

The Working towards Sustainability: Study of Banking Sector in Karnataka and Maharashtra

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Abstract

Saving the environment during the era of rising global warming has focused on the importance of a better environment for the future. Hence, our research paper aims to “working towards Sustainability in Banking Sector concerning Green Banking In the state of Maharashtra and Karnataka.”

Our study on the topic is concerning sustainability with specific reference to digitalization and reducing paperwork to eliminate carbon footprints and reduce pollution. The study to work towards sustainability is using the Primary data and Secondary data. Where Primary Data is reflecting the respondents using charts and Graph and secondary data is reflecting to charts, Graphs, and websites penetrating in Maharashtra and Karnataka region. This paper attempts to understand the importance of the environment for promoting towards sustainability and to know about customer Awareness and their perception towards the new way of adapting sustainability. This paper has arrived concluded that customers are more focused on the Green Banking system for better sustainable Development.

Key Words: Global Warming, Sustainability, Environment, Eco-friendly, Customer Awareness.

Introduction

Therefore, the mantra “Go Green” becomes relevant for reducing global warming for Sustainable Development and Corporate Social Responsibility. Therefore, with changing Consumer expectations, awareness, and stricter environmental regulations even the banking sector cannot escape from this change.

Sustainability is not something which is different. But Sustainability can be adopted taking into effect the need and benefits of sustainable environment for today and also for better environment in future. This type of system was first introduced in 2009, in the state of Florida. Sustainability can now be done through Eco-Friendly Banking system. Though the banks are not a polluting industry, is considered as the industry which impacts the

environment by maximum usage of electricity consumption (Lighting and Air Conditioners), paper consumption, etc.

Literature Review

1. **Ahuja. N (January 2015)** reflects on the mantra “Go Green.” Sustainability is a very important source of Environment-friendly practice and to reduce pollution. Also, focuses on the usage of Electricity consumption and Energy, fuel during the traditional form of banking.
2. **Sudhalakshmi and Chinnadorai (2014)** show the status focus on the “Go Green” mantra as essential for the environment. Banks are to make their way for improving and initiating towards sustainability in banking sector. Step taken now will help for a clean environment and better sustainable Development in the future.
3. **Kanak. T, Singh. S, Kumar. R (2015)** studies that the financial sector can be a role model in promoting environmental sustainability. This would help the firms in emerging economies utilize their limited resources in an optimum way without harming the natural environment and face the global challenge of sustainability in a successful manner. The paper also discusses the various organizations and laws and guidelines for environmental conservation and sustainability and Green Banking.
4. **Kapoor. N, Dr. Jaitly. M and Gupta. R (2016)** reflects that society nowadays is more knowledgeable and very cautious about the environment. Hence it is very serious and important to increase greenery to the maximum possible. So, the banks play an important role in the Sustainable development
5. **Murugan. S (2021)** studies that the term if green banking adopted will focus sustainable economic development. It helps in ensuring environment-friendly practices for better sustainable development and thereby reducing internal and external carbon footprints. The main aim of the study is to know the impact of green banking in India
6. **Roy. S (2021)** studies that a globalized economy does not exist in isolation. The banking sector`s environmental shield will be helpful in the near future.

Statement of Problem:

From Research papers, it has been observed that a satisfactory amount of research has been done in India with respect to Sustainability and the practices adopted by Green Banking. However, there`s a scarce amount of information regarding the sustainability in the banking sector in Maharashtra and Karnataka state. Even though India has been taking great efforts to create awareness about the importance of a better sustainable development. There are gaps and we will be looking into some of them such as preference, knowledge, awareness, and benefits. This research paper works as an effort to work towards sustainable development for a better environment in the coming days.

Objectives

1. To understand the concept of working towards sustainability.
2. To identify the realization of the customers in Maharashtra and Karnataka towards sustainable development.
3. To know what consumer perspective about Green Banking.
4. To understand the importance of Sustainable Environment.

Research Methodology:

Sample Design

For a selection of the samples, we used an investigation conducted through Google Forms by asking questions to the respondents. The respondents are from the state of Maharashtra and Karnataka being a sample size of 104.

Reference Period: 2014-2021

Data Collection: The following sources of data were used for the study of this topic which are as follows:

1. **Primary Data:** A survey with a group of structured questions with multiple choice questions and Checkboxes was provided for the aim of statistical Study. This survey was distributed randomly to the respondents. It was designed to collect data regarding the demographic study like age and location, the bank name and Account and their preference, knowledge, awareness, and the benefits to the society.
2. **Secondary Data:** The information for the research of this topic has been collected from different sources of data like published reports and surveys that aim at sustainability. Published sources were collected from research papers and other Internet sources. Search tools such as Google Scholar were used. Research papers from sites such as Research gate, Academic Journals, Scribd, and SSRN were used.
3. **Snowball Technique:** Snowball Technique is used to collect data from more respondents. A google form was forwarded on WhatsApp and LinkedIn and the respondents were asked to forward the message to their friends and family members after filling out the form.

Scope of Study

The papers were focused on the Sustainable Development Concept, Environment consciousness, eco-friendly practices, consumer awareness, and sustainability. The Present study focuses on ways for working towards sustainability and also relates to consumer understanding and their perception towards sustainable development. The data for our research is collected in online in the state of Maharashtra and Karnataka.

Findings

a. Respondent Background

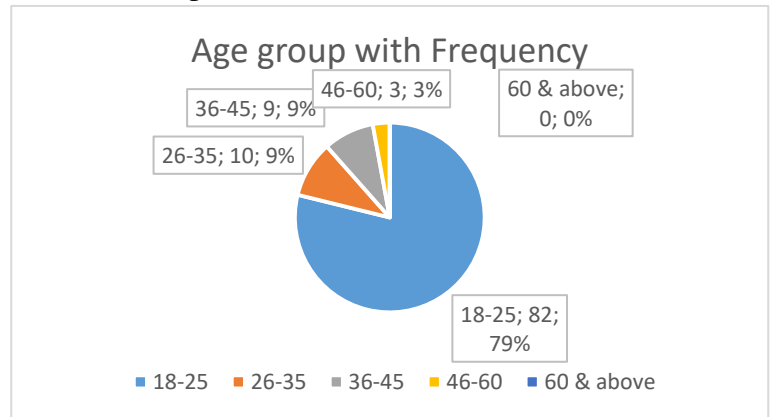
Based on Age

Table 1.1

| Age Group | Frequency | Percentage |
|------------|-----------|------------|
| 18-25 | 82 | 79% |
| 26-35 | 10 | 9% |
| 36-45 | 9 | 9% |
| 46-60 | 3 | 3% |
| 60 & above | 0 | 0 |

Source: Compiled by Authors.

Graph 1.1



The data above shows the percentage of the age respondents. The Majority of respondents are the young generation i.e. 79%. The lowest number of respondents are from the age group of 60 & above i.e. 0%.

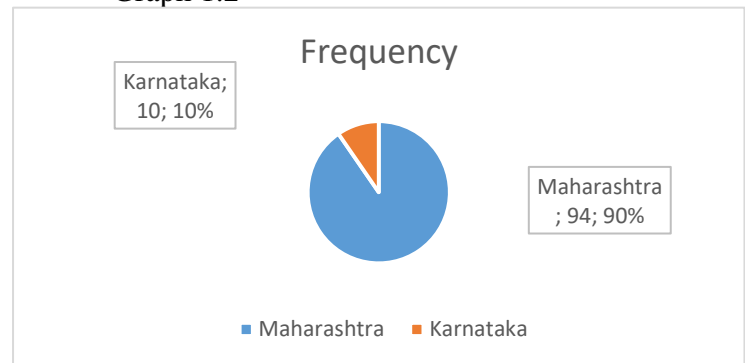
Based on Location

Table 1.2

| Location | Frequency | Percentage |
|-------------|-----------|------------|
| Maharashtra | 94 | 90% |
| Karnataka | 10 | 10% |

Source: Compiled by Authors.

Graph 1.2



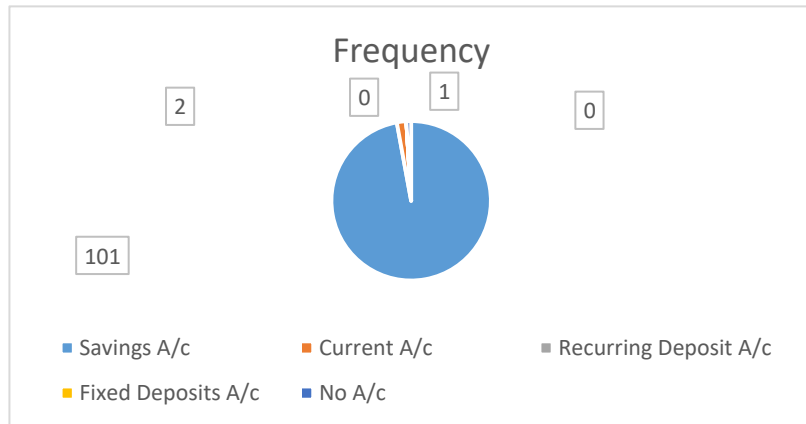
The figures in the above chart show the percentage of locations. The majority of the respondents are from the state of Maharashtra 90%.

Based on Account Holding

Table 1.3

| Bank A/c holding | Frequency |
|-----------------------|-----------|
| Savings A/c | 101 |
| Current A/c | 2 |
| Recurring Deposit A/c | 0 |
| Fixed Deposit A/c | 0 |
| No A/c | 1 |

Graph 1.3



Source: Compiled by Authors

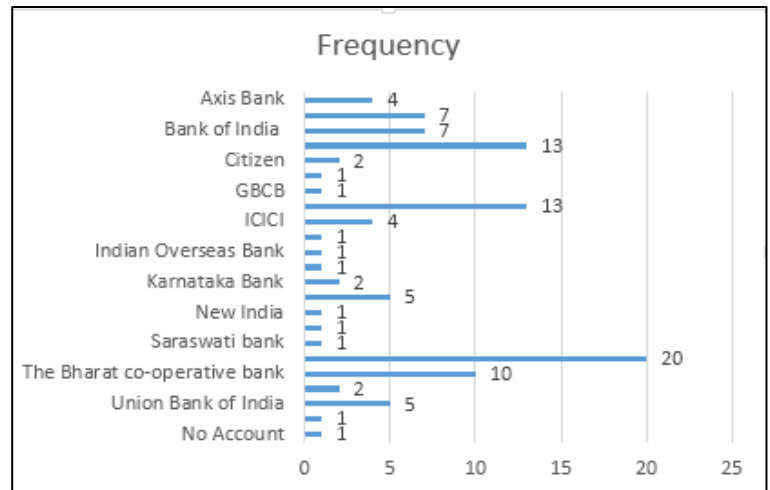
The next question is on the Account holding so as to know the type of Account that they have in their bank. Where we found that most of them have Savings A/c.

The A/c in bank

Table 1.4

| Bank Name | Frequency |
|------------------------------|-----------|
| Axis Bank | 4 |
| Bank of Baroda | 7 |
| Bank of India | 7 |
| Canara Bank | 13 |
| Citizen | 2 |
| GBCB | 1 |
| DCB | 1 |
| GBCB | 1 |
| HDFC Bank | 13 |
| ICICI | 4 |
| Indian Bank | 1 |
| Indian Overseas Bank | 1 |
| IndusInd Bank | 1 |
| Karnataka Bank | 2 |
| Kotak Mahindra Bank | 5 |
| New India | 1 |
| NKGSB | 1 |
| Saraswati bank | 1 |
| SBI | 20 |
| The Bharat co-operative bank | 10 |
| TMB | 1 |
| Union Bank of India | 5 |

Graph 1.4



| | |
|------------|---|
| Yes Bank | 1 |
| No Account | 1 |

Source: Compiled by Authors.

As per the observation, the highest number of respondents is from SBI with a frequency of 20. And the least number of respondents are from NKGSB, GBCB, Yes Bank, Indian Bank, etc. with a frequency of 1 respondent in each bank.

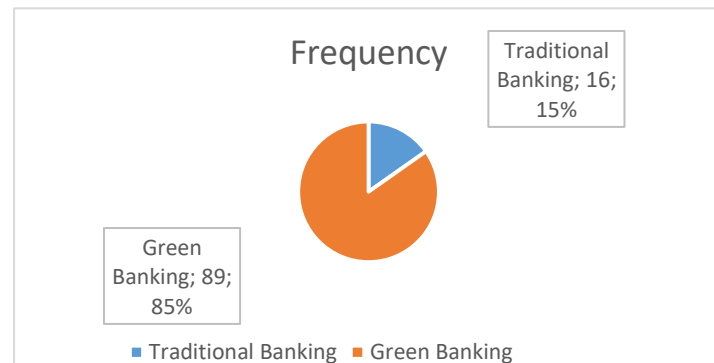
b. Preference of respondents

Table 1.5

| Banking system | Frequency | Percentage |
|---------------------|-----------|------------|
| Traditional Banking | 16 | 15% |
| Green Banking | 89 | 85% |

Source: Compiled by Authors.

Graph 1.5



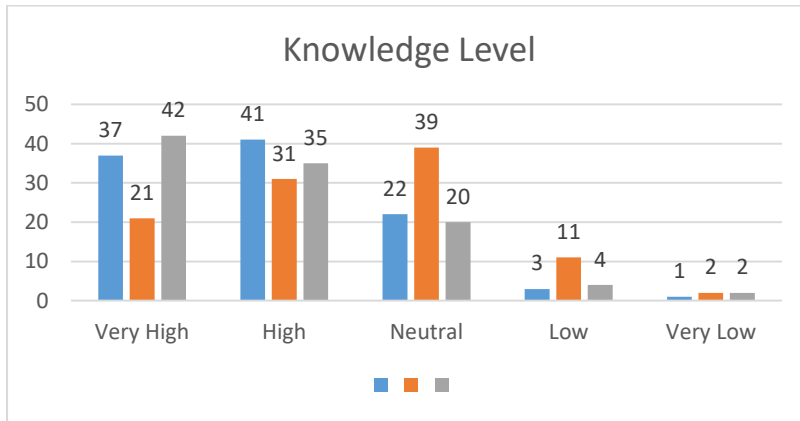
As per the above figures, the majority of the respondents would prefer Green banking rather than the traditional method of banking for a better environment in the future.

c. Knowledge Level

Table 1.6

| Category | In General | Lending Policy | E-banking services |
|-----------|------------|----------------|--------------------|
| Very High | 37 | 21 | 42 |
| High | 41 | 31 | 35 |
| Neutral | 22 | 39 | 20 |
| Low | 3 | 11 | 4 |
| Very Low | 1 | 2 | 2 |

Graph 1.6



Source: Compiled by Authors.

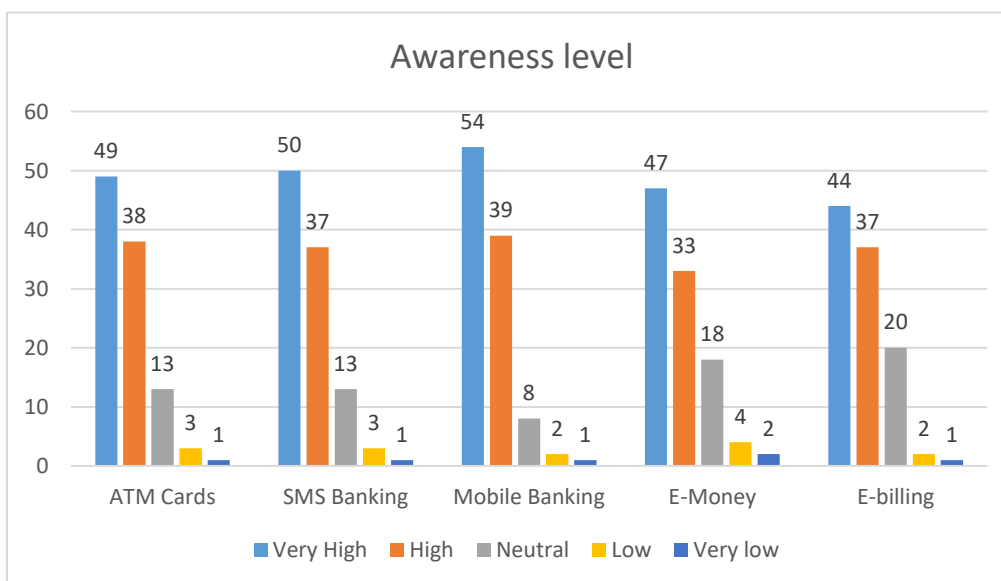
From the above data, the respondents are aware of E-banking services with the highest frequency of 42. They are least aware of the Green Lending policy.

d. Awareness Level

Table 1.7

| Category | ATM Cards | SMS Banking | Mobile Banking | E-Money | E-billing |
|-----------|-----------|-------------|----------------|---------|-----------|
| Very High | 49 | 50 | 54 | 47 | 44 |
| High | 38 | 37 | 39 | 33 | 37 |
| Neutral | 13 | 13 | 8 | 18 | 19 |
| Low | 3 | 3 | 2 | 4 | 2 |
| Very low | 1 | 1 | 1 | 2 | 1 |

Graph 1.7



Source: Compiled by Authors.

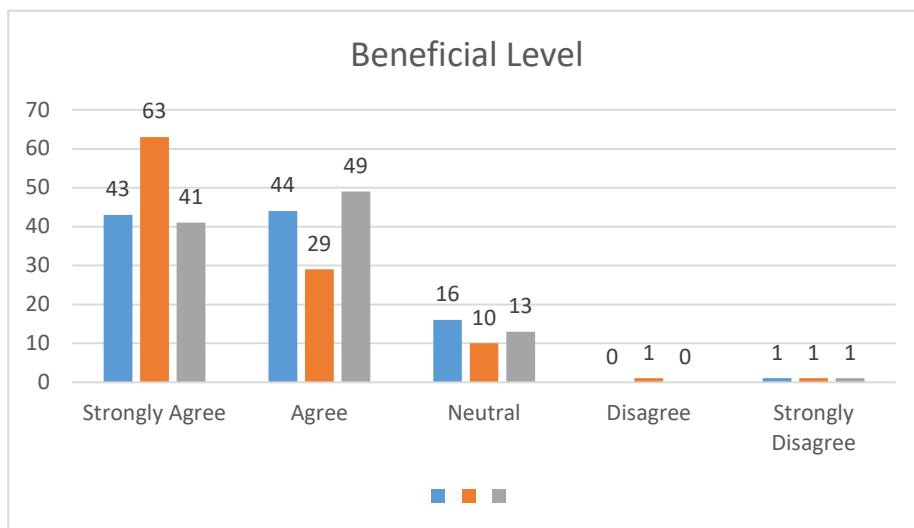
From the above data, we can strongly say that the customers are more aware of Mobile Banking with the highest respondents of 54 rather than the e-billing services with 44 responses.

e. Beneficial Level

Table 1.8.1

| Category | Banks | Environment | Customer |
|-------------------|-------|-------------|----------|
| Strongly Agree | 43 | 63 | 41 |
| Agree | 44 | 29 | 49 |
| Neutral | 16 | 10 | 13 |
| Disagree | 0 | 1 | 0 |
| Strongly Disagree | 1 | 1 | 1 |

Graph 1.8.1



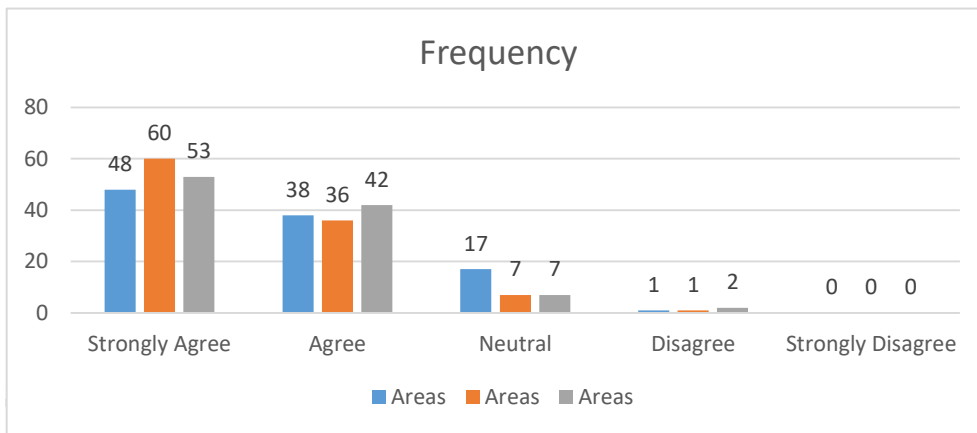
From this data, we can strongly say that the respondents care for the environment. Hence, they agree that if the Green Banking system is followed then it is highly beneficial for the environment with the highest number of respondents of 63. Since, it is helpful in reducing costs and it is environment Friendly. The Respondents nowadays have started taking care to meet future needs. Hence, it helps in better sustainable development if we protect our Environment.

Table 1.8.2

| Category | Reducing Cost | Environment friendly | Better Sustainable Development |
|----------|---------------|----------------------|--------------------------------|
|----------|---------------|----------------------|--------------------------------|

| | | | |
|-------------------|----|----|----|
| Strongly Agree | 48 | 60 | 53 |
| Agree | 38 | 36 | 42 |
| Neutral | 17 | 7 | 7 |
| Disagree | 1 | 1 | 2 |
| Strongly Disagree | 0 | 0 | 0 |

Graph 1.8.2



Source: Compiled by Authors

From the above Graph, we can strongly say that the respondents are highly focused on the environment and also aim towards better sustainable development by reducing costs.

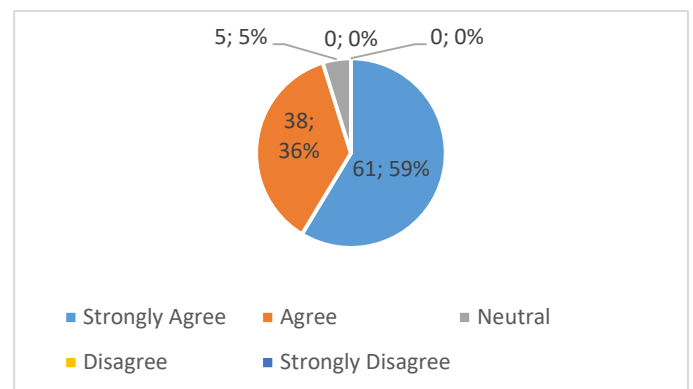
f. Consumers' Perception of Green Banking

Table 1.9

| Category | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly Agree | 61 | 59% |
| Agree | 38 | 36% |
| Neutral | 5 | 5% |
| Disagree | 0 | 0% |
| Strongly Disagree | 0 | 0% |

Source: Compiled by Authors

Graph 1.9



When asked the respondents to give their opinions on, if the bank should take initiatives to build consciousness about Green Banking among the customers.

The data reflects, that respondents strongly support that the banks should take the initiatives to build consciousness and the importance of Green Banking.

Therefore, it can be stated from the above data that 59% of respondents agree that banks should take initiatives to build consciousness among customers about green banking.

Limitations

1. The study is subject to constraints of resources.
2. The present study includes a sample size (of 104) which shall not be factually the illustration of the whole banking sector.
3. This study is subjected to Geographical barriers, as data is collected only from a particular region i.e. Karnataka and Maharashtra.

Suggestions

1. Banks must ensure that they adopt a highly efficient and secure Interface App which shall create awareness among the customers about Green Banking.
2. Banks should make efficient ways to educate the customers and improve on technology and encourage people to use Green banking Facilities.
3. Banks must conduct awareness campaigns and promote the use and benefits of Green Banking.
4. Banks must focus on reducing their carbon footprints and take initiatives to adopt green banking facilities.

Benefits to the Society

- This research paper is helpful for society to understand the benefits of Green Banking.
- This is useful in understanding what Green Banking is.
- This would help the customers to understand the necessity for clean and a better environment for better sustainable Development.

Future Scope:

- The captured data is Primary Data. The figure of responses I have received for my research is 104 responses. Further, this research can be conducted on a broader scale.
- The data can be collected and analyzed from the region beyond Maharashtra and Karnataka.
- The researchers can collect data from bank employees to know about the steps taken by them to adapt the Green Banking facility.

Conclusion

Working towards sustainability plays a very important role in the sustainable development of the economy. It helps to meet the needs of future generations. Sustainable development helps in reducing pollution and carbon footprints. Therefore, education and awareness of this system of Banking are needed as the citizens are not aware of this System. As we see from the findings, the respondents prefer the Green banking system as they find it beneficial for the environment, banks, and also to their own self. But there lack education or knowledge level related to the method of Banking.

Therefore, it can be said that Green Banking system of banking is the best way to protect the environment from Global Warming and to maintain a clean and better Environment for better sustainable development. As working towards Sustainability is now an important way of making our economy free from pollution.

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