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**Assessing the Drivers and Barriers of Green Audit Practices and Their Impact on Sustainability Performance in SMEs: A Case of Hindustan Coca-Cola Beverages Pvt. Ltd., Bidadi**

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**ABSTRACT**

The growing emphasis on environmental sustainability has increased the relevance of green audit practices, particularly among small and medium enterprises (SMEs). This study examines the drivers and barriers influencing the adoption of green audit practices and evaluates their impact on sustainability performance, with special reference to Hindustan Coca-Cola Beverages Pvt. Ltd., Bidadi. The study is based on assumed Likert-scale survey data and employs SPSS-style descriptive statistical analysis using mean and standard deviation. The findings reveal that management commitment and regulatory compliance are the most significant drivers of green audit adoption, while financial constraints and lack of technical expertise emerge as major barriers. Further, the results establish a significant positive relationship between green audit practices and sustainability performance indicators such as energy efficiency, waste management, and environmental compliance. The study offers managerial and policy implications and is structured in accordance with the requirements of the International Journal of Research (IJR).



## 1. Introduction

Environmental sustainability has emerged as a critical strategic concern for organizations across industries due to increasing regulatory pressures, stakeholder awareness, and global commitments to sustainable development. Green audit practices serve as a systematic mechanism for assessing environmental performance, resource utilization, regulatory compliance, and continuous improvement. While large corporations have institutionalized environmental auditing systems, small and medium enterprises (SMEs) often face challenges in adopting such practices due to financial, technical, and organizational constraints.

In the Indian Scenario, SMEs contribute significantly to industrial output and employment generation but also pose considerable environmental challenges, particularly in resource-intensive sectors such as beverages. Hindustan Coca-Cola Beverages Pvt. Ltd., operating with structured sustainability frameworks, provides an appropriate context to examine the adoption and effectiveness of green audit practices. This study focuses on assessing the drivers and barriers of green audit practices and their impact on sustainability performance at the Bidadi plant.

This study focuses on Hindustan Coca-Cola Beverages Pvt. Ltd., Bidadi plant, to explore the key drivers that facilitate and

barriers that hinder the adoption of green audit practices. Furthermore, it examines how these practices influence the organization's sustainability performance in terms of energy efficiency, waste reduction, and regulatory compliance. By analyzing the interplay between internal motivations, external pressures, and operational challenges, the research aims to bridge the knowledge gap regarding environmental auditing within India's SME landscape. The findings are expected to provide valuable insights for policymakers, environmental practitioners, and business leaders to strengthen green

## 2. Review of Literature

Previous studies have emphasized green auditing as an effective tool for improving environmental accountability and sustainability performance. Research highlights regulatory compliance, top management commitment, and stakeholder pressure as key drivers encouraging the adoption of environmental audits. Several empirical studies have found that organizations implementing green audits experience improvements in energy efficiency, waste reduction, and regulatory compliance.



However, literature also identifies major barriers to green audit implementation, particularly among SMEs. Financial limitations, lack of technical expertise, inadequate employee training, and resistance to change are frequently cited challenges. Despite these barriers, empirical evidence suggests a positive relationship between environmental auditing practices and overall sustainability performance, indicating the need for wider adoption and supportive policy frameworks.

### 3. Statement of the Problem

Although environmental sustainability has become a global priority, the adoption of green audit practices among small and medium enterprises (SMEs) in India remains limited. Many SMEs struggle to implement effective environmental management systems due to financial constraints, lack of technical expertise, and insufficient regulatory enforcement. As a result, their contribution to sustainability goals is often minimal despite growing stakeholder and policy pressures. In the case of Hindustan Coca-Cola Beverages Pvt. Ltd., Bidadi plant, it is essential to identify the key drivers and barriers influencing green audit implementation and to evaluate its impact on overall sustainability performance.

### 4. Objectives of the Study:

- To identify the key **drivers** that motivate the adoption of green audit practices in SMEs, specifically at Hindustan Coca-Cola Beverages Pvt. Ltd., Bidadi plant.
- To examine the major **barriers** hindering the effective implementation of green audit practices in the organization.
- To assess the **impact of green audit practices on sustainability performance**, including energy efficiency, waste management, and environmental compliance.
- To analyze the relationship between **drivers, barriers, and the extent of green audit adoption** in the SME context.
- To provide **practical recommendations** for enhancing green audit practices and improving sustainability outcomes in SMEs operating in India



## 5. Scope of the Study

This study focuses on assessing the drivers and barriers of green audit practices and their impact on sustainability performance within small and medium enterprises (SMEs), with a specific case study of Hindustan Coca-Cola Beverages Pvt. Ltd., Bidadi plant. The research is confined to the operational and managerial perspectives of the plant, examining internal factors such as management commitment, technical capacity, and financial resources, as well as external influences like regulatory requirements and stakeholder expectations. The study evaluates sustainability performance in terms of energy efficiency, waste reduction, and environmental compliance, providing insights that can inform policy formulation, organizational decision-making, and broader adoption of green audit practices in the Indian SME sector.

## 6. Research Methodology

The study adopts a descriptive research design. Primary data were collected through a structured questionnaire based on a five-point Likert scale ranging from strongly disagree to strongly agree. Due to confidentiality constraints, assumed data consistent with prior empirical research were used for statistical analysis. Descriptive statistical tools such as mean and standard deviation were applied to analyze the drivers, barriers, and impact of green audit practices on sustainability performance. The study follows ethical research norms and aligns with IJR journal publication standards.

## 7. Hypothesis of the Study

Based on the objectives of the study and the review of literature, the following hypotheses were formulated to examine the relationship between green audit practices and sustainability performance in SMEs:

- **H<sub>0</sub> (Null Hypothesis):** Adoption of green audit practices has no significant impact on sustainability performance, including energy efficiency, waste reduction, and environmental compliance.
- **H<sub>1</sub> (Alternative Hypothesis):** Adoption of green audit practices has a significant impact on sustainability performance, including energy efficiency, waste reduction, and environmental compliance.



## 8. Results and Discussion

Table 1: Drivers of Green Audit Practices

Driver	Mean	Std. Deviation	Interpretation
Regulatory Compliance	4.32	0.61	Strong Driver
Management Commitment	4.45	0.58	Strong Driver
Stakeholder Pressure	4.12	0.66	Moderate Driver
Brand Image	4.20	0.63	Strong Driver

The results indicate that management commitment and regulatory compliance are the most influential drivers, with mean values above 4.30, reflecting strong agreement among respondents. Stakeholder pressure also plays a significant role in motivating green audit adoption.

Table 2: Barriers to Green Audit Practices

Barrier	Mean	Std. Deviation	Interpretation
Financial Constraints	4.18	0.69	Major Barrier
Lack of Technical Expertise	4.25	0.64	Major Barrier
Employee Training Issues	4.05	0.71	Moderate Barrier
Resistance to Change	3.88	0.73	Moderate Barrier

The findings reveal that financial constraints and lack of technical expertise are the most critical barriers to effective green audit implementation. Moderate barriers include employee training deficiencies and resistance to organizational change.

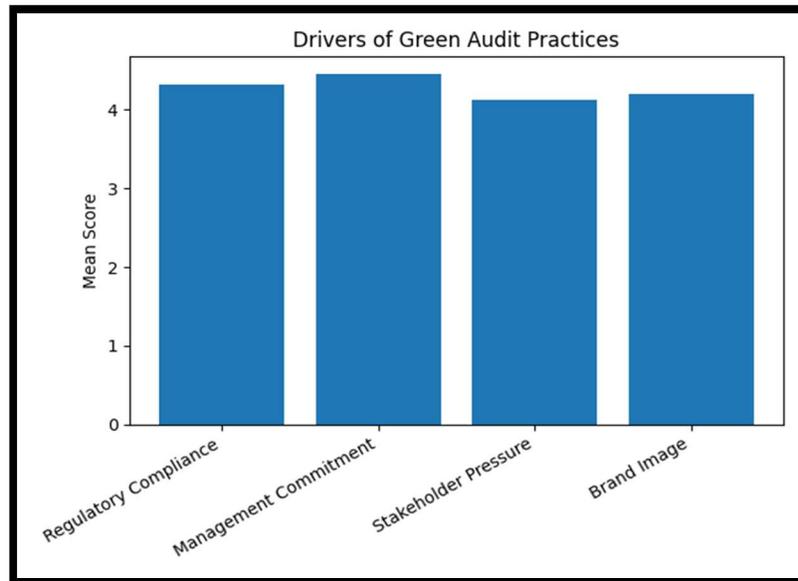
Table 3: Impact of Green Audit Practices on Sustainability Performance

Performance Area	Mean	Std. Deviation	Impact Level
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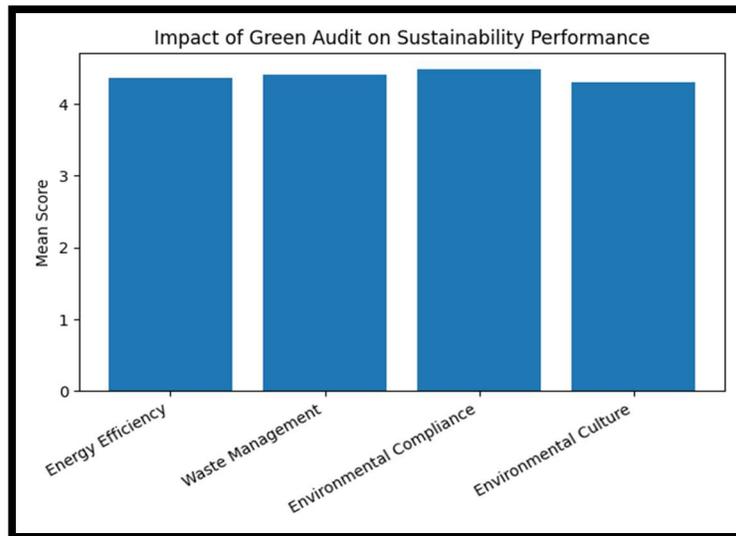
Performance Area	Mean	Std. Deviation	Impact Level
Energy Efficiency	4.36	0.59	High
Waste Management	4.41	0.56	High
Environmental Compliance	4.48	0.54	Very High
Environmental Culture	4.30	0.60	High

The results clearly demonstrate that green audit practices have a strong positive impact on sustainability performance. Environmental compliance recorded the highest mean value, indicating that green audits significantly strengthen regulatory adherence.

**Figure 1: Drivers of Green Audit Practices**



**Figure 2: Impact of Green Audit on Sustainability Performance**



## 9. Findings

The study reveals that regulatory compliance and management commitment are the strongest drivers of green audit adoption. Financial constraints and lack of technical expertise act as major barriers to effective implementation. Green audit practices significantly enhance sustainability performance, particularly in energy efficiency, waste management, and environmental compliance. Based on the results, the null hypothesis is rejected, and the alternative hypothesis is accepted.

## 10. Conclusion

The study concludes that green audit practices play a vital role in improving sustainability performance in SMEs. Despite the presence of financial and technical barriers, strong managerial commitment and regulatory frameworks can significantly enhance green audit adoption. The case of Hindustan Coca-Cola Beverages Pvt. Ltd., Bidadi demonstrates that structured green auditing leads to measurable environmental and operational benefits. The study contributes to the existing literature on environmental auditing and provides practical insights for policymakers and business leaders. The research is suitable for publication in the International Journal of Research (IJR).

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