

**FACTORS AFFECTING THE LEVEL OF ADOPTION OF GREEN  
BANKING PRACTICES AND ENVIRONMENTAL PERFORMANCE OF  
COMMERCIAL BANKS IN AMPARA**



**BY**

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## ABSTRACT

Green banking is the term used by banks to make them much more responsible to the environment. The term green banking practices means developing inclusive green banking strategies which will ensure sustainable environmental performance. The banking sector is adopting paperless technologies in providing efficient and effective service to the customers whereas conserving the green environment for the future generations. Hence, there is a need to explore the factors influencing on level of adoption of green banking practices and environmental performance. In addition to that, only few studies so far have been conducted to explore impact of level of adoption of green banking practices on environmental performance. Hence, the objectives of this study are: to find out what extent the management commitment and support, competitor pressure, customer pressure, environmental interest and economic factors influence on level of adoption of green banking practices, to find out the relationship between these factors and levels of adoption of green banking practices, and to explore the impact of levels of adoption of green banking practices on environmental performance of Commercial Banks. The study has considered the management commitment and support, competitor pressure, customer pressure, environmental interest and economic factors as independent variables and the levels of adoption of green banking practices and environmental performance as dependent variables.

A cross-sectional survey using structured questionnaire was used to collect data from 154 bank employees. Univariate analysis was carried out and the results show that selected five factors have high level of influence on the level of adoption of green banking practices. The correlation analysis revealed that selected five factors have significant and strong positive relationships with level of adoption of green banking practices. The simple linear regression analysis revealed that levels of adoption of green banking practices have significant and positive impact on environmental performance of banks. The multiple linear regression analysis revealed that management commitment and support, competitor pressure, customer pressure and economic factors have significant and positive impact on levels of adoption of green banking practices. However, environmental interest has not significant impact on level of adoption of green banking practices. These findings should be very useful to the banks in assessing their current status for successful adoption of green banking practices.

**Key Words:** Green Banking Practices, Management Commitment and Support, Competitors Pressure, Customers Pressure, Environmental Interest, Economic Factors, Level of Adoption of Green Banking Practices, Environmental Performance

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