

Green HRM Practices in Banks: A Case Study of State Bank of India (SBI)

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Abstract

To obtain a competitive edge, boost efficiency, and make sustainable use of resources, enterprises now have access to green human resource management as a strategic business choice. A threat to the future and long-term production of insufficient resources has been posed by significant environmental change around the world, resource depletion, etc. Provisions are made in accounts for possible losses or expenses. Similar to this, it is necessary to enforce a change in policies, even those that are employed to support the enterprise's sustainable growth.

One of the most recent management strategies that enables the global organisation to adopt sustainable development management strategies is green human resource management. Discovering green methods in banking and the environment are required due to the banking industry's services expanding daily on a global scale. The banking industry's adoption of several green HRM practises was the main subject of this study. The study largely concentrated on the numerous green HRM practises and the connection between social responsibility in banking and green HRM. Additionally, the study included making recommendations to the human resources division for programmes to make the banking business green and utilise those ideals.

SBI created a Green Banking Policy to address the challenges of climate change and global warming. Since then, the Bank has worked to minimise the carbon footprint of all its operations and facilities. In order to ensure sustainable development, SBI has implemented energy-saving measures such as energy-efficient lighting systems, paperless banking, the installation of energy savers, water harvesting and effective water usage techniques, and the planting of fruit-bearing trees. All of these actions had assisted the Bank in lowering expenses and raising profit.

Keywords: Green HRM, green initiatives, banking institutions, SBI etc

INTRODUCTION:

From a traditional industrial-based finance structure, the global economy is transitioning to a talent-based economy. The economy is also transitioning into a phase known as the "green economy," when the demands of customers, employees, and other environmental concerns will need that commercial components handle green issues. Under research methodologies that reflect the phrase "Green HRM," there is also an urgent need for the integration of human resource management (HRM) with environmental management.

Green human resource management (GHRM), where the human resource management departments play a crucial role in going green at their offices, has become the cornerstone business strategy for the leading corporations. From a traditional industrial-based finance structure, the global economy is transitioning to a talent-based economy. The economy is also transitioning into a phase known as the "green economy," when

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The twenty-first century has shown a rise in concern for environmental issues across the world. Modern global environmental trends had prepared the way for the development of strategies to tackle climate change (Victor 2001). Regulations for halting the depletion of natural resources have been prompted by the detrimental impacts of industrial waste and pollution around the globe, and required environmental laws are being developed for the welfare of society at large (Shrivastava and Berger, 2010).

The goal of green management as a concept for sustainable development is to strike a balance between the necessity for industrial development and the preservation of the environment for the benefit of coming generations. How a company or society may attain sustainability through green management, however, is up for discussion. Consequently, opening possibilities for additional study into how to build a sustainable green company. The idea of the organization's green activities is greatly influenced by Digital India. Companies are already choosing a paperless economy while keeping in mind the goals of a digital India. In India, banks are essential to carrying out government programmes. One of the most frequently used services by the public is banking.

LITERATURE REVIEW:

We also go over our analysis of the literature on green HRM practises in India's public sector banks. In their research work, Sunita & Sharma analysed the green practises used by India's public sector banks (Sunita & Sharma, 2017). The main conclusion of this study is the imbalance between HR practises to support the environment in the banking sector and the necessity for the Indian banking system to implement more HR practises. In his research of the Indian banking industry, Chanderjeet (Chanderjeet, 2017) gathered both primary and secondary data. The information from the banking industry is gathered through a questionnaire. There is no information provided about the sample. The main conclusion of this study is that adopting green human resource management policies requires human resource management to focus on recruitment, training, and employee motivation. The study advises using policies for carpooling, paper waste, etc. Furthermore, innovation should be employed to create regulations, yet banks lack adequate autonomy. In their study, Nath Vikas, Nayak Nitin, and Goel Ankit (Nath, 2014) assessed the RBI's rating standards, regulations, and green initiatives implemented by India's public and private sector banks. Based on their profit, they have been ranked among the top private and public sector banks. The main conclusions of this study are that, in comparison to their foreign counterparts around the world, Indian banks, both private and public, fall short in applying the strategies of green human resource management. The study goes on to advise banks to use more retrograde tactics, such as public transit and paperless environments. In their study on green banking in India, Bihari, Suresh Chandra, and others (Bihari Chandra, 2014) analysed the level of awareness and the measures required to embrace green practises in the banking industry. The top banks in both the private and public sectors of Indian banks were the sample used. The main conclusions of this study are that Indian banks must understand the value of social responsibility and sustainable development to compete on the global market. In her study Green Banking Initiatives by Indian Public and Private Sector Banks, Ritu (Ritu, 2014) concluded that there is a pressing need to adopt green banking practises and that efforts should be made to increase bank awareness of green initiatives.

In their assessment of several models of green banking practises used by Indian businesses, Bhardwaj, Broto, Rautla and Malhotra, Aarushi (Bhardwaj, 2013) concluded that a bank's adoption of green practises affects the organization's performance. The State Bank of India (SBI) has incorporated green banking practises into its borrowing and lending activities. To reduce its own carbon footprint and encourage its clients to adopt low-emission practises, the bank has devised a two-pronged strategy. For instance, windmills are employed in some locations to produce green energy. To determine if different types of banks, including state-owned commercial and development banks as well as public and international commercial banks operating in Bangladesh, have embraced green banking policy, Md. Maruf, Ullah. (2012) conducted a comparative analysis. The findings showed that only public and foreign commercial banks had adopted green banking principles and funded some initiatives that were based on green banking. The state-owned commercial and development banks' "green banking" projects fell short of expectations.

THERE ARE SOME GREEN HRM PRACTICES ADOPTED BY BANKING SECTOR IN CUREENT SCENARIO:

GREEN RECRUITMENT:

The process of selecting people with knowledge, skills, methods, applied, and behaviours that identify with organisations' environmental management systems is known as "green recruitment." Businesses are already realising that cultivating a positive reputation as a green employer is a good way to draw in new talent (Phillips, 2007; Stringer, 2009).

German businesses like Bayer and Mannesmann leverage green initiatives and a positive image to draw in top talent. It is simple for businesses to impose experts who are aware of sustainable procedures and are already familiar with fundamentals like recycling, conservation, and building a more rational environment when they hire candidates with a green mindset. Considering these assertions, it is possible to draw the conclusion that green hiring gives the employer the possibility to stand out from the competition and increases the likelihood that the applicant will be drawn in and stay after induction.

GREEN SELECTION:

Some businesses use applicants, environmental concern, and interest as selection factors when choosing candidates for open positions. These businesses ask environmental-related questions while interviewing or evaluating candidates for selection (Knight, 1995; Wehrmeyer, 1996; North, 1997; Revill, 2000). In addition to the standard selection criteria pertaining to the tasks of the position in question, there are several excellent green selection methods that any firm may use to choose individuals who are environmentally friendly.

According to the Chartered Institute of Personnel and Development (CIPD), becoming a green employer may help a company's employer branding and is a good approach to attract candidates with an interest in the environment (CIPD, 2007).

Actively positioning the company as a top-tier "green employer of choice" may help it recruit individuals who are environmentally conscious (Renwick et al, 2008; Jackson et al, 2011). Businesses are increasingly realising that establishing a reputation as a green employer is a good way to draw in new employees (Phillips, 2007; Stringer, 2009).

GREEN TRAINING & DEVELOPMENT:

The goal of training and development (T&D) is to improve employees' abilities, attitudes, and knowledge while preventing the loss of EM-related abilities (Zoogah, 2011, p. 17). Green T&D activities teach staff

members the importance of EM, instruct them on energy-saving and waste-reduction techniques. It enables them to accept various conservation strategies, such as waste management inside a business.

To lessen the negative environmental effects of the companies, it is highly helpful to provide training to promote recycling and waste management, support flexible work hours and telecommuting, and minimise long-distance business travel (Jackson et al., 2011).

GREEN COMPENSATION & BENEFITS:

Employees are rewarded for their success through the main HRM procedures of rewards and pay. Modern businesses are creating incentive programmes to support their workers' environmental actions. Although rewards and remuneration spur green actions in businesses, there will always be some unethical behaviour.

Offering incentives to promote recycling and trash management, enabling flexible scheduling and telecommuting, and minimising long-distance business travel are all examples of green reward management techniques (Jackson et al., 2011).

GREEN PERFORMANCE MANAGEMENT:

The PM is the culmination of the company strategy's recognition of environmental concerns and corporate environmental policies. It focuses on using environmental obligations as well as employee performance. HR managers who include environmental performance into PM systems protect environmental management from harm, according to Epstein and Roy (1997).

- Organizations must set up Environmental Management Information Systems (EMIS) and environmental audits to maintain high environmental performance. Environmental audits and environmental management information systems have both been implemented by several organisations (Wells et al., 1993). (Carpenter, 1994). The purpose of an environmental management information system, according to Schwalm (1994), is to efficiently monitor the numerous pollutions, resource consumption, energy, and regulatory needs that firm faces.

- Establishing a firm-wide conversation on green issues and communicating green plans, performance indicators, and standards to all levels of staff are also necessary to achieve the desired environmental performance (Renwick et al, 2008; Renwick et al, 2013).

TABLE 1: SUMMARY OF HR PROCESSES INVOLVED IN GREEN HRM

RECRUITMENT & SELECTION	TRAINING & DEVELOPMENT	COMPENSATION & REWARD	PERFORMANCE APPRAISAL
<ul style="list-style-type: none"> • For employees, green job descriptions (and green goals included into managerial job descriptions) • Green practises as seen by graduates (applicants use green criteria) • Green job applicants -Hiring 	<ul style="list-style-type: none"> • Start EM training and explain the procedures and materials used. • Needs analysis for EM training- Including teaching and value-generation training in training programmes • Employee skill development and 	<ul style="list-style-type: none"> • Incorporating green performance indicators into the performance management system, as well as appraisals (PMA); • Disseminating green initiatives to all staff levels through the PMA programme, so 	<ul style="list-style-type: none"> • Green Pay/Reward System- Create packages to recognise the development of green talents- using EM incentives with a monetary component (bonuses, cash, premiums) • Use of EM prizes

<p>staff that are "green conscious" becomes an element of the interview process</p> <ul style="list-style-type: none"> • Employer branding that is green (green employer of choice) • The induction procedure now includes green elements (familiarization) • Becoming a green company may result in additional HR benefits such as improved employee engagement and/or motivation, less staff turnover, and improved workforce health. 	<p>EM competency building</p> <ul style="list-style-type: none"> • Socialization of environmental management/values • EM's use of green teams • Teach employees to do workplace analyses for environmental sustainability. <p>Future-ready green managers will be trained through job rotation and training integration.</p> <ul style="list-style-type: none"> • Instruction on safety, energy efficiency, waste management, and recycling elements of EM • Safety officials will provide information about green courses. • Establishing personal growth in sustainability <p>Training for employees leaving their current positions in related polluter industries.</p>	<p>establishing firm Managers define green aims, goals, and duties.</p> <ul style="list-style-type: none"> • Managers' roles in attaining green results are incorporated in appraisals. Managers write and incorporate green criteria into assessments. • Environmental management penalties for failing to meet objectives include: - Appraisals that count green occurrences, evaluate environmentally responsible usage, and evaluate how well environmental policy is communicated; - (EM) 	<p>that aren't dependent on money (sabbaticals, leave, gifts)</p> <ul style="list-style-type: none"> • Utilizing EM incentives depending on recognition (awards, dinners, publicity, external roles, daily praise) • Create unfavourable reinforcements in EM (criticism, warnings, suspensions for lapses) • Create constructive rewards for EM (feedback) • Create PRP for everyone to promote environmental citizenship (esp. seniors) • Connect the recommendation system to the reward system • Establish a link between taking part in green projects and career advancement (managers advance through supporting staff in EM) • Utilize green tax benefits and offer incentives to encourage workers in EM.
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Source- Green HRM: A review, process model, and research agenda By Dr. Douglas Renwick, University of Sheffield Management School

GREEN HRM IMPORTANCE:

We are seeing constant development at this era of globalisation, yet each sector's growth has a negative impact on the environment. Therefore, there is a global demand for green human resource management. Every human's innate awareness drives their way of life, which necessitates environmental conservation. Due to its significance and need in the modern workplace, green human resource management has gained the interest of general employees. There are various implications that have an impact on our personal and professional lives. The business sector must provide a remedy for these harms since the global scale of the environment's problems is so great.

These are some green initiative steps taken by SBI during 2019 and onwards:

Grid-Connected Rooftop Solar PV Projects: The Scottish government has launched a pilot scheme to subsidise the use of solar energy in commercial and industrial buildings with smaller roofs. Institutions are spending less on electricity thanks to this innovation, which makes the conversion to solar energy even more appealing. 688.48 crores have been approved under this scheme as of March 31, 2021 and \$1,089.52 crores as of March 31, 2022

Financing Solar Photovoltaic Pump Sets: Solar water pumping systems are an eco-friendly, long-lasting, affordable, and user-friendly substitute for traditional diesel and electric pumps. They are especially useful for farmers in places without or with intermittent electricity. SBI hopes to create a sustainable life for these farmers with minimal negative environmental effects by sponsoring their acquisition. In accordance with the PM KUSUM Yojana, SBI assists in funding the procurement of solar water pumping devices to give farmers a sustainable means of subsistence and lessen the environmental impact.

Green Buildings: The Indian Green Building Council (IGBC) has granted the Bank certification for seven of its facilities. The highest rating, Platinum, has been given to two of these, namely the State Bank Institute of Credit and Risk Management (Gurugram) and a Residential Colony (Navi Mumbai).

Tree Plantation: To maximise growth and survival, all rings of the Bank regularly engage in tree planting initiatives throughout the year, particularly in the months preceding the monsoon. The planting activities are a component of a bigger environmental campaign to recognise international days of sustainability awareness. Over four lakh trees have been planted by the Bank throughout the reporting year.

Energy Consumption and Management: SBI's offices, branches, and ATMs had a total installed capacity of renewable energy of 35 MWp as of the end of March 2020. During the reporting year, energy consumption cost the Bank 1,413.12 crore, which is equal to roughly 4.63 million GJ of electricity consumption and 0.88 million litres of diesel usage.

Carbon Neutrality Project: SBI has developed a carbon neutrality policy with the goal of being carbon neutral by 2030. The Bank has installed solar power systems at its offices and branches across the nation in place of generators. SBI intends to increase its captive RE power capacity, which is now around 35MWp.

Installation of IPM+ desktop software: SBI has installed a software application for intelligent power management that uses fine-grained power optimization. Since May 2016, it has been installed on all national office desktops. The Bank has successfully benefited from energy savings of about 10.84 GWh during the reporting period.

Branch Server Consolidation (BSC): The goal of the BSC project is to consolidate all physical servers into a single, secure virtual environment. 12,631 servers were moved to a virtual arrangement during the reporting period, increasing the 10,332 servers moved the year before. As a result, branch operations now

have more space and their energy needs have decreased. By reducing cooling needs alone, an estimated 81.85 crore in annual costs are being saved. Additionally, the costs associated with server maintenance have been removed by this relocation.

Green Channel Counters (GCCs): SBI's green banking initiative, GCC, has saved 445 MT of paper and cut water use by 39,746 m³, waste production by about 262 tonnes and carbon emissions by 4,000 tCO₂e. During the reporting period, 7.62 lakh transactions per day on average were routed through GCC.

SBI's Green Finance Initiatives: SBI is committed to continuously reducing its negative environmental impact. Several action points and initiatives have been put into effect during the reporting period (FY 2019-20). As of March 31, 2020, the Bank has a portfolio of 55 automobiles and 994 e-rickshaws.

Green Bonds/Green Loan: Since FY 2018-19, bonds totalling \$800 million have been issued.

- Green Bonds worth USD 650 million and USD 50 million in FY 2018–19
- In FY 2020–21, funds for a \$50 million green loan were raised.
- listed green bonds on the INX and Luxemburg Stock Exchange, totalling US\$650 million.
- Proceeds used to improve the environment in accordance with the Bank's Green Bond Framework.

Compressed Biogas (CBG) Under SATAT Scheme: Under the Sustainable Alternative Towards Affordable Transportation (SATAT) programme, SBI offers financing for CBG plants. This project seeks to manage garbage while also fostering innovation, sustainable industrialization, large-scale employment for both skilled and unskilled workers, and emission reduction.

E-Rickshaw Scheme: E-rickshaw use has increased dramatically as a result of laws for cleaner fuel, which make them an economical and environmentally benign means of transportation. SBI has authorised '14.21 crores for e-rickshaws as of March 31, 2021. SBI has approved 12.06 crores as of March 2022.

Sustainability Linked Loans: ESG-related loans and sustainability grid-linked pricing have been made available by SBI's foreign branches.

- Borrowers receive a 4–6 bps incentive for meeting sustainability-related KRAs, and there is a penalty for failing to do so.
- This motivates the borrowers to meet the KRAs.
- About \$1 billion in such loans are in the portfolio.

Impetus for Renewable Energy: SBI is steadfast in its commitment to funding green energy. The Bank has acquired funds through a number of green bonds as well as several lines of credit. As of the end of March 2022, SBI had allocated more over 32,000 crores for several hydro, biomass, solar, wind, and waste-to-energy projects.

Encouraging Investments in Renewable Energy: SBI has signed an MOU with Tata Power Solar Systems and introduced the new loan product "Surya Shakti - Solar Finance". This programme aims to incentivize SMEs and commercial companies to construct rooftop or ground-mounted grid-connected solar systems for internal use.

Green Car Loan: Through the Green Automobile Loan programme, the Bank encourages cleaner mobility by providing a longer payback period of up to eight years and a 20-basis point (bps) interest rate discount in comparison to a standard car loan.

FINDINGS:

Green HRM practises are laying the groundwork for the development of benefits of a more concrete character, such as greater productivity, decreased costs, employee retention, enhanced work-life balance, improved employee performance, and other tangible advantages. To improve the organisational environmental performance, corporate organisations must determine the value of linking employee engagement in environmental management programmes to waste management, recycling, etc. According to the study's findings, green human resource management practises have the potential to increase green awareness among the organisations' existing and potential employee work forces as well as among new and talented hires. They will also support efforts by human resources to curb environmental degradation programmes through green initiatives, green movements, and sustainable development. Green HRM may increase workers' commitment, motivation, and inspiration to contribute their thoughts and labour to the greening of their workplaces and aid in lowering employee carbon footprints.

SUGGESTIONS:

- The bank may take necessary steps to improve the awareness level of customers and employees regarding green initiatives and green human resource management practices.
- The banks should run awareness campaigns for their employees on the significance of Green Human Resource management policies and practises.
- The bank should encourage green teams inside their functional units to teach their staff members in GHRM best practises.
- The bank should adopt such policy in which initiatives are given to the employees who contribute in GHRM.
- The bank should regularly monitor employees' green initiative practices in the organization.

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