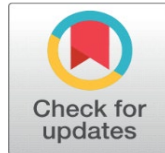
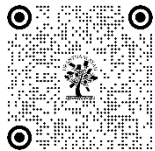


A STUDY ON ETHICAL PRACTICES OF PUBLIC SECTOR BANKS IN THIRUVANANTHAPURAM DISTRICT

Augustin John J C¹, Dr. G. Sreekanth²

¹Research Scholar (Reg. No. 22213081011002), Department of Commerce, Malankara Catholic College, Mariagiri, Kaliyakkavilai, Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli-627012.

²Assistant Professor, Department of Commerce, Malankara Catholic College, Mariagiri, Kaliyakkavilai, Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli-627012.



ABSTRACT

The bank is now a larger and representative institution for the protection of funds and financial of the society. A banker performs many more task than mere regular and conventional banking. As such the role and status of the banker in the modern society has changed significantly. When the banker has acquired a new status and role in the society it should perform the duty in a more diligent and appropriate manner. The performance of the duty has a definite relationship with the kind of ethical practices, values, and system The present study was undertaken the ethical practices of public sector banks in Thiruvananthapuram district. The study mainly focuses on the importance of ethical practices and value building exercise in organizations. The proper functioning of an organization requires various rules and regulations, principles and policies. Due to different type and nature of organizations, the policy formulation and problem solving strategy differs from one organization to other. However, in every work place, the organization adopts a set of rules and policies which are essential for its growth and development. Among various factors, the implementation and adhering to ethical practice and value building is the main foundation for the regulation of organization. Yet, to examine factors as to understand the implication of ethics and value practice in an organization are complex in nature.

DOI

[10.29121/shodhkosh.v5.i4.2024.2588](https://doi.org/10.29121/shodhkosh.v5.i4.2024.2588)

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Copyright: © 2024 The Author(s). This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

With the license CC-BY, authors retain the copyright, allowing anyone to download, reuse, re-print, modify, distribute, and/or copy their contribution. The work must be properly attributed to its author.

Keywords: Banker, Ethical Banking, Society, Monetary and Economic System.



1. INTRODUCTION

The idea of banking has changed in the recent past significantly. It is no longer a financial transaction that deals with acceptance of deposit and lending of money. Banking has acquired many new dimensions. A banker is a custodian and trusty of faith and confidence of people in the financial system. He is not only to protect the monetary interest of the people and help to acquire funds but more he is to facilitate different type of financial transaction and enhance the strength of the monetary and economic system. The bank is now a larger and representative institution for the protection of funds and financial of the society. A banker performs many more task than mere regular and conventional banking. As such the role and status of the banker in the modern society has changed significantly. When the banker has acquired a new status and role in the society it should perform the duty in a more diligent and appropriate manner. The performance

of the duty has a definite relationship with the kind of ethical practices, values, and system which the organization follows. The modern concept of banking has broader coverage in term of activities and functions. The idea of social banking and universality of the banking system has changed the role and purpose of the banking institution. Therefore, a new set of ethical and value-based practices is essential for the banking institution.

2. STATEMENT OF PROBLEM

The growing crisis of value applicability in organization is a major problem. Many organizations have witnessed a serious problem of employees' loyalty, commitment and even work performance due to poor understanding of the ethics and values system. The growing attrition rate, low morale and lack of trust are the visible system in value crisis in the organization. To understand how the value system of organization influences the behavior of employees at large and what the reasons for poor understanding of values and low commitments are the issues that are studied in this research. Hence the title of the study is "a study on ethical practices of public sector banks in Thiruvananthapuram district".

3. ETHICAL BANKING

The concept of ethical banking is very important in the modern context. Ethical banking deals with various initiatives that a bank can undertake to enhance its credibility, fairness in practices and development of appropriate community linkages without causing any harm to the environment or to any specific section of the society. Ethical banking usually has a higher level of acceptance in society due to their fairness in the practices. Hitt, Keats, and Demarie (1998) have observed strategic challenges and discontinuities encountered by firms in the 21st century. They analyzed that to build and maintain competitive advantage, requires a new type of organization, leaders for survival and global market leadership. It was concluded that success in the 21st century organization would depend on building strategic flexibility like exercising strategic leadership, building dynamic core competencies, focusing and developing human capital, effectively using new implementing new organization structures and culture. Therefore, the responsibility of banks in this scenario should be reviewed so that changes in the 21st century can be effectively controlled.

4. OBJECTIVES OF THE STUDY

- To understand the concept of organizational ethics and value practice as adopted by banks.
- To identify the critical values that shapes the employees' behavior and efforts.
- To examine how the value system and organizational culture influences the work culture of bank employees.

5. RESEARCH METHODOLOGY

RESEARCH DESIGN

- **MIXED-METHODS APPROACH:** The study will integrate both quantitative surveys and qualitative interviews to gather a broad and deep understanding of the respondent.

SAMPLE SELECTION

- **TARGET POPULATION:** The study will focus on Bank Managers of Thiruvananthapuram District
- **STRATEGIC RANDOM SAMPLING METHOD:** For the survey process a strategic random sampling is performed.

SAMPLE SIZE:

90 survey respondents were targeted to ensure statistical reliability.

6. DEMOGRAPHIC REPRESENTATION

The table below presented the demographic profile of the respondents such as Age, Gender, Marital status, Education, Social background and Tenure of service of the respondents etc., Percentage method and chi-square test is used to analyse.

Table: 1

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Particulars		Frequency	Percentage
Age	Upto 25	18	5
	26-35	27	13
	36-45	25	12

	45-55	10	5
	Above 55	10	2
	Total	90	100
Gender	Male	50	56
	Female	40	44
	Total	90	100
Social background	Urban	37	41
	Rural	31	34
	Semi-urban	22	24
	Total	90	100
Education	Below Graduation	13	14
	Graduation	10	11
	Post-graduation	31	34
	Diploma	27	30
	Others	9	10
	Total	90	100
Tenure of service	Below 5	9	10
	6-10	26	29
	11-15	25	28
	16-20	17	19
	21-25	13	14
	Total	90	100

Source: Primary Data

Table (1) explains the demographic profile of the respondents. Majority of the respondents were male and most of them were between the age group of 26-35. 37 respondents were living in urban area. The majority of the respondents were completed Post-graduation and 6-10 of them were Tenure of service from 6 to 10.

Table: 2
NEEDS OF ETHICAL PRACTICES

Sl. No.	Particulars	Frequency	Percentage
1	Doing our work honestly.	22	24
2	Accepting the rules and code of conduct laid down by the organization.	21	23
3	Adhering to such rules.	18	20
4	Being honest to everyone.	15	17
5	Not to make a breach of any organizational standard	14	16
	Total	90	100

Source: Primary data

From the above data, it is found that majority of the respondents think that ethical practices are essential to bring honesty. Employees should work honestly and help them in accepting the rules and code of conduct laid down by the organization. In the opinion of 14 respondent ethical practices makes employees not to make any breach of organizational standard.

Table: 3
PERCEPTION ABOUT ETHICAL BEHAVIOR

Sl. No.	Particulars	Frequency	Percentage
1	Doing no harm to others	10	11
2	Being transparent and honest	19	21
3	Not to ask any improper favour	17	19
4	Not to pressurize others to do something beyond the expected duties	28	31
5	Maintain due diligent and timeliness in performing organizational assignments	16	18
	Total		100

Source: Primary data

From the data above it is found that 28 respondents answered that the Not to pressurize others to do something beyond the expected duties, 19 respondents answered that the Being transparent and honest, 17 respondents said that being transparent and honest, 16 respondents answered Maintain due diligent and timeliness in performing organizational assignments.

Table: 4
CHALLENGES IN DEVELOPING RIGHT VALUE SYSTEM

Sl. No.	Particulars	Frequency	Percentage
1	Heavy emphasis on result orientation	26	29
2	Lack of standardize practices and system.	22	24
3	Culture of appeasement and palm greasing.	31	34
4	Impact of unhealthy external factors	11	12
	Total	90	100

Source: Primary data

From the data above it is found that most of the respondents i.e. 88 out of 90 feel that ethical behavior is all about being transparent and honest to self and others.

7. OPINIONS REGARDING CONCEPT OF ETHICS AND ETHICAL PRACTICES

The researcher has collected views and opinion of respondents regarding their perception as to what should be the concept of ethical and ethical practices in banking. In order to assess their opinion a set of five statements were are given to them to express their views and opinion. The responses are collected on 4 point rating scale.

Table: 5
OPINIONS REGARDING CONCEPT OF ETHICS AND ETHICAL PRACTICES

S. No.	Statement	Strongly agree	Agree	Disagree	Strongly disagree	Total
1	Ethical practices mean doing every time the right things.	8	16	4	1	29
2	Ethical practices are the results of certain religious and ethos	9	11	3	1	24
3	People who are believe in religion are more in ethic in behavior	9	4	2	1	16
4	Ethical practices means being transparent, honest and rational.	4	3	3	1	11
5	In a competitive world, organization cannot adhere to high ethical system	4	3	3	0	10
	Total	34	37	15	4	90

Source: Primary data

The first statement is related with the concept of ethical practices as doing every time the right things. This brings a general statement about ethical practices where majority of respondents agreed to a large extent. The second statement assesses whether there is a relation between ethical practices and religion. Considering the diversity of religion, religious values and different approaches towards religion values it is noticed that there is a moderate response to this statement. Similarly for third statement being the statement is related with religion to which a moderate response is given. They do not believe strongly that there is a definite and direct relation between religion and ethical behavior. The focus of what should be the core of ethical practices as noticed by the representative manager is transparency, honesty and rationality. Whether ethical practices are influence by worldly affairs, compulsion and various socio economic concerns were asked and the responses of the managers happens to be moderate. Therefore it can be said that in view of the most of respondents though ethical practices are important, there is a great degree of practical aspect, socio economic consideration and other behavioral issues which influence ethical practice.

8. ASSOCIATION BETWEEN OPINIONS REGARDING CONCEPT OF ETHICAL PRACTICES AND SOCIO ECONOMIC FACTORS OF THE RESPONDENTS

The non-parametric chi-square test is applied to find the Opinions regarding concept of Ethics and Ethical Practices and Socio Economic factors of Age and Marital Status.

Table – 6
AGE AND OPINION OF THE RESPONDENTS

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)

Pearson Chi-Square	12.000 ^a	9	.213
Likelihood Ratio	11.090	9	.270
N of Valid Cases	4		
a. 16 cells (100.0%) have expected count less than 5. The minimum expected count is .25.			

Source: Computed data

When researcher find-out the Age and Opinion of the Respondents, there are Table Value is less than calculated value. Therefore, test is accepted.

Table - 7
GENDER AND OPINION OF THE RESPONDENTS

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.000 ^a	6	.238
Likelihood Ratio	8.318	6	.216
N of Valid Cases	4		
a. 12 cells (100.0%) have expected count less than 5. The minimum expected count is .25.			

Source: Computed data

Above table indicate that the Table Value is less than calculated value. Therefore, test is accepted.

9. FINDINGS

- Most of them were between the age group of 26-35.
- Most of the respondents were Male.
- 37 respondents were living in urban area.
- The majority of the respondents were completed Post-graduation.
- 6-10 of them were Tenure of service from 6 to 10.
- Majority of the respondents think that ethical practices are essential to bring honesty.
- 19 respondents answered that the Being transparent and honest about ethical behaviour
- 88 out of 90 feel that ethical behavior is all about being transparent and honest to self and others.

10. SUGGESTION

- Necessary training arrangement should be made regarding utility and code of conduct.
- Developing appropriate manual for effective implementation of code of conduct.
- Reward for adoption of healthy practices.
- Education regarding ethics and ethical values in life.

11. CONCLUSION

The Banks operate in a broad environment in which they have to respond selectively to social, political, economic and customer issues, they are at the same time obliged to the expectations of their shareholders and employees. The banking profession is unrestricted and entry is open to all sorts of people thereby making it difficult to enforce ethics. The study revealed that the Needs of ethical practices are essential to bring honesty the same time ethical behavior is very important to doing no harm to others. When researcher combines the opinion of respondents regarding their perception as to what should be the concept of ethical and ethical practices in banking, there are most of the respondents answered that the Agree. The researcher compare with Opinions regarding concept of Ethics and Ethical Practices and Socio Economic factors of Age and Marital Status, all the variables are accepted. by these study we understood that ethical practices is important to public sector banks.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

REFERENCES

- Dr. Bramwell Osula and Dr. Saroj Upadhyay, Values and Ethics, Asian Books Private Limited, New Delhi, ISBN-978-81-8412-154-4.
- D. Senthil Kumar and A. Senthil Rajan, Business Ethics and Values Himalaya Publishing House.
- Dr. Abad Ahmad, Business ethics and global values, 2008, Deep & Deep Publication Pvt. Ltd, New Delhi.
- Dr. Anil Kumar Gupta, Research Methodology, Vayu Education of India, ISBN-978-81-908040-3-5.
- Dr. Shobana Vasudevan and Prof. Aparna Ghaisas, Asia Pacific Journal of Marketing & Management Review, Vol.2(2), January 2013.
- Dr. Sunaya and Manjit Kour, Marketing Ethical Issues in Banking Industry, Biz and Bytes, Vol. 8, Issue 1, 2017, E-ISSN: 0976-0458.
- Regina John, Prof. Newman Fernandes, Rohit Krishna Misra, Dr. Amita Maxwell, The Impact Of Business Ethics In The Banking Sector, International Journal of Humanities and Social Science Invention (IJHSSI) ISSN: 2319 – 7722.
- C.R. Kothari, Research Methodology Methods and Techniques, New Age International Publishers, ISBN- 978-81-224-2488-1.