GREEN BUSINESS PRACTICES AND BANKING

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Abstract

Green is the buzzword of the last decade and there have been "go-green" campaign across the entire spectrum of business and banking sector. Everyone is aware that the grass is green and the leaves in the tree are green but with respect to business the meaning of green is not etched in business management. Hence, we need to understand as to the coinage of the word "green" in the business environment. By going through the literature, we can understand that there is a concept of green environment. This means by making the environment clean, promotes healthy living and also makes the surrounding free from pollution. This concept got extended to work place and in all the activities the environmental factors were considered and thus the word "green" became a business jargon. It is difficult to generalise green business practices since each and every industry is unique and it may or may not be possible to modify the business process to become a green enabled environment. To understand the concept of green business environment requires a multipronged approach and all the stakeholders' involvement are necessary. Moreover, the concept of green business practice is also applicable to service industry like banks wherein banks provide service to the customers. In the present study, the researchers analysed the users' behaviour towards green business practices which includes work environment, building infrastructure, computers and utilities.

Keywords: Green banking, Green business, green products, environmental sustainability, etc.

1. Introduction

The concept of green environment in business is to ensure environment friendly business environment. There are many industrial sectors and it is a challenge for the industries to adhere to green practices. In factories, the situation is totally different and complying with the green practices may not be fully possible. In all the business interactions, following the green practice policies can either be in full or in part. If the green practices are to be adhered into, the present state of art infrastructure requires modification. Modification of green enabled infrastructure involves cost and time. Many industries may not be interested to invest to comply with green practices. Some industries may claim that they have adopted green policy but they would have implemented for a department alone. In case of banking, the scenario is totally different. The new generation banks insists that the customers use internet banking instead of issuing bank pass book or providing account statement. The old generation bank continues to follow the practice of issuing

passbooks. It is not clear as to how doing away with passbook will pave way for green environment. One aspect needs to be considered is that the bank as an internal policy can inculcate green practices amongst its staff but they cannot force their customers as well without an alternative approach made available to its customers. In the name of adhering to green policy, the customers cannot suffer. Also not all customers have the luxury of accessing internet and the banks should weigh this aspect before complying with green policies. Modernisation and technology advancement are required but in order to adhere to green policies, funding should not be on the higher side. Few manufacturing companies have implemented an environmental management system complying with the requirements of international standards. The European Union's directives on the recycling of electrical and electronic product waste and the restriction of hazardous substances for manufacturing industry has raised the bar for environmental compliance. However, green compliance management system standard has not evolved fully. It is left to the discretion of the industry to adopt the own standards.

2. Related work

The article does make reference to other works done on the same topic. As mentioned earlier the perspective of green business practices are proprietary and cannot be construed as generic. Even in the banking sector, the green processes followed by the bank on its customers are not the best practices. It may an internal policy decision of the bank and further study needs to be done to evolve a best of breed practice for business process for products and services.

3. Research methodology

The research was carried out in Chennai city. The city being large, the information was collected from 150 respondents who are working in process industries and banks in Chennai. The respondents include both male and female of different age groups. Convenient sampling technique was used for the study. The information obtained from the respondents is the primary and secondary data was obtained through newspapers, website references and journals.

4. Limitations of the study

The study is conducted in Chennai city and the respondents include those who have implemented green practices for a single department in their organisation and the results cannot be generalised. The findings may not be applicable to other cities in Tamilnadu. The study is restricted to practices which can be considered environmental friendly and implementation will not have a cost impact. Also in case of banking sector, the practices of not providing printed passbooks are not considered as a best practice. In the present study, only six banks were considered as part of green business process.

5. Data analysis

The primary data were collected from the respondents comprising of both genders who work in office management Chennai. Out of the total 150 respondents, 41% of them are male and 45% of them are female. The results of the analysis are given under:

TABLE 1

Preference of Male Respondents for Green Business Practice

S.No	Factors	No. of Respondents	Percentage
1	Low wastage	2	1
2	Simplified process	3	2
3	Environment friendly	15	10
4	Cost savings	29	19
5	Save space	23	15

TABLE 2

Preference of Female Respondents for Green Business Practice

S.No	Factors	No. of Respondents	Percentage
1	Low wastage	5	3
2	Simplified process	6	4
3	Environment friendly	14	9
4	Cost savings	27	18
5	Save space	26	17

TABLE 3

Preference of Male Respondents for No-green Process

S.No	Factors	No. of Respondents	Percentage
1	Reliable	9	6
2	Can be printed	5	3
3	Easily accessible	30	20
4	Archiving possible	10	7
5	Filing is easier	18	12

TABLE 4

Preference of Female Respondents for No-green Process

S.No	Factors	No. of Respondents	Percentage
1	Reliable	12	8
2	Can be printed	4	3
3	Easily accessible	29	19
4	Archiving possible	9	6
5	Filing is easier	24	16

TABLE 5
Feedback of the Respondents towards Green Business Process

S.No	Feedback	Male	Female	Total
1	Highly Dissatisfied	42	47	89
2	Dissatisfied	8	9	17
3	Neutral	5	0	5
4	Satisfied	8	12	20
5	Highly Satisfied	9	10	19

O	E	O-E	O-E ^2	O-E ^2/E
42	20.16	21.84	476.9856	23.66
8	3.84	4.16	17.3056	4.5066667
5	2.4	2.6	6.76	2.8166667
8	3.84	4.16	17.3056	4.5066667
9	4.32	4.68	21.9024	5.07
47	24.44	22.56	508.9536	20.824615
9	4.68	4.32	18.6624	3.9876923
0	0	0	0	
12	6.24	5.76	33.1776	5.3169231
10	5.2	4.8	23.04	4.4307692
			Total	75.12

The degree of freedom is 5 and with 95 per cent level of significance, the table value is 11.07. Since the calculated value is greater than the table value, there is no significant relationship between the consumer behaviour and green business process. Hence, the null hypothesis is accepted. The results of this study may be applicable for this sample size.

TABLE 6

Feedback of the Respondents towards No-Green Business Process

S.No	Feedback	Male	Female	Total
1	Highly Dissatisfied	49	52	101
2	Dissatisfied	13	19	32
3	Neutral	3	0	3
4	Satisfied	3	4	7
5	Highly Satisfied	4	3	7

O	E	O-E	O-E ^2	O-E ^2/E
49	23.52	25.48	649.2304	27.603333
13	6.24	6.76	45.6976	7.3233333
3	1.44	1.56	2.4336	1.69
3	1.44	1.56	2.4336	1.69
4	1.92	2.08	4.3264	2.2533333
52	27.04	24.96	623.0016	23.04
19	9.88	9.12	83.1744	8.4184615
0	0	0	0	
4	2.08	1.92	3.6864	1.7723077
3	1.56	1.44	2.0736	1.3292308
			Total	75.12

The degree of freedom is 5 and with 95% level of significance, the table value is 11.07. Since the calculated value is greater than the table value, there is no significant relationship between the consumer behaviour and no-green process. Hence, the null hypothesis is accepted. The results of this study may be applicable for this sample size.

TABLE 7

Garret Value for the Green Business Practices

S.No	100(Rij –0.5)/Nj	Calculated value	Garrett value
1	100 (1 – 0.5)/5	10	75
2	100 (2 – 0.5)/5	30	60
3	100 (3 – 0.5)/5	50	50
4	100 (4 – 0.5)/5	70	40
5	100 (5 – 0.5)/5	90	25

TABLE 8

Garret Score and Rank for the Green Practices

S.No	Description	Garret Score	Rank
1	Ease of use	525	V
2	Cost saving	540	IV
3	Environment less polluted	1450	II
4	Power saving	2240	I
5	Clean work environment	1225	III

TABLE 9

Garret Score and Rank for the No Green Practices

S.No	Description	Garret Score	Rank
1	Information availability	1575	II
2	Filing is easier	540	V
3	Sharing of information possible	2950	I
4	Dependency is not there	760	IV
5	More flexibility	1050	III

6. Summary and Conclusion

Based on the study, the users' feedback towards green practices is unpredictable. The respondents in the banking sector have a different perception about green practices. The hypothesis confirms that there is no relationship between the respondents' behaviour and compliance with the green process management. The Garret ranking indicates the preference for power saving as a reason for adopting green practice. Further study is necessary to conclude the effective of green business process as a whole and its utility in the banking sector.

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