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A Study On Role Of Green Banking On Sustainable Development Of Psb's In India

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Abstract:
This study navigates through the green banking concept and sustainable development initiatives and how they are contributing for the developing of PSBs in the current scenario. With descriptive and quantitative analysis, factors like green-banking products, initiatives for sustainable developments are identified to know the level of awareness and involvement of PSB employees have exhibited towards them and the development of the PSBs. This study aims to analyze these factors in the view of sustainable and green banking changing the banking outlook in the current times and how it may be made better. Ultimately, this is a given that Green banking sustainable development initiatives will be the face of mainstream banking in India.

Keywords: *Green-banking, Sustainability, Sustainable developments, Green Banking Initiatives, PSBs*

1. Introduction

Green banking and sustainable-development are two trending and booming topics that have been changing the outlook of banking-sector across world. With the emergence of digital and mobile-banking paired with economic and environmental concerns, Indian Public-sector banks have also been catching on it to become a profitably sustainable banking sector.

While Green banking refers to the environmental friendly banking-practices that are adopted to reduce harm and promote cleaner environment, Sustainable banking refers to the idea of leveraging the present banking resources in a way that the future of banking is not compromised.

Banking innovations like Paperless transactions, digital receipts, e-passbooks, e-verification and cashless transactions facilitated by secured and reliable mobile banking applications backed by technological advancements of FinTech made sure that customers have easy access to banking services.

Green-banking activities have also enhanced the users' experience such that in today's world people are preferring modern banking practices over traditional banking processes. Such practices have been proved to be quick, easy and secure when compared to the pre-digitized banking procedures.

Thus, Green Banking and sustainable development in the banking-sectors have not only proved to be beneficial for the environment, but also has been extremely popular and profitable across the Indian Banking Sector. To ensure that this progress will remain intact, Banks adopt a number of measures to keep-up with the ecological and cost concerns that have been associated with the traditional banking methods.

Need for the Study

The main focus of Green Banking and sustainable development is that along with modernizing the traditional banking practices, it also focuses on the green products – like green loans, loans to promote green projects and also to reduce carbon footprints as an effect of adopting sustainable-practices that are being offered to both general public and other institutions at a seemingly lower operational cost. With the growing environmental concerns it has also become crucial to adopt such corrective measures to ensure that the status of the banks are also upheld on par with the national and global standards balancing both sustainability and financial stability economically

2. Literature Review

a. **Jain, P. & Sharma, B. K. (2023)** have analyzed the role of 21 private-sector banks in India, including ICICI, AXIS, and HDFC, in terms of adopting green banking policies. A two-step sampling method was used to select 380 bank managers from 380 branches across India. The study aimed to know the impact of green-banking on these banks' environmental performance. The study proposes a new theoretical framework linking green banking practices to improved sustainable environmental performance and profitability. This research contributes to the existing theory of firms' profitability and suggests that environmental performance is a key determinant of long-term success.

b. **Prabhu, Nandini and Aithal, P. S (2023)** have used the ABCD analysis framework assesses the effectiveness of green banking services and their impact on usage intention. By analyzing empirical data and conducting focus group evaluations, the study determines the appropriate weighting for key aspects of green banking products. Findings indicate that the advantages of green banking services significantly influence their success. The ABCD analysis contributes to the existing knowledge on green banking practices and provides valuable insights for policymakers and practitioners.

c. **Dr. Monika Gupta1, Dr. Shivani Abrol2 & Piyalee Bhattacharya3 (2022),** have assessed the current state of green banking in India and investigates the potential for future growth. It compares two public and two private sector banks and finds that they have expanded beyond online services to include carbon neutralization and other environmentally conscious initiatives. The study suggests that there is still room for further promotion of green banking in India, especially among smaller banks. The findings may assist bank regulators in determining the growth potential of green banking in the country.

d. **G. Nandini Prabhu (2021),** This research aims to understand the acceptance of green banking practices by Indian banks. It achieves this by reviewing existing literature on the topic. Specifically analyzing the various methods of green banking adopted in India, examining the types of green banking products offered by Indian banks, identifying the emerging trends in green banking practices, Conducting a SWOC analysis (Strengths, Weaknesses, Opportunities, and Challenges) of green banking in India, exploring the green banking initiatives undertaken by various Indian banks using secondary data.

e. **Jayadatta S, Nitin S N (2017),** The paper emphasizes the importance of green banking in achieving sustainable development and economic growth. It highlights the role of banks in promoting environmental protection through green initiatives and practices. The paper discusses case studies in India and explores the international experiences, opportunities, challenges, and benefits of green banking in the country. The research aims to explore the opportunities and initiatives related to green banking in India. It will delve into the key areas of focus within green banking, identify the major challenges faced in its implementation, and examine various strategies that can be adopted for a successful green banking approach.

Research Gap

While existing studies have explored the theoretical framework of green banking, its adoption by Indian banks, and its impact on environmental performance. This study aims to know how green banking and sustainable development initiatives will impact the overall development of PSBs.

3. Methodology

This study has used primary data collected from 112 respondents who are the employees of PSBs in India. The data is collected by using convenient sampling method through structured Questionnaires. Secondary data from websites, journals and articles are used to support the theoretical background of the study. Statistical tool used is ANOVA test.

Objectives:

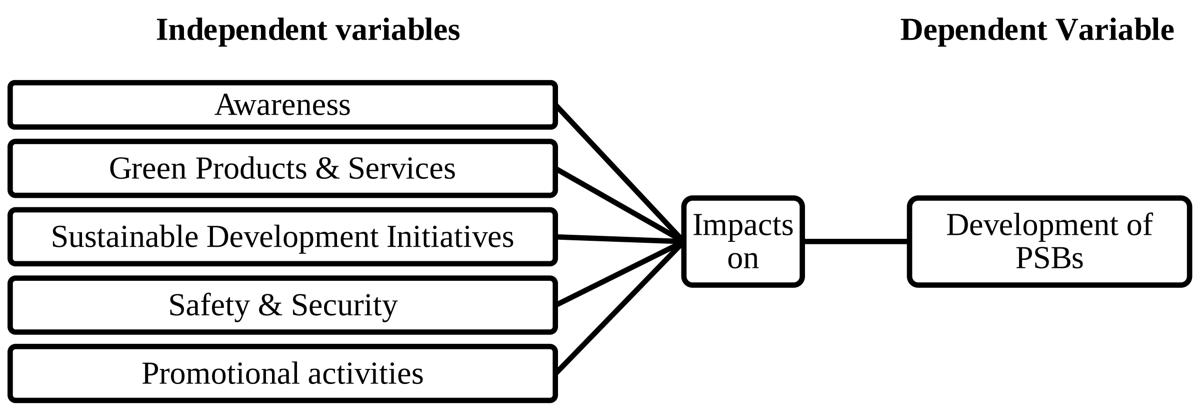
1) To understand the concept of Green Banking and sustainable development initiatives.
2) To identify the factors influencing the development of PSBs
3) To analyze the impact of Green Banking and sustainable development initiatives on the development of PSBs

Hypothesis

H0: The identified key factors don’t have influence on sustainable development initiatives on the development of PSBs.

H1: The identified key factors have influence on sustainable development initiatives on the development of PSBs.

Factors identified for the study:



4. Data Analysis

4.1 Table showing Demographics of Respondents

Parameters		No of Respondents
Gender	Male	31
	Female	81
	Total	**112**
Age group	18-24	41
	25-30	28
	31-45	24
	46-50	11
	50-above	8
	Total	**112**

**source: Primary data*

Table showing respondent's opinion towards role of green banking on sustainable development of PSB'S in India based on key factors

Basis	Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Awareness	The employees are aware of the Green banking practices	21	53	31	5	2	112
Green Products & services	Green banking products have facilitated environmental Sustainability	30	57	21	3	1	112
Sustainable development initiatives	Sustainable development initiatives are important for banks to develop in the current scenario	20	64	23	3	2	112
Safety & Security	PSBs strengthen and communicate the security measures regularly	22	57	28	2	3	112
Promotional Activities	PSBs are implementing a number of promotional activities to develop the	33	55	18	3	3	112

	banks						

**source: Primary data*

Anova: Single Factor Summary

Groups	*Count*	*Sum*	*Average*	*Variance*
Strongly Agree	5	126	25.2	34.7
Agree	5	286	57.2	17.2
Neutral	5	121	24.2	27.7
Disagree	5	16	3.2	1.2
Strongly Disagree	5	11	2.2	0.7

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	9994	4	2498.5	153.2822	1.06E-14	2.866081
Within Groups	326	20	16.3			
Total	10320	24				

Interpretation: The above Anova test states that F value is greater than F critical value, hence Null hypothesis is rejected. It is cleared that, the identified key factors have influence on sustainable development initiatives on the development of PSBs.

5.1 Findings of the Study

a. The study shows that the majority of the respondents are female (81 out of 112).

b. 41 Respondents in the age group of 18-24 represents new employees of PSBs. 28 and 24 respondents falling in the age group of 25-30 and 31-45 respectively depict that they are experienced professionals working in PSBs.

c. 53 respondents have agreed that they are aware of the green banking practices adopted in their banks.

d. 57 respondents agree that green banking products and services offered by the banks have facilitated environmental sustainability.

e. 64 responders have agreed that sustainable development initiatives are important for the banks to develop in the current scenario

f. 57 responders have agreed that their banks strengthens and communicates the safety and security measures regularly to its stakeholders

g. 55 respondents agree that their banks have implemented a number of promotional activities to develop the PSBs

5.2 Suggestions:

a. Since the younger work force is more in number, the PSBs should provide extensive training to them so that the importance of green banking and sustainable development initiatives are strongly enforced for future developments and achieving greater work efficiency.

b**.** PSBs should create awareness and conduct training sessions among senior employees on green banking and sustainable development initiatives to keep the culture of sustainable banking intact in the managerial levels as well.

c. Bank employees who are already aware of green banking products and services must continue to promote them so that they can achieve better results in the upcoming years by launching new and better products in line with the changing customer preferences.

d. Safety and security aspects of green banking measures must continuously be monitored and communicated to all stakeholders at regular intervals highlighting the new amendments so that the customer base expands more.

e. More promotional activities must be taken up by PSBs to ensure the new banking customers will incline towards sustainable products thereby facilitating the overall development of PSBs

5.3 Conclusion:

In this study, the concept of green banking and sustainable development initiatives and how it is important for the development of PSBs are analyzed . It can be concluded that the image of the PSBs in the current scenario where green banking and sustainable development initiatives play a vital role in the overall development of PSBs looks good. With changing banking conditions, it is necessary for PSBs to adopt such practices to be on par with other public and private sector banks so that the entire banking sector can be revamped towards a better and safer future environmentally and profitably.

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