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Incentivizing Sustainability: The Role of Green Finance in driving Employees Green Behavior and Enhancing Economic Performance

Ayesha Nawaz[1], Um-e-Rubbab[2] Dr. Ammara Mubashar[3]

[1]Fatima Jinnah Women University, The Mall. Rawalpindi

[2]Lecturer at Fatima Jinnah Women University, The Mall. Rawalpindi Email: rubbabhayat55@gmail.com

[3]Assistant Professor at Fatima Jinnah Women University, The Mall. Rawalpindi Email: ammara.mubashar@fjwu.edu.pk

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Abstract

This study investigates the intricate relationship between green finance, intrinsic motivation, employee green behavior, and economic performance within the banking sector. The research aims to contribute to a deeper understanding of organizational sustainability practices, by examining these variables and their interactions. Non-probability convenience sampling was used in the study. A self-administered questionnaire was used to obtain data from a sample of bank employees working in Rawalpindi and Islamabad.

The findings reveal a positive association between green finance with economic performance of the organization. The study also explores the moderating role of intrinsic motivation, demonstrating that employees with higher levels of intrinsic motivation might be less responsive to external factors like green finance. The research offers valuable insights for organizations seeking to enhance their sustainability performance. It emphasizes the importance of a holistic approach that considers both organizational-level strategies (green finance) and employee-level factors (intrinsic motivation). This study emphasizes how crucial it is to establish an environment at work that motivates employees to feel organically driven to boost the effectiveness of sustainability initiatives.

Introduction

The escalating threats of climate change and environmental degradation have spurred a global movement towards sustainable development, pressuring businesses to integrate sustainability practices into their core operations. Green Finance, a booming field, sometimes referred to as "sustainable finance," "environmental finance," "climate finance," or "green investment" (Akomea-Frimpong et al., 2021) offers financial instruments and services specifically designed to support environmental projects and promote environmentally responsible business practices. This includes a range of financial tools like green lending, green bonds, and green insurance.

The banking sector, which was previously not considered a major polluter, has come under flames for its environmental impact. Due to its extensive branch network, its operations require a significant amount of energy and resources. More significantly, the banking sector's financing activities towards polluting industries can have an indirect negative impact on the environment.

G-banking prioritizes green investments in products and services that reduce carbon dioxide emissions, promoting environmental sustainability. Therefore, in response to the concerns mentioned above sustainable practices like Green Banking (G-banking) have emerged as a strategy for reducing climate change and environmental damage. Banks' endorsement and support for sustainable product finance is a sign of their commitment to environmental issues (Rehman et al., 2021)

Pakistan has witnessed significant growth in green credit with the State Bank of Pakistan launching green banking guidelines to encourage banks to offer green loans and support environmentally friendly projects (Afridi et al., 2021). For that reason, it is considered that GF has a potential to be a powerful driver of positive change, particularly in developing countries facing challenges like climate change and resource scarcity (Malik et al., 2018). The signaling effect of Green Finance can be reinforced by an emphasis on green development, as seen in China (Zhang, 2023; Yu et al., 2023). Green financing can enhance information disclosure mechanisms, incentivizing environmentally conscious businesses to pursue green certification and mitigate environmental hazards. Businesses may be encouraged to implement eco-friendly procedures and grow by the growing market for green goods and services (Yao et al., 2021).

Natural Resource Dependence Theory (NRDT), which emphasizes profit maximization (Wernerfelt, 1984) and sustainable competitive advantage (Barney, 1991), is used in this study. Green Finance includes green loans and bonds, reduces reliance on unsustainable activities and potential price increases, and provides access to capital for environmentally friendly practices. Intrinsically motivated employees are more likely to embrace green initiatives and exhibit higher levels of employee green behavior, leading to cost saving and strengthened financial position. By adopting green finance practices, organizations signal a commitment to environmental responsibility and sustainability (Alshebami, 2021). This positive signal can attract environmentally conscious investors and customers (signaling theory). Therefore, businesses can use green finance to demonstrate that they are environmentally conscious. This can have a number of advantages, such as easier access to financing, cheaper borrowing costs, and a stronger brand, all of which can enhance an organization's financial performance.

Although the previous studies demonstrate that green finance directly boost economic growth, there are still a number of significant gaps in our knowledge of how these advantages are realized. First, there is still little knowledge about how green finance affects employee green behavior, a potentially significant intermediary. Furthermore, it is unknown to what degree intrinsic motivation is probably moderating the relationship between green finance and Employee green behavior. The lack of knowledge regarding how green finance influences financial performance from the perspective of green companies represent the last knowledge gap (Yu et al., 2023). This research investigates the following key questions. Firstly, does green finance influences employee green behavior and firm’s economic performance. Secondly, whether the relationship between green finance and employee green behavior, is moderated by employee intrinsic motivation?. And thirdly, whether employee green behavior mediates between green finance and firm’s economic performance. To respond to these research question, we developed the first objective i.e. to analyze the impact of green finance on employee green behavior and firms economic performance. Secondly, assessing the moderating role of intrinsic motivation in the relationship between green finance-employee green behaviors. Thirdly, assessing the mediating role of green behavior between green finance and firms economic performance.

The majority of the capital needed to support economic growth and activities comes from the banking sector, and green finance may be able to help create environmentally friendly projects and sustainable products. The study offers helpful information to banks that can promote the transition to more sustainable business practices. As environmental issues gain importance, banks face increasing risks related to climate change and environmental degradation. Nevertheless, implementing sustainable initiatives can help banks to mitigate these risks in the future and increase financial performance.

Literature Review

Green Finance

Among the widely recognized Green Finance products created by banks are green securities, green investments, green insurance, green credit, green infrastructure bonds, climate finance, and carbon finance (Akomea-Frimpong et al., 2021). Raising environmental standards and quality is the primary aim of green finance (Bakry et al., 2023). As a result, all financial products and services that are environmentally conscious and focused on helping the environment can be categorized as "green finance". According to Lee and Lee (2022), an approach that seems to be effective in promoting the mitigation of ongoing environmental degradation and the promotion of sustainable economic development is green finance. Green Finance, in contrast to Green Bank, goes a step further by taking particular environmental issues into account. Like traditional finance, green finance can mobilize savings for the purpose of enhancing economic development and manage risks and availability more effectively. Studies indicate that Green Finance improves environmental outcomes. Xi et al. (2021), Liu et al. (2020), Kala and Vidyakala (2020), and Risal and Joshi (2018) have determined that, among other things, green finance promotes the use of renewable energy, funds green projects, and maintains environmental sustainability.

Green Finance and Economic Performance

In the meantime, data shows that green enterprises perform financially better than conventional businesses for every unit increase in the Green Finance index. According to Yu et al. (2023), there is a 3.89% increase in the financial performance of green businesses for every unit increase in the Green Finance index. Green financial instruments obtain capital through green stocks and bonds and have favorable loan rates due to lower financing costs (Wei & Yang, 2022; Tang & Zhang, 2020). Moreover, according to Du et al. (2022), green finance can improve a company's financial performance and technological advancement, giving it a competitive advantage.
Despite this, a possible trade-off was discovered by Ouyang et al. (2023). Green Finance, which improves the quality of economic growth through environmental responsibility, may result in a slightly slower growth rate in the short term. Taking a broad view, studies by Wu (2023), Zhang (2022), and Ngo et al. (2021) demonstrate toward a positive relationship between Green Finance and general economic growth. Green Finance can address economic challenges,improve business practices, and foster long-term economic growth (Zhang, 2022), especially in countries with clean environments, sufficient resources, and a healthy workforce, where financial institutions actively promote Green Finance practices (Zhang et al., 2021). This positive correlation is linked to the signaling effect Green Finance practices have on stakeholders (Alshebami, 2021; Spence, 1978). By adopting these practices, organizations signal a commitment to environmental responsibility, attracting environmentally conscious investors, customers, and talent. Environmentally conscious investors may be more willing to invest, leading to improved access to capital and potentially lower borrowing costs (Signaling Theory). Studies by Liu & Wu (2023) support this notion, finding a positive association between a firm's green practices and its financial performance.

H_1: Green finance positively effects economic performance of the organization.

Green Finance and Employee Green Behavior

According to Chen et al. (2022), there is a direct correlation between Employee Green Behavior and Green Finance. The Green Credit Policy (GCP), which is meant to encourage short-term lending to companies that cause environmental harm, may not have the desired results, according to a study by Zhang et al. (2021). While it might promote funding in the near run, it might also have negative consequences down the road, that hinder long-term investments in environmental upgrades. This could therefore unintentionally discourage green behavior among employees.

Research suggests that a good person-organization fit, particularly in terms of values, can promote employee green behavior (Mi et al., 2020). When employees feel their values align with the organization's environmental commitment (signaled by Green Finance practices), they are more likely to engage in green behaviors. Additionally, the closer employees feel to the organization's environmental goals, the stronger the positive influence on employee green behavior (Mi et al., 2020). Studies by Chen et al. (2023) on bank employees found that positive attitudes, beliefs about what others expect (subjective norms), and feeling empowered to act (perceived behavioral control) regarding Green Finance positively affect their intention to implement green practices. Overall, the implementation of Green Finance policies can influence not only employees' green behaviors but also overall green financing practices within the organization (Sabbir & Taufique, 2022; Alshebami 2021; Chen et al. 2022). Alshebami (2021) asserts that a bank's Green Finance policy will directly affect the environmentally conscious behavior of its employees. Green Finance initiatives can act as a catalyst for Employee Green Behavior through several mechanisms (Chen et al., 2022). The following hypothesis is supported by research, which shows a positive relationship between Green Finance and Employee Green Behavior.

H_2: *Green Finance positively influences employee green behavior within an organization.*

Employee Green Behavior and Economic Performance

According to research by Zhu et al. (2021), the idea here is to explain how green human resource management (HRM) influences employees' attitudes and behaviors toward being green in order to improve the financial performance of the company. Green employee behaviors give businesses a competitive edge because they attract more customers, improve the organization's reputation, and set it apart from rivals (Hussain et al., 2023). They also help organizations improve their overall financial standing, as already mentioned.

H_3: Employee Green Behavior has a positive relationship with the economic performance of the organization.

The Moderating Effect of Intrinsic Motivation

Four behavioral patterns have been shown to be effective in promoting pro-environmental behavior in employees: self-generated motivation, which is behavior driven by the intrinsic qualities or nature of the task; these patterns include external drive, behavioral models, positive reinforcement, and positive reinforcement. Researchers have argued that even in organizations that do not practice green finance, employees with high levels of intrinsic motivation still engage in environmentally conscious behaviors at work. Green Finance initiatives have the potential to act as a motivator for them, enhancing their dedication to environmental conservation.

Intrinsic Motivation and Green Finance have an intriguing and possibly correlated relationship even though Green Finance can establish the framework and rewards for eco-friendly activities, employee engagement and behavior modification rely heavily on Intrinsic Motivation. Moreover, Wu et al. (2019) claim that encouraging work values that support Intrinsic Motivation like long-term environmental benefits can have a favorable impact on Employee Green Behavior.

H_4: *The relationship between green finance and employee green behavior is moderated by intrinsic motivation*

The Mediating Effect of Employee Green Behavior

Malsha et al. (2020) define Employee Green Behavior as recycling paper, printing on both sides, minimizing waste, conserving electricity, and utilizing energy-efficient equipment. These actions could be taken voluntarily or as a result of workplace policies established by the organization. The mediated relationship between sustainable performance and green banking practices may also benefit from the use of Employee Green Behavior, according to Malsha et al. (2020). Group structures within the organization for Green Finance in banks are the subject of organizational measures, which are different from individual approaches. Teams can be effective depending on the needs of the business, and Huang & Huang (2023) find that this happens sooner where teams are in charge of financing and investment. In order to support green financing and investment, strong team-builders with a background in green banking can have a significant impact on the team's outcome. Consequently, a commercial bank's financial flows may generally become "greener" in the sense of the word. To put it simply, EGB serves as a link between the environmental benefits of Green Finance to tangible economic benefits for the organization.

H_5: *The relationship between green finance and economic performance is mediated by employee green behavior*

Theoretical Framework

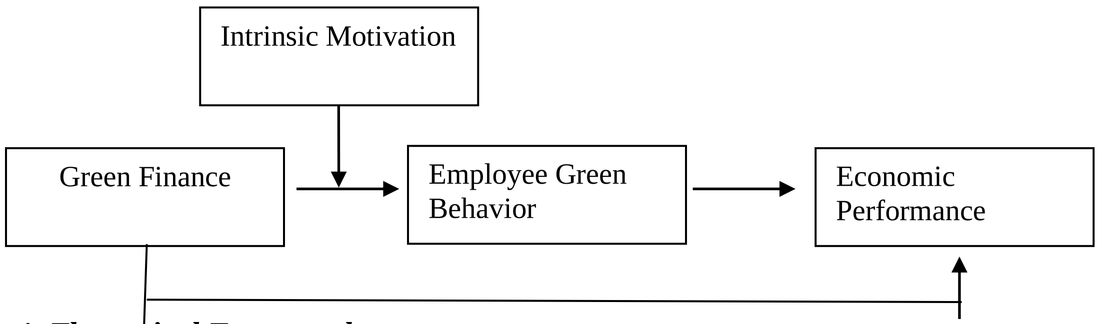

Figure 1 Theoretical Framework

Method

A sample of bank employees within public and private banks located in Rawalpindi and Islamabad, Pakistan were requested to provide empirical data using a quantitative research approach. Using google forms a self-administered questionnaire was developed. Questionnaire had 2 sections; Demographics and Study Variables. Non-probability convenience sampling was used. The link of the structured questionnaire was electronically shared with people who are working in the banks. Further, different bank branches were visited within the twin cities to get the responses filled. The sample-to-item ratio was used to calculate the sample size based on the number of items in the study. Five to one is the minimum ratio that should be used (Gorsuch, 1983; Hatcher, 1994; Suhr, 2006). Since our study's four variables consist of a total of 19 items, a sample size of 190 was calculated by multiplying 19 by 10. Items were measured using Likert scale. After data collection results were evaluated on SPSS.

Measures

The instruments for the study consisted of Green Finance (green loans and green investment), Intrinsic Motivation, Employee’s Green Behavior and Economic Performance scales. Respondents ranked the items on a closed-ended questionnaire from 1 (Strongly Agree) to 5 (Strongly Disagree), using a 5-point Likert scale. The green finance was measured by a eight-item scale developed by Ye & Dela (2023) and Oyedele et al (2022). A two-item scale of Chaudhary (2019) was used to employee green behavior. Intrinsic motivation was measured through six-item scale developed by Li et al. (2020). Economic performance was measured through a three-item scale developed by Xiliang et al. (2022).

RESULTS

In order to compile the results, tests were run on the data gathered through the surveys that were administered. The following is a list of the results of the tests that were obtained using SPSS.

Demographic Statistic

Table 1: *Demographic Profile of Respondents*

Variables	Characteristics	Frequency	Percentage
Gender	Male	146	65.5

	Female	77	34.5
	Total	223	100.0
Age	25-30	78	35.0
	31-35	81	36.3
	36-40	33	14.8
	41-45	21	9.4
	46 Above	10	4.5
	Total	223	100.0
Qualification	Graduate	98	43.9
	Post Graduate	122	54.7
	Doctorate	3	1.3
	Total	223	100.0
Designation	Manager	70	31.4
	Regional Manager	7	3.1
	Operational Manager	44	19.7
	Employee	102	45.7
Experience	1-3 years	67	30.0
	4-6 years	43	19.3
	Above 6 years	113	50.7
	Total	223	100.0
Banks	Public	35	15.7
	Private	188	84.3
	Total	223	100.0

N= 223

Table 1 summarizes the demographic characteristics of the 223 bank employees who participated in the research survey.

Most of the participants were males with 65.5% of the total, with women accounting for only 34.5%. Among the participants, the age group category between 31-35 years has the highest participation as its share is 36.3%, then 25-30 years accounts for 35.0%. Representation falls for older age groups with 45 above being the lowest with only 4.5%. Going towards qualification, 54.7% of the participants hold postgraduate degrees, 43.9% are bachelor's degrees and only 1.3% have doctorates. Nearly half of the employees who surveyed were employees having 45.7% share followed by Managers with 31.4%. Smaller categories include Operational Managers with 19.7% and Regional Managers with 3.1%. 50.7% of the participants have over 6 years of experience while 30.0% having the experience between 1-3 years. The vast majority of the workforce work in private banks with 84.3%, and 15.7% in state institutions.

Reliability Analysis

Table 2: ***Reliability Analysis***

Construct	No. of items	Cronbach's Alpha
Green Finance	8	.88
Employee's Green Behavior	2	.84
Intrinsic Motivation	6	.92
Economic Performance	3	.83

In this study, Cronbach's Alpha was used to assess the reliability of the research variables, and the values are shown in table 2, confirming the reliability of the scale items used. Green Finance has the most items, with a total of 8, followed by Intrinsic Motivation with 6. Employee Green Behavior is the construct with the least number of items, which is 2. Cronbach's Alpha values for all constructs exceed the value of 0.8 and range from 0.83 (EP) to 0.92 (IM). This indicates a good to excellent level of internal consistency across all constructs measured by the survey. The highest value (0.92) is for Intrinsic Motivation, indicating that the six questions used to assess this concept are extremely consistent in capturing employees' internal environmental values.

Correlation Analysis

Table 3:*Pearson Correlation*

Variables	GF	EGB	IM	EP	M	SD
Green Finance	1				2.133	.642
Employee's Green Behavior	.503**	1			1.771	.643
Intrinsic Motivation	.540**	.762**	1		1.794	.636
Economic Performance	.262**	.161*	.237**	1	1.916	.669

The values of Pearson Correlation are shown in Table 3. The variables that demonstrated the highest value of correlation were intrinsic motivation and employee green behavior (r = .762, $p < 0.01$)

Intrinsic Motivation also has the positive correlation with Employee Green Behavior (r = .762, p < 0.01). This indicates that the employees who have a strong internal desire for environmental responsibility so they will engage in greener behaviors (EGB), and this will have a positive impact on the organization's Economic Performance (r = .237, p < 0.01). Economic Performance exhibits a weak but statistically significant positive correlation with all other variables. This suggests that Green Finance, Employee Green Behavior, and Intrinsic Motivation may be linked to improved Economic Performance.

Direct Hypothesis Testing

Table 4:*Hypothesis Testing*

Hypothesis	Path	B	SE	T	P	LLCI	ULCI	Status
H_1	GF-EP	.2522	.0783	3.219	.0015	.0978	.4066	**supported**
H_2	GF-EGB	.5035	.0582	8.648	.0000	.3887	.6182	**supported**
H_3	EGB-EP	.0410	.0782	.5244	.6005	-.1132	.1952	**Not supported**

Note: GF= Green Finance; EGB= Employee Green Behavior; IM= Intrinsic Motivation; EP= Economic Performance

Out of Five hypothesis that have been developed, regression analysis was conducted to test the three hypotheses with linear relationships (H_1, H_2, and H_3). Table 4 presents the findings of the direct hypothesis testing, which examined the relationships between the study's key variables: Green Finance, Employee Green Behavior, and Economic Performance. The relationship between the two variables is described by each hypothesis which is represented in each row of the table.

H1 indicated a positive relationship between Green Finance and Economic Performance. The regression coefficient is positive (b = .2522), which means that for every one-unit increase in Green Finance, Economic Performance is expected to rise by 0.2522 units on average, while all other variables remain constant. The p-value of 0.0015 ($p < 0.01$) indicates a statistically significant relationship. Thus, the relationship is supported by the findings, H1 accepted. In H_2 it was proposed that there is a positive relationship between Green Finance and Employee Green Behavior. The regression coefficient is positive (b = .5035), indicating a significant positive association. The p-value is highly significant (0.0000). Therefore, H2 was also accepted. H_3, which implied a positive relationship between Employee Green Behavior and Economic Performance, was also unsupported. The coefficient (b) is positive but small (b = .0410), and the p-value (.6005) is non-significant ($p > .01$). The results suggested that there is no direct relationship between Employee Green Behavior and Economic Performance.

Moderation Analysis

Table 5:*Moderation Analysis*

Hypothesis	Path	B	SE	T	P	LLCI	ULCI	Status
	GF-EGB	.3980	.1052	3.7836	.0002	.1907	.6053	**supported**
H_4	IM-EGB	1.0863	.1422	7.6378	.0000	.8060	1.3666	
	Int_1	-.1617	.0556	-2.9088	.0040	-.2713	-.0522	
R^2	.6072							
R^2 Change	.0152							

Preacher and Hayes's process macro model 1 was used to perform a moderation analysis in order to investigate at the moderating effect. The results of the moderation analysis are shown in the Table 5.

According to H_4, significant positive relationship exists between Green Finance and Employee Green Behavior ($p < 0.01$). The results indicates that employees tend to exhibit more environmentally friendly behaviors in organizations those have stronger green finance initiatives. Furthermore, as shown by the analysis, Intrinsic Motivation has an impact on Employee Green Behavior ($p < 0.01$). Employees who are intrinsically motivated by environmental values are more inclined to adopt green behaviors, regardless of organizational factors. The values of upper confidence level and the values of lower confidence level are in the same direction which indicates no zero between them. For Employees with higher levels of intrinsic motivation, the positive relationship between Green Finance and Employee Green Behavior is weaker as specified by negative interaction term (Int_1 = -.1617). Therefore, the moderating role of intrinsic motivation is confirmed and H_4 is accepted.

Graph A

The findings of a basic slope analysis are displayed in figure 2 that shows a positive relationship between Green

Finance and Employees Green Behavior as for low level of Intrinsic Motivation, the line is steeper. This suggests that the impact of the Green Finance on Employees Green Behavior is much greater at low level of Intrinsic Motivation. In simpler term, employees with low intrinsic motivation are more motivated by organizations to adopting green behavior than employees who are highly motivated towards environment. The line is flatter for high Intrinsic Motivation, which suggests a weaker relationship between Green Finance and Employees Green Behavior. This indicates that the influence of the Green Finance on Employees Green Behavior is less, when Intrinsic Motivation is high. In other words, employees who are themselves intrinsically motivated towards adopting greener behavior are less impacted by the organization actions towards green finance to have an effect on employees to adopt green behavior.

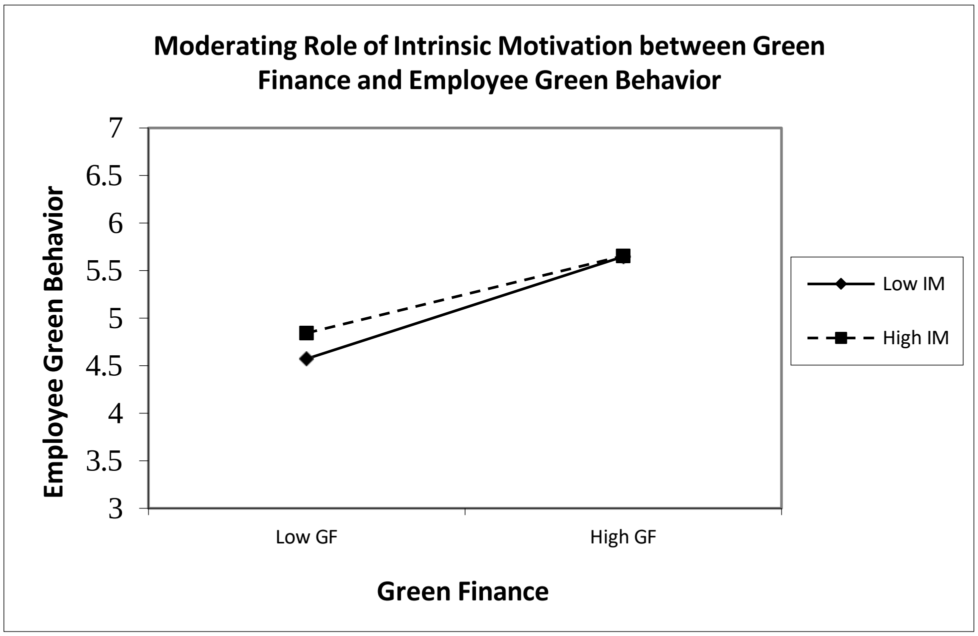

Figure 2. Slope test

Mediation Analysis

Table 6:*Mediation Analysis*

Relationship	Total Effect	Direct Effect	Indirect Effect	LLCI	ULCI	Status
GF-EGB-EP (H_5)	.2728 (.0001)	.2522 (.0015)	.0207	-.0579	.1145	**Not supported**

To investigate the mediating effect, a mediation analysis was performed by using macro model 4 by Preacher and Hayes. The results of the mediation analysis are shown in Table 6. In H_5 it was assumed that Employee Green Behavior mediates the relationship between Green Finance and Economic Performance. The overall effect of Green Finance on Economic Performance is significant ($b = .2728$, $p < 0.01$). While Green Finance has a direct effect on Economic Performance ($b = .2522$, $p = .0015$), the indirect effect by means of Employee Green Behavior is not significant ($b = .0207$), and the confidence interval for the indirect effect is not in the same direction and includes zero (LLCI = -.0579, ULCI = .1145). This suggests that the relationship between Green Finance and Economic Performance is not mediated by Employee Green Behavior. Hence, H_5 was not accepted.

Discussion

On the basis of the analysis results as shown in Tables 4, 5, and 6, obtained through testing using SPSS, the following discussion of the hypothesis is done. The results of the first hypothesis 1 (H_1) suggested that green finance improves economic performance. The current finding supports the earlier research conducted by Du et al. (2022), which suggested that companies implementing integrated green finance strategies may experience favorable financial consequences. This illustrates how banks can profit monetarily from supporting environmentally friendly projects. Therefore, green finance encourages the growth of the green economy and helps to improve the environment (Zhou et al., 2020).

The study's finding in hypothesis 2 (H_2) highlighted that that there is a strong positive relationship between green finance and employee green behavior. Attitudes of bank employees, subjective norms, perceived behavioral control, and internal initiatives to apply green finance all have a major and advantageous influence on intentional behavior (Chen et al., 2023). Employees are more likely to participate in actions that promote environmental sustainability when companies invest in green finance initiatives, according to the positive correlation. The result was consistent with that of a prior study by (Chen et al., 2022). In order to promote an environmentally conscious workplace culture it is essential to have this alignment between Employee Green Behavior and organizational policies.

There was no significant correlation found between the green behavior of employees and economic performance according to the findings of hypothesis 3 (H_3). It suggests that the advantages of employee green behavior may not immediately translate into measurable economic gains. This research implies that although employee green behavior is critical to advancing environmental sustainability, its precise influence on economic performance may be more complex and dependent on a number of other factors. The findings indicate that Employee Green Behavior may contribute to long-term sustainability goals, reputation enhancement, and compliance regulatory enhancement, and regulatory compliance. As banks also create and depend on other revenue streams, it is difficult to assume that an increase in green financing loans will have a significant impact on their profitability (Rehman et al., 2021). The complex nature of this relationship suggests that a greater number of factors may have an impact on economic performance of banks such as market dynamics, legislative frameworks, and the nature of the green initiatives that have been implemented.

The findings of hypothesis 4 (H_4) confirmed the moderating effect of intrinsic motivation in the relationship between Green Finance and Employee Green Behavior. The significance of taking into account, individual-level elements such as intrinsic motivation, while analyzing how employee green behavior is affected by organizational element like green finance, is emphasized by the moderation analysis. Intrinsic motivation also plays a significant role even if employee's actions are shaped by several organizational factors. In order to protect the environment, strategies like eco-friendly practices that enhance green culture and tap into employees' intrinsic motivations should be considered by organizations who seek a sustainable culture. If these moderation effects are known, organizations can create more programs or strategies to encourage greener behavior among employees and adhere to their goals of sustainability.

Lastly, the statistical results of hypothesis 5 (H_5) confirmed that Employee Green Behavior has no mediating effect between the relationship of Green Finance and Economic Performance. The findings suggested that although organizational variables like Green Finance have a direct impact on Employee Green Behavior, but that greener behavior not directly contributes to economic performance of the banks and may be more complex and dependent on other factors.

Implications

The study highlights the positive and significant relationship between GF and EP which implies that sustainability and profitability can be achieved if green finance is prioritized by the organizations. By prioritizing green finance, long-term sustainability and a balance between environmental responsibility and economic performance may be ensured by organization. Green finance engagement provides organizations a competitive edge and attracts environment conscious investors and consumers. Resource allocation to green projects can provide benefit to companies from cost savings, increased efficiency, increased brand loyalty and new market opportunities.

The findings of this study will help the organizations to act upon several strategies. As by investing in green finance initiatives employees are significantly encouraged to adopt greener behavior and results in the enhancement of employee engagement through resource allocation and encouragement. In order to increase job satisfaction and a stronger organizational culture and to actively engage employees in sustainability programs, organizations may establish initiatives such as waste reduction programs and energy saving campaigns. Environment friendly behavior may further be encouraged, by providing incentives and recognition programs.to employees who adopt green initiatives.

Lastly, the findings indicates that for maximizing the effectiveness of the organization, fostering intrinsic motivation is as important as external initiatives. Employees who themselves are intrinsically motivated may not be that much engaged by the organization's external initiatives such as green finance. Organizations should aim to balance both internal and external factors. Alignment of employees with the sustainability goals of the organization can be done by offering personal growth to the employees through skill development, learning opportunities and career advancement.

Limitations and future research implications

The study is relied on cross- sectional data which limits its ability to determine any casual association between the variables as in cross-sectional method data is obtained only at single point of time. Additionally, the outcomes could possibly have been influenced by macroeconomic factors, industry-specific regulations, organizational culture, and other societal variables. These vacant variables could bias the relationships that are found thereby making it more difficult to figure out the actual effects of green finance, intrinsic motivation and green employee behavior on financial performance. Moreover, the result's relevance to other industries is limited by their primary focus on the banking sector. For future research, identifying how organizational culture shapes employee attitudes and their adoption of green practices can be extremely beneficial. The fundamental intentions, attitudes, and obstacles influencing employee green behavior and organizational sustainability practices can be discovered by future researchers with the assistance of qualitative research. Moreover, longitudinal studies have become essential to more effectively establish causal relationships and to understand the changing landscape of sustainability practices over time.

Conclusion

The study highlights how crucial green finance is for promoting green employee behavior in addition to economic performance. The primary objective of this study was to look into the links in the banking industry that exist between these variables. Bank's Credit Rating can be positively impacted by green banking through risks mitigation, enhanced bank reputation, and improved regulatory compliance. Also, the banks adopting green finance strategies will be prioritized by Standard Chartered Bank. Intrinsic Motivation moderates the relationship between green finance and employee green behavior, suggesting that employees are less influenced by external factors such as green finance if they are highly intrinsically motivated. This research highlights how essential it is to create an atmosphere at work that makes employees feel intrinsically motivated to increase the efficacy of sustainability programs.

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