



The Influence of Knowledge, Sharia Compliance, Religiosity, and Local Wisdom on the Implementation of Green Banking Behavior

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Abstract: *This study examines how knowledge, sharia compliance, religiosity, and local wisdom influence green banking behavior among employees of Bank Muamalat in West Sumatra, Indonesia. While green banking is widely discussed in sustainable finance, few studies explore its behavioral drivers in Islamic banking, especially with religious and cultural integration. Using a quantitative approach, data were collected from 49 employees across four branches (Padang, Payakumbuh, Bukittinggi, Solok) through a structured questionnaire and analyzed with multiple linear regression (SPSS 26). The results show that knowledge ($\beta = 0.234, p < 0.05$), sharia compliance ($\beta = 0.163, p < 0.01$), religiosity ($\beta = 0.212, p < 0.01$), and local wisdom ($\beta = 0.269, p < 0.001$) each positively and significantly affect green banking behavior. Together, these variables explain 72.5% of its variance ($R^2 = 0.725$). This study is among the first to integrate behavioral, religious, and cultural dimensions in explaining green banking practices in Indonesia's Islamic financial institutions. The findings highlight that cognitive, regulatory, spiritual, and cultural factors jointly shape environmentally responsible banking behavior. Islamic banks are encouraged to enhance training, reinforce sharia compliance, and integrate local wisdom into environmental programs to strengthen sustainable finance practices.*

Introduction

The phenomenon of climate change that occurs on a global scale is increasingly receiving attention and discussion from the wider community, for this reason there needs to be a follow-up to overcome the worsening problems of climate change and the environment, one of which is the movement Go Green. According to Purnomowati, it defines Go Green as a form of effort or action that aims to save the earth from damage caused by human actions by carrying

out programs that focus on environmental greening (Purnomowati et al., 2016). With the existence of *Go Green* aims to build and maintain a good environment for continuous and sustainable human survival (*Sustainable*). The banking sector, as an intermediary institution and agent of development, holds a strategic role in promoting environmentally sustainable practices. In this regard, the green banking concept—emphasizing the triple bottom line of profit (economic gains), planet (environmental stewardship), and people (social responsibility)—has gained prominence in both academic discourse and regulatory frameworks (Putri et al., 2022).

Concept green banking It is a support for environmentally friendly business practices through two activities, namely the bank's internal activities and funding activities by the bank. Green banking initiatives include paperless transactions, digital banking innovations, energy-saving measures, and employee awareness programs that collectively reduce environmental footprints (Zhelyazkova & Kitanov, 2019). Green banking it is believed that it can stop environmental degradation and make the environment livable. Green banking must use resources responsibly, avoid waste and prioritize the environment and society (Petro et al., 2024). Concern for the environment is instilled in employees through training and awareness. Based on Abdoramadan's research, the application of environmentally friendly behavior related to tasks and environmentally friendly behavior has been proven to be an element that greatly helps environmental performance (Abdoramadan, 2021). Every activity that an employee performs during work may require a different set of eco-friendly behaviors every day (Ercantan & Eyupoglu, 2022). An institution or organization usually offers training or has established rules and policies that must be followed to implement environmentally friendly behavior related to employee duties (Hooi, L.W., 2021).

In Indonesia, the implementation of green banking is reinforced by the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017, which mandates sustainable finance practices across financial institutions. This regulation underscores the need for balancing economic, social, and environmental aspects, with annual sustainability reports serving as a formal mechanism to disclose environmental performance indicators such as energy consumption, paper reduction, water usage, and carbon emissions (Khamilia & Nor, 2022) (Khamilia & Nor, 2022).

Various ways can be done in the adoption of green banking such as online banking, internet banking, green checking account, green loan, mobile banking, electronic banking outlet and energy use savings that contribute to environmental sustainability programs (Gupta, 2017). Technology can help implement green banking. A bank can improve its operational performance by replacing daily courier services with electronic and scan delivery. To save money, employees can receive replacement and paycheck checks digitally. In addition, the implementation of virtual banking systems has the potential to improve customer satisfaction, reduce bank expenses, and improve banking performance (Chadikal et al., 2015).

Discuss implementation green banking of course, it will not be separated from the factors that affect the application green banking itself. Several factors can be the driving force for a bank to adopt the concept of green banking in operational activities and disclose it in the

form of sustainability reports as a form of responsibility to stakeholders (Khamilia & Nor, 2022). These factors can come from the influence of external parties on the transparency and accountability of the banking sector to the awareness of the bank's own internal (Khamilia & Nor, 2022). One of the factors that affect the implementation of green banking according to research conducted by Nurul Syahqilla in 2023 is the environmental knowledge and awareness factor, where based on the results of the study it is stated that environmental knowledge and awareness have a positive and significant effect on the implementation of the green behavior on employees (Syahqilla, 2022). Then other factors that affect the application of green banking referring to previous research conducted by Hanny Fauziah Afdal and Henri Agustin in 2023 is a factor sharia compliance where the results of this study found that Sharia Compliance Affects the Financial Performance of Islamic Banking (Afdal & Augustin, 2023). For this reason, the author also wants to conduct research to find the effect of sharia compliance on the implementation of Green Banking (Afdal & Augustin, 2023).

Other factors that affect the implementation green behavior is religiosity, this is based on research that has been conducted by Nihayatu Aslamatis Soleka where in the research the results were obtained that religiosity has an effect on green behavior purchase (Soleka, 2019). For this reason, the researcher also raised this religiosity variable as one of the research variables. Moreover green behavior It also arises because of the human consciousness to love the universe which can arise because of the value of local wisdom. This awareness can be possessed by individuals through a lifelong learning process which will eventually form knowledge, attitudes, dispositions, and skills in cultivating and preserving nature (Ratih et al., 2022).

A person's awareness and habits are also influenced by cultural factors or local values that exist in their place of residence. Based on research conducted by Dewi Ratih found that green behavior It can be seen from the daily behavior of individuals such as maintaining the cleanliness of the home environment, disposing of garbage in its place, eating healthy food, recycling household waste, using electricity and water as necessary (Ratih et al., 2022). This means that local culture influences how a person's behavior in preserving the environment.

Local wisdom is the value system or living behavior of the local community in interacting with the environment where they live wisely (Sutukno & Batoro, 2017). In a local wisdom that exists in an area there are useful values (positive in nature), this is because local wisdom is created from social values that are respected and upheld by the community and have a function as a guideline in behaving with fellow communities, nature, and God (Kuswara, n.d.). Local wisdom has a role in controlling community behavior or activities, it has an important function in maintaining environmental sustainability or natural resources in an area. Based on research conducted by Bambang Sutikno and Jati Batoro in 2017, it shows that local wisdom has a significant influence on green economic development (Sutukno & Batoro, 2017).

While previous studies have explored various drivers of green banking adoption, research focusing on Islamic banking remains scarce, particularly in integrating religious and cultural dimensions. To address this gap, this study uses Behavior Theory (Komalasari, 2011) as a framework to explore how knowledge, sharia compliance, religiosity, and local wisdom

influence green banking behavior, focusing on Bank Muamalat in West Sumatra with its strong Islamic identity and rich culture. The research aims to examine the individual and combined effects of these factors, integrating behavioral, spiritual, and cultural dimensions to explain sustainable banking practices. The findings are expected to offer theoretical contributions and practical strategies for promoting sustainable finance in Islamic banking, aligning with both global sustainability goals and local socio-religious values.

Research Methods

This study adopts a quantitative research design to empirically test the relationships between knowledge, sharia compliance, religiosity, local wisdom, and green banking behavior. The research population comprises all employees from four branches of Bank Muamalat in West Sumatra, namely KCU Padang, KCP Payakumbuh, KCP Bukittinggi, and KCP Solok. Given the relatively small population, the census sampling technique—also referred to as saturated sampling—was applied, whereby all 49 employees were included as respondents.

Primary data were obtained through a structured questionnaire distributed both in person and via Google Forms during the period from January 26, 2024, to February 25, 2024. Participation was voluntary, and respondents were assured of confidentiality to reduce the potential for social desirability bias. All variables were measured using multi-item Likert scales ranging from 1 (strongly disagree) to 5 (strongly agree). The operationalization of each variable, including its definition, indicators, and source references, is presented in Table 1.

Table 1. Operationalization of Variables

Variable	Definition	Indicators	Source
Knowledge (X1)	Awareness and understanding of green banking practices and principles.	Understanding of green banking concept, familiarity with environmental policies, knowledge of sustainable banking tools.	Syahqilla (2022), Chen et al. (2020)
Sharia Compliance (X2)	Adherence to Islamic financial principles in banking operations, including environmental responsibility.	Compliance with POJK 51/2017, reporting practices, adherence to sharia-based environmental ethics.	Rosita & Firdiansyah (2020), Afdal & Agustin (2023)
Religiosity (X3)	The extent to which an employee integrates Islamic teachings into daily actions, especially environmental care.	Belief in religious obligation to protect nature, environmental practices inspired by Qur'anic verses, worship-related environmental awareness.	Ayu (2020), Soleka (2019)
Local Wisdom (X4)	Cultural values and traditional practices that encourage environmental conservation.	Respect for local customs related to nature, resource conservation habits, eco-friendly cultural traditions.	Ratih et al. (2022), Sutukno & Batoro (2017)
Green Banking Behavior (Y)	Employee actions aligned with eco-friendly banking practices.	Paperless transactions, energy-saving behaviors, waste minimization, promotion of sustainability to clients.	Gupta (2017), Zhelyazkova & Kitanov (2019)

To ensure the accuracy and reliability of the measurement instrument, several statistical tests were conducted. The validity test showed that all items exceeded the minimum corrected item–total correlation threshold of 0.30 with p-values less than 0.05, indicating that the items were valid measures of their respective constructs. Reliability testing using Cronbach’s Alpha revealed that all constructs scored above 0.70, demonstrating strong internal consistency. The Kolmogorov–Smirnov normality test indicated that residuals were normally distributed ($p > 0.05$). Multicollinearity was ruled out as the Variance Inflation Factor (VIF) values were all below 5, while the Breusch–Pagan test confirmed the absence of significant heteroscedasticity ($p > 0.05$).

Data were analyzed using SPSS version 26 following several key steps. First, descriptive statistics were used to profile the respondents and summarize the mean scores of each variable. Next, multiple linear regression analysis was employed to assess the influence of the independent variables on green banking behavior. The coefficient of determination (R^2) was calculated to evaluate the explanatory power of the model. Additionally, effect size analysis (f^2) was conducted to determine the relative impact of each independent variable. Hypothesis testing was performed at a 5% significance level (two-tailed) to assess statistical significance. The multiple regression model is specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where Y represents Green Banking Behavior, X1 denotes Knowledge, X2 is Sharia Compliance, X3 is Religiosity, X4 refers to Local Wisdom, β_0 is the intercept, and ε is the error term.

Results and Discussion

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

Multiple Linear Regression Table

The multiple linear regression model tested the influence of the four independent variables on green banking behavior.

Table 2. Regression Results

Variable	B (Unstandardized)	Std. Error	Beta (Standardized)	t- value	p-value	Effect Size (f^2)
Constant	2.674	2.800	–	0.955	0.345	–
Knowledge (X1)	0.234	0.099	0.201	2.351	0.023**	0.045
Sharia Compliance (X2)	0.163	0.054	0.299	3.000	0.004***	0.083
Religiosity (X3)	0.212	0.071	0.271	2.995	0.004***	0.073
Local Wisdom (X4)	0.269	0.072	0.386	3.756	0.001***	0.126

Source: Processed data (2024)

Based on the results of the research carried out, it was obtained that Knowledge has an influence on the application of green banking behavior Namely the calculated t-value of 2.351

> 2.01669 and the significance value of $0.023 < 0.05$ were obtained. So it can be interpreted that there is an influence of knowledge on the application of green banking behavior significantly. The results of this study are in line with the research conducted by Nurul Syahqilla 2023 which states that it can be seen that knowledge has a positive and significant influence on the implementation of green behavior employee (Syahqilla, 2022).

Knowledge influences employees to implement green banking behavior in banks, this can be seen based on the answers of respondents who agree with the indicators or questions in the questionnaire, so that the more an employee understands the concept of green banking behavior, the more positive it will be on the implementation of green banking behavior. At Muamalat Bank in West Sumatra, based on the results of respondents' answers, it can be seen that the average employee agrees that they understand the basic concept of green banking. This also proves that Muamalat Bank in West Sumatra has implemented green banking behavior in accordance with one of the indicators in the questionnaire where respondents stated that they agreed that they have started to implement or implement green banking such as saving paper use, saving energy use at work.

Then on the sharia compliance variable, based on the results of the research carried out, it was obtained that Sharia Compliance has an influence on the implementation of green banking behavior That is, a calculated t-value of $3,000 > 2.01669$ and a significance value of $0.004 < 0.05$ were obtained. So it can be interpreted that there is an influence of sharia compliance on the implementation of green banking behavior significantly. The results of this study are in line with research conducted by Pipit Rosita and Yochan Firdiansyah in 2020 where the research shows that the implementation of green banking practices and reporting green banking in the bank's annual report and continuous report, which means that as in the sharia compliance variable, one of the indicators is annual reporting and according to the SAK has an influence on the implementation of the green banking behavior (Rosita Andarsari & Firdiansyah, 2020). The more an employee understands the concept of sharia compliance, it will foster awareness for employees to implement green banking, because one of the forms of application green banking has been carried out by reporting green banking on the bank statement. So it can be seen that sharia compliance has an influence on employees to implement green banking behavior at the bank. Based on the results of the respondents' answers, it can be seen that the average employee agrees with the statement that Muamalat Bank in West Sumatra operates in accordance with sharia compliance, and this means that every year there is a report on the implementation of the green banking behavior.

Then the results of the research carried out were obtained that Religiosity has an influence on the application of green banking behavior namely the calculated t-value of $2.995 > 2.01669$ and the significance value of $0.004 < 0.05$ were obtained. So it can be interpreted that there is an influence of religiosity on the application of green banking behavior significantly. The results of this study are in line with research conducted by Tiara Septa Ayu in 2020 where in her research on the concept of green banking in the AL-Quran according to the Perspective of Ulama Tafsir that a person's behavior will affect the state of the environment (Ayu, 2020). Where in the Qur'an QS Ar-Rum verse 41 has also been ordered to preserve nature.

This means that the more a person understands religious teachings or has a high level of religiosity, it will affect the person's desire to preserve nature, one of which is by applying green banking behavior on the working environment. It can be seen that religiosity influences employees to implement green banking behavior at the bank.

Based on the results of the respondents' answers to indicators or statements on the aspect of religiosity, the average respondent stated that in religion there is an order to preserve nature, so that the more a person has good religious values, and the more obedient and obedient a person is to religious teachings, it will also have a positive effect on a person's awareness to preserve the environment, one of which is by applying *green banking behavior*.

Then, based on the results of the research carried out, it was obtained that local wisdom has an influence on the implementation green banking behavior That is, the calculated t-value of $3.756 > 2.01669$ and the significance value of $0.001 < 0.05$ were obtained. So it can be interpreted that there is an influence local wisdom to application green banking behavior significantly. The results of this study are in line with research conducted by Amalia Salsabila, Muhammad Iqbal Fasa, Suharto, and Adib Fachri 2022 which states that one of the driving factors for the implementation of green banking to be more optimal is from local government policies and people's lifestyles (local wisdom) (Salsabila et al., 2022).

Based on the indicators used in the questionnaire and the answers of respondents who agreed with the statements in the questionnaire, such as the more a person understands local values and culture, it will affect a person's awareness to preserve nature by implementing green banking. This means that local wisdom or local wisdom affects a person's lifestyle, so this means that the more a person realizes that maintaining environmental sustainability is important, the more positive it will have on a person's desire to implement green banking behavior in the workplace.

This study was conducted to determine the influence of knowledge, sharia compliance, religiosity, and local wisdom on the implementation of green banking behavior at Muamalat Bank in West Sumatra. After the f test was carried out at a significance level of 5% (0.05), a significance value of $0.000 < 0.05$ was obtained and a calculated t-value of $29.009 > 2.48$. Based on the results of the f test, it can be concluded that the variables of knowledge, sharia compliance, religiosity, and local wisdom simultaneously have a positive and significant effect on the implementation of green banking behavior.

Based on the test results, it is known that the R square value is 0.725, this means that there is a silmultan influence of the variables knowledge (X1), sharia compliance (X2), religiosity (X3), and local wisdom (X4) on the variables of the implementation of green banking behavior (Y) is 72.5% while the remaining 27.5% is given by other variables that are not studied in this study. Based on the results of this study, it can be simultaneously known that knowledge, sharia compliance, religiosity, and local wisdom have a positive and significant effect on the implementation of green banking behavior. This mean that the employees of Muamalat Bank in West Sumatera have understood the basic concepts of green banking, sharia compliance, religiosity, and local wisdom thus raising awarness and desire to implement green banking behavior in banks.

Conclusion and Recommendations

This study examined the influence of knowledge, sharia compliance, religiosity, and local wisdom on green banking behavior among employees of Bank Muamalat in West Sumatra. The findings revealed that all four variables have a positive and significant effect, both individually and collectively, on green banking behavior, with the model explaining 72.5% of the variance. Local wisdom emerged as the most influential factor, followed by sharia compliance, religiosity, and knowledge, confirming that cultural and ethical dimensions play a critical role in shaping environmentally responsible banking practices. These results extend the application of Behavior Theory by demonstrating that workplace environmental behavior in Islamic banking is shaped not only by cognitive awareness but also by regulatory adherence, religious values, and local cultural heritage.

The study contributes to the literature by integrating cognitive, ethical, spiritual, and cultural dimensions into a unified behavioral model, offering empirical evidence for the alignment between sharia principles and environmental stewardship. Practically, the results suggest that Islamic banks should institutionalize sustainability indicators within sharia compliance frameworks, enhance employee training on green banking tools, integrate Islamic environmental ethics into professional development, and adapt environmental programs to reflect local wisdom for greater acceptance and impact. While the study provides valuable insights, its scope is limited to a small sample from four branches, uses a cross-sectional design, and relies on self-reported data, which may limit generalizability. Future research should expand the sample across regions and institutions, employ longitudinal designs, and incorporate objective behavioral measures to validate self-reported findings.

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