysis tools and growth aspects of the Indian banking sector. The objective of this research is to assess bank employees' perceptions current stage of banks and identify sustainable growth strategies for the future.

Study Design: I purposively selected Andhra Pradesh, and Telangana states. Multi-stage sampling (MSS) used for data collection. Statistical tools such as Correlation and Regression analysis, and Balance score-card were performed using advanced Excel. Financial ratios include DuPont model (Asset Turnover, Profit Margin, Return on Equity-ROE, and Return on Assets-ROA), were calculated.

Methodology: The study analyzing a combination of financial ratios and employing strategic tools, to evaluate the sector's progress. Primary data was collected from the employees in the banking sector, secondary data were obtained from research articles, and magazines. The total samples covered are 50.

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Findings and Results: The past two decades, the industry has transitioned from offering subsidized services with limited facilities to becoming more competitive. Key focus areas include achieving global standards like the Capital Adequacy Ratio (CAR), reducing liability and servicing costs, and fostering product differentiation. 'P' value 0.370, there is no significant relationship between net banking and UPI transactions, and 'r' value 0.938, therefore there is a highly positive correlation between them, and so to increase the growth of the banking sector, a focus on enhancing net banking and UPI transactions is recommended to achieve the target. The adjusted R-square value is 82.70; therefore, 82% of the variance of the dependent variable is explained by the independent variable in regression analysis. $Y=a+bx$: Positive intercept in banking transactions suggests baseline activity regardless influencing factors. Negative slope means factors like features, services, size of transactions, and volume might decrease.

Policy Recommendations: Enhance resource utilization, global standards compliance, product differentiation, strategic implementation and cost management.

Keywords: Strategic planning; banking system; SWOT analysis; PESTLE analysis; financial ratios.

1. INTRODUCTION

The banking sector is currently facing significant challenges, as it is expected to perform at a high level while balancing its role in supporting economic growth, meeting social obligations, and maintaining global operational standards. (Bargeman, et.al. 1996) Over the past two decades, the sector has transitioned from offering subsidized services with limited facilities to becoming competitive, consolidating gains, and achieving operational efficiency. However, this progress requires a focused approach that leverages resources such as time, infrastructure, manpower, and technology, while addressing the dynamic demands of the global economy. To ensure sustainability, banks must adopt dynamic and adaptive strategies to transform the economic scenarios. This includes product and process innovations such as technology adoption, improved customer service, fraud reduction, and effective risk management practices. (Yadav, & Pathak, G. 2013). Banks play crucial roles, including facilitating deposits, and providing loans to support agriculture and rural development. They act as a bridge between capital holders and those in need of capital. According to the KPMG-CII (KPMG report- Confederation of Indian Industry), the banking sector of India is 5th largest globally. Indian economic development is supported by the following contributions: (Jalan, 2004).

Capital formation: Ensuring proper utilization of financial resources and addressing deficiencies.

Employment generation: Supporting industries with short, medium, and long-term goals.

Savings promotions: Attracting depositors with innovative schemes and competitive interest rates.

Monetary policy implementation: Assisting the RBI in successful monetary management.

Trade financing: Supporting internal and external trade by offering loans to retailers and wholesalers.

Foreign currency loans: Facilitating expansion, diversification, and modernization.

Agricultural support: Providing 48% of total agricultural credit through commercial banks, complemented by cooperative banks at 46% and RRBs (Regional Rural Banks) at 6%. (Kumbhakar & Sarkar, S., 2003).

The banking sector contributes 7.7% of India's GDP and supports 1.5 million jobs. In agriculture, the sector adds ₹ 7 trillion to GDP, placing India 2nd globally. From 2011 to 2024, India's GDP has averaged ₹ 4650 billion. (Kim, M. 2024).

Importance of the study: This study not only contributes theoretical knowledge of understanding but also has major practical purposes for educational (academics), policy makers (economy), and adopters. Study reveals that examination of strategic planning and analysis on the banks using innovative frameworks, models, methods, and financial ratios makes valuable resources for scientific community. It bridges the gap between theoretical and implementation stages in banking sector. By integrating all performance tools, methods, and financial ratios leads to operations and decision making process. Application of

innovative methodologies like digital banking and its application useful for future research as a benchmark. These study implications emphasize the gradual transformation of sector globally in a sustainable manner.

2. REVIEW OF LITERATURE

Bhusan & Singh, A. (2023), contributes TBTF (Too Big To Fail) phenomenon was explored globally and there is limited literature focusing on emerging markets like India. This concept in India's banking sector has marked by dual dominance of public and private sector banks.

Boateng, (2020), suggested existing research has more explored the benefits of mergers and the utility of the DuPont model has focus on its application to Indian banking sector in limited manner. Study provided empirical data with evidence on financial outcomes of the sector.

Burgelman, et.al., (1996), technological innovations as a driver for strategic planning in banks especially in the category like fintech and digital transformation. Frameworks for analyzing and adopting innovation in a highly controlled and optimized sectors like banking.

Fama, (1980) explores a theoretical foundation for analyzing the strategic role of banks in managing liquidity and risk. Banks can align their operations with financial market driven dynamics, it integrates financial ratios with risk management and liquidity planning.

Ganesh & Sreeramulu, (2024), reveals a strong example of using the CAMELS model for financial analysis, how these ratios can be leveraged in planning of the strategy to address the challenges and it is basis for comparing innovative methodologies with traditional frameworks.

Goswami, & Malik, (2024), a practical case of strategic adjustments made by banks during a crisis period, financial ratios like ROA, ROE, CAR, and NIM were critical in assessing the resilience and adaptability of banks in crisis time.

Gupta & Dongre, (2024), adds valuable insights by providing a detailed comparative analysis, making it a significant contribution using CAMELS and financial ratios while challenging NPA's and regulatory compliance. Study focus on differences in operational efficiency and profitability of public and private sector banks.

Jalan, (2004), highlights the role of institutions like the RBI (Reserve bank of India), public sector undertakings (PSU's), and government policies in changing the Indian economy. He examines the structural issues in the Indian economy like poverty, unemployment, and income inequality.

Jayakumar & Anbalagan, (2012), identified NPAs (Non Performing Assets), regulatory compliance, and competitive pressures like challenges for key Indian banks. He analyzed how innovation has transformed the Indian banking industry.

Kim, (2024), examines India's transition from an agrarian to a service led economy, emphasizing the banking sector's modernization and how it play a crucial role in financial inclusion, he highlights policy reforms and technological advancements as critical parameters for growth.

Kumar, et.al. (2019), explores marketing strategies in the Indian banking sector, role of product innovation, service differentiation, competitive pricing, and promotional tactics. Study also reveals that shifting of customers to digital platforms and maintains more relationship practices (CRM) Customer Relationship Management.

Kumbhakar, & Sarkar, (2003), highlights the role of deregulation and ownership changes in improving the productivity and efficiency of the Indian banking sector, he provide valuable insights like how deregulation, merged with privatization, led to more competition, financial performance and technological innovation in private sector.

Mohanty, (2021), provides a comparative analysis of the financial performance of public and private sector banks in India. He uses key financial ratios like ROA, ROE, and NIM to assess performance. He highlights that private sector banks, mostly outperform public sector banks due to more operational efficiency, decision making, and customer oriented strategies.

Prajapati, (2024), explores the impact of mergers on the financial performance of HDFC Bank Ltd, especially merge with Times Bank in 2000. As a result financial parameters like ROA, ROE and NIM leading to more profitable and better market growth.

Rao, (2024), eagle model approach offers a robust framework for evaluating more financial stability and operational efficiency, impact of financial ratios on bank performance, he concludes that private sector banks exhibits more superior performance than public sector banks due to better management practices, profitability and more operational efficiency.

Reddy, (2024), study reveals that AI technologies like machine learning, natural language processing, and chat bots have gradually transformed the customers, internal processes, and improve risk management, especially in automating tasks, and assess the customer behavior.

Sachindra, (2024), study reveals that aim to bridge the gap by offering a contemporary analysis of Indian commercial banks using the CAMELS model. Study highlights financial assessment and the application of the CAMELS model, limited research has explored its adaptability to the challenges faced in modern banking sector like fintech integration, and post pandemic recovery.

Sar & Panigrahi. (2024), explores importance of external factors such as regulatory changes and macro-economic conditions in shaping financial market performance. Study focus on role of emerging technologies like AI and block-chain, and impact on long-term market valuation.

Selvi, (2023), explores the financial impact of SBI's mergers using traditional frameworks, focused on digital transformation. He highlighted SBI's DuPont model to assess performance after the merger, confirms significant changes in ROE by improved profit margins and turnover.

Sharma, (2024), noted that conventional banks are adopting digital transformation, but legacy systems often limit their adaptability. He conducted an empirical study on Indian banks, explores that neo banks are cost efficiency and customer satisfaction but conventional banks have large market share due to well established customer base.

Sumathy, (2024), reveals that complementary nature of PMJDY and PMFBY in enhancing farmer's financial security, and also highlights improvement in account usage and enhanced crop risk management. Long-term sustainability of these innovation lead to growth in the rural economy.

Watts & Watts (2024), emphasized the importance of adopting a customer-first approach in 2025, with banks offering greater care, solutions to individual customer. Neo banks will become key players in the Indian banking sector, further challenges in banks to make innovate.

Yadav & Pathak, (2013), projected that by 2025, green banking will become a major trend across both private and public sector banks in India, the role of emerging technologies like AI and block-chain impact on financial performance in both public and private sector banks, he discussed how RBI and other regulatory bodies have facilitates during risk and encouraging in credit assessment.

3. MATERIALS AND METHODS

Primary data was collected from the employees in the banking sector who are working presently in different positions under different banks like public, private, cooperative banks, financial banks, etc. I purposely selected the banking sector of India because of the high demand for banking services to support economic growth after agriculture. (Fama, 1980). Cooperative banks were considered the major source of credit flow to agriculture, but with time, commercial banks too have come forward to extend credit to agriculture. Indian agriculture depends heavily on the monsoon. The contribution of agriculture and allied sectors to GDP is 18.2%, GVA is 17.7%, and 42% of the population still depends on this sector for livelihood. For convenience, I selected employees from local and non-local towns and villages as samples data collection. This research employed stratified sampling and adopted Multi-Stage Sampling (MSS). In this group, most are junior-level managers, some are mid-level managers, and a few are senior executives of the banks. In this primary data collection, I collected data regarding what the major strategies followed in their respective banks are, data collection like banking-related assets, liabilities, competitors, and turnover.

Secondary data were obtained from the RBI website, research articles, magazines (e.g., IARI toppers), and strategic management courses from IIPM, IIM, IBMI, and UDEMY.

Study area: Andhra Pradesh, Telangana.

Sample units: Each employee of the bank is taken as a single sample unit; in this particular

Table 1. Total Beneficiaries of Pradhan Mantri Jan - Dhan Yojana (All figures in Crore) as of 27/11/2024

Bank name / Type	Number of beneficiaries at rural/semi-urban center bank branches	Urban metro centre bank branches	Rural-urban female beneficiaries	Total beneficiaries	Deposits in accounts (in Crore)	Rupay debit cards issued
Public Sector Banks	26.433	15.69	23.21	42.11	183747.32	31.90
Regional Rural Banks	8.65	1.46	5.88	10.11	45957.45	3.66
Private Sector Banks	0.73	0.94	0.91	1.67	6982.41	1.39
Rural cooperative banks	0.19	0.00	0.10	0.19	0.01	0.00
Grand Total	36.00	18.08	30.10	54.08	236687.20	36.95

Source: <https://pmjdy.gov.in/account>

report, I considered only a single employee from the single bank as a single unit. These banks include those who are working under different positions under different banks like public, private, cooperative banks, and financial banks.

Sample size: The total samples covered are 50 in Andhra Pradesh including Srikakulam, Vijayanagaram, Visakhapatnam, East-Godavari, West-Godavari, Krishna, Guntur, Prakasam districts, and Telangana states.

Tools for data collection: MS-EXCEL, Questionnaires, Google, and telephonic Interviews with those who are working present under different positions under different banks like public, private, cooperative banks, financial banks, etc.

Sampling technique: I purposively selected the coastal Andhra Pradesh, and Telangana districts and used a stratified sampling technique for those who are working presently under different positions under different banks like public, private, and cooperative banks, financial banks, etc. So this is a multi-stage sampling (MSS).

Total beneficiaries in PMJDY: Increasing the working population and growing disposable income will raise the demand for banking and related services. Rural banking is expected to grow with 20 lakh people joining the modified Pradhan Mantri Jan Dhan Yojana (PMJDY). The scheme includes 32.61 crore accounts, a doubled overdraft limit (₹10,000 from ₹5,000), higher insurance coverage, and 83% accounts seeded with Aadhaar. Notably 53% of PMJDY account holders are women. (Sumathy, 2024).

4. RESULTS AND DISCUSSION

4.1 Financial Ratios of the Banking Sector

Table 2. Annual Financial ratio of banking sector

DuPont analysis		
Particulars	Percentage (%)	Percentage (%)
Return on Assets Year	State Bank of India	HDFC
2015-16	0.71	1.73
2016-17	0.88	1.68
2017-18	0.97	1.64
2018-19	0.65	1.69
2019-20	0.53	1.90
2020-21	0.73	1.95
2021-22	1.02	1.98
2022-23	1.10	2.00
2023-24	1.12	1.71
Return on Equity Year	State Bank of India	HDFC
2015-16	10.89	18.91
2016-17	4.69	17.26
2017-18	-3.37	16.85
2018-19	0.39	15.12
2019-20	6.90	15.10
2020-21	9.00	14.0
2021-22	13.00	15.50
2022-23	15.10	16.50
2023-24	14.39	16.00
Profit Margin Year	State Bank of India	HDFC
2015-16	0.62	20.41
2016-17	0.46	20.99
2017-18	0.39	21.79
2018-19	-0.189	21.29
2019-20	0.43	20.20
2020-21	0.47	20.21
2021-22	0.55	19.80
2022-23	0.63	19.65
2023-24	0.70	19.70

Particulars	DuPont analysis	
	Percentage (%)	Percentage (%)
Asset Turnover Year	State Bank of India	HDFC
2015-16	0.123	0.1
2016-17	0.118	0.09
2017-18	0.115	0.09
2018-19	0.1206	0.09
2019-20	0.0899	0.088
2020-21	0.061	0.085
2021-22	0.0585	0.087
2022-23	0.0584	0.090
2023-24	0.055	0.0930

Source: Author's computation, data collected from SBI & HDFC annual reports & financial statements

4.2 Formulas

Table 3. Formula to ratios

Ratios	Formula
Asset Turnover	Revenue/Total assets
Profit Margin	Profit/Revenue
Return on Equity	Net income/ Equity
Return on Assets	Net Income/ Total Assets

Description: In the case of SBI, the ROA in 2015-16 was 0.71; later, it increased to 0.88. Subsequently, it rose further, and since 2023-24, it has increased to 1.12 from 1.10 (2022-23), indicating that the bank is earning more money on its investments. Therefore, a higher ROA is good for SBI.

In the case of HDFC, the ROA was 1.73 in 2015-16; later, it decreased, and since 2023-24 it has declined to 1.71 from 2.00 (2022-23), indicating that the bank is not earning more money on its investments, thus, a lower ROA is not good for HDFC.

For SBI, the ROE in 2015-16 was 10.89; later it decreased to 4.69. It further declined, and since 2023-24, it has decreased to 14.39 from 15.10 (2022-23), indicating that the company is not improving its ability to generate profit without requiring additional capital. Therefore, a lower ROE is not good for SBI.

For HDFC, the ROE in 2015-16 was 18.91; later it decreased to 17.26. Subsequently it declined further, and since 2023-24, it has decreased to 16.00 from 16.50 (2022-23), indicating that the company is not improving its ability to generate profit without requiring additional capital. Therefore, a higher ROE is good for HDFC.

In the case of SBI, the profit margin in 2015-16 was 0.62; later it decreased to 0.46. It further declined, but since 2023-24, it has increased to

0.70 from 0.63 (2022-23), indicating that the company is enhancing its ability to generate profit. Therefore, a higher profit margin is good for the SBI.

In the case of HDFC, the profit margin in 2015-16 was 20.41; later, it increased to 20.99, but then decreased. Since 2023-24, it has risen slightly to 19.70 from 19.65 (2022-23), indicating that the company is enhancing its profitability. Therefore, a higher profit margin is good for HDFC.

In the case of SBI, Asset turnover in 2015-16 was 0.123; the next year, it decreased to 0.118; afterward, it continued to decline, and since 2023-24, it has dropped to 0.0555 from 0.0584 (2022-23), which indicates the company is not using its assets efficiently. Thus, a higher Asset turnover is desirable for the SBI.

For HDFC, Asset turnover was 0.1 during 2015-16. The following year, it decreased to 0.09, but in subsequent years, it consistently increased. Since 2023-24, it has risen to 0.0930 from 0.090 (2022-23). This indicates that the company is using its assets efficiently. Therefore, higher Asset turnover is good for HDFC.

4.3 Impact of Strategic Planning and Analysis on the Banks

Interpretation: Out of 50 employees (respondents), the impact of strategic planning and analysis on the high level positioning was assessed. Employees were selected based on their experience in the banking industry, the results are as follows: Positively related: the values are 35, the percentage value is 70 %. Negatively related: 10 respondents, and percentage value is 20 % due to some internal and external issues. No change: the respondents are 5, and percentage value is 10 % due to incomplete implementation or other reasons.

Table 4. Impact of strategic planning and analysis on the banks

Impact of strategic planning and analysis on the banks	Respondents	Percentage
Negatively related	10	20%
No change	5	10%
Positively related	35	70%
Grand Total	50	100%

Source: Author's computation from the data collected

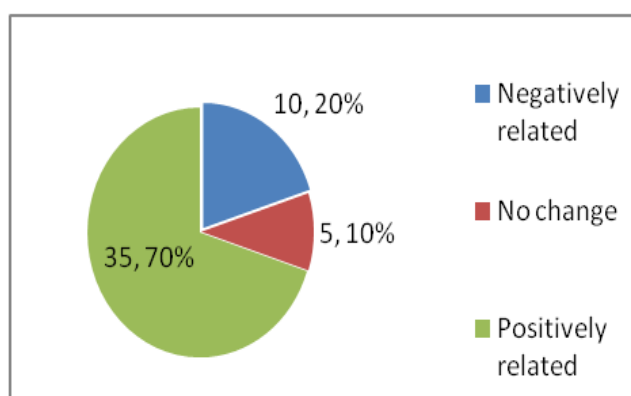


Fig. 1. Distribution of Primary data based on their experiences in the banking industry

Source: Primary data Table 4

4.4 Type of Bank Sector

Table 5. Number of Respondents from Different type of Bank Sector

Type of bank sector	Number of respondents	Percentage
Cooperative bank	4	8%
Financial bank	8	16%
Private bank	26	52%
Public bank	12	24%
Grand Total	50	100%

Source: Author's computation from the data collected

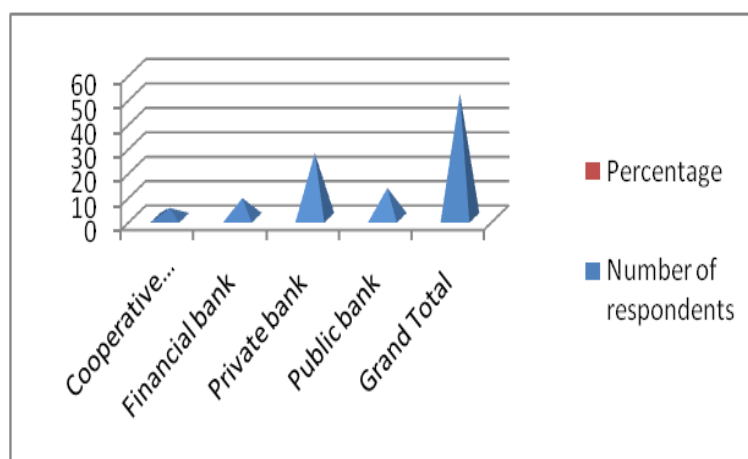


Fig. 2. Distribution of respondents based on different Bank Sectors

Source: Primary data Table 5

Interpretation: Out of 50 employees (respondents), the distribution of bank sectors where they work is as follows: the public and private sector banks: the values are 12 & 26, and percentage values are 24 % & 52 % respectively. Cooperative banks: the respondents are 4 employees and the percentage is 8 %, and Financial bank: the respondents are 8, which is 16 %. From the above data, private bank employees are more than public and other banks.

4.5 The Most Common Cause of Bank Failure Occurs

Table 6. The Most Common Cause of Bank Failure Occurs

Most common cause of bank failure	Number of respondents	Percentage
ALL	34	68%
An imbalance of risk versus return	2	4%
Failure to diversify	3	6%
Obligations to creditors and depositors.	4	8%
Offering products and services that management	5	10%
When the value of the bank's assets falls below the market value of the bank's liabilities	2	4%
Grand Total	50	100%

Source: Author's computation from the data collected

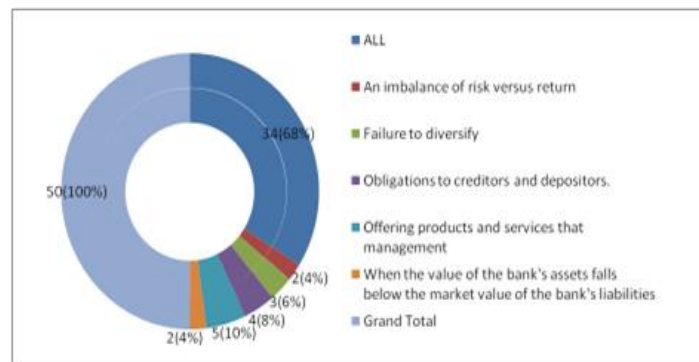


Fig. 3. Percentage of The Most Common Cause of Bank Failure Occurs

Source: Primary data-Table 6

Interpretation: The most common cause of bank failure, according to 50 employees (respondents), is categorized as follows: Multiple factors (all option) respondents are 34 (68%) value chosen. An imbalance of risk versus return: respondents are 2 (4%). Failure to diversify: respondents are 3(6%). Obligations to creditors and depositors: respondents are 4(8%). Offering products and services that management: respondents are 5(10%), and the value of the bank's assets falls, below the market value of the bank's liabilities: respondents are 2 (4%).

4.6 Most Preferences are given in PESTLE Analysis

Table 7. Most Preferences are given in PESTLE Analysis

Preference ranking	Number of respondents	Percentage
1-3	0	0%
3	14	28%
4 or more	36	72%
Grand Total	50	100%

Source-Author's computation from the data collected

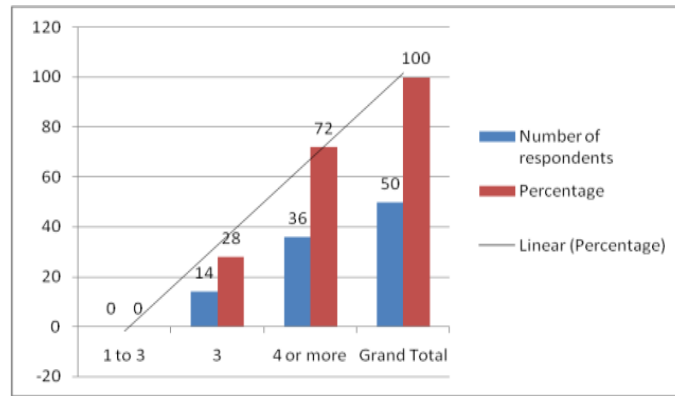


Fig. 4. Graph of most preference for PESTLE of respondents

Source: Table 7. Primary data

Interpretation: The preference for PESTLE analysis among 50 respondents (employees) is as follows: 1-3: respondents are zero (0%). 3: respondents are 14 (28%), and 4 or more: respondents are 36 (72%) the highest ranking category.

4.7 According to the BCG Matrix Level of the Standing Bank

Table 8. BCG Matrix Level of the standing bank

BCG matrix level	Number of respondents	Percentage
Cash cows	28	56%
Dogs	3	6%
Question mark	10	20%
Star	9	18%
Grand Total	50	100%

Source: Author's computation from the data collected

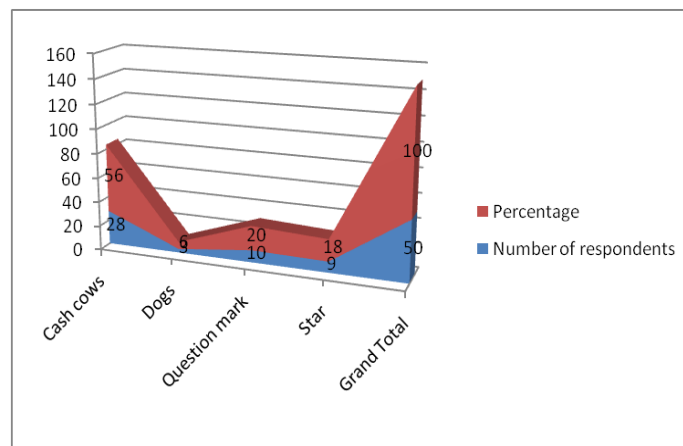


Fig. 5. Graph of BCG Matrix Level of the standing bank

Source: Table 8. Primary data

Interpretation: According to the BCG matrix level of bank standing, the distribution among 50 employees (respondents) is as follows: Cash cows: respondents are 28(56%). Dogs: respondents are 3(6%). Question marks: respondents are 10(20%), and Star: respondents are 9(18%). Among all Cash cows and Dogs are chosen as the highest and lowest values respectively.

4.8 Correlation

Objective: To find the relationship between a dependent variable and an independent variable (output & input) or net banking and UPI transactions in the banking sector.

Table 9. Comparative analysis between Total UPI transactions and Net banking in India

Months (2023-24)	Total UPI transactions in India (Billions)	Net banking in India (Billions)
January	10.5	1.3
February	10.7	1.4
March	11	1.5
April	11.2	1.4
May	11.5	1.4
June	11.7	1.5
July	12	1.6
August	12.22	1.6
September	12.5	1.6
October	12.8	1.7
November	13	1.7
December	13.2	1.8

Source: NPCI National Payments Corporation of India, statistics (2023-24)

Table 10. Data nature of Pearson Correlation

S.no.	Output (DV or Variable-1)	Input (IDV or Variable-2)
Pearson correlation	Metric	Metric
Example	UPI Transactions	Net Banking India

4.9 Hypothesis

Ho (Null Hypothesis): There is no significant relationship between Variable 1 and Variable 2.

H1 (Alternate Hypothesis): There is a significant relationship between Variable 1 & Variable 2.

Table 11. Statistical Interpretation of Pearson Correlation

S.no.	Volume	Volume
Volume-1	1	
Volume-2	0.938100688	1
P	0.370297021	

r - Value=0.938100688; Degrees of freedom= $n-2 = 12-2=10$;
 $t = r \times \sqrt{n-2} / \sqrt{1-r^2} = 5.724796$; $p = \text{TDIST}(r, n-2, 2) = 0.370297021$.

Here p value = 0.370, which is more than 0.05 (0.370 > 0.05), at the 95% significance level. Therefore, we accept the H_0 and reject the H_1 . There is no significant relationship between Variable 1 & Variable 2.

4.10 Managerial Decision-Making

$r = 0.938100688$, therefore there is a highly positive correlation between Variable 1 & Variable 2. So to increase the growth of the banking sector, a focus on enhancing net banking and UPI transactions is recommended to achieve the target.

4.11 Regression

Objective: To find the impact of the dependent variable on the independent variable (output & input) or net banking and UPI transactions in the banking sector.

Table 12. Data nature of Sample Regression

S.no.	Output (DV or Variable-1)	Input (IDV or Variable-2)
Simple regression	Metric	Metric
Example	UPI Transactions	Net Banking india

4.12 Hypothesis

Ho (Null Hypothesis): There is no significant impact of the dependent variable on the independent variable (output & input) or net banking and UPI transactions in the banking sector.

Table 13. Balance Scorecard of SBI (FY-2023-24)

Perspective	Objective	Key Performance Indicators (KPIs)	Actual Data (2023-24)	Target
Financial	Maximize profitability and stability	1. Net profit 2. Operating profit 3. Advances growth 4. Deposits growth	1. ₹61,077 Crore, (+21.59%) 2. ₹93,797 Crore, (+12.05%) 3. ₹37.68 Lakh crore, (+15.24%) 4. ₹49.16 Lakh crore, (+11.13%)	1. ₹65,000 Crore 2. ₹100,000 Crore 3. 16% growth 4. 12% growth
Customer	Enhance satisfaction and loyalty	1. Customer satisfaction index 2. Net Promoter Score (NPS) 3. Customer retention rate 4. Growth in new accounts	Not available publicly	Increase by 10% annually
Internal processes	Streamline operations and improve efficiency	1. Turnaround Time (TAT) 2. Percentage of digital transactions 3. Compliance rate	1. Not available publicly 2. 97% of retail transactions were digital 3. 100% compliance	1. Improve TAT by 20% 2. 98% digital 3. Maintain compliance
Learning & growth	Foster innovation and employee development	1. Employee engagement index 2. Training hours per employee 3. Innovation index	Not available publicly	Increase by 15% annually

Source: Data collected from SBI annual report & financial statements

Table 14. Balance Scorecard of HDFC (FY-2023-24)

Perspective	Objective	Key Performance Indicators (KPIs)	Actual Data (2023-24)	Target
Financial	Maximize profitability and stability	1. Net revenue growth 2. Consolidated Profit After Tax (PAT) 3. Gross advances 4. Deposits growth	1. 14.7% increase to ₹760.4 billion 2. ₹178.3 billion (Q2 2024) 3. 1.3% increase to ₹25.19 trillion 4. 5.1% increase to ₹25 trillion	1. 16% growth annually 2. Maintain profitability 3. 2% quarterly growth 4. 6% quarterly growth
Customer	Enhance satisfaction and loyalty	1. Customer satisfaction index 2. Net Promoter Score (NPS) 3. Customer retention rate 4. Growth in new accounts	Not available publicly	Increase by 10% annually
Internal processes	Streamline operations and improve efficiency	1. Turnaround Time (TAT) 2. Percentage of digital transactions 3. Compliance rate	Not available publicly	1. Improve TAT by 20% 2. 98% digital 3. Maintain compliance
Learning & growth	Foster innovation and employee development	1. Employee engagement index 2. Training hours per employee 3. Innovation index	Not available publicly	Increase by 15% annually

Source: Data collected from HDFC annual report & financial statements

Table 15. Comparative Balanced Scorecard: SBI vs. HDFC Bank (FY-2023-24)

Category	Key metrics	SBI (2023-24)	HDFC (2023-24)	Observations
Financial	Net profit	₹61,077 Crore, (+21.59%)	₹178.3 billion (Q2 2024)	SBI shows higher annual growth
Financial	Advances growth	₹37.68 Lakh crore, (+15.24%)	1.3% increase to ₹25.19 trillion	SBI shows stronger growth in advances
Financial	Deposits growth	₹49.16 Lakh crore, (+11.13%)	5.1% increase to ₹25 trillion	SBI has higher Deposits growth annually.
Customer	Customer satisfaction	Not available publicly	Not available publicly	Both lack public data for comparison
Internal processes	Percentage of digital transactions	97% of retail transactions were digital	Not available publicly	SBI has higher visible digital adoption
Internal processes	Compliance rate	100% compliance	Not available publicly	SBI reports regulatory compliance
Learning & growth	Innovation index	Not available publicly	Not available publicly	Both lack public data for comparison

Source: Data collected from SBI & HDFC annual reports & financial statements

H1 (Alternate Hypothesis): There is a significant impact of the dependent variable on the independent variable (output & input) or net banking and UPI transactions in the banking sector.

F-value $0.000017 < \text{table value } 0.05$ at 95% level of significance value ($0.000017 < 0.05$), therefore reject the H_0 and accept the H_1 , and There is a significant impact of the dependent variable on the independent variable (output & input) or net banking and UPI transaction in the banking sector.

Managerial decision making: The adjusted R-square value is 82.70; therefore, 82% of the variance of the dependent variable is explained by the independent variable.

$Y = a + bx$; Positive intercept in banking transactions suggests baseline activity regardless of influencing factors, Negative slope means factors like features, services, size of transactions, frequency, and volume might decrease.

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.91885899
R Square	0.844301843
Adjusted R Square	0.827002048
Standard Error	0.056642084
Observations	11

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	0.156579614	0.156579614	48.80415234	6.42334E-05
Residual	9	0.028874931	0.003208326		
Total	10	0.185454545			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-0.281115406	0.2646159	-1.062352661	0.315749158	-0.879718159	0.317487347	-0.879718159	0.317487347
	10.5	0.154196576	0.022072237	6.985996875	6.42334E-05	0.104265708	0.204127445	0.104265708

Fig. 6. Statistical interpretation of Sample Regression

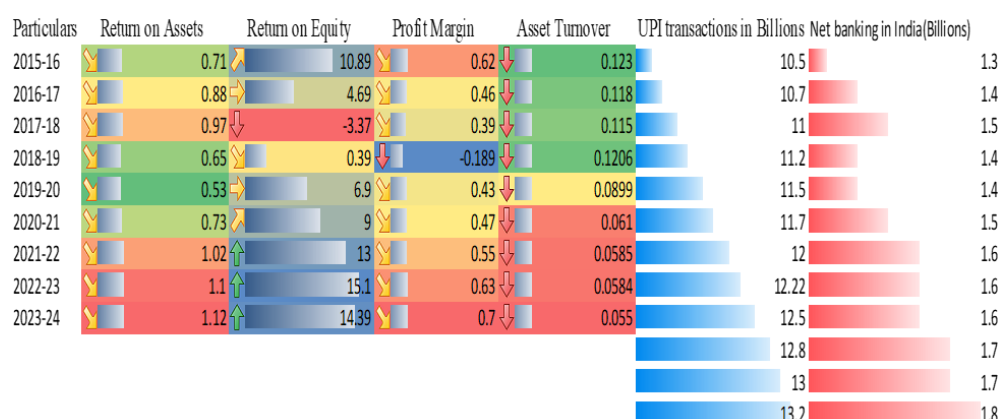


Fig. 7. SBI Balance Scorecard (2015-2024)

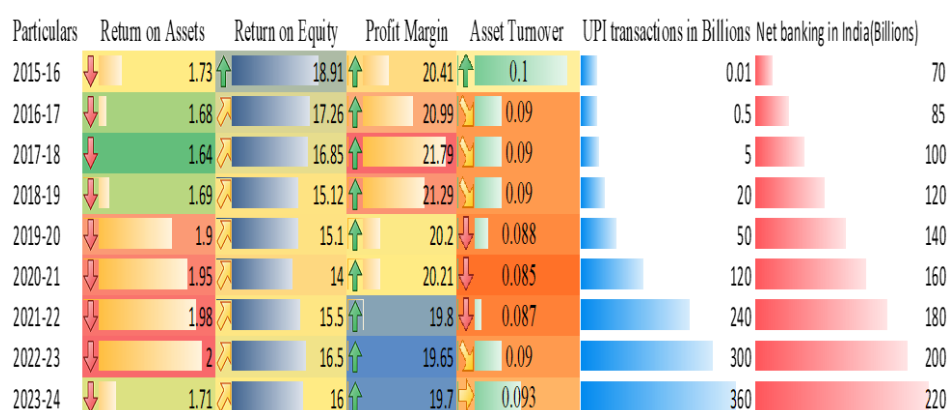


Fig. 8. HDFC Balance Scorecard (2015-2024)

Source of Fig 7 & 8

Primary data-Table 2.

Secondary data, NPCI National Payments Corporation of India, statistics (2023-24).

When value (%) is: \uparrow \searrow \Rightarrow \nearrow \downarrow
 ≥ 80 , ≥ 60 , ≥ 40 , ≥ 20 , < 20 .

5. CONCLUSION

The future of every banking organization depends on the development and implementation of a strategic plan. Such a plan sets a clear direction, providing objectives and goals to assess progress across the organization. Currently, the banking sector faces significant challenges in balancing high-performance expectations, supporting economic growth, meeting social obligations, and achieving global operational efficiency standards. Embracing strategic planning and ensuring its effective implementation is essential for the banking sector to overcome challenges and achieve sustainable growth in the long term.

DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that generative AI technologies such as Large Language Models, etc. have been used during the writing or editing of manuscripts. This explanation will include the name, version, model, and source of the generative AI technology and as well as all input prompts provided to the generative AI technology

Details of the AI usage are given below:

1. In abstract and introduction part -for grammar, spelling mistakes and sentence formation for more quality and clarity I have used in editing process (chat-GPT). But it is my own research

study, not copied or published anywhere. So for grammatical part purpose I have used AI.

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COMPETING INTERESTS

Authors have declared that no competing interests exist.

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