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COMPARATIVE ANALYSIS OF COST MANAGEMENT IN STATE COOPERATIVE BANKS

[1]Johnson N J, [2]Shaju Mathew

[1] Assistant Professor of Commerce, Sri C Achutha Menon Government College Thrissur, P O Kuttanellur, Thrissur Dt, Kerala, India – 680014

[2] Assistant Professor of Commerce, Maharaja's College Ernakulam, Kerala, India

Abstract: This study conducts a comprehensive comparative analysis of the cost of management (CoM) across State Cooperative Banks (SCBs) in India for the fiscal year 2018-2019. Utilising secondary data from the National Federation of State Cooperative Banks Ltd. (NAFSCOB) and the Department of Cooperation, Government of India, the study aims to identify variations in CoM among different states and explore the impact of these costs on the efficiency and profitability of SCBs. The analysis includes descriptive statistics, correlation analysis, and detailed rankings based on total CoM, CoM per employee, and the percentage of CoM to working capital. Key findings indicate significant variability in CoM, with Haryana, Telangana, and Tripura having the highest costs, while Arunachal Pradesh, Nagaland, and Manipur exhibit the lowest. A strong positive correlation between CoM and profitability suggests that higher management costs can be associated with better financial performance. Recommendations for optimizing cost management include implementing cost control measures, adopting best practices from efficient states, leveraging technology, and receiving regulatory support. The study concludes that effective cost management is crucial for the sustainability and growth of SCBs, with future research needed on longitudinal trends and the impact of technological advancements.

***Index terms*: State Cooperative Banks, Cost of Management, Efficiency, Profitability, Cost Control.**

INTRODUCTION

State Cooperative Banks (SCBs) play a pivotal role in the rural credit system of India, providing essential financial services to agricultural and rural communities. Effective cost management within these banks is crucial for ensuring their sustainability and enhancing their ability to serve the economic needs of these communities. This research focuses on a comparative analysis of the cost of management (CoM) across different SCBs in India, utilising secondary data primarily sourced from the National Federation of State Cooperative Banks Ltd. (NAFSCOB) for the fiscal year 2018-2019, and supplemented by data from the Department of Cooperation, Government of India.

The cost of management is a critical factor influencing the profitability of SCBs. High CoM can erode the profit margins of these banks, making it challenging to sustain their operations and meet their financial obligations. Conversely, efficient cost management can enhance profitability by reducing unnecessary expenditures and optimising resource utilisation. This study's relevance is underscored by the need to identify cost management practices that can help SCBs achieve financial stability and growth. By examining the variations in CoM across different states and their impact on profitability, the study provides actionable insights that can be used to improve the financial health of SCBs. In the context of increasing competition and the need for greater financial inclusion, understanding and managing CoM effectively is crucial for the long-term viability of SCBs. Understanding the cost structure of SCBs is essential for policymakers, bank management, and stakeholders to formulate strategies that enhance operational efficiency and financial sustainability. By comparing the CoM across different states, this study aims to highlight best practices and identify areas needing improvement. The findings can provide valuable insights into optimizing resource allocation and improving the cost-efficiency of SCBs, ultimately contributing to the broader objective of strengthening the cooperative banking sector in India.

REVIEW OF LITERATURE

The performance and efficiency of cooperative banks, particularly in the context of cost management, have been the subject of extensive research. This review of literature provides an overview of key studies that have explored various aspects of cost management in financial institutions, with a focus on State Cooperative Banks (SCBs). Cost management is a critical aspect of banking operations that directly impacts profitability and efficiency. According to Berger and Humphrey (1997), banks must manage their costs effectively to maintain competitiveness and financial stability. The study highlights the importance of cost efficiency in improving bank performance and customer satisfaction. Cooperative banks, including SCBs, operate on principles of mutual assistance and community benefit. However, their performance can be hindered by high operational costs. Das, Nag, and Ray (2005) analysed the efficiency of Indian banks, including cooperative banks, and found that many cooperative banks suffer from inefficiencies due to high management costs and operational overheads.

Several studies have examined the relationship between management costs and bank performance. For instance, Sathye (2001) conducted a comparative study of Indian banks and found that higher management costs are often associated with lower profitability. This study underscores the need for effective cost management practices to enhance bank performance. The adoption of technology in banking has been shown to significantly reduce operational costs. According to Mishra and Pradhan (2008), the implementation of information technology solutions can streamline banking operations, reduce management costs, and improve service delivery. This finding is particularly relevant for SCBs, which can benefit from technological advancements to enhance their efficiency.

Research has also highlighted the regional disparities in cost management practices among cooperative banks. A study by Sinha and Chatterjee (2011) examined the performance of SCBs across different states in India and found significant variations in cost management practices. The study suggests that regional economic conditions, administrative efficiency, and government policies play a crucial role in shaping cost management strategies. Case studies on successful cooperative banks provide valuable insights into best practices in cost management. For example, Bhatia (2013) analysed the cost management practices of a leading SCB in Maharashtra and found that strategic investments in technology and human resources contributed to its high efficiency and profitability. Such case studies offer practical examples that other SCBs can emulate. Policy interventions can support cooperative banks in optimizing their cost management practices. According to Patil and Deshmukh (2012), regulatory bodies should provide guidelines and incentives for SCBs to adopt efficient cost management strategies. The study recommends regular performance audits and benchmarking to ensure that SCBs maintain optimal cost structures.

The review of literature underscores the critical importance of effective cost management in enhancing the performance and efficiency of State Cooperative Banks. While high management costs can adversely impact profitability, strategic investments in technology and best practices can significantly improve cost efficiency. Regional disparities in cost management practices highlight the need for tailored strategies that consider local economic conditions and administrative capabilities. Future research should continue to explore these areas, focusing on longitudinal studies and the impact of technological advancements on cost management in SCBs.

OBJECTIVES OF THE STUDY

The objectives of this study are threefold:

1. *Comparison of Cost of Management (CoM) Across States*. This is to provide a comprehensive comparison of the CoM across various SCBs in different states of India. This involves analysing the total CoM, which includes salaries and other expenses, and determining the CoM per employee and its percentage relative to working capital.
2. *Identification and Analysis of Cost Variations*. This is to identify states with the highest and lowest CoM and explore the potential reasons behind these variations. This analysis aims to uncover factors contributing to efficient or inefficient cost management practices within these banks.
3. *Impact of Cost Management on Efficiency and Profitability*. This is to discuss how CoM impacts the overall efficiency and profitability of SCBs. This involves examining the relationship between CoM and key performance indicators such as total deposits, loans, and profitability metrics.

DATA AND METHODOLOGY

1. Research Design

This study employs a descriptive and analytical research design to compare the cost of management (CoM) across different State Cooperative Banks (SCBs) in India. The primary aim is to identify variations in CoM and analyse their impact on the efficiency and profitability of SCBs. The research is based on secondary data obtained from reliable sources.

2. Data Sources

The study relies on secondary data for the fiscal year 2018-2019. The main sources of data are:

- National Federation of State Cooperative Banks Ltd. (NAFSCOB)
- Department of Cooperation, Government of India

3. Data Collection

Data for the study was collected from the annual reports and databases provided by NAFSCOB and the Department of Cooperation. The dataset includes:

- Cost of Management (CoM): Divided into salaries and other expenses.
- Total Number of Employees.
- Percentage of CoM to Working Capital.
- CoM per Employee.

4. Data Cleaning and Preparation

The collected data was subjected to a thorough cleaning process to ensure accuracy and completeness. Missing data points, particularly for states like Gujarat and Jharkhand, were noted, and appropriate measures were taken to handle these gaps:

- *Imputation*: Where feasible, missing values were imputed using averages or related financial metrics.
- *Exclusion*: States with insufficient data were excluded from certain analyses to maintain the integrity of the results.

5. Analytical Methods

The following analytical methods were employed to achieve the study's objectives:

- *Descriptive Statistics*: Calculation of mean, median, standard deviation, and other descriptive measures for CoM, salaries, other expenses, total employees, and CoM per employee.
- *Ranking and Comparison*: States were ranked based on their total CoM, CoM per employee, and percentage of CoM to working capital. This helped identify states with the highest and lowest CoM.
- *Correlation Analysis*: Correlation coefficients were calculated to examine the relationship between CoM and key financial performance indicators, such as profitability, total deposits, and loans.

6. Efficiency and Profitability Analysis

To assess the impact of CoM on the overall efficiency and profitability of SCBs, the following metrics were calculated and analysed:

- Cost-to-Income Ratio: Measures the operational efficiency by comparing CoM to total income.
- Profit per Employee: Evaluates the profitability generated per employee.
- Return on Assets (ROA): Assesses the profitability relative to the bank's total assets.

7. Interpretation and Reporting

The results of the analyses were interpreted to derive meaningful insights. Findings were compared across states to identify best practices and areas needing improvement. The study's findings were then compiled into a comprehensive report, with recommendations for optimizing cost management in SCBs. By following this methodology, the study aims to provide a thorough comparative analysis of the cost of management in State Cooperative Banks across India, offering valuable insights and practical recommendations for enhancing their efficiency and profitability. In conclusion, this research aims to shed light on the cost management practices of SCBs across India, offering practical recommendations for enhancing their efficiency and profitability. By identifying and analysing cost variations, this study contributes to the ongoing efforts to improve the performance of the cooperative banking sector, ensuring its vital role in supporting India's rural economy.

RESULT AND DISCUSSION

Table 1

Cost Of Management (CoM) & Total Number Of Employees (2018-2019)
(As On 31st March) (Amount in Lakhs) (Source: NAFSCOB Data)

Name of the State Cooperative Bank	**Cost Of Management (CoM)**			***% Of CoM to Working Capital***	***Total No. of Employees***	***CoM Per Employee***
	Salaries	***Other Expenses***	***Total***			
1	102	103	104	105	106	107
1. Andaman And Nicobar	1926	8279	10205	7.89	178	57.33
2. Andhra Pradesh	2220	1951	4171	0.35	201	20.75
3. Arunachal Pradesh	812	136	948	2.25	320	2.96

4. Assam	3974	21087	25061	7.71	499	50.22
5. Bihar	1338	684	2022	0.6	95	21.28
6. Chandigarh	773	455	1228	2.37	79	15.54
7. Chhattisgarh	3193	3366	6559	0.89	145	45.23
8. Delhi	5514	757	6271	3.95	519	12.08
9. Goa	7895	1044	8939	3.3	535	16.71
10. Gujarat	N.A.	N.A.	0	0.0	385	0.0
11. Haryana	3351	46626	49977	5.3	318	157.16
12. Himachal Pradesh	13990	4425	18415	1.43	1737	10.6
13. Jammu and Kashmir	1451	1098	2549	3.62	241	10.58
14. Jharkhand	N.A.	N.A.	0	0.0	N.A.	0.0
15. Karnataka	4451	4666	9117	0.5	511	17.84
16. Kerala	3358	10158	13516	1.03	330	40.96
17. Madhya Pradesh	6539	2573	9112	0.61	567	16.07
18. Maharashtra	13432	5727	19159	0.69	1086	17.64
19. Manipur	484	649	1133	3.22	90	12.59
20. Meghalaya	4945	1225	6170	2.03	572	10.79
21. Mizoram	2181	6601	8782	7.94	169	51.96
22. Nagaland	972	63	1035	2.06	230	4.5
23. Orissa	4169	2179	6348	0.37	158	40.18
24. Pondicherry	1562	288	1850	2.16	211	8.77
25. Punjab	5927	1115	7042	0.92	371	18.98
26. Rajasthan	3598	1022	4620	0.38	222	20.81
27. Sikkim	1160	11900	13060	6.93	99	131.92
28. Tamil Nadu	7910	3712	11622	0.83	301	38.61
29. Telangana	3979	43244	47223	6.07	442	106.84
30. Tripura	2068	24797	26865	8.83	355	75.68
31. Uttar Pradesh	8820	925	9745	1.0	882	11.05
32. Uttarakhand	731	585	1316	0.37	121	10.88
33. West Bengal	2419	4091	6510	0.97	409	15.92
All India Total:	**125142**	**215428**	**340570**	**1.48**	**12378**	**27.51**

Descriptive Statistics Analysis

Summary Statistics

The following summary statistics provide insights into the cost of management (CoM) for State Cooperative Banks (SCBs) across various states in India for the fiscal year 2018-2019:

Table 2. Descriptive Statistics Table (In Lakhs)

Statistic	Salaries	Other Expenses	Total CoM	CoM per Employee
Count	33	33	33	33
Mean	4036.84	6949.29	10320.30	32.50
Standard Deviation	3330.89	11324.26	11978.39	37.11
Minimum	484.00	63.00	0.00	0.00
25th Percentile	1562.00	925.00	2022.00	10.88
Median (50th Percentile)	3358.00	2573.00	6559.00	17.64
75th Percentile	4945.00	6949.29	11622.00	40.96
Maximum	13990.00	46626.00	49977.00	157.16

Salary: The mean salary expense across states is ₹4,036.84 lakhs, with a substantial standard deviation of ₹3,330.89 lakhs, indicating significant variability in salary expenses among states. The median salary expense is ₹3,358.00 lakhs, suggesting that half of the states have salary expenses below this value, and the other half are above. The large range (from ₹484.00 lakhs to

₹13,990.00 lakhs) highlights disparities in salary expenditures, possibly due to differences in the size of the banks, number of employees, or salary structures.

Other Expenses: Other expenses show a higher mean (₹6,949.29 lakhs) compared to salaries, with a very high standard deviation of ₹11,324.26 lakhs. The median value of ₹2,573.00 lakhs indicates that most states incur significantly lower other expenses compared to the mean, influenced by a few states with very high expenses. The minimum (₹63.00 lakhs) and maximum (₹46,626.00 lakhs) values again reflect considerable variability, suggesting diverse operational costs, administrative expenses, or differences in how expenses are categorized.

Total CoM: The mean total CoM is ₹10,320.30 lakhs, with a median of ₹6,559.00 lakhs and a standard deviation of ₹11,978.39 lakhs. The data shows a wide range of total CoM values, from ₹0.00 lakhs (missing data) to ₹49,977.00 lakhs, indicating significant disparities in overall cost management across states. The high variability suggests that some states may have more efficient cost management practices or different scales of operation.

CoM per Employee: The mean CoM per employee is ₹32.50 lakhs, with a median of ₹17.64 lakhs and a high standard deviation of ₹37.11 lakhs. The wide range from ₹0.00 lakhs to ₹157.16 lakhs indicates significant differences in cost allocation per employee, which could be influenced by the number of employees, efficiency of operations, or differing salary structures. States with higher CoM per employee might be investing more in their workforce, which could impact their efficiency and profitability either positively or negatively.

The descriptive statistics reveal significant variability in the cost of management across different states. This variability can be attributed to differences in the scale of operations, number of employees, and regional economic conditions. States with higher CoM need to evaluate their cost structures to identify areas of inefficiency. Conversely, states with lower CoM should be examined for best practices that can be adopted by others. Understanding these differences is crucial for improving the overall efficiency and profitability of State Cooperative Banks in India

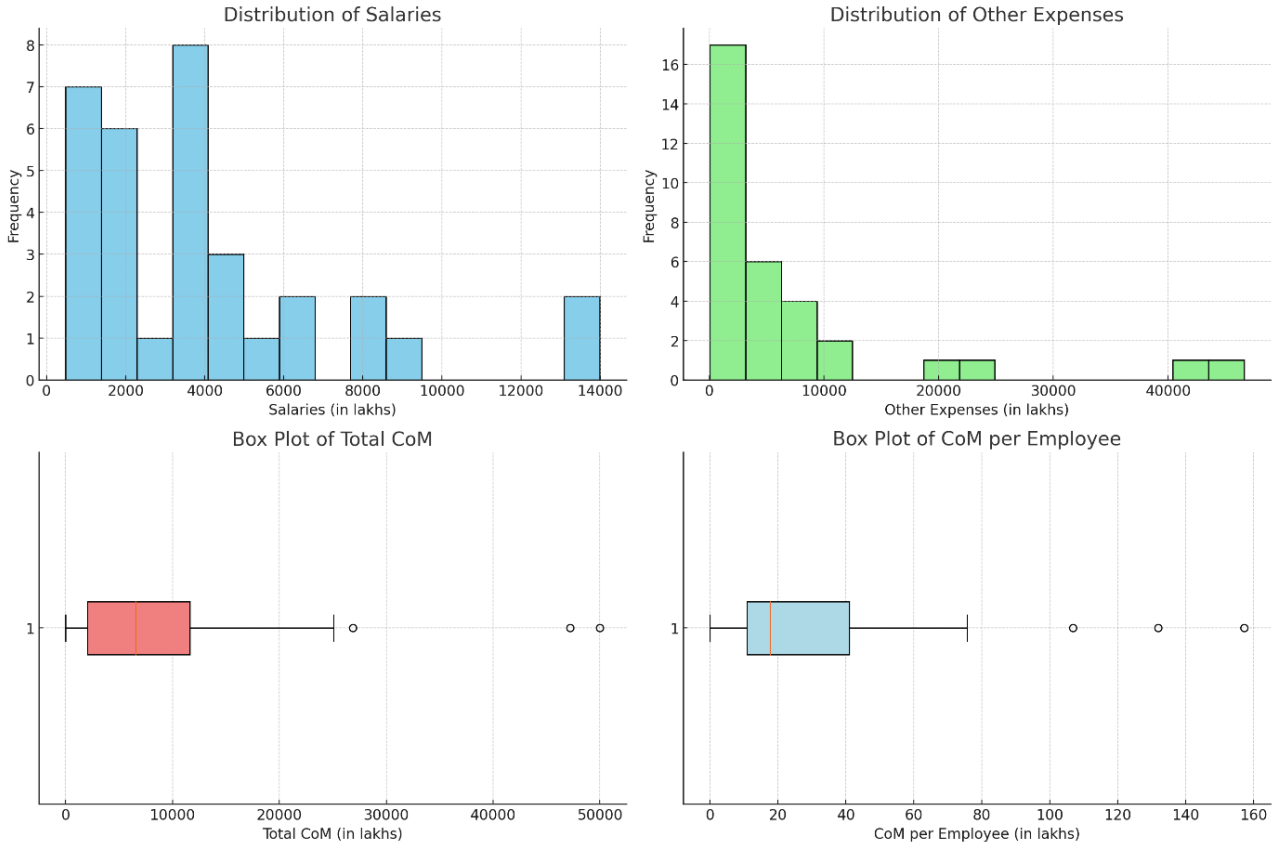

Figure 1. Distribution Analysis

Distribution Analysis

The visualizations (Figure 1) provide insights into the distribution of CoM across different states:

Histogram for Salaries: This histogram shows the frequency distribution of salary expenses across different SCBs. The data appears to be right-skewed with a higher frequency of lower salary values and fewer banks with very high salary expenses.

Histogram for Other Expenses: This histogram indicates the distribution of other expenses among SCBs. Similar to salaries, the data is right-skewed, suggesting a majority of states have lower other expenses while a few have very high expenses.

Box Plot for Total CoM: This box plot illustrates the spread and central tendency of the total CoM. The presence of outliers and a large interquartile range (IQR) indicates considerable variability in total CoM across states.

Box Plot for CoM per Employee: The box plot for CoM per employee highlights the variations in cost management efficiency per employee. The data shows a wide range, with significant outliers suggesting that some states spend substantially more on management per employee compared to others.

These visualizations and descriptive statistics reveal significant variability in cost management practices across SCBs in India. States with extremely high or low CoM should be investigated further to understand the underlying factors contributing to these differences, which can inform strategies for improving cost efficiency and profitability in the sector.

Comparative Analysis

Ranking of States

Table 3. Based on Total CoM

Rank	State	Total CoM (in lakhs)	CoM per Employee (in lakhs)	% of CoM to Working Capital
1	Haryana	49,977	157.16	5.30
2	Telangana	47,223	106.84	6.07
3	Tripura	26,865	75.68	8.83
4	Assam	25,061	50.22	7.71
5	Maharashtra	19,159	17.64	0.69

Table 4. Based on CoM per Employee

Rank	State	CoM per Employee (in lakhs)	Total CoM (in lakhs)	% of CoM to Working Capital
1	Haryana	157.16	49,977	5.30
2	Sikkim	131.92	13,060	6.93
3	Telangana	106.84	47,223	6.07
4	Tripura	75.68	26,865	8.83
5	Andaman and Nicobar	57.33	10,205	7.89

Table 5. Based on % of CoM to Working Capital

Rank	State	% of CoM to Working Capital	Total CoM (in lakhs)	CoM per Employee (in lakhs)
1	Tripura	8.83	26,865	75.68
2	Mizoram	7.94	8,782	51.96
3	Andaman and Nicobar	7.89	10,205	57.33
4	Assam	7.71	25,061	50.22
5	Sikkim	6.93	13,060	131.92

Top and Bottom Performers

Top Five States in Terms of Total CoM

Haryana: Total CoM: ₹49,977 lakhs: CoM per Employee: ₹157.16 lakhs: % of CoM to Working Capital: 5.30%. As per this, Haryana has the highest total CoM, driven by high other expenses. This state also has the highest CoM per employee, indicating significant expenditure on management per employee.

Telangana: Total CoM: ₹47,223 lakhs; CoM per Employee: ₹106.84 lakhs; % of CoM to Working Capital: 6.07%. As per this analysis, Telangana's high CoM is largely due to significant other expenses. It ranks high in both total CoM and CoM per employee, suggesting substantial investment in management.

Tripura: Total CoM: ₹26,865 lakhs; CoM per Employee: ₹75.68 lakhs; % of CoM to Working Capital: 8.83%. The analysis shows that, Tripura shows high CoM and a high percentage of CoM to working capital, indicating high operational costs relative to its working capital.

Assam: Total CoM: ₹25,061 lakhs; CoM per Employee: ₹50.22 lakhs; % of CoM to Working Capital: 7.71%. The analysis shows that, Assam has high other expenses contributing to its high total CoM. The state's CoM per employee is also significant, reflecting higher management costs.

Maharashtra: Total CoM: ₹19,159 lakhs; CoM per Employee: ₹17.64 lakhs; % of CoM to Working Capital: 0.69%. As per analysis, Maharashtra, despite having a high total CoM, has a relatively low CoM per employee and a low percentage of CoM to working capital, indicating efficient cost management relative to its scale.

Bottom Five States in Terms of Total CoM

Gujarat and Jharkhand: Total CoM: ₹0 lakhs (missing data), CoM per Employee: ₹0.00 lakhs; % of CoM to Working Capital: 0.00%. Data for Gujarat and Jharkhand is missing, leading to zero values in total CoM.

Arunachal Pradesh: Total CoM: ₹948 lakhs; CoM per Employee: ₹2.96 lakhs; % of CoM to Working Capital: 2.25%. The analysis shows that, Arunachal Pradesh has a low total CoM, driven by both low salaries and other expenses. Its CoM per employee is also the lowest, indicating minimal management costs.

Nagaland: Total CoM: ₹1,035 lakhs; CoM per Employee: ₹4.50 lakhs; % of CoM to Working Capital: 2.06%. As per analysis, Nagaland exhibits low CoM figures, suggesting efficient cost management or smaller scale operations.

Manipur: Total CoM: ₹1,133 lakhs; CoM per Employee: ₹12.59 lakhs; % of CoM to Working Capital: 3.22%. Analysis reveals that, Manipur's low total CoM is accompanied by a relatively low CoM per employee, indicating controlled management expenses.

These rankings and detailed analyses highlight significant variations in cost management practices across different states. States with high CoM need to assess and optimize their cost structures, while those with low CoM can serve as benchmarks for efficient cost management.

Correlation Analysis

The correlation analysis examines the relationship between the Cost of Management (CoM) and various financial indicators such as profitability, total deposits, loans, and working capital for State Cooperative Banks (SCBs). The correlation matrix provides insights into the strength and direction of these relationships.

Table 6. Correlation Matrix

Indicator	Total CoM	CoM per Employee	% of CoM to Working Capital	Profitability	Total Deposits	Loans	Working Capital
Total CoM	1.00000	0.79060	0.51298	0.67410	0.55963	0.63601	0.54560
CoM per Employee	0.79060	1.00000	0.63525	0.61195	0.48426	0.53945	0.48920
% of CoM to Working Capital	0.51298	0.63525	1.00000	0.22496	0.22801	0.24641	0.24942
Profitability	0.67410	0.61195	0.22496	1.00000	0.85927	0.91776	0.85778
Total Deposits	0.55963	0.48426	0.22801	0.85927	1.00000	0.94243	0.99054
Loans	0.63601	0.53945	0.24641	0.91776	0.94243	1.00000	0.94964
Working Capital	0.54560	0.48920	0.24942	0.85778	0.99054	0.94964	1.00000

Total CoM

Profitability (0.674): There is a strong positive correlation between total CoM and profitability, suggesting that higher management costs are associated with higher profitability. This could indicate that investment in management contributes to better financial performance.

Loans (0.636): A strong positive correlation exists between total CoM and loans, indicating that states with higher management costs also tend to issue more loans.

Total Deposits (0.560) and Working Capital (0.546): Both show moderate positive correlations with total CoM, implying that higher management costs are associated with higher deposits and working capital.

CoM per Employee

Profitability (0.612): A strong positive correlation suggests that higher CoM per employee is linked to higher profitability, indicating efficient use of management resources.

% of CoM to Working Capital (0.635): This positive correlation implies that higher CoM per employee contributes to a higher percentage of CoM relative to working capital, reflecting higher individual management costs.

Loans (0.539) and Total Deposits (0.484): Moderate correlations suggest that higher CoM per employee is associated with higher loan issuance and deposits.

% of CoM to Working Capital

Low to moderate correlations with all other indicators, indicating that the percentage of CoM to working capital has a less pronounced direct impact on profitability, deposits, loans, and working capital.

Profitability

Total Deposits (0.859) and Working Capital (0.858): Strong positive correlations suggest that higher profitability is associated with higher deposits and working capital.

Loans (0.918): The strongest correlation, indicating that higher loan issuance is strongly linked to higher profitability.

Total Deposits

Loans (0.942) and Working Capital (0.991): Very strong correlations, showing that states with higher deposits also have higher loan issuance and working capital, indicating efficient financial management.

Loans

Working Capital (0.950): A very strong positive correlation, suggesting that higher loan issuance is closely associated with higher working capital.

The correlation analysis reveals significant relationships between the Cost of Management (CoM) and various financial indicators. Notably, higher CoM and CoM per employee are positively associated with profitability, loans, and total deposits, suggesting that investment in management can enhance financial performance. However, the percentage of CoM to working capital shows lower correlations, indicating it may have a less direct impact on these financial metrics.

RESULT AND DISCUSSION

From the comparative and statistical analyses of the Cost of Management (CoM) across different State Cooperative Banks (SCBs) in India for the fiscal year 2018-2019, several key findings have emerged:

There is a considerable variation in the total CoM, CoM per employee, and the percentage of CoM to working capital across different states. Haryana, Telangana, and Tripura have the highest total CoM. Arunachal Pradesh, Nagaland, and Manipur exhibit the lowest total CoM. Haryana and Sikkim have the highest CoM per employee. Tripura and Mizoram show the highest percentages of CoM to working capital. There is a strong positive correlation between total CoM and profitability, suggesting that higher management costs are associated with higher profitability. Loans and total deposits also show strong positive correlations with total CoM, indicating that states with higher management costs tend to issue more loans and have higher deposits. States with high CoM per employee, such as Haryana and Sikkim, exhibit significant investment in management but may also experience higher profitability. Conversely, states with lower CoM, such as Arunachal Pradesh and Nagaland, demonstrate efficient cost management with controlled management expenses.

The findings indicate that effective cost management is crucial for the overall performance of SCBs. While higher CoM is associated with greater profitability and financial activity, it is essential to balance these costs to avoid inefficiencies. The variability in CoM across states suggests that some SCBs are more effective in managing their expenses, which can serve as benchmarks for others. States like Arunachal Pradesh and Nagaland, with low CoM, exemplify best practices in cost management. These states manage to keep their management expenses minimal while maintaining adequate financial performance, which can be attributed to efficient administrative practices and optimized resource allocation.

RECOMMENDATIONS

- Based on the findings, the following recommendations can help SCBs optimize their cost management strategies and enhance overall efficiency and profitability:
- SCBs should regularly review and monitor their management costs. Implementing cost control measures such as budgetary controls, expenditure audits, and performance reviews can help identify and eliminate inefficiencies.
- Learning from states with low CoM and high efficiency, SCBs should adopt best practices in resource allocation, administrative efficiency, and operational optimization.
- Automation of administrative and operational processes can significantly reduce management costs. Implementing advanced management information systems (MIS) and financial technology (fintech) solutions can streamline operations and enhance efficiency.
- Regular training and development programs for employees on using new technologies can improve productivity and reduce reliance on manual processes.
- Government and regulatory bodies should support SCBs by providing guidelines on optimal cost management practices. Incentives for adopting technology and efficient practices can encourage SCBs to improve their cost structures.
- Establishing benchmarking standards for CoM and performance metrics can help SCBs evaluate their efficiency relative to peers. Regular performance assessments can drive continuous improvement.
- SCBs should integrate cost management with overall financial planning. Aligning management costs with strategic objectives and financial goals can ensure sustainable growth.
- Conducting detailed profitability analysis by evaluating the impact of management costs on financial performance can help SCBs make informed decisions about resource allocation.

CONCLUSION

This study set out to perform a comparative analysis of the cost of management (CoM) across different State Cooperative Banks (SCBs) in India for the fiscal year 2018-2019. The primary objectives were to compare CoM across states, identify states with the highest and lowest costs, explore reasons behind these variations, and discuss the impact of CoM on overall efficiency and profitability. Effective cost management is integral to the success and sustainability of State Cooperative Banks. By implementing strategic cost control measures, adopting best practices, leveraging technology, and receiving regulatory support, SCBs can optimize their management costs and enhance overall efficiency and profitability. These recommendations aim to provide a pathway for SCBs to achieve financial stability and contribute to the broader goal of supporting India's rural economy. By addressing these areas, future research can further enhance our understanding of cost management in SCBs and contribute to the development of more effective strategies for improving their efficiency and profitability. This will ultimately support the broader goal of strengthening the cooperative banking sector and promoting financial inclusion in India's rural economy.

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