

Greening The Financial Core: Evaluating the Role of Green HRM in Driving Low-Carbon Transitions In The Banking Sector

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Abstract— This study aims to explore the positive influence of green human resource management (GHRM) implementations on carbon emission reduction as an environmental control strategy in the banking sector. Green banking is the term used to describe banking operations that are run to help reduce both internal and external carbon emissions. Examining the green banking initiatives of Indian private sector banks and public sector banks, the current study aims to comprehend the utilization of green banking products in the banking industry. According to study's findings, public and private sector banks have successfully started the green banking movement. Basic GHRM ideas, GHRM practices used by Indian banks, and the reasons behind bank adoption of GHRM practices are all included in the report. gives a quick overview of the problem's context and significance while going over the results of other similar investigations. In the end, it demonstrates that there is a clear and significant vacuum in Indian research literature on the dearth of in-depth studies, as well as a comparison of studies conducted by diverse researchers.

Index Terms— Green Banking, Green HRM, Green Initiatives, Carbon Emission.

I. INTRODUCTION

Over the past few years, there has been a growing national and worldwide worry over global warming. All organizations are working to lessen their carbon footprints in the modern world, and banks will face both possibilities and challenges in a low-carbon economy. "Green banking" refers to the banking industry's attempts to reduce greenhouse gas emissions and maintain a green environment by streamlining its business, internal operations, and banking service-related strategies, policies, and decisions. Natural resource depletion, pollution, population expansion, energy scarcity, greenhouse effect, and effluents are global environmental issues that have impacted the ecosystem's equilibrium. In the modern banking industry, "green banking" has become a catchphrase. It is necessary to force the banking and financial industry to support sustainable development. Even though they have begun implementing green practices, Indian banks continue to underutilize many channels for greening their operations. The green initiatives and advances in the Indian banking industry are the subject of this article. (JANAKIRAMAN & KARTHIKEYAN, 2016)

II. GREEN BANKING

A "green bank," sometimes known as an ethical bank, is a typical bank that considers all social and environmental aspects. To lower carbon emissions from the outside, banks should provide funding for initiatives deemed environmentally beneficial, as this entails encouraging eco-friendly behaviours and lowering your carbon footprint from banking operations. The phrase "green banking" refers to policies and procedures that help banks be sustainable in terms of the economy, environment, and society. It seeks to minimize or eliminate environmental impact while optimizing banking procedures and the usage of physical infrastructure and IT. (JANAKIRAMAN & KARTHIKEYAN, 2016) Green Banking practices can be categorized in two parts:

1. Greening Processes, Products, Services and Strategies:

Making day to day business operations, banking products and services greener by following simple practices and making them environmentally friendly. Key among them are:

- Customers can complete most of their banking tasks at any time and from any location with the help of telephone and electronic banking.
- Electronically stored statements, product details, manuals, and yearly reports for clients and stakeholders.
- The provision and promotion of mutual funds that concentrate investments on "green" businesses.
- Providing a dedicated loan line to homeowners who wish to increase their homes' energy efficiency.
- Utilizing technological tools to reduce paper-based correspondence and stay in touch with clients and future clients.
- Creating and providing banking services and products in a way that uses less energy and resources, thereby lowering carbon emissions.
- Encourage transactions that don't require paper. (Ms & Sharma, 2017)

III. INFRASTRUCTURE GREENING

All banks are digitized in the modern world. Bankers should use these IT resources in an environmentally responsible way in this IT-enabled world. The literature that is currently available indicates that charging a laptop wastes a significant amount of energy. The charger transforms the AC into DC and steps down the voltage. Energy is wasted since this occurs if the charger is plugged into the power outlet, regardless of whether the laptop is plugged in or not. Banks could produce electricity for their own use by taking steps to make

physical infrastructure, such as buildings, and IT infrastructure. (Ms & Sharma, 2017)

Strategies that can help in reducing the power consumption are:

- Dim the screen's brightness on the computer.
 - Instead of using screen savers, which also burn energy, turn off the monitor when a background task is going on the computer and there is no need to utilize it during that time.
 - Reduce the number of processes that are configured to shut down the machine. When necessary, the necessary applications can be launched.
- There are more benefits to going green than just the social ones. Costs can be considerably decreased by making a bank's IT and physical infrastructure more ecologically friendly. (Ms & Sharma, 2017)

IV. CORE ELEMENTS OF GREEN BANKING

- **Reducing Carbon Footprint:** Banks are dedicated to minimizing their environmental effect by implementing energy-saving procedures, cutting back on paper, and developing digital banking options.
- **Investing Sustainably:** Green banks allocate funds to environmentally friendly businesses and projects, like clean technology, sustainable agriculture, and renewable energy programs.
- **Ethical Finance:** Banks may refrain from lending money to businesses or initiatives that have a negative impact on the environment, such as those connected to pollution or deforestation. (Aggarwal, 2024)

V. LITERATURE REVIEW

- Bajwa, Kaur & Mogla (2018) "Green HRM: A Sustainable Approach Adopted by Green Banks" addressed the issues of environmental damage caused by illegal activity that produces global warming and changing weather patterns, among other environmental impacts. Businesses should use eco-friendly practices centred around the go green concept to strike a balance between their organizational aims of making money and preserving the environment for a sustainable future. The green standards represent a fresh and creative approach to environmental preservation. Companies should also be aware of the catastrophic consequences of human activity, which have the potential to wipe out entire nations. The purpose of the article was to examine the many green components that can be incorporated into HRM practices and to highlight the existing status of green HR practices utilized in banks. Organizations like ICICI Bank, HDFC Bank, and others have embraced this green strategy to emphasize environmentally friendly human resources practices and to reduce waste, recycle it, and put it to other beneficial uses. The study presents an intriguing analysis of the need to implement green HRM training and practices to raise awareness. Additional research on the green performance of
- banking institutions can be conducted to determine whether these initiatives can draw in more clients and to assess the difficulties that organizations face.
- Muzahidul, Jahidul, Pervez & Nabi (2019) In "Green HRM & Green Business: A Proposed Model for Organizational Sustainability," the issue of sustainability must be addressed in every aspect of society. To confront the changing climate, people should find workable solutions and create innovative strategies for modern enterprises that ensure sustainability over the long run. To illustrate the significance of environmental programs and policies, this review study collects secondary data from multiple sources. friendly work environment, including green HRM practices, green entrepreneurial development, and green safety management. Green business, waste management, or other tactics that ensure the long-term viability of an enterprise. Green HR practices have the potential to actively improve an organization's performance in addition to lowering harmful environmental diseases. The most crucial resource are the human resources capable of performing such processes.
- Shijimol (2019) "Green HRM- An Initiative for Organizational Sustainability: A Conceptual Approach" used secondary data to assist organizations grasp the notion of green HRM from an organizational viewpoint and offer them with green initiatives through a variety of techniques for future sustainability. The data is gathered from earlier research, and conceptual proof is developed about a robust movement that may result in the establishment of green management initiatives and eco-friendly features for the success of businesses. The article advocates for green management efforts as a crucial element that flourishes in all sectors of the economy and benefits all parties involved by fostering an environment at work that is committed to environmentally friendly practices. The results indicate that HRM stakeholders are mostly in favour of putting green measures into action were workers and organizations.
- Zubair& Khan (2019) As stated in "Sustainable Development: The Role of Green HRM," the recent destruction brought about by climate change is alarming, and worldwide action is needed to reduce stress and develop a plan that retakes decisions that are good for society. Additionally, it recommends developing practices to create eco-friendly regulations that can combine worker behaviour with organizational functions. The most crucial requirement for the survival of an organization, society, and the entire globe is sustainability. Integrating several environmentally friendly practices at the individual and business levels could help address this global issue.
- Sunita & Sharma, K.P(2017) In this study, they assessed the green initiatives being carried out by India's public sector banks. The study's main conclusions are that the Indian banking system must implement more HR practices and that there is an imbalance in the bank industry's environmental support practices.
- Chanderjeet (2017) in the study conducted on the banking sector of India have collected both primary and secondary data. Questionnaire is used to collect the data

from the banking sector. No information regarding the sample is given. The major finding of this study is recruitment, training and employee motivation are important aspects of human resource management to adopt green human resource management policies. The researcher suggests that carpooling, paper wastage etc. policies should be used. Moreover, innovation should be used in framing policies, but proper autonomy is not available with the banks.

- Nath Vikas, Nayak Nitin & Goel Ankit (2014) in their study have evaluated the rating standards by RBI, norms and Green Initiative taken by public and private sector bank in India. They have considered top private and public sector bank based on their profit. The major findings of this study are that Indian banks i.e. private and public are lacking in implementing the strategies of Green Human resource management as compared to their foreign counterparts around the world. The researcher further suggests that banks should adopt more regressive strategies like mass transportation, paperless environment etc.

VI. RESEARCH OBJECTIVE

- To study the concept of Green Banking.
- To study the various green initiatives taken by the banks.

VII. RESEARCH METHODOLOGY

This chapter discusses in detail the methodology used for research in this study. This chapter starts by describing objectives of the study. The present study is based on secondary data which is collected from web sites of the banks and research articles published in the relevant field. The study is confined to only two public sector banks (State Bank India, Canara Bank) and two private sector banks Housing Development Finance Corporation Bank (HDFC) and Axis bank). These are the top public and private sector banks based on their net profit in Fazilka District of Punjab. For gathering information about the green banking activities undertaken by the banks that is mainly based on official websites of the respective banks.

VIII. VARIOUS GREEN INITIATIVES BY BANKS

STATE BANK OF INDIA

One Indian multinational public sector bank and financial services provider is the State Bank of India (SBI). The corporation is owned by the government. based in Maharashtra's Mumbai. According to the Fortune Global 500 ranking of the largest corporations as of 2017, the company is placed 216th. With a 23 percent market share in assets and a one-fourth market share in loans and deposits, it is the biggest bank in India.

Some Green Initiatives-

- Green Channel Counters- Customers can deposit or withdraw money at green channel counters without filling out any pay-in forms or drawing checks.

money from their accounts, preserving paper, and supporting the idea of green banking in the process. The consumer swipes his card at the Point-of-Sale Machine (POS) at the Green Banking Channel counter.

- Green Remit Cards- Simple Magstripe-based SBI Green Remit Cards don't require a PIN. The product's goal is to make non-home. Cash deposit transactions must be processed via a cash deposit machine or green channel counter.

- Smart Pay Out Card- The SBI Smart Pay Out Card is a prepaid card linked to Visa that is issued in Indian rupees. It is the perfect product for making regular payments, such as commissions, salaries, and wages. It can also be given to current account holders as an add-on card. The SBI Smart Pay Out Card can be utilized for online payments, e-commerce transactions, and cash withdrawals at ATMs and merchant establishments.

- Green Financing- To promote the reduction of greenhouse gasses, the bank is offering long-term loans for renewable energy projects at a concessional interest rate. To stop the deterioration of former arable land and water contamination from the misuse of chemical fertilizers, pesticides, and insecticides, it also offers funding for organic farming, including financing for biofertilizers, vermin-compost units, etc.

- Online Banking- Customers of a bank or other financial institution can perform a variety of financial activities via the website of the financial institution thanks to online banking, commonly referred to as internet banking, which is an electronic payment system. Both personal and business banking services are offered by internet banking software, which includes functions including reviewing recent transactions, obtaining statements, examining account balances, and making payments. (T S & Joseph, 2021)

CANARA BANK

Canara Bank's dedication to sustainability and environmental responsibility includes its active promotion of green initiatives. Among these efforts are green funding for renewable energy projects, the introduction of a Green Deposit scheme to encourage ecologically friendly enterprises, and the provision of eco-friendly loan programs such as Canara Green Wheels for electric automobiles. Additionally, the bank prioritizes energy-saving practices in its branches and releases sustainability reports to demonstrate its adherence to environmental, social, and governance (ESG) standards.

Some green initiatives-

- Green Financing- Canara Bank sets aside money for green finance, which covers eco-friendly companies, sustainable infrastructure, and renewable energy initiatives.
- Canara Green Wheels- With minimum processing fees and a reduced interest rate, this loan program encourages the purchase of electric vehicles by providing financing up to 90% of the vehicle's cost.
- Green Deposit Scheme- By giving competitive interest rates and directing deposits toward eco-friendly projects, this program incentivizes clients to make green investments.
- Renewable Energy Financing- Canara Bank offers long-term financing for renewable energy projects, such as wind, solar, and biomass, in partnership with institutions such as the New Development Bank (NDB).

- Sustainability Reporting- Canara Bank releases sustainability reports and Business Responsibility and Sustainability Reports (BRSR) to reveal its ESG performance and dedication to sustainable practices.
- Partnership for Solar Energy- Canara Bank collaborates with businesses such as Tata Power Renewable Energy to make it easier for households to get solar energy solutions. (www.canarabank, n.d.)
- Saksham and e-statements are examples of digital banking services that help cut down on paper use
- Green Bonds and Sustainable Lending
 - Green Bonds are issued by Axis Bank to raise money for ecologically friendly projects
 - They manage social and environmental risk in loan decisions through their Sustainable loan Policy and Procedures. (www.AXIS Bank, n.d.)

HDFC Bank

With an emphasis on environmental sustainability, HDFC Bank has several green programs. These include encouraging renewable energy, cutting down on energy use, and aiding in the management of natural resources. By 2031–2022, they aim to achieve carbon neutrality.

Some Green Initiatives-

- Energy Reduction- HDFC Bank is working to install inverter air conditioners, install energy management systems (EnMs) in its branches, and use only LED lighting in all its facilities.
- Renewable Energy- The bank is financing solar projects in rural regions, switching 50% of its electricity from renewable sources, and expanding rooftop solar capacity in large offices.
- Natural Resource Management- Tree planting, water conservation, and the use of solar insect traps and other sustainable agricultural methods are among the initiatives.
- Green Banking- To assist eco-friendly initiatives, HDFC Bank offers Green & Sustainable Deposits and encourages clients to move to paperless banking choices.
- Carbon Neutrality- HDFC Bank has pledged to reduce energy use and absolute emissions to achieve carbon neutrality by 2031–2022.
- CSR Activities- Solar streetlight installation, rural renewable energy promotion, and climate-adaptive solution support are all part of HDFC Bank's CSR program, Parivartan. (www.HDFC Bank, n.d.)

AXIS Bank

Axis Bank has a wide range of green activities aimed at improving environmental sustainability, such as investing in renewable energy, encouraging electric vehicles, and planting trees. In addition, the bank offers green bonds to fund sustainable initiatives and works to lower its carbon footprint through digital banking services and operational adjustments.

Some Green Initiatives-

- Tree Planting and Habitat Restoration-
 - By 2027, the goal of Axis Bank's main initiative, "Mission 2 million," is to plant 2 million trees.
 - Additionally, the bank is broadening its scope to encompass agroforestry and habitat restoration projects.
- Promoting Electric Vehicles (EVs)-
 - By fiscal 2024, Axis Bank wants 5% of its retail two-wheeler loan portfolio to be electric.
 - To encourage consumers to convert to electric vehicles, they provide a 0.5% APR discount on new EV loans.
- Reducing Carbon Footprint-
 - Using LED lamps, a Centralized Energy Management System (CEMS), and using paper made from wheat straw are some of the operational changes that Axis Bank is putting into place.

ICICI BANK

- In 2018, ICICI Bank issued its first Green Bond worth USD 500 million to finance renewable energy and energy efficiency projects. This issuance was part of their broader strategy to support sustainable development.
- In 2022, ICICI Bank announced a commitment of INR 10,000 crore towards green financing over the next five years, focusing on projects in renewable energy, green infrastructure, and sustainable agriculture.
- ICICI bank had adopted Go Green initiative, which involves activities such as green products/ offerings, green engagement and green communication with customers as per the bank is offering green products and services such as Insta banking. It is a service which gives convenience to the customers to do banking anywhere and anytime through internet banking, mobile banking, IVR banking, etc. This reduces the carbon footprint of the customers as they do not require the physical statement or travel to the bank branches.
- They are offering 50% waiver on processing fee of auto loans on the car models which uses alternate sources of energy. (Aggarwal, 2024)

IX. CONCLUSION

The paper discusses the green initiatives taken by SBI Bank, Canara Bank, HDFC Bank, AXIS Bank, ICICI Bank and hence this paper concludes that green banking is an essential component of sustainable development, not merely a fad. Green banking provides a mechanism to accomplish both as the nation navigates the twin problems of environmental sustainability and economic prosperity. Indian banks can make a substantial contribution to the country's sustainable future by incorporating environmental concerns into their basic business operations, guaranteeing both long-term economic stability and environmental health. Thus, there is no denying the importance of green banking in India, and its significance will only increase as the nation continues its path of prosperity.

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