

# A Study on Green Banking Services in Chennai District

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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. As the order of the day is environmental protection and sustainability, it becomes essential to have green in all the aspects. In order to make the banking service as eco friendly, E-banking and Green Banking are mandatory. In this regard, the present study deals with the study on Green Banking Services offered by banks in Chennai District.

**Keywords:** Environment, Green Banking and Sustainability

## 1. Introduction

Green Banking means promoting environmental friendly practices and reducing carbon footprint from banking activities. It is a form of banking taking into account the social and environmental impacts and its main motive is to protect and preserve environment<sup>1</sup>. Green Banking resembles a typical bank, which considers all the social and ecological/environmental components with intent 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 extra plan natural surroundings/assets. Green Banking makes successful and broad market-based answers for locating the 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. In this aspect, the present study focuses on the Green Banking services offered to the customers in Chennai District.

## 2. Literature Review

Yadav and Pathak<sup>2</sup> studied the Green Banking approaches selected by private and public banks for condition supportability. Utilizing contextual investigation approach, the study located that Indian Banks had comprehended the significance of making positive strides towards the earth. In addition, consequences of the examination directed uncovers that open segment banks had accepted more activities as contrasted private segment and special case of ICICI bank. It was concluded that in private segment just ICICI's methodology was a maintainable methodology. Jaggi<sup>3</sup> examined the initiatives by SBI and ICICI on Green Banking. The study found that State Bank of India had presented a green channel counter, no queue system, upgraded duty towards accomplishing carbon lack of bias, online cash exchange, wind ranches and green items. The administrative activities of ICICI bank incorporated instant banking (anytime, anyplace) home loan and vehicle loan. Further, these banks had made

different strides for vitality protection like duplexing (two side printing), reusing, CFLs, carpool and so on.

### 3. Objectives of the Study

- To know the general profile of the respondents.
- To identify the factors that necessitates Green Banking services.
- To examine the opinion of the respondents towards Green Banking services.

### 4. Research Methodology

The study was based on interview method. The convenience sampling technique was used to select the respondents using Green Banking services offered by the banks. Accordingly, the data were collected from a sample of 100 respondents in the Chennai District during the months of April and May 2019. The study makes use of both the primary and secondary data. The primary data was collected through personal interview with the help of questionnaire and the secondary data was collected from

various journals, books and magazines. The statistical tools namely Percentage Analysis, Simple Ranking Technique, Chi Square Analysis and ANOVA were used for the analysis of the collected data.

### 5. Hypotheses

$H_{01}$ : There is no significant association between gender and opinion towards green banking.

$H_{02}$ : The experience of bank employees does not have an impact on the respondents' opinion towards Green Banking operations.

### 6. Analysis and Discussion

The following are the findings of the study:

#### 6.1 Socio-economic Status of the Respondents

The respondents included in the study belong to various socio-economic status. The Table 1 gives an outline of the

**Table 1. Socio-economic status of the respondents**

Variables	Categories	No. of Respondents	Percentage
Age	Below 25	14	14
	25-30	16	16
	30-40	40	40
	Above 40	30	30
Total		100	100
Educational Qualification	Primary	6	6
	Secondary	28	28
	Certificate/Diploma	30	30
	Degree and Above	36	36
Total		100	100
Occupation	Student	18	18
	Service	30	30
	Business	32	32
	Professional	20	20
Total		100	100
Marital Status	Married	46	46
	Unmarried	54	54
Total		100	100

Source: Primary Data

socio-economic status of the respondents examined with Simple Percentage Analysis.

From the Table 1, it is found that the majority of 40% of the respondents are in the age group of 30-40 years, 36% of the respondents have an educational qualification of a degree and above, 32% of the respondents are doing business and 54% of the respondents are unmarried.

## 6.2 Factors Necessitating Green Banking

Green Banking services are very important for all the banking sectors. Green Banking can overcome not only the problems in banking sectors, but can also take it as an opportunity towards efficient banking services to the customers. There are various factors that influence and necessitate Green Banking services. The respondents are asked to rank the factors in the order of its significance in influencing their need for Green Banking. The responses

are then examined by using Simple Ranking Technique and the results are shown in Table 2.

Table 2 reveals that most of the respondents are of the opinion as 'saving of time' is the most important factor necessitating Green Banking followed by 'net/mobile banking facility', 'easy to maintain savings account', '24x7 service', 'direct deposits' and 'paperless statements'.

## 6.3 Opinion towards Green Banking Services

The level of opinion of the respondents towards Green Banking services is analyzed by considering various statements relating to the green services offered by the banks. The opinion of the respondents is measured on Likert's five point scale and is classified as High, Medium and Low by considering the mean and standard deviation score of the responses given by the respondents. Table 3

**Table 2. Necessity for Green Banking**

Factors	Frequency	Rank
Easy to maintain savings account	18	III
Paperless statements	8	VI
Direct deposits	10	V
Saving of time	28	I
Net/Mobile banking facility	20	II
24 x 7 service	16	IV

Source: Computed

**Table 3. Opinion of the respondents based on gender: Cross tabulation**

Gender	Level of Opinion			Total
	Low	Medium	High	
Male	8	32	30	70
Female	2	16	12	30
Total	10	48	42	100

Source: Computed

**Table 4. Association between gender and level of opinion: Chi-square test**

Items	Value	df	p-value	Result
Pearson Chi-square	1.965 <sup>a</sup>	2	.374	NS
Likelihood Ratio	2.010	2	.366	
Linear-by-Linear Association	.030	1	.863	
N of Valid Cases	115			

Source: Computed

**Table 5. Impact of experience of bank employees on Green Banking services: ANOVA**

Experience	Sum of Squares	df	Mean Square	F	p-value	Result
Between Groups	15.134	1	15.134	31.385	0.07	NS
Within Groups	109.94	49	0.4822			
Total	125.08	50				

Source: Computed

gives the cross tabulation of gender wise classification of the respondents based on their level of opinion towards Green Banking services.

Table 3 depicts that majority (48%) of the respondents are having medium level of opinion towards Green Banking and most of them belong to male category. Further, the association between gender and their level of opinion is analyzed by framing a null hypothesis and the same is tested with chi-square test at 5% level of significance. The details are shown in Table 4.

It is revealed from Table 4 that the calculated value of Chi-square is 1.965 and the p-value is  $0.374 > 0.05$ . Hence, the framed null hypothesis holds good. Thus, it can be concluded that there is no significant association between gender and opinion of the respondents towards Green Banking.

The impact of experience of bank employees on the respondents' opinion towards Green Banking operations is analyzed by framing a null hypothesis and the same is tested with ANOVA at 5% level of significance. The Table 5 gives the details of findings.

It is found from Table 5 that the calculated F-value is 31.385 and p-value is  $0.07 > 0.05$ . Hence, the framed null hypothesis holds good. Thus, it can be concluded that the experience of bank employees does not have an impact on the opinion level of the respondents towards Green Banking services.

## 7. Suggestions

In the light of the findings of the study, the following suggestions are offered:

- The bank customers have to be imparted with online banking operations as still some of the people are unaware of various Green Banking practices.
- The bank employees have to encourage their customers to make use of Green Banking initiatives adopted by the banks.
- Social responsibility services done by banks must be communicated through the Public Media.

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## 8. Conclusion

The banking sector is one of the most important sectors contributing to the nation's economy. The change is the only criteria that never changes. In today's scenario, the environmental protection and sustainability becomes inevitable in all the fields. Banking is no exception. Hence, Green Banking is the utmost necessity in the present era. This has entailed to conduct the study on Green Banking Services in Chennai District. The study found that most of the bank customers have understood the benefits of Green Banking and the adoption of Green Banking.

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## 9. References

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