CHAPTER V

CONCLUSION

A. Conclusion

1. Green banking variables have no influence on profitability. The analysis shows that there is no significant relationship between green banking and profitability. This is because the benefits of green banking are long-term and require high initial investment, so it has not been reflected in financial ratios such as ROA. Thus, for green banking to increase profitability, it requires consistent and integrated implementation in a long-term business strategy.
2. Corporate Social Responsibility (CSR) variables have an influence on profitability. The results of the analysis show that there is a significant relationship between Corporate Social Responsibility (CSR) and profitability. banks that have a high commitment to CSR are able to improve their performance financially, both through increased revenue and reduced reputational risk. these results indicate that CSR is not only a moral or regulatory obligation, but also as a business strategy that has a real impact on the achievement of corporate profits.
3. Green banking variables are proven to have an effect on banking efficiency. Based on the analysis, there is a significant relationship between the implementation of green banking and the increase in bank efficiency. Green banking practices not only focus on environmental issues, but also have a real impact on operational efficiency. Through

measures such as digitization of services, reduction of paper usage, and efficient use of energy, banks are able to reduce operational costs, which is reflected in a decrease in the BOPO ratio.

4. Corporate Social Responsibility (CSR) variables affect the efficiency of banks. Based on the analysis, there is a significant relationship between CSR implementation and bank efficiency. CSR implementation contributes to creating a more productive work environment, strengthening relationships with stakeholders, and reducing operational costs and risks. This finding is in line with stakeholder theory, which states that responsibility to all interested parties can encourage the improvement of efficiency and overall bank performance.
5. Bank efficiency variables have an influence on profitability. The analysis shows that there is a significant relationship between bank efficiency and profitability. Efficiency in cost management allows banks to increase profit margins. This reflects the success of managerial strategies and effective business processes. Thus, improving efficiency is a strategic step to boost profitability and bank competitiveness in a sustainable manner.
6. Bank efficiency variables mediate the effect of green banking on profitability. Green practices such as digitization and energy savings lower costs, strengthen efficiency, and ultimately increase profits. Theoretically, this supports legitimacy theory, where green banking

strengthens banks' reputation and public trust, which has a positive impact on long-term financial performance.

7. Bank efficiency serves as a mediating factor in the relationship between Corporate Social Responsibility (CSR) and profitability. When CSR is implemented in a strategic manner, it not only enhances the institution's public image and fosters stronger relationships with stakeholders but also contributes to improvements in internal operations, cost reduction, and increased operational efficiency. This enhanced efficiency ultimately plays a key role in boosting the bank's overall profitability.

B. Implication

From the research that has been done, the practical implications are as follows:

1. Toward Company

The results of this study indicate that companies need to integrate green banking practices in daily operations to improve efficiency, although the impact on profitability is not immediately visible. CSR also needs to be implemented strategically as it has been proven to drive efficiency and profitability through improved reputation and stakeholder relations. In addition, operational efficiency has proven to be an important key to improving profitability, so companies need to focus on cost management and work process automation as part of a long-term strategy.

2. Toward Investor

Investors need to pay attention to efficiency strategies such as digitalization and sustainability. In addition, CSR practices can be a positive signal about a company's stability and integrity, which increases trust and reduces investment risk. Therefore, investors are advised to consider non-financial factors such as sustainability and social responsibility in investment analysis as they contribute significantly to long-term financial performance.

C. Limitations and Suggestion for Future Research

1. Research Limitation

a. This research only focuses on banks listed on the Indonesia Stock Exchange (IDX), so the results do not necessarily represent the entire banking industry in Indonesia, especially banks that are not listed on the Indonesia Stock Exchange (IDX) or that have different operational scales.

b. This research also only focuses on the impact of sustainability strategies on internal performance such as company profitability.

2. Suggestion

a. Future research is recommended to expand the scope of study objects, for example by including Islamic banks, regional banks, or other financial institutions to obtain a more comprehensive picture of the influence of green banking and CSR in the financial sector.

b. The use of more complex analytical methods such as Structural Equation Modeling (SEM) or path analysis can help identify direct and indirect relationships between variables more accurately.