



A STUDY ON GREEN BANKING PRACTICES ADOPTED BY THE BANKS WITH RESPECT TO VALSAD DISTRICT

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Abstract: *Green banking differs from traditional banking. It focuses on promoting environment friendly banking. Green banking refers to the banking in such a manner that helps for overall reduction of internal carbon footprint and external carbon emission. The objective of the present study is to understand the use of green banking products in banking sector and examine the green banking initiatives taken by public and private sector banks. This research is based on primary data which is collected 136 responded from various banks with respect to Valsad district. The study found that there is no significant association between various initiatives taken by private sector banks and public sector banks by adopting green banking practices. The study also found private & public sector banks are less emphasized on core banking solution and use E-waste management for adopting environmental friendly practices. The study found that 100% of public and private sector banks are use online banking, mobile banking and other banking services. The main purpose of green banking is to reduce time and cost of the customer and involves tenets of sustainability, ethical lending, conservation and energy efficiency.*

Keywords: Green Banking, Public and Private sector banks, Environmental friendly practices

1. INTRODUCTION

Green Banking is a new phenomenon in the financial world. Banks as the financing agent of the economic and developmental activities have an important role in promoting overall sustainable development. Green banking is the term used by banks to make them much more responsible to the environment.

Green banking means using all of the banks' resources with responsibility and care, avoiding waste and giving priority to choices that take sustainability into account. It is also known as environmental friendly banking. According to the Indian Banks' Association, the green bank is like a normal bank, which considers all the social and environmental factors with an aim to protect the environment and conserve natural resources. For banking professionals, green banking involves the tenets of sustainability, ethical lending, conservation, and energy efficiency. Green banking avoids as much paper work as possible and rely on online/electronic transactions for processing so that you get green credit cards and green mortgages. Less paperwork means less cutting of trees.

2. LITERATURE REVIEW

Kavita S. Vadrale, Dr. (Mrs.) V.P. Katti (2016) had done a study on "Green Banking Initiatives by Indian Public and Private Sector Banks". The main objective of the study to evaluate the use of Green Banking Products in banking sector and examine and compare the green banking initiatives by Public and Private Sector Banks. Public and private sector banks have actively undertaken a multiplicity of green banking practices. **Sudarshan Giramkar (2018)** had done a study on "Green Banking in India: A Study for Sustainable Development." The main purpose of the study

sympathetic the green banking attitude adoption by the banks. The study of purpose they have collected secondary This study concluded that there is more of need to create awareness about green banking products acceptance amongst the middle and senior age groups individuals than young age people. **Md Saiful Islam, Mohammad Omar Faruk (2014)** done a research on “Practices of Sustainable Financing in Banking Industry: A Study on Green Banking in Bangladesh and India.” The main purpose of the study was practices of sustainable financing and green banking by the public and private banks in Bangladesh. Researcher studied sustainability regarding banking policies, fund allocations and implementations, banking strategies, innovations of banking products, performances of banking initiatives. **Rambalak Yadav, Govind Swaroop (2013)** Pathak done a research on “Environmental Sustainability Through Green Banking: A Study On Private and Public Sector Banks in India.” The study had two objectives: the environment friendly practices adopted under green banking approach by various banks in India and to study the various initiatives taken by Indian banks by adopting Phases of Green Marketing given by Peattie (2001). this study conducted the impact of green practices on consumer willingness to purchase green products of various organizations in the Indian context. **Kishore Kumar and Ajai Prakash (2019)** had done a study on “Examination of sustainability reporting practices in Indian banking sector.” The aim of this study to examine sustainability reporting tendencies of public and private sector banks in India. This study concluded the banks in India are much slower in adopting sustainability reporting practices. **Dr. R. Janakiraman and Dr. S. Karthikeyan (2016)** had done a study on “Green Banking in India – An Overview.” The study had two objectives to Green Banking initiatives by various banks and to suggest ways to promote Green Banking in India. This study concluded Green banking, if implemented sincerely opens up new markets and avenues for product differentiation.

3. OBJECTIVE

- ✓ To find out the various initiatives taken by public and private sectors banks by adopting green banking practices.
- ✓ To study the environment friendly practices adopted under green banking approach by various banks.
- ✓ To evaluate the use of Green Banking Products in banking sector.

4. METHODOLOGY

➤ Research design

This is a descriptive research study with expose factor research design conducted in a filled setting. the primary data for the study has been collected using survey method through the structured questionnaire.136 Responded selected using non probability convenient sampling method the responded are largely from Valsad district. The data so collected have been processed using statistical package SPSS-16 version. Statistical tools namely mann-whitney U test and cross tabulation has been use and table use to present the data. The present study was limited to a sample size of 136 respondents of selected areas of Valsad district.

➤ Hypothesis of the study

For the purpose of this study, it has the following null hypothesis.

- ✓ H1: There is no significant association between private & public sector banks and green banking initiatives objective.
- ✓ H2: There is no significant association between private & public sector banks and Environment friendly practices objective.

5. RESULT & DISCUSSION

Various dimensions of green banking initiative taken by banks are shown in Table No.1 Mann-Whitney U Test is performed to study the public & private sector banks difference on various dimensions of green banking initiative and the result of the analysis is shown in Table No. 2

Table No. 2: Results of Mann-Whitney U Test on banks and various dimensions of green banking initiative

Dimensions of initiatives	Banks	N	Mean Rank	Mann-Whitney U Test	P value	H ₀
I1	Private	86	67.56	2069.000	0.668	Accepted
	Public	50	70.12			
I2	Private	86	70.99	1936.000	0.254	Accepted
	Public	50	64.22			
I3	Private	86	65.79	1917.000	0.222	Accepted
	Public	50	73.16			
I4	Private	86	65.98	1933.500	0.290	Accepted
	Public	50	72.83			
I5	Private	86	65.15	1862.000	0.140	Accepted
	Public	50	74.26			
I6	Private	86	65.48	1890.000	0.211	Accepted
	Public	50	73.70			
I7	Private	86	67.05	2025.500	0.516	Accepted
	Public	50	70.99			
I8	Private	86	66.09	1942.500	0.285	Accepted
	Public	50	72.65			
I9	Private	86	66.34	1964.000	0.344	Accepted
	Public	50	72.22			
I10	Private	86	65.93	1929.000	0.250	Accepted
	Public	50	72.92			
I11	Private	86	69.17	2029.000	0.757	Accepted
	Public	50	67.34			
I12	Private	86	65.48	1890.500	0.206	Accepted
	Public	50	73.69			

(Self-computed)

Here from the above Table No. 2 analysis relationship with private & public sector banks and green banking initiatives. P value is greater than 0.05 statistical significance level. So that null hypothesis is accepted. So here there is no significant association between private sector banks and public sector banks in green banking initiative.

Various dimensions of Environment friendly practices adopted by banks are shown in Table No. 3. Mann-Whitney U Test is performed to study the public & private sector banks difference on various dimensions of Environment friendly practices and the result of the analysis is shown in Table No. 4.

Table No. 4: Results of Mann-Whitney U Test on banks and various dimensions of Environment friendly practices

Dimensions of environment friendly practices	Banks	N	Mean Rank	Mann-Whitney U Test	P value	H ₀
E1	Private	86	67.78	2088.500	0.743	Accepted
	Public	50	69.73			
E2	Private	86	68.19	2123.000	0.885	Accepted
	Public	50	69.04			
E3	Private	86	65.63	1903.000	0.198	Accepted
	Public	50	73.44			
E4	Private	86	63.31	1703.500	0.025	Rejected
	Public	50	77.43			
E5	Private	86	63.58	1726.500	0.037	Rejected
	Public	50	76.97			
E6	Private	86	67.44	2059.000	0.657	Accepted
	Public	50	70.32			
E7	Private	86	65.40	1883.500	0.162	Accepted
	Public	50	73.83			
E8	Private	86	65.36	1880.000	0.154	Accepted
	Public	50	73.90			
E9	Private	86	66.64	1990.000	0.404	Accepted
	Public	50	71.70			
E10	Private	86	64.06	1768.500	0.057	Accepted
	Public	50	76.13			
E11	Private	86	65.41	1884.000	0.160	Accepted
	Public	50	73.82			
E12	Private	86	66.67	1992.500	0.422	Accepted
	Public	50	71.65			

(Self-computed)

Here from the above table no.4 analyses the P value for the dimensions viz., E4 and E5 is less than 0.05 statistical significance level. So that null hypothesis is rejected. So here there is significant association between private sector banks and public sector banks in Environment friendly practices. Whereas, for the other dimensions viz., E1 to E3 and E6 to E12 the P value is greater than 0.05 statistical significance level. So that null hypothesis is accepted. So here there is no significant association between private sector banks and public sector banks in Environment friendly practices.

Table No. 5: Results of cross table on banks and use of green banking products

Product	Private bank			Public bank			Total
	Yes	No	%	Yes	No	%	
Online & mobile banking	86	0	100	50	0	100	136
Green credit & investment	77	9	89.5349	37	13	74	136
Green credit cards	75	11	87.2093	44	6	88	136
Green mortgages	42	44	48.8372	26	24	52	136
Green deposits accounts	73	13	84.8837	46	4	92	136
Waste managements	14	72	16.2791	17	33	34	136
Other (specify)	0	86	0	0	50	0	136

(Self-computed)

Here from the above Table No. 5 found that 100% of private sector banks and public sector banks are using online & mobile banking as compare to other products likes, green mortgages, green deposit accounts etc.

Another results shows that 100% of banks are agree to improve service delivery because of faster transactions & time saving thought the green banking. Also found that 98% of public sector banks and private sector banks are provide ATMs facility for their customers.

6. CONCLUSION

Now a days Indian banking sectors has changed the way to operate system. The banking sector is getting modernized and new facilities such as net banking, mobile banking are being prioritized at the place of traditional approaches. These new approaches adopted by the banks are beneficial to customers as well as banks themselves. The main reasons for these issues are excessive cut down of trees and construction of multi stories building and the emission of hydro-fluro-carbon, nitrous oxide that pollute the environmental. So in order to recover from these issues the best way is to adopt changes in a way that is sustainable to the environment. This study found that There is no significant association between various initiatives taken by private and public sector banks by adopting green banking practices with respect to Valsad district. also found that all private and public sector banks are using online & mobile banking for paperless banking and faster transactions & time saving. Green banks adopt and implement environmental standards for lending, which is really a proactive idea so that would enable eco-friendly business practices which would benefit future generations.

7. REFERENCES

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8. ENEXTURE:**Table No. 1: Dimensions of initiative taken by bank about green banking**

Dimensions of initiative	Description
I1	Green checking accounts
I2	Online bill payment
I3	Facility of e-statement registration
I4	Cash deposit system
I5	Reduce wastage of papers and energy through net banking approach
I6	Use of solar power ATMs
I7	Using recycle paper or recycle waste
I8	E – investment system
I9	Conducting workshop and seminar for green banking
I10	Green loans
I11	Insurance
I12	Providing recyclable debit cards and credit cards

(Self-computed)

Table No. 3: Dimensions of benefits of green banking

Dimensions of Benefits	Description
B1	Security & Trust
B2	Ease of use (24/7)
B3	Value Creation
B4	Environmental standard for lending
B5	Use of Technology
B6	Paperless banking
B7	Lower cost of doing business
B8	Time and money is saved
B9	Create new opportunity
B10	Reduces carbon foot prints

(Self-computed)