



## **A STUDY ON GREEN BANKING AWARENESS LEVEL IN PUBLIC AND PRIVATE SECTOR BANKS WITH SPECIAL REFERENCE TO RAMANAGARA DISTRICT**

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### **Abstract**

*Present day world is facing major problems in climatic changes and environmental damages, but in the era of banking technologies the banks are in the position to control and protect the environment to develop clean and green economies. All banks can protect the environment through adopting new concept called GREEN BANKING, it means grouping of technology and helping bankers to change working environment by using clean energy. Green bank practices will help the banks reduce costs in operating banks and help them reduce external carbon emissions as well as to help the environment. Green technology reduces environmental pollution and builds green facilities. These green banking technology initiatives is not only adopted by banks but also gradually taken up by its various stakeholders to save the environment.*

**Keywords: Green Banking Technology, Customer Awareness, Public and Private Sector Banks.**

### **Introduction**

All banking sectors are now keen to apply green banking policies to help and tackle environmental issues. This was the first time SBI chairman inaugurated the windmills set up at panapatti village, Coimbatore district, Tamil Nadu which would produce around 20 MW of power in 2010.

Green banking refers to practices that take social and environmental factors into account in order to efficiently utilize the IT and banking process and minimize environmental impact. Green Banking contributes to improving the quality of banks' assets and services. Green Banking fosters environmentally-friendly practices by reducing carbon emissions from its local banking and opening activities, the State Bank of India adopted its first green banking policy and it is India's largest trade banks.

Green bank initiatives include the use of automatic plate machines (ATMs), paper less customer banking (Electronic Banking) and construction of clean energy windmills in rural India.

Today ecology worldwide is facing three major issues i.e., Pollution in all forms, Climate change and Global warming, all these issues are caused by human activities to upgrade the standards of living and improve our economy.

In India due to lack of awareness of environmental issues and negligence amongst people, there is a negative impact on safeguarding of ecology and its coexistences. All these issues can be resolved through educating the citizens by coordinated efforts of the Government, Private sector and Environmentalists. Apart from all these efforts, the Financial Institutions and Banks can support and oversee the activities of creating a clean and green environment. Banks can provide greenery services to the customers, along with these services they can contribute to protect the society in order to safeguard the environment.



Green Banking is the financial sector's only prima facie activity for environmental protection. Green Banking is not only a business. It is a broad concept to create awareness and promotion of environment and society–friendly project and practices. Green Banking reduces its financial and non-financing operations' overall carbon footprint (in house). Through adoption of relevant strategies, banks can improve their own standards and also contribute effectively in demanding the same from its stakeholders.

Most traditional banks haven't practiced green banking or environmentally friendly activities, but green banking strategies are currently prevalent. These strategies are adopted on a large scale by local and foreign banks and these are now practiced by other financial services industry like Insurance Companies, Asset Management Firms and Service Sector industries etc. These companies are compelled for increasing green products and services, for growth and sustainability.

### **Literature Review**

1. Amitabh Mishra, 2019 “An Examine of Gaps in Service Quality at a main Private Sector Commercial Bank in Bangalore”. The research concluded that the dimension of service quality assurance by account holders was relatively unfulfilled. Such research helps to determine where decisive action is needed to address the weaknesses of a bank's service. If this is ignored, the reputation of this deficiency may be lost and “A study of Consumer Perception on the use of E- Technology in the Retail Banking Sector: A Comparative Study of Public Sector and Private Sector Banks”.

2. According to Jayabal and Soundarya, green banking ensures adherence to environment-friendly practices by banks. This eventually leads to reduction in internal and external carbon footprints (Jayabal & Soundarya, 2018). The State Bank of India (SBI), the biggest commercial bank in India, was the first bank to go green in India. When the SBI commissioned its first wind farm project in Coimbatore, Tamilnadu, it set high levels of sustainability and took a first step in green banking. The Green Bank Initiative includes ATMs, paperless client banking and wind farms construction in rural India. Two aspects of green banking are involved in cautionary use of all resources and energy to reduce the carbon footprint. The second aspect involves incentivising and financing only environment-friendly investments. So green banking also has to do with disbursement of environment-friendly of credit. The researchers focus on the banks 'contribution in general, to sustainable development / green banking practices.

3. In order to assess the customer awareness of green banking products and services sold by Mauritius based commercial banks, Neeveditah and Nalini try to evaluate (Neeveditah & Nalina, 2017). Researchers assessed customers' views of green banking and evaluated the influence on Mauritian bank customers of green banking initiatives. Primary data was collected for this purpose from 200 interviewees. The SPSS tool was used to generate statistical information. The mean analysis of the impact on bank customers of green banking products and services has demonstrated a lack of ice with the customers who reacted, including by promoting e-states, internet banks and mobile banking. A broad range of respondents however rated the impact of green projects/CSR on banking customers positively. The average score of 3.53 on mobile banking and Internet banking was demonstrated by e-statements by many respondents.

4. The banking sector can play a vital role in promoting economic and environmental sustainable and responsible growth in the country. (Banking finance.in, 2017). Such banking can be called 'green banking.' Change is a survival need of the hour. Banks can lead in economic innovation, creating new funding and investment policy opportunities. Green banking involves the combination of operational improvements, technology and changing banking customer habits. Using green banking is going to increase the operating efficiency of banks and reduce vulnerability to manual mistakes, fraud and cost savings.



5. Green banking activities involve two main approaches, according to MdShafiqul and Prahalled. It is a green change in internal business and sustainable financing (bankingfinance.in, 2017). Green banking involves banks engaging in green banking activities through domestic operations during their daily activities. These include the use of renewable energy, automating the carbon footprint and minimising it. In recent years, all banks' internal operations have incorporated paperless technologies to help protect the environment and deliver efficient and better services to clients. Banks typically use paper, electricity, stationery, lighting, air conditioning and electronic equipment to generate emissions of carbon in daily operations. The internal operations of Green-banking include the establishment of online accounts, online banking, mobile banking, net-banking and electronic funds transfers. Applications that qualify as green banking activities are also the usage of ATMs, cash and cheque deposit machines, entertaining credit and debit card-based transactions, issue of emails, SMS alerts and mini statements. On the other hand, green finance refers to banks that fund projects that are environmentally friendly. The goal is to support green technology-based projects and to reduce pollution projects, thereby reducing external carbon carbon emissions. Banks support resource-efficient industries, which lead to a carbon footprint reduction. The funding of environmentally sound business and energy-efficient industries is given priority. These industries include wastewater treatment facilities, waste disposal facilities, biogas facilities, renewable energy projects, car hybrids, etc.

6. Janakiraman and Karthikeyan re call that as part of promotion of green practices on its part, RBI has issued certain guidelines to banks The Guidelines suggest proactive steps by the banks to increase the use of electronic payment systems and prevent the use of post-dated checks. It is intended that cheques are eliminated in banks' daily transactions (Janakiraman & Karthikeyan, 2016). Consequently, banks like NABARD, SIDBI and EXIM Bank will initiate proactive steps. Eventually, the quality-of-service delivery of banks will improve. Banks are moving progressively towards fewer transactions on paper.

7. India must ensure sustainable development and growth, and is one of the greatest rising emergency market economies in the world. (EMEs). Any adverse impact of industry on ecology should not be permitted, assert Jayabal and Soundarya (Jayabal & Soundarya, GREEN BANKING: AS BANKS INITIATIVE FOR SUSTAINABLE DEVELOPMENT, 2016). The country accounts for six percent of the total global CO<sub>2</sub> emission with the metropolitan cities in turn accounting for the biggest chunk of greenhouse emission. Among the various polluting industries in India are primary metallurgical industries, associated with the production of metals like zinc, copper and steel. Industries which are into manufacture or production of paper and pulp, pesticides/ insecticides, fertilizers, sugar, textiles, chemicals/ pharmaceuticals, etc., also pollute the atmosphere. Tanneries are among the major polluters too. These industries leverage bank loans for funding their activities. Thus, the banks are in a position to arm-twist these industrial units into complying with green practices. The Reserve Bank of India (RBI) in its circular of Dec 2007, advised the banks to put in place institutional mechanisms to ensure that their constituents contributed their mite to sustainable projects. SIDBI, a prominent lender to the MSME sector, has incorporated Environmental and Social (E&S) aspects in its core business to promote sustainability.

8. An evolving consensus on the need for sustainable development promises to be eventful, assert the researchers, Sanjeev and Stuart. The researchers examine why tertiary sector businesses like banks are vocal about the indispensability of sustainable development even though their actions seldom match their words (Acahrya & Locke, 2016). Various green banking approaches, launched by India's public and private sector banks, generate an empirical dataset which can help analyse the impact of sustainable development on the financial health of these banks. The researchers find that banks, realising the significance of environmental protection, have added a few layers to procedures associated with their green banking approaches. Banks in the public sector are much more operative in the initiative than their counterparts in the private sector. Potentially, it is easy being green when using taxpayer money, add the researchers tongue-in-cheek. It serves as another example of agency cost too! The researchers' sarcasm does not stop there. For good measure,



they add to the sarcasm by stating that no real savings are achieved, no additional revenues are generated, and no innovation or productivity is witnessed. They infer that rent-seeking senior executives burden taxpayers for praise and honour by leveraging political principals.

9. Sustainable development can best be achieved by allowing markets to work within an appropriate framework of cost-efficient regulations and economic instruments (Pravakar & Bibhu, 2008). One of the major economic agents influencing overall industrial activity and economic growth is the financial institutions such as banking sector. In a globalised economy, industries and firms are vulnerable to stringent environmental policies, severe law suits or consumer boycotts. Since banking sector is one of the major stake holders in the industrial sector, it may face credit risk and liability risks. Further, environmental impact might affect the quality of assets and also the rate of return of banks in the long-run. Thus, the banks should go green and play a pro-active role to address the environmental and ecological aspects as part of their lending principle. It would force industries to go for mandated investment for environmental management, use of appropriate technologies and management systems. The researchers explore the importance of green banking, cite international experiences and highlight important lessons for sustainable banking and development in India. However, one finds that there has not been much initiative in this regard by banks and other financial institutions in India despite the banks playing an active role in India's emerging economy. Therefore, the researchers suggest possible policy measures and initiatives to promote green banking in India.

10. Sustainable development and preservation of environment are now recognized globally as indispensable for protection of our planet from the ravages inflicted on it by mankind (Shikha, 2014). Change is the need of hour for survival in all spheres. The world has witnessed a lot of economic progress and mankind has taken giant steps in its journey through time. The side-effects of the development process have, however, also been disastrous leading to loss of biodiversity, climatic change, environmental damage, etc. Bankstoo are answerable for this state of affairs. The banking sector can play a useful role to ensure that a proper balance obtains between economic growth and environmental protection leading to promotion of environmentally sustainable and socially accountable institutions. Such banking can be called 'Green Banking'. Green banking is relatively a new development in the financial world. It is a form of banking that considers the social and environmental impact. Its main motive is to protect and preserve the environment.

11. Ahmad, FayeZ. Zayed, Nurul. & Harun, Ashraf (2013), in their research study, focused on understanding the activities of Bangladeshi commercial banks regarding Green Banking and reasons behind adopting the Green Banking. The sample of the study as the employees of the bank and adopted sampling technique was probability stratified sampling technique. The group of ten commercial banks was chosen to construct the stratum, and the sample size was 300 respondents selected through probabilistic sampling technique. To analyze the data and to draw the findings, Factor analysis is used. There are mainly six factors in factor analysis which act as major influencers, and these include an economic factor, policy guideline, loan demand, stakeholder pressure, environmental interest, and legal factor. These six factors have combined variance of 65.25% of the decision regarding the adoption of Green Banking by the commercial banks to ensure sustainable economic development.

12. Ch., Sreesha (2014), In her studies paper, recognized Green Banking sports undertaken by the Banking zone in India. The aim of this paper changed into to have a look at various models or channels which make the bank branches Green. Author has highlighted the regulatory measures taken by means of the RBI for promoting Green Banking. This observe additionally gives consideration to the initiatives taken through Indian banks, each private and public, to make certain the environmental sustainability. For the reason of gathering beneficial facts, the banks like State Bank of India and Canara Bank has been decided on. Meanwhile, from the non-public sector, ICICI and HDFC Bank were selected. The findings revealed that





Indian banks are recognized the importance of environmental protection and commenced taking numerous initiatives under its Green Banking activities. The findings additionally showed that public area banks had taken greater Green Banking tasks as compared to personal area banks.

### **The Study Objectives**

- To explore and understand the green banking concept
- To examine awareness of the customers about green banking services.
- To Compare and evaluate the level of customer awareness of selected private and public banks' Green Banking services in the field of research.

### **Statement of Problem**

In the present banking industry to attract the customers and to provide easy access to the customer banks are opening up many branches. with the emerging huge competition in the banking sector , because of competition they are misusing the environment ,each and every new branch required lot of things to start a banking activities like, wood for furniture ,marble for flooring ,electricity, human resources and papers .in there day to day operation a carbon foot print Co2 increasing .apart from environmental effects there are so many disadvantages in the present banking system ex:- customers are visiting bank every day for small transactions , customers standing in front of banks for small work .so many new technology introduced by banks ,even dhow customer will get scare to use net banking ,online transfer because they prefer to go to the banks .and also now a days some banks are suffering with loss because there operational cost increasing . In order to reduces carbon footprint and climate change issues and increasing productivity green banking is very essential.

### **Area of the Study**

In the field of study, customers in the Ramanagara district are made aware of green banking technology. The research was carried out by SBI, PNB, BOI and ICICI, HDFC and AXIS banks of the public sectors. We have 52 people from public banks, while we have 48 people from private banks

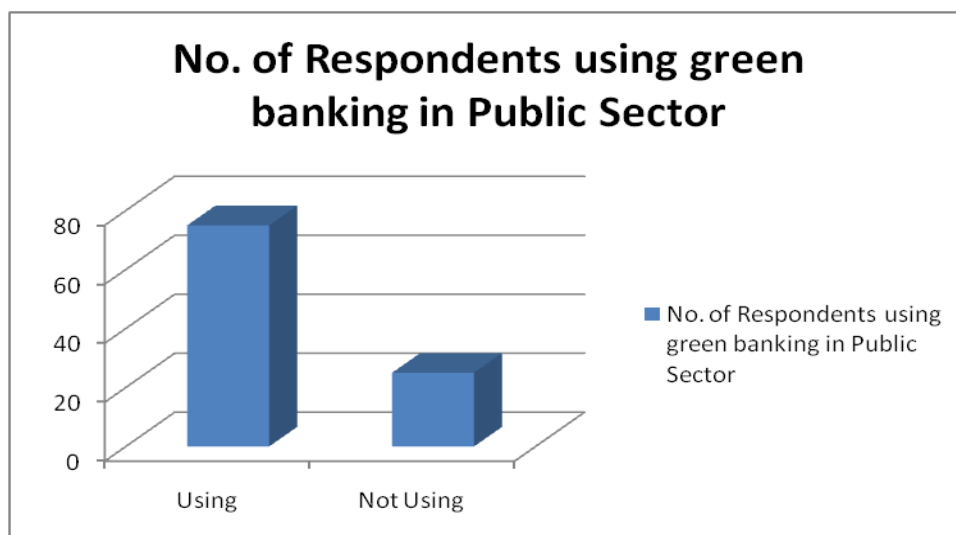
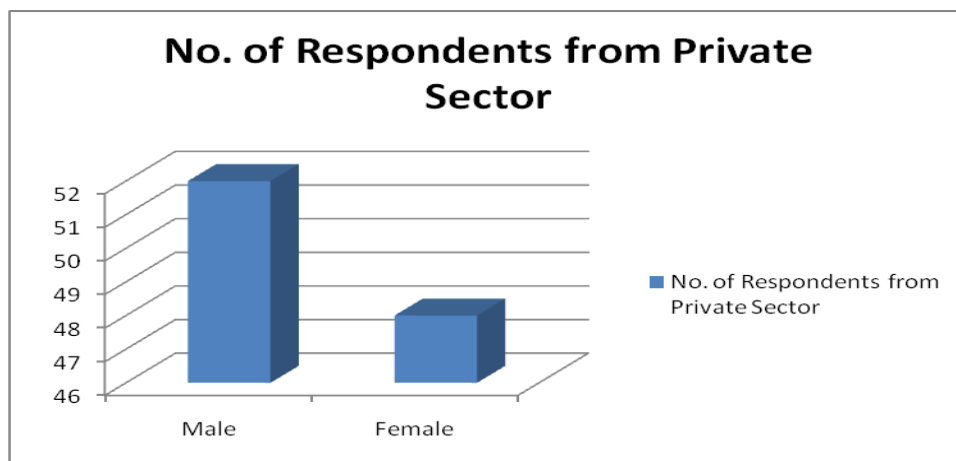
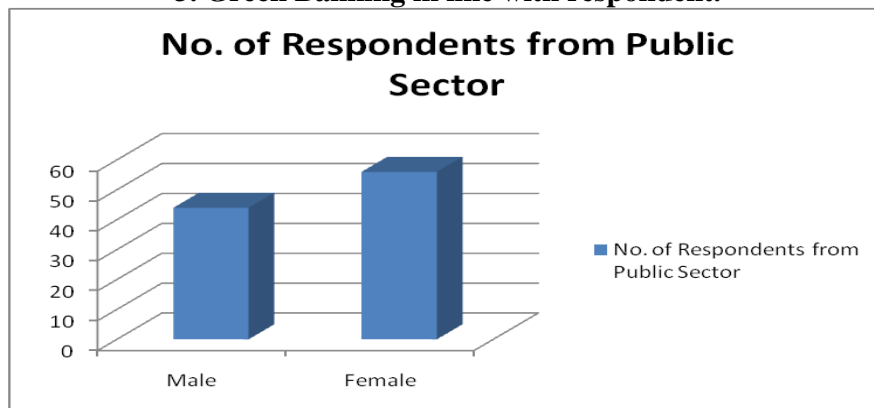
### **Data Analysis and Interpretation**

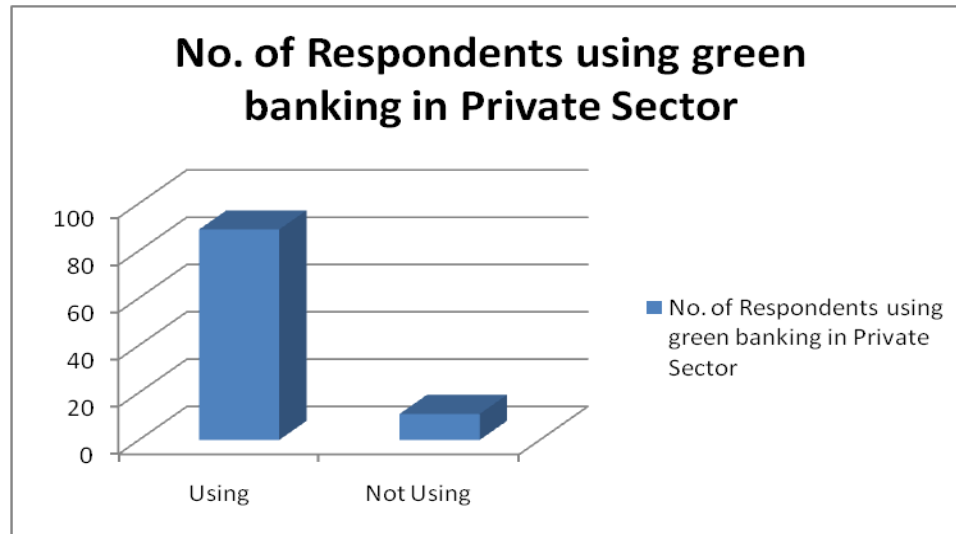
1. W.R.T. green products were targeted and accessed for observation with a sound educational background with some degrees of attention. 44 of the 100 respondents were men and 56 were women. Their interviewees were mostly public banks such as SBI, BOI and PNB and ICICI, HDFC as well as bank AXIS Private Banks. We have 52 respondents from public banks, while we have 48 respondents from personal banks. The entire bank takes note of where pinnacle banks are rated, so they are selected from a public and private banking area, in accordance with the latest data, and they are published via N.S.E.

2. Out of SBI's respondents, 68 percent had used green bank goods but had not yet been informed of their terminology. Green banking and ultimately 32 percent had been quite aware of the Bank's inexperienced banking offerings. Likewise 72 percent of PNB had not been aware of Green Banking terminology and were thus explained; Green bank products, like ATM, online banking, etc., were used but close to 28% knew the green bank concept. 86% of BOI respondents were unconscious, and 14% of respondents with the most handsome know this. 88% of the ICIC bank's private fourth quarter banks did not know the period, but ultimately 12% were privy to the inexperienced banking idea. From HDFC bank 89% have been no longer aware of the term but final 11% have been privy to the green banking idea and lastly from Axis 91% had been no longer conscious and 9% had been privy to green banking activities.



### 3. Green Banking in line with respondent.





From the above data, w.r.t first definition means "Green banking, with the responsibility and care of all the banks' resources, avoids waste and prioritizes sustainability choices Green banking means taking responsibility and care of all the banks' resources, avoiding waste and prioritizing sustainability choices. This definition was supported by 52% of respondents, whereas 48% were not in favor. 51 percent of the people who are in favor, Green banking refers to your Bank's compatibility with the environment and commitment to the Green & Ethical Policy, whereas the remaining 49% do not support the definition, with only 18% being in favor. The 80 percent remaining doesn't feel identical. Although all definitions of the banking process are similar in significance, the green banking concept has been explained in a different way, but most people are in agreement, that is to say 20 per cent are committed to green banking. Eighty percent disagree with sustainable development or green banking, indicating that development does not reduce future generation opportunities and decisions while guaranteeing continuity in current generation economic development.

#### 4. Green Banking in line with respondent.

Green initiatives	Aware	Not aware
Check for green	82	18
Green Lending	60	40
Green mortgages	43	57
CD's Green	37	63
Controlled energy utilisation	63	37
E-report registration facility that is designated by banks a needy book	62	38
Reduced paper and energy waste by means of net banking	69	31
Utilization of solar ATM's	38	62
Efficient branches and credit Energy	69	31
Debt and credit card recyclable provision	48	52
Lighting with high efficiency	52	48
Recycling paper or waste recycling	41	59
Environmental investment bonds and mutual funds	45	55
Services connected with clean development mechanism Climate change work	49	51
50% waiver in the handling of cars using alternative energy mode such as electricity and CNG	28	72



Workshops and green banking seminars	55	45
Environmental policies of the Bank	37	63
Payment for online bill	86	14
System of Cash Deposit	88	12
Services e-investment	73	27
Communicate by the media	37	63

## 5. Hypothesis Statements

Ho1 The awareness of E-Statement Initiatives w.r.t sex does not differ significantly.

Ho2. The Green Initiative for Green loans w.r.t gender has no significant difference.

Ho3. The awareness level of Net Banking initiatives w.r.t male and female clients does not differ significantly.

Hypothesis	Initiatives	Significant Value	Result
H1	E-Statement	0.483	R*
H2	Green Loans	0.175	R*
H3	Net Banking	0.142	R*

**H0: Null Hypothesis, R\*: Hypothesis accepted**

The results for the whole of the three hypotheses rejected at 95% LOS shows above. Above table Data were analyzed in SPSS and the tests of hypotheses were performed in cross-tabs and in Chi square. In addition, the study reveals in 1, 2, and three hypotheses the E – Statement on Green Loans & Net Banking Chi square value detail, which shows that gender, does not have an effect on all parameters of green banks.

## 6. Obstacles to the use of green banking services experienced by respondents

Obstacles	Difficulty in operate	No difficulty in operate
Data Security and Privacy	25	75
Lack of education	28	72
Technical Issues	34	66
Traditional approach	16	84
Lack of infrastructure	12	88

The table demonstrates that the number of respondents, i.e. 34 percent of respondents, suffer from technical problems. Even though 84% of respondents are without difficulties to adopt state-of-the-art generations and infrastructure, 28% of respondents are in favor of education.

## Conclusion

In today's business world of innovative technologies, awareness and the adoption of green banking technology is necessary and our environment is humane. Banks and Financial Institutions' green banking technology will have an enormous financial burden on Indian banks, but bank authorities, including RBI, and the Indian administration must play a significant role in formulating green politics. One of the key





instruments to control global warming is Green Banking. Every bank helps create a better place to leave and environment Earth

The table above displays that the majority, i.e. 34% of respondents, have technical problems. Even though 84% of respondents do not have difficulty in adopting state-of the-art generations and infrastructure, 28% of respondents favor the lack of education.

As the Green Banking Period some banks and economic groups, such as State Bank Of India, Yes Bank and the Financial Information Network and Operations (FINO), tasks that are friendly and environmentally friendly for your branches and take into account the tasks that you have provided your customers with the loan. However, Indian banks are still not the main equator coverage of their customers. It is now time for India to take a few strict measures to use the main guidelines for Equatorial Banks and Monetary Organizations to contribute to the safety of the environment in the future. Smooth, renewable power technology and a reduced carbon discount are obviously an excellent opportunity, and they can be done slowly and step by step when cooperation exists from all financial system sectors and the bank forms part of our economic system.

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