

Harmony in Banking: Kerala Bank's Sustainable Development Journey

Discipline: Commerce

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Abstract

This abstract explores the sustainable development policies implemented by Kerala Bank, a financial institution in southwestern India. Kerala Bank has emerged as a pioneering force in aligning its operations with the principles of sustainable development, seeking to harmonize economic growth with social equity and environmental stewardship. The findings demonstrate that Kerala Bank has been found to promote agriculture, farmers, MSMEs, and women by maintaining the concept of sustainable development.

Introduction

The world of finance has seen a paradigm change in favor of sustainable and ethical banking practices in recent years. Kerala Bank, which was founded in 2019 as a result of the state of Kerala's District Cooperative Banks merging, has been a leader in integrating sustainable development principles into its day-to-day operations. This article examines Kerala Bank's sustainable development initiatives and demonstrates how it has become a role model for other financial institutions. In order to meet the needs of both the current and future generations without jeopardizing nature's capacity to offer vital resources, sustainable development is a key idea in today's society. This idea is especially pertinent in India, where discussions about large dams and ambitious projects generate issues with sustainable development and environmental conservation. "The Development which meets the requirements of the present while not hampering the ability of generations to come to meet their own needs" is how the Brundtland Commission of the United Nations describes sustainable development. Sustainable development is continuous. It is a continuous process that adapts to evolving capacity and technology. "Is sustainable development improving?" is a crucial issue to ponder frequently.

Nevertheless, estimating the total rate of sustainability improvements in Indonesia is challenging because there are currently few, if any, baselines devoted expressly to sustainable development. The goal of this study is to start bridging this gap. Three dimensions of sustainability are widely used to describe sustainable development:

economic, environmental, and social. Rene Passet, an economist, first put up this three-dimensional paradigm in 1979.

In today's world, sustainable development is crucial considering social equality, economic prosperity, and environmental preservation. People must behave ethically towards future generations. Laws govern parts of sustainable development.

Kerala State Cooperative Bank Limited, also known as Kerala Bank, is an Indian cooperative bank established by the Kerala government. In 2019, the Kerala State Cooperative Bank and 14 District Cooperative Banks merged to form the bank. The Kerala State Cooperative Bank was established on November 29, 2019, following the publication of a notification announcing its founding. Kerala Bank stands out as a significant stakeholder dedicated to sustainable development. Kerala Bank promotes environmentally friendly practices, local economic development, and financial inclusion in the Indian state of Kerala. Kerala Bank emphasizes the value of ecological stewardship while positioning itself as a major contributor to the socioeconomic advancement of the state through integrating financial services with sustainable principles.

Review of Literature

- There are so many studies that laid the ground work for the study of sustainability and banking.
- Pierre chollet and Louis- Antoine (2023) Discussed in their article that the response of cooperative banks to SDGs, their drivers, and their managerial implication lead to more important changes.
- Flippi, Bidet and Battesti (2023) Discussed in their article especially focusing on the contribution of SSE purposes, some critical thoughts on the cooperative model and recommendations for reinforcing commitments to achieving sustainable development goals.
- Kinan Salim, Disli, Adam, Dewandaru, Malik (2023) found the results are robust to various econometric specifications and have significant policy implications for investors, bankers, and regulators.
- Their findings of Zedda, Michele, Carmen (2024) demonstrate that "tailor-made" credit scoring models for cooperatives and non-cooperatives outperform a generic one, enhancing credit classification specificity and sensitivity.

Objective

1 To determine Kerala Bank's sustainable development policies.

Description of the Issue

The conversation surrounding sustainability has garnered considerable momentum recently, leading financial institutions such as Kerala Bank to embrace and execute various sustainable development initiatives. Notwithstanding the increasing focus on these endeavors, there is a significant deficiency in the literature about the thorough assessment of the true effects of Kerala Bank's sustainable development activities. This study aims to close this gap by thoroughly evaluating the results and efficiency of the bank's sustainability programs. This research aims to provide significant perspectives on the wider domain of sustainable finance and provide Kerala Bank with actionable suggestions to improve the efficacy of its sustainable development initiatives.

Need and Significance of the Study

Investigating Kerala Bank's sustainable development policies is essential since responsible management of resources and environmental stewardship are becoming increasingly important globally. Kerala's distinct socioeconomic environment, defined by elements like high population density, dependence on agriculture, and susceptibility to climate change, calls for a customized strategy for sustainable development in the banking industry. This study is important because it adds to the expanding global conversation on corporate responsibility and sustainable finance, which transcends geographical boundaries. The study endeavors to guide Kerala Bank in formulating future policies and plans, setting standards for additional financial entities, and bolstering stakeholder confidence through a thorough analysis of the bank's sustainable practices. Furthermore, by aligning the bank with global sustainability targets, the findings will strengthen its dedication to responsible banking practices and establish it as a major factor in promoting local and worldwide sustainable development projects.

Research Methodology

The secondary data forms the basis of this investigation. Secondary data were gathered from relevant websites and papers in various periodicals.

Kerala Bank Adheres to Sustainable Banking Practices

The idea behind sustainable development is to satisfy current needs without affecting the capacity of generations to come to satisfy their own. Building a more just and resilient society entails striking a balance between social, environmental, and economic variables. Sustainable development aims to address the problems of inequalities, poverty, and environmental damage by encouraging wise and effective use of resources.

Kerala, a state in southwest India, has been actively involved in efforts to promote sustainable development. Kerala, a state renowned for its distinct social and economic

structure, has made significant progress in poverty alleviation, healthcare, and education. The state has played a leading role in advancing inclusivity and social justice, aiding its general advancement.

Kerala Bank is a noteworthy establishment within the state's sustainable banking landscape. In 2019, the Kerala State Cooperative Agricultural and Rural Development Bank, district cooperative banks, and state cooperative banks merged to establish Kerala Bank. Kerala Bank's main goals are to support and service the rural and agricultural sectors financially and to encourage sustainable development methods.

Kerala Bank supports projects that advance community well-being and the conservation of natural resources to incorporate social and environmental concerns into its banking operations. This aligns with the more general objectives of sustainable development since the bank aims to balance social justice, environmental care, and economic prosperity.

Kerala Bank ensures the equitable distribution of benefits while playing a vital role in promoting economic growth in the region through a range of programs and services. Integrating sustainable practices into the bank's operations enhances the communities it serves by promoting overall resilience and long-term prosperity. In Kerala, sustainable development is a comprehensive strategy for achieving social, economic, and environmental goals. As an important financial institution in the state, the Kerala Bank is essential to promoting and putting into practice sustainable practices, which helps the state continue to develop responsibly and inclusively.

In addition to launching two new programs for women on Women's Day, Kerala Bank also promotes other new initiatives and unique plans for women and farmers. Kerala Bank begins at the grassroots level to enable sustainable development, which must begin at the lowest feasible level of society. Farmers are essential to the development of society, which is why Kerala Bank has created several programs for them, individually and collectively. Encouraging farmers and agriculture is crucial for sustainable development. Kerala Bank offers farmers several programs, including KB FARMERS AWAS HOME LOAN and KB SUVIDA BHAVANA. LOAN, SUVEGA CAR LOAN, KISAAN MITHRA etc.

Kerala Bank has demonstrated a strong interest in similarly promoting MSMEs. The expansion of MSMEs is a means of solving all issues, including unemployment and poverty, and it also represents the nation's growth. A large number of MSMEs is creating jobs. Providing microfinance services strengthens small businesses and encourages local economic growth. Kerala Bank has created several initiatives to empower women and promote gender equality. Kerala Bank has also developed the idea of green banking to

support sustainable development. Examples include the zero-waste concept, paperless banking, and technology integration with sustainable banking practices, including digital initiatives to reduce paper usage. Kerala Bank makes sustainable development possible by offering financial support for improving society and the environment through the bank itself.

Conclusion

The state's dedication to sustainable development is demonstrated by the Kerala Bank, which combines sound financial practices with environmental and social accountability. By consolidating multiple cooperative banking organizations, the Kerala Bank has become a significant driver of economic development, especially among the agricultural and rural domains, while concurrently maintaining the values of fairness and ecological conservation values. Kerala Bank offers its members economic opportunities, which contribute to reducing poverty and inequality, maintaining productivity, and assisting with sustainable farming. In summary, Kerala Bank has actively involved to fulfil sustainable development goals such as Poverty Eradication and Zero hunger, Food security and gender equality.

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A Study on Investor's Attitude Toward Post Office Saving Schemes with Special Reference to Thrissur District

Discipline: Commerce

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Abstract - With numerous investment choices available, individuals must select the most beneficial options. Effective planning requires a comprehensive understanding of available investment opportunities and their alignment with financial objectives. Investment decisions influence capital formation and economic growth, making them pivotal for personal and societal development. This study examines investor attitudes toward post office saving schemes in Thrissur District, focusing on awareness, motivational factors, and challenges. Post office saving schemes, offering safety, attractive returns, and tax benefits, remain a significant investment avenue for small savers.

Keywords: Investment, savings, capital formation

1. Introduction

Savings and investment are critical for future financial security and meeting unforeseen expenses. People tend to save and invest to achieve financial independence and uplift their standard of living. Savings play a key role in poverty alleviation and economic development, serving as a reliable source of capital formation.

Post office saving schemes are tailored to encourage small savings and provide a secure, accessible, and tax-efficient investment option. These schemes cater to small savers by offering high interest rates, safety, and liquidity. This study explores investor attitudes toward these schemes, levels of awareness, motivating factors, and perceived challenges in Thrissur District.

2. Review of Literature

Holasagi (2018) highlighted that investors are motivated to choose postal saving schemes for their safety, regular returns, and accessibility. He emphasized the need to create awareness among rural populations regarding these schemes.

Vembu (2018) found that rural women favor post office investments due to the proximity of post offices. He noted that many investors opt for these schemes primarily for tax benefits.

Bhagyashree Teli (2017) observed that while recurring deposits and post office savings deposits are widely recognized, awareness of other schemes remains limited. Increasing awareness could boost deposits in these lesser-known schemes.

Ravindran (2016) revealed that post offices offer diverse financial services, including mutual funds, postal insurance, and small savings schemes. He recommended targeted advertisements to attract more women investors.

3. Research Gap

Despite the relevance of post office saving schemes, limited recent studies have explored investor attitudes, especially in Thrissur District. This study aims to fill this gap by analyzing motivational factors, satisfaction levels, and challenges faced by investors.

4. Objectives of the Study

- 1) To identify motivational factors influencing investment in post office saving schemes.
- 2) To assess satisfaction levels regarding these schemes.
- 3) To examine the challenges investors face when using post office saving schemes.

5. Methodology

The study population comprised investors in post office saving schemes within Thrissur District. Data were collected using an online questionnaire distributed to 100 investors, with 50 valid responses analyzed. A ranking method was employed to identify key motivational factors and challenges.

6. Sampling

The population for this study includes all investors who make their investments in office savings schemes in the Thrissur district in Kerala. Sample units were selected from Irinjalakuda, Kodungallur and Mala. The sample size of the study was finalized to 50. The questionnaires were floated online among the investors. A total of 100 completed questionnaires were received back. Among that, 50 valid questionnaires were considered for analysis. To find out the most important factor that influences the investors in making post office savings schemes and to identify the major problems faced by the investors, ranking method was used

Table:1
Profile of Respondents

Gender	Frequency	Percent
Male	31	62
Female	19	38
Age-wise classification of the respondents		
Below 30	19	38
30-40	12	24
40-50	10	20
Above 50	9	18
Others	6	9
Monthly Income (INR)		
10,000 – 20,000	21	42
20,000 – 30,000	16	32
Above 30,000	13	26
Total	50	100

(Source: Survey data)

Table: 2
Satisfaction of respondents about post office saving schemes

Satisfaction About Post Office Scheme	Number	Percentage
Highly satisfied	12	24
Satisfied	15	30
Neutral	16	32
Dissatisfied	7	14
Highly dissatisfied	0	0
Total	50	100

(Source: primary data)

Table: 3
Motivation factors influencing to invest in post office saving scheme

Motivation factors		5	4	3	2	1	Total weight	weighted score	Rank
Risk free investment	f	15	17	10	4	4	50	3.70	3
	fx	75	68	30	8	4	185		
Promote saving	f	18	16	10	6	0	50	3.92	1
	fx	90	64	30	12	0	196		
Easy accessibility	f	8	17	17	4	4	50	3.66	4
	fx	40	68	51	20	4	183		
Child's education & marriage	f	11	12	18	8	1	50	3.48	6
	fx	55	48	54	16	1	174		
Return	f	14	15	12	5	4	50	3.60	5
	fx	70	60	36	10	4	180		
Tax benefit	f	17	12	13	6	2	50	3.72	2
	fx	85	48	39	12	2	186		

(Source: Primary data)

Motivation factors	Total weight	Weighted mean	Rank
Risk free investment	185	3.70	3
Promote saving	196	3.92	1
Easy accessibility	183	3.66	4
Child's education & marriage	174	3.48	6
Return	180	3.60	5
Tax benefit	186	3.72	2

Interpretation: The above table it is clear that respondents choose that savings as first rank (3.92) and child's education & marriage as least rank (3.48) based on motivation factor of investors towards post office saving schemes.

Table: 4
Major problem of the respondents about the post office scheme

Major problems		5	4	3	2	1	Total weight	Weighted mean	Rank
Inadequate information	f	15	12	14	5	4	50	3.58	4 4
	fx	75	48	42	10	4	179		
Problem of liquidity	f	11	21	10	6	2	50	3.66	1 1
	fx	55	84	30	12	2	183		
Problem of technology related services	f	15	10	15	6	4	50	3.52	5 5
	fx	75	40	45	12	4	176		
Poor awareness	f	14	17	10	5	4	50	3.64	2 2
	fx	70	68	30	10	4	182		
Mode of payment	f	11	16	14	5	4	50	3.50	6 6
	fx	55	64	42	10	4	175		
Lengthy formalities and processing time	f	14	13	15	6	2	50	3.62	3 3
	fx	70	52	45	12	2	181		

(Source: Primary data)

Major problems	Total weight	Weighted mean	Rank
Inadquate information	179	3.58	4
Problem of liquidity	183	3.66	1
Problem of technology related services	176	3.52	5
Poor awareness	182	3.64	2
Mode of payment	175	3.50	6
Lengthy formalities and processing time	181	3.62	3

Interpretation: The above table show that the first rank of the problem of respondents is liquidity (3.66), second rank is poor awareness (3.64), third rank is lengthy formalities (3.62), fourth rank is inadequate information (3.58), fifth rank is technology (3.52) and sixth rank is delay in processing (3.50).

Findings

- 62percentage of respondents are male and rest 38 percentage are female.
- 38 percentage of the respondents belongs to the age group of below 30, 24 percentage in the group 30-40, 20 percentage represent the age group 40-50 and 18 percentage of respondents belongs to the age group of above 50.
- 42 percentage of the total sample respondents' monthly family income lies between 10000 and 20000, 32 percentage of the respondent's monthly income lies between

20000 and 30000 and 26 percentage of the respondents' monthly family income is above 30000

- 32 percentages of the respondents have neutral satisfaction about the investment, 30 percentages of respondents has satisfied with scheme, 24 percentage of respondent are highly satisfied ,14 percentages of respondents are dissatisfied and there is no highly dissatisfied with post office scheme.
- The first motivation factor that influence respondents to select the schemes is that savings and second motivation factor is tax benefit.
- The major problems of the respondents regarding the post office saving scheme is liquidity and the second is that poor awareness of the investors.

Conclusion

The present study on reveals that most of investors are satisfied with the post office saving schemes. Nowadays postal department has to equip itself by improving its service and saving schemes to satisfy the investors. The study identify that the investors have a great faith and positive attitude towards post office savings schemes because of there is no complicated procedures in making the investments. There are various financial activities introduced. The post office should provide more facilities and offer better schemes for attract a greater number of investors. The Income of the investors also influences them for selecting the Savings and investment Schemes.

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