

# A Study on Green Banking Services in Chennai City

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## **Abstract**

Every Country gets environmental benefits through Green Banking. Green banking is a banyan tree term meant to practices and rules that make banks feasible in monetary, condition and social measurements. It plans to accomplish structuring, producing, utilizing PCs, servers, screens, printers, stockpiling gadgets proficiently and viably with zero or insignificant effect on the earth. This paper deals with "A Study on Green Banking Services in Chennai District". Green banking resembles a typical bank, which considers all the social and ecological/environmental components with an intend to safeguard the earth and environment. It is likewise called as a moral bank or a feasible bank. They are constrained by similar specialists however with an extra plan natural surroundings/asset. Green Banking makes successful and broad market-based answers for locating a scope of ecological issues, including deforestation, biodiversity misfortune, air quality issues and environmental change, while in the meantime distinguishing and anchoring openings that benefits clients. Green Banking Product coverage includes

**Keywords:** Green Banking, Environmental benefits, Feasible, Monetary, Stockpiling, Proficiently

## **1. Introduction**

With increasing awareness and environment consciousness businesses can no longer run after profits only. It will be unwise for them to ignore the concern for the society and the environment. Green movement for protection of environment has brought about a change in the way business is managed. There is a move towards green economy where each and everyone be it customer, employees, employer or general public are concerned about the environment. The desire to engage one in environment friendly green practices has expanded to the organizations also. Sustainability is the key issue. In this new era it becomes essential to address the green issues. Now each action is required to be environmentally responsible. Green is the word now 'Green Computing', 'Green Banking', 'Green Strategic Management' and so on. In the environment friendly society "Go Green" mantra has become relevant in each and every aspect of business. There is a wave of change with all business activities to not only focus on profit but also on people and planet. With the changing consumer expectation, stricter environment regulation, compliance requirements even the banking sector cannot escape this wave of change.

## **2. Review of Literature**

**Sundaresan.K (2023)** attempt to study the level of consumer awareness of Green Banking initiative in India with special reference to Mumbai. From the primary survey they conducted they find that surprisingly even those people who are using online facilities provided by their banks nearly three fourth

of them are unaware of the term Green Banking. They find that among those who are aware of Green Banking term consider it mainly related to online bill payment and cash deposit system. Other Green Banking aspects like Green CDs, solar powered ATM, bonds for environment protection are among few of which consumers are not aware of. They also attempt to analyze the gender based difference in awareness of green initiatives by bank specially E-Statements, Net Banking and Green loans. Using Chi-Square test for hypothesis testing they arrive at a result that both males and females have the same level of awareness with respect to Green Banking. The researcher's state that the major obstacle in Green Banking is the technical issues involved followed by lack of education.

**Prabhudev(2023)** present the status of Indian Banks in respect of Green Banking and state that though goes green mantra is essential for emerging economies like India but significant efforts have not been taken. Banks are required to include their green aspect in the lending principle. Every step taken today will mean a better global environment in future. So a policy measure to promote Green Banking is needed in India. Indian banks are running behind time in adoption of this green phenomenon. Serious steps are required to be taken in this regard.

**Bijuverma (2023)** conduct a similar survey as stated above to check and thereby create consumer awareness on Green Banking. Conducting interviews and using specially structured questionnaires for survey they state certain steps needed in Green Banking. Online Banking, Green Checking Accounts (ATM, Special Touch Screens), Green loans (low rate to those who wish to buy solar equipments) for supporting environment friendly residential projects, power saving equipments, Green Credit Cards, Paper Saving Mobile Banking are among few steps suggested by them. Green Banking will ensure organization's move towards sustainability.

**Mohanakrishnan(2023)** study the Green Banking approaches opted by private and public bank for environment sustainability. Using case study approach they find that Indian banks have understood the relevance of taking positive steps towards the environment. Moreover results of the study conducted reveals that public sector banks have taken more initiatives as compared private sector with exception of ICICI bank. In private sector only ICICI bank's approach is a sustainable approach.

**Veerendar(2023)** highlights the means of creating awareness about Green Banking to ensure sustainable growth. Garrett's ranking technique is used to analyze the most significant strategies in respect of Green Banking. If the goal is to attain sustainable development this can be achieved only through creating awareness and imparting education. Among the internal sub systems emphasis should be given to publications, newsletters so as to create awareness and effective means for external sub systems are event meetings, media and websites. A proper formulated green policy guideline is needed for effective Green Banking.

### **3. Concept of Green Banking**

Green Banking is not a separate bank. Green Banking means ensuring environment friendly practices in banking sector and thereby reducing internal and external carbon footprints. Banking industry is generally not considered as polluting industry. But it impacts the environment in terms of increasing energy consumption (lighting, air conditioning), paper consumption. A broader view of this is that banking

industry is linked to the external environment as it provides funds to others and hence finances their activities. Banks are a source of funds.

So they can contribute to environment by ensuring environmentally responsible investment and a carefully evaluated lending. Green Banking therefore covers two aspects. The first one being judicious use of all resources, energy and reducing carbon footprints and second being encouraging and financing only environment friendly investment.

So Green Banking is not only about making sustainable use of resources but also about environment friendly dispensation of credit. A proper scrutiny of all projects that are financed in terms of environment is another major element of Green Banking. The concept of Green Banking emerged in 2009 with coming of the first Green Bank based in Mt. Dora, Florida, United States. The Institute for Development and Research in Banking and Technology established by RBI defines Green Banking as: ‘Green Banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment.’

Considering the nature of banking processes and infrastructures, this report offers guidelines for greening banking in two levels. Making day-to-day business operations, banking products and services greener by following simple practices and making them environmentally friendly. Making IT infrastructure (including data center) and physical infrastructure (including buildings) greener and taking initiatives so that a bank could itself generate electricity for its own consumed. Green Banking can be implemented by a proper use of technology. The various ways in which banks have adopted through this wave of change are: Sending payment slips, reimbursement slips electronically. Online Net Banking System. Paying bills online. Opting for Mobile Banking

#### **4. OBJECTIVE OF THE STUDY**

- To absorb the general profile of the respondents
- To identify the necessity of green banking services.
- To offer the findings and suggestions of the study

- **SCOPE OF THE STUDY**

The study is based on the interview method. This study covers “A study on Green Banking Services in Chennai District”.

#### **DATA COLLECTION**

Both primary and secondary data used in the present study

**Primary data:**

Collected data through personal interview in the form of questionnaire form 50 Lecturers.

**Secondary data:**

Data was collected from various journals, books, magazines

#### **TOOLS FOR ANALYSIS**

- Percentage

➤ Ranking method

## 5. LIMITATIONS OF THE STUDY

The researcher had obtained only 50 questionnaires from the respondents. Hence the findings of the study cannot be generalized. The study concerns to a particular time period. The result may be invalid for over a longer period of time due to fast changing socio-economic and socio-cultural setting in this study area.

## 6. DATA ANALYSIS

**TABLE NO: 1 SOCIO ECONOMIC STATUS OF THE RESPONDENTS**

<b>Age of the respondents</b>			
Age	Below 25	No of Respondents	Percentage
	Below 25	7	14
	25-30	8	16
	30-40	20	40
	Above 40	15	30
<b>Educational Qualification of the respondents</b>			
Educational Qualification	Primary	3	6
	Secondary	14	28
	Certificate/Diploma	15	30
	Degree and Above	18	36
<b>Occupation of the respondents</b>			
Occupation	Student	9	18
	Service	15	30
	Business	16	32
	Professional	10	20
<b>Marital Status of the respondents</b>			
Marital Status	Married	23	46
	Unmarried	27	54
<b>Total</b>		<b>50</b>	<b>100</b>

From the above table 1, it is Interpreted that majority of the respondents (40%) is under age group of 30-40 years; Under Educational qualification of the respondents, most of the respondents are (36%) having the qualification of Degree and Above; 32% of the respondents are doing the business and 54% of the respondents are unmarried.

## 2. Ranking method:

It is used to analyze the necessity of green banking preferred by the sample respondents.

**TABLE NO: 2 NECESSITY OF GREEN BANKING**

Necessaries	Frequency	Rank
Online savings Account	9	III
Paperless Statements	4	VI
Use Direct deposits	5	V
Net Banking	14	I
Mobile Banking	10	II
Net Banking	8	IV

Table No 2 shows the various necessities preferred by the 50 respondents. As each respondent selects more than one feature, the frequency also differs in total. As most of respondents prefer Net Banking, this necessity has given I rank with the frequency of 14, followed by the Mobile banking with the frequency of 10, Paperless statement were given the least rank of VI with frequency of 4.

## RELATIONSHIP BETWEEN THE EXPERIENCE OF THE EMPLOYEES AND GREEN BANKING OPERATIONS

ANOVA test is used to check the relationship between the Experience of employees with green banking operations.

Null Hypothesis ( $H_0$ ) = There is no relationship between the Experience of employees and green banking operations

Alternative hypothesis ( $H_1$ ) = There is relationship between the Experience of employees and green banking operations.

**TABLE NO: 3 ONE WAY ANOVA**

EXPERIENCE OF THE EMPLOYEES	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Between Groups	15.134	1	15.134	31.385	0.07
Within Groups	109.94	49	0.4822		
Total	125.08	50			

## INTERPRETATION:

The significant value is  $>0.05$ , hence the null hypothesis is accepted. There is no relationship between the Experience of employees and green banking operations.

## **CHI-SQUARE TEST**

Chi square test is used to check the relationship between the education level of the employees and manager motivating employees in decision making time.

Null Hypothesis ( $H_0$ ) = There is no relationship between the gender of the employees and manager motivating employees in decision making time.

Alternative Hypothesis ( $H_1$ ) = There is relationship between the gender of the employees and manager motivating employees in decision making time.

## **GENDER OF RESPONDENTS AND PREFERENCE TOWARDS GREEN BANKING**

**TABLE NO: 4 CROSS TABULATION**

<b>GENDER / RELATIONSHIP</b>	<b>STRONGLY AGREE</b>	<b>AGREE</b>	<b>NEUTRAL</b>	<b>TOTAL</b>
MALE	4	16	15	35
FEMALE	1	8	6	15
<b>TOTAL</b>	5	24	21	50

## **CHI-SQUARE TEST**

	<b>VALUE</b>	<b>DF</b>	<b>ASYMP. SIG. (2- SIDED)</b>
PEARSON CHI-SQUARE	1.965 <sup>a</sup>	2	.374
LIKELIHOOD RATIO	2.010	2	.366
LINEAR-BY-LINEAR ASSOCIATION	.030	1	.863
N OF VALID CASES	115		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 4.91%

## **INTERPRETATION:**

As the calculated significance  $> 0.05$ , the null hypothesis is accepted. Hence, there is no significance difference between gender of the employees and preference towards green banking.

## 7. FINDINGS AND SUGGESTIONS

### FINDINGS

A Study on Green Banking Services in Chennai District, the researcher's findings were:

- Out of 50 respondents selected for the study, 20 respondents belongs to the Age group of 30-40 category
- 18 respondents were having the educational qualification of Degree & Above.
- Out of 50 respondents, 16 respondents belong to the Occupation of Business.
- 27 of the respondents were unmarried.

## 8. SUGGESTIONS

From the above findings the researcher suggest the following points for the necessity of Green banking

1. Impart education through E-learning programmes.
2. Encourage the Green banking among the customers.
3. Social responsibility services done by banks
4. Communicate through the public media.

## 9. CONCLUSION

This study focused on the Green Banking Services in Chennai District. In future the Green Banking is a key issue concerning the improvement of the country. Banks should take initiatives to prepare instructive projects to achieve Green Banking in reality. Green is the word now. There is an increase in awareness regarding protecting and conserving the environment. Green Banking is an emerging concept here. It integrates management of environment with banking activities and aims at reducing carbon footprints. Banks are also corporate citizens who have the responsibility towards the society in which they exist. Green Banking is a key issue concerning the development of the nation. With globalization and increasing competition moving towards the green wave provides competitive advantage. For India there is a huge lot of opportunity available which they can exploit and move towards their goal of economic development. Strict steps are needed if we actually want to practice Green Banking. But before that what is needed is increasing consumer awareness. Green Banking not only means sustainable use of resources but also adopting green lending principles. The review of literature conducted reveals that what is missing in context of implementation of Green Banking is the level of consumer awareness and education. So proper training and educational programs by banks for the green initiatives will actually make Green Banking a success.

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