

A study on green banking awareness among graduates in Bengaluru

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Abstract:

Green Banks prioritise the use of sustainable energy over maximising profit. They actively build a pipeline of clean projects and look for business prospects. The adoption of green banking practises by some large banks in recent years suggests that a rapidly developing economy based on renewable energy may be possible. 104 students from different colleges affiliated with Bangalore University participated in the data collection. It was determined awareness and views of the green banking services offered by their banks using a random sampling technique. The study's findings revealed that there is no conclusive link between gender, awareness of, and use of green banking services and green banking practise. Banks are aiming towards a low-carbon environment as India is serious about reducing its carbon intensity.

Keywords: Green Baking, Awareness, Graduates, Bengaluru.

Introduction:

In order to accelerate the transition to sustainable energy and combat climate change, Green Banks are institutions having an identifiable goal. It implies that Green Banks prioritise the use of renewable energy over maximising profit. They actively build a pipeline of clean projects and look for opportunities for business. All Green Banks have the goal of combating climate change, but many also include other goals like enhancing resilience or helping communities with limited resources. Green banks are established as institutions, which means they can develop organisational culture and competence.

Green banks employ financial assistance rather than grants. This increases the impact of any amount that a green bank invests by implying that capital will eventually be returned or refunded. This strategy causes green banks to concentrate on sectors with a chance of success. This typically refers to projects that are well past the research and development phase and are proven, technically sound, and viable. It is possible to combine financing with other market expansion efforts. The green banks have timing in mind as they

concentrate on quickening the clean energy transition. They aim to maximize market penetration as quickly as possible in order to displace dirty energy. This is in contrast to certain existing programmes that passively make funds available.

According to the “Intergovernmental Panel on Climate Change (IPCC), our planet will warm by about 3 to 5 degrees Celsius by 2100 if businesses continue to operate as usual”.

This is especially true for the top 60 private banks in the world, who invested an astounding \$3.8 trillion in coal, oil, and natural gas projects between 2016 and 2020, according to a Banktrack research.

Fortunately, the adoption of Green Banking principles by several significant banks in recent years indicates hope that an economy based on renewable energy may soon emerge. More banks may be influenced to solve climate concerns rather than maximising profit as the advantages of climate resiliency and clean energy become apparent.

Rapid clean energy deployment requires financing. Green Banks make it simpler to finance initiatives in untapped markets, regions, and technological fields. Customers will receive cheaper, cleaner energy as a result, while private capital providers will receive greater investment.

More renewable energy is used more frequently and more cheaply as a result. Savings are made by consumers, more projects are built by investors and developers, and filthy, polluting energy sources are substituted. This study was conducted to look at the key factors that influence students' desire to embrace environmentally friendly behaviours.

Review of Literature:

Bhardwaj, B. R., & Malhotra, A. (2013): focuses on the expansion of the various green banking approaches used by Indian businesses. The study's findings indicate that banks that use green banking techniques have an impact on the organization's performance. Banks can play a significant leadership role in the necessary economic change that will open up new avenues for financing, investment, and portfolio management in order to build a robust and prosperous low carbon economy. Although these companies may differ with regard to their stated motivations for increasing green products and services, the growth, variation and innovation behind such developments indicate that we are in the midst of a promising drive towards integrating green financial products into mainstream banking. However, the author proposes a "Evolve and Connect model" through which businesses can create strategic goals to direct entrepreneurs by giving them a management structure to support their work and procedures that make assessment and decision-making easier in the face of shifting paradigms.

Yadav, R., & Pathak, G. (2013): Environmental protection has become a part of strategy in most organizations in the developed countries and started offering environment friendly or green products and services to the consumers. The aim of this paper is to study the various `Green Banking` approaches adopted by private and public sector banks in India for environmental sustainability. The findings reveal that with the time the Indian banking sector have understood the importance of environmental protection and started taking various initiatives under its green banking approach.

Dr.C.Vijai (2018), Conducted a study on awareness on Green banking services initiatives in relation to public and private sector bank in India. The author suggested that commercial banks must work on publishing independent green annual report and RBI should recognize and reward the bank for eco-friendly environment protection. The author concludes that Indian Commercial banks are becoming more response towards the green aspirations of the customers and also working towards a low carbon economy..

Aruna Shantha (2019), conducted a study on the elements influencing a customer's intention to use green banking goods, and the results show that green products and security have a favourable impact on customers' intentions to use green banking products in research banks.

Rambalak Yadav and pathak (2013), undertook a study to examine the "green banking" strategies used by both public and commercial banks to promote environmental sustainability. The study was carried out using a case study methodology, and the results show that the Indian banking industry has recognised the significance of green banking and has launched numerous initiatives to raise public awareness.

Rehman (2021), did a study on the relationship between the adoption of green banking practises and environmental performance based on SRI theory. The study looks at the direct and indirect effects of green banking practises on environmental performance. SEM has been used in this study to test the association. The findings show that investments and policies have a big impact on whether green banking practises are adopted.

Objective of the Study:

To investigate the awareness level of green banking among graduates.

To determine whether there is a relationship between gender and the degree of awareness about green banking.

To examine association between gender and green banking usage.

Research Methodology:

This empirical study was conducted using a survey method. Students who is having banks accounts in different sectors of banks are considered for the study. Data was collected from 104 students from various college which is afflicted to Bangalore University. Using a random sampling technique, it was determined awareness and perceptions of their banks offer green banking services.. The research papers, websites, and journals have been used to gather the secondary data. For the purpose of getting accurate and relevant results, descriptive approaches were applied. In order to statistically analyse a particular hypothesis, percentage analysis, and chi-square test was used.

Data Analysis:

Demographical profile:

Category		
Gender	Frequency	Percent
Male	64	61.5
Female	40	38.5
Total	104	100
Age	Frequency	Percent
18-21	82	78.8
22-24	6	5.8
25-28	16	15.4
Total	104	100
Education	Frequency	Percent
Foundation	14	13.5
Diploma	6	5.8
Graduate	54	51.9
Post graduate	12	11.5
Professional Degree	18	17.3
Total	104	100

In which type of bank do you hold your account		
	Frequency	Percent
Public	64	61.5
Private	40	38.5
Total	104	100

Source: Primary Data (Authors Complid)

Table No 1 shows the respondents' demographic profile.. The table indicates that gender i.e., 61.5 percent of the most people who answer are male and the 38.5 percentage of the respondents are female. In the age group, the Majority of Respondents (78.8%) are age group of 18- 21 Years. Further in Education Qualification Majority (51.9%) are under Graduates, and majority of respondents hold the accounts in public sector banks.

Hypothesis:

H0: There is no significant difference between gender and awareness level of green banking initiatives.

H1: There is significant difference between gender and awareness level of green banking initiatives.

Table showing Gender & Awareness Level of Respondents					
			Awareness Level of Respondents		Total
			Yes	No	
Gender	Male	Count	13	51	64
		Expected Count	10.5	53.5	64.0
	Female	Count	4	36	40
		Expected Count	6.5	33.5	40.0
Total		Count	17	87	104
		Expected Count	17.0	87.0	104.0

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	0.914 ^a	1	.166		
Continuity Correction^b	0.235	1	.267		
Likelihood Ratio	0.027	1	.154		
Fisher's Exact Test				.187	.132
Linear-by-Linear Association	0.896	1	.169		
N of Valid Cases	104				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.54.					
b. Computed only for a 2x2 table					

From the chi-square analysis, it is evident that the p-value of Pearson chi-square is (0.914) is more than the significance level (0.05) with the 1 degree of freedom, there is no association between gender and awareness level of respondents. We conclude the Null Hypothesis is accepted.

H0: There is no significant difference between gender and usage of green banking services.

H2: There is a significant difference between gender and usage of green banking services.

Gender & usage of green banking services					
		Do you use green banking for services			Total
		Yes	No		
Gender	Male	Count	32	32	64
		Expected Count	29.5	34.5	64.0
	Female	Count	16	24	40
		Expected Count	18.5	21.5	40.0
Total		Count	48	56	104
		Expected Count	48.0	56.0	104.0

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.990 ^a	1	.320		
Continuity Correction^b	.629	1	.428		
Likelihood Ratio	.995	1	.319		
Fisher's Exact Test				.419	.214
Linear-by-Linear Association	.981	1	.322		
N of Valid Cases	104				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 18.46.					
b. Computed only for a 2x2 table					

From the chi-square analysis, it is evident that the p-value of Pearson chi-square is (0.990) is more than the significance level (0.05) with the 1 degree of freedom, there is no association between gender and usage of green banking services. We conclude the Null Hypothesis is accepted.

Findings:

The study's findings revealed that there is no conclusive relationship between gender, awareness of, and use of green banking services and green banking practice.

A large percentage of students believe that switching to paperless banking is the best way to practise green banking. The introduction of green banking financial products is another strategy for raising awareness. In order to reach their stakeholders, the chosen institutions should issue independent Green Annual Reports using a format that is widely acknowledged, such as Global Reporting Initiatives. The Reserve Bank of India should honour and reward the green credit providers who are ecologically conscious banks.

By engaging in operational operations and using green practises, banks can enhance their reputation and brand. Other research indicates that customers will stick with banks if the brands, products, or services enhance their quality of life.

Conclusion:

In recent days there is more concern given for global warming and environment conservation. Due to this concern, the banks also witness the increase in green banking services to its customers. As India also concerned about reducing the carbon intensity and banks are also working with the motive of low carbon environment. So for the sustainable growth of economy, the banks are working towards green banking practices and started adopting effective strategies for its success. According to the study's findings, customer awareness and education are what are lacking in the context of the adoption of green banking.

Suggestions:

1. The green banking practices will definitely influences the bank trust.
2. In order to strengthen their customers' trust, banks need to be more aggressive and imaginative with their green initiatives by cultivating a green image through socially responsible activities.
3. Green banking practices will also improve bank loyalty.
4. Banks needs to conduct various green banking practices to consider competitive advantage.
5. Green banking includes both the adoption of green lending policies and the sustainable use of resources..

Limitation of Study:

In the study, the respondents may not have a complete awareness of the concept and they may have given biased information due to online surveys. Non- probability Technique is used on the Convenience method and only a few respondents are considered and the rural population is not considered.

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