The Effect of Green Banking On Financial Performance (Case Study of the Banking Sector Listed On IDX-IC Stock on the IDX in 2018-2021)

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Abstract- This researcher discusses the challenges of green banking practices and the development of green banking practices, the influence of the implementation of green banking and Green Banking problems that have a direct impact on financial performance. The purpose of this study is to find out and analyze the evidence of the influence of Green Banking on Financial Performance in the Banking Sector which is listed on the IDX-IX on the IDX. The results show that ATM and Internet Banking services partially have a positive and significant effect on financial performance in the Banking Sector listed on IDX-IC shares on the IDX in 2018-2021, while Mobile Banking has a positive and insignificant effect on financial performance in the Banking Sector listed on IDX-IC shares on the IDX for 2018-2021.

Indexed Terms—Green Banking, Financial Performance

I. INTRODUCTION

In today's business world, economic actors are being hit by problems originating from the environmental sector, as a result companies are required to behave ethically and be responsible for the surrounding environment. Various parties feel that the main cause of environmental damage is caused by policies and development strategies of companies that are not environmentally friendly. Current national development is more concerned with achieving profits without thinking about the impacts that will be caused in the future on the environment and surrounding communities. One way that can be done to protect the environment is by implementing the concept of a green or sustainable economy which continues to be carried out by the government, as well as in the banking sector.

Banks and the environment both have different meanings, but are interconnected in social responsibility. Viewed from the perspective of the same interests, namely sustainability, there needs to be a commitment to jointly achieve these interests and goals by combining aspects included in environmental and social management. Then, these aspects will be included and explained in detail in a banking financial report using the Green Banking concept.

The concept of green banking or what we know as green banking. When we hear this concept, something that is in our minds is the link between the go green concept and banking companies. the concept of go green has long been considered by several companies, many companies have delivered many campaigns about the implementation or implementation of go green which will be carried out soon.

According to research by Saravanaselvi and Sangeetha, one form of green banking is using online banking rather than building branch banking. This can help reduce paper use, which means it can reduce forest (wood) felling. However, it is not considered ideal to do it 100%, because as we have understood it is difficult for companies to avoid or reduce the use of paper in daily activities. Moreover, if we look at companies in big cities, their buildings can contribute to the greenhouse gas effect.

Apart from that, there are several companies that have started implementing the go green concept. Some of the efforts that have been made are using recycled paper, decorating their buildings with green plants that creep around them, this has a positive impact on the production of fresh air. The banking world can be used as a new force in building and

supporting this go green movement. Here banks act as a bridge between investors and stakeholders to develop new regulations related to the concept of going green. Therefore, one of the factors that can influence financial performance is the green banking concept.

Based on the description above, the authors are interested in conducting research with the title"The Effect of Green Banking on Financial Performance (Case Study of the Banking Sector Listed on IDX-IC Stock On The IDX in 2018-2021)".

II. REVIEW OF LITERATURE

A. Legitimacy Theory
According to Suchman in Romli and Zaputra (2021), legitimacy itself is an equalization of views or assumptions that the actions taken by companies are reasonable and in accordance with the values and norms adopted by social society.

B. Stakeholder Theory
According to Freeman in Romli and Zaputra (2021), stakeholder theory is a theory that explains that a company is responsible for any party.

C. Green Banking
Green Banking or green banking according to Andreas Lako (2011:94), is a new concept or paradigm in the international banking industry that has been developing over the last decade.

D. Financial Performance
Ross et. al., (2015: 17) financial performance is an important element for assessing the success of management in managing the company's fundamental financial performance.

III. RESEARCH METHOD

Design this research uses a causal research design. The sample in this research is Banking Sector companies listed on IDX-IC shares on the IDX for 2018-2021 with a total of 43 companies or 172 data. The data collection technique used is a documentation technique, namely by collecting data from company financial reports that have been recorded or published officially and in the form of an Annual Report which is available at www.idx.co.id. Data analysis using SPSS version 26.

IV. RESULT AND DISCUSSION

A. Descriptive Analysis Test

Table 1. Descriptive Analysis Test

	N	Minimum	Maximum	Mean	Std. Deviation
ATM	172	0	22684	2491.9826	5602.28257
IB	172	0	1	0.86047	0.347516
MB	172	0	1	0.88372	0.321495
FP	172	-0.18	0.091	0.00302	0.027557
Valid N	172				

The table shows that ATM (X1) has a minimum value of 0, which means that the smallest value in the analyzed sample data is 0, while the maximum value is 22,684, which means the largest value in the analyzed sample data is 22,684. The mean ATM value is 2,491.98, which means that the average value in the sample data is 2,491.98 and the standard deviation is 5,602.28, which means the standard deviation is greater than the mean value, so the level of data deviation is relatively large.

The results of the internet banking variable (X2) have a mean internet banking value of 0.86 and a standard deviation of 0.347, which means the standard deviation is smaller than the mean value, so the level of data deviation is relatively small.

The results of the mobile banking variable (X3) have a mean mobile banking value of 0.883 and a standard deviation of 0.321, which means the standard deviation is smaller than the mean value, so the level of data deviation is relatively small.

The results of the dependent variable, namely FP, have a minimum value of -0.181 owned by Bank Raya Indonesia Tbk in 2021 and a maximum value of 0.91 owned by PT, which means the smallest value in the analyzed sample data is -0.181 and the largest value in the analyzed sample data is 0.91 which is owned by Bank Tabungan Pensiunan Nasional Syariah Tbk. The mean value is 0.003 and the standard deviation is 0.027, which means the

standard deviation is greater than the mean value, so the level of data deviation is relatively large.

B. Normality Test

Table 2.Kolmogrov-Smirnov Normality

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0.06

Sumber: Data diolah dengan SPSS Versi 26, Juli 2023

Based on the output results, it shows the Kolmogorov Smirnov Asymp value. Sig 0.060 > 0.05. Thus, the data is normally distributed and the regression model meets the assumptions of normality.

C. Multicollinearity Test

Table 3.Multicollinearity Test

Variabel	Collinearity Statistics		Kesimpula n
	Tolerance	VIF	
ATM	0.959	1.043	Tidak
BI	0.415	2.407	Tidak
MB	0.417	2.4	Tidak

Sumber : SPSS Versi 26, Diolah tahun 2023

From the data in table above, it can be seen that the tolerance value of the three independent variables is less than one, namely 0.059 for ATM (X1), 0.415 for the BI variable (X2) and 0.417 for MB (X3) and the Variance Inflation Factor (VIF) value of the three there are less than 10 independent variables, so it can be concluded that there is no multicollinearity in the regression model.

D. Autocorelation Test

Table 4.AutocorelationTest

Durbin-Watson	1.937

Sumber: Data diolah dengan SPSS Versi 26, Juli 2023

The table shows the results of the autocorrelation test where the Durbin Watson number in the data regression model is 1,937, which means that there is no problem in the research regression model because the Durbin Watson number is between -2 and +2, so this regression equation is feasible to use.

E. HeteroscedasticityTest

Graphic1.Heteroscedasticity Test
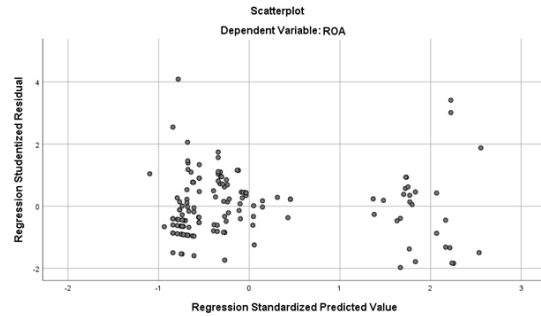
Sumber : SPSS Versi 26, Diolahtahun 2022

From the scatter plot graph, it can be seen that the points spread randomly and do not form a particular pattern and are scattered above and below zero on the Y axis, so it can be concluded that there is no heteroscedasticity in the regression model, so the regression model is suitable for predicting profits. net based on the input of the independent variables.

F. Multiple Linear Regression

Table 5. Multiple Linear Regression

Model	B	Std. Error
(Constant)	0.14	0.018
ATM	0.001	0
IB	-0.072	0.027
MB	0.007	0.027

Sumber : SPSS Versi 26, Diolah tahun 2023

FP = 0,140 + 0.001 ATM − 0,072 IB + 0,007 MB+ e

G. tTest

Table 6.t Test

Variabel	t_{hitung}	Sig.	Ket.
ATM	4.03	0	Signifikan
IB	2.66	0.01	Signifikan
MB	0.26	0.79	Tidak Signifikan

Sumber : SPSS Versi 26, Diolah tahun 2023

The partial test results of ATM Services show that the significance value of the influence of ATM Services on FP is 0.000 < 0.05 and the t value is 4.025 > t table value 2.042, so H01 is rejected and Ha1 is accepted. b. The results of the Internet Banking partial test show that the significance value of the effect of internet banking on banking FP is 0.009 <0.05 and the tcount value is 2.660 > the ttable

value is 2.042 then H02 is rejected and Ha2 is accepted. c. The results of the Mobile Banking partial test show that the significance value of the influence of Mobile Banking on FP is 0.792 > 0.05 and the t value is 0.264 < t table value 2.042, so H03 is accepted and Ha3 is rejected.

H. F Test

Table 7.F Test

	F	Sig.
Regression	8,519	0,000

Sumber : SPSS Versi 26, Diolah tahun 2023

Based on the results of the F test, the F value obtained was 8.519 with a sig level of 0.000, which means the sig value < (α) 0.05.

I. Coefficient of Determination Test

Table 8.Coefficient of Determination Test

Variabel	R Square	*Adjusted R-Square*
FP	0.156	0.13

Sumber : SPSS Versi 26, Diolah tahun 2023

The coefficient of determination of Adjusted R Square obtained is 0.130 or 13% which illustrates the ability of the independent variables consisting of ATM, IB and MB by 13%, while the remaining Rp. 87% is explained by other variables not included in this regression model.

J. Discussion
Based on the results of the tests that have been carried out, the following data can be obtained :

1. Effect of ATM Services on FinancialPerformance
This study proves that the first hypothesis is accepted, namely ATM services have a positive and significant effect on banking financial performance. This is indicated by a positive line coefficient and a significance value of less than five percent, which means that the more ATMs, the higher the financial performance. However, vice versa, if ATMs are reduced, the resulting financial performance will decrease.

2. Effect of Internet Banking Services on Financial Performance

This research proves that the second hypothesis is accepted, namely that IB has a positive and significant effect on banking financial performance. This is indicated by a positive line coefficient value and a significance value of less than five percent, which means that the better internet banking, the higher the resulting financial performance. Because if internet banking runs well and optimally, it can increase interest in the products being marketed, which will also have an impact on increasing financial performance.

3. Effect of Mobile Banking Services on Financial Performance
This study proves that the third hypothesis is rejected, namely mobile banking has no significant effect on banking financial performance. In general, the use of mobile banking services will improve banking financial performance due to the convenience and speed factors. But in some cases, the impact may not be as great as expected or not immediately visible in the short term. The factors that cause ineffective use of mobile banking so that its use does not always have a significant influence on financial performance such as: customer readiness and adoption, long-term maintenance, competition and innovation, and the bank's ability to maintain mobile banking, security and customer confidence in using it.

4. Effect of ATM, Internet Banking and Mobile Banking services on FP
From the results obtained, the significance value is below five percent, which means that it can be concluded that all independent variables, namely ATM, IB and MB services simultaneously have a significant influence on the dependent variable, namely financial performance. The results of the study prove that in order for banks to continue to be able to maintain or add new customers, they must pay attention to these three factors in order to increase the value of the company's financial performance. Because even though there is one variable that is not able to influence performance, together they can work together to improve banking financial performance.

CONCLUSION

Based on the results of the research data analysis that has been carried out, the following conclusions are obtained:

1. ATM services have a positive and significant effect on financial performance in the Banking Sector listed on IDX-IC shares on the IDX for 2018-2021. This means that if ATM ownership gets better, financial performance will improve.

2. Internet Banking has a positive and significant effect on financial performance in the Banking Sector listed on IDX-IC shares on the IDX in 2018-2021. This means that if internet banking facilities get better, financial performance will improve.

3. Mobile Banking has no significant effect on financial performance in the Banking Sector listed on IDX-IC shares on the IDX for 2018-2021. This means, if the mobile banking facility is getting better, it will not directly improve financial performance. Even though mobile banking provides convenience, it cannot affect financial performance because there are not too many mobile banking users themselves and they have several other constraints so that they cannot affect banking financial performance.

4. Simultaneous ATM, internet banking and mobile banking services have a significant influence on the dependent variable, namely financial performance. The research results prove that companies must look at these three factors in order to increase the value of banking financial performance

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