

# Effectiveness of Green Banking Initiatives – A Special Reference Towards Public Sector and Private Sector Banks in Tamilnadu

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**Abstract** - The adoption of green banking initiatives has many dynamics. The green banking initiatives focus on promoting environment friendly banking in the society. This paper attempts to analyse the effectiveness of green banking initiatives among the customers with different age groups. ANOVA and “t” test are applied for analyzing objectives. This paper finding explains that the different initiatives of green banking across the various age group individuals, as young generation is more inclined towards green banking initiatives than the various marital status groups. Therefore, more awareness of green banking initiatives to be created by the young generation of the customers.

**Index Terms** - Green Banking Initiatives in Indian Banking sector, Green banking Initiatives of Customers faced problems, Green Banking Initiatives different opinion of Customers in different age group and gender groups, etc

## INTRODUCTION

Many countries, including India, have made commitments necessary to do so. As socially responsible corporate citizens (SRCC) banks are considered environment friendly and do not impact the environment greatly through their own internal operations, the external impact on the environment through their customers activities. The banking sector is one of the major sources of financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which cause maximum carbon emission. Therefore, the banking sector can play an intermediary role between economic development and environmental protection, for promoting environmentally sustainable and socially responsible investment.

Bank should take into consideration the ecological aspect in lending apart from security and profitability. Various international protocols such as UNEPFI, Equator Principles, and LEED certificates have been issued in order to facilitate green banking, but Indian banks are still lagging behind. Various banks in India have formulated strategies and initiated green banking practices to support environment-friendly banking and reduce the carbon footprints of bank and customers. The banks in India also started green banking practices such as online banking, mobile banking, Green channel counters, e-statement, green loans, solar ATMs, etc.

## REVIEW OF LITERATURE

Manu (2020), in their research article entitled on “Green banking initiatives of SBI: A study on the perception of customers” the study observed that ensure sustainable development and promote environment-friendly practices banking industry also adopt or followed several measures across the world. He also stated that the considered as one of the tools, ensuring sustainable development, and helps to reduce the use of carbon blueprints in the banking industry. In addition to, SBI, leading public sector banks in India, adopted many green banking initiatives to support eco-friendly approaches like online transactions, Green ATMs, Green Cards, Solar ATMs, Various eco-friendly projects with other agencies, etc. he also highlighted that finding out the awareness of various green banking Practices of SBI among the customers,, factors motivating the customers to use green banking services, also the problems faced by the customers on

accessing the green banking services of State Bank of India. Finally, concluded that study revealed that most of the customers were not aware of the practices adopted by banks and they face many problems with the adoption of green practices in their operations. Banks should identify the real reasons for these usage gaps and rectify their problems then only the actual aim of green practices can be achieved.

Meenakshisharma and Akankshachoubey (2021), in their research paper entitled “Green banking initiatives – a qualitative study on indian banking sector” articles say that conceptual model green banking initiatives and impact of three green banking initiatives. He also pointed out that the green products development, green corporate social responsibility and green brand image and green trust. He further stated the banking sector crucial role in greening the banking system by enhancing the availability of finance and serve the needs of a green economy. Their study findings revealed that the 63% of the respondents are usage of the green products and services. 53% of the bankers are said that bank incorporates in green internal processes. 78% of the respondents said that their bank undertakes several social corporate responsibility initiatives. 60% respondents are believed that green banking initiatives have positive role of restoring customer trust through enhanced green brand image. Finally, their concluded that contributes to the study body of knowledge and paves way for future in green banking for sustainable development.

### 3. OBJECTIVES OF THE STUDY

The general objectives of the study is to identify the green banking initiatives usage of services provided by public sector and private sector banks in southern district of Tamilnadu.

Specific objectives of the study

- To study the green banking initiatives of banking sectors in Tamilnadu
- To study the effectiveness of green banking initiatives of banking sectors
- To factors affecting green banking initiatives in customers

### 4. RESEARCH HYPOTHESIS

On the above basis of mentioned by objectives, the present study aims to test the following hypothesis:

H01– There is no significant difference among different age group of customers in green banking initiatives

H02 – There is no significant difference among type of problems faced by customers to using Green banking initiatives to gender of the respondents

## 5. RESEARCH METHODOLOGY

To test the relationship between effectiveness of green banking initiatives and different age groups the following methodology has applied:

### 5.1 Data Collection and Sample size

The researcher collected the data from the customers through interview schedule. The researcher directly met the customers and gave the questions and explained its purpose to them.

### 5.2 Sampling techniques

To select the sample, the following sample techniques have been used:

1. Convenience Sampling: Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher.

### 5.3 Statistical techniques

The Analysis of Variance, popularly known as the ANOVA, is used in cases where there are more than two groups. In order to test the null hypothesis, Analysis of Variance and “t” test has been applied, to test the equality of variance among various age groups,

## 6. Data analysis and Results

### 6.1 Different Age Group of Customers and Customers towards Green Banking Initiatives

The customer of different age group has been perception about the Green Banking initiatives. In order to find out the significant difference between customers to the Green Banking initiatives among the different age groups. ANOVA test is attempted with the null hypothesis as,

“There is no significant difference among the different age group of customers in Green Banking Initiatives”

Table – 1 Different Age Group of Customers and Customers Towards Green Banking Initiatives – Cross Tabulation

Age Groups	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Low Bound	Upper Bound
18 – 25	7	2.080m	.9864	.1395	1.800	2.360
26 – 35	13	2.480	1.1292	.1597	2.159	2.801
36 – 45	11	2.700	1.3286	.1879	2.322	3.078
46 -55	9	2.080	1.0069	.1424	1.794	2.366
Above 55	10	2.860	1.4848	.2100	2.438	3.282
Total	50	12.200	5.9359	0.8395	10.513	13.887

Sources – Primary Data

At 5% level of significance the above table telling the relationship between different age group of respondents and customers towards on Green Banking Initiatives. The Green Banking Initiatives are high level of Initiatives regarding towards any problems about internet banking services, banks provide support. The medium level of Green banking Initiatives towards internet banking is convenient because it eliminate the risk of carrying cash. The low level of Green Banking Initiatives towards services the banks give enough information about the internet banking services and the very low level initiatives towards the Electronic Banking services is less costly than other banking services(branch, ATM, and Mobile banking).

Table – 2 ANOVA Results of the equality to mean initiatives across the age Groups

	Sum of Squares	Df	Mean Square	F	Sig.
Between groups	85.82158	4	21.629	16.53	7.339
Within Groups	907.257	45	20.166		
Total	993.07858	49			

Sources: Primary Data

Significant level at 5%

Since P value is more than 0.05, null hypothesis accepted. Hence there is no significant difference among different age group of customers in respect towards Green Banking Initiatives.

### 6.2 Type of Problems faced by Customers while using Green Banking Initiatives among Different Gender Groups –‘t’ Test

Customers of different gender group have a type of problems faced by Green Banking Initiatives. In order to find out the significant difference between types of problems faced by customers to using Green Banking

Initiatives among different gender group of the customers. ‘t’ test is attempted with the null hypothesis as,

“There is no significant difference among type of problems faced by customers to using Green banking initiatives to gender of the respondents”

Table – 3 “t” test

Gender	N	Mean	Std. Deviation	Sig.	T	Sig. (2 Tailed)
Male	29	17.827	9.0949	4.239	4.43	3.884
Female	21	17.859	9.4082			
Total	50	35.868				

Source: Primary Data

Significant level 5%

The table 3 shows the mean score of type of problems faced by customers while Green Banking Initiatives among different gender group of customers along with its respective ‘t’ statistics. The important type of problems faced by the male customers are lack of knowledge about the Green banking initiatives and their respective mean scores are 17.859 and 17.827 and among male customers, limited withdrawals in the ATM facilities and their respective standard Deviation for male respondents and female respondents 9.0949 and 9.4082.

Since p value is more than 0.05 then null hypotheses is accepted at 5% significance level, hence there is no relationship between customer faced by problems in Green banking Initiatives and gender group of customers.

## 7. LIMITATION OF THE STUDY

Through the study is schematically design. It is not without limitation, Few of the limitations are:

The study uses survey techniques to collect the primary data that are likely to be biased. Sampling techniques has been adopted to collect the data instead of whole population and drawn conclusions. Only 50 customers have been selected as a sample for study. Therefore, conclusion drawn from the sample may not be as the conclusion drawn from the sample may not be as accurate as the conclusions drawn from the whole population. The study is also restricted to analyze only the Green Banking Initiatives provided by the Public sector and private sector banks for few numbers of banks in tamilnadu.

## 8. CONCLUSION

Green Banking Initiatives is a recently developed concept in India. Compared to western countries; India is far behind in this concept of Green Banking. Even though having the highest the highest traditional branch banking system, we are not able to fully utilize Green Banking system. Though the study reveals most of the people know about Green Banking, they are reluctant in marking use of Green Banking initiatives. Hence the banker should take initiatives to create the benefits and importance of the Green Banking in our day to day life and in addition to the above the banker should take the effort to use these Green banking initiatives the facilities with low cost so that the it can increase the users in future years to come.

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