

Shaping Influencing Factors to Adopting Sustainable Banking Practices in the Indian Banking Industry

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Abstract:

Understanding and shaping the factors that influence adopting sustainable banking practices in the Indian banking industry is a multifaceted endeavour. It involves recognizing the economic, environmental, and social dimensions of sustainability and integrating them into the core operational strategies of banks. This research aims to identify some factors that impact the adoption of sustainable banking practices by commercial banks in India and to provide insight into the process. For data collection, 511 banking officials employed by commercial institutions in India's Delhi and Haryana regions were interviewed. According to the study, eight factors substantially impact commercial banks' adoption of sustainable banking practices in India. Promoting the expansion and implementation of sustainable banking practices in India necessitates that policymakers, regulators, and institutions collaborate to identify the determinants that influence adopting such practices. As one of the initial attempts to do so, this study assesses the extent to which Indian institutions have adopted environmentally responsible banking practices. This study's objective is to comprehensively examine the gathered data, emphasizing the determinants that impact the implementation of sustainable banking practices and a discourse on statistical discoveries.

In addition, reliability assessments were performed to verify the uniformity and precision of the gathered data. Cranach's alpha was used to determine the internal consistency of the data as part of the reliability analysis. In addition, t-tests were applied to the statistical data in the research.

Keywords: Sustainable finance, ESG, sustainable banking practices, Public Sector Banks.

Introduction

The world is currently confronted with severe problems like increasing global warming, accelerating climatic change, and the fast depletion of natural resources. These issues have been significantly exacerbated by corporations' extensive operations and activities worldwide, amplifying

the urgency for environmental action. In response, there is mounting pressure on the corporate sector to embrace practices that mitigate their environmental impact. A noticeable shift in consumer preferences towards eco-friendly businesses and concerns from various stakeholders, including government entities, clients, regulators, suppliers, and NGOs, has spurred companies to prioritize sustainability efforts. Reducing carbon footprints and creating and using eco-friendly technology are two components of sustainable practices. Banking institutions have undergone an immense transformation in the last decade, embracing sustainable banking practices to alleviate environmental issues in recognition of their essential function in the country's financial system. (Bahl, 2012; Chen et al., 2018). This trend is evident in India and many developed and developing countries, where banks increasingly adopt sustainable banking practices to contribute to environmental protection and sustainability (Islam & Das, 2013; Biswas, 2011; Shamshad et al., 2018). Sustainable banking encompasses practices and guidelines banks adopt to integrate environmentally responsible conduct into their operations (Kaur, 2016). It aims to make banking processes and infrastructure more efficient while minimizing negative environmental impacts. It involves implementing environmentally friendly practices at every operational level and considering environmental impacts in project investments (Ahmad et al., 2013).

Understanding and shaping the factors that influence adopting sustainable banking practices in the Indian banking industry is a multifaceted endeavour. It involves recognizing the economic, environmental, and social dimensions of sustainability and integrating them into the core operational strategies of banks. Several key influencing factors need to be addressed to foster a sustainable banking ecosystem in India. The Reserve Bank of India (RBI) and other regulatory bodies are crucial in shaping the sustainable banking landscape. By instituting clear guidelines and mandates for sustainability reporting, risk management, and green financing, regulators can encourage banks to adopt sustainable practices. Stakeholders, including investors, customers, and the community, increasingly demand transparency and responsibility in how banks conduct their business. Banks

that respond to these pressures by embedding sustainability into their operations and product offerings can gain a competitive edge (Saxena, D., Dhall, N., & Malik, R., 2021). Leveraging technology to develop sustainable banking solutions is another critical factor, and it includes innovations in green finance, such as green bonds and sustainable investment funds, and using big data and analytics to assess and manage environmental risks. It is essential to educate both bank employees and customers about the importance of sustainability and how they can contribute to it. Training programs, workshops, and awareness campaigns can help build a culture of sustainability within the organization and among its clientele (Jain, K., Bapna, M., Garg, A., Jain, 2024). Incorporating environmental, social, and governance (ESG) factors into risk assessment models can help banks identify and mitigate sustainability-related risks, ensuring long-term resilience and profitability (Mishra, P. 2023). By focusing on these influencing factors, the Indian banking industry can improve its sustainability performance and contribute significantly to the country's broader sustainable development goals. Adopting sustainable banking practices is a moral imperative and a strategic business decision that can enhance competitiveness, innovation, and stakeholder trust. While adopting sustainable banking practices is rapidly gaining momentum in India, empirical studies on the various factors influencing this adoption by commercial banks still need to be developed, representing a significant research gap? This research aims to determine which factors influence commercial banks in India to implement sustainable banking practices. The paper has four main parts: After a brief literature review on sustainable banking in Section 2, the study's methodology follows in Section 3. The results and discussion follow in Section 4. The research comes to a close in Section 5.

Literature Review

The banking sector plays a vital role in national progress, requiring incorporating environmental, social, and governance factors into banking activities. Implementing sustainable banking practices can help lessen adverse environmental effects and decrease both external carbon emissions and internal carbon footprints (Julia & Kassim,

2019; Kumar, 2019). Sustainable banking, stemming from the broader concept of sustainable development, addresses sustainability's environmental dimension, requiring sustainable products and services (Tara et al., 2015). It also emphasizes prioritizing financing for sectors with minimal adverse environmental impact. Furthermore, sustainable banking practices align with banks' environmental policies and corporate social responsibility, improving brand image and achieving higher returns in the long run (Biswas, 2011; Nanda & Bihari, 2012). Various sustainable banking strategies adopted by Indian banks include offering sustainable loans, transitioning to online banking, utilizing solar panels, and promoting sustainable credit cards and mobile banking (Jha & Bhome, 2013). These strategies aim to incorporate environmental considerations into daily operations, promote sustainable investment management, and foster environmentally friendly business activities (Ullah, 2013; Rahman et al., 2013; Lalon, 2015). Regulatory guidelines and external pressures have also promoted sustainable banking practices. Studies have highlighted the positive relationship between a company's financial performance and the extent of adoption of sustainable practices (David & Shameem, 2017). While banking operations may not directly emit carbon as some other industries do, they wield a significant indirect influence on environmental degradation (Jeucken, 2001). Sustainable banking is an approach to financial services that prioritizes environmental responsibility (Dewi & Dewi, 2017). Sustainable finance, environmental management systems, and environmental credit risk management frameworks are just a few examples of the numerous methods that banks have used to incorporate environmental concerns, along with initiatives such as energy-efficient technology adoption and paperless banking (Ullah, 2013). Care (2018) underscores that pursuing sustainable competitive advantage and increased profitability is a primary driver for banks adopting sustainable banking practices. Research explores how businesses could incorporate sustainability concepts into their operations to create long-lasting benefits for banks (Jeucken, 2001; Scholtens, 2009). Banks may gain numerous advantages by providing cutting-edge, environmentally friendly products and services and by

practicing socially responsible business behaviour. These benefits include accessing new market prospects, increasing market worth, and cultivating a favourable reputation in the community (UNEPFI, 2016).

Research Methodology

The present study used exploratory and descriptive research approaches to investigate the factors affecting commercial banks' adoption of sustainable banking practices in India. In this study, the following research hypotheses have been developed:

H1: There is no significant difference between the factors influencing adopting sustainable banking practices on bank types.

Data collection

The bank officials of the public and private sectors of India's banking industry were surveyed for this study. Positions such as Assistant General Manager, Deputy General Manager, Manager, Chief Manager, and General Manager are all part of the executive suite in banking. The banking officials were selected for the sampling unit because they play a significant role in creating and executing sustainable banking policies within their respective banks. We used a random sampling technique to get the data. Data was collected by handing out questionnaires at various PSBs and private sector bank headquarters in the Delhi and Haryana regions. The officials received a self-administered survey. Between 2017–18 and 2022–23, data was collected. For the final tally, 511 surveys were used in the research. Of the 521 questionnaires sent out in India, 512 were filled out by employees of private banks and 485 by PSBs.

Results and discussion

The study's respondents were 511 officials from PSBs and private sector banks in India. Most respondents (52.5%) worked in Indian PSBs, with the remainder working for private sector banks.

Exploratory factor analysis

Exploratory factor analysis, or the data reduction method, reduces the number of variables into a few latent, heterogeneous factors, given names based on the nature of the variables under each factor.

Table 1: Results of KMO and Bartlett's Test of factors that influencing the adoption of sustainable banking practices.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.663
Bartlett's Test of Sphericity	Approx. Chi-Square	10090.39
	Df	300
	Sig.	0

Source: Primary data analysis

“Kaiser-Meyer-Olkin's” measure of sampling adequacy is preliminary testing before applying the EFA test, and the purpose of this KMO test is to check the adequacy of the sample. The value of KMO ranges from 0 to 1; Kaiser (1974) recommended a minimum value of greater than 0.5 and a generally acceptable value of over 0.6 (Hoque et al., 2016). The value of the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy test in the present study is 0.663. If the KMO value is above 0.5, it is assumed that the number of variables and the responses are adequate to run the EFA on the dataset.

“Bartlett's Test of Sphericity” is a statistical test used to determine whether there is a significant correlation between variables. The value of the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy test in the present study is 0.663. Bartlett's test of sphericity should be significant at ($P < 0.05$) for exploratory factor analysis to be acceptable (Hair et al., 2010). Bartlett's test of sphericity was found to be significant (chi-square=10090.39; $p < .005$) and appropriate to proceed further with the data reduction procedure.

Table 2: Total variance explained by items showing factors Influencing the adoption of Sustainable Banking Practices.

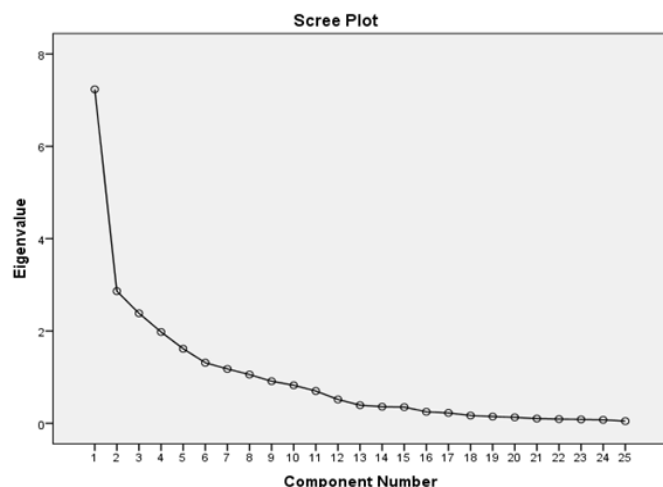
Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% age of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative % age
1	7.235	28.940	28.940	7.235	28.940	28.940	3.704	14.817	14.817
2	2.863	11.453	40.393	2.863	11.453	40.393	3.490	13.960	28.777
3	2.383	9.533	49.926	2.383	9.533	49.926	2.862	11.448	40.225
4	1.979	7.916	57.842	1.979	7.916	57.842	2.281	9.125	49.350
5	1.615	6.461	64.304	1.615	6.461	64.304	2.261	9.044	58.394
6	1.313	5.250	69.554	1.313	5.250	69.554	1.870	7.479	65.873
7	1.178	4.710	74.264	1.178	4.710	74.264	1.764	7.054	72.927
8	1.056	4.224	78.489	1.056	4.224	78.489	1.391	5.562	78.489
9	.912	3.646	82.135						
10	.824	3.296	85.431						
11	.700	2.800	88.231						
12	.517	2.068	90.299						
13	.393	1.570	91.869						
14	.360	1.439	93.308						
15	.351	1.404	94.713						
16	.249	.997	95.710						
17	.225	.901	96.611						
18	.169	.676	97.287						
19	.147	.587	97.874						
20	.130	.520	98.394						
21	.103	.413	98.806						
22	.092	.368	99.174						
23	.084	.336	99.510						
24	.075	.301	99.811						
25	.047	.189	100.000						

Extraction Method: Principal Component Analysis. Source: Primary data analysis.

The items displaying motivational drivers using principal component analysis (PCA) explain a portion of the variance, as shown in Table 2. Principal component analysis (PCA) is a statistical tool for finding patterns in the correlations between variables, which helps lower a dataset's dimensionality. The Eigen values, or the percentage of variance explained by each component, are shown in Table 2. The Eigen values of the correlation matrix before extraction are called the initial Eigen values. On the other hand, the sum of squared loadings for each component after extraction is called the extraction sum of squared loadings. The amount of variance accounted for by each component after rotation can be seen in the rotation sums of squared loadings. Additionally, the table displays the total percentage of variance explained and the percentage of variance explained by each component separately.

Take the first two components as an example; they account for 40.39 percent of the total variance, while the first component alone accounts for 28.94 percent. This table contains twenty-five components; however, the Eigen values of the first eight components are all greater than 1, which is a standard metric for selecting which components to keep. The 78.489 percent explained by the first eight components account for most of the data variance.

Figure 1: Shaping influencing factors to adopting sustainable banking practices in the Indian banking Industry



Source: Primary data analysis

Data visualization shows how many factors are retained in the final solution by looking at the Eigen values given on the y-axis. The moment the Eigen values come down to less than one, the elbow of the scree plot starts forming, which is considered the cut-off point for extracting some factors in the solution. Figure 1 represents the screen plot for the factors influencing adopting sustainable banking practices. The scree plot in Figure 1 reveals that the elbow began at the ninth component. Hence, eight factors were selected from the factor analysis.

The first factor was found to be “Sustainable Environmental Impact Banking.” This factor covers five complete statements, and this factor causes a 14.817 percent variance in the “factors Influencing the adoption of sustainable banking practices. Sustainable banking practices lead banks to optimize their operations for energy efficiency. It encompasses several strategies, such as retrofitting facilities with energy-saving lighting and heating, ventilation, and air conditioning (HVAC) systems and integrating energy-efficient technologies into everyday business activities. Moreover, renewable energy sources, such as solar or wind power, can significantly reduce a bank's carbon footprint and operational costs. These initiatives promote environmental stewardship, align with sustainable development goals, and enhance the bank's reputation among environmentally conscious customers and stakeholders. Environmental groups and NGOs significantly encourage banks to adopt sustainable development practices in their operations. These organizations press banks to prioritize environmental and social responsibility through advocacy, campaigns, and partnerships. They urge banks to assess the impact of their lending and investment activities on communities and ecosystems and to prioritize projects with strong environmental and social performance. This pressure drives banks to integrate ESG criteria into their decision-making processes, leading to more sustainable banking operations and investments. Banks are vital in addressing climate change and global warming by financing projects and initiatives that mitigate environmental impact. By directing capital toward renewable energy projects, energy-efficient technologies, and green infrastructure, banks can

contribute to reducing carbon emissions and promoting climate resilience.

Additionally, banks can integrate climate risk assessments into their lending and investment decisions to better understand and manage the risks posed by climate change. This approach aligns with international commitments such as the Paris Agreement and supports the transition to a low-carbon economy. Banks can foster clean energy by supporting projects focusing on renewable energy sources such as solar, wind, and hydropower. It involves offering loans to clean energy companies and entrepreneurs as well as investment and advisory services. By doing so, banks help facilitate the growth and expansion of the clean energy sector, reducing reliance on fossil fuels and supporting the transition to a sustainable energy system. Banks may also support research and development in clean energy technologies to drive innovation and efficiency improvements in the sector. Banks can encourage social justice and progress by integrating equitable practices into their operations and decision-making processes. It includes providing fair and inclusive access to financial services, especially for underserved and marginalized communities. Banks can also support initiatives that promote affordable housing, education, healthcare, and small business development. Banks can contribute to addressing social inequalities and promoting inclusive economic growth by prioritizing social impact in their lending and investment decisions.

The second factor was the “Strategic Sustainable Governance.” This factor covers five complete statements, and this factor causes a 13.96 percent variance in the “factors Influencing the adoption of sustainable banking practices.” Incorporating business ethics and corporate governance into the banking system ensures transparency, accountability, and integrity. Banks must establish ethical codes of conduct and governance frameworks that guide decision-making and protect stakeholders' interests. It includes implementing anti-corruption measures, preventing fraud, and promoting ethical lending and investment practices. By integrating these principles into their operations, banks can build trust with customers, regulators, and other stakeholders, ultimately contributing to a more stable and ethical financial system. Sustainable

banking practices lead to enhanced sustainability reporting by involving stakeholders in the bank's ESG initiatives and effectively communicating the outcomes. By engaging with stakeholders such as customers, investors, employees, and communities, banks can gain valuable insights and feedback to guide their sustainability efforts. Comprehensive and transparent sustainability reporting showcases a bank's commitment to ESG goals, demonstrating progress and accountability. This reporting helps build credibility and trust and provides a benchmark for continuous improvement. Embracing sustainable banking practices can give banks a competitive advantage by differentiating them in the marketplace. Banks prioritizing sustainability can appeal to a growing segment of customers who value environmentally and socially responsible business practices. This advantage can increase customer loyalty and retention rates and attract new customers. Additionally, sustainable practices can open up new market opportunities, such as financing green projects and supporting innovative industries, further boosting a bank's market position.

Sustainable banking practices can significantly enhance a bank's brand image. Banks can build a positive reputation among customers, investors, and other stakeholders by demonstrating a commitment to environmental stewardship and social responsibility. This improved brand image can increase trust and confidence in the bank's operations, ultimately driving customer acquisition and retention. A strong brand image rooted in sustainability can attract top talent as employees increasingly seek employers with strong ethical values. Banks that adopt sustainable practices can capitalize on emerging market trends, such as the growing demand for green finance and socially responsible investments. By offering innovative products and services that align with these trends, banks can connect with new customers looking for sustainable financial options. This approach can also help banks build relationships with forward-thinking businesses and entrepreneurs, fostering collaborations that drive growth and development. Ultimately, banks can strengthen their market position and expand their customer base by staying ahead of market trends and meeting customers' evolving needs.

The Third factor was “Regulatory-Driven Sustainable Banking.” This factor covers five complete statements and causes an 11.448 percent variance in the “factors Influencing the adoption of sustainable banking practices.” Banks can reduce transaction costs by implementing paperless banking solutions. It involves shifting from traditional paper-based processes to digital alternatives such as online banking, electronic statements, and digital document management. These paperless initiatives streamline operations, lower administrative costs, and improve efficiency.

Moreover, they align with sustainability goals by reducing paper waste and minimizing the bank's environmental footprint. Regulatory-driven sustainable banking practices emphasize addressing anti-corruption and human rights concerns. Banks must establish ethical guidelines and governance frameworks that prevent corruption, bribery, and other unethical behaviour.

Additionally, banks must consider human rights issues in their operations and lending practices, ensuring fair treatment and equitable access to financial services for all individuals. By addressing these issues, banks demonstrate their commitment to ethical standards and social responsibility. Banks must comply with government policies and regulations that promote sustainable development, such as the National Voluntary Guidelines (NVGs) on Social, Environmental, and Economic Responsibilities of Business and the disclosure of Business Responsibility Reports (BRR). These regulations encourage banks to integrate ESG criteria into their operations and disclose their sustainability performance. Compliance helps banks align with national and international sustainability goals and enhances their reputation for transparency and accountability. Rising non-performing assets can pose significant challenges to banks, affecting their profitability and financial stability. Regulatory-driven sustainable banking practices require banks to manage their credit risk effectively by incorporating ESG considerations into their lending decisions. By doing so, banks can better assess borrowers' creditworthiness and long-term sustainability, potentially reducing the occurrence of NPAs. Additionally, sustainable

lending practices may support borrowers in adopting sustainable business models, improving their ability to repay loans and reducing the risk of default.

The fourth factor was “Socially Responsible Banking.” This factor covers five complete statements, and this factor causes a 9.125 percent variance in the “factors Influencing the adoption of sustainable banking practices.” Customers today are more aware and concerned about the environmental and social impact of the businesses they interact with, including banks. This increased awareness puts pressure on banks to adopt sustainable banking practices to meet the expectations of their customers. By prioritizing sustainability in their operations, banks can better cater to customers seeking responsible and ethical banking options, enhancing customer loyalty and satisfaction. Banks that embrace socially responsible banking take into account the impact of their operations on society, including communities and individuals. It involves integrating social considerations into decision-making, such as supporting community development projects, providing fair access to financial services, and promoting inclusive economic growth. By addressing social issues and actively working to improve the well-being of society, banks can build a positive reputation and strengthen their relationships with stakeholders. The Reserve Bank of India (RBI) provides guidelines and instructions to banks that promote sustainable development. These may include directives on responsible lending, environmental risk assessment, and supporting green initiatives. By adhering to these instructions, banks can ensure compliance with regulatory standards while contributing to the sustainable development goals set by the government and other international bodies. Meeting these instructions demonstrates a bank's commitment to ethical and sustainable banking practices, helping to build trust with customers, investors, and regulators.

The fifth factor was the “Sustainable Business Resilience Banking.” This factor covers five complete statements, and this factor causes a 9.044 percent variance in the “factors Influencing the adoption of sustainable banking practices.” Sustainable banking practices enable banks to strengthen their relationships with their communities. By supporting

local development projects, financing green initiatives, and providing fair and inclusive financial services, banks can contribute positively to the well-being and growth of their communities. Improved community relations can lead to higher customer trust and loyalty, which benefits the bank's long-term success.

Additionally, positive community engagement helps enhance the bank's reputation as a socially responsible and ethical institution. As the business environment becomes more complex and uncertain, banks face increased stress from various factors such as economic fluctuations, regulatory changes, and environmental challenges. This stress encourages banks to implement sustainable banking practices to control risks and build resilience. Implementing ESG criteria in lending and investment decisions and supporting ecologically and socially responsible activities help banks navigate challenges more effectively. Banks prioritizing sustainability can create resilience against future shocks and position themselves as leaders in the changing financial landscape.

The sixth factor was the “Sustainable Risk Management and Financial Stability.” This factor covers five complete statements, and this factor causes a 7.479 percent variance in the “factors Influencing the adoption of sustainable banking practices.” Banks that adopt sustainable risk management practices are better positioned to achieve higher profits in the long run. By incorporating environmental, social, and governance (ESG) criteria into their decision-making processes, banks can identify and support projects and clients that align with sustainable development goals. These practices lead to more stable investments, as they prioritize long-term performance and resilience over short-term gains. This approach can result in sustainable revenue streams and improved financial performance. Banks can reduce their credit risk by integrating sustainability considerations into lending and investment decisions. Sustainable banking practices involve assessing potential borrowers' and investments' environmental and social impact, ensuring they align with the bank's risk appetite and sustainability objectives. This approach helps banks identify and support clients with strong ESG performance, which can lead to a lower

likelihood of defaults and non-performing loans. As a result, sustainable banking practices contribute to overall financial stability and risk mitigation. Sustainable banking practices help banks strengthen risk management systems by incorporating social and environmental risks into their assessments. It includes evaluating the potential impact of climate change, environmental degradation, and social issues on the bank's operations and portfolio. By proactively managing these risks, banks can avoid potential losses and reputational damage while contributing to broader sustainability goals. This enhanced risk management approach supports the banking sector's long-term financial stability and resilience.

The seventh factor was the “Globally Aligned Sustainable Practices.” This factor covers five complete statements, and this factor causes a 7.054 percent variance in the “factors Influencing the adoption of sustainable banking practices”. One of the critical aspects of globally aligned sustainable practices in banking is addressing financial exclusion, particularly among underserved and deprived sections of society. Banks that prioritize inclusion work to provide fair and accessible financial services to individuals and communities that have historically been marginalized. It includes offering affordable banking services, financial education, and microfinance opportunities to help improve financial literacy and inclusion. By addressing financial exclusion, banks contribute to social equity and sustainable development. Globally aligned sustainable practices involve banks adhering to international sustainability codes of conduct and frameworks. These may include the Equator Principles (E.P.s), the United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Global Compact (UNGC), the Carbon Disclosure Project (CDP), and other sustainability initiatives. By adhering to these standards, banks demonstrate their commitment to responsible and ethical practices in environmental protection, human rights, and corporate governance. This alignment enhances the bank's reputation and credibility and ensures consistency and accountability in pursuing global sustainability goals.

The eighth factor was the “Holistic Bank Performance Enhancement.” This factor covers five complete

statements, and this factor causes a 5.562 percent variance in the “factors Influencing the adoption of sustainable banking practices.” Banks that adopt a holistic approach to performance enhancement prioritize improvements in non-financial areas, such as environmental, social, and governance (ESG) aspects. It includes initiatives such as reducing the bank's carbon footprints; promoting diversity and inclusion within the workplace, and contributing positively to the communities they serve. Enhancing non-financial performance can lead to several benefits for the bank, including a more substantial reputation, increased customer loyalty, and better stakeholder relationships. Furthermore, focusing on non-financial performance can also improve risk management and resilience, as banks attuned to ESG considerations are better equipped to navigate future challenges and changes in the financial landscape. Ultimately, a holistic approach to performance enhancement supports the bank's long-term sustainability and success.

Hypotheses result

The results of the independent sample t-test for bank types are presented in Table No. 6.6. Sustainable Environmental Impact Banking: $P = .108$ (assuming equal variances), $p = .107$ (not assuming equal variances). Strategic Sustainable Governance: $P = .628$ (assuming equal variances), $p = .627$ (not assuming equal variances). Regulatory-Driven Sustainable Banking: $p = .196$ (assuming equal variances), $p = .202$ (not assuming equal variances). The p-values are less than .05, indicating a significant difference in means between the Regulatory-Driven Sustainable Banking groups. Socially Responsible Banking: $p = .985$ (assuming equal variances), $p = .985$ (not assuming equal variances). The p-values are more excellent than .05, so there is no significant difference in means between the two groups for Socially Responsible Banking. Sustainable Business Resilience Banking: $p = .610$ (assuming equal variances), $p = .607$ (not assuming equal variances). The p-values are more remarkable than .05, so there is no significant difference in means between the two groups for Sustainable Business Resilience Banking. Sustainable Risk Management and Financial Stability: $p = .000$ (assuming equal variances), $p = .000$ (not assuming equal variances). The p-values are less than .05, so there is no significant

difference in means between the two groups for Sustainable Business Resilience Banking. Globally Aligned Sustainable Practices: $p = .038$ (assuming equal variances), $p = .037$ (not assuming equal variances). The p-values are less than .05, so there is no significant mean difference between the two groups for Globally Aligned Sustainable Practices. Holistic Bank Performance Enhancement: $p = .000$ (assuming equal variances), $p = .000$ (not assuming equal variances). The p-values are less than .05, so there is no significant mean difference between the two groups for Holistic Bank Performance Enhancement.

There is a significant difference between the factors influencing the adoption of sustainable banking practices on bank types, as all significance values are above $p=0.05$. Therefore, the hypothesis (H1) of factors influencing the adoption of sustainable banking practices on bank types is not accepted.

Conclusion and Suggestions

The current study investigates the factors influencing the adoption of sustainable banking practices by both public sector (PSBs) and private sector banks operating in India. The study conducted a literature review and semi-structured interviews with banking professionals to identify eight key factors influencing bank adoption of sustainable banking practices. These constructs were distilled into five key factors through iterative refinement processes: sustainable environmental impact banking, strategic sustainable governance, regulatory-driven sustainable banking, socially responsible banking, sustainable business resilience banking, sustainable risk management, financial stability, globally aligned sustainable practices, and holistic bank performance enhancement. Furthermore, the study investigates how these factors influence adopting sustainable banking practices, particularly in the Indian banking sector. The findings show significant differences between PSBs and private sector banks in the Delhi and Haryana areas across all eight underlying components, implying that regional variances can influence these variables. It emphasizes the significance of considering regional differences while implementing sustainable banking practices in the Indian banking industry.

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