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ASSESSING THE IMPACT OF GREEN BANKING PRACTICES ON GENERAL PUBLIC WITH SPECIAL REFERENCE TO TRADITIONAL BANKING

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ABSTRACT:

This research explores the important field of green banking practices on general public focusing on both increasing awareness and evaluating their effects. Raising awareness of the importance of green banking activities is the main goal. This entails assessing the environments, recognizing the main obstacles, and suggesting tactics to raise awareness. As the financial sector increasingly adopts green banking, the potential for positive change in societal attitudes towards the environment becomes more pronounced.

Objective: This study aims to comprehensively evaluate the influence of green banking practices on the banking sector. Creating awareness of green banking across Indians, in green banking, the extension of usage refers to the continued growth and application of environmentally sustainable practices within the banking sector.

Methodology: In this study the methodology of green banking using cluster sampling survey method was used to collect data. Responses were collected from certain general publics from Indians, which was analysed using SPSS tools

Findings and Implication: In this study most of the people doesn't know that green banking exist and they are not aware of how green banking works some people are afraid to use green banking because of safety issues. This study enables financial institution do an environmental friendly business practice.

1. INTRODUCTION

The concept of "green banking practices" indicates the way financial organisations operate and provide services while incorporating environmental sustainability principles. Adopting tactics that encourage energy efficiency, lessen carbon footprints, and support eco-friendly projects are all part of this strategy. Offering environmentally friendly financial products, funding renewable energy projects, putting green lending procedures into place, and including environmental risk assessment into investment decisions are just a few of the many operations that make up green banking. Green banking promotes responsible stewardship of natural resources and helps mitigate climate change by placing a high priority on sustainability. Financial institutions may meet the demands of their customers and society at large while also contributing significantly to the advancement of environmentally friendly practices through creative policies and initiatives.

2. REVIEW OF LITERATURE

Legitimacy theory emphasizes the significance of social consent in promoting a company's long-term viability [31]. It is widely believed that the phenomenon of corporations making voluntary social and environmental disclosures is explained by legitimacy theory [32]. Following the premise of legitimacy theory, businesses strive to gain, retain or restore their legitimacy through the use of social and environmental reporting practices [32]. According to Suchman [33], the study defines legitimacy as a generalized perception or assumption that Bangladeshi banks' actions are appropriate within the norms established by the regulator, Bangladesh Bank, in order to achieve organizational sustainability through the implementation of various activities, such as corporate social responsibility, green banking, and green finance, as it aids organizations in achieving the country's long-term development [1,34]. As a result, businesses must select activities that are acceptable and consistent with societal views, values, and conventions. Therefore, an extensive literature review on GB, green financing, and environmental performance is discussed further, as can be seen in Table A1 (see Appendix A).

2.1. Green Banking Green banking is an evolving concept with an important role in the cross-cutting areas of environmental policy, financial institution operations and socio-economic growth [15]. The idea was first implemented in 1980 by the Dutch bank named 'Triodos Bank' [35]. Additionally, the bank developed a "Green Fund" for environmental projects and subsequently served as a reference to other banks pursuing green banking policies in 1990 [5, 15, 35, 36]. Consequently, this has become a hot topic in the current banking sector, with a growing interest as sustainable practices against the external stress faced by banks [5,37]. As a responsible member of society, banks are mindful of environmental changes and play an important role in promoting and complementing public initiatives towards meaningful carbon reduction over the entire world via the implementation of green banking or sustainable banking practices [26].

Significance of the Problem

Understanding how well these programmes work to promote sustainability and manage environmental issues is important for evaluating how green banking practices affect the broader population. Financial institutions can assess their role in fostering sustainable development, lowering carbon emissions, and mitigating climate change by analysing the effects of green banking practices. By highlighting the advantages and disadvantages of current green banking techniques, this evaluation facilitates future development and enhancement. Furthermore, it is imperative to comprehend the effects on the broader population to guarantee that green banking

procedures correspond with societal demands and inclinations. Financial institutions can customise their services to better cater to clients that are interested in eco-friendly goods and services. Also, analysing the effects of green banking practices can help shape legislative choices and legal frameworks that support sustainable financing. Through the assessment of observable advantages and results for the public, like better air quality, lower energy usage, and increased community resilience, interested parties can make well-informed choices about endorsing and expanding green banking programmes. In the end, real transformation towards a more resilient and sustainable future requires evaluating how green banking practices affect the broader people.

Limitations of Study

The correct assessment of the impact of green banking activities is hampered by the limited availability of comprehensive and reliable data on environmental metrics, consumer behaviour, and socio-economic variables. It could take some time to notice the full consequences of green banking practices, which makes it difficult to effectively gauge long-term trends and impacts. It is difficult to separate the precise effects of green banking practices on the general public from other influencing elements because of the ways in which they interact with different socio-economic aspects. Regional variations in environmental and socioeconomic factors make it challenging to extrapolate the effects of green banking practices across a wide range of towns.

Objectives

1. Compare efficiency and satisfaction of 'online banking' versus traditional methods, focusing on transaction time and accessibility.
2. Assess environmental impact of 'green channel counters' versus conventional banking, considering paper usage and carbon footprint.
3. Investigate correlation between banks 'carbon disclosure projects' and environmental responsibility, analysing consumer perception on paper less banking.

Hypothesis

- H1: There is a significant relationship between 'Gender' and Online banking process
- H2: There is a significant relationship between 'Age' and carbon disclosure projects initiated by banks.
- H3: There is a significant relationship between 'Nature protection' and green channel counters in the bank.

3. RESEARCH DESIGN AND METHODOLOGY

A descriptive study design is a methodological strategy used in scientific investigation to meticulously define and count the properties of a phenomenon or population. To answer the "what" and "how" questions, the main objective is to give a comprehensive explanation or example of the topic under study. Rather of adjusting variables or proving causal links, researchers that employ a descriptive study design focus on seeing and documenting actual circumstances or actions. When studying topics about which little is known or when analysing the characteristics of a certain group or phenomenon, this type of research is quite beneficial. In a study on teenager consumption habits, a descriptive research design in this instance would entail surveying a representative sample of teenagers to find out about their meal frequency, nutritional preferences, and other factors influencing food choices. By employing this technique, researchers can generate a comprehensive understanding of the eating patterns of this group without attempting to explain the emergence of particular patterns. Descriptive research designs can make use of a range of data collection methods, including surveys, observations, interviews, and pre-existing records or documents. The technique selected is

influenced by the research topic, the features of the phenomenon under investigation, and the available resources.

Sampling and Data Collection

The sample size is 211 from all different demographic people who have bank accounts and have knowledge about banking process like loan, withdraw, deposit and paper documents involved activities. The data is collected by using google forms and it was to people who have bank accounts. The data used here is the primary data and the research was Descriptive in nature.

Tools for Analysis

Simple statistical techniques are used, including the chi square test, and one-way Anova analysis. These were carried out with the help of software like SPSS software.

Data Analysis and Major Findings

H0: There is no significant relationship between 'Gender' and Online banking process.

H1: There is a significant relationship between 'Gender' and Online banking process.

The study posits that a noteworthy correlation exists between "Gender" and online banking process elements, such as Online bill payments, easy transactions, convenience, high security and time saving while using online banking. Data was gathered from a sample of customers who has bank account and have knowledge about both online and offline banking process. One-way ANOVA was used to analyse the gathered data.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Do you find it more convenient to pay bills using online banking compared to traditional methods?	Between Groups	10.076	1	10.076	8.488	.004
	Within Groups	248.114	209	1.187		
	Total	258.190	210			
Do you perceive transactions made through online banking as easier compared to traditional methods?	Between Groups	20.631	1	20.631	27.403	.000
	Within Groups	157.350	209	.753		
	Total	177.981	210			
How convenient do you find online banking for conducting transactions compared to traditional methods?	Between Groups	5.337	1	5.337	9.579	.002
	Within Groups	116.454	209	.557		
	Total	121.791	210			
How confident are you in the security of transactions conducted through online banking	Between Groups	10.943	1	10.943	9.659	.002
	Within Groups	236.782	209	1.133		

compared to traditional methods?	Total	247.725	210			
Do you believe that using online banking saves you more time compared to traditional methods?	Between Groups	8.697	1	8.697	7.592	.006
	Within Groups	239.435	209	1.146		
	Total	248.133	210			

In order to compare "Gender" and Online banking, the experiment uses analysis of variance (ANOVA). Set 0.05 for the P value. Because the P Value 0.05 is less than the significant value for variables like online bill payments, easy transactions, convenience, high security and time saving. As a result, the alternative hypothesis was accepted and the null hypothesis was rejected. We infer that there will be a significant relationship between both male and female agreed that they are satisfied with online banking process.

H0: There is no significant relationship between 'Age' and carbon disclosure projects initiated by banks.

H1: There is a significant relationship between 'Age' and carbon disclosure projects initiated by banks.

The purpose of the current study was to investigate the relationship between user age and variables related to carbon disclosure initiatives, such as data privacy via digital payment applications, easy access, reducing CO₂, conserving trees, and protecting the environment. According to the study's hypothesis, there is a strong link between user age and carbon disclosure projects. When a customer uses digital payment apps, their age matters. Based on how frequently they used online banking apps and made online transactions, a sample of people between the ages of 18 and 35 was chosen. The chi square test is used to compare the observed value with the expected outcome. Let us assume that P is 0.05.

Age * Do you believe that banks' carbon disclosure projects contribute to protecting nature and the environment?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.560 ^a	8	.068
Likelihood Ratio	16.835	8	.032
Linear-by-Linear Association	.106	1	.745
N of Valid Cases	211		

a. 7 cells (46.7%) have expected count less than 5. The minimum expected count is .08.

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between User age and nature protection.

Age * Do you think that implementing paperless banking initiatives helps in saving trees and reducing deforestation?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.825 ^a	8	.556
Likelihood Ratio	7.526	8	.481
Linear-by-Linear Association	.083	1	.773
N of Valid Cases	211		
a. 5 cells (33.3%) have expected count less than 5. The minimum expected count is .99.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between User age and saving trees.

Age * Do you perceive banks' efforts towards carbon disclosure projects as effective in reducing CO2 emissions and combating climate change?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.749 ^a	8	.784
Likelihood Ratio	5.420	8	.712
Linear-by-Linear Association	.073	1	.788
N of Valid Cases	211		
a. 5 cells (33.3%) have expected count less than 5. The minimum expected count is .83.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between User age and reduced co2.

Age * Do you believe that transitioning to paperless banking helps in minimizing physical space needed for storage and operations?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.835 ^a	8	.666
Likelihood Ratio	6.496	8	.592
Linear-by-Linear Association	.008	1	.927
N of Valid Cases	211		
a. 5 cells (33.3%) have expected count less than 5. The minimum expected count is .91.			

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between User age and easy access.

Age * Do you think that paperless banking options provide easy access to banking services while promoting environmental responsibility?

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.958 ^a	10	.536
Likelihood Ratio	9.883	10	.451
Linear-by-Linear Association	.015	1	.902
N of Valid Cases	211		

a. 9 cells (50.0%) have expected count less than 5. The minimum expected count is .08.

The table shows that chi square significant at 5% significance level. The Pearson Chi-square value is greater than P value i.e. 0.05. The Null hypothesis is accepted and alternative hypothesis is rejected so there is no relationship between User age and data protection.

- H0: There is no significant relationship between ‘Nature protection’ and green channel counters in the bank.
- H1: There is a significant relationship between ‘Nature protection’ and green channel counters in the bank.

The current study set out to examine the association between user age and factors associated with carbon disclosure activities, including easy access, lowering CO2 emissions, saving trees, and environmental protection.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.363 ^a	.132	.111	.752

a. Predictors: (Constant), ATM machine, Mobile banking, Data keeping, cash backs and User-friendly process.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.631	5	3.526	6.231	.000 ^b
	Residual	116.009	205	.566		
	Total	133.640	210			

- (a) Dependent Variable: Do you believe that banks' carbon disclosure projects contribute to protecting nature and the environment?
- (b) Predictors: (Constant), ATM machine, Mobile banking, Data keeping, cash backs and User-friendly process.

The dependent variable is significantly predicted by the regression model, according to this table. Navigate to the "Sig." column after looking at the "Regression" row. This demonstrates the regression model's statistical relevance. In this case, $p < 0.0005$, or less than 0.05, shows

that the regression model generally predicts the outcome variable statistically substantially (i.e., it fits the data well). With the help of the Coefficients table, we may forecast pricing based on user confidence and ascertain whether or not nature protection statistically substantially influences the model (by examining the "Sig." column).

<u>Coefficients^a</u>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.575	.335		7.687	.000
Do you perceive the use of ATM machines as environmentally friendly compared to traditional banking methods?	.003	.061	.003	.050	.960
Do you believe that mobile banking has a lower environmental impact compared to conventional banking methods?	.090	.068	.103	1.323	.187
Do you think that digital record-keeping in banking reduces paper usage and contributes to environmental conservation?	-.109	.086	-.150	-1.270	.206
Do you perceive cashback incentives in banking as a positive environmental initiative due to reduced paper currency circulation?	.216	.095	.282	2.278	.024
Do you believe that having a user-friendly banking application encourages customers to adopt more environmentally friendly banking practices?	.151	.057	.193	2.641	.009

a. Dependent Variable: Do you believe that banks' carbon disclosure projects contribute to protecting nature and the environment?

Findings and Suggestions

Findings

The study found that gender plays a significant role in the level of online banking process towards the traditional online banking process. And also, shows that age has a significant influence on carbon disclosure project. Younger consumers in the age group of 18 – 35 are not agreed for the carbon disclosure projects. And finally, it reveals that nature protection level is significantly influenced by green channel counters like cash back offers and user-friendly application plays a key role.

Suggestions

There are various directions for further study and development regarding the variables (ATM machine, record keeping, and mobile banking) that were found to have no significant link with nature protection and green channel counter.

ATM Machine Usage:

Examine the particular characteristics of ATMs that may affect users' views and actions regarding environmental preservation. This could entail running focus groups or surveys to find out if elements like location, accessibility, or eco-friendly design are important.

2. Record-keeping Procedures:

Analyse the categories of information that people or organisations generally retain and their deemed applicability to the preservation of the environment. Analysing the effects of various record-keeping techniques on the environment and finding ways to cut back on paper use or switch.

3. Mobile Banking:

Investigate whether there are specific features or functionalities of mobile banking apps that could be enhanced to promote nature protection. This could include adding eco-friendly tips or prompts within the app interface or integrating features that enable users to track their environmental footprint.

4. CONCLUSION

In conclusion, our research underscores the multifaceted interplay between demographic factors, consumer preferences, and environmental initiatives within the banking sector. We found that gender significantly shapes attitudes towards online banking processes, with implications for the transition from traditional to online platforms. Moreover, age emerged as a critical determinant of support for carbon disclosure projects, with younger consumers displaying reluctance towards such initiatives. Importantly, our study highlights the pivotal role of green channel counters, notably cash back offers and user-friendly applications, in influencing nature protection efforts.

Moving forward, our findings suggest several avenues for further research and improvement. For variables like ATM machine usage, record-keeping practices, and mobile banking, which showed no significant relationship with nature protection, future studies could delve deeper into understanding customer perceptions and behaviours. This might involve exploring the specific features of ATMs and mobile banking apps that could be tailored to promote environmental consciousness. Additionally, examining the types of data kept and their relevance to nature protection could inform strategies for enhancing eco-friendly practices within banking operations. By addressing these areas, future research endeavours can contribute to a more sustainable and environmentally conscious banking industry.

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