A STUDY ON BANK EMPLOYEES' ATTITUDE TOWARDS GREEN BANKING INITIATIVES OF COMMERCIAL BANKS

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Abstract

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 are 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. In the environment friendly society "Go Green" mantra has become relevant in each and every aspect of business. As a responsible financial organization of the country, with its crucial role in financing the economic and developmental activities of the country, banks have to play in addressing the above issues, both in terms of its obligations and opportunities by virtue as a responsible corporate citizen and as a financier. Hence there is a need for a study the Green Banking Initiatives of commercial banks. The present study is aimed to measure the attitude of the bank employees of both Public and Private sector banks in Sivakasi towards the green banking initiatives of commercial banks. By the research work the opinion of bank employees of 6 Public sector banks and 4 Private sector bank branches in Sivakasi are studied and the results were found to be favorable to the bank regarding the green banking initiatives of their banks. These types of researches in banking sectors will surely give reliable information for policy implications by Reserve Bank of India to face the environmental issues and challenges successfully.

Introduction

Green banking is like a normal bank, which considers all the social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. They are controlled by the same authorities but with an additional agenda toward taking care of the Earth's environment / habitats / resources. For banking professionals green banking involves the tenets of sustainability, ethical lending, conservation and energy efficiency. Green Banks give more weight to environmental factors; their aim is to provide good environmental and social business practice

Defining green banking is relatively easy. Green Banking means promoting environmental – friendly practices and reducing your carbon footprint from your banking activities. This comes in many forms

- Using online banking instead of branch banking.
- Paying bills online instead of mailing them.
- Opening up accounts at online banks, instead of large multi-branch banks.
- Finding the local bank in your area that is taking the biggest steps to support local green initiatives

Green banking refers to the banking business conducted in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. Although, banking is never considered a polluting industry, the present scale of banking operations have considerably increased the carbon footprint of banks due to their massive use of energy, high paper wastage, lack of green buildings etc. Banks should go green

and play a pro -active role to take environmental and ecological aspects as part of their lending principles, which would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems.

Statement of the Problem

Due to changes in the climate and the changing nature of work, Green banking initiatives of the bank is now at the top of the agenda for commercial banks in India. It is recognized that Green banking initiatives of the bank can lead indirectly to productive gains through increased customer retention and helps organizations to respond to customer needs more effectively. In any business and industrial activities it is of utmost importance to have well trained, well groomed and emotionally balanced workers available to take up employment challenges. This highlights the need among the Commercial banks to pay adequate attention to know the attitude of their employees towards the Green banking initiatives of the bank.

Scope of the Study

The objective of this research is to study the attitude of the bank employees towards the Green Banking Initiatives taken by Commercial banks in India. The survey was conducted among the bank employees working in the bank branches of the six Public sector commercial banks - State bank of India, Canara Bank, Punjab National Bank, Indian Overseas bank, Bank of India, IDBI and four private sector commercial banks – HDFC, ICICI, AXIS, and INDUSIND bank which are operating in Sivakasi through a structured interview schedule. The study focus on the bank employees attitude towards green banking products and services offered by their bank. It also presents the problems faced by them in implementing the green banking.

Objectives of the Study

The following are the objectives of the study-
- To study the Green Banking Initiatives taken by Commercial banks in India (from the view point of banks).
- To study the attitude of the bank employees about the Green Banking products and modern banking services offered by the bank.
- To offer suggestions for improving the Green Banking services of Commercial banks in India.
- To identify the various problems in making a Bank as Green.

Research Methodology

The primary data used in this study was collected from the respondents who are selected through drawing a sample from each stratum in proportion to the latter's share in the total population. So the researcher has followed the method of proportionate Stratified Random sampling. There are 26 commercial bank branches operating in sivakasi. Out of that the researcher selected top 10 banks which have large customer base. Out of 151 employees employed in the selected study units, the researcher by using Proportionate stratified Random Sampling technique, selected 76 employees by applying lottery method. The collected data were analyzed with the help of the following statistical tools like Percentage analysis, Weighted Arithmetic Mean, Fried man test, Chi-Square test and ANOVA analysis.

Demographic Profile of the Bank Employees

The analysis reveals that 51.26 per cent respondents are male, 57.89 percent of the respondents are fall in the age group of below 30 years, 50 per cent of the respondents are from semi urban nativity, 31.58 per cent of respondents are officers, 36.84 per cent of the respondents were educated up to PG with JAIIB, 35.53 per cent of the respondents are earning Rs.20001 to 30000 per month, 64.47 per cent of the respondent's family size is up to 4, 57.89 per cent of the respondents are having below 10 years of experience.

Relationship difference between the Demographic Profile of the Respondent and the Opinion towards Green Banking Initiatives of Commercial Banks

The null hypotheses framed for analysis is "There is no significant relationship between the demographic profile of the employees and their opinion towards green banking initiatives of commercial banks operating in the study area".

In this foregoing analysis, the relationship of each demographic variable and the overall opinion towards the green banking initiatives of their banks has been studied with the help of ANOVA analysis and the results are projected in the table 1.1

Table 1.1 Results of ANOVA analysis

Variables	Sig	Result
Age	.161	Insignificant
Place	.125	Insignificant
Designation	.002	Significant
Qualification	.001	Significant
Experience	.133	Insignificant

Source : Computed data (Refer Annexure Table 1.7)

From the table 1.1, it is highlighted that the calculated value for all the profile variables except designation and qualification are greater than 0.05. The hypothesis is rejected only for the profile variables designation and qualification. Hence it can be concluded that the opinion towards green banking initiatives differ with regard to their qualification and designation of the bank employees factors and no other profile variable has no influence on the attitude of the bank employees towards the green banking initiatives of commercial banks.

Opinion on Green Banking Awareness Techniques Adopted

The respondents were asked to record the green banking awareness techniques adopted by their bank on a scale of 1-6, with 1 being no effect and 6 being extremely tough effect. A Friedman test is then carried out to identify their opinion on green banking awareness techniques adopted. The fried man test compares the mean ranks between the related groups and indicates how the group differed.

**Table 1.2 Opinion on Green Banking Awareness
Techniques Adopted by Banks Friedman Test**

S. No	Awareness	Scores	Rank
1	E-learning programs	2.95	I
2	Banks News letter	3.08	II
3	Weekly green news on Internet	3.42	IV
4	High level meetings	3.29	III
5	Publications	4.18	VI
6	Bank Websites	4.08	V

From the above Table 1.2, it is noted from the above Friedman test result that the bank employees have ranked the various means of green banking awareness techniques adopted by their banks. "Conducting E-Learning Programs" (Mean Score – 2.95) is most seriously adopted technique by banks in creating awareness on green banking. It is followed by "Banks News letter" (Mean Score – 3.08)   and "High level meetings" (Mean Score – 3.29). It is followed by "Weekly green news on Internet" (Mean Score – 3.42) and "Bank Websites" (Mean Score – 4.08). "Publications" (Mean Score – 4.18) is the last technique in creating awareness on green banking.

The following hypothesis has been formulated and tested to find whether there is any significant difference in the respondents rank.

Ho: There is no statistically significant difference in the ranks of the respondents for creating awareness about green banking initiative.s

Table 1.3 Result of Friedman Test

N	76
Chi-Square	29.023
Df	5
Asymp.Sig	.000

The test statistics of the Friedman test shown in table 1.3, implies that there is a statistically difference between the mean ranks of the respondents as the significant value is 0.000 which is less than 0.05.

Relationship between Paperless Banking Services of the Bank and the Performance of the Bank after Implementing Green Banking Initiatives

The null hypotheses framed for analysis states that there is no significant relationship between Paperless banking services and the performance of the bank, after the implementation of green banking initiatives in the study area of commercial banks. In this foregoing analysis, the relationship of online, mobile and ATM banking services of the bank and the performance of the bank after implementing the green banking initiatives of their banks has been studied with the help of ANOVA analysis

Table 1.4 Result of ANOVA Analysis

Variables	Sig	Result
Mobile Banking Services	.000	Significant
Online Banking Services	.000	Significant
ATM Services	.444	Insignificant

Source: Computed data (Refer Annexure Table 1.8)

From the table 1.4, it is highlighted that the calculated value of ATM Services is greater than 0.05. The hypothesis is accepted only for the ATM Service provided by the bank. Hence the null hypothesis is rejected and there is a significant difference between the Mobile Banking services and online banking services and these two services having a greater factor that influences the performance of the banks after implementation of green banking initiatives.

Impact of Green Banking Initiatives on Performance of the Bank

The multiple regression analysis has been administered to analyze the impact of green banking initiatives on performance of the banks based on the perception of the employees. The results are given in Table 1.5.

Table 1.5 Regression Co-efficient of Green Banking Initiatives

S. No	Green Banking Initiatives	Regression Co-efficient
1	Controlled use of energy	0.1343*
2	Use of solar powered ATMs	0.1739*
3	Energy Consciousness	0.0454
4	High-efficiency lighting	0.1308*
5	Using recycle paper	0.0531
6	Reducing Carbon Emissions	0.0447
7	Paperless banking	0.0962
8	Use Mass Transportation system	0.2345*
9	Providing Green building	0.1969*
10	Use Solar and wind energy	0.1021
	Constant	**0.8588**
	R^2	**0.8418**
	F statistics	**11.3896***

Source: Processed Data *Significant at five per cent level

Table 1.5 shows that the significantly influencing green banking initiatives on performance of the banks are controlled by the use of energy, use of Solar powered ATMs, high- efficiency lighting and use of mass transportation System, and since their respective regression coefficients are significant at five per cent level. The changes in the green banking initiatives explain the changes in performance of the bank to an extent of 84.18 per cent.

Suggestions and Recommendations

If the Indian banks want to penetrate western markets or global economy, it is important for them to recognize their responsibilities as a global corporate citizen. Now it is a right time for banks to adopt following strategies:

- The banks should change their routine operations through the adoption of paperless banking, online banking, and mobile banking, and mass transportation system, green cards made up of recycled plastic and efficient use of resources.
- Employees need to be trained to do all kinds of calculation work and updation in financial statement with the aid of computers to minimize the manual work and paper records.
- Banks need to popularize the E-cheques among its customers. They can also induce the customers to make the use of mobile banking services for payment of bills to a greater extent.
- Bank websites should be used as a mean for advertising about the green products offered by the bank. The customers must be attracted by updated websites with new provisions for reference, retrieval of bank statements, fund transfer and so on.
- Concept of LEED certified green buildings should be adopted by banks, i.e. use of renewable energy generated through solar power plants, energy star-rated light fixtures, motion sensors, sewage treatment plant for re-using water waste, urinal and wash basin sensors, rainwater harvesting system, recycling of dry waste, etc.
- It is important to adopt environmental standards for the lending and financing principles so that borrowers could direct themselves towards reducing the carbon footprint by using the appropriate technologies.

- Bank employees should be given orientation on evaluation of Green finance projects like renewable energy projects, clean water supply projects, waste water treatment plants, solid & hazardous waste disposal plants, bio gas plants, bio-fertilizer plants etc.

Conclusion

From our analytical results it can be concluded that banks are taking new initiatives and promote different green banking products. They also adopt different environment friendly policies. Green banking will ensure the efficient use of resources of the country which will ensure energy conscious world. Bank employees must consider green banking as a necessity rather than desirability. The bank employees of the selected banks are having positive attitude towards the Green Banking Initiatives of their banks. Their opinion on the implementation of Green Banking products and services by bank is also favourable to the study units. This will create sustainable growth of banks in the long run. This will result in sustainable green economy in our country. If all parties of the world including banks act responsibly, we can make this world a better place to live for our next generation.

Annexure I Table 1.6 Demographic Variable

S.No		Number of Respondents		Percentage
1	Gender	Male	**42**	**55.26**
		Female	**34**	**44.74**
		Total	**76**	**100**
2	Nativity	Urban	26	34.21
		Semi Urban	38	50.00
		Rural	12	15.79
		Total	**76**	**100**
3	Designation	Clerk	16	21.05
		Officers	24	31.58
		Managers	14	18.42
		Assistant Managers	22	28.95
		Total	**76**	**100**
4	Age	Below 30 Years	44	57.89
		31-40 Years	17	22.47
		41-50 Years	10	13.16
		Above 51 Years	5	6.58
		Total	**76**	**100**
5	Educational qualification	UG with JAIIB	25	32.89
		UG with CAIIB	14	18.42
		PG with JAIIB	28	36.84
		PG with CAIIB	9	11.84
		Total	**76**	**100**
6	Income(in ₹)	Below 20000	16	21.05
		20001-30000	27	35.53
		30001-40000	26	34.21
		Above 40001	7	9.21
		Total	**76**	**100**
7	Family size	Below 4	49	64.47
		4 to 6	25	32.89
		Above 6	2	19.74

		Total	76	100
8	Experience(In years)	Below 10 Years	44	57.89
		11 to 20 Years	15	19.74
		21-30 Years	13	17.11
		Above 31	4	5.26
		Total	76	100

Source: Primary data

Table 1.7 Result of ANOVA - Relationship between Demographic Profile of the Respondents and Opinion of Green Banking Initiatives

Variables		Sum of Squares	Df	Mean Squares	F	Sig	Result
Age	Between Groups	2.985	3	.995	1.767	.161	Insignificant
	Within Groups	40.541	72	.563			
	Total	**43.526**	**75**				
Place	Between Groups	2.408	2	1.204	2.137	.125	Insignificant
	Within Groups	41.118	73	.563			
	Total	**43.526**	**75**				
Designation	Between Groups	7.899	3	2.633	5.321	.002	Significant
	Within Groups	35.627	72	.495			
	Total	**43.526**	**75**				
Qualification	Between Groups	9.133	3	3.044	6.374	.001	Significant
	Within Groups	34.393	72	.478			
	Total	**43.526**	**75**				
Experience	Between Groups	3.235	3	1.078	1.927	.133	Insignificant
	Within Groups	40.291	72	.560			
	Total	**43.526**	**75**				

Source: Primary data

Table 1.8 Result of ANOVA-Relationship between Opinions on Green Banking Products of the Respondents and Opinion of Green Banking Initiatives of their Banks

Variables		Sum of Squares	Df	MS	F	Sig	Result
Mobile Banking Services	Between Groups	17.680	3	5.893	11.212	.000	Significant
	Within Groups	37.846	72	.526			
	Total	**55.526**	**75**				

Online Banking Services	Between Groups	21.484	3	7.161	15.146	.000	significant
	Within Groups	34.042	72	.473			
	Total	55.526	75				
ATM Services	Between Groups	.440	1	.440	.591	.444	Insignificant
	Within Groups	55.086	74	.744			
	Total	**55.526**	**75**				

Source: Primary data

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