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Strategic Planning and Organisational Performance of the Federal Mortgage Bank of Nigeria: The Role of Goal Formulation and Environmental Scanning

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Abstract

Despite the increasing academic focus given to strategic planning in Nigerian financial establishments, there appears to be limited empirical findings that establish the unique effect of the various dimensions of strategic planning on operational efficiency outcomes in a Nigerian public apex mortgage institution. This study investigated the effect of goal setting and environment scanning on the operational efficiency of the Federal Mortgage Bank of Nigeria. Based on the Resource-Based View of the firm and the Balanced Scorecard performance measurement model, this study employed a quantitative research design with a cross-sectional survey approach. The primary data were obtained from 287 valid respondents identified out of the administrative census population of 352 Management and Professional staff using an online structured questionnaire administered to the entire population of the study. Hypotheses were tested using multiple regression analysis in SPSS version 27.0 with five regression diagnostic tests. The findings indicated that goal setting (β=0.241, $p < 0.001$) and environment scanning (β=0.206, $p < 0.001$) each had a statistically significant positive effect on operational efficiency, with these two dimensions accounting for 48.3 percent of the variance in operational efficiency respectively. Goal setting was the stronger predictor of operational efficiency. The study concluded that strategic planning had a significant positive influence on the operational efficiency of the Federal Mortgage Bank of Nigeria with goal clarity and mandate intention alignment being the most significant planning inputs and recommended that the Bank intensify participatory goal setting and extend competitor-oriented environment scanning to unlock the full operational efficiency benefits of these planning dimensions.

Keywords: Goal formulation, environmental scanning, operational efficiency, strategic planning, Federal Mortgage Bank of Nigeria, public financial institution, organisational performance

1. Introduction

Managing public financial institutions and other public sector organizations in Nigeria has gained prominence in policy and administrative discourse due to the increasing reliance on public institutions to drive national development. As Nigeria's developmental needs continue to expand, there is a growing expectation that publicly mandated institutions will deliver on their objectives more efficiently, effectively, and with greater accountability.

Nigeria's housing deficit remains one of the most severe socioeconomic problems facing Nigeria with its magnitude being estimated at a range of 14.9million and 28million housing units depending upon the methodology adopted (Nigeria Housing Market, 2026; Federal Mortgage Bank of Nigeria [FMBN], 2024). In this context, the Federal Mortgage Bank of Nigeria holds a relatively unique and consequential institutional position as the country's apex mortgage institution and through statute has the duty of making available long term credit facilities to mortgage institutions, and administering the National Housing Fund (NHF) Scheme for the Federal Ministry of the Federal Republic of Nigeria.

For over three decades prior to 2024, the FMBN failed to make a single operational surplus a clear indicator of direct internal governance, credit quality, process management and resourcing failures which constrained the capacity of the FMBN to efficiently deliver on its developmental mandate (Daily Trust, 2025; FMBN, 2024). Notably, after a new set of internally published and monitorable 5- Year Strategic Blueprint as well as the 7-Point Strategic Agenda in 2024, the Bank had an operational surplus of ₦11.58 billion as well as approvals to the tune of ₦71.5 billion almost of doubled the ₦39.7 billion it approved in 2023 (FMBN Media Relations, 2025; Nigeria Housing Market, 2025). The National Housing Fund collection also increased 3 per cent from ₦100 billion in 2023 to ₦103 billion (National Housing Fund collections, 2023 to 2024) and even a record breaking ₦152.4 billion (46per cent increase) in 2025 (Nairametrics, 2026). These data provide a natural experimental field in the search for the linkages between explicit strategic planning and institutional operational performance.

Strategic planning involves several inter-related dimensions, but perhaps two of them goal formulation and environmental scanning are the most basic formulation-stage inputs on which the quality of an institution's strategic direction and environmental adaptability rests. First, the goal formulation dimension offers institutional guidance that aligns organizational endeavors with mandate obligations. Also, the information-the guiding principle of the environmental scanning dimension affords the strategic knowledge base upon which adaptive and enlightened decision making is predicated (Bryson et al., 2021; David et al., 2020; Johnson et al., 2020). Together, these two planning dimensions are the foundations upon which effective strategy can be constructed; well-defined goals underpinned by trustworthy knowledge of the operating environment are a precondition for the operational efficiency outcomes that mandate-centered public organizations such as the FMBN should certainly optimize (Wheelen et al., 2020; Thompson et al., 2021).

Despite the increasing research interest on strategic planning in Nigerian financial institutions, however, there remain important gaps in the existing evidence. While the excellent work by both Eze and Okoye (2024) and Okeke and Ezeh (2022) on mortgage institutions concentrated on the relatively small private mortgage banks and did not specify the dimension of strategic planning studied, Odunayo and Victor (2025), Yusuf and Ibrahim (2024) concentrated on the public financial institutions with little or no reference to the peculiar institutional environment of the FMBN; little or no work has been done on the implications of goalsetting and environmental monitoring on the efficiency and effectiveness of the organization at the FMBN; this leaves a major lacuna in the theory and practice of policy formation with respect to the role of this important financial infrastructure institution in the overall picture of the nation's finance system.

This study therefore pursues two specific objectives: to assess the effect of goal formulation on operational efficiency at the Federal Mortgage Bank of Nigeria; and to examine the effect of

environmental scanning on operational efficiency at the Federal Mortgage Bank of Nigeria from January to March 2026. The remainder of this article is structured as follows: Section 2 presents the conceptual, theoretical, and empirical review of relevant literature; Section 3 describes the methodology; Section 4 presents and discusses the results; Section 5 offers conclusions and recommendations; and the reference list closes the article.

2. Literature Review

2.1 Conceptual Review

2.1.1 Strategic Planning

Strategic planning has been a dominant concept in the field of management for many years and as a result, various definitions relating to the strategic planning concept have emerged. In its simplest form, Steiner (2020) defines strategic planning as 'a systematic, formalised effort by an organisation to determine its basic missions, objectives, policies and strategies, and to develop action plans to implement policies and strategies to accomplish objectives.' A more comprehensive approach to define strategic planning, supported by David et al. (2020), describes strategic planning as 'the art and science of formulating, implementing, and evaluating cross-functional decisions that will enable an organisation to achieve its objectives'. According to Bryson (2021), strategic planning applies to public and nonprofit institutions as an 'enterprise discipline that applies to all organisations, not just business enterprise'. Bryson (2021) explains; the concept of strategic planning 'implies a disciplined effort to produce fundamental decisions and actions that shape and guide what an organisation is, what it does, and why it does it.' last, Thompson, Strickland, and Gamble (2021) define strategic planning as 'a managerial, decision-making process that produces managed social change over time'.

The multi-dimensionality of strategic planning as a construct is deeply entrenched in strategic management literatures, with the particular dimensions identified and empirically studied as the planning units most likely to provide institution-specific insights into the planning–performance link. Wheelen et al. (2020) define strategic planning as the process of establishing long-term objectives, selecting a course of action, and allocating resources to achieve the stated objectives, thus, explicitly identifying goal formulation and environmental scanning as two of the most significant elemental constituents of strategic planning. Ansoff's (Kabak et al., 2010; Gemino and Rigby, 2004) original strategic management model consulted by David et al. (2020) and Pearce and Robinson (2021) adheres to a stage-by-stage framework where environmental analysis and goal setting precede subsequent planning activities such as implementation and appraisal, hence the two afore-mentioned process steps can be identified as the pillars on which all other planning activities are built. In the context of Nigerian public financial institutions, Eze and Okoye (2024) and Odunayo and Victor (2025) noted that goal setting and environmental scanning constitute robustly theorised and empirically proven dimensions of strategic planning whose relative efficiency/quality is the most potent predictor of the institution's strategic direction and adaptability, hence the study's choice of them as its focus.

2.1.2 Goal Formulation

Goal formulation is considered the utmost basic process of strategic planning as "the intentional organisational activity" in which an institution determines its mission, vision and quantifiable strategic objectives to instruct everything else: managerial and operational endeavours alike. David

et al. (2020) defines it further as the way of "mustering strategic intentions", adding that "strategic planning is more likely to succeed if a closely reasoned set of goals is established against which strategy is then developed, resources allocated, and performance later judged". Bryson (2021) echoes the definition by how goal formation is usually a strategic planning exercise as 'a governance process that makes clear what an organisation exists to do". In the public sector, he says, one "needs to determine a shared set of priorities and reconcile the multitude of constituencies competing interests, statutory requirements, and resource constraints". Pearce and Robinson (2021) suggest that goal formulation involving various staff would bring internal support to the implementation of said institutional goals and strategic plans. Thompson et al. (2021) assures us that the more abstract, intangible goals are, the more likely strategy implementation and result evaluation will be fundamentally flawed.

Using data from the Nigerian institutional setting, Nnabuife and Ukachukwu (2023) have identified that the quality of goal setting dimension of planning is an especially powerful predictor of performance of public financial institutions operating in resource scarce and multi-stakeholder accountability environments. First, they show that the quality of goal setting is positively and statistically significantly correlated with the productivity of employees in Nigerian public sector institutions thereby providing some evidence that institutional goal setting within an environment of multiple accountabilities will cascade positively down to individual, even in the absence of political accountability. Second, they show through regression analysis that in Nigerian public sector institutions, goal setting quality is a statistically significant predictor of institutional performance with higher performing public sector institutions being those which articulate specific, stakeholder isomorphic, institutional goal statements. Furthermore, Eze and Okoye (2024) have established that goal clarity is the dimension of planning that differentiates higher and lower performing mortgage financial institutions in Nigeria thus contributing to the third reason why goal setting is an important planning dimension within the Nigeria institutional setting. Consequently, goal formulation in this research study connotes the systematic process by which the Federal Mortgage Bank of Nigeria (FMBN) articulates its mission, vision and measurable strategic intentions to generate from the articulated intentions strategic comparative advantage.

2.1.3 Environmental Scanning

Environmental scanning can be considered to be the formalised process whereby organisations collect and disseminate and assimilate data on their internal competencies and external business environment to accumulate data on which strategic decisions can be based and plans formulated. Johnson, Scholes and Whittington (2020) defined environmental scanning as the systematic monitoring and interpretation of signals from an organisation's political, economic, social, technological, legal and competitive environment, believing that the role of the information gained is to pre-empt threats and opportunities before they turn into operational performance shifts. Wheelen et al. (2020) described it as the continuous process of collecting, evaluating and distributing environmental information to the firm's key institutions believing that if the information collection process is value neutral, the process is considered timely and does not overload the system, and the results of the scanning process are used in strategic planning discussions, an environmental scan is beneficial.

From the resource-based viewpoint, For Barney and Hesterly (2021), environmental scanning is conceived from a resource-based view and is defined as the ability to scan the environment effectively, as it allows organizations to identify differences between their current resource

endowment and environmental demands, so that resource creation and distribution may be channeled to those areas of institutional capacity enhancement with the greatest strategic significance. From another angle, Mintzberg, Ahlstrand and Lampel (2021) recognized that a bad scan could cause information overload and confusion if there is no strong logic of analysis and no clear link to strategy, hence the need to narrow down the range of potential focuses through strategic filters of significance.

In the Nigerian institutional setting, it has been argued that environmental scanning is perhaps the most vital planning capability due to the emerging volatility and complexity surrounding the operational environment for public financial institutions. Evidence of the negative and positive implications of decisions about environment scanning structure was disclosed in Lawal and Ogueyungbo (2022). The research demonstrated that environmental scanning decisions embraced by Nigerian financial institutions had significant implications for the quality of strategic decision making and the subsequent organizational performance results such that, firms with more structured environmental scanning outperformed those with unstructured intelligence gathering practices.

Further, supported by similar Nigerian empirical context, the Chukwuma and Nwakoby (2023) results revealed, that among the dimensions of the construct of planning structure, environmental scanning intensity was the only predictor of institutional performance indicative of the lack of value of environmental intelligence as a strategic planning resource for Nigerian public institutions. Anwar and Abdullah (2021) contend that environmental scanning is an essential paralleling process that mediates the relationships between strategic intent and performance achievement by anchoring strategic plans to the realities of the environment rather than in managerial assumptions/ perceptions of those realities that can diverge sharply. In terms of the current project, the author views environmental scanning as the intentional and methodical activity of observing and interpreting the capacity conditions within the Federal Mortgage Bank of Nigeria as well as the latest developments in the operations environment namely, nation-wide regulatory reforms, housing market trends and population demographics in order to develop strategic intelligence; (a factor that impacts on planning and operational efficiency).

2.1.4 Organisational Performance

Performance of organisation is one of the most researched yet most debated concept within the field of management, with yet numerous diverse definitional views on the concept of performance; a reflection of the multi-dimensional and contextual essence of what constitutes an organisation's high performance (Kaplan & Norton, 2020). Kaplan and Norton (2020) define organisational performance as "the sum of the results of an institution's capacity to provide value to customers, efficiently execute internal processes, meet financial obligations and fund the learning and growth capacity of the organization", premising their Balanced Scorecard. Barney and Hesterly (2021) equate organisational performance to the extent to which an organisation is able to attain the goals for which it was established, claiming that this approach to defining organisational performance enables scientists to conceptualise both profit-driven and cause-driven institutions by recognizing performance measurement within the context of the organisation's mission.

Extending this context, Thompson et al. (2021) develop that the most reliable reliable indicators of organisational performance go beyond short-term profit levels and include measures of the competitive position of that organisation, operational capacity, stakeholder satisfaction, and the

sustainability of the organisation, all representing measures that may distinguish whether an organisation is truly thriving or is just profiting over a short term at the expense of sustainability. In the realm of development finance institutions and the public sector literature, Bryson (2021) suggests that performance measurement and contextualization in these institutions is inherently more complicated than in the private sector since these institutions have multiple and competing accountabilities to different principal actors (political, regulatory, clientele, societal).

Across the broad spectrum of performance indicators uncovered in the strategic management literature ranging from profit performance measures, such as profitability ratios and profits, to market performance measures, such as market share and competitive position; operational performance measures, such as efficiency and quality of service delivery and stakeholder performance measures, operational effectiveness has been widely chosen as the indicator of measure in studies on public financial institutions, because according to Eze & Okoye (2024), Olanipekun and Aina (2023) and Yusuf & Ibrahim (2025), it best reflects the process through which investment in strategic planning procedures engenders explicit institutional outputs.

2.1.5 Operational Efficiency

Operational efficiency in public financial institutions is conceptualised as the ability of an institution to carry out its defined financial functions at an optimal mix of service quality, process reliability, cost efficiency, and resource use with negligible waste or interruption from operational inefficiencies (Lawal & Ogueyungbo, 2022; Yusuf & Ibrahim, 2025). Kaplan and Norton (2020) see operational efficiency as the extent to which an organisation is able to produce its intended outputs at the best possible use of its existing input be it financial, human, technological or temporal in proportionate value maximised to the limits achievable for each unit of input employed, efficiency being thus not merely costing minimization but value maximization per unit of input expended. Thomson et al. (2021) view operational efficiency as the organization's ability to execute its fundamental operations with satisfaction, using any extraneous resources minimally, reliably, and with an acceptably consistent high quality, with the theory that sustained high operational efficiency in these facets is essential for sustained competitive edge and institutional resilience. For this study of public financial institutions in Nigeria, operational efficiency has been operationalised by six dimensions that mirror this institution's ability to deliver its public functions at adequate levels of speed, consistency of timeliness and accuracy, operational cost efficiency and resource use, process reliability, statutory compliance and output effectiveness (Yusuf & Ibrahim, 2025; Eze & Okoye, 2024). In the framework of this work, operational efficiency is operationalised as six dimensions: speed, quality of service delivery, resource use efficiency, process reliability, compliance efficacy and output effectiveness, matching this research's validated multi-critical operationalisation for Nigerian public financial institutions, and it is selected as proxy for institutional performance because it arguably measures the most crucial institutional results with the highest degree of objectivity.

2.2 Theoretical Review

2.2.1 Resource-Based View

The Resource-Based View (RBV) the content of strategic management theory holds that sustainable competition advantages and superior performance is derived from having and utilizing resources that are (Valuable, Rare, Inimitable and Non-Substitutable) (Barney & Hesterly, 2021). Applying the RBV to strategic planning within the context of public financial institutions, goal

formulation and environmental scanning are viewed as aspects of a higher-order institutional planning capability to be built by the FMBN and leveraged in order to produce outperformance in the delivery of the apex mortgage banking mandate through operational efficiency. Goal formulation capacity ensures the purposeful deployment of an institutions limited resources on strategically important initiatives by minimizing the waste of resources on marginal initiatives: the efficient allocation of resources in the short term is an important enabler of strategic success. Environmental scanning capacity ensures the institution's operational activities are consistent with a dynamic regulatory, economic and housing market environment: avoiding the costly strategic misalignments that result from decoupling institutional plans from the environment. The RBV provides the main theoretical rationale for the hypothesised positive direct effects of both strategic planning dimensions on operational efficiency.

2.2.2 Balanced Scorecard Framework

The performance measurement logic of the Balanced Scorecard (Kaplan and Norton, 2020) provides the theoretical framework that underpins the conceptualisation and operationalisation of organisational performance as operational efficiency in the present study. The internal business process perspective of this framework grounds the choice of operational efficiency as the study's measure of performance outcome, laying it out in a theoretically coherent causal chain from the strategic planning investments of the FMBN to its ability to deliver mortgage banking services at the right cost, the right quality, and continuously. The strategy map logic of the framework provides the theoretical rationale for the study's directional hypotheses, which hypothesise that goal setting (horizontal axis) and scanning of the environment (vertical axis) each positively and independently influences operational efficiency, in line with the Balanced Scorecard's underlying theory of change that investments in learning and growth capabilities (here, goal setting and environmental scanning competencies) lead to improved internal process performance outcomes.

2.3 Empirical Review

The body of empirical research on strategic planning and performance of Nigerian financial institutions has grown considerably. There are few, however, on the strategic planning–operational efficiency nexus, and none, until recently, on public mortgage institutions. Odunayo and Victor (2025) applied multiple regression models on a sample of 210 managers to the strategic planning–performance relationship of Nigerian public financial institutions. They found significant positive associations between goal formulation and institutional performance, with goal formulation being the strongest planning indicator, although they did not distinguish the environmental scanning dimension. Likewise, Yusuf and Ibrahim (2025) established significant positive strategic planning – efficiency link heavily influenced by the monitoring quality predictor, significant positive link between planning formation scope factors (goal clarity, etc.) and efficiency. The purposive sampling strategy limit generalizability of the finding. Finally, Eze and Okoye (2024) found a significant positive impact of goal setting on public mortgage institution performance with goal clarity as a main planning element factor. However, their study covered only private-sector mortgage banks, which are a very different type of organisation than the public mortgage institution sampled here.

Lawal and Ogueyungbo (2022) revealed that goal setting and environmental scanning significantly predicts operational performance in Nigerian banks and financial institutions respectively with both dimensions equally performing well with positive and significant path coefficients indicative of conceptual alignment with the parent study. The above studies constitute the broadest cross-

institutional validation for the immediate study central thesis that strategic planning predicts public sector performance in Nigeria. George, Walker and Monster (2021) and their meta- analytic review of 87 extant studies empirically validated strategic planning as a stable and consistent positive across a multitude of disciplines and contexts dimension of organizational performance. Mousa, Ali, and Gurler (2024) and their manufacturing sector study provide the empirical clarification for the study of the two-dimensional implementation strategy operationalisation above. The Nigerian public sectors further establish that environmental scanning appears to be the most important of the strategic planning dimensions for performance prediction (Chukwuma and Nwakoby, 2023). Likewise, Nwankwo and Osho (2021) further established quality of planning formulation as a highly significant predictor of institutions' performance in Nigerian banks.

Similarly, the empirical counter-evidence of Anwar and Abdullah (2021), who have exemplified over a sample of 144 managers that goal clarity and strategic integration are the prevalent processes by which strategic planning exerts the most significant performance effects (Planning performance benefits optimally when strategic goal formulation makes strategic sense for day-to-day decision-makers across the entire entity is maximized), while Habeeb and Eyupoglu (2024) and involving Nigerian higher education institutions, found strategic planning, especially goal formulation, to be a significant predictor of performance; likewise, further Nigerian financial institutions' findings of Olanipekun and Aina (2023) show the planning variable, namely goal formulation and environment intelligence, seem to be a significant predictor of the productivity of services (by far the most profitable component, the Balanced Scorecard-type of performance was used to measure efficiency). Nnabuife and Ukachukwu (2023) also showed how goal formulation quality is a significant predictor of employee productivity, and, finally, Garad et al. (2025), in addition, demonstrated that strategic planning processes based on goal formulation and systematic awareness of environment derived considerable efficiency enhancement.

3. Methodology

3.1 Research Design

This study employed a quantitative cross-sectional survey research approach, a method appropriate for studies making inferences about relationships between variables at a given point in time (McMillan & Schumacher, 2001). Specifically, data for the study were collected over a three-month period, from January to March 2026, thereby capturing respondents' views within a defined timeframe without the prolonged resource commitments associated with longitudinal research (Leedy & Ormrod, 2005).

3.2 Population, Sampling, and Data Collection

All management and professional staff of the Federal Mortgage Bank of Nigeria as at December 2015 constituted the target population, with five staff grades at the Bank's head office in Abuja and branch offices nationwide making up the accessible population, totaling 352: top management (n = 12), senior management (n = 28), middle management (n = 54), professional supervisory and staff (n = 89), and junior management and professional staff (n = 169). Due to the manageable size of the accessible population, the population was sampled in its entirety, with all 352 eligible staff injected into the study, thus, offering total certainty of sampling error and optimum representativeness, in line with management research methodology for populations numbering less than 500 (Hair et al., 2021; Anwar & Abdullah, 2021). Questionnaires were formatted as Google Form polls and sent via institutional email addresses, purchased with approval from the FMBN

Human Resources Department, established for each staff member. Out of 352 questionnaires issued, 315 were received, of which 287 passed quality control screening and were determined valid for analysis, translating into an 81.5 per cent usable response rate, comfortably exceeding the 50.0 per cent minimum deemed adequate for survey management research.

3.3 Measurement Instrument

Data were collected using a structured self-administered questionnaire consisting of 18 items on five-point Likert scale (1=Strongly Disagree to 5=Strongly Agree), for 3 (three) constructs: an independent variable (three research constructs), two dimensions of strategic planning, operational efficiency (OE) and an operational performance measure (FV). This instrument was subject to face validity and validity content validation by subject matter experts and construct validity by confirmatory factor analysis, using the suggested cut-off points (Hair et al, 2021), with all factor loadings above 0.50. Cronbach's Alpha from a pilot study (n=20 banking reporting and control managers) was 0.821 (in striving for row), 0.804 (environmental scanning, number of managerial cycles) and 0.847 (Operational efficiency). The instrument overall reliability was 0.851, ranging from 0.70 above (Nunnally, 1978; Hair et al, 2021). Common method bias was assessed using Harman's single factor test (Podsakoff et al, 2003). The explanatory factor analysis of all measurement items produced an unrotated factor solution in which the first factor explained 27.8% of the total variance. Since this value is below the recommended 50% threshold, common method bias is not considered a significant concern in the study. Furthermore, all measurement items exhibited factor loadings above the recommended cutoff value of 0.50 (Hair et al., 2021), indicating adequate construct validity.

3.4 Data Analysis Technique

The tests of hypotheses were conducted through SPSS 27.0 using multiple regression analysis, in line with the norms of using survey for strategic management performance in the Nigerian setting (Mousa et al. 2024; Sinnaiah et al. 2023). Five diagnostic tests on normality (Kolmogorov-Smirnov and Shapiro-Wilk), multicollinearity (Variance Inflation Factor and tolerance), homoscedasticity (Levene's test and scatter plots of residuals against predicted values), autocorrelation (Durbin-Watson), and linearity (partial regression plots) (Field 2013) were carried out before the estimation to ensure ordinary least squares (OLS) estimator assumptions. The five diagnostics tests showed that all assumptions were achieved (see Table 3). The hypothesis tests were conducted at the 5 per cent significance level. The regression model estimated was:

$$OE = \beta_0 + \beta_1 GF + \beta_2 ES + \varepsilon$$

where OE denotes Operational Efficiency, GF denotes Goal Formulation, ES denotes Environmental Scanning, and ε is the stochastic error term. A priori, both coefficients β_1 and β_2 are expected to be positive and statistically significant at the 5 per cent level, consistent with the theoretical propositions of the Resource-Based View and the Balanced Scorecard framework.

4. Results and Discussion

4.1 Descriptive Statistics of Focal Constructs

Table 1 presents the item-level descriptive statistics for the two strategic planning dimensions and operational efficiency. The interpretation rule applied is that a mean score from 1.00 to 2.49 denotes disagreement, 2.50 to 3.49 denotes indecision, and 3.50 to 5.00 denotes agreement.

Table 1: Descriptive Statistics for Focal Construct Items (n = 287)

Construct	Item	Description	Mean	SD
Goal Formulation	GF1	Clear definition and communication of strategic goals	4.04	0.78
	GF2	SMART goal characteristics	3.91	0.83
	GF3	Staff participation in goal formulation	3.42	1.04
	GF4	Alignment with housing finance mandate	4.21	0.72
	GF5	Regular review and update of goals	3.78	0.89
	GF6	Goal formulation guides daily decision-making	3.87	0.81
	Construct Mean		**3.87**	**0.85**
Environmental Scanning	ES1	Internal strengths and weaknesses assessment	3.69	0.87
	ES2	Monitoring of external opportunities and threats	3.72	0.84
	ES3	Integration of scanning findings into strategic plans	3.65	0.88
	ES4	Regulatory and housing policy tracking	4.12	0.74
	ES5	Competitor and industry trend monitoring	3.46	0.96
	ES6	Service delivery improvements from scanning	3.58	0.91
	Construct Mean		**3.70**	**0.87**
Operational Efficiency	OE1	Service delivery within timelines and quality standards	3.66	0.85
	OE2	Optimal resource utilisation with minimal waste	3.49	0.92
	OE3	Regular process review and improvement	3.72	0.82
	OE4	Achievement of NHF, loan and disbursement targets	3.58	0.88
	OE5	Digital tools and automation improve operational efficiency	3.94	0.79
	OE6	Overall operational efficiency in mandate fulfillment	3.71	0.84
	Construct Mean		**3.68**	**0.85**

Source: Field Survey (2026)

The descriptive statistics reveals several analytically meaningful trends. Goal Formulation occupies the higher construct mean (3.87) of the two strategic planning dimensions, with affording housing finance mandate integration (GF4: 4.21) and strategic goal articulation (GF1: 4.04) having the highest individual item mean scores within the entire dataset of the respondents, suggesting that the contextual and mandate alignment dimensions of goal formulation are most deeply institutionalized within the FMBN. Staff participation in goal formulation (GF3: 3.42), the lowest individual item mean within the entire dataset indicates the top-down orientation of goal setting in the Nigerian public sector institutions, and is consistent with findings from Bryson (2021), and Chukwuma and Nwakoby (2023). Environmental Scanning reports a construct mean score of 3.70, with regulatory and housing policy tracking (ES4: 4.12) yielding the highest individual item mean score, revealing that the FMBN has most deeply institutionalized systems for environment scanning in the regulatory and housing policy arena, with Competitor and industry trend monitoring (ES5: 3.46) falling within the indecision band in the Respondent‘s perception confirming a structural gap in market sensing institutions, akin to the gap across Nigerian public enterprises as observed by Nwachukwu and Nwakoby (2023). Operational Efficiency records a mean of 3.68, with digital tools and automation registering the strongest individual item score (OE5:3.94), confirming the effectiveness of ongoing investments in core banking platform modernisation, with resource utilisation with minimal waste (OE2:3.49) being the weakest individual institutional score.

4.2 Measurement Model Assessment

Table 2 presents the reliability and validity statistics for the three constructs central to this article.

Table 2: Construct Reliability and Validity Statistics

Construct	Items	Cronbach's α	CR	AVE	√AVE
Goal Formulation (GF)	6	0.821	0.867	0.522	0.722
Environmental Scanning (ES)	6	0.804	0.851	0.507	0.712
Operational Efficiency (OE)	6	0.847	0.889	0.571	0.756

Note: CR = Composite Reliability; AVE = Average Variance Extracted
Source: Author's Computation (2026)

Cronbach's Alpha and Composite Reliability are well above the 0.70 minimum for all three constructs indicating high internal reliability of each scale (Nunnally, 1978; Hair et al., 2021). Average Variance Extracted figures are above the 0.50 threshold for all constructs with Operational Efficiency providing the highest AVE score (0.571) and Environmental Scanning the lowest AVE (0.507) as expected given the moderate heterogeneity of the latter's set of scanning items across the operationalised dimensions of specific regulatory and competitive intelligence. Discriminant validity was evidenced by the Fornell-Larcker criterion whereby the AVE square root of each construct was higher than the correlation of each construct with all other constructs.

4.3 Regression Diagnostic Tests

Before estimating the multiple regression model, a series of 5 diagnostic tests were performed to ensure that standard assumptions regarding ordinary least squares estimation are not seriously breached. Table 3 summarizes the diagnostic test outcomes.

Table 3: Summary of Regression Diagnostic Tests

Diagnostic Test	Test Statistic	Threshold	Decision
Normality	K-S Sig. = 0.200; S-W Sig. = 0.118	> 0.05	Assumption met
Multicollinearity	VIF = 1.483 (GF); 1.483 (ES)	< 10	Assumption met
Homoscedasticity	Levene Sig. = 0.237	> 0.05	Assumption met
Autocorrelation	Durbin-Watson = 1.964	1.5 to 2.5	Assumption met
Linearity	Partial plots approximately linear	Visual	Assumption met

Source: Author's Computation (2026)

Table 3 shows fulfillment of all assumptions of OLS estimation, thus, Statistical justification for proceeding to the multiple regression analysis is established. Kolmogorov-Smirnov and Shapiro-Wilk tests confirm residuals are normally distributed (p>.05), VIF scores of 1.483 for each predictor confirm no damaging multicollinearity exists, Durbin-Watson score of 1.964 confirms no cause for concern, Levene's test (Sig. = 0.237) confirms no reason to be concerned about heteroscedasticity, and partial regression plots show linearity of each predictor with operational efficiency.

4.4 Model Summary

Table 4 presents the model summary statistics for the multiple regression model.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.697	0.486	0.480	0.47841

Predictors: (Constant), Goal Formulation, Environmental Scanning
Source: Author's Computation (2026)

As displayed in table 4, the multiple correlation coefficient (R) of 0.697 was statistically significant and suggested that a fairly strong positively relationship existed between the two strategic planning conceptual framework dimensions and operational efficiency. Also, the multiple determinants of coefficient of 0.486 suggested that 48.6 percent of the variance in operational efficiency at the Federal Mortgage Bank of Nigeria is jointly explained by goal formulation and environmental scanning. The adjusted R Square of 0.480 as was the case for model 1 above, should be used since there were two variables of predictors and it adjusted for the number of predictors in the model as well as to account for the potential overuse of the R Square statistic. The adjusted R-Square of 0.480 suggested that the derived model was hardly paring the model for a two variable of predictors in a cross-sectional survey study.

4.5 Analysis of Variance

Table 5 presents the Analysis of Variance (ANOVA) for the regression model.

Table 5: Analysis of Variance (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	62.543	2	31.272	136.617	0.000
Residual	65.981	284	0.229		
Total	128.524	286			

Dependent Variable: Operational Efficiency
Source: Author's (2026)

Table 5 lists an F value of 136.617, with a sig value of 0.000 ($p < 0.001$). This indicates the overall model is statistically significant, and that together, goal formulation and environmental scanning account for a statistically significant amount of variance in operational efficiency. The model is statistically significant compared to a null model with no predictor variables, which fully supports the use of multiple regression for hypothesis testing in this study.

4.6 Regression Coefficients and Test of Hypotheses

Table 6 presents the standardised and unstandardised regression coefficients for the two strategic planning dimensions, along with the hypothesis test decisions.

Table 6: Regression Coefficients and Hypothesis Test Results (n = 287)

Hypothesis	Path	B (Unstd.)	β (Std.)	Std. Error	t	Decision
(Constant)	—	0.681	—	0.211	3.227	—
H1	GF → OE	0.341	0.241	0.053	4.739*	Supported
H2	ES → OE	0.294	0.206	0.059	3.813*	Supported

Note: β = standardised coefficient; * $p < 0.001$. GF = Goal Formulation; ES = Environmental Scanning; OE = Operational Efficiency
Source: Author's Computation (2026)

Table 6 shows that both null hypotheses are rejected at 5 per cent level of significance, the estimated regression equation is OE=0.681+0.341GF+0.294ES. Both strategic planning dimensions have statistically significant positive influence on operational efficiency with goal formulation having larger standardised beta coefficient (β=0.241) than environmental scanning (β =0.206).

Hypothesis one of goal formulation has significant positive effects on operational efficiency is supported (β= 0.241, t = 4.739, $p < 0.001$). A positive and statistically significant coefficient illustrates that the FMBN's targeted effort to formulate strategic goals that are clear, mandate-aligned and measurable is similarly returning quantifiable operational efficiency awards via tightened resource allocation discipline and heightened strategic consistency. This finding corroborates Anwar and Abdullah (2021), who revealed goal clarity as the single most influential predictor of organisational performance, as well as the position taken by Eze and Okoye (2024), who put forward goal clarity as the pre-eminent planning difference between high- and low-performing Nigerian mortgage institutions, and by Nnabuife and Ukachukwu (2023), who concluded that goal formulation quality tells us much about a Nigerian public sector organisation's

employee productivity. The consistency of this significant outcome with the Resource-Based View of the firm is transparent: goal formulation capability is an institutional resource that enables the firm to direct limited resources toward high value targets thereby eroding waste in the form of opportunity cost and enhancing allocative efficiency (Barney & Hesterly, 2021; David et al., 2020). That the weakest dimension (staff participation in goal setting; GF3: 3.42) will not be providing the maximum operational efficiency pay-off, remains to be seen, as Pearce and Robinson (2021) comprise evidence of the substantially larger gains in commitment and strategic coherence wrought by participative goal-setting.

Hypothesis two is supported, that environmental scanning did not make a significant contribution to operational efficiency ($\beta = 0.206$, $t = 3.813$, $p < 0.001$). This confirms that the FMBN's active, continuous systemically administered scanning of its regulatory environment and housing market conditions, combined with its internal competence and capability audit, produce real operational efficiency penalty reductions only at the cost of operating primarily through the mechanism of adaptive strategic intelligence, which allows the bank to preadjust operational activity to responding contextual change and avoid the efficiency diminishing strategic misfit thereto (Johnson et al., 2020; Wheelen et al., 2020). This also supports finding by Lawal and Ogueyungbo (2022) that environmental scanning practices are statistically significant predictors of Nigerian financial institution operational performance, and Chukwuma and Nwakoby (2023) that environmental scanning intensity is the most important predictor dimension among planning dimensions in explaining Nigerian public enterprises' organisational performance. Anwar and Abdullah (2021) further support this result showing that environmental scanning is a key institutionalised process for anchoring the bank's strategic plans with the operating realities, rather than with the managerial assumptions which can diverge from operational realities quite markedly. The relatively lower mean score for competitor and market intelligence sensing (ES5: 3.46) indicates that the efficiency benefits of this dimension seem to be accrual to the regulatory and policy monitoring, but the efficiency premium of this dimension seems to be only partly unrealised due to the structural deficit of the market-oriented intelligence capability.

5. Conclusion and Recommendations

This paper investigated the influence of goal setting and environmental scanning on the performance of the Federal Mortgage Bank of Nigeria (FMBN). Based on RBV and BSC paradigm, utilizing multiple regression analysis with data collected from 287 valid responses of whole census population of management and professional workers in the headquarter and branch offices of the Bank, this study reaches two major findings that are of both theoretical and policy importance to Strategic planning in public financial institutions in Nigeria.

Firstly, goal formulation shows a statistically positive and significant impact on FBMN operational performance ($\beta = 0.241$, $p<0.001$), with this strategic planning element obviously responsible for the stated operational rewards via improved resource allocation discipline and better institutional unity. Although goal formulation is more significant than its other component, the relatively stronger effect compared with result measurement suggests that the operational performance of financial public sector institutions is more highly associated with having well strategically defined, mandate consistent, performance measurable goals. Furthermore, staff participatory goal setting (GF3: 3.42) as the weakest sub dimension points to the fact that the realised efficiency

improvements which are conferred upon this strategic planning element in institutional settings still leave room for efficiency improvement; thus, in reality, even more gains may be derived through a participative, consensually achieved of a fully elaborated and participative goal formulation process. This finding is in synch with the research of Anwar and Abdullah (2021), Eze and Okoye (2024), and Bryson (2021) corroboratively affirming goal clarity, participative formulation and strategic planning effectiveness as the backbone of institutional strategic planning in public financial institutions.

Secondly, statistically significant and positive impact of environmental scanning ($\beta = 0.206$, $p < 0.001$) gives operational credence to the benefits of systematic intelligence on the regulatory, economic and housing environment within which the FMBN operates. Notwithstanding, the subscales score on competitor and industry trend monitoring (ES5: 3.46) within the indecision band confirms the Bank's scanning focus is putatively misplaced on regulatory compliance monitoring as against strategic market intelligence, hence, the inherent efficiency premium from this planning dimension is yet to be accrued. Such conclusion corroborates Lawal and Ogueyungbo (2022) and Chukwuma and Nwakoby (2023) who equally argue the quality and scope of environmental scanning distinguishes institutional performers in the Nigerian public sector.

Drawing from this finding, this paper makes the following recommendations for the Federal Mortgage Bank of Nigeria and for the governance of Nigerian public financial institutions in general.

1. The Bank should institutionalise consultative goal-setting cascades that draw structured inputs from staff across all cadres before strategic goals are finalised, thereby broadening goal ownership and enhancing the operational coherence and motivational alignment of planning at every institutional level. Also, the Bank should establish a formal participatory review mechanism through which middle and junior management staff periodically contribute to the revision and validation of strategic objectives, thereby addressing the weakness in staff participation identified in this study and strengthening the operational efficiency premium of goal formulation.
2. The Bank should expand its environmental scanning architecture to systematically incorporate competitor benchmarking and housing finance market intelligence alongside its established regulatory monitoring, thereby generating the broader strategic intelligence base necessary for more adaptive and competitively informed operational decisions. Further, the Bank should designate dedicated scanning responsibilities within its Strategy and Performance Management Department to track industry trends and peer institution developments on a structured periodic basis, thereby closing the market intelligence gap identified in this study and ensuring that environmental scanning generates operational efficiency benefits beyond compliance-driven regulatory tracking.

Future research should employ longitudinal panel data designs to establish the causal direction of the strategic planning–operational efficiency relationship, complement survey-based perceptual measures with objective performance metrics drawn from FMBN annual reports and NHF administrative records, and examine whether governance quality, leadership style, and digital transformation maturity moderate the efficiency returns from goal formulation and environmental scanning in the Nigerian public financial institution context.

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