



SUSTAINABILITY OF COMMERCIAL BANKS IN NAGA CITY: THE TRIPLE BOTTOM LINE FRAMEWORK

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ABSTRACT:

A business' sustainability performance is an essential aspect of aiming for success. The triple bottom line concept emphasizes that economic performance, societal impacts, and environmental accountability can measure sustainability. This study determines and evaluates the sustainability level of commercial banks in Naga City from 2019-2021. With this, developmental plans were crafted: the FUND's Model, PLAN SIKWAT, and PLAN GREEN. Using a descriptive-correlational design, the researchers conducted surveys and interviews with ten (10) respondents, which revealed that: Naga City has a greater need for financial institutions like commercial banks as their economic status becomes prosperous; commercial banks in Naga City have a very high sustainability level wherein social sustainability was surprisingly higher than their economic sustainability debunking the assumption that banks prioritize the financial aspects of their business; the commercial banks' sustainability levels are significantly different from each other, and it has no significant relationship with the commercial bank's profile.

KEYWORDS:

Sustainability, Triple Bottom Line Framework, Economic, Social, Environmental, and Commercial Banks.



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INTRODUCTION

Most businesses aim for long-term profitability and sustainability, which also means that businesses should continue to adapt to changes and risks by improving their operations. John Elkington's triple bottom line framework emphasizes sustainability by going beyond economic aspects, extending to the environmental and social dimensions of sustainability. Norges Bank stated in 2019 that banks are crucial to the global economy, acting as key intermediaries in payment systems. The banking sector has also proven its sustainability as one of the surviving businesses by successfully navigating the immediate pressures of the COVID-19 crisis as highlighted by Ernst and Young (2020). In the Philippines, banks play a vital role in mobilizing domestic savings and converting it into productive investments, supporting the country's economic growth. As part of the United Nations, the Philippines aligns with the United Nations' Sustainable Development Goals (UN SDGs). Specifically, goals 8,9, and 11 focusing on economic growth, access to financial services, and sustainable communities, respectively emphasizes the importance of financial institutions such as commercial banks, in achieving sustainable development.

In Naga City, there are twenty-two (22) commercial banks, including branches of the same company concentrated at Centro Naga or the town's center. Most of these banks have ATMs in their branches, indicating their importance in meeting the city's financial needs. Sustainability reports reveal that commercial banks have put great emphasis on sustainability. However, previous studies have often overlooked the social and environmental aspects of bank sustainability, which are also seen as relevant sustainability measures. This study aims to assess the sustainability of commercial banks in Naga City from 2019-2021 by employing the triple bottom line framework, bridging the gap of information from previous studies.

This study focused on assessing the sustainability of ten (10) commercial banks in Naga City from 2019-2021 through the triple bottom line framework. The study only covered three aspects: economic, social, and environmental, in assessing the sustainability of commercial banks. Financial practices are considered over financial standings due to non-disclosure of branch financial reports. Sustainability reports of the commercial banks were used for document analysis to identify the parameters needed. Structured questionnaires, and semi-structured interviews with bank managers or higher-level representatives with reasonable knowledge about their bank's operational activities provided additional data. Data collection occurred from February 27, 2023, to March 7, 2023.

Research Questions

This study aims to assess the sustainability of commercial banks in Naga City from 2019-2021 through the triple bottom line framework. Specifically, these were the questions answered:

1. What is the profile of commercial banks in Naga City as to years of operation; the number of branches; estimated capitalization; and services offered?
2. What is the level of sustainability of commercial banks in Naga City averaged from 2019-2021, along with economic, social, and environmental aspects?
3. Is there a significant difference in the level of economic, social, and environmental sustainability, averaged from 2019-2021, among the commercial banks in Naga City?

4. Is there a significant relationship between the profile of commercial banks and their level of sustainability?
5. What developmental plan can be formulated for further improvement of the sustainability of commercial banks?

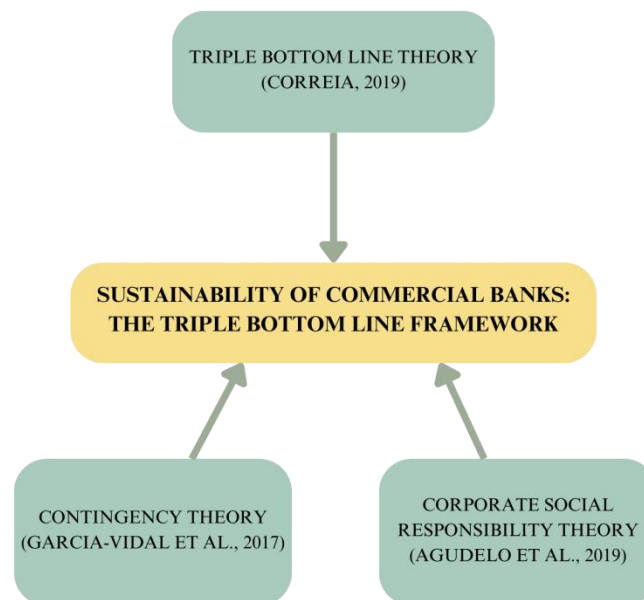


Figure 1. Theoretical Paradigm

The figure above shows the vital theories that served as a guide in conducting the study. The Triple Bottom Line Theory by Correia (2019) proposes shifting from a financial accounting-focused business system to a more comprehensive strategy that evaluates economic, social, and environmental performance to achieving success, resilience and sustainability. Known as the 3 P's, which stand for profit, people, and planet—this theory emphasizes that businesses must account for all costs associated with their operations to achieve true success and sustainability. The triple bottom line framework supports the study by demonstrating how banks can achieve sustainability through increased revenue, reduced costs, and build loyalty among stakeholders.

Vidal et al. (2017) discussed the contingency theory, which states that a leader's effectiveness depends on how well their approach fits a specific situation. According to this view, a leader's relationships and capacity to advance the organization's goals were more important indicators of success than the quantity of work. In commercial banks, managers should adapt their skills and strategies to meet situational demands. Since the banks have sustainability and social responsibility reports, the different branches of these banks should align these strategies on the main framework of their head office banks.

The Corporate Social Responsibility (CSR) Theory, as cited by Agudelo et al. (2019), encompasses four obligations: economic, legal, ethical, and philanthropic. These four CSR obligations help companies to stay afloat, exhibiting their importance in the welfare of the society. Implementing CSR can enhance a commercial bank's reputation, providing a competitive advantage and contributing to cost savings by reducing waste and environmental impact. This theory supports the study by

highlighting how responsible policies in banks can improve their sustainability and societal contributions.

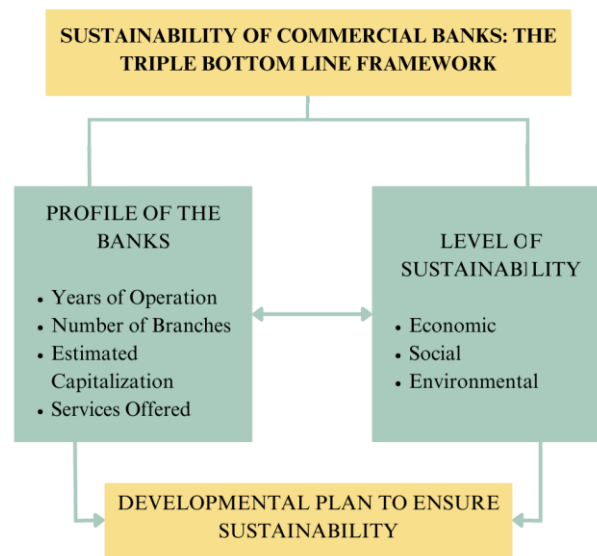


Figure 2. Conceptual Paradigm

The figure shown above presents the conceptual paradigm of this study entitled "Sustainability of Commercial Banks in Naga City: The Triple Bottom Line Framework." The level of sustainability is the dependent variable, while the triple-bottom-line framework is the independent variable. The profile of commercial banks in Naga City was described along with years of operation; the number of branches; estimated capitalization; and services offered. The level of sustainability was measured through the triple-bottom-line framework using the instruments that this study utilized.

METHODS

Research Methods

This study used a descriptive correlational research design with a mixed method approach employing both qualitative and quantitative research methods. The descriptive research design was utilized to determine the level of sustainability of commercial banks in Naga City from 2019-2021, along with economic, social, and environmental aspects. It was also used in the information gathered from interviews with the respondents. The qualitative method was supplemented with open-ended questions carried out through an interview, and the quantitative method was supplemented with the questionnaires provided through a survey. The correlational research design was utilized in (1) the significant difference in the level of economic, social, and environmental sustainability averaged from 2019-2021 among the commercial banks; and (2) the significant relationship between the profile of the commercial banks and their level of sustainability.

Documentary analysis was performed first to identify the parameters needed to utilize the main research instruments: structured questionnaires and semi-structured interviews using the sustainability reports. Both research instruments are served consecutively on each respondent. They were surveyed using a structured questionnaire with a Likert scale - to measure the degree of their

opinion on the given parameters under economic, social, and environmental sustainability. The first part of the questionnaire determined the demographic profile of the respondents, while the second part was for economic, social, and environmental sustainability parameters. Based on their observation, they were allowed to choose from the given scale: 5-Very High Sustainability, 4-High Sustainability, 3-Moderate Sustainability, 2-Fair Sustainability, and 1-Poor Sustainability. The respondents were also interviewed to ask follow-up questions that aimed to assess the bank branch's contribution to the overall sustainability performance of their company and served as a guide for the formulation of the developmental plan.

Sampling Procedures

This study used non-probability sampling, specifically convenience purposive sampling. Based on the official statistics from the Naga City Government there are twenty-two (22) commercial banks in Naga City. The sample size was narrowed down to ten (10) commercial banks, where the other 12 banks are branches of ten (10) different companies. The sample size was reduced to one branch per bank, because of the assumption that respondents from the same company would give the same data. A bank manager or any representative at the managerial level/higher position with reasonable knowledge and handling of the bank's operational activities was surveyed and interviewed to collect the relevant data needed per bank. The respondents were given a letter of permission before the actual data collection. They can decline and withdraw since answering the questionnaires is optional. Any data collected will be treated with the utmost confidentiality and will only be used for the study.

RESULTS AND DISCUSSIONS

Profile of Commercial Banks

Table 1. 1 Bank's Profile

Profile	f	%	r
Years of Operation			
10 years or less	2	20%	3
21-30 years	3	30%	2
31 years or more	5	50%	1
Total	10	100%	
Number of branches in Naga City			
1-2 branches	6	60%	1
3-4 branches	3	30%	2
7 or more branches	1	10%	3

Total	10	100%	
Estimated Capitalization			
Less than ₱2 billion	5	50%	1
₱6 billion-₱10 billion	2	20%	2.5
₱11 billion-₱15 billion	2	20%	2.5
₱21 billion and above	1	10%	4
Total	10	100%	

Bank operations for 31 years or more ranked first because Naga City has been one of the centers of trade and commerce in Camarines Sur for so many years. Since many investors are still coming to the city, some banks recently opened their operations to the public, so some banks have operated for ten (10) years or less that ranked last. Additionally, banks that are utilizing less than ₱2 billion estimated capital ranked first maybe because this is what their head office allocates to these banks, which coincides with the number of branches that they have in the area, which is one (1) to two (2) branches that also ranked first. Conversely, the estimated capitalization of ₱21 billion and above ranked last in which it is also in the same rank as the seven (7) or more branches may be because the main branch can generate this large amount of capitalization.

Accordingly, the data revealed that commercial banks had been established in Naga City for over a decade, and their presence is a testament to the city's economic growth and the demand for financial services. This only shows the sustainability of commercial banks in Naga City and their ability to adapt to the changing needs of the local economy.

About the years of operation of commercial banks, a business's continuous response to the changing market demands and the different risks and how to mitigate them is an underlying concept of strategic agility which is a crucial key in attaining sustainability (Al-Nattar& Alazzawi, 2020). Since they have been operating for more than a decade, commercial banks have various strategic plans in response to market changes and government policies, which will give rise to other opportunities to improve their operations.

Services offered*Table 1. 2 Services offered by the Commercial Banks*

Profile	f	%	r
Services Offered			
Commercial Lending	8	6%	9
Borrowing	7	5%	12
Depository Services	10	8%	2.5
Withdrawing	10	8%	2.5
Opening of savings accounts	10	8%	2.5
Opening of checking accounts	9	7%	5.5
Loan Syndications	2	2%	19
Foreign Exchange	9	7%	5.5
Investment Banking	8	6%	9
Accounts Payable Solutions	4	3%	15
Liquidity Management Solutions	5	4%	14
Brokering	3	2%	17
Trust and Investments	8	6%	9
Credit Cards	8	6%	9
Corporate Cash Management	8	6%	9
Remittances	10	8%	2.5
Leasing and Financing	6	5%	13
Insurance Brokerage	3	2%	17
Stock Brokerage Services	3	2%	17
Total	131	100%	

For the services offered, as revealed by Table 1.2, depository services, withdrawing, the opening of savings accounts, and remittances ranked first as they have ten (10) respondents each, which corresponds to 8%, respectively. In contrast, two (2) or 2% offered the loan syndications, which ranked last. The services offered, such as depository services, withdrawing, the opening of

saving accounts, and remittances, ranked first because they are commonly availed by each community member and are relatively easy to satisfy. At the same time, loan syndication is a minor service that the banks offer because of its corresponding risk for both the banks because it involves not just only one bank but also other banks and its clients.

As related to the growing economic status of Naga City, the demand for the bank's financial services from the general public of Naga City is also increasing. The data revealed that commercial banks in Naga City are competitive, offering various services that can result in customer retention. It is a competition of who offers the services that are more affordable and convenient because the customer's preference will always be the differentiating factor.

The lifeline of the banks is the different services they offer, which is one contributor to their overall performance as a company. With this, openness, diversity of transactions, and transparency can all favorably impact commercial banks' financial sustainability (Kamar et al.,2021).

Level of Sustainability of Commercial Banks

This part will discuss the various aspects of the sustainability of commercial banks through its economic, social and environmental factors.

Economic Sustainability

Table 2.1 Level of Economic Sustainability of Commercial Banks in Naga City

Parameters	Mean	Rank	Interpretation
On time payment of debt	4.70	2	Very High Sustainability
Average number of customers	4.50	4	Very High Sustainability
Acquisitions of new assets (i.e. investments)	4.00	5	High Sustainability
Compliance with tax obligation (i.e. income tax and business tax)	4.90	1	Very High Sustainability
Strategic financial planning (i.e. reducing of operational expenses)	4.70	2	Very High Sustainability
Overall	4.56		Very High Sustainability

Legend:

4.50 - 5.00 - Very High Sustainability 3.50 - 4.49 - High Sustainability 2.50 - 3.49 - Moderate Sustainability

1.50 - 2.49 - Low Sustainability 1.00 - 1.49 - Very Low Sustainability

Table 2.1 exhibits that in terms of the overall level of sustainability along the economic aspect, commercial banks in Naga City have a "Very High Sustainability" with an average weighted mean of 4.56. Among the parameters, compliance with tax obligation ranked first with a mean of

4.90, interpreted as "Very High Sustainability," while the acquisition of new assets ranked last with a mean of 4.00, which means "High Sustainability." The results show that commercial banks in Naga City are sustainable in terms of economic aspects.

Compliance with tax obligations is ranked first because it is a legal obligation that poses possible liability upon non-compliance. Moreover, banks are one of the specialized industries charged with public trust. Therefore, they are monitored by the public and other secondary stakeholders. That is why non-compliance with taxes can greatly affect the company's reputation and performance. On the other hand, the acquisition of new assets is still considered highly sustainable but has the lowest mean out of all the parameters. This is because the acquisition of new assets is not the top priority of commercial banks and is mainly focused on improving rather than sustaining operations.

Refinitiv (2020) affirmed that the balance among the interests of all stakeholders (i.e., the government) plays a vital role in the compliance and sustainability teams within any organization. This means that compliance with legal obligations is an essential responsibility of banks, affecting their economic sustainability. Additionally, Piotr (2017) stated that banks do not control the demand for compliance, but they can optimize the effectiveness and efficiency of their response. Therefore, looking at how the banks respond to their compliance obligations is notable because it affects their economic performance. Moreover, Piotr (2017) found out that adapting a program for sustainable compliance can free up to 30 percent of the function's capacity, improving the effectiveness of risk management. This affects a bank's economic sustainability in the sense that banks can carry on with their operations without government disruptions due to their high compliance with their obligations. Banks can therefore maximize their functions resulting in higher economic performance.

Social Sustainability

Table 2.2 Level of Social Sustainability of Commercial Banks in Naga City

Parameters	Mean	Rank	Interpretation
Compliance with the laws and regulations in the community (i.e. statutory benefits such as SSS and GSIS of the employees)	5.0	1	Very High Sustainability
Network of customer connections (i.e. strengthening customer relations)	4.8	3	Very High Sustainability
Employee turnover	4.3	5	High Sustainability
Fair representation of all genders (i.e. senior leadership)	4.9	2	Very High Sustainability
Leveraging of resources to help community (i.e. financial education program and health-related programs for the employees)	4.67	4	Very High Sustainability
Overall	4.73		Very High Sustainability

Legend:

4.50 - 5.00 - Very High Sustainability 3.50 - 4.49 - High Sustainability 2.50 - 3.49 - Moderate Sustainability
 1.50 - 2.49 - Low Sustainability 1.00 - 1.49 - Very Low Sustainability

Table 2.2 reveals that the commercial banks perceived the level of sustainability along social aspects as having "Very High Sustainability" with an average weighted mean of 4.73. Four (4) parameters were interpreted as "Very High Sustainability," but compliance with laws and regulations in the community ranked first among other parameters with a mean of 5. However, employee turnover came last with an average of 4.3, interpreted as "High Sustainability."

The result implied that compliance with the laws and regulations in the community, such as statutory benefits like SSS and GSIS of the employees, is the highest among the parameters since commercial banks need to follow the rules mandated by the government for them to be able to operate and build good relationships with their customers and employees. As a bank that deals with finances, it is essential to establish good social relations and reputation and gain the general public's trust and their employees' trust. Clients engage in a bank based on their legality to operate, how they treat their potential customers under the law, and their employees' competence. Using the expertise of their employees, commercial banks can function well and attain their goals. On the other hand, employee turnover ranked the lowest but still with very high sustainability. It indicates that the company prioritized its employees and met their needs. However, there are still improvements to be made regarding employee management since the banks experienced a loss in human resources.

Neil (2017) stated that organizations should meet their obligations in compliance with employment law, rules, and regulations. An organization should be responsible for fulfilling health and safety requirements and guarantees that the employees receive their statutory workplace benefits. In line with this, enriching employee satisfaction by giving out wellness, workplace entitlements, and compensation benefits drives the social sustainability of the company (Govindan et al., 2021). Complying with policies like Corporate Social Responsibilities (CSR), which promotes proper support to the needs of the primary stakeholders and employees in social aspects, can help commercial banks reduce employee turnover. If the company sees the relevance of its employees and pays attention to them, its staff will be driven to do their work and might stay longer in the company.

Environmental Sustainability

Table 2.3 Level of Environmental Sustainability of Commercial Banks in Naga City

Parameters	Mean	Rank	Interpretation
Mitigation of environmental risks to the community	4.60	2.5	Very High Sustainability
Efficient use of energy	4.70	1	Very High Sustainability
Participation in environmental programs and projects	4.40	3	High Sustainability
Productive use of renewable resources	2.80	4	Moderate Sustainability
Compliance with proper waste segregation	4.60	2.5	Very High Sustainability
Overall		4.73	Very High Sustainability
Legend:			
4.50 - 5.00 - Very High Sustainability 3.50 - 4.49 - High Sustainability 2.50 - 3.49 - Moderate Sustainability			

1.50 - 2.49 - Low Sustainability

1.00 - 1.49 - Very Low Sustainability

As shown in Table 2.3, the ten (10) commercial banks in Naga City are determined as highly sustainable towards the environment having an average weighted mean of 4.22. The efficient use of energy ranked first with a mean of 4.70, identified to have a "Very High Sustainability" level. Meanwhile, the productive use of renewable resources ranked last with a mean of 2.80, determined to have a "Moderate Sustainability" level.

Banks are one of the energy users (i.e., electricity and water), including business establishments and households, that consume high monthly utility bills. However, the data revealed that commercial banks are very highly sustainable in terms of using energy efficiently. This is because banks use energy-efficient systems, appliances, and equipment; the bank employees are trained to practice energy conservation as part of their environmental sustainability programs and policies, and it is regularly evaluated by the World Bank through Regulatory Indicators for Sustainability Energy (RISE). As presented, commercial banks in Naga City produced a high level of environmental sustainability; it can be inferred that the environmental programs, projects, and policies are effectively implemented within the entities. Meanwhile, the productive use of renewable resources is considered the least observed activity under environmental sustainability. The result is influenced by what is provided and implemented by the main offices of each commercial bank to their branches to operate. Only a few banks adopt the use of solar power energy depending on their electricity usage, the size of the branch office, and the order of their headquarters.

According to Sivalingam, N., and Arulrajah, A. (2022), green employee behavior has a significant positive relationship with the bank's environmental support and sustainable performance. They are adopted together to achieve environmental sustainability in a competitive banking industry. This study stated that green employee behavior includes employees' engagement with environmental activities and eco-initiatives, adequate resources should be supported and provided by the bank owners and bank managers, and the effective implementation of a disciplined environmental approach in their daily operations. These days, more commercial banks are identified as one of the environmentally sustainable entities, supporting that employees are primarily participative in environmental activities. Achieving a high level of environmental sustainability was affected by the involvement of employees to maintain the efficient use of energy better and distribute the responsibility of monitoring the bank's sustainable environment.

Summary of the Level of Sustainability of Commercial Banks in Naga City along Economic, Social, and Environmental Aspects

Table 2.4 Summary Table of Level of Sustainability of the Commercial Banks in Naga City

Parameters	Mean	Rank	Interpretation
Economic Aspect	4.56	2	Very High Sustainability
Social Aspect	4.73	1	Very High Sustainability
Environmental Aspect	4.22	3	High Sustainability
Overall	4.50		Very High Sustainability

Legend:

4.50 - 5.00 - Very High Sustainability 3.50 - 4.49 - High Sustainability 2.50 - 3.49 - Moderate Sustainability
1.50 - 2.49 - Low Sustainability 1.00 - 1.49 - Very Low Sustainability

Table 2.4 summarizes the data on the level of sustainability of commercial banks in Naga City among financial, social, and environmental aspects. Each parameter was interpreted as "Very High Sustainability" and "High Sustainability," which pertain to how commercial banks focused on the triple bottom line framework. Among these aspects, commercial banks perceived social aspects demonstrating "Very High Sustainability" with an average weighted mean of 4.73. In addition, the table revealed that the environmental aspect got the lowest average weighted mean of 4.22 which is interpreted as "High Sustainability."

It is commonly assumed that as financial institutions, commercial banks would prioritize their sustainability on the economic aspect because they are providing financial services to the general public and companies as well. However, the data revealed that the commercial banks in Naga City debunk this assumption as they prioritize social aspects rather than economic aspects. This is because commercial banks acknowledge the importance of people in their goal of leveraging their growth as a company and that they are not only being measured solely on their financial performance but instead on their social performance as well. In addition, focusing on social aspects allows commercial banks to solve societal problems such as fair representation of genders. To strengthen this claim, one of the bank managers stated that their branch alone has more women in the workplace than men. It was also said that their supervisor is a woman. In addition, one of the sustainability reports shows the increasing number of employment opportunities for women, which only shows that even financial institutions are now progressive, contributing to their sustainability.

This result affirms the statement in an article published by Deloitte Global Human Capital Trends (2018), which stated that businesses are no longer assessed based only on their financial performances but rather increasingly judged on what is their relationship with their workers, customers, and the community as a whole. Hence, these transform the norms from business enterprises into social enterprises. In addition, this article also stated that businesses must maintain positive relationships, not only with customers and employees but also with the communities, regulators, and other stakeholders. By doing this, business leaders will enhance collaboration and build trust, credibility, and consistency, which can help their company to become sustainable in the long run.

The Significant Difference in the Level of Economic, Social, and Environmental Sustainability Among the Commercial Banks in Naga City

Table 3. Two-Way ANOVA for the Significant Differences in the Level of Economic, Social, and Environmental Sustainability, from 2019-2021, among the Commercial Banks in Naga City

Source of Variation	SS	df	MS	Computed F-value	P-value	F crit @5%	Interpretation
Rows(Commercial Banks)	2.039	9	0.227	3.076	0.020	2.456	S
Columns(Aspects)	0.995	2	0.497	6.755	0.006	3.555	S
Error	1.325	18	0.074				
Total	4.359	29					

Legend: S - Significant NS - Not Significant

Interpretation Guide: Absolute Computed Value \geq Critical Value

Table 3 shows that there is a "Significant" difference in the sustainability of commercial banks among aspects (economic, social, and environmental). For rows (commercial banks), the computed F-value of 3.076 shows a significant test result at a 5% level of significance ($p < 0.05$).

This implies a significant difference in the level of sustainability among banks in Naga City. Furthermore, the data reveals that Commercial Bank A has the highest level of sustainability, with a mean of 4.87, while Commercial Bank G has the lowest, with a mean of 3.93. It is also shown that among the three aspects of sustainability, the social aspect ranked first with a mean of 4.64, and the environmental aspect ranked last with a mean of 4.22. The data reveals that some of the commercial banks are performing better than others in terms of the level of sustainability along economic, social, and environmental aspects. Source of Variation Computed F-value P-value F crit @5%

Table 3.1 Summary of Means of Sustainability Levels

Commercial Banks	Mean	Level of Sustainability	Mean
A	4.87	Economic	4.56
B	4.53	Social	4.64
C	4.33	Environmental	4.22
D	4.73		
E	4.60		
F	4.53		
G	3.93		

H	4.27		
I	4.67		
J	4.27		

It is also shown that among the three aspects of sustainability, the social aspect ranked first with a mean of 4.64, and the environmental aspect ranked last with a mean of 4.22. The data reveals that some of the commercial banks are performing better than others in terms of the level of sustainability along economic, social, and environmental aspects. Although commercial banks in Naga City are sustainable overall, there is still a significant difference between the level of sustainability among commercial banks because they have varying ways of operations, face different risks and circumstances, and are bound to compete with each other whether they like it or not.

For columns (sustainability aspects), the computed F-value of 6.755 also shows a significant test result at 1% level of significance ($p < 0.01$). This implies a significant difference in the level of sustainability of commercial banks in Naga City among aspects (economic, social, and environmental). Based on the results, it can be inferred that the levels of sustainability are not the same among commercial banks in Naga City. This further explains that the degrees of a bank's economic, social, and environmental sustainability are significantly different from other banks because they have different ways of supporting sustainable goals – economic profit, social responsibility, and environmental contribution. Also, the differences in implementing their policies, rules, and regulations in the entities have had a substantial effect on their daily and overall operations in the past three years. Even though most commercial banks in Naga City showed very high sustainability, adopting sustainable banking and incorporating sustainability goals is not enough; managing the issues, risks, and opportunities in the industry is vital to achieving the desired overall sustainable performance.

Relative to the result, banks are more focused on addressing the social dimension of sustainability in banking than on essential aspects of sustainable banking, such as environmental management, the development of green products and services, and sustainability reporting (Kumar and Prakash, 2019). Additionally, commercial banks can strengthen their social sustainability by contributing a portion of profits to social responsibility projects, assisting small and medium-sized businesses, and making moral gifts to several organizations and charities (Kamar et al., 2021). This is evidently visible in each of the commercial banks in Naga City. Consequently, it can boost the company's social aspect wherein they are not only corporate inclusive but also their social responsibility is extended to the community.

The Significant Relationship Between Bank's Profile and Level of Sustainability

Table 4. Significant Relationship Between the Profile of Commercial Banks and their Level of Sustainability

BANK PROFILE	LEVEL OF SUSTAINABILITY					
	Economic		Social		Environmental	
	X ² - value	p- value	X ² - value	p- value	X ² - value	p- value
Years of Operation	7.878 ^{ns}	0.641	7.783 ^{ns}	0.650	6.333 ^{ns}	0.610
Number of Branches	5.000 ^{ns}	0.891	5.000 ^{ns}	0.891	9.150 ^{ns}	0.330
Estimated Capitalization	8.822 ^{ns}	0.887	13.200 ^{ns}	0.587	14.467 ^{ns}	0.272
Number of Services Offered	16.700 ^{ns}	0.337	14.333 ^{ns}	0.500	5.008 ^{ns}	0.958

Legend: ns - Not Significant s - Significant

Interpretation Guide: p-value \geq 0.05 p-value $<$ 0.05

Table 4 shows that there is no significant relationship between the profile of commercial banks in Naga City and the level of sustainability since the computed p-values of the parameters are greater than 0.05. This means that the years of operation, number of branches, estimated capitalization, and number of services offered are separate from a commercial bank's level of sustainability along economic, social, and environmental aspects. There is no significant relationship between the profile of commercial banks in Naga City and the level of sustainability because they all face different risks and threats and react differently to those. The background of their company cannot guarantee excellent performance all the time due to uncertainties.

Based on the results, it can be inferred that there is no interrelationship between the profile of commercial banks in Naga City and their level of sustainability. A commercial bank's profile is not related to its sustainability performance, and it does not have a significant impact on its economic, social, and environmental aspects. This is because a bank's sustainability performance is measured through assessing its programs and policies; implementation of rules and regulations; employees' actual practices and behavior; management of strategies and risks; and how the commercial banks in Naga City carry out their overall business operations without leaving a single aspect behind. Instead of considering the commercial banks' profile, the activities under the three (3) aspects should be prioritized together. This will guide the decision-making process wherein goals become more attainable if those aspects are well-balanced.

In connection with this, Honzik (2020) emphasized that sustainable banking is a concept that describes banking and investment strategies that prioritize social responsibility and environmental sustainability while pursuing financial success. It was also mentioned by Durana (2021) that one of the criteria used to determine the sustainability performance of commercial banks is the UN Sustainable Development Goals (UN SDGs). With that, banks tended to pursue various patterns of

practices because motives and strategy content have a more complex relationship, leading to the adoption of sustainable practices by multiple organizations (Zimmerman, 2019). Instead of focusing on their profiles which are evidently not a major contributor to their overall sustainability, they invest more in empowering the triple-bottom-line sustainability framework.

Developmental Plans for Further Improvement of Sustainability of Commercial Banks

This section shows the developmental plan formulated by the researchers based on the results of the follow-up interview conducted. Each plan category highlights commercial banks' possible actions to further improve their economic, social, and environmental sustainability.

Inputs

1. **Primary Resources** - The researchers developed the developmental plan using data from survey forms collected from ten commercial banks in Naga City. They also conducted interviews with bank managers and knowledgeable personnel to substantiate the results.
2. **Secondary Resources** - The researchers used sustainability reports from commercial banks to create survey and interview questionnaires, gathering data to formulate the developmental plan. In addition, related literature was also used to substantiate the developmental plan. The related literature was derived from sites like researchgate.com, sciencedirect.com, and doi.org, which are peer-reviewed.

Process:

Step 1: Performed a documentary analysis on sustainability reports to identify parameters to utilize survey questionnaires.

Step 2: Conducted a survey of each respondent using a structured questionnaire that contained a Likert scale to measure the degree of their opinion on the given parameters.

Step 3: The sustainability reports and the responses from the survey were gathered, consolidated, and analyzed to be able to construct semi-structured interview questions.

Step 4: Conducted a follow-up interview with selected respondents to assess their contributions to their company's overall economic, social, and environmental sustainability. Their answers guided the formulation of the developmental plan.

Step 5: Consolidated and summarized the responses from both the survey and interviews to present, analyze, and infer the data collected easily.

Step 6: The developmental plan was created using the results acquired from the survey and interview. It was designed using Canva to present the desired output.

Output:

This section shows the developmental plan formulated by the researchers based on the results of the follow-up interview conducted. Each plan category highlights commercial banks' possible actions to further improve their economic, social, and environmental sustainability.

Economic Sustainability: FUNDS Model

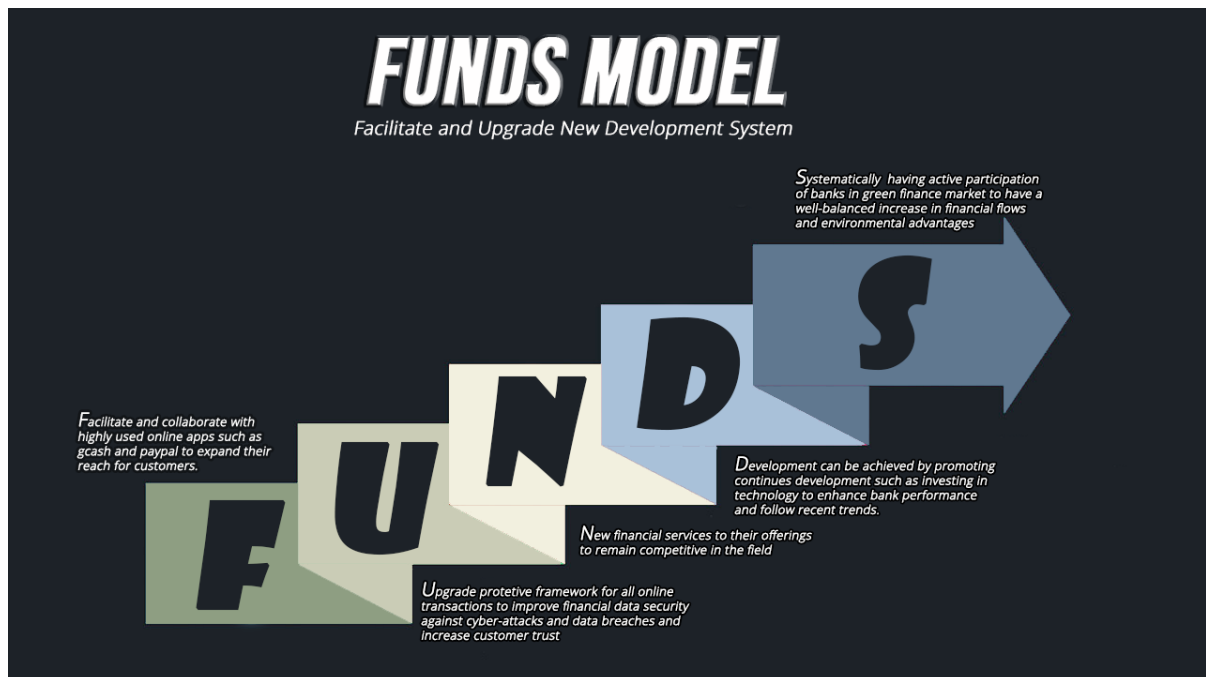


Figure 3. Developmental Plan for Economic Sustainability

The FUNDS Model encompasses how commercial banks can improve their economic sustainability. The acronym stands for "Facilitate and Upgrade New Developmental System." It highlighted the challenges that most banks face nowadays and its equivalent solution or suggestion for improvement.

Figure 3 outlines five ways to enhance economic sustainability for commercial banks. With the rise of cashless transactions through apps like GCash and PayPal, banks should collaborate with these platforms to expand their reach without burdening customers with additional apps, mainly if their gadgets have limited space. While this increases convenience, it also raises cybersecurity risks, making it crucial for banks to continually upgrade their financial data security and privacy policies to protect assets against perpetrators. Additionally, should also take time to open new financial services that are not yet available on their side but are accessible to their competitors to stay relevant and competitive.

Social Sustainability: Plan SIKWAT



Figure 4. Developmental Plan for Social Sustainability

This study found that the social aspect of sustainability is the most sustainable among commercial banks in Naga City, so they must ensure that it remains to their advantage. Plan SIKWAT encompasses how commercial banks can improve their social sustainability. The acronym SIKWAT stands for "Strong Social Presence, Initiate Awareness and Education, Keep Aiming for Continuous Development, ReWARD Excellence, and Transform Constructive Criticisms." The term "SIKWAT" is a Bicolano word that means to elevate someone so they can see what they want to see.

Figure 4 contains the researcher's suggested ways on how to improve the commercial bank's level of social sustainability. One recommendation is to conduct informative webinars for college students and interested parties about the importance of banks and their services, benefiting the community and attracting future customers. Additionally, commercial banks should actively use social media platforms to promote their services and to stay updated on local trends, as consistency in social media activity can enhance their economic performance and strengthen the bank's reputation.

To maintain high sustainability levels, commercial banks should continuously improve. This can be achieved by assessing employee performance through short customer surveys after transactions and anonymous employee satisfaction surveys, fostering openness and trust. Additionally, appreciating hard-working employees with low-cost incentives, like online certificates or fast food coupons, can boost morale and create a positive competitive environment. In response to constant industry changes, banks should enhance employee performance through training programs, workshops, and conferences, ensuring up-to-date skills and expertise. These efforts will improve stakeholder relationships and positively impact the company's social sustainability.

Environmental Sustainability: Plan GREEN

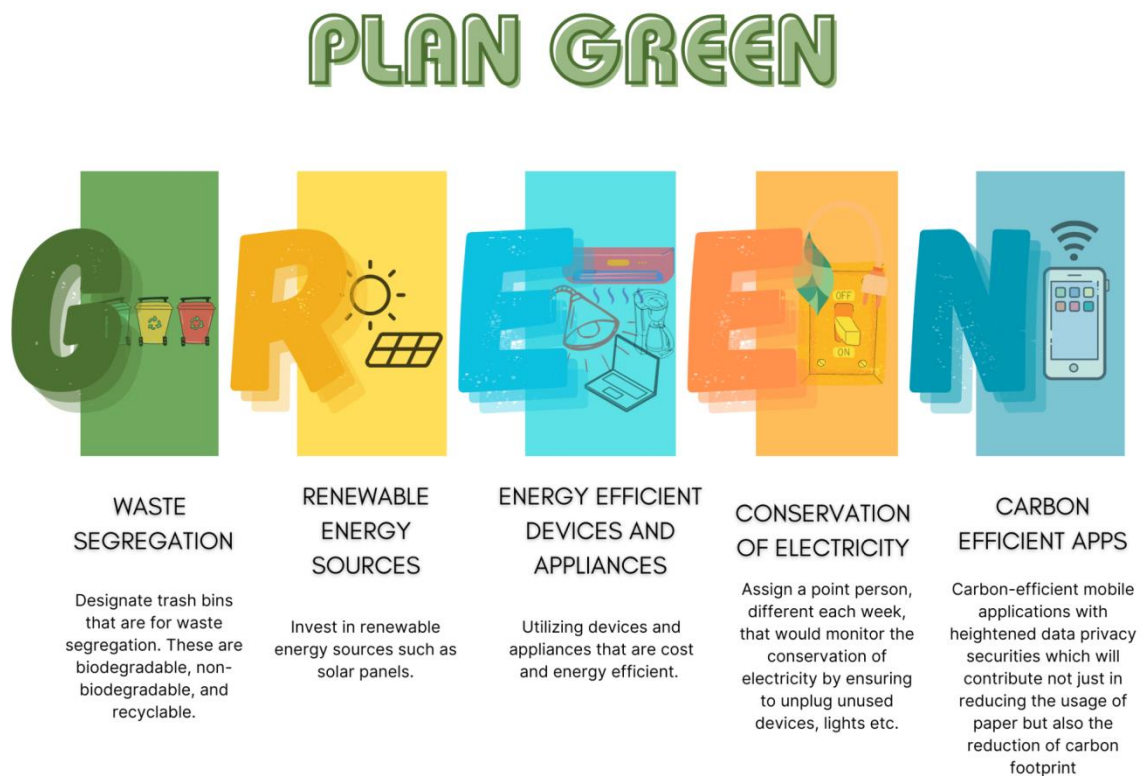


Figure 4. Developmental Plan for Social Sustainability

From the result, environmental sustainability is the least prioritized aspect of commercial banks. The Plan GREEN encompasses the ways in which commercial banks can improve their environmental sustainability. The acronym is "Waste SeGregation, Renewable Energy Sources, Energy Efficient Devices and Appliances, Conservation of Energy, and CarboN Efficient Apps."

Figure 5 outlines ways to achieve environmental sustainability. As society faces climate change, each member should contribute their fair share. One simple method is to designate trash bins for waste segregation: biodegradable, non-biodegradable, and recyclable. Additionally, commercial banks should invest in renewable energy sources like solar panels, which will reduce future costs and help decrease pollution. To further enhance environmental sustainability, commercial banks should use cost and energy-efficient devices and appliances to reduce expenses and energy consumption. Additionally, assigning a point person to monitor electricity conservation ensures all devices are unplugged when not in use, promoting awareness among employees. Banks should also move transactions online or through mobile apps with strong data privacy, ensuring these digital processes are carbon-efficient to reduce both paper use and carbon footprint. This shift also offers customer convenience. By adopting these methods with responsibility and orderliness, commercial banks can significantly improve their environmental sustainability.

CONCLUSIONS

This section presents the findings derived after the data analysis and the conclusions made for the problems being solved.

Profile of Commercial Banks in Naga City

As the economic status of Naga City becomes more prosperous, there is a greater need for financial institutions to assist. Therefore, the demand for the bank's financial services from the general public of Naga City is also increasing. The general public commonly avails of banks' services because they are relatively easy to satisfy. With this, financial institutions stay true to their role and purpose in the economy as they continue to be a financial intermediary facilitating a financial transaction between two parties.

Level of sustainability of commercial banks in Naga City along with economic, social, and environmental aspects

Commercial banks in Naga City have a very high level of economic sustainability; therefore, their services can be relied upon, and customers can trust their expertise in managing finances properly. Commercial banks are also seen to be very highly compliant with their legal obligations, highly strategic in planning, and highly competitive in terms of customer retention.

Strict compliance with the laws and regulations significantly increased the level of sustainability along with social aspects in commercial banks. Clients engage in a bank based on its legality, how they treat its customers, and the competence of its employees. It is mandated by the law to provide employees with employee benefits along with compensation for their security.

The commercial banks in Naga City produced a high level of environmental sustainability because their environmental programs, projects, and policies are effectively implemented within the entities. Both the leadership of the bank owners and managers and the participation of employees contribute to maintaining and improving the environmental sustainability of the bank operations.

Commercial banks in Naga City acknowledge that they are not only being measured solely on their financial performance but also on their social performance. This also shows that commercial banks solve societal problems when focusing on social aspects. Hence, being progressive contributes as well to sustainability.

Significant Difference in the level of economic, social, and environmental sustainability, among the commercial banks in Naga City

There is a significant difference in the level of economic, social, and environmental sustainability averaged from 2019-2021. Both rows (commercial banks) and columns (sustainability aspects) reject the null hypothesis. The sustainability performance differs from bank to bank because they have different ways of supporting their sustainable goals – economic profit, social responsibility, and environmental contribution. The differences in implementing their policies, rules, and regulations have substantially affected their daily and overall operations in the past three years.

Significant relationship between the profile of commercial banks and their level of sustainability

There is no significant relationship between the profile of commercial banks in Naga City and their level of sustainability. A bank's profile does not significantly impact its economic, social, and environmental aspects because its sustainability performance is measured by assessing its programs and policies; employees' actual practices and behavior; management of strategies and risks; and how they carry out their overall business operations. Therefore, determining the sustainability levels of commercial banks is unrelated to the information their profiles provide.

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