

Green Banking Initiatives: A Special Reference towards Public Sector Banks in Southern Districts of Tamil Nadu

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ABSTRACT

The banking sector has great influence on the economic growth country. Environmental issues gain greater attention these days that results in building of pressure all industries, including financial institutions to adopt, implement and provide awareness about green banking initiatives. The public banking sector plays a decisive role in encouraging environmentally sustainable and socially responsible ventures. To support the reduction of carbon emissions, banking industry should finance green technologies projects. Electronic banking is not only responsible behind economic intensification but it also plays vital role in environmental protection. This research article tries to highlight the green banking initiatives aspects with respect to selected Indian public sector banks in southern districts of Tamilnadu.

Keywords: *Green Banking Initiatives, Green banking products and services, Problems and satisfaction of users of green banking initiatives, etc.,*

1.0 Introduction

Nowadays, global warming is a dangerous issue. For immediate global response we need to quick changes in the climate pattern which is cause for many problems and directly leave impact on biodiversity, cultivation, forestry, water resources, and human health. This Banking approach allows to natural responsible bank to contribute in the economic system comprising of production, distribution business by aware environmentally responsive account, process, limit building to support pollution less environment and living standards. Banking Policy lays down the essential components of its move-over. This banking system requires a change in thinking about economics, business and finance. Its success would be greater if the world governors started to update their economic standards from being “monetary economics” to “Ecological economics” and start to change their accounting principles from purely being financial into ecological or operational energy accounting patterns. Upcoming green banking may change in this way. Green banking includes environmental and social responsibility.

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Bangladesh is one the most environmentally influenced country in the world; keeping this in mind, Bangladesh Bank established a Green Banking Policy in 11. This study goes for focused on the present status of the banks in observing with public sector banks policy to save the environment also to increase financial sustainability. Green banking activities include using all of the bank's resources with responsibility and care. It also includes avoiding waste and giving priority to choices that take sustainability into account.

Green keeping money practices will be helpful for environment as well as lead to cost reductions in managing an account exercise. To decrease the outer carbon discharges, bank ought to back green innovation and pollution sinking activities.

1.1 Objectives of the study

- To assess the purpose for using green banking services.
- To examine the problems in green banking initiatives of products and services.
- To examine the satisfaction level of green banking initiatives.

2.0. Review of Literature

Sonu (2015) highlighted the advantage of instant transaction as one of the major factors favoring the use of plastic money over real money by the population today. It has already been highlighted by the study that convenience of not carrying cash and ease of transaction is one of the major psychologically influencing factors that encourage the use of plastic money instead of real money. Additionally, the results of the study have also stressed upon the convenience and ease of use while paying or shopping by plastic money. The saving of time and the fact that the plastic money seems to be more portable also seems to be more portable also seems to further the cause of a possible change in the scenario of money usage in the economy. On the other hand, security comes forward as a major cause for concern for the population using plastic money. Therefore, it is easy to conclude that the population is ready as ever to use plastic money at a greater level due to its high levels of ease and convenience.

Pavani (2016) discussed the effectiveness of financial inclusion programme for the betterment of the rural poor. The basic objective of financial inclusion programme is to provide banking services at an affordable cost. The slow penetration of banking services is also creating barriers for the effective implementation of desired services. The banking system should be strong enough to serve each and every section of the society. There is need to make changes in the existing system so that the needy section should get the benefits as and when it is required by them. It will also help to create rural business expansion which is a must for the growth of the rural economy.

Dhanraj (2016) describe the role of regional rural banks in shaping the rural economy and rural credit structure. The RRBS were established in the year 1975 to shape the rural economy by providing credit to the needy segment. These segments were excluded by the formal banking systems due to their inability to access to loan. The capital requirements were

exclusively meant for small and marginal farmers, rural small-scale producers, laborers. These unbankable populations were able to improve the income generating activities with the help of the capital that they received from RRBs. But very soon the bank becomes sick due to poor repayment and mounting naps. The banks were not planned properly and failed to understand the real need of the capital. Also, there was no follow up for the loans provided to the needy segment. The traditional production approach also led to huge loss for most of the small-time producers. This is a kind of realization that only providing finance will not be adequate, the banks should guide to make them understand the essential demand supply conditions as well as market need. But neither the banks nor the implementing agencies are able to see the gap and as a result of the same the outcome are below the expectation level.

3.0 Research Methodology

3.1 Research design

The study is an empirical study based on primary data. Interview schedule was developed for this purpose. It presents the type of data used, selection of samples, and tools of analysis, period of study and chapter scheme.

3.2 Sources of data

3.2.1 Primary data

Primary data were collected through interview and questionnaire schedule distributed to the users or the purpose of collecting the required data. The respondents were interviewed at their convenient time for the collection of data.

3.2.2 Secondary data

Secondary source of data consists of existing information collected by the researcher from different sources. The external sources include RBI reports, magazines, research journals, websites of digital payment activity and other internet sources. Hence, the researcher has collected the required secondary sources of data to understand the digital payment services.

3.2.3 Selection of the samples

Selection of the sample is an important part of the research work. Hence, the researcher select 80 respondents for her research work.

4.0 Discussion and Results

The presents the opinion of the public sector bank customers towards green banking initiatives in Southern districts of Tamil Nadu. In this presents, the researcher has analysed the factors motivating to use green banking initiatives, problems faced by green banking service users and their level of satisfaction regarding green banking initiatives activity. The researcher has used Weighted Average method and Garrett ranking method for the analysis.

4.1 Demographic profile of green banking products and services users

The demographic profile of digital payment users namely sex, age, marital status, qualification, place of residence, occupation, size of the family has been analysed with the help of percentage method.

Table 1: Demographic Profile of Green Banking Products and Services Users

	Particulars	Respondents	Percentage
Gender	Male	34	42.5
	Female	46	57.5
	Total	80	100
Age	Below	4	5
	21 to 30	49	61.25
	31 to 40	13	16.25
	Above 40	14	17.5
	Total	80	100
Educational Qualification	Upto +2	13	16.25
	Diploma courses	9	11.25
	UG	21	26.25
	PG	37	46.25
	Total	80	100
Marital Status	Married	36	45
	Unmarried	44	55
	Total	80	100
Occupation	Student	31	38.75
	Professionals	11	13.75
	Government employee	10	12.5
	Private employee	19	23.75
	House wife	9	11.25
	Total	80	100
Residential	Rural	33	41.25
	Urban	25	31.25
	Semi-urban	22	27.5
	Total	80	100

Sources: Primary data

The above table shows that the female respondents in this study represented the highest figure as compared to the male respondents, where 57.5 percent of the respondents are female and the remaining 42.5 percent of the respondents are male. Out of 80 respondent's 57.5 percent of the respondents are female. That the highest (61.25) category in this study is

represented by the respondents who are in the age group of 21 to 30 years. 5 percent of the respondents are in the age group of below years, 16.25 percent of the respondents are in the age group of 31 to 40 years and 17.5 percent of the respondents are in the age group of above 40 years. Majority of 61.25 percent of the respondents are using digital payment in the age group of 21 to 31 years. That the unmarried respondents in this study represented the highest figure as compared to married respondents, where 55 percent of the respondents are unmarried and 45 percent of the respondents are married. Majority of 55 percent of unmarried respondents are using digital payment activity. That the highest (46.25) categories in this study were represented by the respondents who have PG qualification, 26.25 percent of the respondents who have UG qualification, 16.25 percent of the respondents who have upto +2 and 11.25 percent of the respondents who have diploma courses. Majority of 46.25 percent of the respondents are having PG degree. That the highest (38.75) categories in this study were represented by the respondents who are students, 23.75 percent of the respondents are private employees, 13.75 percent of the respondents are professionals, 12.5 percent of the respondents are government employees and 11.25 percent of the respondents are house wives. Majority of 38.75 percent of the respondents are students. That respondents who are residing in rural area represented the highest figure as compared to respondents are residing in urban and semi urban, where 41.25 percent of the respondents are residing in rural area, 31.25 percent of the respondents are residing in urban area and 27.5 percent of the respondents are residing in semi-urban area. Majority of 41.25 percent of the respondents are residing in rural area.

4.2 Mode of digital payment for green banking initiatives activity

Table 2: Mode of Digital Payment for Digital Payment Activity

S. No	Mode of digital payment	Total value	Weighted average score	Rank
1.	E-Cash	174	2.175	V
2.	E-Banking/Internet Banking	444	5.55	I
3.	Debit Card	349	4.363	II
4.	Credit Card	239	2.988	III
5.	Smart Card	164	2.05	VI
6.	E-Wallet	154	1.925	VII
7.	Paytm	192	2.4	IV
8.	Others	138	1.725	VIII

Sources: Primary Data

Table 2 shows that the mode of green banking initiatives used by the users for digital payment activity. Majority of the respondents used e-banking/internet banking for digital payment activity, the researcher gives first rank with the mean score 5.55, second rank is given to debit card used by the respondents with the mean score 4.363, third rank is given to credit card used by the respondents with the mean score 2.988, fourth rank is given to paytm

used by the respondents with the mean score 2.4, fifth rank is given to e-cash used by the respondents with the mean score 2.175, sixth rank is given to smart card used by the respondents with the mean score 2.05, seventh rank is given to e-wallet used by the respondents with the mean score 1.925 and eighth rank is given to other mode of payment used by the respondents with the mean score 1.725.

4.3 Problem faced by the user while using green banking services

Table 3: Problem Faced by the User while Using Green Banking Services

S. No	Problems	Total value	Weighted average score	Rank
1.	Lack of security	314	3.925	II
2.	Lack of awareness	341	4.263	I
3.	Lack of trust	298	3.725	IV
4.	Registration	299	3.738	III
5.	Refund of money	286	3.575	VI
6.	System hangover	280	3.5	VII
7.	Slow internet speed	290	3.625	V

Sources: Primary Data

Table 3 shows that the green banking users are highly faced the problem of lack of awareness thus the researcher had given first rank with the mean score 4.263, second had given to the problem of lack of security with the mean score 3.925, third rank had given to the problem of registration with the mean score 3.738, fourth rank had given to the problem of lack of trust with the mean score 3.725, fifth rank had given to the problem of slow internet speed with the mean score 3.625, then the sixth rank had given by the researcher to the problem of refund of money with the mean score 3.575 and the last rank had given by the researcher to the problem of system hangover with the mean score 3.5 which is less faced by the digital payment user.

4.4 Satisfaction level regarding green banking initiatives activity

Table 4: Satisfaction Level Regarding Green Banking Initiatives Activity

S. No	Particulars	Total value	Weighted average score	Rank
1.	Security	317	3.963	IV
2.	Time saving	352	4.4	I
3.	Ease of payment	345	4.313	II
4.	Convenience	319	3.988	III
5.	Trust	290	3.625	VI
6.	Easy to use	303	3.788	V
7.	Refund of money	247	3.088	VII
8.	Complaint redressed	223	2.788	VIII

Sources: Primary Data

Table 4 shows that the green banking initiatives users are highly satisfied with factor time saving hence the researcher had given first rank with the mean score 4.4, second rank had given to the ease of payment with the mean score 4.313, third rank had given to the convenience of using digital payment with the mean score 3.988, fourth rank had given to the security with the mean score 3.963, fifth rank had given to the easy to use with the mean score 3.788, sixth rank had given to the trust with the mean score 3.625, seventh rank had given to the refund of money with the mean score 3.088 and the last rank had given to the complaint redressed with the mean score 2.788.

5.0 Conclusion

Green Banking Initiatives provides the greater freedom to individuals in paying their taxes, license fees, fines and purchases at any locations and at any time of 365 days. Success of digital payment system also depends on the customer preferences, ease of use, cost, authorization, security, accessibility and reliability etc. Based on our review of these findings, it is clear that the internet is playing a more and more important role in the field of digital payment. By this study we came to know various strengths of digital payment system such as quality, customer service, greater reach, time saving, customer loyalty and easy access to information, 24 hours availability, reduce paper work, no need to carry any cash etc.

Now when our environment fights us back and there is an urgent need to create awareness and follow green banking in today's business world of innovative technologies so as to make our environment human friendly. We are forced to rethink and improve our ways of living to become more eco-friendly. A new trend hence was given birth in our endeavor to become eco-friendly which many define as 'being green'. Green banking if implemented sincerely opens up new markets and avenues for product differentiation. The banks should play a pro-active role to take environmental and ecological aspects as part of their lending principle which would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems. As green bank has rapidly expanded its operations, the challenge for its leadership has been on managing this growth successfully and prudently.

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