

Analyzing the Turkish Banks via MCDM Approach

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Abstract

The banking sector has a major impact on the country's economy. Banks are vital to the economy in developing countries such as Turkey since they accelerate economic growth. As intermediaries, banks' primary duty is to collect funds and utilize them for profitable projects that support profitable, long-term economic growth. An assessment of a bank's performance provides investors and creditors with useful information, among other stakeholders. It illustrates the bank's competitiveness in the market and draws attention to both its flaws and growth possibilities. Hence, evaluating financial performance is of utmost importance for stakeholders. In this regard, numerous methods have been used in the banking literature to evaluate performance such as Multi-Criteria Decision Making (MCDM) and Data Envelopment Analysis. Analysts and stakeholders can evaluate instances and decide on the best course of action by selecting an appropriate approach for evaluating the criteria. Performance assessments, like other evaluations, need careful consideration of several aspects. Thus, one may consider assessing banking performance to be an MCDM problem. In this paper, we aim to evaluate the financial performances of the Turkish banks by an MCDM method, which can take into consideration conflicting criteria simultaneously in order to present a detailed insight.

Keywords: Banking, Multi-Criteria Decision Making, Performance