



GREEN BANKING IN INDIA: APPLICATION, OPPORTUNITIES AND POSSIBILITY

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Abstract

Green banking means promoting environmental-friendly practices and reducing internal carbon footprint and reduction of external carbon emission from the banking activities. Green banking is additionally referred to as ethical banking and sustainable banking. the planet has seen much specialise in economic progress, the side effects of this, has resulted enormous loss of global climate change, biodiversity, environmental damage etc. Green banking works as bridge among economic process, environmental protection and social alignments. This paper deals with the idea of green banking products among customer with different educational qualification and different income group. ANOVA and post hoc ergo propter hoc tests are applied for analyzing both the objectives. The paper concludes with several recommendations for organizations necessary to maneuver on from passive actions to active approach regarding the green banking in India. This paper finding explains that middle income group is more inclined towards green banking products than lower income group and better income groups and also there's a big difference in mean usage of green banking products among the purchasers with different educational qualification.

Keywords:Green Banking, Sustainable Banking, Ecological Balance, ANNOVA, Post Hoc Analysis.

Introduction

The banking system influences economic process and development, both in terms of quality and quantity, resulting in a change within the nature of economic process. Therefore, banking sector plays an important role in promoting environmentally sustainable and socially responsible investment. Banks might not be the polluters themselves but they typically have a banking relationship with some companies/investment projects that are polluters or might be in future. The warming effect of certain man-made gas emission like carbon-dioxide, methane, laughing gas and hydro-fluro carbon is found liable for distortion in climate changes. The rapid change in climate will probably be too great to permit many eco systems to suitably adapt, since the changes have direct impact on bio diversity, agriculture, forestry, dry land, water resources and human health. To resolve the above issues banking industries took a touch initiative by their end to adopt green banking channel operational. Green banking is different from conventional banking as convention is predicated on the principal of security and profitability and morality features a little or no role. Green banking may be a new concept that considers environmental and socially responsible investing. Green banking is defined as promoting environmental-friendly practices and reducing the carbon footprint from banking activities. In simple words, green banking may be a banking that benefits the environment. Every things of the planet directly or indirectly related or hooked in to the character for sake of growth and livelihood. We are continuously hampering our surroundings by emitting dangerous gases and by cutting trees on the name of industrialization and globalization. Such Industrialization and can't be sustain without finance and such projects are financed by banks and financial organization so banks are directly or indirectly enjoys polluting the environment. Bank should take into consideration the ecological aspect in lending aside from security and profitability. Various international protocols like UNEPFI, Equator Principles, and LEED certificates are issued so as to facilitate green banking, but Indian banks are still lagging behind. Various banks in India have formulated strategies and initiated green banking practices to support environment-friendly banking and reduce the carbon footprints of bank and customers the banks in India also started green banking practices like online banking, mobile banking, Green channel counters, e-statement, green loans, solar ATMs, etc. the problems of worldwide warming shouldn't be only restricted to a debate but has got to be addressed going green. Thus, green banking is one among the ways of going green.

Literature Review

A general scanning of literature available in India from different published sources indicates that only a few detailed studies are conducted in India within the field of Banking, particularly within the field of Green Banking. However, many studies are conducted abroad, particularly within the western developed countries. But these aren't very relevant in Indian context. This section reviews empirical literature on Green Banking conducted in country also as abroad in chronological order. Nayak Pravakar Sahoo Bibhu Prasad, 2008 Banks in India have significant influence over the safeguarding of fragile social groups and environments in Asia. At this point they need to seriously consider their attitudes towards responsible lending both nationally and globally. This shows the ignorance within the part of Indian banks about the green banking initiatives at international level. There has not been much initiative during this regard by the banks in India though they play a lively role in



India's emerging economy. Mehta, 2009, propounded that thanks to factors like highly educated and demanding customers, shorter product life-cycles and growing competition, the role of technology has increased for reducing environmental problems. Mr. Nigamananda Biswas, 2011) The banking sector influences the economic process and development in terms of both quality and quantity, there by changing the character of economic process. Banking sector is one among the main sources of financing investment for commercial projects which is one among the foremost important economic activities for economic process. Therefore, banking sector can play an important role in promoting environmentally sustainable and socially responsible investment. Ahmed (2012) gave policy recommendation including giving rewards to the banks for positive green banking initiatives by developing green index rating and building awareness amongst the stakeholder. Bahl (2012) suggested RBI and Indian government should play a proactive and formulate green banking policy, guidelines & financial incentives for effective green banking. Bhardwaj and Malhotra (2014) found a positive relationship between adoption of green banking and bank profitability. On the opposite hand, similar study by Rajput, Arora, and Khanna (2014) found no relationship between green banking initiatives and bank's profitability. Sudhalakshmi and Chinnadorai (2014) showed that not many initiatives are taken by banks in India as far as green banking cares. Choudhury et al. (2014) advocated for the need of stakeholder's influences in green banking practice and recommends some indication for state, the entire banking sector and for the businessmen. Nayak, and Goel(2014) recommended for change in routine operations of banks by adoption of paperless banking, online banking, and mobile banking, and mass transportation, green cards made from recycled plastic.

Objectives of Study

1. To examine the relationship between educational qualification and enactment of green financial products.
2. To examine the relation between income group and enactment of green financial products.

Research Hypothesis

The present study aims to test following hypothesis:

1. H_0 : There is no relation between the mean usages of green financial products and Educational qualification.
 H_1 : There is a relation between the mean usages of green financial products and Educational qualification.
2. H_0 : There is no relation between the mean usages of green financial products and Level of Income.
 H_1 : There is a relation between the mean usages of green financial products and Level of Income.

Data Collection and Sample Size

The information have been gathered through organized survey. The poll remembers thirteen inquiry for the utilization of green financial items, specifically Solar ATMs, Mobile banking, Green channel counters, Online banking, Green home loans, Green transmit cards, Green Mastercard, Online investment account, Green endorsement of stores, Green financial records, E-Investment administrations, Bonds and shared asset for ecological well-disposed undertaking, and Recyclable charge and Visas. The individual utilization score for each green financial item has been determined on 5 likert point scale, where, likert scale measure recurrence of use of green financial items. To choose test, the current examination has utilized helpful inspecting and snowball examining [A non-probabilistic examining procedure in which an underlying gathering of respondents is chosen randomly]. The 117 polls have been conveyed actually and online through Google structures to the example respondent.

Statistical Techniques

In order to test the null hypothesis, Analysis of Variance and Post hoc Multiple Comparisons test has been applied. To test the balance of difference among different instructive capability and level of Income, Levene test has likewise been applied.

Analysis and Interpretation

Reliability Statistics table that provides the actual value for Cronbach's alpha, as shown below:

Reliability Statistics

Cronbach's Alpha ^a	Cronbach's Alpha Based on Standardized Items ^a	N of Items
.805	.796	13



The Cronbach's alpha coefficient for the thirteen items is .805, suggesting that the items have relatively high internal consistency for our scale with this specific sample. (A reliability coefficient of .70 or higher is considered "acceptable" in most social science research situations.)

1. H_0 : There is no relation between the mean usages of green financial products and Educational qualification.
- H_1 : There is a relation between the mean usages of green financial products and Educational qualification.

The clear measurements shows that the utilization of green financial item is high among people who have accomplished proficient capability, with mean score of 27.9685, while, the use is least among middle with mean use of 24.1242 as it were. The standard blunder of the mean score for each gathering is between 24-27, which is reliable high among all gatherings.

Descriptive statistics of green banking product across various educational qualifications

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Intermediate	11	24.1242	11.69164	3.90721	15.2352	33.2092	13.00	49.00
Graduate	18	24.4107	6.35135	1.78004	21.1011	27.3200	13.00	39.00
Post Graduate	73	25.9879	8.19128	.96975	23.7279	27.5961	13.00	49.00
Professionals	15	27.9685	11.95678	3.38588	20.3138	34.7631	13.00	46.00
Total	117	25.6728	8.76492	.87876	23.8954	27.1403	13.00	49.00

To test the hypothesis, is use of green financial items have no connection with level of pay, ANOVA test has been led. The after effect of ANOVA test shows that the estimation of chi-square insights is discovered to be 0.038 (under 0.05), which reject our invalid theory that mean use of green banking have connection with level of Income. Since, ANOVA test accept change is equivalent across different gathering age gathering, accordingly, to test the fairness of fluctuation, Levene test [The null hypothesis is difference of mean utilization of green financial items is equivalent among different age group] has been applied.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	694.574	3	34.044	2.447	.041
Within Groups	7639.390	114	76.221		
Total	8333.964	117			

The value for Levene statistics is found to be more than 0.05 which provide evidence of equality of variance.

2. H_0 : There is no relation between the mean usages of green financial products and Level of Income.
- H_1 : There is a relation between the mean usages of green financial products and Level of Income.

The descriptive statistics shows that the mean usage of green banking product is high in High Income Group (HNI), with mean score of 27.9333, whereas, the usage is minimum in Low-income group with mean usage of 23.4152 only. The standard error of the mean score for each group is between 23-27, which is consistent high among all groups.

Descriptive statistics of green banking product across various level of Income

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Lower income Group	15	23.4152	9.09648	1.11970	24.2790	28.7513	13.00	49.00
Middle Income Group	38	26.1741	7.74560	1.49064	23.0100	29.1381	13.00	39.00
Higher Income Group	64	27.9333	7.38209	1.90605	18.8453	27.0214	13.00	29.00
Total	117	25.8408	8.66492	.81876	24.6573	28.3402	13.00	49.00



To test the hypothesis, is usage of green banking products have no relation with level of income, ANOVA test has been conducted. The result of ANOVA test shows that the value of chi-square statistics is found to be 0.038 (less than 0.05), which reject our null hypothesis that mean usage of green banking have relation with level of Income. Since, ANOVA test assume variance is equal across various group age group, therefore, to test the equality of variance, Leven test [The null hypothesis is variance of mean usage of green banking products is equal among various age group] has been applied.

ANOVA results of test of equality of mean usage across various level of Income

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	102.133	2	34.044	3.577	.038
Within Groups	8231.832	115	76.221		
Total	8333.964	117			

The p esteem for Levene insights [The results are not appeared because of quickness purpose] is discovered to be more than 0.05 which give proof of equity of fluctuation. Our outcomes show that the use of green financial items doesn't get affected by level of instruction. The current investigation finds no huge contrast in use of green financial items across different degree of training.

Conclusion

The Present study finds that the educational have direct relation with green banking products. The mean score of the usages of green banking product between Intermediate and Graduate is 24.1242 and 24.4107 respectively, which require to create more awareness among intermediate and graduate people for green banking Products. Whereas, the present study finds there is significant difference in usage of green banking products across various level of Income group.

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