



## Green Banking Practices and Their Impact To Reduce Stress in Public Sector Banks

### KEYWORDS

Green Banking, Green Technology, Stress Management

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**ABSTRACT** According to Clark Schultz (2012) Green banking means promoting environmental-friendly practices and reducing your carbon footprint from your banking activities [1]. According to Pravakar Sahoo and Bihoo Prasad Nayak (2008) there has not been much initiative in this regard by the banks and other financial institutions in India though they play an active role in India's emerging economy, so it is suggested to initiate to promote green banking in India.

Green Banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment.

The study aims to identify the opinion and awareness of bank employees and customers as regards to green banking concept in public sector banks. It is necessary to identify various initiatives taken by bank on the concept of green banking in order influence customer and make them user friendly. Through this concept and practices positive impact found to reduce stress level of working employees and make banks sustainable in economic, environment, and social dimensions.

**Introduction:** The disastrous impact of recent storms, floods, droughts, and excessive heat that many people have experienced around the world, motivate us to think seriously about global warming and its impact and to do whatever we can to address this problem. Governments, enterprises, and people, all have roles to play in combating global warming and building a sustainable environment. A good thing is that there is now greater awareness and a growing commitment to address environmental problems we face. Inaction to arrest environmental degradation would significantly affect not only current but also future generations and our further progress. So, a proactive multipronged action is necessary by all the industry and business sectors, regulatory agencies and the individuals.

A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly or through capital markets. Banks offer different channels to access their different banking products and services through ATM, Branch, Mobile banking, Internet banking, etc. There are four major avenues for greening banks – processes, products and services, strategies and other activities – which are briefly outlined here.

Most people are affected by stress due to current lifestyles. People today are more active in many fields than in the past and therefore they also suffer from stress which is a biological term, that refers to the consequences of the failure of the human body to respond appropriately to mental or physical threats, whether actual or imagined.

Common stress symptoms include irritability, muscular tension, inability to concentrate and variety of physical reactions, such as headaches and accelerated heart rate. By adopting healthy habits one can avoid stress. It is necessary to cope with work environment to avoid high stress levels.

Stress is found at all workplaces, and can affect an individual's performance, health and well-being. An effort to control or manage stress levels at the workplace should be an integral part of all corporate houses. Many corporates are now introducing "green technology" to provide a healthy and stress free environment to their employees in order to increase their productivity and reduce stress.

### Green Process:

A Green Bank requires each of its functional units and activities to be green – environmentally friendly and help to improve environmental sustainability and reduce stress level of employees. Several opportunities are available for banks to green their functional units and activities.

### GREEN PRODUCTS AND SERVICES [4]:

Banks are developing new products and services that respond to consumer demand for sustainable choices. Following are some of the options that banks should offer to their customers, if they are not offering already:

1. Electronic and telephone banking, facilitating customers to perform most of their banking needs anytime, anywhere.
2. Automatic payments reduce the need to write and send cheques by mail.
3. Electronic (paperless) statements, product information, guides and annual reports to customers and stakeholders.
4. Offering and promoting mutual funds that focus investment in 'green' companies
5. Offering a special line of credit to help homeowners invest in energy-efficiency upgrades for their home
6. Offering credit cards co-branded with environmental charities.

### Example: Public Sector Banks (State Bank of India)

1. SBI had launched Green Channel Counter (GCC) facility at their branches in 2010 to change the traditional way of paper based banking (SBI, 2014).

2. The bank had also collaborated with Suzlon Energy Ltd for the generation of wind power for selected branches by setting of windmills in Gujrat, Tamil Nadu and Maharastra (Business Standard, 2014).
3. It has become a signatory to the Carbon Disclosure Project in which they undertake various environmentally and socially sustainable initiatives through its branches spread across the length and breadth of the country (WWF-INDIA, 2014).
4. Export Import Bank of India (EXIM) and SBI entered into an agreement to jointly provide long term loans up to 14 years to Spain based company Astonfield Renewable Resources and Grupo T-Solar Global SA for building solar plant in India (Yadav&Pathak, 2013).

#### Literature Review:

**Sharma, Gopal (2014)** attempt to study the level of consumer awareness of Green Banking initiative in India with special reference to Mumbai. From the primary survey they conducted they find that surprisingly even those people who are using online facilities provided by their banks nearly three fourth of them are unaware of the term Green Banking. They find that among those who are aware of Green Banking term consider it mainly related to online bill payment and cash deposit system. Other Green Banking aspects like Green CDs, solar powered ATMs, bonds for environment protection are among few of which consumers are not aware of. They also attempt to analyze the gender based difference in awareness of green initiatives by bank specially E-Statements, Net Banking and Green loans. Using Chi-Square test for hypothesis testing they arrive at a result that both males and females have the same level of awareness with respect to Green Banking.

**Nath, Nayak et al. (2014)** attempt to study the green rating standard given by RBI, the World Bank's environmental and social norms and the initiative taken by bank in adopting green practices. They also list strategies for adopting Green Banking. Green Rating Standard is known as Green Coin Rating. Under this banks are evaluated on the basis of carbon emissions and amount of recycling activities. World Bank has formed environmental and social norms for financial institution. These norms provide ways to reduce environmental impact. Banks are required to do Environmental Impact Assessment, Annual Reporting and adopt sustainable technology. The researchers study and list the initiative taken in respect of environment by different banks in India. If the Indian banks want to achieve some position in global economy then they have to act as good corporate citizens.

**Rajput, Kaur et al. (2013)** aims to understand how Indian banks respond to environmental changes and the action taken in respect of Green Banking. They find that there is a small group of banks in India that lead in environmental aspect. Response of Indian banks towards international initiative for environment is sluggish. In the United Nation Environmental Programme Finance Initiative there is no single Indian signatory. Using factor analysis they conclude that risk of failure of business to peers and lack of RBI mandates are the obstacles to moving towards sustainability. The gaps in India are the awareness and consciousness on the environmental issues. Carbon Disclosure Projects-India requires public disclosure of emissions. This disclosure project is active in India. But the response is very less as only 8 signatories are there. The researchers feel that current management system needs to be integrated with the environmental and sustainable issues.

**Bahl, (2012)** highlighted the means of creating awareness about Green Banking to ensure sustainable growth. Garrett's ranking technique is used to analyze the most significant strategies in respect of Green Banking. If the goal is to attain sustainable development this can be achieved only through creating awareness and imparting education. Among the internal sub systems emphasis should be given to publications, newsletters so as to create awareness and effective means for external sub systems are event meetings, media and websites. A proper formulated green policy guideline is needed for effective Green Banking

#### Proposed Work:

- We have to set a new motto for us as well as for the bank employees, that is, **"The cleaner the air you breathe, smarter you work and the longer you live"** and based upon this motto they are modifying the work environment to reduce high levels of stress by improving indoor air quality.
- A full-fledged indoor air quality division, CleanAir is equipped with lab facilities to monitor and improve indoor air quality. Air purification methods include:
  - Removal of Nox / SOx& SPMs
  - Removal of VOCs
  - Removal of bacteria and fungus
  - Addition of natural O2 by using bio-technology
- One can dramatically improve the quality of air in their homes or offices with only three varieties of plants. These are areca palm, a living room plant that produces oxygen during the day, mother-in-law's tongue, a bedroom plant that produces oxygen at night and money plant which is used to remove VOCs from the air.
- Generally, air purification through plants is done scientifically.
- Generally, air purification through plants is done scientifically. Air from a height of 120 feet is scrubbed with purified water and is then pumped into the green house that enriches it with oxygen and increases its humidity.
- The water is UV treated to kill bacteria or any kind of fungal growth. The oxygenated air is then fed into the air-conditioned plant for cooling. Another innovative technology used is hydroponic culture. Here, plants thrive on nutrient solutions rather than on soil, which produces healthier plants and increases oxygen efficiency more than traditional gardening.
- Research conducted also reveals that people working in a clean atmosphere have **10 to 12 per cent** less lung impairment as compared to people working in an atmosphere where the indoor air is not clean and pure. The incidence of eye irritation is reduced by **52 per cent**, respiratory symptoms by **34 per cent**, headache by **24 per cent** and asthma by **9 per cent** in this type of working atmosphere.
- It also shows that there is an amazing increase in human productivity by having green plants in the office building, almost more than **20 per cent** and energy costs reduce by an extraordinary **15 to 20 per cent**.
- Study has also shown that employees are less prone to diseases, which automatically means fewer sick days. The reason behind this is an increase in blood oxygen levels, which ensure that even after a strenuous eight working hours, the employees remain fresh and relatively stress free. These special indoor plants not only add oxygen but also help in reducing pollutants and increase oxygen supply as per demand.

- Taking ecological benefits a step further, some companies follow the **Rs 3 approach, "Reduce, Reuse and Recycle"**. This helps maintain a healthy ambience around the office space as well as in the mind, body and soul of the building's inmates. This novel concept can be one of the ways that a person can adopt or apply to manage life better and avoid stress.

These technologies improve the office environment and take care of the health of occupants. Green technologies are all the more effective to de-stress employees so that they can contribute more effectively to their work.

- Basically Ethical banking avoids as much as paper work, you may go green credit cards, go green mortgages and also all the transactions done through on-line.
- They follow environmental standards for lending, which is really a good idea and it will make business owners to change their business to environmental friendly which is good for our future generations.
- Green banking practices directly impact on less paper work causes less workload hence reduces stress of banking employees.
- Less burden of workload causes better relationship with customers.
- Effective, fast, reliable, better customer relationship, time saving activities.

When you are awarded with a loan, the interest of that loan is comparatively less with normal banks; because ethical banks give more importance to environmental friendly factors they do not operate with high interest rates.

**Conclusion:**Green Banking now is not only limited to awareness but also in practice. It is now expected from all scheduled banks that they would not only allocate budget but also ensure the efficient utilization of budget allocation. For Example, if bank will fix target from this year for green finance for each of the bank and fulfillment of the targets would be one of the major considerations for the evaluation process of a bank. Then again, we will need to take solid position against our inward polluters. Bank which has the legal power to shape the conduct of the banks, it will need to drive every one of the banks to actualize green banking an account approach to check its own ecological contamination, offering credits to earth inviting tasks and decreasing interest in naturally destructive undertakings. This green banking can assume a huge part in executing the more extensive idea like sustainable financial advancement. Finally we can say that going green should be the motto of all commercial banks.

Green banking practices not only beneficial for ecofriendly banking system but also reduce daily work overload of banking sector employees which directly affect the working condition, quality of work and relaxed behavior of employees, moreover that it build good relationship in between customer and bank.

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