

Sustainability in Banking Industry: A Study with Special Reference to Public Sector Banks in Chennai City

Dr.G. Manoj¹

¹B.Sc., MBA., M.Phil., Ph.D, Assistant Professor, AMET Business School, AMET Deemed to be University, India.

¹manoj@ametuniv.ac.in

Abstract

Banking Sustainability is a more composite word that concerns itself with, initiatives, processes and features that aid the banking sectors reach a level of sustainability in the forums of economy, environment and societal segments. It aims to perform banking practices and innovative initiatives using information technology and physical infrastructure efficiently and effectively with minimum impact on the environment. Technological development has played a vital role in the current business world. The advancement in the Technology has changed the entire process of banking practices. The research article intends to identify sustainability practices and its implementations in public sector banking industry. This empirical study is based on the data gathered from the people of Chennai who work in banks of public sectors.

Key-words: Banking, Sustainability, Public Sector Banks.

1. Introduction

Indian banking sectors are influencing the economic growth of the nation both in terms of quality and quantity. Natural degradation and degeneration of the environment has gained much momentum, mounting pressure is being laid on all type of service sectors, including public and private banking sectors to implement sustainable initiatives. The public as well as the players from the private banking sector play a most important role in promoting sustainable green and environment friendly process. The sustainability initiatives taken by banking industries means promoting eco-friendly practices, reducing paper based work, and reducing human resources from the banking process. This

research paper discusses the objectives, methodology, Customers profile, and banking sustainability implementing in public sector banks in Chennai city.

2. Review of Literature

The reviews of notable previous researches in the related fields are enumerated below.

According to RBI (IRDBT, 2014), the greener and more effectively sustainable banking practices is the need of the hour to hike the process of banking services, along with infrastructure thereby making Information Technology facilities more efficient and effective by throwing less burden on the environmental degradation.

Rakesh Raut et.al (2017) highlights the critical aspects of the evaluation criteria and the issues in improving banking sustainability performances. Regarding the banking sustainability issues, it is shown that the eco-friendly management system takes a backseat compared to the other banking process. The results show that there is a misunderstanding of the role that the banking corporate social responsibility plays with respect to environmental damages and issues.

P. Rajmohan and Dr. A. A. Magesan (2018) this study concluded that the State Bank of India has plans to implement more and more eco-friendly and innovative banking process like the use of plastic money and the inclusion into digital online banking. These eco-friendly and green innovative initiatives enable the state bank of India to be a role model for many other public sector and private sector banks to contribute much towards maintaining ecological balance.

Dr. Amita Charan et. al (2019), suggested that use of consumer-friendly green practices, efficient information technology support and environmentally safe physical infrastructure altogether can help in reduction of carbon emission and radiation especially in-service industries.

S. Shagirabanu, Dr. S. Sheik Abdullah (2020) it analyze consumers' satisfaction on the sustainable banking practices of State Bank of India. The responses from the survey show that although significant progress had been made as a whole and impressive strides have been made by the state bank, there are still opportunities to further improve and development of sustainable banking practices.

3. Objective of Study

The current study is based upon the following objectives:

1. To make a review of the sustainability performance in banking industry.
2. To identify the banking sustainability implementing in public sector banks in Chennai city.

3. To examine the relationship between banking sustainability and age of the respondents.
4. To examine the relationship between banking sustainability and occupation of the respondents.

4. Research Methodology

An initial investigation is made from 400 customers by preparing an interview schedule. of public sector banks selected conveniently. The study is subject to the limitations that the data gathered are at descriptive level than more specific detailed analysis and the geographical area covered is limited to Chennai city only.

5. Analysis and Discussion

During the survey five important profile variables, namely, the biological sex of the respondents, his or her Age, Educational qualifications, Vocation and the kind of account holder in banks. Analysis of demographic profile of the respondents for the study is shown below:

Table 1 - Customer Profile

S. No	Profile	Categories	Frequencies	Percentage
1.	Gender	Male	217	54.25
		Female	183	45.75
		Total	400	100
2.	Age	Below 20	42	10.50
		20 – 30	88	22.00
		30 – 40	112	28.00
		40 – 50	72	18.00
		Above 50	86	21.50
		Total	400	100
3.	Education	SSLC	31	7.75
		HSC	67	16.75
		UG	188	47.00
		PG	97	24.25
		Others	17	4.25
		Total	400	100
4.	Occupation	Private employees	197	49.25
		Government employees	113	28.25
		Business man	63	15.75
		Agriculture	19	4.75
		Others	08	2.00
		Total	400	100
5.	Type of account	Saving account	283	70.75
		Current account	97	24.25
		Fixed account	20	5.00
		Total	400	100

The table 1, above, exhibits that the profile of the banking customers where a majority of 217 respondents (54.25%) are male, 112 respondents (28%) of the bank customers come under the age group of 30 to 40 years, 188 respondents (47%) of the customers completed undergraduate, 197 respondents (49.25%) of the customers are private employees and 283 respondents (70.75%) of the bank customers had a savings account.

Table 2 - Banking Sustainability

S. No	Factors	Very High	High	Normal	Low	Very Low	Mean
1	Implementing effective ATM services	174	151	50	14	11	4.16
2	Implementing Debit card services	174	125	54	22	25	4.00
3	Implementing Credit card services	153	88	92	58	9	3.79
4	Implementing effective Internet banking services	187	107	46	28	32	3.97
5	Implementing effective Mobile banking services	163	131	38	21	47	3.85
6	Implementing other technological based services	132	127	91	13	37	3.76

Table 2 indicates very clearly that the sustainability of banking are ‘Implementing effective ATM services’ (4.16), ‘Implementing Debit card services’ (4.00) and ‘Implementing effective Internet banking services’ (3.97), are also the customers are effectively use the banking sustainability provided by the public sector banks in Chennai city.

Table 3 - Influencing Factors for Using Banking Sustainability

S. No	Factors	Very High	High	Normal	Low	Very Low	Mean
1	Implementing Reward points	149	142	51	27	31	3.88
2	Implementing more number of Free transaction	101	163	69	33	34	3.66
3	Implementing Simple and clear services	148	117	59	42	34	3.76
4	Implementing Higher security	129	140	49	37	45	3.68
5	Implementing Personal training to customers by using E- banking services	118	142	50	43	47	3.60

Table 3 upshots that the highest influencing factors to use banking sustainability are ‘Implementing Reward points’ (3.80), ‘Implementing Simple and clear services’ (3.76), ‘Implementing higher security’ (3.68), are also considered as the major influencing factors for the customers using banking sustainability.

Table 4 - Problems for Customers not Using Banking Sustainability

S. No	Factors	Very High	High	Normal	Low	Very Low	Mean
1	Lack of Knowledge on banking sustainability	154	138	54	14	40	3.88
2	Lack internet connection	124	126	64	49	37	3.63
3	Lack of awareness on E-transaction services	179	92	52	45	32	3.85
4	Security problems	51	57	15	37	40	3.15
5	Difficulties in process	98	108	35	76	83	3.53

Table 4 very clearly shows, major problems for the customer's not using banking sustainability are 'Lack of Knowledge on banking sustainability' (3.88), 'Lack of awareness on E- transaction services' (3.85), 'Lack of internet connection' (3.63), are the major problems for the customer's not using banking sustainability.

6. Relationship between Banking Sustainability and Age of the Respondents

The aim of this study is to reflect upon the inverse relationships that exist between the customer's age and the sustainability in banking. A Null and an Alternate hypothesis was formed to test and find out the existence of relationships which are shown under as follows:

H0: It was found that there is not much of a significant relationship in terms of the sustainability and the customer's age.

H1: It is also found that there is a sense of significant relationship between the sustainable level of banking and the age of the customers.

For the purpose of testing this null and alternate hypothesis, *Kruskal Wallis* test is used. Since the groups in the variables, 'Age of the respondents' are more than two in number, Kruskal Wallis test is used. The results of the test are shown in the Table 5 along with chi-square value, P value and Result.

Table 5 - The Relationship Analysis between Banking Sustainability and the Respondent's Age

S. No	Profile	Variables	Chi-Square	P-value	Result
1.	Age	Implementing effective ATM services	2.846	.584	Accept
2.	Age	Implementing Debit card services	4.543	.337	Accept
3.	Age	Implementing Credit card services	4.111	.391	Accept
4.	Age	Implementing effective Internet banking services	6.067	.194	Accept
5.	Age	Implementing effective Mobile banking services	13.509	.009	Reject
6.	Age	Implementing other technological based services	1.536	.820	Accept

Table 5 indicates categorically that the value of P is higher than 0.05 in the category of age of the respondents which comes to 5 percent in the level of significance, in case of Implementing effective ATM services, Implementing Debit card services, Implementing Credit card services and Implementing effective Internet banking services and age of the respondents, the null hypothesis is tested and accepted and it is therefore concluded that there is not much of a significant relationship between these banking sustainability and age of the respondents.

It also clearly indicates that the value of P is much less than 0.05 in the criteria of the age of the respondents and gives the value as 5 per cent level of significance. In case of implementing effective Mobile banking services and age of the respondents, the null hypothesis is not accepted. Hence, it is could be concluded that significant relationship exists between the implementing effective Mobile banking services and age of the respondents.

7. Relationship between Banking Sustainability and Occupation of the Respondents

The research article aims to examine the relation between banking sustainability and the profession of the respondents. A Null and alternate hypothesis was framed so as to compute the existence of relationship.

H0: It is found that no significant relationship exists between banking sustainability and occupation of the respondents.

H1: it is also concluded that there is scope for significant relationship between banking sustainability and occupation of the respondents.

For the purpose of testing this null and alternate hypothesis, **Kruskal Wallis** test is used. Since the groups in the variables, ‘Occupation of the respondents’ are more than two in number, Kruskal Wallis test is used. The test results are shown in the Table 6 with the inclusion of the chi-square values, P value and the Result outcome.

Table 6 - Banking Sustainability and Occupation of the Respondents

S. No	Profile	Variables	Chi-Square	P-value	Result
1.	Occupation	Implementing effective ATM services	9.700	.046	Accept
2.	Occupation	Implementing Debit card services	0.812	.937	Accept
3.	Occupation	Implementing Credit card services	6.786	.148	Accept
4.	Occupation	Implementing effective Internet banking services	2.702	.609	Accept
5.	Occupation	Implementing effective Mobile banking services	4.172	.383	Accept
6.	Occupation	Implementing other technological based services	0.891	.926	Accept

Table 6 shows that the value of P is higher than 0.05 in the scale of occupation of the respondents which gives a 5 per cent level of significances, in case of Implementing effective ATM services, Implementing Debit card services, Implementing Credit card services, Implementing effective Internet banking services, Implementing effective Mobile banking services, Implementing other technological based services and occupation of the respondents. It is concluded that there is no relationship between these banking sustainability and occupation of the respondents after the acceptance of the null hypothesis.

8. Conclusion

The public sector bank of India becomes extremely conscious of the need to go sustainability and taking efforts to make environment friendly banking practices. The sustainability efforts of public sector bank have been fully sustained by implementing new technological practices in terms of on-line money transfer, ATMs, digital and banking with mobile phones. These public sector banks have plan to implement more and more eco-friendly methods and new initiatives included in the everyday banking transactions through automated teller machine, plastic money, banking through on-line and mobiles. These sustainability implementations enable the public sector banks to be a role model for many other banks to contribute much towards maintaining ecological balance. Thus, the sustainability banking efforts of the Public Sector Banks through reengineering their task performance has not only protected our environment and maintain eco balance, but also enhance the operational sustainability of many other banks in India and thereby the image of Public sector banks.

References

- Bahl Sarita: "Role of Green Banking in Sustainable Growth", *International Journal of Marketing, Financial Services and Management Research*, Vol. 1, No. 2, 2012.
- Dr. Namita Rajput, Ms. Ruchika Kaura & Ms. Akanksha Khanna: "Indian Banking Sector towards a Sustainable Growth: A Paradigm Shift", *International Journal of Academic Research in Business and Social Sciences*, Vol. 3, No. 1, 2013, pp. 290-304.
- Manas chakrabarti: "A case study on the role of new private sector banks in India for sustainable eco-friendly green banking", *International journal of informative & futuristic Research*, Vol. 2, No. 3, 2014, pp. 791-798.
- Urvashi Sahitya, Vaibhavlalwani and Prateekbedi: "Sustainability in Indian Banking Industry a Case-Study Approach", *International Journal of Commerce, Business and Management*, Vol. 3, No. 1, 2014, pp. 220-229.

V. Kanchana Naidu and Dr. C. Paramasivan: “A Study on Green Banking Trends in India”, *Research Explorer*, 2015, Vol. VI, Issue 10, pp. 24-26.

Rakesh Raut et.al: “Sustainability in the Banking Industry: A Strategic Multi-criteria Analysis”, *Business strategy and environment*, Vol. 26, No 4, 2017, pp. 550-568.

Dr. P. Rajmohan and Dr. A. A. Magesan: “Sustainability in banking industry: A study with reference to state bank of India”, *Research Explorer*, ISSN: 2250-1940, Vol. VI, Issue. 21, 2018, pp. 51 – 57.

Dr. Amita Charan et.al: “Customers Perception towards Green Banking Practices in India”, *THINK INDIA (Quarterly Journal)*, Vol. 22, Issue. 4, 2019, pp. 3653 – 3665.

S. Shagirabanu and Dr. S. Sheik Abdullah: “Sustainable Practices in Banking Industry. A Study on Special Reference to SBI Bank”, *Sambodhi*, Vol. 43, No. 6, 2020, pp. 162-165.