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Green HRM practices and it's impact on private sector banks

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ABSTRACT

Green banking refers to the banking business managed in such a manner that helps for overall reduction of external carbon emission and internal carbon footprint. The present study attempts to understand the use of Green Banking Products in banking sector and examine the green banking initiatives by Private Sector Banks in India. Study concluded that both Public and Private banks have effectively initiated green banking initiative. Report covers basic concepts of GHRM, GHRM practices adopted by Indian Banks and why banks are adopting GHRM Practices. Provides a detail context and relevance to the problem briefly discussing the findings of other related studies. It also compares various studies done by different researchers and ultimately establishes the fact that Indian research literature suffers from a distinct big gap relating to a lack of in – depth studies.

Keywords: Green HRM, Green Banking, Green HR Activities

1. INTRODUCTION

What is Green HRM?

Green Human Resources Management (GHRM) can be defined as a set of policies, practices, and systems that stimulate the green behaviour of a company's employees in order to create an environmentally sensitive, resource-efficient, and socially responsible organization. Green HRM expands its job in the advancement and accomplishment of supportable targets inside an organization. The word green HRM applies fundamentally to the commitment of approaches and exercises in the field of HRM. It is regularly known as green human asset the board or GHRM. It includes all laborers in embracing supportable practices and further developing mindfulness about eco-accommodating ways of life. They incorporate the advancement of energy protection.

Green Banking:

Green Banking is an umbrella term used for 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.

Green HRM Importance:

In this stage of globalization, we are getting continuous development in each sector but progress in each sector harms our environment. So the need for green human resource management is arise for all over the world. The natural awareness of each human drives living style demands the protection of environment. The general employees are interested in green human resource management because of its important and need in the current workplace. Our personal and professional lifestyle is affected due to many consequences. The all over world is the most significant in attractive the environment issues and the corporate has to give solution to these harms.

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:
- Electronic and telephone banking, facilitating customers to perform most of their banking needs anytime, anywhere;
- Automatic payments reduce the need to write and send cheque by mail; □
- Paperless (electronic) statements, product information, guides and annual reports to customers and stakeholders
- Offering and promoting mutual funds that focus investment in "green" companies

- Offering a special line of credit to homeowners invest in energy efficiency upgraders for theirhome
- Offering credit cards co-branded with environmental charities;
- Use of electronic means to maintain contact with customers and potential consumers and minimize paper-based correspondence;
- Selection of vendors by sustainability rating of their products, services and operations

2. GREEN HRM INITIATIVES

BY Banks HR managers view ISO 14000 and other certification of standards as family of standards as a market driven approach to environmental protection. The other standards in the family focus on specific approaches such as audit, communications, services and life cycle analysis, as well as environmental challenges such as climate change

1. Green printing Printing papers leads to increase in paper, toner wastage and carbon dioxide
2. emission. Banking industry should now adopt “pre-ton” saver, a software which can reduce paper demand upto 20% and toner and ink demand upto 50% for compulsory uses of papers without degrading the quality of output image or printout. 16
3. Going paperless Replacing the old tradition of paper documentation by paperless banking which can be achieved by ensuring 80% work of banking without use of paper. It can be possible by use of operations like e-mailing, Sms, whatsapp, etc.
4. Reduce business travel Encourage carpooling by providing preferred parking for carpoolers. Offering transit passes to employees who take the bus or metro. Banks have use cab facility for their employees. Use of teleconference, online training, video conferencing, etc. is incorporated instead of travelling miles.
5. Eco friendly talent Green HRM attracts employees who are preservationists, who keep natural environment in its original form and protect it from harm, loss or negative change and conservationist, who does careful usage of natural environment in order to let it last long
6. Green auditing To reduce usage and save money mostly bank use free onsite consultation. It is suggested to improve insulation, install timers to automatically turn off the lights. Banks should install CFLs and LEDs, solar energy to light bulbs and heat water and; efficient electrical appliance such as 5 star rated air conditioners, water and energy products etc.
7. Recycle Recycling of glass paper, plastic, metal trash and manufacturing waste materials should be adopted. Food canteen should adhere to zero wastage policy. Buying green: Suppliers should be informed that the bank is interested in sustainable products and set specific goals for buying recycled, used or refurbished.
8. Green rewards Banks introduces green rewards to employees or department for contributing to innovative initiatives and green contribution through reduction of wastage, energy and resources. An employee with such innovative initiative can be awarded with a badge named „GO GREEN“. 8. Green policies Establishing policies such as providing free reusable bags to clients or employees or giving 17 free in-office lunch’s everyday so no one has to drive to eat out

3. CRUCIAL ASPECTS GREEN HRM PRACTICES

Employment Security

Life is capricious, and a task is something dependable that a great many people are worried about these days. As a general rule, having a business that assists the specialist with being there for them as well as their families is the main justification for why representatives come to work. Business security permits representatives to return home to really focus on themselves and their families after work.

Team Work

Team Work is fundamental in accomplishing objectives. With regards to progress, superior groups are basic for any association. Groups bring benefits since they are shaped up of people who think distinctively however pursue a typical target. Then, at that point, these thoughts are investigated, bringing about the choice of the best ones.

Open Communication

Open correspondence is about methodologies, money, and occasions that advance a culture wherein people accept they are perceived. It truly includes laborers in the association. It forestalls negative discussions between the representatives.

Training and Learning

Associations are putting altogether in preparing for their laborers. Subsequent to recruiting the best up-and-comers, you need to ensure that they stay in the association. Learning has now turned into a method of being innovative, becoming quicker, and keeping a competitive edge. Managers are zeroing in on expertise explicit sorts of preparing. These days, on request courses have expanded colossally everywhere. All gratitude to the web as everyone is associated and can learn anything, from any place and whenever.

4. SECTOR PROFILE

Banks

“A bank is a financial institution where individuals, companies, charities, government departments, and other entities can deposit and borrow money

Banks additionally give credit freedoms to individuals and organizations. The cash you store at the bank—transient money—is utilized to loan to others for long haul obligation, for example, vehicle advances, Visas, contracts, and other obligation vehicles. This interaction makes liquidity on the lookout—which makes cash and makes a big difference for the stock

Types of Banks

There are two categories of banks: **Commercial Banks** **Cooperative Banks**

The Commercial Banks includes- Public Sector Banks, Private Sector Banks, Foreign Banks, regional rural banks, Small Finance Banks.

The Cooperate Banks includes- Urban Banks and Rural Banks

Commercial Banks Public Sector Banks

These banks for more than 75% of the total banking business in the nation. They are called nationalized banks. The government holds the majority stakes at these banks. Post-merger, SBI is the largest public sector banks by volume. It also ranks amongst the top 50 banks in the world

PRIVATE SECTOR BANKS Private shareholders hold majority stakes in private sector banks. Reserve Bank of India lays down all the rules and regulations

Foreign Banks

A bank operating as a private entity in India but headquartered in a Foreign country is a foreign bank. They are governed by both the country they are located in as well the country they have headquarters in.

REGIONAL RURAL BANKS These banks were established mainly to support the weaker and lesser fortunate section of the society like marginal farmers, laborers, small enterprises etc. they mainly operate at regional levels at different states and may have branches in urban areas as well. Their main features are: 1. Supporting rural and semi-urban region financially 2. Pension distribution and Wage disbursement of MGNREGA workers 3. Added banking facilities like locker, cards-debit, and credit

Small Finance Banks

These banks cater to a niche segment in the society and help with financial inclusion of sections which are not taken care of by other leading banks. They look after micro industries, unorganized sector, small farmers etc. RBI and FEMA are the governing bodies of the banks

Cooperative Banks Rural Banks

Rural Co-Operative Banks mainly finance agricultural based activities including farming, dairy, fishiculture, along with some small scale industries and self-employment activities.

Urban Banks

Urban Co Operative Banks mainly finance various categories of people for self-employment, industries, small scale units and home finance

5. GREEN HR ACTIVITIES INITIATED BY DIFFERENT BANKS IN INDIA

1. State bank of India:

The bank offers a wide array of financial products and services, each of which has a direct or indirect positive impact on the society and/or environment. Few of the bank's recent products/services with inherent environmental/ social benefits like Green Channel Counter, Green Remit Card etc.

World Water Day:

In keeping with the bank's commitment to society and to help provide clean drinking water to children in schools especially in backward areas, the bank has provided over 42000 water purifiers to more than 42000 schools spread across 35 states and union territories during the current fiscal

2. Punjab National Bank: Various Green Initiatives taken by bank are as follows: A bank organized **more than 250 tree plantation drives**

A separate audit sheet to assess the implementation and the impact of green initiatives has been evolved. The bank is **emphasizing on green building**

3. Bank of Baroda: Some of the other major initiatives in improving the customer service during this year are:

Online Fixed Deposits- The bank's customers can now make online fixed deposits through the system called Baroda connect.

SMS Alert Facility

4. Industrial Development Bank of India:

IDBI bank takes a step towards the green initiative in corporate governance by going paperless and sending documents to shareholders through **electronic mode**

6. LITERATURE REVIEW

Literature review helps to discover the research gaps on the topic in research. Literature review may vary from subject to subject, but the basic concept remains constant. Literature review on the above topic is as follows:

Sunita & Sharma, K.P.(2017) in their research paper have evaluated the green practices being implemented by the public sector banks in India. The major finding of this study is that there is imbalance among HR Practices to support the environment in the banking Sector and there is a need to adopt more HR Practices in the Indian Banking System.

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 on the basis of 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 suggest that banks should adopt more regressive strategies like mass transportation, paperless environment etc.

Ritu, in her study Green Banking Initiatives by Indian Public and Private Sector Banks has evaluated that there is an urgent need to follow green banking practices and efforts should be made to create more awareness among the banks regarding Green Initiatives

7. RESEARCH GAP

It is clearly evident from the available literature that the study on Green HRM practices in the banking sector in Indian context needs to be explored further and should be given due consideration in the light of the fact that it is the need of the present hour and banks need to adopt these practices at any cost. In Indian banking sector the implementation of the Green HR practices is on a very minimal level and hence to fill this gap the present study assumes great significance. On the basis of review of literature it is clear that majority of research papers focused on green products of banks, benefits and challenges of green banking and green banking practices of some selected Indian banks. The present research study emphasizes on use of green banking products and green banking practices initiated by top three public and private sector banks. It is evident from the literature review that research on this topic is in its early stages and needs to be explored as sustainability is the need of the hour. As per companies act 2013, every company is obliged to perform the corporate social responsibility. Banks do not follow the companies act 2013, but as per banking Regulation Act and RBI guidelines, 1 % of the profit can be contributed towards corporate social responsibility. Various studies have shown the lack of implementation of Green HRM in the banking Industry and hence to fill the research gap the need of this study is justified

8. METHODOLOGY

This chapter discusses in detail the methodology used for research in this study. This chapter starts by describing the problem, objectives of the study and significance of the study. The present study is based on secondary data which is collected from annual reports of the respective banks, reports of the RBI, time to time news published in various newspapers, websites of the banks and research articles published in the relevant field. The study is confined to only three public sector banks (State Bank India, Bank of Baroda and Punjab National Bank) and three private sector banks (Industrial Credit and Investment Corporation Bank of India (ICICI), Housing Development Finance Corporation Bank (HDFC) and Axis bank). These are the top three public and private sector banks based on their net profit. For gathering information about the green banking activities undertaken by the banks that is mainly based on the annual reports of the selected banks from 2010 to 2015, Banks Business Responsibility Reports, official websites of the respective banks etc.

The Problem

This chapter explicates the research methodology that has been used for conducting the research and its application in seeking answers to the research questions that has been raised by the researcher. In this chapter, an attempt has been made to outline the research problem, the nature of the research problem for this study. Especially, efforts have been made to frame the general and specific problems, state the objectives and the purposes, and indicate the theoretical and practical significance of the problem.

Statement of the Problem

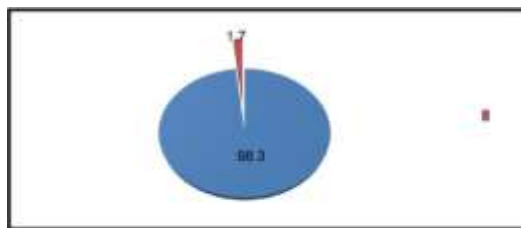
This section is mainly devoted to the statement of the problem. Along with objectives, indicating the importance of the problem, various theoretical, as well as practical concerns have also been covered in this chapter.

9. OBJECTIVES OF RESEARCH

Hence various objectives were framed as follows: -

- To identify the various Green HRM practices adopted by Indian banks under study;
- To identify the relationship between Green HRM practices adopted by private and public sector banks;
- To develop the model based on these factors and test goodness of fit for the same.

10. DATA ANALYTICS



Awareness of the term Green Human Resource Management Practices. Below figure reveals awareness about green human resource management practices. It was found that only 98.3% of the bank employees are aware about GHRM.

Awareness about Green HRM

1 How many Banks are aware about environmental management system?

Awareness of ISO 14000 series issued on environmental management system including a broad range of environmental disciplines.

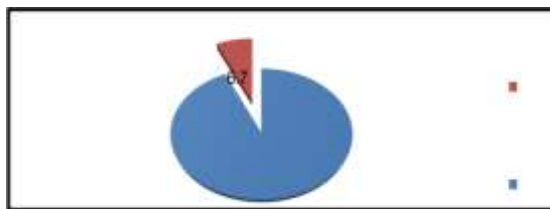


Figure 1.2: Awareness about ISO 14000 series

It is found that 93.3% of the banks (Figure 5.2) are aware about ISO 14000 issued on environmental management system, which includes a broad range of environmental disciplines.

3) How many banks have ISO 14000 certification?

ISO 14000 Certification Figure 1.3 highlights that 65.7% banks under survey are ISO 14000 certified

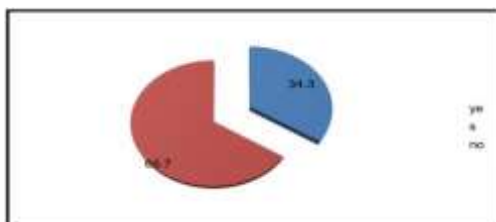


Figure 1.3: ISO 14000 certification

4) What is the effect of moral obligation on social responsibility?

Moral obligation to be more socially responsible

It was found that 37% of the respondents considered that the main reason behind the application of GHRM practices in their organization was moral obligation to be more socially responsible while 47% respondent (Figure 5.5) considered it as second strongest reason

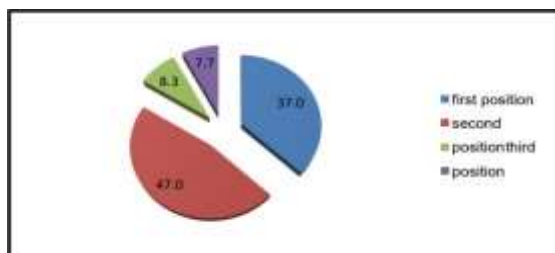


Figure 1.4: Moral obligation to be more socially responsible

5. } What are the Green HRM practices adopted by banks in order to retain employees?

There were number of multiple choices like stress free approach (management games), 38 better green environment (high standard of working conditions), ease of doing job (technically without tension), frequent change of employee development programme (empowerment) and ambience have been given to the employees to retain in the banking industry. Majority of the employees in all the age groups liked about frequent Employee Development programme followed by ease of doing job, better green environment, stress free approach and ambience in the selected study.

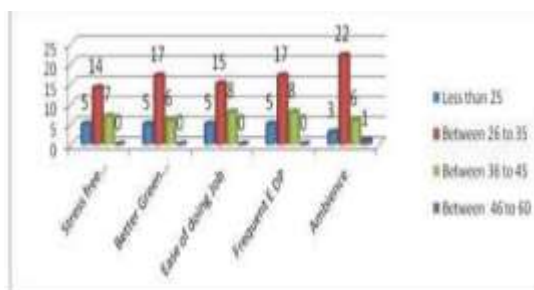


Figure 5.14: Green approaches to retain employees

11. SUGGESTIONS

- To make the employee aware of the complicated parts of environment management for example : what actions is needed how it functions how does it helps the environment
- Loans at comparatively lesser rate : banks can also introduce green banks loans with financial concessions for environment friendly product and projects such as fuel efficient vehicle and green building projects

- Green banking should avoid as much as paper work as possible and rely on online /electronic transactions more for processing so that we get green credit cards and green mortgage , **Less paper work means less cutting of tress**

12. CONCLUSION

By the time the banking sector in India has changed the way it used to operate in the past. The banking sector is getting modernized and new facilities such as net banking, mobile banking is being prioritized at the place of traditional approaches. These new approaches adopted by the banks are beneficial to customers as well as banks themselves. Now the banks understood the importance and necessity of environment along with the economic progress of a nation.

Learning from their western counterparts the banks in India are also adopting various environmental practices and initiatives in their day to day business operations for the environmental concern and playing an important role in maintaining the ecological balance. But the Indian banking sector is still at the initial stage of green banking initiatives. As most of the banks are adopting and focusing only on those green initiatives which provides win- win situation for the bank, that help to show the concern for the environment along with helping the bank in cost savings and improved operational efficiency. So the time demands alittle focus on the initiatives such as creating awareness among society, and helping smaller firms to change their process so they can be more environmentally friendly in nature and thatwill also widespread the concept of environmental sustainability. Future research may be conducted to study the impact of green practices on consumer willingness to purchase green products of various organizations in the Indian context

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