

GREEN BANKING INITIATIVES - A STUDY OF SELECT PUBLIC SECTOR BANKS AND PRIVATE SECTOR BANKS IN MADURAI DISTRICT

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Abstract

Purpose: Regulations and client services based on technology are being developed in the banking industry. Banking services play a crucial role in encouraging clients to take action. The goal of green banking efforts is to safeguard the environment and lessen financial-related carbon emissions. **Theoretical framework:** The current study has examined the initiatives taken by bankers through the services they offer to clients. Customers are made aware of green banking efforts through their financial actions. Customer knowledge of green banking activities in sustainable development and banking services. **Design / Methodology:** Customers in the Madurai district were made aware of green banking activities through the publication. Both primary and secondary data are employed in the investigation. The first information was gathered from 100 clients in a few public and private banks in the Madurai area. The secondary data gathered from several books, websites, journals, etc., **Findings:** The study's findings are increasing customer awareness of green banking activities. Analysis of customer attempts to create awareness campaigns and seminars for bankers and consumer ignorance about green banking activities in banking services. **Originality:** The current study examines client banking services and raises awareness of green banking efforts. The banking industry has developed a number of job prospects. The public's perception of banking services is created through client awareness.

Keywords:

Green Banking Initiatives, Customer Awareness, Technological Changes, Banking Services

1. INTRODUCTION

Green banking initiatives have gained prominence in recent years as financial institutions recognize their role in promoting sustainability and environmental responsibility. Banking institutions play a vital role in the economic development of a region, and their practices can significantly impact the environment and society. This study delves into the realm of green banking initiatives within the context of Madurai District, a region marked by its unique environmental challenges and economic dynamics. Specifically, it examines the efforts made by select public sector banks and private sector banks operating in Madurai District to integrate environmentally sustainable practices into their operations and services. Madurai District, located in the southern state of Tamil Nadu, is characterized by its rich cultural heritage, agricultural significance, and growing urbanization. However, it also faces environmental challenges, such as water scarcity, air pollution, and the need for sustainable agricultural practices.

2. REVIEW OF LITERATURE

Meenakshi Sharma and Ankasha Choubay (2021) Green banking initiatives: a qualitative study on Indian banking sector:- The present study proposes conceptual model of Green banking

initiatives and studies the impact of three Green banking initiatives, viz. green products development, green corporate social responsibility and green internal process on two possible outcomes, viz. Green brand image and Green trust. The study is qualitative in nature comprising of semi structured in-depth interviews conducted with 36 middle- to senior-level managers of twelve public and private Indian banks. The study's findings showed that 63% of all respondents believed their bank developed several green banking products and services, 53% of bankers believed their bank integrated green internal processes into daily operations, and 78% of respondents believed their bank engaged in numerous green CSR initiatives.

Nandini Prabhu (2021) Green Banking Practices - A Case Study on Indian Green Banking System:- Green Banking is a recent trend in the financial industry. Banks play a significant role in promoting overall sustainable development as the intermediary for financing fiscal and development programmes, and inclusive banking policies are designed to enable sustainable economic growth. Green banking is a proactive way of future sustainability, but banks in India are running behind their counterparts from advanced economies. Banks trying to clarify green is tough and there are chances for customers to accept that the potentials made by the banks' team. Several steps have been taken by the private and public sector banks to reduce carbon emissions.

3. OBJECTIVES OF THE STUDY

- To analysis the initiatives of green banking services in selected public sector and private sector banks.
- To analysis the customer perception of green banking initiatives

4. HYPOTHESIS OF THE STUDY

- H_0 - There is no significant difference among different age group of customer perception towards green Banking services
- H_0 - There is no significant difference among different gender group of customer influenced towards Green Banking services

4.1 SIGNIFICANCE OF THE STUDY

The objectives of outlined for this study on green banking initiatives, including analyzing the initiatives in selected public sector and private sector banks and assessing customer perceptions, are important for understanding the impact and effectiveness of sustainable banking practices. Here's an overview of the significance of your study at assessment of green banking initiatives, customer perception, policy and strategy development. This study has significant implications for promoting sustainable

banking practices, enhancing customer engagement and satisfaction, contributing to environmental goals, and informing policy and strategy development in the banking industry. It can serve as a valuable resource for stakeholders interested in fostering sustainability in banking operations and customer experience.

5. DATA ANALYSIS AND INTERPRETATION

5.1 DIFFERENT AGE GROUP, CUSTOMER PERCEPTION OF GREEN BANKING SERVICES - ANOVA

Customers of all ages have varying opinions about the green banking services. To determine whether there are any notable differences in how various age groups perceive the green banking services offered by public and private sector banks in the Madurai district. The null hypothesis for the ANOVA test is, “There is no significant difference among different age group of customer perception towards green Banking services”

Table.1. ANOVA

		Sum of Squares	Df	Mean Square	F
Internet banking is more affordable	Between Groups	91.046	4	22.761	53.005
	Within Groups	40.794	95	.429	
	Total	131.840	99		
simple and uncomplicated	Between Groups	177.798	4	44.450	207.895
	Within Groups	20.312	95	.214	
	Total	198.110	99		
Complex transaction	Between Groups	129.347	4	32.337	209.648
	Within Groups	14.653	95	.154	
	Total	144.000	99		
Online banking is a simple service	Between Groups	186.022	4	46.505	342.793
	Within Groups	12.888	95	.136	
	Total	198.910	99		
Pleased with online banking	Between Groups	80.772	4	20.193	36.149
	Within Groups	53.068	95	.559	
	Total	133.840	99		
Sufficient Information	Between Groups	143.277	4	35.819	188.699
	Within Groups	18.033	95	.190	
	Total	161.310	99		
Information on online banking	Between Groups	157.684	4	39.421	158.515
	Within Groups	23.626	95	.249	
	Total	181.310	99		
During the procedure,	Between	206.354	4	51.589	231.115

a bank offer	Groups				
	Within Groups	21.206	95	.223	
	Total	227.560	99		
Protection of personal data	Between Groups	151.129	4	37.782	285.287
	Within Groups	12.581	95	.132	
	Total	163.710	99		
Improved internet banking	Between Groups	160.270	4	40.067	267.304
	Within Groups	14.240	95	.150	
	Total	174.510	99		
Convenience removes the threat	Between Groups	162.507	4	40.627	223.701
	Within Groups	17.253	95	.182	
	Total	179.760	99		
Website is secure	Between Groups	129.837	4	32.459	197.636
	Within Groups	15.603	95	.164	
	Total	145.440	99		
Issue with online banking	Between Groups	164.034	4	41.009	260.320
	Within Groups	14.966	95	.158	
	Total	179.000	99		

5.1.1 Results:

The Table.1, at a 5% level of significance, the association between respondents' ages and their attitudes regarding green banking. Banks offer assistance for any issues with internet banking services while using the green banking services, which have a high degree of perception. The majority of customers believe internet banking to be convenient since it eliminates the danger associated with carrying cash. The banks provide sufficient information about the internet banking services, and the extremely low degree of client impression towards green banking services is that they are less expensive than other banking services (branch, ATM, and mobile banking).

P value greater than 0.05 indicates acceptance of the null hypothesis. As a result, there are no discernible differences in how clients of different ages perceive green banking services.

5.2 CUSTOMERS OF DIFFERENT GENDERS ARE GENERALLY INFLUENCED BY GREEN BANKING SERVICES - “T” TEST

Customers of all genders have typically been persuaded to use green banking services. To determine the important differences in customer behavior among the various gender groups in the public and private sector banks in the Madurai District. The null hypothesis is used in the "t" test and is, “There is no significant difference among different gender group of customer influenced towards Green Banking services”.

Table.2. One-Sample Test

	Test Value = 0				
	t	df	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
ATM issues: banned cards	20.978	99	2.84000	2.5714	3.1086
ATM issues: Running out of money	22.812	99	2.84000	2.5930	3.0870
ATM issues - statement not printing	19.383	99	2.88000	2.5852	3.1748
ATM issues: malfunctioning device	18.788	99	2.66000	2.3791	2.9409
ATM issues - Prolonged wait time	20.262	99	2.45000	2.2101	2.6899
ATM issues: Reducing the cash payment balance	19.854	99	2.64000	2.3762	2.9038
IB issues - information omission	20.762	99	2.08000	1.8812	2.2788
IB issues - Lack of security	22.768	99	2.18000	1.9900	2.3700
IB issues: failure to respond	22.074	99	2.48000	2.2571	2.7029
IB issues - Failure to complete the operation	16.183	99	1.92000	1.6846	2.1554
IB issues - exaggerated by others	20.000	99	2.68000	2.4141	2.9459
IB issues - prolonged waiting	19.730	99	2.72000	2.4465	2.9935
IB issues - several phases in the transaction	23.411	99	3.08000	2.8189	3.3411
TB issues - Knowledge gap	28.529	99	3.50000	3.2566	3.7434
Lack of prompt care for TB concerns	26.849	99	3.36000	3.1117	3.6083
TB issues - Prompt treatment	20.998	99	3.12000	2.8252	3.4148
TB issues - unclear recommendations	23.122	99	3.38000	3.0899	3.6701
MB issues - unable to log in	24.822	99	3.38000	3.1098	3.6502

MB issues - Insufficient security	24.556	99	3.38000	3.1069	3.6531
Problems with MB - Inadequate software	20.069	99	3.16000	2.8476	3.4724

5.2.1 Results:

When comparing the impacts of green banking services and their corresponding statistical tests, there is a 5% variation in significance across the various gender categories of clients. High levels of influence resulted in a mean score of 3.38 for mobile banking services, important levels of influence resulted in a mean score of 3.500 for telephone banking services, and low levels of influence resulted in a mean score of 2.876 for online banking services.

Since the P value is greater than 0.05 and the 5% threshold of significance, the null hypothesis is accepted, there is no correlation between consumers of various gender groups who use green banking services.

6. FINDINGS

- The aforementioned table 1, at a 5% level of significance, the association between respondents' ages and their attitudes regarding green banking. Banks offer assistance for any issues with internet banking services while using the green banking services, which have a high degree of perception. The majority of customers believe internet banking to be convenient since it eliminates the danger associated with carrying cash. The banks provide sufficient information about the internet banking services, and the extremely low degree of client impression towards green banking services is that they are less expensive than other banking services (branch, ATM, and mobile banking). P value greater than 0.05 indicates acceptance of the null hypothesis. As a result, there are no discernible differences in how clients of different ages perceive green banking services.
- When comparing the impacts of green banking services and their corresponding statistical tests, there is a 5% variation in significance across the various gender categories of clients. High levels of influence resulted in a mean score of 3.38 for mobile banking services, important levels of influence resulted in a mean score of 3.500 for telephone banking services, and low levels of influence resulted in a mean score of 2.876 for online banking services. Since the P value is greater than 0.05 and the 5% threshold of significance, the null hypothesis is accepted, there is no correlation between consumers of various gender groups who use green banking services.

7. SUGGESTIONS

Green banking initiatives and customer perceptions that can provide suggestions to both customers and bankers. Here are some recommendations tailored to each group:

7.1 SUGGESTIONS FOR CUSTOMERS

Customers can take the initiative to educate themselves about green banking and sustainability practices in the financial sector.

Understanding the environmental impact of their financial choices can empower them to make informed decisions. Choose green banking products and services offered by banks, such as green loans, savings accounts, or credit cards. These products often support eco-friendly initiatives and can align with your sustainability goals. Actively engage with your bank to express your interest in green banking initiatives. Share your feedback, expectations, and suggestions for improvement. Customer demand plays a significant role in driving banks to expand their green offerings. Use online banking tools and apps to monitor your carbon footprint, paper usage, and resource consumption related to your financial activities. This awareness can motivate you to reduce your environmental impact.

7.2 SUGGESTIONS FOR BANKERS

Improve transparency in reporting green banking initiatives and their impact. Provide clear and easily accessible information to customers about the environmental benefits of green products and services. Develop educational materials and campaigns to inform customers about the benefits of green banking. Create online resources, workshops, and webinars to raise awareness and increase customer engagement. Invest in research and development to innovate and expand green banking offerings. Stay updated with emerging sustainable technologies and financial products that can be integrated into your portfolio.

8. CONCLUSION

Green banking initiatives in Madurai District, both in public sector and private sector banks, have made a positive impact on environmental sustainability. These initiatives have contributed to reduced resource consumption, carbon footprint, and the promotion of sustainable practices. Engaging customers and raising awareness about green banking initiatives are crucial factors for success. Banks that actively educate and involve their customers tend to receive more positive feedback and support. Collaboration between banks, local environmental organizations, and government bodies can amplify the impact of green banking initiatives. Joint efforts can lead to more extensive community-based sustainability projects. The Banks should continue to innovate and improve their green banking practices. Sustainability is an evolving field, and there is always room for enhancements and the adoption of emerging eco-friendly technologies. In conclusion, the analysis of green banking initiatives and customer perceptions in Madurai District indicates that while progress has been made, there is still significant potential for growth and improvement in promoting sustainable banking practices. It highlights the importance of continued efforts to educate customers, innovate, and collaborate to achieve greater environmental sustainability within the banking sector.

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