

MEASURING THE PERFORMANCE OF COOPERATIVE BANKS INCLUDING INTERMEDIATE OPERATIONS USING DATA ENVELOPMENT ANALYSIS

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ABSTRACT

Performance measurement is a part of management activities, which facilitates setting strategies and confirming progresses toward goals. By recognizing the importance of performance measurement, we attempt to measure the comparative performance of cooperative banks in India by including intermediate operations. We employ a two-stage network data envelopment analysis (NDEA) model that can include the intermediate processes of banks. Although there are abundant data envelopment analysis (DEA) applications in the banking industry, most of them utilize DEA models that can incorporate inputs and outputs without considering intermediate stages. Our major contribution is promoting NDEA applications in service operations.

Keywords: Cooperative Banks, Performance Measurement, Data Envelopment Analysis, Intermediate Operations