AN EVALUATION OF PROFITABILITY PERFORMANCE OF ESOP INDIAN BANKS

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ABSTRACT

An ESOP provides a way for employer and their employees to achieve the apex tail of profitability in chaos and growth of the business. The study under consideration is based on evaluation of profitability performance of Indian ESOP banks. The study surveyed the public sector banks in relation to ESOP. The sample size for the analysis is nine (9) Indian banks those implemented the restructuring technique known as employee stock option plan (ESOP) since 2000 to 2005 as study period. The period under consideration is divided into two parts pre-adoption and post-adoption period for which different financial ratios have been calculated and compared pre-output to post-output. The expenditure performance of the ESOP banks is not gained following adoption ESOP. Thus it can be concluded that profitability performance of India banking sector did not improve significantly after adoption of ESOP.